



KATHLEEN CONNELL
Controller of the State of California

May 17, 2000

**To the Citizens, Governor, and Members
of the Legislature of the State of California:**

I am pleased to present the eighty-eighth edition of the *Cities Annual Report*. This report is a compilation of the most recent financial data pertinent to the operation of California's city governments; it presents the costs of providing an array of valuable public services, as well as the means by which those services are financed.

The information in this document was extracted from reports prepared by the officers of all 471 cities in California. Although my staff has made considerable effort to review the presented information for accuracy, it should be noted that the data are compiled from unaudited city reports submitted to the California State Controller's Office.

It is my hope that the readers of this publication will find the information to be useful in their efforts to better understand cities' finances. Through increased understanding of how tax dollars are currently managed, we are better able to make informed decisions about the way we would like to see those dollars used. Without that knowledge, it is sometimes difficult to assist in making positive, prudent changes in our governing system a right that belongs to every citizen of this state.

I would like to thank those city and state government employees who assisted in providing my office with this information in a timely manner. I would also like to thank those California taxpayers who are taking the time to review this report in order to more effectively participate in the decision-making process.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Connell".

KATHLEEN CONNELL
California State Controller

Contents

INTRODUCTION	iii
Use of the Publication.....	iii
City Revenues	vi
City Expenditures.....	xx
Outstanding Long-Term Indebtedness.....	xxviii
City Assessed Valuation, Taxes Allocated, and Taxes Levied.....	xxxii
City Appropriations Limits and Total Annual Appropriations Subject to the Limit	xxxiii
Cities that Failed to File	xxxiii
City Incorporation.....	xxxiii

FINANCIAL SECTION

Table 1.	Alphabetical List of Cities, Population Group, Population Data, and Location by County and Class	1
Table 2.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (under 10,000).....	4
Table 3.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (10,000 to 25,000).....	132
Table 4.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (25,001 to 50,000).....	234
Table 5.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (50,001 to 100,000).....	338
Table 6.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (100,001 to 250,000).....	424
Table 7.	Classification of City Revenues and Expenditures (1997-98), Assessed Valuation and Property Taxes Allocated and Levied (1998-99) for Population Group (over 250,000), includes San Francisco and State Totals.....	472
Table 8.	Outstanding Long-Term Indebtedness for Population Group (under 10,000).....	488

Table 9. Outstanding Long-Term Indebtedness for Population Group (10,000 to 25,000).....	502
Table 10. Outstanding Long-Term Indebtedness for Population Group (25,001 to 50,000).....	515
Table 11. Outstanding Long-Term Indebtedness for Population Group (50,001 to 100,000).....	531
Table 12. Outstanding Long-Term Indebtedness for Population Group (100,001 to 250,000).....	545
Table 13. Outstanding Long-Term Indebtedness for Population Group (over 250,000), includes San Francisco and State Totals	555
Table 14. Alphabetical List of Cities' Appropriations Limits and Total Annual Appropriations Subject to the Limit as of the Fiscal Year Ending June 30, 1998.....	562

SUPPLEMENTAL INFORMATION

Appendix A — Definitions	567
Appendix B — Notes to Tables	569
State Controller's Office Publication List.....	580
Acknowledgements	581

Introduction

Government Code Section 12463 directs the California State Controller to annually compile and report to the public the financial transactions of California's cities. This *Cities Annual Report* presents financial transactions for the period of July 1, 1997, to June 30, 1998, for the 471 cities that were officially recognized during this time.

All data presented within this report were compiled from Annual Financial Transactions Reports submitted by the individual cities. These reports were, for the most part, unaudited. However, the information contained herein can still be useful to those interested in the financial transactions of individual cities, as well as to those who wish to understand trends and comparisons between various city governments' spending of taxpayer dollars.

This publication does not follow Government Accounting Standards Board (GASB) Statement No. 14 regarding the blending of component units. Some cities have special districts for which the city council acts as the board of directors. GASB Statement No. 14 requires that those entities be combined in the financial report. City-governed districts are excluded from this publication because of Government Code Section 12463.1; they are instead reported in the *Special Districts Annual Report* published by the California State Controller's Office.

The cities have been grouped by population to facilitate the comparison of cities with similar populations. Cities lack a prescribed uniform system of accounting. Therefore, readers should be cautious when making comparisons, as the components of an item of data may not necessarily be the same for all cities.

Use of the Publication

This publication provides statistical data on revenues, expenditures, long-term indebtedness, appropriation limits, and total annual appropriations subject to the limit.

Table 1 presents an alphabetical listing of cities, their respective population group, and county location. Also listed are the cities' estimated populations as of June 30, 1998, the 1990 federal census figures, and the type of government — Chartered or General Law — under which each city operates.

In order to find data pertaining to a particular city, locate the city and corresponding population group by referring to Table 1.

Please note that due to population changes, cities may be reclassified from one population group to another in subsequent editions of this report. After determining a city's population group classification, the city's revenues, expenditures, and long-term indebtedness can be located on the appropriate table by referring to the complete listing on the Contents page.

Tables 2 through 7 include city revenues, categorized as functional or general revenues. Functional revenues are revenues that are either generated from direct services or associated with a specific service such as grant conditions or statutory requirements; general revenues are revenues that cannot be associated with a specific service.

It should be noted that revenues from general government and city-owned enterprises are consolidated within these tables. Total revenues do not reflect special assessment funds (including those authorized by the Improvement Acts of 1911 and 1915, and others), internal service funds, pension trusts, or agency transactions.

Tables 2 through 7 also include expenditures from general government and city-owned enterprise activities. Expenditures presented in these tables are composed of operating expenditures and capital outlay. Operating expenditures include debt service and exclude depreciation expense from enterprise funds.

Tables 8 through 13 reflect government financing from outstanding long-term indebtedness as of June 30, 1998. Additional information on bonded indebtedness, future lease payments, financing obligations provided by federal and state agencies, and special assessment acts are shown for each city. Debt retired during the reporting period is also included in these tables.

A population group summary is presented at the end of Tables 2 through 13. The summary includes the total number of cities within the group, the total revenues and expenditures, and a summary of revenues and expenditures as a percent of the state total (excluding the City and County of San Francisco) for each population group.

Table 14 presents appropriation limits and total annual appropriations subject to the limit as of June 30, 1998, for all cities in California, including the City and County of San Francisco. This information is unaudited and is presented as submitted to the California State Controller's Office.

The City and County of San Francisco is not included in any population group classification. Due to its unique status as both a city and a county entity, the City and County of San Francisco does not lend itself to comparison with other cities. Data regarding San Francisco are shown at the end of the revenue and expenditure data in Table 7. State totals for Tables 7 and 13 are shown exclusive and inclusive of the City and County of San Francisco.

Additional financial data regarding the City and County of San Francisco can be found in the *Counties Annual Report* published by the California State Controller's Office.

City Revenues

Figure 1 depicts city revenues, presented as functional and general. Functional revenues are defined as those revenues that can be associated with and allocated to one or more expenditure functions and meet one of the following criteria: 1) The revenue is generated in the form of fees and charges for direct services; or 2) The revenue is associated with a specific service tied to external requirements of such things as grants, bond or sale agreements, and statutory or charter requirements. General revenues are defined as revenues that cannot be associated with a specific expenditure. Examples are property taxes (other than voter-approved indebtedness), sales taxes, and business license taxes.

For the fiscal year ended June 30, 1998, total revenues generated from general government and city-owned enterprises amounted to \$30.9 billion, an increase of \$161.7 million (0.53%) over the prior year. Of the aggregate city revenues, functional revenues amounted to \$20.0 billion (64.76%), a decrease of 2.12% from the prior year, and general revenues amounted to \$10.9 billion (35.24%), an increase of 5.78% over the prior year.

Electric activities, at \$3.6 billion (18.13%) of total functional revenues, generated the largest single source of functional revenues and 11.74% of the aggregate city revenues. Electric activity revenues increased by \$217.2 million (6.37%) over the prior year.

Sales and Use taxes, at \$3.0 billion (27.78%) of total general revenues, provided the largest source of general revenues and 9.79% of the aggregate city revenues. The increase in sales and use tax revenues amounted to \$211.6 million (7.52%) over the prior year.

Figure 2 depicts total revenues by source. The taxes and current service charges categories are further detailed in Figures 3 and 4.

Figure 1**Revenues by Source and Percent of Total**

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Sources	Functional Revenues	Percent of Total Functional Revenues	General Revenues	Percent of Total General Revenues	Total Revenues ^{1,2}	Percent of Total Revenues
Taxes						
Property	\$ —	— %	\$ 2,007,849	18.45 %	\$ 2,007,849	6.50 %
Voter-Approved Indebtedness	207,738	1.04	—	—	207,738	0.67
Sales and Use.....	—	—	3,024,533	27.78	3,024,533	9.79
Transportation.....	444,264	2.22	—	—	444,264	1.44
Business License.....	—	—	676,655	6.22	676,655	2.19
Utility Users.....	—	—	1,234,236	11.34	1,234,236	4.00
Other	298,666	1.49	1,644,334	15.11	1,943,000	6.29
Total Taxes	950,668	4.75	8,587,607	78.90	9,538,275	30.88
Special Benefit Assessments	419,490	2.10	—	—	419,490	1.36
Licenses and Permits	393,800	1.97	20,963	0.19	414,763	1.34
Fines and Forfeitures	117,085	0.59	171,774	1.58	288,859	0.94
Revenues From Use of Money and Property.....	916,872	4.58	585,054	5.38	1,501,926	4.86
Intergovernmental Agencies						
State.....	994,775	4.97	1,135,537	10.43	2,130,312	6.89
Federal.....	1,442,607	7.21	—	—	1,442,607	4.67
County and Other.....	219,256	1.10	89,061	0.82	308,317	1.00
Total Intergovernmental Agencies	2,656,638	13.28	1,224,598	11.25	3,881,236	12.56
Current Service Charges						
Sewer Service Charges						
And Connection Fees	1,747,564	8.74	—	—	1,747,564	5.66
Solid Waste.....	959,767	4.80	—	—	959,767	3.11
Park and Recreation Fees.....	252,644	1.26	—	—	252,644	0.82
Water Service Charges						
And Connection Fees	2,074,392	10.37	—	—	2,074,392	6.72
Electric	3,628,449	18.13	—	—	3,628,449	11.74
Airport	648,121	3.24	—	—	648,121	2.10
Ports and Harbors.....	494,189	2.47	—	—	494,189	1.60
Quasi-External Transactions.....	566,131	2.83	—	—	566,131	1.83
Other.....	2,056,548	10.28	—	—	2,056,548	6.66
Total Current Service Charges	12,427,805	62.12	—	—	12,427,805	40.24
Other Revenues	830,600	4.15	294,031	2.70	1,124,631	3.64
Other Financing Sources						
Sale of Bonds	696,024	3.48	—	—	696,024	2.25
Notes and Other.....	596,316	2.98	—	—	596,316	1.93
Total Other Financing Sources	1,292,340	6.46	—	—	1,292,340	4.18
Grand Total.....	\$ 20,005,298	100.00 %	\$ 10,884,027	100.00 %	\$ 30,889,325	100.00 %

¹ Revenues do not include operating transfers, pension trust and agency funds, and internal service fund transactions.

² Revenues from general government and city-owned enterprise activities are included.

Figure 2

Total Revenues by Source
(Excluding the City and County of San Francisco)

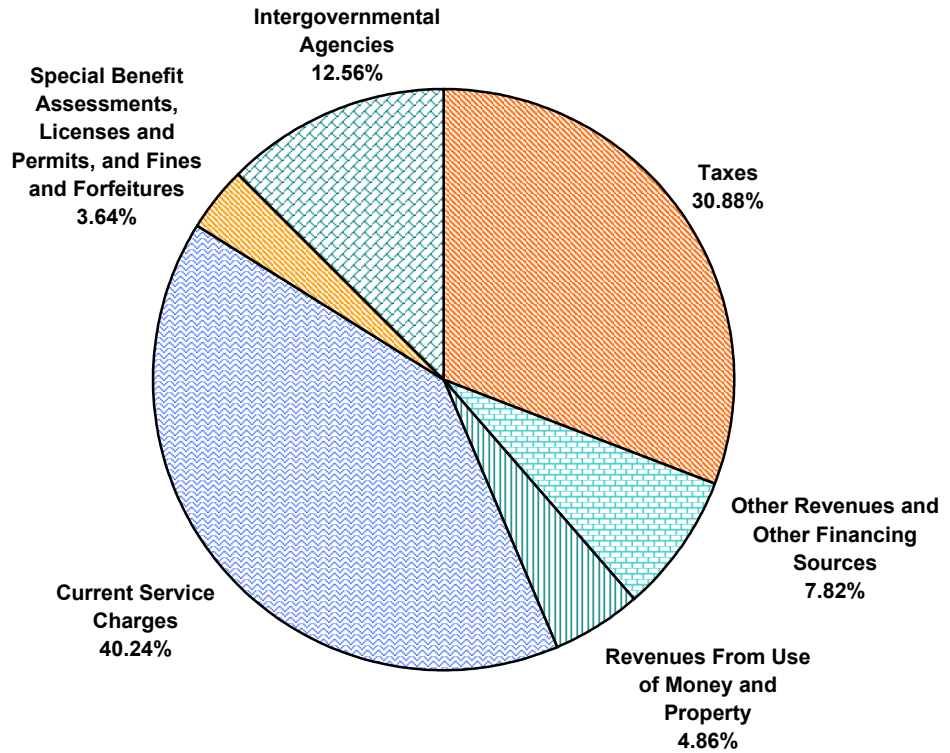


Figure 3

Total Taxes by Source
(Excluding the City and County of San Francisco)

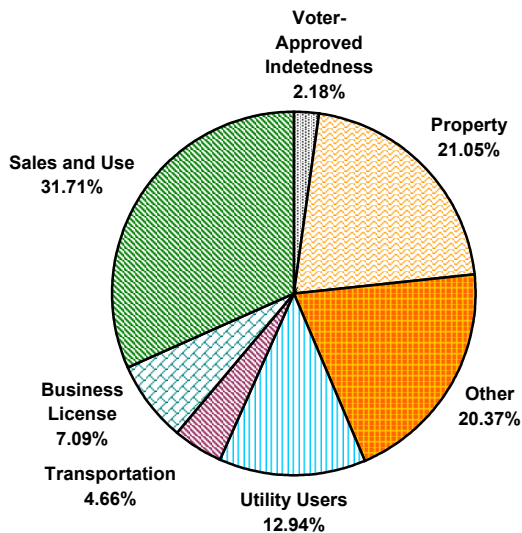
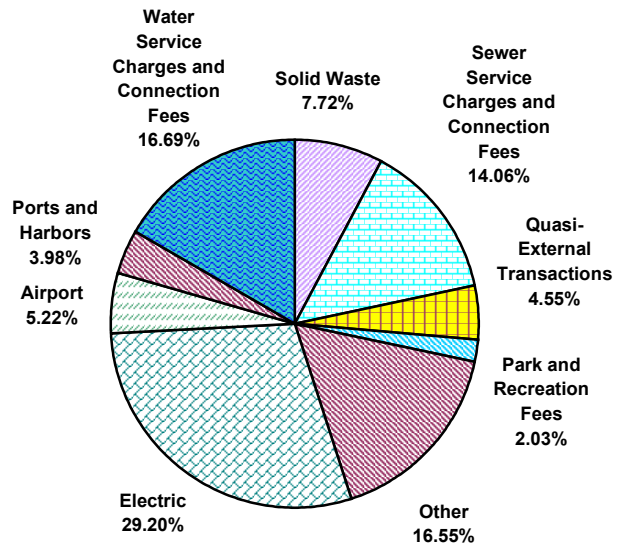


Figure 4

Total Current Service Charges by Source
(Excluding the City and County of San Francisco)



Property Taxes and Voter-Approved Indebtedness

Property taxes, which include secured, unsecured, supplemental roll, and any ad valorem taxes levied above the 1% rate, accounted for \$2.2 billion (7.17%) of the aggregate city revenues. This represents a 6.26% increase over the prior year. Generally, secured and unsecured property taxes are not restrictive in their use, except for levies in excess of 1%. These levies are restricted for payment of voter-approved debt approved prior to July 1, 1978, or after July 1, 1986. See Figure 5 for a 10-year comparison.

Figure 5

Property Taxes and Voter-Approved Indebtedness

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Property Taxes	Percentage Increase (Decrease)	Voter-Approved Indebtedness	Percentage Increase (Decrease)	Total	Percentage Increase (Decrease)	Percent of Total Revenues
		From Prior Year		From Prior Year		From Prior Year	
1988-89	\$ 1,654,573	11.24 %	\$ 105,548	(1.90) %	\$ 1,760,121	10.35 %	9.18 %
1989-90	1,846,323	11.59	122,772	16.32	1,969,095	11.87	9.31
1990-91	2,013,660	9.06	132,829	8.19	2,146,489	9.01	9.55
1991-92	2,141,804	6.36	144,658	8.91	2,286,462	6.52	9.64
1992-93	2,034,999	(4.99)	144,428	(0.16)	2,179,427	(4.68) ¹	8.78
1993-94	1,827,873	(10.18)	164,732	14.06	1,992,605	(8.57) ¹	7.84
1994-95	1,836,510	0.47	176,004	6.84	2,012,514	1.00	7.64
1995-96	1,884,736	2.63	197,746	12.35	2,082,482	3.48	7.38
1996-97	1,885,957	0.06	199,078	0.67	2,085,035	0.12	6.79
1997-98	2,007,849	6.46	207,738	4.35	2,215,587	6.26	7.17

¹ Legislation enacted in 1992 began shifting property tax revenues from local governments to school districts, reducing these revenues to cities.

Sales and Use Taxes and Transportation Tax

The statewide sales and use tax rate is 7.25%. Revenues from this tax are allocated as follows: 5.00% goes to the State; 1.00% is shared by the cities and counties; 0.50% goes to cities and counties for the “Public Safety Fund” to be used for police, fire, and other public safety operations; 0.50% is allocated to the state’s “Local Revenue Fund,” which is currently being used for various health and social service programs; and 0.25% may be allocated to cities and counties in the form of transportation tax monies from the State.

An additional amount of sales tax, up to 1.50% above the statewide 7.25% rate, can be levied on a county-wide basis, primarily for transportation-related purposes. Twenty-four of the 58 counties levy an additional tax.

The cities’ share of the sales and use taxes on retail sales and other taxable transactions within the incorporated area amounted to \$3.0 billion (9.79%) of the aggregate city revenues, an increase of \$211.6 million (7.52%) over the prior year. The portion representing the transportation tax amounted to \$444.3 million (1.44%) of the aggregate city revenues, a decrease of \$6.9 million (1.53%) from the prior year. See Figure 6 for a 10-year comparison.

The \$3.5 billion reported by cities from sales and use taxes and the transportation tax constituted 11.23% of the aggregate city revenues, a 6.27% increase over the prior year.

Figure 6

Sales and Use Taxes and Transportation Tax

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Sales and Use Taxes	Percentage Increase (Decrease) From Prior Year	Transportation Tax	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year	Percent of Total Revenues
1988-89	\$ 2,210,603	7.91 %	\$ 207,633	17.22 %	\$ 2,418,236	8.65 %	12.62 %
1989-90	2,390,524	8.14	261,304	25.85	2,651,828	9.66	12.53
1990-91	2,420,585	1.26	295,873	13.23	2,716,458	2.44	12.09
1991-92	2,317,703	(4.25)	330,567	11.73	2,648,270	(2.51)	11.16
1992-93	2,378,322	2.62	409,203	23.79	2,787,525	5.26	11.23
1993-94	2,419,035	1.71	377,441	(7.76)	2,796,476	0.32	11.01
1994-95	2,516,034	4.01	456,520	20.95	2,972,554	6.30	11.28
1995-96	2,697,273	7.20	428,038	(6.24)	3,125,311	5.14	11.07
1996-97	2,812,983	4.29	451,185	5.41	3,264,168	4.44	10.62
1997-98	3,024,533	7.52	444,264	(1.53)	3,468,797	6.27	11.23

Business License and Utility Users Taxes

California cities received \$676.7 million from business license taxes, a 3.28% increase over the prior year. These revenues are generated from business license ordinances based on flat-rate charges, as well as those based on the number of employees, receipts, sales, or quantity of product produced.

Another revenue source is the utility users tax, which is a tax levied on public utilities. This revenue amounted to \$1.2 billion, a 3.15% increase over the prior year. Generally, these revenues are unrestrictive as to their use. See Figure 7 for a 10-year comparison.

Figure 7

Business License and Utility Users Taxes

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Business License Tax	Percentage Increase (Decrease) From Prior Year	Utility Users Tax	Percentage Increase Over Prior Year	Total	Percentage Increase Over Prior Year
1988-89	\$ 471,529	8.05 %	\$ 752,610	9.48 %	\$ 1,224,139	8.93 %
1989-90	509,852	8.13	792,869	5.35	1,302,721	6.42
1990-91	561,720	10.17	857,677	8.17	1,419,397	8.96
1991-92	559,456	(0.40) ¹	933,782	8.87	1,493,238	5.20
1992-93	599,410	7.14	996,227	6.69	1,595,637	6.86
1993-94	600,789	0.23 ¹	1,088,516	9.26	1,689,305	5.87
1994-95	613,162	2.06	1,127,015	3.54	1,740,177	3.01
1995-96	637,370	3.95	1,151,353	2.16	1,788,723	2.79
1996-97	655,195	2.80	1,196,550	3.93	1,851,745	3.52
1997-98	676,655	3.28	1,234,236	3.15	1,910,891	3.19

¹ City of Los Angeles' Business License Tax decreased \$27 million and \$6 million in the 1991-92 and 1993-94 fiscal years, due to the damage to, and destruction of, many commercial and retail businesses caused by civil unrest and the Northridge earthquake, respectively.

Other Taxes

Revenues from prior year property taxes, other property taxes, interest, penalties and delinquent taxes, transient lodging, property transfers, franchises, and other non-property taxes amounted to \$1.9 billion (6.29%) of the aggregate city revenues, an increase of \$218 million (12.64%) over the prior year. Transient Lodging taxes generated the largest single source of revenue from other taxes, totaling \$659.5 million, an increase of \$70.7 million (12.00%) over the prior year. See Figure 8 for a 10-year comparison.

Figure 8

Other Taxes

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Year	Transient Lodging Taxes	Percentage Increase Over Prior Year	Franchises	Percentage Increase (Decrease) From Prior Year	Other	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 353,199	17.48 %	\$ 234,280	7.14 %	\$ 585,788	23.63 %	\$ 1,173,267	18.14 %
1989-90	376,771	6.67	264,786	13.02	573,049	(2.17)	1,214,606	3.52
1990-91	397,539	5.51	296,076	11.82	487,987	(14.84)	1,181,602	(2.72)
1991-92	409,741	3.07	329,876	11.42	553,796	13.49	1,293,413	9.46
1992-93	417,837	1.98	381,062	15.52 ¹	520,749	(5.97)	1,319,648	2.03
1993-94	445,967	6.73	376,749	(1.13)	614,645	18.03	1,437,361	8.92
1994-95	475,008	6.51	395,507	4.98	586,639	(4.56)	1,457,154	1.38
1995-96	527,013	10.95	395,498	0.00	609,077	3.82	1,531,588	5.11
1996-97	588,857	11.73	428,676	8.39	707,417	16.15	1,724,950	12.62
1997-98	659,508	12.00	470,929	9.86	812,563	14.86	1,943,000	12.64

¹ Increase in tax revenues on franchises was due to receipt of revenues in settlement of a lawsuit in favor of the City of Los Angeles.

Special Benefit Assessments, Licenses and Permits, and Fines and Forfeitures

Special benefit assessments for operations (e.g., fire, paramedics, police, street lighting, and other) totaled \$419.5 million (1.36%) of the aggregate city revenues, a decrease of \$23.9 million (5.39%) from the prior year.

Fees from licenses (exclusive of business license taxes) and permits (e.g., animal, bicycle, construction, streets, curbs, and other) amounted to \$414.8 million (1.34%) of the aggregate city revenues, an increase of \$55.4 million (15.41%) over the prior year.

Fines and forfeitures (e.g., vehicle code fines and other fines and forfeitures) amounted to \$288.9 million (0.94%) of the aggregate city revenues, an increase of \$10.6 million (3.82%) over the prior year. See Figure 9 for a 10-year comparison.

Figure 9

Special Benefit Assessments, Licenses and Permits, and Fines and Forfeitures

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Special Benefit Assessments	Percentage Increase (Decrease) From Prior Year	Licenses and Permits	Percentage Increase (Decrease) From Prior Year	Fines and Forfeitures	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 79,025	(19.69)%	\$ 314,932	17.11 %	\$ 282,720	8.24 %	\$ 676,677	7.66 %
1989-90	151,774	92.06	334,679	6.27	292,022	3.29	778,475	15.04
1990-91	198,501	30.79	300,393	(10.24)	317,199	8.62	816,093	4.83
1991-92	279,267	40.69	298,830	(0.52)	256,263	(19.21) ¹	834,360	2.24
1992-93	304,065	8.88	282,153	(5.58)	238,757	(6.83)	824,975	(1.12)
1993-94	338,153	11.21	287,152	1.77	253,669	6.25 ²	878,974	6.55
1994-95	336,694	(0.43)	296,935	3.41	269,610	6.28	903,239	2.76
1995-96	401,378	19.21 ³	334,632	12.70	269,101	(0.19)	1,005,111	11.28
1996-97	443,395	10.47	359,384	7.40	278,239	3.40	1,081,018	7.55
1997-98	419,490	(5.39) ⁴	414,763	15.41	288,859	3.82	1,123,112	3.89

¹ Decrease in Fines and Forfeitures is a result of AB544, Chapter 189, Statutes of 1991, which changed the allocation of vehicle code fines.

² Increase in Fines and Forfeitures is a result of AB408, Chapter 1244, Statutes of 1992, which changed the allocation of parking fines.

³ Increase in Special Benefit Assessments was due primarily to \$12.4 million in additional lighting and landscaping assessments and \$16.7 million for new police special benefit assessments by the cities of Antioch and Los Angeles, respectively.

⁴ Decrease in Special Benefit Assessments was mainly due to a reduction of \$8.0 million and \$5.8 million in lighting assessments by the cities of San Diego and Antioch, respectively.

Revenues from Use of Money and Property

Revenues from investment earnings, rents, concessions, royalties, and other amounted to \$1.5 billion (4.86%) of the aggregate city revenues. Of the \$1.5 billion, investment earnings provided the largest single source of revenue, at \$1.3 billion. This was an increase of \$168.1 million (15.23%) over the prior year. See Figure 10 for a 10-year comparison.

Figure 10**Revenues from Use of Money and Property**

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Investment Earnings	Percentage Increase (Decrease) From Prior Year	Rents and Concessions, Royalties, and Other	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 943,692	23.97 %	\$ 133,742	(12.75) %	\$ 1,077,434	17.81 %
1989-90	1,100,314	16.60	163,985	22.61	1,264,299	17.34
1990-91	1,161,313	5.54	167,760	2.30	1,329,073	5.12
1991-92	1,062,863	(8.48) ¹	217,960	29.92 ²	1,280,823	(3.63)
1992-93	903,810	(14.96) ¹	191,061	(12.34)	1,094,871	(14.52)
1993-94	838,052	(7.28) ¹	168,867	(11.62) ³	1,006,919	(8.03)
1994-95	932,805	11.31	171,650	1.65	1,104,455	9.69
1995-96	1,096,825	17.58 ⁴	202,448	17.94	1,299,273	17.64
1996-97	1,103,901	0.65	226,583	11.92	1,330,484	2.40
1997-98	1,271,992	15.23	229,934	1.48	1,501,926	12.89

¹ Decrease in Investment Earnings was a result of a general decline in the investment earnings rate.

² Increase in Royalties and Other revenues was due to receipt of an antitrust settlement in favor of the City of Long Beach.

³ Decrease in Rents and Concessions revenues was due to modified internal accounting procedures by the City of Oakland.

⁴ Increase in Investment Earnings was mainly due to a reclassification of \$43 million interest from the Community Redevelopment Agency to the City of Industry.

Intergovernmental Agencies

As indicated in Figure 11, revenues from Intergovernmental Agencies (e.g., state, county, federal, and other taxes in lieu) amounted to \$3.9 billion (12.56%) of the aggregate city revenues. This was a decrease of \$48.3 million (1.23%) from the prior year. See Figures 12 and 13 for a 10-year comparison.

State

Shared revenues and grants from the State amounted to \$2.1 billion (6.89%) of the aggregate city revenues, an increase of \$31.3 million (1.49%) over the prior year. Such shared revenues are usually not restricted to any particular use, except for the state gasoline tax. The Gasoline Tax is restricted in its use for the construction, maintenance, engineering, and administrative costs of streets, roads, and highways. The "Other State Grants" such as Public Safety taxes, Library Grants, and Park Grants are also specifically restricted in their use.

County

County grants of state gasoline tax and other county grants provided \$204 million (0.66%) of the aggregate city revenues. This was an increase of \$56.9 million (38.65%) over the prior year.

Federal

Federal revenues, such as community development block grants, Federal Aid Urban, and Federal Emergency Management Act grants, amounted to \$1.4 billion (4.67%) of the aggregate city revenues. This was a decrease of \$84.6 million (5.54%) from the prior year.

Other Taxes In Lieu

Revenues from other public agencies and enterprise operations in lieu of property taxes amounted to \$104.3 million (0.34%) of the aggregate city revenues, a decrease of \$51.8 million (33.2%) from the prior year.

Figure 11

Revenues From Intergovernmental Agencies

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Intergovernmental Agencies	1996-97	Percent of Total Revenues	1997-98	Percent of Total Revenues	Percentage Increase (Decrease) From Prior Year
State Grants					
Motor Vehicle In Lieu Tax	\$ 997,672	3.24 %	\$ 1,082,219	3.50 %	8.47 %
Homeowners Property Tax Relief	45,329	0.15	44,418	0.14	(2.01)
Gasoline Tax	466,354	1.52	481,282	1.56	3.20
Other State Grants	589,677	1.92	522,393	1.69	(11.41)
Total State Grants	2,099,032	6.83	2,130,312	6.89	1.49
County Grants	147,137	0.48	204,008	0.66	38.65 ¹
Federal Grants	1,527,247	4.97	1,442,607	4.67	(5.54)
Other Taxes In Lieu	156,153	0.51	104,309	0.34	(33.20) ²
Total Intergovernmental	\$ 3,929,569	12.79 %	\$ 3,881,236	12.56 %	(1.23)

¹ Increase in County Grants was mainly due to \$11.7 million and \$19.9 million in additional Other County Grants being reported by the cities of Belmont and San Diego, respectively.

² Decrease in Other Taxes In Lieu was mainly due to a \$35.9 million revenue reclassification by the City of Long Beach.

Figure 12

Revenues From Intergovernmental Agencies

(Excluding the City and County of San Francisco)
(Amounts in thousands)

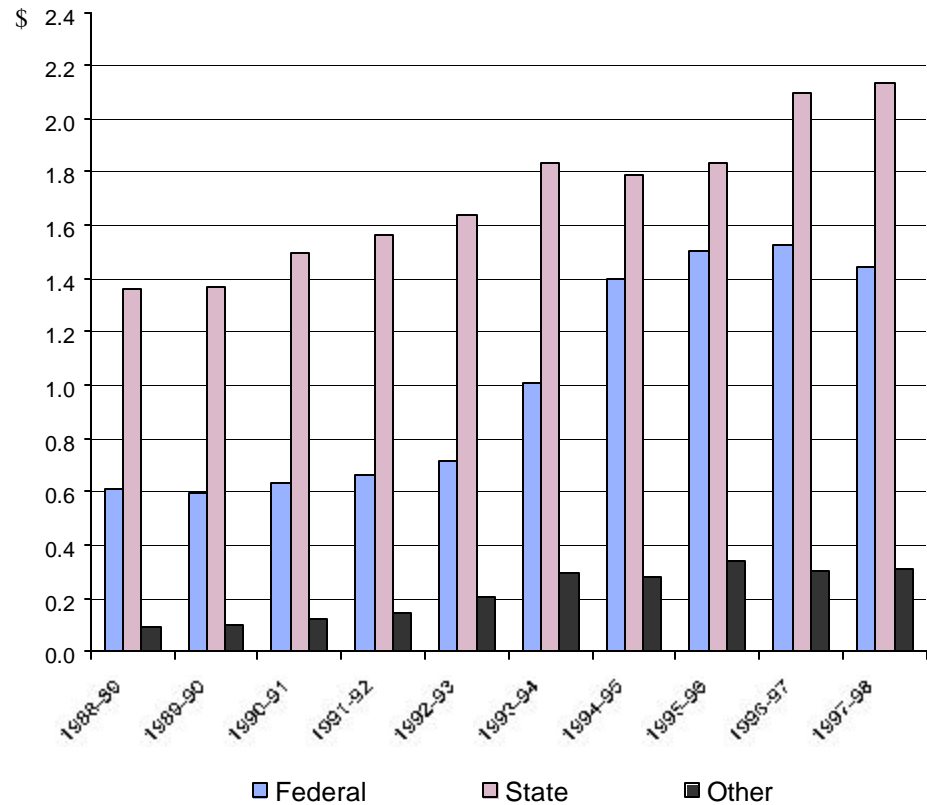
Year	Federal Grants	Percentage Increase (Decrease) From Prior Year	State Grants	Percentage Increase (Decrease) From Prior Year	County And Other Taxes In Lieu	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 609,925	9.26 %	\$ 1,362,699	7.04 %	\$ 90,753	(45.12) %	\$ 2,063,377	\$ 3.34 %
1989-90	596,381	(2.22)	1,369,811	0.52	104,103	14.71	2,070,295	0.34
1990-91	633,865	6.29	1,499,440	9.46	119,620	14.91	2,252,925	8.82
1991-92	666,062	5.08	1,563,697	4.29	142,908	19.47	2,372,667	5.31
1992-93	713,983	7.19	1,635,719	4.61	202,241	41.52	2,551,943	7.56
1993-94	1,011,039	41.61	1,830,486	11.91	295,675	46.20	3,137,200	22.93
1994-95	1,400,319	38.50 ¹	1,791,379	(2.14)	283,862	(4.00)	3,475,560	10.79
1995-96	1,504,816	7.46 ²	1,836,982	2.55	342,625	20.70	3,684,423	6.01
1996-97	1,527,247	1.49	2,099,032	14.27	303,290	(11.48)	3,929,569	6.65
1997-98	1,442,607	(5.54) ³	2,130,312	1.49	308,317	1.66	3,881,236	(1.23)

¹ Increase in Federal Grants was mainly due to receipt of an additional \$129 million in Federal Disaster Assistance for Northridge earthquake relief in the City of Los Angeles.

² Increase in Federal Grants was mainly due to receipt of an additional \$145 million in Federal Disaster Assistance for flood relief in the City of Los Angeles.

³ Decrease in Federal Grants was mainly due to a reduction of \$80 million in various Federal Grants for the City of Los Angeles.

Figure 13
Revenues From Intergovernmental Agencies
 (Excluding the City and County of San Francisco)
 (Amounts in billions)



Current Service Charges

Current service charges for services provided to the public and other governmental entities amounted to \$12.4 billion (40.24%) of the aggregate city revenues. This was an increase of \$585.0 million (4.94%) over the prior year.

Service charges represent fees or charges for services performed by a departmental unit such as police, fire, engineering, plan checking, or public works. Also included are charges for those services provided to public users for utilities (water, electric, gas, and other), transportation (airports, transit, ports, and harbors), recreation (stadiums, golf courses, and libraries) and health (sewers and solid waste).

Gross receipts from the sale of electricity provided the largest source of revenue, generating \$3.6 billion (29.20%) of total service charges, and 11.74% of the aggregate city revenues.

Figure 14 presents further detail on current service charges.

Figure 14

Current Service Charges

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Source	1996-97	Percent of Total Current Service Charges	Percent of Total Revenues	1997-98	Percent of Total Current Service Charges	Percent Of Total Revenues	Percentage Increase (Decrease) From Prior Year
Zoning Fees and Subdivision Fees	\$ 62,063	0.52 %	0.20 %	\$ 65,764	0.53 %	0.21 %	5.96 %
Special Police Department Services	92,962	0.79	0.30	98,165	0.79	0.32	5.60
Special Fire Department Services	75,603	0.64	0.25	71,592	0.58	0.23	(5.31)
Plan Checking Fees	108,069	0.91	0.35	129,033	1.04	0.42	19.40
Animal Shelter Fees And Charges	6,426	0.05	0.02	6,474	0.05	0.02	0.75
Engineering Fees	147,014	1.24	0.47	167,458	1.35	0.54	13.91
Street, Sidewalk, and Curb Repairs	36,293	0.31	0.12	70,025	0.56	0.23	92.94 ¹
Weed and Lot Cleaning.....	8,531	0.07	0.03	6,441	0.05	0.02	(24.50)
Sewer Service Charges And Connection Fees.....	1,670,495	14.11	5.43	1,747,564	14.06	5.66	4.61
Solid Waste.....	955,868	8.07	3.11	959,767	7.72	3.11	0.41
First Aid and Ambulance Charges.....	55,561	0.47	0.18	60,397	0.49	0.20	8.70
Library Fines and Fees	21,948	0.19	0.07	15,274	0.12	0.05	(30.41) ²
Parking Facilities	127,750	1.08	0.42	126,173	1.02	0.41	(1.23)
Park and Recreation Fees	239,041	2.02	0.77	252,644	2.03	0.82	5.69
Golf Course Fees	128,446	1.09	0.42	123,163	0.99	0.40	(4.11)
Water Service Charges And Connection Fees.....	2,113,848	17.85	6.88	2,074,392	16.68	6.72	(1.87)
Electric	3,411,272	28.80	11.10	3,628,449	29.20	11.74	6.37
Gas	84,610	0.71	0.28	90,692	0.73	0.29	7.19
Airport.....	585,395	4.94	1.91	648,121	5.22	2.10	10.72
Cemetery.....	3,111	0.03	0.01	3,282	0.03	0.01	5.50
Housing.....	57,313	0.48	0.19	60,740	0.49	0.20	5.98
Ports and Harbors	472,586	3.99	1.54	494,189	3.98	1.60	4.57
Hospital.....	56,948	0.48	0.19	48,616	0.39	0.16	(14.63)
Transit.....	64,059	0.54	0.21	72,580	0.58	0.23	13.30
Quasi-External Transactions	490,668	4.14	1.60	566,131	4.56	1.83	15.38
Other.....	766,923	6.48	2.50	840,679	6.76	2.72	9.62
Total Current Service Charges.....	\$ 11,842,803	100.00 %	38.55 %	\$ 12,427,805	100.00 %	40.24 %	4.94 %

¹ Increase in Street, Sidewalk, and Curb Repairs was mainly due to the reporting of an additional \$18 million and \$4 million in various street and curb repair revenues by the cities of San Jose and Tracy, respectively.

² Decrease in Library Fines and Fees was mainly due to a decrease of \$6.8 million in library revenues by the City of Riverside.

**Other Revenues and
Other Financing
Sources**

Other Revenues and Other Financing Sources amounted to \$2.4 billion (7.82%) of the aggregate city revenues, a decrease of \$1.20 billion (33.19%) from the prior year. Other Revenues amounted to \$1.1 billion (3.64%) of the aggregate city revenues. Other Financing Sources amounted to \$1.3 billion (4.18%) of the aggregate city revenues. Sale of Bonds provided the largest single source of Other Financing Sources, amounting to \$696.0 million (2.25%) of the aggregate city revenues.

Revenues by Source

Figure 15 provides a two-year comparison of revenues by source as well as the percentage increase (decrease) from the prior year.

Figure 15

Two-Year Comparison of Revenues by Source

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Source	1996-97 Functional Revenues	1997-98 Functional Revenues	Percentage Increase (Decrease) From Prior Year
Taxes			
Property	\$ —	\$ —	— %
Voter-Approved Indebtedness	199,078	207,738	4.35
Sales and Use	—	—	—
Transportation	451,185	444,264	(1.53)
Business License.....	—	—	—
Utility User	—	—	—
Other.....	264,930	298,666	12.73
Total Taxes	915,193	950,668	3.88
Special Benefit Assessments	443,395	419,490	(5.39)
Licenses and Permits.....	327,610	393,800	20.20
Fines and Forfeitures.....	101,053	117,085	15.86
Revenues From Use of Money and Property	767,044	916,872	19.53
Intergovernmental Agencies	2,741,322	2,656,638	(3.09)
Current Service Charges			
Sewer Service Charges and Connection Fees	1,670,495	1,747,564	4.61
Solid Waste.....	955,868	959,767	0.41
Water Service Charges and Connection Fees	2,113,848	2,074,392	(1.87)
Electric	3,411,272	3,628,449	6.37
Gas	84,610	90,692	7.19
Airport.....	585,395	648,121	10.72
Ports and Harbors	472,586	494,189	4.57
Quasi-External Transactions	490,668	566,131	15.38
Other Current Service Charges	2,058,061	2,218,500	7.80
Total Current Service Charges	11,842,803	12,427,805	4.94
Other Revenue	669,839	830,600	24.00
Other Financing Sources	2,630,447	1,292,340	(50.87)
Grand Total	\$ 20,438,706	\$ 20,005,298	(2.12)

¹ Revenues do not include operating transfers, pension trust and agency funds, and internal service fund transactions.

² Revenues from general government and city-owned enterprise activities are included.

(For detail of city revenues, see Tables 2-7)

	1996-97 General Revenues	1997-98 General Revenues	Percentage Increase (Decrease) From Prior Year	1996-97 Total Revenues ^{1,2}	1997-98 Total Revenues ^{1,2}	Percentage Increase (Decrease) From Prior Year
\$	1,885,957	\$ 2,007,849	6.46 %	\$ 1,885,957	\$ 2,007,849	6.46 %
	—	—	—	199,078	207,738	4.35
	2,812,983	3,024,533	7.52	2,812,983	3,024,533	7.52
	—	—	—	451,185	444,264	(1.53)
	655,195	676,655	3.28	655,195	676,655	3.28
	1,196,550	1,234,236	3.15	1,196,550	1,234,236	3.15
	1,460,020	1,644,334	12.62	1,724,950	1,943,000	12.64
	<u>8,010,705</u>	<u>8,587,607</u>	7.20	<u>8,925,898</u>	<u>9,538,275</u>	6.86
	—	—	—	443,395	419,490	(5.39)
	31,774	20,963	(34.02)	359,384	414,763	15.41
	177,186	171,774	(3.05)	278,239	288,859	3.82
	563,440	585,054	3.84	1,330,484	1,501,926	12.89
	1,188,247	1,224,598	3.06	3,929,569	3,881,236	(1.23)
	—	—	—	1,670,495	1,747,564	4.61
	—	—	—	955,868	959,767	0.41
	—	—	—	2,113,848	2,074,392	(1.87)
	—	—	—	3,411,272	3,628,449	6.37
	—	—	—	84,610	90,692	7.19
	—	—	—	585,395	648,121	10.72
	—	—	—	472,586	494,189	4.57
	—	—	—	490,668	566,131	15.38
	—	—	—	2,058,061	2,218,500	7.80
	—	—	—	<u>11,842,803</u>	<u>12,427,805</u>	4.94
	317,575	294,031	(7.41)	987,414	1,124,631	13.90
	—	—	—	2,630,447	1,292,340	(50.87)
\$	<u>10,288,927</u>	\$ <u>10,884,027</u>	5.78	\$ <u>30,727,633</u>	\$ <u>30,889,325</u>	0.53

City Expenditures

For the fiscal year ending June 30, 1998, expenditures for general city operations and city-owned enterprises amounted to \$29.4 billion, an increase of \$552.6 million (1.91%) over the prior year. Of the total expenditures, \$25.0 billion (85.05%) was for operating expenditures and \$4.4 billion (14.95%) was for capital outlay expenditures. Expenditures net of functional revenues amounted to \$9.4 billion, an increase of \$1.0 billion (11.90%) over the prior year. This indicates that cities, in general, had total expenditures which exceeded all available functional revenues. Further detail is provided in Figure 16 and depicted in Figures 17, 18, and 19.

Figure 16
Expenditures by Function and Percent of Total
 (Excluding the City and County of San Francisco)
 (Amounts in thousands)

Function	Total Expenditures	Percent Of Total Expenditures	Functional Revenues	Expenditures Net of Functional Revenues
General Government				
Legislative	\$ 439,431	1.49 %	\$ 93,847	\$ 345,584
Management and Support.....	1,877,081	6.38	1,122,185	754,896
Total General Government.....	2,316,512	7.87	1,216,032	1,100,480
Public Safety				
Police.....	5,236,471	17.80	769,004	4,467,467
Fire.....	1,925,810	6.55	237,479	1,688,331
Emergency Medical Services	177,498	0.60	89,784	87,714
Street Lighting	194,973	0.66	160,888	34,085
Other.....	180,139	0.61	83,092	97,047
Total Public Safety.....	7,714,891	26.22	1,340,247	6,374,644
Transportation				
Streets, Highways, and Storm Drains	2,328,382	7.91	1,734,063	594,319
Public Transit.....	431,940	1.47	401,361	30,579
Airports	755,413	2.57	819,367	(63,954)
Ports and Harbors.....	589,475	2.00	583,999	5,476
Other.....	374,769	1.27	282,088	92,681
Total Transportation.....	4,479,979	15.22	3,820,878	659,101
Community Development				
Planning.....	437,125	1.49	126,297	310,828
Construction and Engineering Regulation Enforcement.....	892,924	3.03	897,832	(4,908)
Other.....	1,465,365	4.98	1,194,886	270,479
Total Community Development.....	2,795,414	9.50	2,219,015	576,399
Health				
Solid Waste	1,097,742	3.73	1,231,811	(134,069)
Sewers.....	2,378,440	8.08	2,474,527	(96,087)
Other.....	214,293	0.73	159,116	55,177
Total Health	3,690,475	12.54	3,865,454	(174,979)
Culture and Leisure				
Parks and Recreation.....	1,385,658	4.71	518,695	866,963
Libraries	423,921	1.44	88,771	335,150
Other.....	714,547	2.43	504,504	210,043
Total Culture and Leisure	2,524,126	8.58	1,111,970	1,412,156
Public Utilities				
Water	2,177,204	7.40	2,297,722	(120,518)
Gas	74,129	0.25	94,064	(19,935)
Electric.....	3,329,441	11.31	3,763,882	(434,441)
Other.....	15,107	0.05	25,058	(9,951)
Total Public Utilities	5,595,881	19.01	6,180,726	(584,845)
Other.....	312,261	1.06	250,976	61,285
Grand Total	\$ 29,429,539	100.00 %	\$ 20,005,298	\$ 9,424,241

Figure 17

Total Expenditures by Function
(Excluding the City and County of San Francisco)

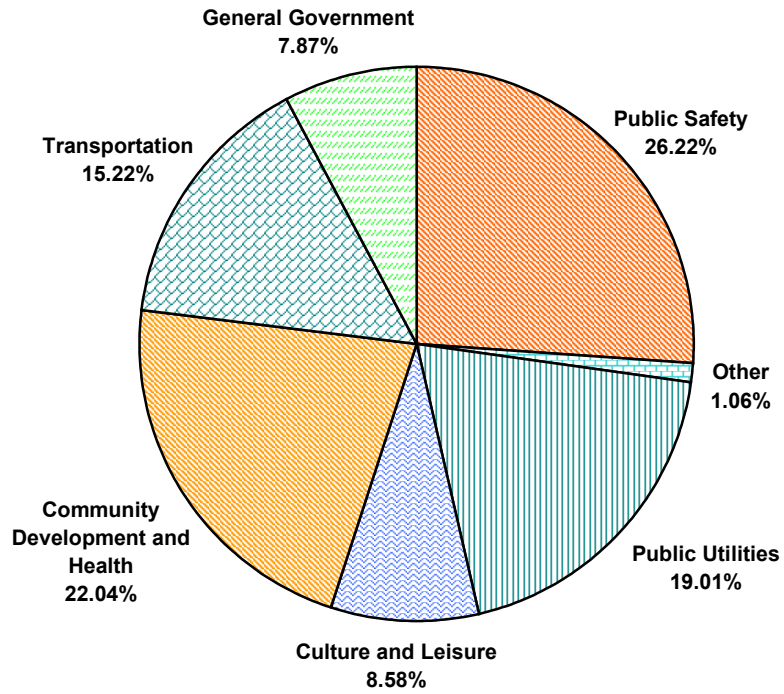


Figure 18

Total Public Safety by Function
(Excluding the City and County of San Francisco)

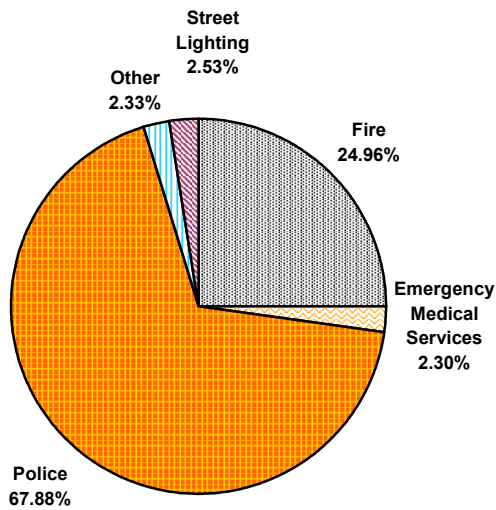
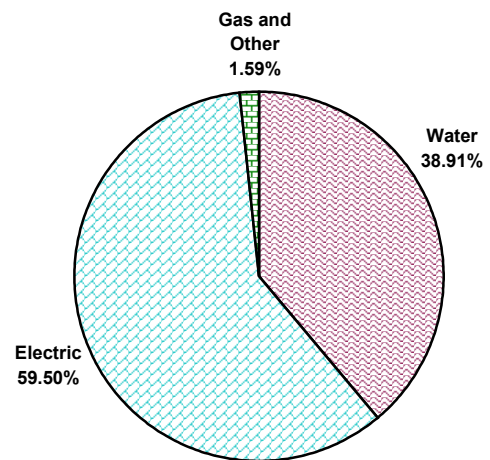


Figure 19

Total Public Utilities by Function
(Excluding the City and County of San Francisco)



General Government

For the fiscal year ended June 30, 1998, expenditures for general government activities amounted to \$2.3 billion (7.87%) of the aggregate city expenditures. Included in this category are legislative (city council, city attorney, city clerk, and city auditor), and management and support (city administration, financial, and personnel). Legislative expenditures were \$439.4 million (1.49%) of the aggregate city expenditures, a decrease of \$18.4 million (4.02%) from the prior year. Management and support expenditures were \$1.9 billion (6.38%) of the aggregate city expenditures, an increase of \$170.8 million (10.01%) over the prior year.

Public Safety

As indicated in Figures 16 and 17, public safety activity expenditures amounted to \$7.7 billion (26.22%) of the aggregate city expenditures. Police incurred the largest single share, at \$5.2 billion (17.80%) of the aggregate city expenditures. The next largest expenditure for public safety was incurred by fire protection, at \$1.9 billion (6.55%) of the aggregate city expenditures. The remaining public safety expenditures totaled \$552.6 million (1.87%) of the aggregate city expenditures; they consisted of emergency medical services, animal regulation, weed abatement, street lighting, disaster preparedness, and other miscellaneous services. See Figure 20 for a 10-year comparison.

Figure 20

Police, Fire, and Other Public Safety Expenditures

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Year	Total Police Expenditures	Percentage Increase Over Prior Year	Total Fire Expenditures	Percentage Increase (Decrease) From Prior Year	Total Other Public Safety Expenditures	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase Over Prior Year
1988-89	\$ 3,084,733	9.58 %	\$ 1,348,412	6.73 %	\$ 338,049	(1.56) ¹ %	\$ 4,771,194	7.90 %
1989-90	3,408,756	10.50	1,482,801	9.97	415,658	22.96	5,307,215	11.23
1990-91	3,755,618	10.18	1,623,493	9.49	440,915	6.08	5,820,026	9.66
1991-92	3,986,508	6.15	1,671,343	2.95	473,589	7.41	6,131,440	5.35
1992-93	4,117,652	3.29	1,709,022	2.25	450,474	(4.88) ²	6,277,148	2.38
1993-94	4,264,082	3.56	1,743,868	2.04	519,588	15.34	6,527,538	3.99
1994-95	4,505,171	5.65	1,788,889	2.58	513,467	(1.18)	6,807,527	4.29
1995-96	4,725,616	4.89	1,833,337	2.48	537,817	4.74	7,096,770	4.25
1996-97	4,990,128	5.60	1,937,542	5.68	502,684	(6.53) ³	7,430,354	4.70
1997-98	5,236,471	4.94	1,925,810	(0.61)	552,610	9.93	7,714,891	3.83

¹ Other Public Safety expenditures continue to increase for most cities. However, the City of Los Angeles experienced a Street Lighting expenditure decrease of \$24 million in the 1988-89 fiscal year.

² City of Los Angeles' Emergency Medical expenditures decreased approximately \$25 million in the 1992-93 fiscal year.

³ City of Long Beach's Street Lighting expenditures decreased approximately \$26 million in the 1996-97 fiscal year.

Transportation

Transportation expenditures are related directly or indirectly to the movement of people or property. Transportation expenditures totaled \$4.5 billion (15.22%) of the aggregate city expenditures. Most of the expenditures within this category were for construction, maintenance, and repairs of streets, highways, and storm drains. These expenditures totaled \$2.3 billion (7.91%) of the aggregate city expenditures, an increase of \$205.4 million (9.68%) over the prior year. The remaining transportation expenditures consist of public transit, airports, ports and harbors, and other. See Figure 21 for a 10-year comparison.

Figure 21

Streets, Highways, and Storm Drains, Public Transit, and Other Transportation Expenditures

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Year	Total Streets, Highways, and Storm Drains Expenditures	Percentage Increase (Decrease) From Prior Year	Total Public Transit Expenditures	Percentage Increase (Decrease) From Prior Year	Total Other Transportation Expenditures	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 1,349,940	1.82 %	\$ 199,629	18.95 %	\$ 957,609	4.45 %	\$ 2,507,178	4.02 %
1989-90	1,477,518	9.45	213,110	6.75	1,135,567	18.58	2,826,195	12.72
1990-91	1,596,676	8.06	233,217	9.44	1,109,953	(2.26) ¹	2,939,846	4.02
1991-92	1,823,130	14.18	290,108	24.39	1,196,194	7.77	3,309,432	12.57
1992-93	1,800,762	(1.23) ²	292,332	0.77	1,473,126	23.15	3,566,220	7.76
1993-94	1,937,104	7.57	326,537	11.70	1,678,896	13.97	3,942,537	10.55
1994-95	1,939,459	0.12	343,649	5.24	1,761,851	4.94	4,044,959	2.60
1995-96	2,061,152	6.27	333,946	(2.82)	1,691,472	(3.99)	4,086,570	1.03
1996-97	2,122,946	3.00	364,833	9.25	1,991,589	17.74 ³	4,479,368	9.61
1997-98	2,328,382	9.68	431,940	18.39	1,719,657	(13.65) ³	4,479,979	0.01

¹ City of Long Beach's Ports and Harbor expenditures decreased approximately \$25 million in the 1990-91 fiscal year.

² Decrease in Streets, Highways, and Storm Drains expenditures is a result of AB1012, Chapter 719, Statutes of 1992, which reduced the minimum expenditure requirements under Section 2105 of the Streets and Highways Code.

³ Increase in Other Transportation expenditures in the 1996-97 fiscal year and the subsequent decrease in the 1997-98 fiscal year were due primarily to \$149 million and \$142 million in additional airport and port and harbor expenditures by the cities of Los Angeles and Oakland, respectively.

Community Development

Community development expenditures for activities relating to the development and preservation of the community (e.g., planning, construction and engineering, redevelopment, housing, employment, community promotion, and other) amounted to \$2.8 billion (9.50%) of the aggregate city expenditures, an increase of \$153.8 million (5.82%) over the prior year.

Health

Health expenditures totaled \$3.7 billion (12.54%) of the aggregate city expenditures, a decrease of \$8.9 million (0.24%) from the prior year. These activities include physical and mental health services, hospital and sanitarium services, collection and disposal of wastes (e.g., solid waste and sewer), and development, operation, and maintenance of cemeteries.

Cultural and Leisure

Culture and leisure expenditures are incurred for the construction, maintenance, and operation of facilities devoted to cultural and recreational activities. Included in this category are parks and recreation, libraries, museums, golf courses, stadiums, and civic auditoriums. Expenditures for this category amounted to \$2.5 billion (8.58%) of the aggregate city expenditures, an increase of \$124.7 million (5.20%) over the prior year.

Public Utilities

Expenditures relating to the construction and operation of public utilities amounted to \$5.6 billion (19.01%) of the aggregate city expenditures, a decrease of \$101.3 million (1.78%) from the prior year. Electric distribution systems reported the largest expenditure at \$3.3 billion (11.31%) of the aggregate city expenditures. The next largest expenditure was for water activities, which amounted to \$2.2 billion (7.40%) of the aggregate city expenditures. See Figure 22 for a 10-year comparison.

Figure 22

Electric, Water, and Other Public Utility Expenditures

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Year	Total Electric Expenditures	Percentage Increase (Decrease) From Prior Year	Total Water Expenditures	Percentage Increase (Decrease) From Prior Year	Total Other Public Utility Expenditures	Percentage Increase (Decrease) From Prior Year	Total	Percentage Increase (Decrease) From Prior Year
1988-89	\$ 2,875,548	8.09 %	\$ 1,386,973	10.56 %	\$ 125,631	1.78 %	\$ 4,388,152	8.66 %
1989-90	3,228,971	12.29	1,452,078	4.69	137,134	9.16	4,818,183	9.80
1990-91	3,226,629	(0.07) ²	1,628,777	12.17	129,452	(5.60) ³	4,984,858	3.46
1991-92	3,395,879	5.25	1,756,144	7.82	78,091	(39.68) ³	5,230,114	4.92
1992-93	3,490,347	2.78	1,823,261	3.82	82,998	6.28	5,396,606	3.18
1993-94	3,405,343	(2.44) ¹	1,983,139	8.77	84,011	1.22	5,472,493	1.41
1994-95	3,298,087	(3.15) ⁴	2,070,254	4.39	73,945	(11.98) ³	5,442,286	(0.55)
1995-96	3,148,824	(4.53) ¹	2,121,204	2.46	79,987	8.17	5,350,015	(1.70)
1996-97	3,354,103	6.52	2,261,185	6.60	81,907	2.40	5,697,195	6.49
1997-98	3,329,441	(0.74) ⁴	2,177,204	(3.71) ⁵	89,236	8.95	5,595,881	(1.78)

¹ City of Los Angeles' Electric activity expenditures decreased approximately \$155 million and \$169 million in the 1993-94 and 1995-96 fiscal years, respectively.

² City of Vernon's Electric activity expenditures decreased approximately \$141 million in the 1990-91 fiscal year.

³ City of Long Beach's Gas activity expenditures decreased approximately \$12 million, \$47 million, and \$11 million in the 1990-91, 1991-92, and 1994-95 fiscal years, respectively.

⁴ City of Anaheim's Electric activity expenditures decreased approximately \$64 million and \$110 million in the 1994-95 and 1997-98 fiscal years, respectively.

⁵ City of Long Beach's Water activity expenditures decreased approximately \$74 million in the 1997-98 fiscal year.

Other

Other miscellaneous expenditures not reported in a specific category or function (e.g., correctional facilities and recycling programs) amounted to \$312.3 million (1.06%) of the aggregate city expenditures, a decrease of \$53.4 million (14.59%) from the prior year.

**Expenditures by
Function**

Figure 23 provides a two-year comparison of expenditures by function as well as the percentage increase (decrease) from the prior year.

Figure 23

Two-Year Comparison of Expenditures by Function and Percent of Total

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Function	1996-97 Total Expenditures	Percent of Total Expenditures	1997-98 Total Expenditures	Percent of Total Expenditures	Total Expenditures Percentage Increase (Decrease) From Prior Year
General Government					
Legislative.....	\$ 457,839	1.59 %	\$ 439,431	1.49 %	(4.02) %
Management and Support	1,706,270	5.91	1,877,081	6.38	10.01
Public Safety					
Police.....	4,990,128	17.28	5,236,471	17.80	4.94
Fire	1,937,542	6.71	1,925,810	6.55	(0.61)
Emergency Medical Services	158,570	0.55	177,498	0.60	11.94
Street Lighting	207,593	0.72	194,973	0.66	(6.08)
Other	136,521	0.47	180,139	0.61	31.95
Transportation					
Streets, Highways, and Storm					
Drains	2,122,946	7.35	2,328,382	7.91	9.68
Public Transit.....	364,833	1.26	431,940	1.47	18.39
Airports.....	782,607	2.71	755,413	2.57	(3.47)
Ports and Harbors.....	832,489	2.88	589,475	2.00	(29.19)
Other	376,493	1.30	374,769	1.27	(0.46)
Community Development					
Planning.....	384,201	1.33	437,125	1.49	13.78
Construction and Engineering					
Regulation Enforcement	881,000	3.05	892,924	3.03	1.35
Other	1,376,373	4.77	1,465,365	4.98	6.47
Health					
Solid Waste	1,107,966	3.84	1,097,742	3.73	(0.92)
Sewers.....	2,369,741	8.21	2,378,440	8.08	0.37
Other	221,622	0.77	214,293	0.73	(3.31)
Culture and Leisure					
Parks and Recreation.....	1,352,549	4.68	1,385,658	4.71	2.45
Libraries	440,130	1.52	423,921	1.44	(3.68)
Other	606,736	2.10	714,547	2.43	17.77
Public Utilities					
Water.....	2,261,185	7.83	2,177,204	7.40	(3.71)
Gas.....	71,168	0.25	74,129	0.25	4.16
Electric.....	3,354,103	11.61	3,329,441	11.31	(0.74)
Other	10,739	0.04	15,107	0.05	40.67
Other.....	365,620	1.27	312,261	1.06	(14.59)
Total.....	\$ 28,876,964	100.00 %	\$ 29,429,539	100.00 %	1.91 %

(For detail of city expenditures, see Tables 2-7)

	1996-97 Functional Revenues	1997-98 Functional Revenues	Functional Revenues Percentage Increase (Decrease) From Prior Year	1996-97 Net Expenditures	1997-98 Net Expenditures	Net Expenditures Percentage Increase (Decrease) From Prior Year
\$	73,386	\$ 93,847	27.88 %	\$ 384,453	\$ 345,584	(10.11) %
	879,740	1,122,185	27.56	826,530	754,896	(8.67)
	982,973	769,004	(21.77)	4,007,155	4,467,467	11.49
	403,844	237,479	(41.20)	1,533,698	1,688,331	10.08
	76,870	89,784	16.80	81,700	87,714	7.36
	159,595	160,888	0.81	47,998	34,085	(28.99)
	68,292	83,092	21.67	68,229	97,047	42.24
	1,639,107	1,734,063	5.79	483,839	594,319	22.83
	385,357	401,361	4.15	(20,524)	30,579	(248.99)
	919,099	819,367	(10.85)	(136,492)	(63,954)	(53.14)
	1,080,915	583,999	(45.97)	(248,426)	5,476	(102.20)
	284,288	282,088	(0.77)	92,205	92,681	0.52
	79,382	126,297	59.10	304,819	310,828	1.97
	783,176	897,832	14.64	97,824	(4,908)	(105.02)
	1,693,494	1,194,886	(29.44)	(317,121)	270,479	(185.29)
	1,080,571	1,231,811	14.00	27,395	(134,069)	(589.39)
	2,434,089	2,474,527	0.02	(64,348)	(96,087)	49.32
	173,088	159,116	(8.07)	48,534	55,177	13.69
	471,846	518,695	9.93	880,703	866,963	(1.56)
	119,606	88,771	(25.78)	320,524	335,150	4.56
	364,904	504,504	38.26	241,832	210,043	(13.15)
	2,397,931	2,297,722	(4.18)	(136,746)	(120,518)	(11.87)
	88,788	94,064	5.94	(17,620)	(19,935)	13.14
	3,519,972	3,763,882	6.93	(165,869)	(434,441)	161.92
	19,533	25,058	28.29	(8,794)	(9,951)	(13.16)
	258,860	250,976	(3.05)	106,760	61,285	(42.60)
\$	20,438,706	\$ 20,005,298	(2.12)	\$ 8,438,258	\$ 9,424,241	11.68

Outstanding Long-Term Indebtedness

For the fiscal year ended June 30, 1998, the aggregate city outstanding long-term indebtedness amounted to \$29.7 billion (\$13.7 billion in bonds, \$4.5 billion in other special debt, \$2.8 billion in special assessment act bonds, and \$8.7 billion in other than bonds), a decrease of \$217.1 million (0.73%) from the prior year. See Figure 27 for a five-year comparison.

Long-Term Indebtedness - Bonds

Chartered cities may establish their own limitations on bonded indebtedness, although large majorities of them, along with general law cities, adhere to the provisions of Government Code Section 43605. This code section states, in part:

A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15% of the assessed value of all real and personal property of the city. Within the meaning of this section 'Indebtedness' means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city.

For the year under review, total outstanding bonded indebtedness for cities amounted to \$13.7 billion, a decrease of \$603.5 million (4.22%) from the prior year. See Figure 24 for a two-year comparison.

Bonded indebtedness includes general obligation, revenue, improvement districts, and limited obligation bonds that are debt of the city. Although also considered debt, special assessment act bonds are not debt of the city, and are explained in further detail on page xxix.

A general obligation bond is a bond that is collateralized by the taxing powers of the city. Many general obligation bonds may be redeemed from revenues not directly derived from property taxes, such as sales tax or city-owned enterprises such as water, electric, sewers, or parking. Such revenue-producing activities are used in lieu of levying a direct property tax for debt service.

General obligation bonds amounted to \$1.3 billion (9.69%) of the total outstanding bonded indebtedness, a decrease of \$11.3 million (0.85%) from the prior year.

Revenue bonds are those obligations for which principal and interest are payable by revenue-producing enterprises such as electricity, water, or sewer or, if specified in the bond covenant, from other sources. Revenue bonds outstanding for the 1997-98 fiscal year amounted to \$12.2 billion (89.25%) of the total outstanding bonded indebtedness, a decrease of \$587.5 million (4.59%) from the prior year.

Improvement district bonds for which the principal and interest are payable from property taxes or assessments levied on less than citywide districts, such as parking and sewer districts, amounted to \$145.6 million (1.06%) of the total outstanding bonded indebtedness, a decrease of \$4.6 million (3.11%) from the prior year.

Figure 24**Long-Term Indebtedness — Bonds**

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Type of Bond	1996-97	1997-98	Percent of the Total	Percentage Increase (Decrease) From Prior Year
General Obligation.....	\$ 1,337,891	\$ 1,326,552	9.69 %	(0.85) %
Revenue.....	12,810,744	12,223,200	89.25	(4.59)
Improvement District.....	150,241	145,576	1.06	(3.11)
Total.....	\$ 14,298,876	\$ 13,695,328	100.00 %	(4.22)

(For detail of city long-term indebtedness, see Tables 8-13)

Long-Term Indebtedness – Other Special Debt

Other Special Debt amounted to \$4.5 billion, an increase of \$549.6 million (13.98%) over the prior year. This type of indebtedness includes Certificates of Participation, Community Facility District bonds, Mello-Roos bonds, and Marks-Roos bonds.

Long-Term Indebtedness – Special Assessment Act Bonds

Of the various types of special assessments, the 1911 and 1915 Improvement Act bonds are the most common. The city's obligation to the bondholders of these two types of bonds varies. Under the 1911 Improvement Act, the city maintains no financial obligation to the bondholders. The city serves as a conduit in that it collects the assessments and forwards the money to the bondholders. Under the 1915 Improvement Act, however, the city does incur a contingent liability. Should bond payments become delinquent, the city must either advance the amount of the delinquency or levy a limited tax on the benefitted area. As of June 30, 1998, the outstanding amount of the 1911 Improvement Act bonds was \$35.1 million, a decrease of \$7.6 million (17.79%) from the prior year. The outstanding amount of 1915 Improvement Act bonds was \$2.7 billion, a decrease of \$35.8 million (1.29%) from the prior year.

The outstanding amount of the Other Improvement Act bonds totaled \$29.7 million, an increase of \$4.6 million (18.07%) over the prior year. See Figure 25 for a two-year comparison.

Figure 25

Long-Term Indebtedness — Special Assessment Act Bonds

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Type of Bond	1996-97	1997-98	Percent Of the Total	Percentage Increase (Decrease) From Prior Year
1911 Improvement				
Act Bonds	\$ 42,763	\$ 35,157	1.25 %	(17.79) %
1915 Improvement				
Act Bonds	2,779,117	2,743,332	97.69	(1.29)
Other Improvement				
Act Bonds	25,188	29,740	1.06	18.07
Total	\$ 2,847,068	\$ 2,808,229	100.00 %	(1.36)

(For detail of city long-term indebtedness, see Tables 8-13)

Long-Term Indebtedness – Other Than Bonds

Long-term indebtedness other than bonds amounted to \$8.7 billion, a decrease of \$124.3 million (1.41%) from the prior year.

Total future lease obligation payments amounted to \$6.7 billion (77.17%) of the total long-term indebtedness other than bonds, an increase of \$185.3 million (2.84%) over the prior year. These lease obligations include agreements to acquire or improve capital assets with the obligation covering a period in excess of 10 years. The option of acquiring ownership of the property is provided at the end of the lease period.

State and/or federal financing for city construction of capital assets accounted for \$527.8 million (6.07%) of the total long-term indebtedness other than bonds. This was an increase of \$4.0 million (0.77%) over the prior year.

Other long-term debt (i.e., notes, warrants, loans, and other) amounted to \$1.5 billion (16.76%) of the total long-term indebtedness other than bonds. This was a decrease of \$313.7 million (17.72%) from the prior year. See Figure 26 for a two-year comparison.

Figure 26**Long-Term Indebtedness — Other than Bonds**

(Excluding the City and County of San Francisco)

(Amounts in thousands)

Type of Debt	1996-97	1997-98	Percent of the Total	Percentage Increase (Decrease) From Prior Year
Lease Obligations ¹	\$ 6,523,160	\$ 6,708,488	77.17 %	2.84 %
Construction Financed by State or Federal Governments	523,739	527,778	6.07	0.77
Notes	1,059,512	610,806	7.03	(42.35) ²
Warrants	—	—	—	—
Loans	150,384	138,018	1.59	(8.22)
Other	559,963	707,341	8.14	26.32
Total	\$ 8,816,758	\$ 8,692,431	100.00 %	(1.41)

¹ Lease Obligations include principal and interest.

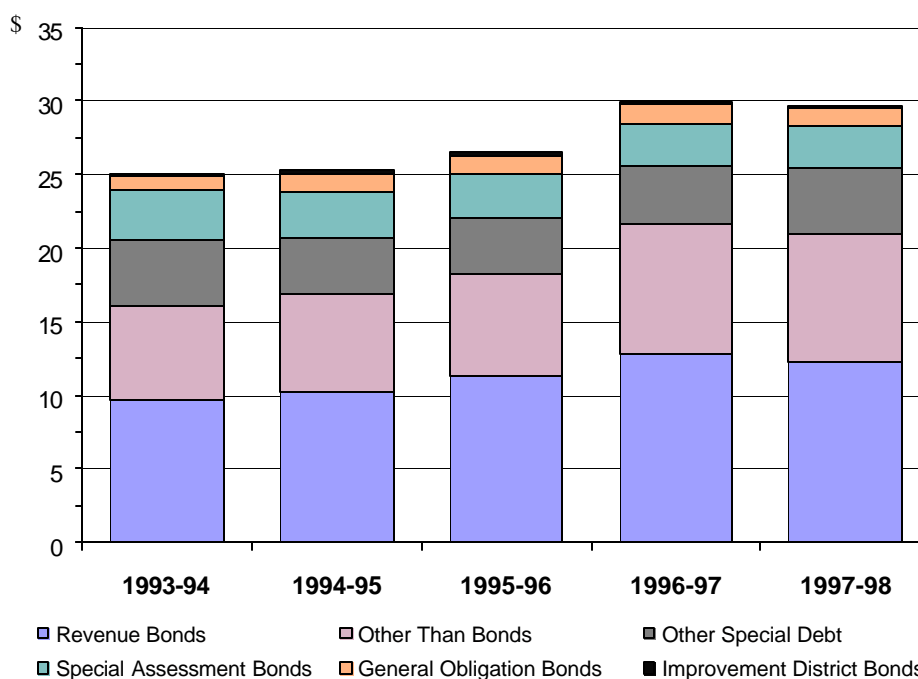
² Decrease in Notes was mainly due to the reclassification of \$818 million debt to Lease Obligations by the City of San Diego.

(For detail of city long-term indebtedness, see Tables 8-13)

Figure 27**Outstanding Long-Term Indebtedness**

(Excluding the City and County of San Francisco)

(Amounts in billions)



City Assessed Valuation, Taxes Allocated, and Taxes Levied

The net valuation of city assessment rolls for property taxes applicable to the 1998-99 fiscal year amounted to \$1.5 trillion, an increase of \$75.5 billion (5.34%) over the prior year.

Prior to the passage of Proposition 13, taxing agencies such as cities, counties, schools, and most special districts set their own property tax rates. Property taxes were then collected on their behalf by each county and distributed to the appropriate taxing agencies. Subsequent to the passage of Proposition 13, 1% of market value (plus direct assessments and voter-approved rate for debt payback) is the maximum rate that can be levied against real property. Property taxes are collected by counties and distributed to the taxing agencies, pursuant to California statutes, using a formula based on the market value of all real property located within the respective jurisdictions.

During the fiscal year, the cities' portion of the 1% secured and unsecured property tax rate amounted to \$2.2 billion, an increase of \$87.6 million (4.18%) over the prior year. Voter-approved ad valorem property taxes in excess of the 1%, levied for the service of debt, amounted to \$209.0 million, a decrease of \$30.6 million (12.79%) from the prior year.

Total property taxes from the secured and unsecured rolls and voter-approved debt amounted to \$2.4 billion, an increase of \$56.9 million (2.44%) over the prior year. See Figure 28 for a 10-year comparison.

Figure 28

City Assessed Valuation, Taxes Allocated, Taxes Levied, and Average Property Tax Effort

(Excluding the City and County of San Francisco)
(Amounts in thousands)

Year	Net Assessed Valuation ¹	Taxes Allocated ²	Taxes Levied	Total Taxes Allocated And Levied	Average Property Tax Effort Per \$100 Valuation
1989-90	\$ 982,221,467	\$ 1,878,677	\$ 107,040	\$ 1,985,717	\$ 0.20
1990-91	1,110,020,072	2,053,328	133,903	2,187,231	0.20
1991-92	1,215,524,875	2,227,767	146,319	2,374,086	0.20
1992-93	1,296,563,761	2,156,793	150,849	2,307,642	0.18
1993-94	1,336,216,490	1,958,421	169,932	2,128,353	0.16
1994-95	1,353,937,241	1,958,673	184,736	2,143,409	0.16
1995-96	1,357,484,350	2,013,987	208,157	2,222,144	0.16
1996-97	1,372,362,045	2,037,244	205,356	2,242,600	0.16
1997-98	1,412,105,473	2,094,029	239,618	2,333,647	0.17
1998-99	1,487,576,583	2,181,629	208,970	2,390,599	0.16

¹ Net of Homeowners' and other exemptions.

² Cities share of countywide 1% levy.

(For detail of city assessed valuation, taxes allocated and levied, see Tables 2-7)

City Appropriations Limits and Total Annual Appropriations Subject to the Limit

Chapter 1025, Statutes of 1987, requires the California State Controller to publish appropriations limits and total annual appropriations subject to the limitation for cities.

For the fiscal year ended June 30, 1998, 449 of the 471 incorporated cities (including the City and County of San Francisco) reported both appropriations limits and total annual appropriations subject to the limit. No cities reported exceeding their appropriations limit. Nineteen cities (Amador, Anderson, Arvin, Bell Gardens, Brawley, Colfax, Fort Jones, Hawaiian Gardens, Huron, Isleton, Loyalton, Ojai, Placerville, Rio Dell, San Joaquin, Susanville, Tiburon, Tulelake, and Westmorland) failed to provide data concerning their appropriations limit and their total annual appropriations subject to the limit. Three cities (Calipatria, Canyon Lake, and Guadalupe) provided only their appropriations limit and not their total annual appropriations subject to the limit. No city provided only its total annual appropriations subject to the limit and not its appropriations limit.

The information provided in Table 14 has not been audited and is presented as submitted by 449 California cities. This compares to 452 out of 470, and 453 out of 471, cities that provided data in fiscal years 1995-96 and 1996-97, respectively.

Cities That Failed to File

For the fiscal year 1997-98, five cities (Isleton, Placerville, Rio Dell, Susanville, and Tiburon) failed to file financial transactions reports. This compares to three cities (Fort Jones, Hawaiian Gardens, and Rio Dell) that failed to file financial transactions reports in fiscal year 1996-97.

City Incorporation

For the fiscal years 1992-93 through 1997-98, four cities were incorporated as indicated in Figure 29. This brought the total number of incorporated cities to 471, including the City and County of San Francisco.

Figure 29

City Incorporation

City	First Reporting Year	Incorporation Date	County Location	Estimated Population
Windsor	1992-93	July 1, 1992	Sonoma	26,487
Truckee.....	1992-93	March 23, 1993	Nevada	16,911
Shasta Lake.....	1993-94	July 2, 1993	Shasta	23,677
Citrus Heights	1996-97	January 1, 1997	Sacramento	137,739

Financial Section

Supplemental Information

Appendix A: Definitions

Appendix B: Notes to Tables

State Controller's Office Publication List

Appendix A — Definitions

Capital Outlay: Expenditures that result in the acquisition of, or addition to, fixed assets.

Debt Service: Includes payments of principal, interest, and fiscal charges on long-term indebtedness (except the 1911, 1915, and other Special Assessment Act bonds, which are assumed to be without government commitment). For reporting purposes, debt service expenditures are included in operating expenditures.

Functional Revenues: Revenues that can be associated with and allocated to one or more expenditure functions and meet one of the following criteria: (1) The revenue is generated from direct services, such as revenues from fees or charges, or (2) The revenue is associated with a specific service by external requirements, such as grant conditions, bond sale agreements, statutory requirements, or charter requirements.

General Obligation Bonds: Bonds for which payment is backed by the full faith and credit of the issuing city. More commonly, but not necessarily, general obligation bonds are considered to be those payable from taxes and other general revenues, and must be voter-approved by a two-thirds vote.

General Revenues: Revenues that cannot be associated with a specific expenditure, such as property taxes (other than voter-approved indebtedness), sales taxes, and business license taxes.

Lease-Purchase Obligations: A lease agreement is classified as a capital lease when substantially all of the benefits and risks of ownership are assumed by the lessee.

Legislative Expense: Expenditures related to activities under direct control of, or in support of, an officially elected person(s); i.e., a city council member, city attorney, city clerk, or city auditor.

License Revenues: Revenues resulting from the licensing of animals, bicycles, and any other licenses within the city (exclusive of business license taxes).

Management and Support: Expenditures related to activities that are supportive of one or more expenditure functions. Types of activities that represent support services may include general city administration (city manager or administrator), financial administration (accounting, budgeting, purchasing, or cash management), and personnel administration (including civil service commission). Other administrative activities, such as warehousing and data processing, may also be included, if not accounted for as an internal service fund.

Operating Expenditures: Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges that are presumed to benefit the current fiscal period. Operating expenditures do not include

Appendix A (continued)

depreciation expense from enterprise funds. For reporting purposes, debt service payments are included in operating expenditures.

Permit Revenues: Revenues resulting from the issuing of building, electrical, plumbing, sewer, streets, curbs, sidewalks, and any other permits within the city.

Property Taxes: With the passage of Proposition 13, 1% of market value (plus direct assessments and voter-approved rate to pay off debt) is the maximum rate that can be levied against real property (land, improvements, and fixtures). The resulting property tax revenues are collected by counties and distributed to the taxing agencies, such as cities, counties, schools, and most special districts, pursuant to California statutes, using a formula based on the market value of all real property located within the respective jurisdictions. Included herein is the city share of the 1% tax rate levied against real property and tangible personal property (equipment, office furniture, etc.) as listed on the secured and unsecured tax rolls.

Quasi-External Transactions: Transactions that would be accounted for as revenues and expenditures if they involved a party external to the governmental unit (i.e., routine service charges for inspection, engineering, utilities, or similar services that are provided by a department financed from one fund to a department financed from another fund). Included are general fund billings to enterprise operations for general and administrative services.

Revenue Bonds: Bonds for which principal and interest are payable from the revenues of a revenue-producing enterprise. However, the bond covenant may also include the provision that revenue from the bond may be acquired from sources other than the general fund of a local agency.

Special Assessment Act Bonds: Bonds payable from proceeds of special assessments which are a compulsory levy against certain properties to defray part or all of the costs of improvements or services deemed to primarily benefit those properties. For purposes of reporting, these bonds are considered to be without government commitment.

Special Benefit Assessments: Assessments or levies that are paid completely by property owners in a limited geographical area deemed to be specially benefited.

Special Debt: Includes Certificates of Participation, Community Facility District bonds, Mello-Roos bonds, and Marks-Roos bonds.

Voter-Approved Property Tax for Indebtedness: Includes ad valorem property taxes levied in addition to the 1% rate, for voter-approved debt approved prior to July 1, 1978, or after July 1, 1986.

Appendix B — Notes to Tables

ALAMEDA	Emergency Medical expenditures are included with the Fire activity.
ALHAMBRA	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
AMADOR	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
ANDERSON	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
ANGELS	Emergency Medical expenditures are included with the Fire activity.
ARCADIA	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity. The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
ARCATA	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
ARVIN	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
ATHERTON	Street Lighting expenditures are included with various other expenditure activity.
AUBURN	Emergency Medical expenditures are included with the Fire activity.
AVALON	Emergency Medical expenditures are included with the Fire activity.
AZUSA	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
BAKERSFIELD	Emergency Medical expenditures are included with the Fire activity.
BANNING	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.

Appendix B (continued)

	Emergency Medical expenditures are included with the Fire activity.
BELL GARDENS	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
BELMONT	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
BIGGS	Street Lighting expenditures are included with the Electric activity.
BRAWLEY	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
BURLINGAME	Emergency Medical expenditures are included with the Fire activity.
CALEXICO	Emergency Medical expenditures are included with the Fire activity.
CALIFORNIA CITY	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity. The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
CALIPATRIA	Emergency Medical expenditures are included with the Fire activity.
	Failed to report its Total Annual Appropriations Subject to the Limit.
CANYON LAKE	Failed to report its Total Annual Appropriations Subject to the Limit.
CHICO	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
CHINO	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
CLOVERDALE	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
COALINGA	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.

Appendix B (continued)

COLFAX	<p>Planning expenditures are included with the Streets, Highways, and Storm Drains activity.</p> <p>Fire Services expenditures are included with the Police activity.</p> <p>Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.</p>
COLTON	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
COLUSA	Planning expenditures are included with the Community Promotion activity.
CORONADO	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
DAVIS	The “Voter-Approved Tax Rate” is not reported because there is no secured levy.
DELANO	<p>Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.</p> <p>Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.</p>
DIXON	The “Voter-Approved Tax Rate” is not reported because there is no secured levy.
DUNSMUIR	Emergency Medical expenditures are included with the Fire activity.
DORRIS	<p>Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.</p> <p>Parks and Recreation expenditures are included with the Management and Support activity.</p>
EAST PALO ALTO	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
ESCONDIDO	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
ETNA	Emergency Medical and Street Lighting expenditures are included with various other expenditure activity.

Appendix B (continued)

FAIRFAX	The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
FARMERSVILLE	Planning expenditures are included with the Community Promotion activity.
FILLMORE	Emergency Medical expenditures are included with the Fire activity.
FOLSOM	Other expenditures includes a school and bridge construction project.
FORT JONES	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
FOUNTAIN VALLEY	Sewer expenditures are included with the Solid Waste activity.
FRESNO	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
FULLERTON	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
GILROY	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
GLENDALE	Street Lighting expenditures are included with various other activity.
GLENDORA	The “Voter-Approved Tax Rate” is not reported because there is no secured levy.
GUADALUPE	Emergency Medical expenditures are included with the Fire activity. Failed to report its Total Annual Appropriations Subject to the Limit.
HAWAIIAN GARDENS	Public Transit expenditures are included with the Streets, Highways, and Storm Drains activity. Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.

Appendix B (continued)

HEALDSBURG	Emergency Medical expenditures are included with the Police activity. Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
HERMOSA BEACH	Emergency Medical expenditures are included with the Fire activity.
HIDDEN HILLS	Public Transit is not provided within the city. The expenditures reported are for the exchange/sale of local transportation taxes that the city received.
HOLLISTER	Emergency Medical expenditures are included with the Fire activity.
HURON	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
ISLETON	Failed to file its Annual Financial Transactions Report.
LA HABRA HEIGHTS	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
LAKEPORT	Emergency Medical expenditures are included with the Fire activity
LARKSPUR	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
LIVE OAK	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
LONG BEACH	Emergency Medical expenditures are included with the Fire activity. Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
LOYALTON	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
MERCED	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
MILPITAS	Parks and Recreation expenditures are included with the Management and Support activity.

Appendix B (continued)

MONTEBELLO	Emergency Medical expenditures are included with the Fire activity.
MONTEREY	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
MONTEREY PARK	City has two rates for its utility users taxes: 3% for residential and 5.5% for commercial.
NEEDLES	Sewer expenditures are included with the Solid Waste activity. Water expenditures are included with Other Public Utilities.
OCEANSIDE	Emergency Medical expenditures are included with the Fire activity.
OJAI	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
PATTERSON	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
PERRIS	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
PISMO BEACH	Emergency Medical expenditures are included with the Fire activity.
PLACERVILLE	Failed to file its Annual Financial Transactions Report.
POMONA	Sewer Expenditures are included with the Solid Waste activity.
PORTERVILLE	Emergency Medical expenditures are included with the Fire activity.
PORTOLA	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
RED BLUFF	Emergency Medical expenditures are included with the Fire activity. Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.

Appendix B (continued)

	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
REDDING	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
RIALTO	Planning expenditures are included in the Internal Service Fund.
RIO DELL	Failed to file its Annual Financial Transactions Report.
RIVERBANK	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
ROLLING HILLS	Transit is not provided within the city. The expenditures reported are for the sale/exchange of local transportation taxes that the city received.
ROSEVILLE	Emergency Medical expenditures are included with the Fire activity.
	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
SAN DIEGO	The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide
SAN FRANCISCO	The City and County Emergency Medical expenditures are included with the Fire activity.
	Solid Waste expenditures are included with the Management and Support activity.
SAN GABRIEL	Emergency Medical expenditures are included with the Fire activity.
	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
SAN JOAQUIN	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity.
	Parks and Recreation expenditures are included with the Community Center/Auditorium activity.
	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.

Appendix B (continued)

SAN JUAN CAPISTRANO	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
SAN LUIS OBISPO	Emergency Medical expenditures are included with the Fire activity. Solid Waste expenditures are included with the Streets, Highways, and Storm Drains activity.
SAN MATEO	Emergency Medical expenditures are included with the Fire activity.
SANTA ANA	Emergency Medical expenditures are included with the Fire activity.
SANTA MONICA	Emergency Medical expenditures are included with the Fire activity.
SANTA ROSA	The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
SEASIDE	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
SEBASTOPOL	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
SHASTA LAKE	Street Lighting expenditures are included with the Management and Support activity. The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
SIERRA MADRE	Emergency Medical expenditures are included with the Fire activity. The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
SOLEDAD	Planning expenditures are included with the Construction and Engineering Regulation Enforcement activity. Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.

Appendix B (continued)

SOUTH EL MONTE	The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.
ST. HELENA	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
STOCKTON	Fire Service expenditures are included with the Police activity.
SUSANVILLE	Failed to report its Annual Financial Transactions Report.
TAFT	Emergency Medical expenditures are included with the Fire activity.
TEHAMA	Legislative expenditures are included with the Management and Support activity.
	Parks and Receptions expenditures are included with Other Community Development.
TIBURON	Failed to report its Annual Financial Transactions Report.
TULELAKE	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
TURLOCK	Street Lighting expenditures are included with the Streets, Highways, and Storm Drains activity.
UKIAH	Emergency Medical expenditures are included with the Fire activity.
VALLEJO	Sewer Assessment and Public Financing Bonds previously reported in 1995/96 are now reported in the Special District Annual Report.
VISALIA	Emergency Medical expenditures are included with the Fire activity.
WATERFORD	Parks and Recreation expenditures are included with the Community Development Planning activity.
WEST COVINA	The “Voter-Approved Tax Rate” is not reported because the city has more than one rate that is less than citywide.

Appendix B (continued)

WEST SACRAMENTO	Emergency Medical expenditures are included with the Fire activity.
WESTMINSTER	Parks and Recreation expenditures are included with the Water activity.
WESTMORLAND	Parks and Recreation expenditures are included with the Management and Support activity.
	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit.
WILLOWS	Emergency Medical expenditures are included with the Fire activity.

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