

A Review of Local Government Revenue Data in California

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Foreword

As we were shaping the Institute’s initial research agenda, we talked with many leaders throughout the state. We asked them which public policy issues were most in need of attention by PPIC. The area most frequently suggested for study was governance—how California’s political institutions and processes affect policy outcomes. Public finance was a matter of particular concern. Proposition 13 and a succession of other revenue-and-expenditure-limiting initiatives were viewed as creating distortions in decisionmaking and accountability. Phrases such as “loss of control of the resource allocation process” and “a maddening proliferation of special districts” occurred often in our conversations with public officials. Many people have strong views about the governing process in California; yet it is difficult to judge how well the process is working or to measure its performance. Gaining insight into these issues is critical in a state as diverse and rapidly changing as California. This is why PPIC has, from the start, made governance one of its central areas of research.

To successfully evaluate the governing process, we must have a reliable set of statistics on local government finances. The California State Controller's Office publishes local public finance data on an annual basis, and the U.S. Census of Governments publishes comparable data every five years. If the Institute and others are to tackle—with credibility—the question of governance in the coming years, we must be certain that these published data are accurate and comprehensive. There are those who question the quality of these data, suggesting that the special fees and charges emerging in the aftermath of Proposition 13 may not have been captured in the data, thus leading to a substantial undercount of revenues raised at the local level. These concerns led Michael A. Shires and Melissa Glenn Haber to undertake the study described in the following report, *A Review of Local Government Revenue Data in California*.

The authors reviewed more than 7,000 local government entities to verify that they were included in the reports published by the state Controller's Office and reached the satisfying conclusion that the state data captured virtually all of the public entities generating revenues at the local level. In addition, they found a high degree of correspondence between the data compiled by the local government entities and the summary statistics published by the state. This degree of correspondence should assure both analysts and others interested in local public finance in California that, regardless of the findings reached, the databases used in the research accurately reflect the pattern of revenue-raising strategies throughout the state. With the passage of Proposition 218 in the fall of 1996, which requires a referendum on any attempt by local governments

to raise revenue, the debate surrounding revenue-raising strategies is likely to become more heated. It is our intention to help inform the discussion, and our first contribution is this report.

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Summary

Background

For more than two decades, Californians have engaged in a great debate over the size, shape and role of their state and local governments. This debate has involved a wide range of questions: How much of the state's income should be spent by the public sector? Which goods and services should be provided by the state government, which by local governments? What is the appropriate level of state and local taxation? And perhaps most important, can citizens trust their elected officials to reflect their views on these policy issues or should such matters be governed by a combination of constitutionally imposed rules, limits and referenda?

When this debate heated up in the 1970s, there was general agreement that Californians provided more goods and services through their state and local governments than all but one or two other states. This was the era when California led the nation in per-pupil spending for

elementary and secondary education; when the California Master Plan for Higher Education promised state-funded postsecondary education to all of its citizens; and when the state engaged in massive infrastructure investment in its roads and waterways. These and other activities required considerable resources, and thus California had one of the highest state and local tax burdens in the nation.

Beginning with the passage of Proposition 13 in 1978, California's voters have used the initiative system to limit the size of their governments. Proposition 13 placed stringent constraints on state and local governments' ability to raise revenues locally. Other initiatives have significantly affected the ability of elected officials to control the amount and mix of publicly provided goods and services. In effect, California has engaged in a great experiment over the past two decades: It has led the nation in the use of direct democracy to limit representative government.

This is the first of a series of reports in which the Public Policy Institute of California (PPIC) will evaluate the effects of this experiment. How effective have the rules imposed by the initiative process been? Has the size of California's state and local governments been truly limited, or have elected officials found ways around the limits? What effects have the initiatives had on the amount and quality of public goods and services? Given the transfer of many federal government activities to state and local governments, how will these constraints affect the implementation of changes such as welfare reform?

These are all vital questions in the California policy debate. However, several key studies addressing these questions have raised concerns about the quality of the data available for evaluating issues relating to local public revenues. In addition, exploratory discussions with policymakers and analysts throughout the state have revealed that

many do not use the data available on local public finance or, if they do, they do so hesitantly. These potential and actual users of the data cite three concerns: (1) the data do not capture all public entities in the state; (2) they do not accurately reflect the fiscal activity of those they do capture; and (3) they are not produced in a timely manner.

This research thoroughly examines the first two concerns, analyzing the data produced by the California State Controller's Office. The Controller's Office, which provides the most timely and comprehensive data available on local finances, fields an annual survey of financial activity that collects revenue, expenditure, and debt information on every public entity in its database. All public entities are required by law to complete the survey and return it to the Controller's Office within 90 days of the end of the fiscal year. This report evaluates the comprehensiveness, accuracy, and timeliness of the revenue data.

Comprehensiveness of the Data: Are All Appropriate Entities Included?

Because the initiative system has increasingly constrained local governments, some argue that the governments have found creative ways to go about their business. One of the criticisms of the state's data systems is that they are unable to track this creativity. It is also argued that the data systems cannot always identify the institutions that spring up as a result of this creativity, and hence the studies that use the revenue data underestimate the actual size of public sector activity.

Findings on the Comprehensiveness of the Data

Overall, the data were found to be quite comprehensive, with the primary exception being Mello-Roos or community facility districts

(CFDs), which are typically not included in the database. Analysis of a sample of CFDs showed that as few as 20 percent of these entities are included in reports to the State Controller's Office. A follow-up analysis of all 233 CFDs in existence in 1991–92 found that the total revenue of these entities was only \$283.5 million. In a local-government sector with revenues totaling nearly \$95 billion, this represents a trivial source of error—0.3 percent—even if all CFDs were excluded. Since some of these districts are included in the reported information, the actual level of error introduced by the omission of CFDs is even lower. If one wishes to focus on these particular entities for a specific policy inquiry, the data are obviously inadequate.

An exhaustive comparison of more than 7,000 entities appearing on the lists of local agency formation commissions and the California Debt Advisory Commission with the entities appearing in the Controller's report identified only three non-CFD entities as missing from the Controller's survey. The revenues for these entities totaled approximately \$0.5 million—an inconsequential sum.

Recommendations for Strengthening the Comprehensiveness of the Data

While it can be concluded from these analyses that the Controller's data are comprehensive—that they include virtually the full range of public entities generating revenues at the local level—there are some ways in which the data can be improved.

Include Mello-Roos Districts. Specific instructions and questions should be included in the annual survey to ensure that community facility districts are included in the Controller's reports.

Create a Mechanism for Identifying New Entities. The Controller's Office should implement a watchdog-type mechanism for identifying new entities that might not be captured under the current reporting scheme.

Accuracy of the Data: Do They Reflect What Actually Happens?

Another issue raised about the quality of the data is whether the reported information accurately represents the activity of the reporting entity. Since the questionnaires are completed by each entity independently, the potential for variation in the interpretation of the instructions across more than 7,000 entities is significant. Because the surveys are usually submitted before annual audits are completed, the use of unaudited information in preparing the survey represents another area of concern.

Findings on the Accuracy of the Data

The Controller's data are quite accurate. They were verified against third-party sources of information in two ways: (1) by comparing the data reported in the surveys to specific revenue series, such as sales and property taxes, and (2) by comparing the data reported by the entities with their audited information. When the total amounts reported by the entities for specific revenue series were compared with the amounts reported by the county auditor-controllers and the State Board of Equalization for property and sales taxes, respectively, the variance was very low—ranging from 0.0 percent to 5.1 percent. On a county-by-county and city-by-city basis, the variation was also quite low. Furthermore, these averages were heavily influenced by a few outliers.

Without these outliers, the difference between the two sets of information essentially disappeared.

When the information reported to the Controller was compared with audited financial information, the overall variance was even lower. For counties it totaled 1.2 percent, for cities 1.4 percent, and for special districts 1.5 percent. On an entity-by-entity basis, the average percentage differences for counties was 1.4 percent, for cities 3.9 percent, and for special districts 0.9 percent, showing that the low variance identified in aggregate reflected low levels of variation at the individual entity level as well.

Recommendations for Strengthening the Accuracy of the Data

Even though there is a high level of accuracy in the data, it can be improved in some areas, as suggested below.

Provide More Specific Instructions and Follow-Up Regarding Capital Project Funds, Debt Service Funds and Housing

Authorities. Several types of activity were not consistently reported by all entities to the Controller's Office. These three areas represented the greatest proportion of the overall variance in the data, and improvements in these areas would significantly improve the general quality of the data.

Expand and Clarify the Reporting of Special Assessment

Districts. The reporting on these increasingly popular revenue - generating arrangements is spotty at best and does not appear to capture the full range of activity that occurs. Researchers and analysts trying to assess the impact of Proposition 218, which appeared on the November 1996 ballot, found the data quite inadequate.¹

¹Proposition 218 requires a referendum on any attempt by local governments to raise revenues, service charges, or special assessments.

Expand the Reporting of School District Information. Because school districts represent one of the largest categories of local revenues and expenditures, and because detailed district-level information is not published elsewhere, entity-level detail should be provided to the Controller for each district, county office, and joint powers agency in the state. It would also be helpful to include the specific numbers used by the state in calculating the Proposition 98–required expenditures each year.² Such a service would provide a common source of information for analysts and decisionmakers.

Provide Detailed Fiscal Information for Community College Districts. Community college districts are unique entities in the state. Even though they receive their funding largely under the Proposition 98 formula, they are considered part of the state’s postsecondary education sector. However, unlike the other public members of this sector, community colleges are organized and governed locally. Data on the community colleges would be useful for both informational and accountability purposes.

Establish a Consistent Reporting Format for All Categories of Entities. There is significant variation in the way various types of entities report their information. As discussed regarding school districts above, but true on a much broader basis, the requirements and reporting structures associated with particular types of entities are almost always determined by the institutional and historical context of the reporting entity, rather than by concern for comparability and public accountability or the utility of the data for decisionmakers.

²Proposition 98 creates a floor on state spending and (indirectly) on local spending for K–14 education.

As a result, the statistics are difficult to compare and use—both across government entities and sometimes even within the same report. In addition to consistent reporting formats, it would be useful if the major tax revenue streams—such as sales and property taxes—were explicitly identified for each entity.

In conjunction with a universal reporting format, it would be useful if the governance information for each dependent entity in the database were expanded to include explicit detail about what the parent entity is. Policy analysts and decisionmakers could then easily perform the type of aggregation that had to be done manually for this research.

Timeliness of the Data

This study did not examine in great detail the timeliness of the data. The problem is self-evident. Because data from each type of entity are published separately, the data become available at different times, and the delay can be as long as two years. This is problematic for policymakers and analysts who have much shorter and demanding time horizons.

Recommendations for Strengthening the Timeliness of the Data

The study suggests two ways in which the information in the Controller's report might more quickly reach the policy and research communities.

Institute Internet/Web-Based Submission. The Controller's Office should use a more direct submission technology. Widespread access to the Web, coupled with its easy information-transfer capabilities, make it an ideal medium for transferring information between local governments and the State Controller's Office.

Make the Data Immediately Available. In addition to getting the information to the Controller's Office more quickly and in a more consistent format, the data could be made available before they have been reviewed.³ This would make the bulk of the information available 90 days after the end of the fiscal year—a much more useful timetable than the current one in which data are not released for more than a year.

Broader Implications of the Findings

Beyond the specific recommendations discussed above, the study arrived at some broader conclusions and implications.

Reliability

The revenue data accurately portray the range of activity occurring in the local government sector. Thus, decisionmakers and analysts can focus on the methodology and substantive questions involved in a policy argument and not worry about shortcomings in the data.

Usability

PPIC's primary motivation for undertaking this study was to determine whether the State Controller's data were of adequate quality and, if not, what changes might be initiated to make the data more usable. While we have recommended a number of changes, the data as they currently exist are usable for further research into more detailed aspects of state and local governance.

³Unreviewed data would be identified as such, and since the information is reviewed by the Controller's Office, the identifier could be changed accordingly. Large and complex entities, which are more likely to significantly affect policy choices, should be reviewed first.

PPIC is committed to studying the implications of various governance and finance choices at the local level for local, state and federal policy choices. It is critical to this line of research that one have confidence in the quality of local government finance data. This study has found that confidence in the data is well-placed.

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This report represents the synthesis of information from numerous sources within state and local government. As a result, it was highly dependent on the assistance and cooperation of staff in many state offices and local governments. The California State Controller's staff were key to the preparation of a significant part of this report. They always made themselves available to answer questions about the data and their procedures. Special thanks go to Alice Fong and Wayne Beck, who fielded the brunt of the project's inquiries. Jeff Reynolds of the State Board of Equalization was equally helpful, answering questions and providing valuable supporting documents for the county auditor-controller's data. Peter Schaafsma and the staff of the California Debt Advisory Commission provided assistance and data key to major parts of this study.

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Another critical group of government participants were the numerous city, county and district managers and staff who provided copies of the audited financial statements, answered questions about them and sometimes went to great lengths to explain the subtleties of their particular entity's finances to our project staff. Without the assistance and cooperation of these hundreds of individuals, this study would not have been possible.

The largest volume of work in this project was handled by an extremely competent project team which deserves recognition here. Liz Britton and Charles Castel were invaluable in obtaining information and

providing follow-up, while Mehtab Bains, Jason Cohen, Mary Joy Espino, Pradeep Mathew and James McMillan performed the often exhausting financial reconciliations.

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Finally, and certainly not least, Mary Sprague deserves special credit and thanks for her efforts on this project. She stepped in half-way through this project and has done an excellent job of helping to keep it on track. She has contributed to this project in numerous ways, including coordinating staff, following up on the "one hundred and one" open items needing closure, tracking down that "one piece" of needed data and keeping the special districts portion of the data set straight. Without her assistance, this project may well never have ended.

While all of these individuals and organizations have been instrumental in the planning, preparation and execution of this study, the research and views expressed in this report are entirely the authors'. They should in no way be construed as representing the views of anyone acknowledged herein or anyone else.

1. Introduction

For two decades Californians have been engaged in a great debate over the proper size, shape and role of their state and local governments and whether representative government should or is capable of constraining the growth of the public sector. This debate has centered around such questions as: How much of the state's income should be spent by the public sector? Which goods and services should be provided by the state government? By local governments? What is the appropriate level of state and local taxation? And perhaps, most important, can citizens trust their elected officials to reflect their views on these policy questions or should these issues be governed by a combination of constitutionally imposed rules, limits and referenda?

When this debate heated up in the 1970s, there was general agreement that Californians chose to provide more goods and services through their state and local governments than all but one or two other states. This was the era when California led the nation in per-pupil spending for elementary and secondary education, when the California

Master Plan for Higher Education promised highly subsidized state-funded postsecondary education for all its citizens, and when the state engaged in massive infrastructure investment in areas ranging from its road system to the dams and aqueducts that shift water from the north to its population-rich south. These and other activities required considerable resources, and as a result from the close of World War II until the late 1970s the state had one of the highest state and local tax burdens in the nation.

Beginning with the passage of Proposition 13 in 1978, California's voters used the initiative system to place limits on the size of its governments. Proposition 13 placed stringent constraints on local government's ability to determine and raise revenues locally. Other initiatives—such as Proposition 4 (the Gann Initiative), which placed limits on the overall levels of spending for all state and local governments; Proposition 98, which created a floor on state spending and (indirectly) local spending on K through 14 education; and Proposition 111, which modified the rules of Proposition 98 for those years in which state revenues were depressed by a recession—significantly affected the ability of state and especially local government elected officials to control the amount and mix of publicly provided goods and services. When elected officials turned to governmental institutions and mechanisms not constrained by these initiatives—such as fees, service charges and special assessments—to provide additional goods and services, the advocates of constraining representative government sought to pass new initiatives to control and limit this activity. Most recently, voters approved Proposition 218, which requires a referendum on any attempt of local governments to raise revenues, service charges or special assessments.

On a policy level, these initiatives reflect a desire to control and limit the size of California's governments. But at a deeper level, they reflect a basic distrust of representative government: a belief that elected officials are, in practice, incapable of imposing the public's will when it comes to taxation and spending. In effect, over the past two decades, California has been engaged in a great experiment. It has led the nation in the use of direct democracy to limit representative government.

This is the first of a series of reports in which the Public Policy Institute of California (PPIC) will evaluate the effects of this experiment. How effective have the rules imposed by the initiative process been? Has the size of California's state and local governments been truly limited or have elected officials found ways around the limits? What effects have the initiatives had on the amount and quality of public goods and services in areas ranging from elementary and secondary education to health services to welfare to corrections? Given the devolution of many federal government activities to the state and its local governments, how will these constraints affect the implementation of such changes as welfare reform?

These are all vital questions for the California policy debate and policymaking process. As discussed in the next section, several studies of issues in this area have pointed to deficiencies in the data, describing important aspects of the local public revenue burden. Before the key policy questions can be addressed, therefore, it is critical to clear up any concerns about the quality of the available data. This report does just that, laying the groundwork for the future work of the Public Policy Institute of California by assessing the quality of the available fiscal data regarding California's local governments.

The Quality of the Data Is Important

In the wake of Proposition 13, several studies have been undertaken to assess its full effect on the level of local government expenditures. Several of these studies have found some level of reduced spending in the state and local levels of government. Studies by the California Taxpayers' Association (Cal-Tax)¹ and Steven Gold² have found that local government revenues dropped from 3 to 20 percent between fiscal years 1977–78 and 1991–92. Others have found that local revenues have in fact risen since Proposition 13. For example, Gary Galles and James Long found that state and local real per-capita general revenues in fiscal 1989–90 were 6 percent higher than in 1977–78,³ while John Kirlin et al.⁴ found a small percentage increase in overall public revenues. Part of these differences arises from the use of different measures (revenues as a percentage of personal income versus real per-

¹From California Taxpayers' Association, "California Taxing and Spending," *Cal-Tax Research*, October 1994, pp. 3–9. Cal-Tax found that state and local own-source revenues declined from 16.7 percent of state personal income to 16.2 percent—a decrease of 3.0 percent.

²From Steven D. Gold, "California's Budget from a National Perspective," testimony presented at a hearing on Proposition 165, California Budget and Fiscal Review Committee, California Health and Human Services Committee, California Senate, October 1, 1992. He found that state and local tax revenues declined from 14.6 to 11.4 percent of state personal income—a decrease of 21.9 percent. This measure is a little different than that of the Cal-Tax and Kirlin studies because it looks only at tax revenues. The other two studies focus on a broader measure of local revenues that includes current service charges, fines and the sale of fixed assets.

³From Gary M. Galles and James E. Long, *Proposition 13 and California Tax and Expenditure Trends*, Sacramento, Calif.: The Howard Jarvis Taxpayers Foundation, May 1994, Executive Summary.

⁴From John J. Kirlin et al., "Fiscal Reform in California," in *California Fiscal Reform: A Plan for Action*, Oakland, Calif.: California Business-Higher Education Forum, June 1994. Kirlin's group found that state and local own-source revenues increased from 17.4 percent of state personal income to 18.1 percent—an increase of 4.0 percent.

capita revenues) and part arises from the use of different comparison years—1989–90 was near the peak of an economic cycle, while 1991–92 was the first year of a severe recession. Another point of difference between the studies was the kinds of public revenues included. Certain studies included quasi-public transactions like tuition and fee revenues from the California State University system, while others did not.

The purpose of this report is not to address authoritatively the differences found in these works, but to address another important issue that has been raised in response to these works. In nearly every case, practitioners and analysts used either the U.S. Department of Commerce’s Census of Governments or the California State Controller’s series of *Annual Reports of Financial Transactions*. In the text of the reports and in subsequent one-on-one interviews with the authors, the issue has been raised regarding the quality of the data included in the reports. In the *Western Political Quarterly*, there was recently an exchange of articles debating the methodology and quality of the U.S. Census Bureau’s data.⁵ While no one proposes bounds for the quality of the data, significant concerns are raised.

The quality of the data is clearly an important issue in this debate. For example, if the picture of local and state government finance included in the data is off by 10 percent in either of the endpoint years, the findings of only one of the studies described above would be robust

⁵See James Leigland, “The Census Bureau’s Role in Research on Special Districts: A Critique,” *Western Political Quarterly*, June 1990, Vol. 43, No. 2, pp. 367–380; Seymour Sacks, “The Census Bureau’s Role in Research on Special Districts: A Critique, A Necessary Rejoinder,” *Western Political Quarterly*, June 1990, Vol. 43, No. 2, pp. 381–383; and James Leigland, “In Defense of a Preoccupation with Numbers,” *Western Political Quarterly*, June 1990, Vol. 43, No. 2, pp. 385–386.

enough to stand. With findings of changes in the revenue picture in the 3 to 6 percent range, it is important to be comfortable that the data underlying these comparisons have a error level that is lower. This is the goal of this report.

Before turning to specific quality issues, it is important to identify the specific scope and range of the local government enterprise on which this report will focus. Exactly what is meant when referring to *local government* finance? The next section will provide a more in-depth discussion of the scope and scale of the local government enterprise.

The Local Public Enterprise

The local public enterprise refers to the collection of governments beneath the state level that raises revenues, expends monies in the public interest and sets policy for citizens of the local community. The boundaries of all of these entities are subordinate to the state, and this category includes all counties, cities, towns, special districts and school districts. It typically does not include non-profit corporations and public-private joint ventures that are not under the direct control of an elected or appointed body. For purposes of this report, the category “local government” does not include the state government or any of its agencies.

Table 1.1 presents a summary of the local government sector in California in the year 1991–92.

As this table shows, the size of this sector is considerable, representing overall total revenues nearly twice those in the state’s general

Table 1.1
Local Government in California, 1991–92
(revenues in billions of dollars)

Entity	Number	Total Revenues	Own-Source Revenues
Counties	58	28.253	14.112
Cities	466	22.311	19.938
School districts	1,005	25.030	7.371
Transportation/planning agencies	81	3.210	2.624
Community redevelopment agencies	381	2.026	1.961
Special districts	4,995	14.891	14.431
Grand total	6,986	95.721	60.437

SOURCE: *Annual Report of Financial Transactions Concerning Counties, Fiscal Year 1991–92; Annual Report of Financial Transactions Concerning Cities, Fiscal Year 1991–92; Annual Report of Financial Transactions Concerning Special Districts, Fiscal Year 1991–92; Annual Report of Financial Transactions Concerning School Districts, Fiscal Year 1991–92; Annual Report of Financial Transactions Concerning Redevelopment Agencies, Fiscal Year 1991–92; Annual Report of Financial Transactions Concerning Transportation Planning Agencies, Fiscal Year 1991–92.*

and special funds in 1991–92.⁶ Even on an own-source basis,⁷ the sector is large, accounting for \$60 billion dollars.

The local government sector is also highly fragmented, with nearly 7,000 entities—mostly special districts. Of the nearly 5,000 special districts, approximately 40 percent are dependent upon another entity for their governance and fiscal direction. These entities are typically governed by a board of supervisors, city council or school board and are

⁶State general and special fund revenues totaled \$53.1 billion in 1991–92. It is important to note here, however, that these are not all own-source revenues. If all intergovernmental revenues reported by these entities are excluded, the sector has revenues of approximately \$50 billion—almost exactly the same size as the state government itself.

⁷Own-source revenues are those revenues raised at the level of that specific government. Typically, they are the entity's total revenues less transfers from other governmental bodies and agencies and thus include tax revenues, fines and forfeitures, interest and rents and current service charges.

entities such as redevelopment agencies and water and sewer enterprises.⁸ The remaining 3,000 or so have their own elected boards and include entities such as fire protection districts, utilities, airports and water districts.

What Data Are Available?

Sources of financial information available for this diversity of local institutions are limited. There are only two sources of comprehensive information on these local governments—the U.S. Department of Commerce’s Census of Governments and the State Controller’s *Annual Report*—and these two are closely related as will be seen below. A few other sources are available for selected categories of information. The California State Board of Equalization maintains detailed information on selected revenue series, and the California Department of Education maintains a detailed database on K–12 fiscal activity in the state.

Census of Governments

The U.S. Department of the Census produces a series on state and local finance every five years for every public entity it tracks in the nation. Detailed information is also published for larger entities every year. The five-year data set includes detailed revenue, expenditure and debt information on counties, cities, school districts and independent⁹ special districts. Dependent entities are included with the parent entity that retains governance control over it.

⁸About 90 percent of these dependent entities are governed by county boards of supervisors, and approximately 10 percent are governed by local city councils. Very few are governed by school boards.

⁹An independent special district is one that has independent governance (e.g., its own elected board) and/or independent revenue streams.

The raw inputs for the U.S. Census Bureau's series, however, are not collected directly by the Census. Instead, the Census obtains the data tapes for the Controller's *Annual Reports on Financial Transactions* (described below) and reorganizes the data to make the presentation more consistent with their national reporting format. According to the Census, only minor comparison and review activities are affected by the Census, so the bulk of the quality control associated with this information rests with the California State Controller's Office. This is due in part to staff limitations and in part to their sense of the high quality of the data received from the state.¹⁰

California Controller's Annual Reports on Financial Transactions

The California State Controller collects annual information on local government finance within the state. The Controller maintains and distributes an annual survey of financial activity that includes revenue, expenditure and debt information for every public entity in its database.¹¹ All public entities are required by law to collect this information and to provide completed surveys to the Controller's office within 90 days of the end of the fiscal year.

¹⁰One original purpose of this study was to provide detailed comparisons between the data reported by the Bureau of the Census and those reported by the California Controller's Office. The Census data for the most recent Census of Governments survey year (1991-92) have not been released as of the press time of this report and are not expected until early 1997. As a result, that detailed comparison was not possible. Even though the Census uses the Controller's data as its primary input, conclusions about the quality and comprehensiveness of the Controller's data are not and should not be automatically applied to the Census data.

¹¹A copy of one of the Controller's questionnaires—the questionnaire for counties—is provided in Appendix H. The other questionnaires are similar, although the categories and level of detail vary according to the language of the particular legislation establishing the category's reporting requirements.

These questionnaires are then entered into a database system within the Controller's Office and reviewed for quality and consistency with the prior year's reported activity. Inconsistencies are identified and investigated. If problems are identified or suspected, the public entity's audited financial information is also requested as it becomes available. The compiled information is then published in a series of reports. There are separate series for counties, cities, redevelopment agencies, special districts, school districts and transportation planning agencies. Care is taken to be certain that there is no duplicate reporting of revenues.

California State Board of Equalization

The State Board of Equalization, among other responsibilities, is the primary tax collector and distributor for the sales tax, the fuel tax, the alcoholic beverage tax and the cigarette tax. For example, it collects the sales taxes from all business in the state and then distributes the appropriate shares to each entity that imposes a portion of that tax. In this capacity, it retains detailed information on the distribution of each of these taxes. Detail on state, city and county receipts of each of these taxes¹² is reported in the State Board of Equalization's *Annual Report*.

Additionally, the board collects and reports detailed information on the state property tax. This information is actually obtained from surveys entitled *Annual Report of Property Taxes* submitted by each county auditor-controller to the Division of Local Government Fiscal Affairs, Special Districts Unit of the State Controller's Office. This information is collected independently of the annual questionnaires

¹²Cities and counties receive revenues for only some of the taxes administered by the Board of Equalization. The sales tax is the largest of these.

described above. Summaries are presented each year in the Board of Equalization's *Annual Report*.

California Department of Education

The California Department of Education collects detailed information on school district finances in California. These reports include the activities of school districts, county superintendents of schools and joint powers agencies (JPAs)¹³ between county offices and school districts. These data are collected by the Department of Education using the J-200 series, J-400 series and J-600 series of reports. Only summary information is published by the Department of Education—the detailed information for each entity is not published separately, although the Department of Education advertises its willingness to provide detailed information to anyone for a nominal fee.

This information is not collected by any other state or federal agency, including the California State Controller's Office. While the Controller's Office does publish information on school districts, the data in the State Controller's *Annual Report on Financial Transactions Concerning School Districts* are compiled from summary information provided by the California State Superintendent of Public Instruction and the California State Department of Education.

¹³A joint powers agency is typically a collaborative entity that provides a specific service for a group of independent agencies who benefit from the economies of scale of having a larger pool of participants. The classic example of a JPA is a pooled risk self-insurance entity. Each individual entity is unwilling to carry the risks associated with self-insurance, but if 10 districts pool their risk, then it becomes an attractive fiscal alternative.

Local Governments

Finally, local governments retain information on their own and, sometimes, other entities' fiscal activity. A range of entities exist that can provide information on local government finance. Counties, for example, collect all the property taxes for a given county. County local agency formation commissions (LAFCOs) are responsible for arbitrating boundary disputes, approving annexations and allocating resources for government reorganizations within each county, and although they retain information on what kind of entities exist within a county, they do not retain fiscal information. Parent entities nearly always retain information on the fiscal activities of subordinate, dependent entities. Each entity is also required by law to maintain detailed records on its own fiscal activities. This information is retained in the form of budgets¹⁴ and in annual audits—the results of which are reported in comprehensive annual financial reports (CAFRs).

Summary of Data Sources

In summary, there are only three sources of comprehensive information about the fiscal activities of local governments: the Census of Governments, the Controller's *Annual Report* series and the entities themselves. Since the data underlying the Census reports are largely those included in the Controller's reports, it is appropriate that this study will focus on the data in the Controller's reports. It should be noted, however, that the U.S. Census Bureau does perform significant reorganizations of the data reported in the Controller's *Annual Financial Transactions* and that any conclusions about one data set do not

¹⁴The information for a given year for an entity's actual revenues and expenditures is often included in the proposed budget two to three years later as a reference point.

necessarily carry over to the other. Because of the unavailability of the Census reports, this report necessarily focuses on the Controller's numbers.

Issues About the Quality of Local Government Data

In discussions with many of the policymakers in the State of California, one fact became evident—nearly all of the likely consumers and users of the available data on state and local finance did not use the available series, and, if they did, they did so hesitantly. Private investment firms, for example, did not directly use the information. Other researchers, largely academics, often deferred important research questions because of a lack of confidence in the available data. Three sets of issues were raised by these consumers as explanations of their non-use of the data:

1. There is a range of public activity and entities that are not included in the reported information.
2. There were concerns about whether the data reported accurately reflect the actual fiscal activity of the entities.
3. The information is not produced quickly or timely enough.

The purpose of this project is to assess the available data along each of these dimensions, with a particular focus on the first two issues—the comprehensiveness and the accuracy of the data.

Comprehensiveness of the Data: Are All Appropriate Entities Included?

One of the biggest criticisms of the state's data systems is that they are not capable of tracking the creativity of local governments. Because

the various propositions have greatly increased the constraints and limits on local governments, some argue that these governments have become creative in finding ways of going about their business. These individuals also argue that the state's data systems do not and cannot keep abreast of the institutions that come about as a result of this creativity. As a result, the data do not capture these new activities, and the research that uses these data therefore underestimates the actual size of public sector activity.

Suppose, for example, that, in response to the voter approval requirements under Proposition 13, a city used a law that allowed the creation of a community facility district (CFD) to build a new civic center.¹⁵ In year one, the CFD issues bonds and builds the civic center—which is exclusively operated by the city. In year two, the CFD collects property tax assessments (parcel taxes) from those in the CFD and pays the debt service on the bonds. If the CFD was not required to report its revenues or for some reason was not included, then the Controller's reports would subsequently underestimate the true size of the public sector's activity in that city.

This is precisely the kind of issue that is raised by practitioners and experts. To address this concern, this study will examine whether there is in fact public activity that is not included in the Controller's reports, with a specific focus on whether the reports include the full range of entities they should and how complete the coverage is within those categories.

¹⁵These are also known as Mello-Roos districts. As discussed in Chapter 2, this law would allow the city to draw the borders of the district in such a way as to assure the voter support necessary for passage.

Accuracy of the Data: Do the Reported Data Match What Actually Happens?

Another issue raised in the policy debate regarding the quality of the data is whether the reported information accurately represents the activity of the reporting entity. Since the data questionnaires are completed by each entity independently, the potential for variation in the interpretation of the instructions across more than 6,500 entities is significant.¹⁶

For example, there is some variation in the way that entities of the same type account for different revenues and expenditures. For example, one district may report a property tax that it receives from the county tax collector and that it passes on to another entity as a tax revenue and an intergovernmental transfer expenditure. A similar district may report the transaction as an intergovernmental transfer revenue and expenditure. Another district of the same type may not report it at all because it has nothing to do with the collection or expenditure of the tax. There is enough latitude in both the Controller's instructions and the rules that govern public accounting¹⁷ to take any one of the above approaches, and cases of all three approaches were identified in the course of this study.

Finally, the Controller's questionnaires are due within 90 days of the fiscal year end, while the audits of most entities are not due until 12

¹⁶If these errors occur independently, it can still be the case that any two errors could cancel each other out and that the overall totals would be correct. To the extent that someone would want to look at individual entities, he or she would care about these errors. Also, it is possible that there is a systematic underreporting of data brought about by the design of the reporting systems.

¹⁷These are the Generally Accepted Accounting Practices (GAAP) rules by which public agencies' financial statements are prepared during audits.

months after the year end.¹⁸ This means that the Controller's surveys may be completed with budgeted numbers, not audited numbers. These numbers represent the best guess as to what happened in the year recently ended, but audits are necessary to make certain that all fiscal transactions are properly and consistently reported.

Anecdotes of the consequences of such variability in accuracy abound. One scholar points to several hundred million dollars of revenues missing from a southern California special district. Another story recounts the example of a certain special district in central California whose Controller's questionnaire was completed by the spouse of one of its board members between clients in her hair salon.

All of these examples raise concerns regarding the accuracy of the data. For public policy researchers, such as the Public Policy Institute of California, to use these data with any confidence, these accuracy issues must be addressed definitively. Since this is the only data set with comprehensive information regarding local government entities and their finances, this report will look in some detail at the accuracy of the Controller's data.

Timeliness of the Data: Are They Available Soon Enough To Be Useful?

Even accurate data may have limited usefulness to practitioners if they are not available quickly enough. The Controller's reports have been criticized for the length of time it takes them to become available. In part, the delay is understandable. While the completed surveys are due within 90 days of the fiscal year end (typically by September 30),

¹⁸The one major exception to this standard is the redevelopment agency whose audit due date coincides with the 90-day due date of the Controller's questionnaire.

there is a tremendous amount of work to be done before the published reports become available. The survey data must be input into the data system; the data entry must be quality controlled; the information must be reviewed for consistency and accuracy with prior years and then the final report must be compiled, reviewed, proofed and published. For the 58 counties in the state, this can be done quite quickly, but for the report that includes information on the state's nearly 5,000 special districts, this task takes much more time. These reports are often not available for more than 18 months (or two fiscal year budget cycles) from the end of the reported fiscal year.

This timeline is problematic for legislators and committee staff who must make policy and budget decisions in advance of a fiscal year. Especially in rapidly changing times, such as the recession of the early 1990s, two-year-old information is not useful. Decisionmakers need to know what happened as soon as possible and the sooner the better. There are no alternative sources of information regarding state and local finance. Policy analysts and academics, to the extent that they are also doing current policy research and analysis, need current data as well.¹⁹

This aspect of the quality of the data is self-evident in the timing of the release of the various reports. The county and city reports are typically issued much earlier than the special districts reports, but in no case soon enough for the state's decisionmakers. This study will not focus on documenting this timing but does include some

¹⁹The Census of Governments reports are released much later. For example, the 1991–92 detailed information was due to be released in the spring of 1996. Because of budget cuts, however, this release has been delayed until late 1996 or early 1997—if it is released at all.

recommendations in Chapter 5 for ways of improving the timeliness of the data.

This Report

Due to these concerns about the quality of the data, this report was commissioned. Its purpose was and is to take a careful and critical look at the Controller's data. If the data were found to be reasonably comprehensive and accurate, then the debate over changes in local public finance can focus on substantive methodological and value-oriented issues. PPIC could then turn to addressing important questions of fact and policy using the data. If the data were found to be problematic, then it was hoped that prescriptions for corrective measures could be identified that would make them usable. As will be seen in the balance of this report, the data are largely comprehensive and accurate.

Focus on Revenues

This report focuses on the revenue side of the financial statement, as opposed to looking at expenditures or debt. This is mostly the result of this study's origins in the debate over the public revenue or tax burden in California. Revenues are also one of the simplest series of data included in the Controller's reports—making such an analysis more feasible.²⁰ It is also true that local governments typically balance their revenues and expenditures, and therefore a reconciliation of one category will, at least

²⁰The opportunity for different interpretations of expenditure categories is greater because of the major variation in the specific characteristics of local programs. Revenues are simpler because the types and character of the sources of resources for local public entities are quite consistent within a revenue category.

at the highest level of aggregation, provide a validation of the other category.²¹

This report does not address the debt issue—an area that represents the bulk of the private sector’s interests in the data. The complexity of this area coupled with the lack of good secondary sources of information were the primary reasons for this choice. As some preliminary work shows, accurate and complete reporting in CAFRs and other agencies’ reports of debt activity are quite poor. This report will provide some preliminary findings of just one crude debt category in Chapter 4, and this is a recommended area of further research in Chapter 5.

Organization of This Report

This report centers around the comprehensiveness and accuracy of the Controller’s data and is organized around those tasks. Chapter 2 focuses on the comprehensiveness question. It presents findings on the quantity and magnitude of entities that are missing from the Controller’s data set. Chapters 3 and 4 then turn to the accuracy of the data. The former compares some of the individual categories of information included in the Controller’s reports with third-party reports of that same information, while the latter compares the reported information for individual entities against those included in the respective entities’ audited financial reports.

In general, the body of the report includes summary descriptions of this report’s findings, while detailed tables are included in the

²¹Local governments are not allowed to run fiscal deficits.

appendixes. In each case, references are provided in the text and notes for each table in the body of the report, including the location of the detailed information underlying the summaries reported.

2. Are the Data Comprehensive: What Entities Are Missing?

One of the main complaints about the Controller's data centers around the concern that they may not include significant numbers of entities that should be included in the public sector. Failure to include entities would have two important implications: (1) the activity of these entities would escape public reporting and its implicit public accountability and (2) analyses using the Controller's data would underestimate the full extent of public activity. The purpose of this portion of the study was to ascertain the extent of the omitted entity problem and to devise corrections for the data if the problem was found to be significant.

Two approaches were taken to identify the public entities that are missing from the Controller's reports. First, numerous individuals identified Mello-Roos or community facility districts (CFDs)¹ as one

¹Mello-Roos refers to the name of the two California legislators—Senator Henry Mello and Assemblyman Michael Roos—who sponsored the legislation that allows for

category of entities that were routinely excluded from the Controller's reports. As a result, this study conducted a small survey of CFDs with an eye toward understanding precisely how many had been omitted from the Controller's report. A census of these districts was also performed to identify the precise amount of revenues likely to be unreported.

The second portion of the research into missing entities focused on non-CFD entities that might be missing from the Controller's data set. This entailed comparing lists of public agencies from different sources to the entities included in the Controller's reports. This phase of the research focused predominantly on the lists provided by county local agency formation commissions (LAFCOs) and the California Debt Advisory Commission (CDAC).

Community Facility Districts Are Largely Missing

Community facility districts allow local governments to issue bonds to cover the cost of financing new public facilities. Like those issued by special assessment districts, the bonds are repaid primarily through a special parcel tax on property within the district. Unlike special assessment district financing, CFDs do require approval from a supermajority of affected voters, but the district lines can be drawn to improve the chance of approval. In undeveloped areas with fewer than 12 registered voters, only landowners may vote. Most of the early CFDs were established through landowner vote.

Although Mello-Roos financing began in the early 1980s, only a few CFDs were established in the initial years. By 1991–92, however, there were 233 different CFDs: 115 located in cities, 40 in counties, 52 in

the creation of community facility districts. These will be discussed in the following section.

school districts, and 26 in special districts (primarily redevelopment agencies and water districts).

Mello-Roos bonds are not backed by the full faith and credit of their “parent” entity, and their revenues are not subject to the parent entity’s Gann appropriations limits. In addition, the Controller does not require the parent entities to include the CFD revenues in their report of fiscal activity. As a result, the special tax and other money earned for the CFDs represent a large class of local government revenues that is missing from the Controller’s report.

How Many CFDs Are Not Included?

As the research into Mello-Roos districts progressed, it became clear that, even though the Controller had no provision for their inclusion in its report and questionnaire formats, some parent entities did include them in their reported revenues. In response to this problem, 45 of the state’s 233 CFDs were randomly selected and surveyed to ascertain if their revenues were included in the Controller’s report in some way. The first discovery of this survey was the immense diversity in the positions of those who handle the bookkeeping and reporting for these districts. Sometimes the appropriate person was found in the accounting/finance department of the parent entity, sometimes they were found in a developer’s office and other times in an accounting firm’s office. These individuals were not always able to tell whether they were included in their parent entity’s finances or not. There was also a timing issue—because this study focuses on 1991–92, there was not always someone who knew what was done in 1991–92.

From this small sample, it is estimated that approximately 20 percent of the CFDs are included in their parent’s reported information in the

Controller’s reports. These estimated 50 or so CFDs are affiliated with both large and small entities, although small parents included them more often than did larger parents. It is clear, therefore, that there is some degree of missing CFD activity in the Controller’s reports.

How Big Is the Missing CFD Problem?

To size this missing entity problem, nearly² every CFD in existence in California in 1991–92 was contacted by PPIC. Information on all revenues the entity received in 1991–92 was requested. Since these are largely financing entities, these revenues are primarily property tax assessments and interest, with some contributions and fees from developers. This information was often aggregated with other activities in audited reports,³ so extensive follow-up was required to obtain a clear understanding of each CFD’s revenue picture. The findings of that census are presented in Table 2.1.

Table 2.1
California Community Facility District Revenues,
1991–92

Revenue Category	Total Revenues
Property taxes	\$219,265,383
Interest	59,729,504
Other	4,518,994
Total revenues	\$283,513,881

²Only five CFDs were not contacted because a contact person could not be identified. Their revenues were imputed for purposes of this portion of the analysis by using amounts from comparably sized CFDs.

³CFDs were sometimes aggregated with other debt service activities and sometimes with benefit assessment and special assessment districts.

All of the community facilities districts in the state have combined revenues of only \$283.5 million.⁴ Because of difficulties in attributing interest revenues directly to the CFD in some cases, the interest revenues are likely underestimated by a small amount.⁵ The revenues associated with these CFDs represent a negligible part of the overall parent in each case. Even with a 10 percent increase in interest revenues, the resulting total would only represent a drop in the bucket—a mere 0.3 percent—relative to the size of the local economy presented before in Table 1.1.

Community facility districts, therefore, do not represent a major problem in terms of overall effect on the size of local public revenues. Clearly, if one was interested in specific issues associated with these entities, the lack of data would be problematic. The existence of one category of missing entity does give rise to the question, “What other public entities may be missing?” The second portion of this chapter will focus on this problem.

What Other Entities Are Missing?

To find out what other public entities may be missing from the Controller’s reports, every list of public entities that could be obtained was compared with the list of entities included in the Controller’s reports. Entities were reviewed to see if they were directly included as

⁴A review of the number of CFDs formed since 1991–92 shows a 31 percent increase in the number of CFDs to date. If the revenues associated with these entities were proportional to those in existence in 1991–92, the total revenues for CFDs, which would be largely missing from the Controller’s numbers, would be \$371,069,638—still a relatively small amount.

⁵In some cases, CFD interest revenues were lumped together with interest revenues from other activities of the parent entity. In other cases, the interest revenues were mixed together with the CFD’s interest revenues. It was impossible to separate these amounts, so they were excluded from the reported totals. This happened with 26 CFDs.

separate entities or indirectly included through the financial information reported by a parent entity.

The two main sources used to locate missing entities were the county local agency formation commissions and the California Debt Advisory Commission. In addition, individual city and county audited financial statements and lists from some county auditor-controllers were consulted, but neither of these sources uncovered any entities that were not also covered by the LAFCOs and CDAC lists. With the exception of the Mello-Roos districts, very few entities were discovered that were not already tracked by the Controller.

Missing Entities Identified from County LAFCO Lists

Every California county, with the exception of Alpine and San Francisco, has a local agency formation commission that tracks changes in special districts and their spheres of influence, including changes in boundaries and the creation of new districts. Lists of special districts were obtained from all 56 LAFCOs in the state. Unfortunately, some of the LAFCOs do not keep detailed records, and, as a result, it was impossible to know when the entities were created and whether they were in existence in fiscal year 1991–92.

The lists from the 56 LAFCOs were checked against the list of entities included in the Controller's report, and 129 entities were identified that did not appear on the Controller's list. In most cases, there was no address, telephone number or contact name provided. As a result, a telephone search was instituted for each of these entities through directory assistance, the county auditor-controller, city budget offices and other city officials, and other related special districts. Information was obtained for the vast majority of these potentially missing entities, but

there were still 10 that could not be reached or located. The findings of that search are presented in Table 2.2.

Nearly two-thirds of the entities on the list turned out to be subsidiary agencies of larger entities, with their financial activity included in the parent entity’s report. In addition, 31 were formed after 1991–92 or had no financial activity in that year, and five were private water companies. Two entities were identified that did not seem to report their fiscal activity to the Controller: the Sonoma County Law Library and Reclamation District #813 in Sacramento County. The total revenues for these two entities were \$382,299 in 1991–92.⁶

Missing Entities Identified from the CDAC List

Any government entity or private agency that issues tax-free bonds must report the sale to CDAC. The list of all entities that issued debt between 1982 and 1992 was compared with the Controller’s lists, and 251 entities were identified that were not listed separately in the Controller’s report. A random sample of 40 of these entities was drawn

Table 2.2
Results of Search for Missing Entities Using the LAFCO Lists

Description	Number	Percentage
Reported to the Controller	81	63%
Not in existence in 1991–92 or a private company	36	28%
Did not report to the Controller	2	2%
No information available	10	7%
Grand total	129	100%

⁶The total revenues for the Sonoma County Law Library were \$361,870 and for Reclamation District #813 were \$20,429.

for further exploration.⁷ A telephone search similar to that described above for the LAFCO search was undertaken. The results of that search are presented in Table 2.3.

Of the 40 potentially missing entities contacted, 26 were included in some parent entity’s report to the Controller, seven did not exist in 1991–92, information was not available on two,⁸ and only one (the Riverbank Public Financing Authority in Stanislaus County) did not report its activity. The remaining four could not be reached. The only identified missing entity’s income was \$152,000 in tax revenues.

An Overview of Missing Entities

In the context of the findings in this chapter, it can be concluded that the Controller’s reports do include essentially all of the public revenue activity in the state. Combining the CFD, LAFCO and CDAC results, the total of missing revenues identified is less than \$300 million dollars.⁹ In the context of the local government sector’s nearly \$96

Table 2.3
Results of Sample Search for Missing Entities Using the CDAC List

Description	Number	Percentage
Reported to the Controller	26	65%
Not in existence in 1991–92 or a private company	7	18%
Did not report to the Controller	1	2%
No information available	6	15%
Grand total	40	100%

⁷A sampling approach was chosen because of the difficulty encountered in reaching these entities to obtain detailed information on their reporting status and revenues.

⁸The entities were reached, but they were not able to provide the necessary data.

⁹The amounts identified in each of the three sections above, when combined, total \$284,048,180. If this sample was extrapolated across the population, the total error would be \$284,849,930.

billion in revenues, these missing entities represent a negligible amount of activity. As a result, unless one is looking specifically at policy issues that are closely associated with CFDs, the data are comprehensive enough for all intents and purposes. The next chapter will address the other major issue associated with the quality of the data—their accuracy.

3. How Accurate Are the Data: A Statewide Comparison of Sales and Property Taxes

One approach to reviewing the Controller's data is to take revenue streams for which there is good third-party reporting and compare that reporting with the amounts reported in the annual reports. In such an approach, both statewide and, when available, more detailed reports of revenues can be compared with those given in the Controller's reports. This chapter describes the findings of such an exercise for two important local revenue streams—property and sales taxes.

Both property and sales taxes are important sources of revenues for counties, cities and other local districts.¹ Both of these local revenue sources, however, are collected and distributed by other levels of government. In the case of sales taxes, local businesses pay the sales taxes

¹Sales taxes account for 1.3 percent and 10.0 percent of county and city overall revenues, respectively. Property taxes account for 23.4 percent of county revenues and 9.6 percent of total city revenues.

they collect from consumers directly to the California State Board of Equalization. The Board of Equalization then distributes these sales taxes to the state, county, city and local transportation districts. For property taxes, the revenues are collected by the county and distributed from there to each county, city, school and special district. A report is filed by each county's auditor-controller to a division of the State Controller's Office, which is in turn incorporated into the California State Board of Equalization's *Annual Report*. These reports, inasmuch as they are prepared by independent offices within each county's government, represent an important third-party reference against which the self-reported numbers in the Controller's reports can be compared.

The county auditor-controller's reports, filed annually, include detailed entity-by-entity listings of the property taxes billed within each county. It is important to note that some level of error is expected between the sources for property tax revenues, inasmuch as the county auditor-controller's reports detail taxes and levies billed while the entities in the Controller's reports are reporting the amounts they have received. The comparison is useful, however, to get a sense of major errors in self-reporting in the Controller's reports. The inclusion of information from slightly different points in the tax collection process also allows for a broader view of the quality of the data.

In this portion of the analysis, these sales and property tax revenues reported by the individual entities in the Controller's survey are compared with third-party sources. For sales taxes, the reported amounts² are compared with the amounts reported by the California

²The reported amounts are drawn from *Controller's Annual Report of Financial Transactions Concerning Counties, Fiscal Year 1991-92*, and *Controller's Annual Report of Financial Transactions Concerning Cities, Fiscal Year 1991-92*.

State Board of Equalization for sales taxes in the appendix tables of the Board's *Annual Report for the Year Ending June 30, 1992*. Reported property taxes are compared with the amounts listed by each county's auditor-controller in its *Annual Report of Property Taxes*.³

This chapter is organized simply. The first section will examine sales taxes on a statewide basis and the second portion will focus on property taxes. Each section will address the types of entities that receive that type of revenue.

Sales Taxes

Only four types of entities in California receive sales taxes—the state government, county governments, city governments and local transit agencies. Since the focus of this analysis is on the local government data, the portion of sales tax attributed to the state government is not examined in detail. The sales taxes received by the latter group, local transit agencies, are reported separately in both the Board of Equalization's *Annual Report* and the Controller's report and are subsequently not considered here. This leaves the two largest categories of local recipients for state sales tax revenues—cities and counties. The specific findings for those two groups are presented below.

³These surveys are actually collected by a different division within the State Controller's Office. They represent a third-party source of information because they are completed by a different office within local government—in many cases an office headed by an elected official. There is no joint handling of the reported information within the Controller's Office. As a result, the information included in the *Annual Financial Transactions* series and the *Annual Report of Property Taxes* is separate and independent.

Cities

Cities levy 1.00 percent sales tax on all taxable sales within their borders. Some cities share part of their levy with other entities and report only the portion they retain, explaining the variation in reported sales tax rates across California cities.⁴

Table 3.1 presents the results of comparing the sales tax revenues reported by cities in the Controller's report with those reported by the Board of Equalization. This table includes no county revenues.

As Table 3.1 shows, the amount of variation in aggregate between the Controller's and Board of Equalization's reports is negligible. On a county-by-county comparison, the largest variation in total sales tax revenues to cities is only 4.6 percent.⁵ Moreover, 82 percent of all cities reported sales taxes revenues to the Controller that were within 3 percent

Table 3.1
Overall Summary of Comparison of Reported
City Sales Tax Revenues, 1991–92
(dollars unless otherwise indicated)

Description	Sales Tax Revenues
Controller's reports	2,401,082,947
Board of Equalization	2,401,772,801
Difference	689,854
Percentage difference	0.0%

NOTE: See Table A.1 for underlying detail and additional references.

⁴In certain cases, there are pass-through arrangements with some subordinate and dependent entities whereby a portion of that levy is allocated to another government. The remaining portion of variance arises from special taxes for transit purposes that can be imposed at the county level.

⁵Table B.1 presents these findings on a county-level basis. In this approach the sales taxes for all cities in a county are added together and then compared.

of those reported by the Board of Equalization, and 88 percent reported to within 5 percent.

Even on a city-by-city basis, the individual variation is quite small—averaging only 1.9 percent. There are only six cities in the state for which the individual differences between the Controller’s and Board of Equalization’s reported numbers are more than a million dollars—Alhambra, Azusa, Berkeley, Hayward, Sacramento and San Diego. In combination, their net variance is only \$7.7 million out of total revenues of \$189.3 million, or 4.1 percent. Clearly the data correspond closely between the two data sets.

Counties

The total percentage variation in the county sales taxes is a bit higher, although from a much smaller dollar total. The comparison of the Controller’s and the Board of Equalization’s sales tax series for counties is presented in Table 3.2. As this table shows, the overall level of variation is a bit higher than that found in the cities—5.1 percent. At the same time, individual counties’ variation is generally much lower.

Table 3.2

**Overall Summary of Comparison of Reported
County Sales Tax Revenues, 1991–92
(dollars unless otherwise indicated)**

Description	Sales Tax Revenues
Controller’s reports	322,601,996
Board of Equalization	306,124,396
Difference	16,477,600
Percentage difference	5.1%

NOTE: See Table A.3 for underlying detail and additional references.

The amounts reported in the Controller's surveys and the amounts reported by the Board of Equalization correspond closely, with 74 percent of counties showing differences of less than 3 percent, and 82 percent with differences of less than 5 percent.

The variation reflected above is concentrated in just a few counties. Eighty-one percent of the variance arises from the six counties whose individual variation is greater than one million dollars—Alameda, Fresno, Sacramento, San Bernardino, Sonoma and Stanislaus. In each of these cases, the amount reported to the Controller is greater than that reported by the Board of Equalization. The data were examined to see if cities within these overreporting counties may be underreporting, thus offsetting the overreporting—no such offsetting pattern was identified. In this context, it is important to remember that 1991–92 was the first year of the recession and that, in many cases, actual sales tax revenues were often much lower than anticipated in county budgets. Since the Controller's report is more likely to use budgetary numbers, it is possible that in these individual cases, the numbers reported are in fact higher than what actually occurred.

Property Taxes

The reporting and review of property tax revenues are complicated by the diversity of the entities that receive the property taxes. There is little uniformity in how the information on property tax revenues is reported across the various groups that receive them in the Controller's reports. This section will present detailed findings regarding property tax revenues for two of the four major categories of entities that receive them: cities and counties. Aggregate data are reviewed for a third category: school districts. A review of the fourth group, special districts,

is not included because the Controller’s report for special districts does not always separately report property tax revenues.

Cities

A summary of the comparison for cities is presented in Table 3.3. As this table shows, the amounts reported in the Controller’s report⁶ and those reported by the county auditor-controllers⁷ correspond closely.

In fact, nearly all of the statewide variance can be attributed to cities in Los Angeles County, and more specifically to the Cities of Long Beach and Los Angeles whose combined property tax revenues totaled more than \$677 million.⁸ Without the \$70.1 million variance from cities in

Table 3.3
Overall Summary of Comparison of Reported City
Property Tax Revenues, 1991–92
(dollars unless otherwise indicated)

Description	Property Tax Revenues
Controller’s reports	2,959,177,966
County auditor-controllers	2,844,810,343
Difference	114,367,623
Percentage difference	3.9%

NOTE: See Table B.1 or underlying detail and additional references.

⁶The specific revenue categories from the Controller’s reports include countywide taxes, less-than-countywide taxes, prior-year taxes, special district augmentations and voter-approved indebtedness.

⁷The specific series from the *Annual Report on Property Taxes* include all levies and taxes associated with county and less-than-countywide activities. It does not include the homeowners property tax relief amounts, which are typically categorized as intergovernmental revenues.

⁸The reporting of property taxes in Los Angeles has been the subject of much concern and review. A state audit completed by the State Auditor-General’s Office and entitled *An Analysis of the Deficiency in the 1984–85 State School Fund* (April 16, 1985, Report P-530) identified specific problems in the way supplemental assessments were handled. This could account for some of the variances identified here.

Los Angeles County, the overall variance would be \$44.3 million on total revenues of \$1.97 billion or 2.2 percent. These variances are negligible.

Counties

The information for property taxes for counties is presented in Table 3.4.

As is the case in the cities, the bulk of the variance in reported county property tax can be attributed to Los Angeles County. Without the variance raised by Los Angeles County, overall variance drops to \$83.5 million on total revenues of \$3.373 billion or 2.5 percent. In percentage terms, almost all county auditor-controllers reported property tax revenues for their counties that were very close to amounts reported separately by the county to the State Controller’s Office. Fifty-four percent reported amounts within 3 percent of the amount reported to the State Controller, while nearly three-fourths were within 5 percent. Most of those not falling within 5 percent of the amounts reported by the county auditor-controllers were small counties where relatively small dollar variances represent large percentage variances.

Table 3.4

**Overall Summary of Comparison of Reported County
Property Tax Revenues, 1991–92
(dollars unless otherwise indicated)**

Description	Property Tax Revenues
Controller’s reports	5,593,901,820
County auditor-controllers	5,353,466,793
Difference	240,435,027
Percentage difference	4.3%

NOTE: See Table B.3 for underlying detail and additional references.

School Districts

Reporting of school district finances by the Controller in general and property taxes in particular are very sketchy at best. The Controller's *Annual Report 1991-92 on Financial Transactions Concerning School Districts of California* is a restatement of the information collected by the State Superintendent of Public Instruction and the California Department of Education on its J-200 series of reports. The categories included in this report are defined in the *California School Accounting Manual, 1992 Edition*, and do not correspond to any of the categorization included in the Controller's other reports.

Property taxes, however, are a major component of the revenues for K-12 school districts in California, and they are reported at the grossest level in the Controller's report. The comparison of these reported numbers to those described in the *Annual Report on Property Taxes* filed by each county's auditor-controller are presented in Table 3.5.

Table 3.5
Comparison of School District Tax Revenues, 1991-92
(dollars unless otherwise indicated)

Source	Reported Property Taxes
Controller	5,309,829,960
County auditor-controllers	5,365,498,883
Variance	-55,668,923
Percentage variance	1.0%

SOURCE: Controller's data are from the Controller's *Annual Report of Financial Transactions Concerning School Districts of California, Fiscal Year 1991-92*, p. IX. The county auditor-controllers' data are from the original surveys submitted to the Controller's Office entitled *Annual Report on Property Taxes*. These surveys are used to prepare the summary tables presented in State Board of Equalization's *Annual Report for the Year Ending June 30, 1992*, Tables 4-5, pp. A-4 to A-19.

Overall, this level of variance is quite low. Unfortunately, no more detailed analysis of the district-level activity was possible because of the unavailability of detailed information in the Controller's report. Furthermore, no detailed information, on a district-by-district basis, is published by the Department of Education.

Overview

It is evident that, when considered separately, the sales and property tax revenue information reported independently to the Controller by each entity corresponds quite closely to the amounts reported separately by the California State Board of Equalization and each county's respective auditor-controller's office.

4. How Accurate Are the Data: A Review of Data Reported by Individual Entities

Another serious issue raised by consumers, users and potential users of the data was that the numbers reported by entities were sometimes, at best, poor estimates of actual activity. Anecdotes ranged from missing property taxes in the millions of dollars to a hairdresser in a small town completing the annual survey for a special district on whose board her spouse served. Others pointed to the fact that private sector firms such as Moody's and Dunn & Bradstreet, whose livelihoods depend on good data, do not use the data included in the Controller's reports.¹

The overall concern about consistency voiced by practitioners was not so much at the aggregate level, but at the local level where individual

¹It turns out that these firms generate their own information based on specific, current data provided by the entities requesting ratings for prospective debt issues. They typically focus only on the entity in question and do not have an overall statewide database. Their primary concerns about the Controller's data seem to center more on the timeliness of the data than their quality.

public entities provided the responses to the Controller's questionnaire. With such a broad and diverse range of public activities and accounting methodologies at the local level, there are concerns that any set of instructions could and would be interpreted differently by each individual entity. Looking at the questionnaire process from the local entity perspective, it is easy to see how this problem can arise. A copy of a typical questionnaire is included in Appendix H. An individual city manager does not have the comparative benefit of looking at what other cities are doing when completing the questionnaire. As a result, he or she would be more likely to follow the guidelines set forth in the city's own budget, which is the result of local decisionmaking, than to consider the questions from the perspective of statewide consistency. Once this variation has been introduced, there is no good way for state data managers to identify this variation.

In other cases, there is some question as to which point local entities should recognize revenues. Some entities, such as counties, receive funds, such as the property tax, which they then pass on to other entities. Whether these revenues should be accounted for as own-source revenues or intergovernmental transfers is another area of ambiguity. The result of these and other ambiguities is a perception that the information contained in the Controller's reports is not consistent or complete. This chapter presents the findings regarding the quality of the data contained in the Controller's reports.

The first portion of this chapter will describe the general methodology used to prepare the findings detailed in the balance of the chapter. The remaining sections provide detailed descriptions of a major undertaking in which the Controller's numbers were compared with audited numbers.

General Methodology and Issues

For this part of the analysis, the goal was to see how well the information contained in the Controller's reports reflects reality. This required comparing the reported information with a third-party representation of activity during the year. The third-party standards against which the Controller's reports were compared were the comprehensive annual financial reports (CAFRs) for each entity. CAFRs are the results of annual audits required of all governments in the state. These reports are prepared by private sector accounting firms and reflect the application of the audit process and Generally Accepted Accounting Practices (GAAP) to the entity's activities during the year. Since these audits do not have to be completed for a year after the fiscal year end, the results of these audits are not generally available for the Controller's 90-day deadline.

In general, a sampling list was prepared for each category of entity—counties, cities and special districts. These samples were stratified by overall size. The largest entities in each category were all selected. A random sample of the remaining entities in each category was selected. The final sample contained entities from all sizes and revenue levels. The detailed sampling methodologies for each category are discussed in Appendix C.

For each entity in the sample, a call was made to that entity requesting the CAFR for the 1991–92 fiscal year. Follow-up calls were made until the CAFR was obtained. Upon receipt, the values in the CAFRs were compared with those reported in the Controller's reports. Since CAFRs typically define government entities to include all dependent entities over which they exercise control and the Controller's reports include many dependent entities in their special districts report, it

was necessary in some cases to combine entities reported separately in the Controller's reports to obtain an entity comparable to those listed in the CAFR.

For example, a county's CAFR would include all of the combined activities over which the county Board of Supervisors exercised control—such as a transit agency, a redevelopment agency, a water agency and any number of county service areas. Each of these latter agencies would be included separately in either the Controller's *Annual Report of Financial Transactions Concerning Special Districts of California* or the corresponding book for redevelopment agencies. To compare these entities, it is necessary to combine the amounts reported in the Controller's report for each entity with that of the county. It is this combined entity that is compared with the audited amounts reported in the CAFR. The specific reconciliation methodologies are given in Appendix D.

Because of time and fiscal constraints, the comparisons in this study focused on only revenues for public entities in the sample for the fiscal year 1991–92. This raises several issues about the generalizability of this research to other fiscal categories, especially expenditures, and to other fiscal years, as well as comparability to other entities not in the sample. Moreover, there is a certain level of variability implicit in the differences between public fund and GAAP accounting. Each of these concerns is addressed in more detail below.

Revenues Versus Expenditures as a Comparison Point

This analysis focuses on the categorization and levels of revenues received by local entities in California and does not address the expenditure or capital portions of the equation. The focus on revenues

arises in part from the original motivation of this study—to validate available data before answering questions about the state’s changing public revenue burden, a task that will require a high level of confidence that these public revenues are accurately reflected in the available data.

Additionally, revenues are typically more identifiable and usually defined by external forces. For example, sales and property taxes are determined by eligible sales volume and property values, respectively. Expenditures, however, are endogenous to the public policy process and hence more subject to manipulation and creativity. Revenue categories tend also to be more unambiguous and explicitly categorized across entities and activities, while expenditure categories are much more ambiguous.

In aggregate, however, local entities tend to expend whatever revenues they receive in a given year, and aggregate revenues are a reasonable proxy for aggregate spending. This chapter looks closely at the aggregate revenues. As will be discussed below, categorization issues are difficult for *both* revenues and expenditures.

Using 1991–92 as a Base Point

For reasons of financial practicality, a choice was made to study one year in depth rather than reviewing several years more shallowly. It is critical to be confident that this study answers the question: “How well do the available data reflect public activity?” To be truly useful, a study of data quality over time would have to review data quality at least back to before the adoption of Proposition 13. If one ties into the Census of Governments, this would require going back to 1977.

The cost of performing an adequate review of the quality of the data over such a long period of time would have been prohibitive. There is

the further issue of the availability of the CAFRs from each of the local entities. It was difficult enough to obtain the 1991–92 CAFRs from many entities, and prior year reports were often unavailable—a factor that would greatly increase the difficulty associated with completing this study and likely render it prohibitively expensive.

Recency is also of concern when trying to reconcile the amounts listed in the two reports. While it is possible to find someone in a county, city or special district who can comment on their reported numbers for a recent year, it is next to impossible to obtain clarification and explanations for much older reports. In many cases, this information has been shipped away to storage or even destroyed.

In light of these difficulties, it was decided to study one year in detail and 1991–92 was chosen. This year was selected because it represented the most recent year for which the U.S. Department of Commerce’s Census of Governments data were likely to be available.² It is also recent enough that most entities would have their CAFRs readily available for this year.

Over time, there have been some changes in the way that the State Controller’s Office handles the collection and aggregation of the numbers reported. In 1982–83, for example, the entire state government underwent a change in the basic accounting methodologies used to report revenues. Most of these changes were associated with the timing

²The original intent was to compare and reconcile the two data sets. The Census of Governments produces the comprehensive census of local government financial activity every five years in years ending in two and seven. Subsequent budget cuts have called into question whether the detailed 1991–92 data will in fact be made available. The data set was not available at the time this report went to press. If and when this data set does become available, a technical update comparing these data with the Controller’s data may be prepared. For the reasons discussed in Chapter 1, however, it is expected that these two data sets will map closely.

of when revenues are recognized and affected primarily the two- to three-year window during which they were implemented. They had little long-term impact. Periodically, the instructions and requirements are updated and improved. Such an effort is currently under way and was most recently done on a large scale in 1984, when much of the current system was automated.

In a pilot exercise to test the variability of the data over time, one entity was evaluated in 1976–77 and 1981–82. The results of this exercise were inconclusive, but they generally paralleled the findings for the 1991–92 fiscal year.³ The entity selected was the City and County of San Francisco, and, as the findings below will show, this particular entity had an exceptionally high level of variation and it was an entity for which explanations of differences between the audits and reports were not forthcoming. Brief reviews were also done for two other major entities, and the level of variation was comparable. Because of the limited nature of these exercises, only the results from the 1991–92 analysis are presented here.⁴

Some Variance Is Anticipated

One important consequence of the methodology chosen in this part of the study is that a certain level of variance is to be expected. Public

³The city in question showed approximately the same level of variability in the prior years as in 1991–92. Contact with the city, however, failed to obtain confirmation as to the explanations of that variability.

⁴Given that the Controller has, over time, revised the methodologies and, in some limited cases, the reporting of information in the Controller's *Annual Financial Transactions* series, there are some reasons to be concerned about the full reliability of earlier years. For the purposes and goals of this study—to validate the data with a view toward looking at local government creativity—it was decided that a recent year would be much more useful. The user is cautioned when using data from other years, however, that there may be individual quirks in other years that this study does not bring to light.

fund accounting reports are being compared with GAAP-based accounting reports. There are differences in the conventions of these two accounting techniques that ensure that the numbers will usually not match exactly.

For one difference, public fund accounting is essentially on a cash basis—local entities recognize cash receipts as revenues when they receive them and recognize expenditures when they make payment.⁵ The audited reports are reported on an accrual basis—funds are recognized in the year they are earned. This difference will have an effect in years when the revenue stream is either increasing or decreasing and the amounts carried over from the prior year differ from the amounts carried into the following year.

To better understand this concept, consider the following hypothetical example.⁶ Dream City has monthly sales tax revenues of \$10 million. The city receives the monies for each month on the first day of the following month. If the city is on a cash basis, in a given year it would receive 12 times \$10 million or \$120 million. The first payment, received on July 1, however, was not for revenues received in this year, but for revenues from the last month of the prior year.⁷ If monthly revenues remain flat over the period, however, the additional revenues received from last year would exactly equal the revenues not received in the current year. If, however, revenues from the last month of the prior year totaled \$10 million and revenues from the last month of

⁵This is not universally true for all public entities in the study. In some cases, entities use a modified cash approach where some revenues and expenditures are accrued to the fiscal year in question.

⁶This example is a simplified stylization to demonstrate how the methodologies differ. Actual accounting practice is more elaborate and complicated.

⁷The last month of this year's revenues will be paid in the following fiscal year.

the current year totaled \$15 million, there would be an apparent discrepancy between the two. On a cash basis, sales tax revenues would still be \$120 million. On an accrual basis, however, revenues would total \$125 million (11 times \$10 million plus \$15 million). If one compared the cash-based report with the accrual-based report, there would be a discrepancy of \$5 million.

This is just one type of difference that can arise when comparing the entity public fund accounts with the audited reports. Because of these types of variations, a certain level of variation is expected in these reconciliations. The exact amount of variation attributable to these types of errors in each entity is nearly impossible to precisely quantify because of the multitude of accounting positions that can be taken by a particular enterprise. Discussions with experts in the exploratory phase of this study placed this expected error within the 1 to 5 percent range—but it could be higher or lower. Some entities clearly used audited information to complete the Controller’s questionnaire, and their variance is essentially zero. Others are higher. If the variance is unexplainable or not attributable, it is so identified.

Overall Findings

Overall, this research found that the amounts reported in the Controller’s reports closely correspond to the revenues reported in the audited financial statements. The level of variation, given the complexity and range of activities within each group of entities, was remarkably low. Both the local governments, which provide this information, and the State Controller’s Office, which compiles and reviews it, should be commended for the overall accuracy of these data.

Specific Findings: Counties

Fifteen of the state's 58 counties were examined and reconciled to identify the level of variation between the numbers reported to the Controller and the amounts reported in their audited financial statements. The sample was drawn by selecting the 7 counties with the highest revenues in the state and then a random sample of 8 of the remaining 50.⁸ See Appendix C for more details regarding the sampling methodology.

Overall Variance by County

Overall, the aggregate difference between the audited amounts and the reported amounts is relatively small. Table 4.1 presents a summary of the results for the 15 counties in the sample. These counties reported \$22.22 billion of revenues to the State Controller, and the audited financial statements included \$22.50 billion of revenues. The difference of \$276,318,630 represents a mere 1.2 percent of total revenues—a

Table 4.1
Summary of Comparison of Reported Overall
County Revenues for Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller's reports	22,220,798,294
Audited financial reports	22,497,116,924
Difference	276,318,630
Percentage difference	1.2%

NOTE: See Table E.1 for underlying detail and additional references.

⁸The Controller's convention of excluding the City and County of San Francisco was followed for these reconciliations. Hence the eligible pool of counties is 57, not 58. Note that San Francisco is included in the city sample below.

variance level that is well within that attributable to differences in accounting methodologies.

The range of the overall variance within counties in the sample is from 0.0 to 3.1 percent. In most cases, the larger percentage variances are in the smallest counties where relatively small dollar differences can account for large percentage variances. The one exception to this is San Diego County, which shows a variance of 3.0 percent. Almost half (\$25.8 million) of this variance is attributable to property contributions from property owners in conjunction with a development project. These are routinely included as part of certain Controller's special district questionnaires, but there is no such line in the county questionnaire. These were reported as miscellaneous revenues in the audited numbers.

Categorical/Classification Variance

Another dimension of the values reported in the Controller's report is whether the categories in which the revenues are reported correspond to those in the audited reports. For example, are counties really reporting all revenues from the use of money and property? These revenues are typically rents and interest from various property holdings and investments. Table 4.2 reports the net overall variance broken down by revenue category.

As this table shows there are some differences between the classification of revenues in the Controller's reports and in the audited financial reports. The specific character of these classification differences, however, should be downplayed. For example, GAAP does not specify a separate category for special benefit assessments for counties, and the

Table 4.2
Overall Variance in Revenues by Revenue Category for Counties, 1991–92
(dollars unless otherwise indicated)

Category	Controller's Report	CAFR	Difference	Percentage Difference ^a
Taxes	5,231,000,836	5,217,461,331	13,539,505	0.3%
Special benefit assessments	9,850,947	0	9,850,947	100.0%
Licenses and permits	147,798,329	164,859,169	-17,060,840	-11.5%
Fines and forfeitures	204,368,563	210,305,264	-5,936,701	-2.9%
Revenues from the use of money and property	563,547,755	771,650,447	-208,102,692	-36.9%
Intergovernmental funds	10,236,203,283	10,332,996,948	-96,793,665	-0.9%
Current services	3,250,273,883	3,379,490,060	-129,216,177	-4.0%
Other revenues	2,577,754,698	2,420,353,705	157,400,993	6.1%
Total	22,220,798,294	22,497,116,924	-276,318,630	-1.2%

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

CAFRs subsequently do not separate these revenues. If the first two tax categories are combined, the overall variance for taxes rises to 0.4 percent.

It is also important to look at *both* the absolute and percentage variances. Note that the “licenses and permits” category has an 11.5 percent variance but it totals only \$17 million. Compare this with the 4.0 percent in the “current services” category, which accounts for \$129 million. There is likely a significant amount of simple categorization issues where entities have chosen to include activity reported in a specific category in the CAFR as “other revenues.” Note that the Controller’s report reflects significantly more revenues in this category than the audited financials. Since the Controller’s questionnaire is more specific

than the guidelines presented under GAAP, it is likely that the amounts in the Controller's report are actually more consistently reported.

Overall, however, it is clear that the specific categories do not point to major classification problems for counties. The one category raising a systematic issue is the "revenue from the use of money and property" category. Here relatively large variances are manifest in both absolute and percentage terms. One contributing factor is the reporting of *net* interest income in the county enterprise activities. Another possible explanation is the interest revenues associated with the missing community facilities districts identified in Chapter 2.⁹ Under the non-operating revenue portion of the county enterprise activities is a line for interest revenues. Several counties in our sample reported these interest revenues to the Controller net of interest expenses for the enterprise activities. As a result, both interest revenues and expenses are understated and the resulting variance appears in Table 4.2.

Issues Identified

In the course of these comparisons, the following four general issues were identified that represent areas where improvements can be made in the reported information for counties:

- In some cases, counties excluded both capital projects and debt service funds from the amounts reported to the State Controller's Office. This accounts in part for the underreporting of "revenues from the use of money and property" identified in Table 4.2.

⁹Although this would only represent a small proportion of the overall difference.

- As discussed above, some county enterprise activities report interest revenues net of interest expenses in the non-operating revenue section of the county enterprise questionnaire. This underreports the total interest revenues for the entity.
- There is no consistency in how contributions from property owners are treated between entities. In some cases, private citizens (usually developers) will contribute property in the forms of streets, sewers, utility lines, etc. to the county in exchange for the provision of a service, such as the formation of a special taxing area. In the case of certain special districts, there are specific instructions on how this should be handled. In the case of at least one county, these revenues were not reported to the Controller because there was not a place or instruction to accommodate such in-kind contributions. This topic will be raised again in the section below discussing consistency among the various reports.
- As discussed in Chapter 2, the reporting of Mello-Roos district revenues is very inconsistent. Some counties report portions of the receipts as tax revenues, some report only the interest earned and others do not report them at all. The full effect of these estimates is given in Chapter 2, but a more consistent methodology for addressing these entities should be introduced.

In a broader sense, however, the revenues reported for counties in the sample track the audited numbers quite closely. An aggregate variation of 1.2 percent indicates that the overall quality of the county data is quite good. When the above four types of corrections are made to the data, that rate drops to 1.0 percent.

Specific Findings: Cities

The values reported to the Controller by cities were also compared with their respective CAFRs. In this portion of the study, 52 cities were studied at a detailed level (out of a total of 466 for the state). The cities were selected first by population¹⁰ and then at random from the remaining cities.¹¹ The largest 15 cities in the state by population were selected,¹² as well as all 14 of the cities in Alameda County.^{13,14} The remaining 25 cities were selected at random from the rest of the cities in California.¹⁵ A subsequent review showed that the sample encompasses the entire state geographically and includes cities of all sizes. See Appendix C for more detail on the city sample.

As with the counties, each city's CAFR was obtained via telephone and compared with the values reported to the State Controller in the *Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year 1991–92*. The detailed methodology for reconciling the two sets of reports is included in Appendix D. In cases where the research

¹⁰Population and total revenues correlated closely. Since the purpose of the study was to identify errors (if any) in the revenue data, population was chosen as the final criteria instead of revenues reported to the Controller's Office.

¹¹For purposes of consistency and comparability, the City and County of San Francisco was treated as a city.

¹²The City of San Bernardino was not included in the final results because the city's *Comprehensive Annual Financial Report* was not available in time to be included in the study.

¹³Originally, this study was to obtain information on *all* of the entities in two to four counties. After completing a preliminary study of Alameda County, it was determined that there were good reasons to turn to the statewide approach instead. These options and choices are discussed in greater detail in Appendix A.

¹⁴The findings presented in this section are generally robust, even when the oversampling of Alameda County is reversed.

¹⁵Twenty-eight cities were selected at random, but only 25 CAFRs were received in time to be included in this analysis.

team could not explain the variance between the two reports, the cities were contacted for further explanation.

Overall Variance

The overall variance between the Controller’s and audited reports for the cities in the sample was quite low—only 1.4 percent, as shown in Table 4.3. The Controller reported revenues of \$16.30 billion for the 52 cities in the sample and the audited financials included \$16.08 billion for an overall variance of \$226,575,549.

There was one major outlier—the City and County of San Francisco—which contributes significantly to the variance and biases it in a direction opposite of the overall trend. In general, the CAFRs show more revenues than the amounts reported to the Controller. The City and County of San Francisco, however, reports \$291,096,334 more to the Controller than is on its CAFR.¹⁶ Note that this is more than the

Table 4.3
Summary of Comparison of Reported Overall
City Revenues for Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller’s reports	16,302,293,293
Audited financial reports	16,075,717,744
Difference	226,575,549
Percentage difference	1.4%

NOTE: See Table F.1 for underlying detail and additional references.

¹⁶There is some reason to expect a higher degree of variation for San Francisco. As a combined government (both a city and a county), its range of activity and institutions are much more complex than a typical city. Furthermore, the inconsistencies between the reporting formats for cities and counties are emphasized because San Francisco’s activities have to be classified into one of the two formats.

overall variance reported above. Numerous attempts to obtain explanations of this variance from the City and County of San Francisco were unsuccessful.¹⁷ Erring toward the conservative approach, this variance is left in the aggregate comparison. If this outlier is omitted, however, the overall aggregate variance would total only \$64,520,785 or 0.5 percent.

The overall variance totals for the cities in the sample are presented in Table 4.3.

These levels of variance for the cities in the sample are quite low. More than half of the cities had variances of less than 2.5 percent. Seventy percent of the cities show overall variances of less than 5 percent, and 80 percent reflect variances of less than 10 percent. Specific explanations were identified for most of the cities with variances greater than 3 percent. The range of percentage variation is from 0.0 percent to 87.2 percent.

Of the 10 cities with variances greater than 10 percent, nearly all of the variance can be attributed to one of three issues: (1) housing authorities are not consistently included in the Controller's reports; (2) debt service and capital projects activity are not always reported in the Controller's questionnaire; and (3) some cities generate overhead estimates of general management to various city departments that are then reported as "quasi-external transactions." This is not done consistently, however. The issues identified in this analysis are discussed in greater detail below.

¹⁷Several offices within the city were contacted to obtain explanations. The staff that responded were unable to reconcile the information and attributed the differences to "differences in the accounting methodologies." Given the closeness of most other cities in the sample, this explanation does not appear adequate.

Two of the three outliers—Irwindale (87.2 percent) and Westmorland (31.1 percent)—have unique circumstances in 1991–92. Irwindale reports \$102,500,000 in other revenues associated with a bond issuance undertaken several years before to fund a sports stadium. The bond proceeds were never spent and the bonds were paid off in 1991–92. The proceeds were recognized as revenues in the Controller’s reports but did not really reflect new revenues in 1991–92. They should not have been reported as revenues to the Controller and are consequently recognized as a variance in this analysis. The City of Westmorland apparently does not include water and sewer enterprise revenues when reporting to the State Controller. The variance in the third outlier, Sacramento (27.5 percent), is attributable to the exclusion of its housing authority in the Controller’s report.

Categorical/Classification Variance

The second dimension of variance is associated with how revenues are categorized. The overall variance for the sample by revenue category is presented in Table 4.4.

As discussed above, the report from the City and County of San Francisco introduces an abnormal amount of variance that biases the results. To obtain a better overall sense of the data, therefore, it is useful to look at the data without the effect of the City and County of San Francisco. Table 4.5 presents the same summary as Table 4.4, without San Francisco.

This table shows that the application of the classifications in both the Controller’s and GAAP methodologies are fairly consistent. As with counties, many cities’ CAFRs do not have separate categories for “special

Table 4.4
Overall Variance in Revenues by Revenue Category for Cities, 1991–92
(dollars unless otherwise indicated)

Category	Controller's Report	CAFR	Difference	Percentage Difference ^a
Taxes	5,399,824,479	5,468,054,306	-68,229,827	-1.3%
Special benefit assessments	130,522,897	79,423,852	51,099,045	39.1%
Licenses and permits	144,852,321	211,474,171	-66,621,850	-46.0%
Fines and forfeitures	198,783,522	146,036,789	52,746,733	26.5%
Revenues from the use of money and property	900,008,611	931,213,463	-31,204,852	-3.5%
Intergovernmental funds	1,767,194,569	2,035,941,895	-268,747,326	-15.2%
Current services	6,964,310,811	6,748,566,129	215,744,682	-3.1%
Other revenues	796,796,083	455,007,139	341,788,944	42.9%
Overall	16,075,717,744	16,075,717,744	226,575,549	1.4%

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table 4.5
Overall Variance in Revenues by Revenue Category for Cities,
Without San Francisco, 1991–92
(dollars unless otherwise indicated)

Category	Controller's Report	CAFR	Difference	Percentage Difference ^a
Taxes	4,446,001,944	4,529,404,306	-83,402,362	-1.9%
Special benefit assessments	130,522,897	79,423,852	51,099,045	39.1%
Licenses and permits	128,546,662	155,097,171	-26,550,509	-20.7%
Fines and forfeitures	149,250,412	146,036,789	3,213,623	2.2%
Revenues from the use of money and property	779,003,664	825,904,463	-46,900,799	-6.0%
Intergovernmental funds	1,168,490,709	1,408,195,895	-239,705,186	-20.5%
Current services	5,920,706,513	5,854,659,129	66,047,384	1.1%
Other revenues	626,255,158	414,577,139	211,678,019	33.8%
Overall	13,348,777,959	13,413,298,744	-64,520,785	-0.5%

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

benefit assessments.” If these are rolled up into the tax totals, the overall in the “taxes” category declines to \$32,303,317 or –0.7 percent. If San Francisco is included, this drops further to \$17,130,782 or –0.3 percent. There appear to be some offsetting classification differences between the Controller and GAAP definitions of “intergovernmental funds,” “current services” and “other revenues.” Overall, the classification differences are quite minor.

Issues Identified

Numerous issues have been identified in the city portion of this analysis. Some of the issues that affect cities directly are detailed below. Some broader issues that affect the reporting of all public entities will be discussed later in this chapter.

- One of the most frequent areas of variance in this analysis is the treatment of city housing authorities and their associated federal and state revenues. These entities are not consistently included in the numbers reported to the Controller for cities. Most cities seem to include them, and both the questionnaire and follow-on discussions with the Controller’s Office indicate that they should be included in the city questionnaires. Yet several major cities do not include them. Additionally, specific instructions must be given to cities that clarify that they should be included.
- Many cities failed to report debt service funds and, occasionally, capital projects funds in the amounts reported to the Controller. The Controller’s Office has subsequently instituted a clarification in its instructions to cities that has made it more explicit that these amounts *should* be included. Compliance with these instructions should be verified and the instructions reiterated if they still are not being followed.

- Some cities generated estimates of interdepartmental charges for overhead services provided by the city manager and general administrative departments and reported these amounts as “quasi-external transactions” to the Controller. A careful review of the instructions leaves open such an interpretation. One city indicated that these calculations were produced and used exclusively for the Controller’s survey. It does not appear that such activity is the goal of the specific set of instructions in question, but they should be further clarified. If, however, these cities are meeting the intent of this portion of the survey,¹⁸ then it should be made more explicit so that all cities perform the necessary calculations and report the appropriate numbers.
- In the case of some city-operated enterprises, interest revenues are often reported net of interest expenses. This is the same issue raised in the county discussion above. It understates both interest revenues and interest expenses.
- Occasionally city public financing authority revenues are not reported to the Controller. This happened once in a small city. Since these are not reported elsewhere, however, these public revenues are unreported.
- As discussed above, one city used existing resources (proceeds from bonds issued in a prior year) to pay off the outstanding debt. In the process of doing this, it reported revenues to the Controller totaling the amount of the previously issued debt plus earnings. While the reporting of the earnings was appropriate, the reporting of the bond revenues was inappropriate.
- Special benefit assessments are inconsistently and poorly reported. The definition provided is ambiguous and variously

¹⁸If this choice is open to decision, it is recommended that the Controller *not* institute such a calculation. These are merely accounting entries and do not represent substantive or even directly programmatic revenues of any kind.

interpreted. In one city, street and lighting assessments were not reported to the Controller. In another case, one city reported a significant amount of debt proceeds as special benefit assessment revenues. Concurrently, the actual special assessments to pay off these bonds were reported as revenue as well. As a result, these bonds were double counted. Recent investigations by numerous state and private entities, motivated by the introduction of Proposition 218, have found that the data reported in this portion of the survey are at best incomplete. A more explicit set of instructions needs to be provided to make this information as complete and relevant as possible.

- Finally, several cities omitted enterprise activities that were consistently reported on other cities' surveys. One city omitted its transit enterprise, while another omitted both its water and sewer enterprises. As a result, these revenues were excluded from the final reported numbers and were not picked up elsewhere.

By and large, however, the data on cities are excellent. Only the housing authority, capital projects and debt service fund issues were pervasive across several entities (three or more). The remaining issues occurred in only one or two cases (out of 52) and, while worthy of mention, were not common.

Specific Findings: School Districts

The Controller provides summary information for the state's 1,005 school districts in California in its report entitled *Annual Report of Financial Transactions Concerning School Districts of California*. The State Superintendent of Public Instruction is required by state law to provide summary information to the State Controller's Office for

compilation of this report.¹⁹ The information in this report is provided in a very aggregated form—listing revenues and expenditures by category only for the whole state and by entity category.²⁰ Total revenues and expenditures are provided, unaudited by the State Controller, for each district and K–12 entity in the state. These revenues are reported in Table 4.6.

The categories included in this report conform to the account classifications prescribed in the *California School Accounting Manual, 1992 Edition*. As such, they are not consistent with any of the other reporting conventions included in the Controller’s *Annual Financial Transactions* report series. For example, the “state aid” presented in Table 4.6 is largely “aid from other governmental agencies”—the state government in this case. The “local taxes” category represents local

Table 4.6
Revenues for School Districts in California, 1991–92

Revenue Source	Revenues
State aid	\$11,205,074,937
Local taxes	5,309,829,960
All other	1,607,079
Total federal	1,955,746,196
Other state	4,498,593,156
Other local	2,059,578,526
Other financing sources	2,115,733,687
Total revenue	\$27,146,163,541

SOURCE: *Controller’s Annual Report of Financial Transactions Concerning School Districts, Fiscal Year 1991–92*, p. IX.

¹⁹These requirements are specified in Section 53892.1 of the government code.

²⁰The categories separated in the report are “School Districts,” “County Schools,” and “Joint Powers Agencies.”

property tax revenues. For consistency and clarity, these differences should be addressed.

Another aspect of this report is that it provides only summary information for school district revenues and expenditures. There is no entity-by-entity presentation of information as is done with all other public entities in the state. Because school districts account for a major portion of local government spending in the state, this absence of detailed information should be addressed.

Finally, there is *no* separate reporting of community college districts in the Controller's reports. While the California Postsecondary Education Commission does publish some aggregate information for these entities, there is no district-by-district reporting of the type described above. Inasmuch as these community college districts, like elementary and secondary school districts, are local public entities with locally elected boards and local voter accountability, their fiscal information should be directly available to local voters, analysts and decisionmakers.

Specific Findings: Dependent Special Districts

Dependent special districts are those entities whose governance and/or finances are controlled by the governing body of another entity. Most often these entities are controlled by a city council or a county board of supervisors, although there are occasions when these entities are controlled by school boards or the governing boards of independent special districts. In 1991–92, the Controller obtained and reported financial information on 1,856 dependent special districts in its *Annual Report on Financial Transactions Concerning Special Districts, 1991–92*.

Obtaining audited financial information separately for these entities is not possible. Because CAFRs often include these entities, however, it is possible and even necessary to include them as part of the reconciliation of their parent entities. As a result, this study implicitly reviews numerous dependent special districts in the course of reconciling cities and counties. This study also performed a “spot check” on redevelopment agencies to test whether they, in fact, do rely on audited numbers, as required by law, in their submissions to the State Controller’s Office.

Dependent Entities Reviewed as Part of City and County Reconciliations

In the course of preparing the results for the counties and cities described above, it was necessary to aggregate dependent entities into the reconciliations to provide comparable entities between the two reporting formats. This process means that the above documented portion of the study effectively reviewed a significant number—more than one-fourth—of the 1,856 dependent special districts listed in the Controller’s annual reports.

In the course of reconciling the 52 cities presented in the immediately preceding section, 43 out of the state’s 491 redevelopment agencies were reconciled as part of the process. These redevelopment agencies are reported separately in the *Annual Report of Financial Transactions Concerning Redevelopment Agencies of California, Fiscal Year 1991–92*. This is in addition to the specific review of redevelopment agencies described later in this chapter.

In addition, 11 other dependent entities were reviewed as part of the city reconciliation. This would include any entity explicitly included in a

city's CAFR and showing activity in the *Annual Report of Financial Transactions Concerning Special Districts of California, Fiscal Year 1991–92*. These 11 entities include the Estero Municipal Improvement District, the Livermore Recreation and Park District, the Modesto Municipal Sewer District, the Napa County Housing District, the Parking Authority of Oakdale, the Redding Area Bus Authority, the Automated Regional Justice Information System, the San Diego Data Processing Corporation, the Ventura County Water District, the Simi Valley Sanitation District and the Yucca Valley Recreation and Park District.

Reconciling the 15 counties incorporated many more districts—nearly 500. The specific types of entities are reported in Table 4.7.

Table 4.7
Dependent Entities Included in County Reconciliations

County	Redevelopment Agencies	Enterprise Districts	County Service Areas	Other Dependent Districts	Totals
Alameda	0	1	16	4	21
Humboldt	0	1	1	12	14
Los Angeles	1	3	1	76	81
Orange	1	2	9	4	16
Placer	1	2	5	7	15
Plumas	0	1	6	6	13
Riverside	1	5	67	4	77
Sacramento	1	4	2	15	22
San Benito	0	1	18	1	20
San Bernardino	1	2	54	15	72
San Diego	1	3	77	14	95
San Luis Obispo	1	3	13	9	26
Santa Clara	0	2	0	5	7
Siskiyou	0	3	1	3	7
Tehama	0	0	0	5	5
Total	8	33	270	180	491

Each of these entities was obtained from another source in the Controller's annual reports and added to the basic amounts included in Table 6 of the *Annual Report of Financial Transactions Concerning Counties of California, Fiscal Year 1991-92*. The redevelopment agencies, as was the case with those encountered in the city reconciliations, were obtained from the *Annual Report of Financial Transactions Concerning Redevelopment Agencies of California, Fiscal Year 1991-92*. The county enterprise activities were obtained from Tables 10 through 13 of the *Annual Report of Financial Transactions Concerning Counties of California, Fiscal Year 1991-92*. The county service areas were all obtained from the appropriate tables in the *Annual Report of Financial Transactions Concerning Special Districts of California, Fiscal Year 1991-92*.

In total, 51 or 10.4 percent of the 491 redevelopment agencies in the state were reviewed in this process, and 483 or 26.5 percent of the state's 1,856 dependent special districts were reviewed. While the precision of these reconciliations is less than that of the independent special districts described below, they all received a significant level of review. Because of the aggregation issue, no summary statistics can be provided for the values reported for these entities.

Additional Reviews of Redevelopment Agencies

In addition to reviewing 51 redevelopment agencies as part of the general review process, 10 redevelopment agencies were specifically reconciled against their audited financial statements. In each case, the amounts reported to the Controller coincided precisely with those found in their comprehensive audited financial reports. This can be largely attributed to the 90-day deadline for completing annual audits of

redevelopment agencies, which coincides with the filing deadline for the Controller's questionnaire. Since these two deadlines are the same, the information provided is typically the audited information.²¹

Specific Findings: Independent Special Districts

Independent special districts are special local government entities formed under a variety of sections of the state code to perform a wide range of functions. Individual independent special districts typically have narrowly defined areas of responsibility, such as providing transit, airport, hospital or water services. Others serve financial needs, such as providing insurance services or capital resources, and yet another category of these districts allows the joint provision of services among multiple cities and counties, such as library districts.

Within this framework, the process of reviewing the data was complex. As was the case with cities and counties, audited financial statements were obtained from the largest special districts within each functional category as well as a random selection from the remaining districts. The specific criteria and a list of the entities sampled are included in Appendix C. The revenues reported in these audited financial statements were compared with those reported in the Controller's report. The specific methodologies and criteria used during the review and reconciliation process are included in Appendix D.

The findings of these reconciliations are presented in the following portion of this chapter. It is organized by the functional types of the

²¹In the case of counties, cities and special districts, the Controller's deadline remains the same, while the audit deadline is 12 months after the fiscal year end. It is subsequently less common for the information provided to the Controller to be based on the audited data.

special districts involved. Summaries will be provided for each of the following types of special districts included in the Controller's *Annual Report on Financial Transactions Concerning Special Districts*: hospital districts, transit districts, transportation planning agencies, water and sanitation districts, other enterprise districts (airport, electrical utility and harbor port districts) and non-enterprise districts. An overview of the findings for special districts will then also be provided. As was the case above for counties and cities, a detailed table corresponding to each of the summary tables is provided in an appendix of this report (in this case Appendix G).

This section will focus on overall variance and not include the comparison along categorical lines that was provided for the more complex general government entities above. Special districts are fiscally much simpler entities and typically have only two general revenue categories: operating revenues and non-operating revenues. Operating revenues are those revenues that the districts obtain as a direct result of the specific services they provide. For an airport this would include landing fees, while in a water district this may include connection fees, sales of water and even sales of sewer/sanitation services. This most closely corresponds to current service charges in the general government entities, and, in fact, when there are directly operated municipal equivalents to enterprise districts, these revenues are included in the current service charges section of their operating statements.²² Non-operating revenues typically represent all other categories of revenues,

²²In some non-enterprise special districts, there is a category explicitly called "charges for current services." In these cases, these revenues are treated as operating revenues.

including tax and intergovernmental revenues.²³ For example, in most cases, but not all, any property taxes received by the special district will be represented as a separate entry in this category.

Differentiating between these two categories within this analysis does not provide any new insights to the findings of this research. As the following tables will show, the level of variation found within these special districts is very low, and if there is any variation in the operating revenue category it is almost always offset dollar-for-dollar by a complementary difference in the non-operating category. This points to a simple classification issue that is likely more due to the lack of detail included in the comprehensive annual financial report than any errors or inconsistencies in reporting to the Controller's Office.

Hospital Districts

Hospital districts are local districts that usually govern and oversee a major hospital in a municipality, county or region. These districts are paralleled in the county context by the 26 dependent hospital enterprise activities that were included in Table 10 of the *Annual Report on Financial Transactions Concerning Counties*. Since these hospital entities are dependent on the county and were subsequently included in the dependent entity reconciliations discussed above, this section focuses exclusively on the 13 independent special districts included in the *Annual Report on Financial Transactions Concerning Special Districts*.

The overview of the findings for hospital districts is provided in Table 4.8. As this table shows, the overall variation between the two reports for hospital reports was minimal. In fact, the largest individual

²³This is "typical" because some entities also include narrow categories of tax revenues and intergovernmental transfers as operating revenues.

Table 4.8

Summary of Comparison of Reported Overall Hospital District Revenues for Study Sample, 1991–92 (dollars unless otherwise indicated)

Description	Overall Revenues
Controller's reports	1,484,490,882
Audited Financial reports	1,487,334,570
Difference	2,843,688
Percentage difference	0.2%

NOTE: See Table G.1 for underlying detail and additional references.

variant on a percentage basis was Mt. Diablo Hospital District, with only a 1.8 percent difference.

The total sample represented 63 percent of the total hospital district revenue in 1991–92. Although very few of the hospitals had reports to the Controller that exactly matched their audited financial statements, the difference was not large: On average, the audited revenues were 0.5 percent higher or lower than the revenues reported to the Controller. There did not seem to be any systematic differences between the Controller's reports and the CAFRs except in one difference of categorization of net revenue: The Controller counts the "provision for bad debts" as negative income, whereas the CAFRs universally recognize it as an expense.

Transit Districts

Transit districts are local districts that govern and oversee bus and rail transit systems in a municipality, county or region. These districts are paralleled in the county context by the 41 dependent transit enterprise activities that were included in Table 12 of the *Annual Report*

on Financial Transactions Concerning Counties. Since these transit districts are dependent on the county and were subsequently included in the dependent entity reconciliations discussed above, this section focuses exclusively on the 13 independent special districts included in the *Annual Report on Financial Transactions Concerning Special Districts.*

The sample for transit districts included 18 of the 54 transit districts in the Controller’s report. This sample was chosen first by selecting the 12 districts with the highest revenues. The remaining six districts were either part of the original Alameda sample,²⁴ included in the CAFRs of related transportation entities or selected as part of the larger sample. The revenues of these 18 districts represent nearly 94 percent of all transit district revenues in the state. As Table 4.9 shows, the total revenues reported in the Controller’s report were extremely close to those given by the CAFRs.

The aggregate results shown in Table 4.9 do hide some variation between the districts, some of whose CAFRs show higher and some lower

Table 4.9
Summary of Comparison of Reported Overall Transit District Revenues for Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller’s reports	1,696,997,635
Audited financial reports	1,699,606,416
Difference	2,608,781
Percentage difference	0.2%

NOTE: See Table G.2 for underlying detail and additional references.

²⁴The initial phase of this study focused on all of the public entities in Alameda County. See Appendix C for a more detailed discussion.

numbers than the Controller's report. Although 10 districts showed no difference between the Controller and audited financial statements, the districts' audited numbers on average were 1.3 percent higher or lower than the Controller's report. The largest difference was in the San Mateo Transit District, whose report to the Controller seems to have been 9 percent too low for two reasons: The district did not report a gain on the sale of assets, and the Controller's questionnaire included net, rather than gross, interest figures.

Transportation Planning Agencies

The 81 entities included under the transportation planning agency banner are either transportation planning agencies, agencies that have a transit planning function or agencies that have the authority to expend locally raised sales taxes on transportation needs. As such, this category also includes regional organizations of governments, such as the Southern California Association of Governments, as well as county traffic authorities, county transportation commissions, county transportation authorities, service authorities for freeway emergencies and selected others. The 19 entities included in the sample account for 93 percent of all transportation planning agency revenues in the state.

Unlike the other categories included in this section on special districts, this category of entities includes a portion of the range of activity reported in the Controller's *Annual Report on Financial Transactions Concerning Transportation Planning Agencies of California*. The transportation planning agencies are included here, in large part, because of criticisms that the amounts reported in the transportation and transit-related reports should represent particular areas of concern.

The findings for the sample of entities in this category are presented in Table 4.10.

As this table shows, the overall level of variation is low, totaling only 4.6 percent, but higher than other special districts. Much of this variation is attributable to a single entity within the sample, as discussed below.

As noted above, transportation authorities or planning agencies provide planning oversight for the transit districts in a region. One main function of the transportation authorities is to distribute transportation planning dollars from the state and other local entities, such as the local 1/4 cent sales tax (the Local Transportation Fund, or LTF) and State Transit Assistance (STA) funds. In 1991–92 most planning agencies did not count these funds as their own revenue, because the funds were passed on entirely to the local transit authorities. Nevertheless, the Controller requires that the entities report the LTF and STA funds in

Table 4.10
Summary of Comparison of Reported Overall
Transportation Planning Agency Revenues for
Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller's reports	2,992,542,356
Audited financial reports	2,853,440,046
Difference	139,102,310
Percentage difference	4.6%

NOTE: See Table G.3 for underlying detail and additional references.

their report of fiscal transactions.²⁵ As a result, these pass-through funds were included in the Controller's report, but there was no audit information to verify the accuracy of the amount of these funds. Similarly, the interest figures in the CAFRs were lower than in the Controller's report because the CAFR figures did not include the interest on the LTF and STA money.

If the entities' estimates of the pass-through funds are accurate, the difference between the audited numbers and the Controller's report are minimal—with one major exception. The San Bernardino Association of Governments (SANBAG), which had a 60 percent difference between the two amounts, reported 137 million dollars more to the Controller than showed up on its annual audit. The difference was largely attributable to the inclusion of revenue note and bond proceeds as revenues in the Controller's report. Without SANBAG, the overall difference was only \$2,226,417 or 0.1 percent. The Southern California Association of Governments also shows a large percentage variance (7.5 percent). This variance is due to the inclusion of internal service fund revenues in the numbers reported to the Controller, which should have been excluded.²⁶

²⁵While it may seem like double counting to include the LTF and STA dollars here, it is necessary in order to show the complete picture of fiscal transactions in California. Since transportation agencies are the first agencies to actually receive these monies, and in light of the explicitly stated public policy goal of reporting these funds as revenues to these agencies, they should be reported as revenues at this point. Subsequent agencies that receive LTF and STA dollars as a result of their distribution by a transportation planning agency should report these revenues as intergovernmental transfers.

²⁶Internal service funds are an accounting technique whereby administrative costs for various activities are billed out to various other departments. For example, a computer support department may bill the planning department for the installation of a computer system. The computer department would thus show revenue in its internal service fund and the planning department would have an expenditure. While useful for internal cost accounting purposes, the transaction reflects an internal accounting allocation mechanism rather than a real increase in the city's overall revenues. As such,

Water and Sanitation Districts

This category of special districts includes all water, sewer and sanitation districts. These entities provide water, water treatment and waste disposal services to customers. They have been combined here for convenience of presentation and are actually reported separately in Tables 22 and 23 of the *Annual Report on Financial Transactions Concerning Special Districts for 1991–92*. California’s 806 water, water utility, irrigation and sewer districts make up the plurality of special districts in California, and, in fact, the first independent special districts in the state were water districts. Most of these are independent.²⁷ The sample included 30 water, sewer, irrigation and sanitation districts including the 10 largest such districts in the state. Revenues within this category of special districts are highly fragmented, but the sample includes more than 26 percent of all the reported revenues for these entities in the state. The summary of the findings for the sample in this category is presented in Table 4.11.

More than half of the districts seem to have used audited numbers for their final report to the Controller. When the Controller’s report was not exactly the same as the audit, there was no clear reason for the discrepancy, although the difference was almost always concentrated in the “other” category.

The one major exception to this was the Oro Loma Sanitary District, which reported nearly \$8 million more in revenues to the Controller

these funds are and should systematically be excluded from the reported revenue amounts.

²⁷Four water and sanitation districts are included as county enterprise activities in the *Annual Report on Financial Transactions Concerning Counties*. Numerous cities have dependent water and sanitation enterprises.

Table 4.11
Summary of Comparison of Reported Overall
Water and Sanitation District Revenues for
Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller's reports	1,443,508,721
Audited financial reports	1,430,320,834
Difference	13,187,887
Percentage difference	0.9%

NOTE: See Table G.4 for underlying detail and additional references.

than showed up on its audited financial report. The difference is attributable to the inclusion of a balance in an equity account as revenue when only the change in that equity position should have been included.²⁸ Without this district's variance, overall variance would be \$5,205,407 or 0.4 percent.

Airport, Electric Utility and Harbor and Port Districts

The entities included in this subsection are again aggregated to simplify the presentation of the findings. The district descriptions are quite self-explanatory in terms of the function of each district. Airport, electric utility and harbor and port districts are included in Tables 18, 19 and 20, respectively, of the *Annual Report on Financial Transactions Concerning Special Districts for 1991–92*. The overall summary findings for these three types of entities are given in Table 4.12.

²⁸Oro Loma Sanitary District is a participant and equity holder in the East Bay Dischargers' Authority. Its equity stake in the Authority is approximately \$8.7 million, with an annual change (a loss) of \$100,000. Instead of incorporating the year's flow (the loss) in its report to the Controller, the district included the stock (the full value of its stake in the authority).

Table 4.12

**Summary of Comparison of Reported Overall Airport, Electric Utility and Harbor and Port District Revenues for Study Sample, 1991–92
(dollars unless otherwise indicated)**

Description	Airport Districts	Electric Utility Districts	Harbor and Port Districts	Combined
Controller's reports	12,324,045	1,203,210,790	132,322,371	1,347,857,206
Audited financial reports	12,077,250	1,203,658,374	132,322,372	1,348,057,996
Difference	246,795	447,584	1	200,790
Percentage difference	2.0%	0.0%	0.0%	0.0%

NOTE: See Table G.5 for underlying detail and additional references.

The differences for each district type are extremely small. All of the variation in the airport districts could be attributed to the Monterey Peninsula Airport District, which had an overall variation of 5.2 percent. No explanation was available from the district for this variance. The electric utility and harbor and port districts showed no variance.

Non-Enterprise Districts

Non-enterprise districts—the largest category of district—are those government entities that are not run on a for-profit basis. These entities typically receive the largest part of their funding from taxes and intergovernmental grants rather than through service charges. Examples of non-enterprise districts include self-insurance authorities, cemetery districts, flood control districts, parks and recreation and library districts. The sample of non-enterprise districts consisted of 64 districts and included entities of every functional type. The summary of the findings for non-enterprise districts is included in Table 4.13.

Although more than half of the districts seem to have used audited numbers in filling out the final report to the Controller, the Controller's

Table 4.13
Summary of Comparison of Reported Overall
Non-Enterprise District Revenues for
Study Sample, 1991–92
(dollars unless otherwise indicated)

Description	Overall Revenues
Controller's reports	595,653,711
Audited financial reports	597,529,625
Difference	1,875,914
Percentage difference	0.3%

NOTE: See Table G.6 for underlying detail and additional references.

report was 1.2 percent lower overall than the total given by the audited financial statements. This total does hide some variation among the minority of districts whose report to the Controller did not match their audits. On average, the audits of the non-enterprise districts were 1.1 percent higher or lower than the Controller's report, and the average difference was \$107,563 on average revenues of more than \$9 million. In most cases where there was variation, all or most of the difference was due to excluded funds. That is, while the districts are supposed to include all revenues no matter what purpose they are reserved for, some districts neglected to include revenues earmarked for debt service, capital projects, or other special projects in their report to the Controller even though the forms explicitly ask for all funds. These excluded funds accounted for 77 percent of the difference between the Controller's reports and the audited financial statements.

Special Districts: Overall Findings

Overall, the accuracy of the special district data was quite remarkable. Table 4.14 summarizes the findings for special districts

Table 4.14
Summary of Comparison of Reported Overall Special District Revenues
for Study Sample, 1991–92
(dollars unless otherwise indicated)

Special District Group	Controller's Report	Audited Financial Report	Difference	Percentage Difference
Hospital districts	1,484,490,882	1,487,334,570	2,843,688	0.2%
Transit districts	1,696,997,635	1,699,606,416	2,608,781	0.2%
Transportation planning agencies	2,992,542,356	2,853,440,046	139,102,310	4.6%
Water and sanitation districts	1,443,508,721	1,430,320,834	13,187,887	0.9%
Airport, electric utility and harbor and port districts	1,347,857,206	1,348,057,996	200,790	0.0%
Non-enterprise districts	598,229,191	598,105,105	1,875,914	0.3%
Overall Sample Totals	9,561,050,511	9,416,289,487	144,761,024	1.5%

NOTE: See Tables 4.8 through 4.13 above.

overall. As it shows, the overall variation identified in the 156 districts reviewed was only 1.5 percent.

The revenues presented in the two series correspond closely. Most of the difference is accounted for by one entity in the transportation planning agencies group, the San Bernardino Association of Governments. If it is omitted from these findings, the total variance drops to \$7,885,131 or **0.1 percent** of the total. Based on these findings, the special district data in the *Annual Report on Financial Transactions Concerning Special Districts* and *Annual Report on Financial Transactions Concerning Transportation Planning Agencies* are very accurate—probably even more so than the amounts reported for cities and counties.²⁹

²⁹As discussed in the individual sections, this is likely because of the use of audited information by many special districts to prepare their Controller's questionnaires.

Preliminary Findings: Debt Data Are Much More Problematic

As a quick and preliminary measure of the quality of the debt data included in the Controller’s reports, the study tracked one narrow category of debt activity—debt proceeds. The goal was to identify how well the debt information reported to the Controller tracked with the detailed information included in the CAFRs. These findings are presented in Table 4.15.

As this table shows, the amount of variation between the two sources is considerable. A large proportion of the variance in the city sample is due to Los Angeles, which had a difference of \$782 million—a problem that has already been identified by the state. The overall variance within the city sample drops to 21.2 percent if Los Angeles is excluded. Debt and debt proceeds were not the focus of this study, but it is important to note that this preliminary look at the debt numbers points to significant reporting differences, in complete contrast to the revenue reporting. As will be discussed in the final chapter, additional research is recommended to address this problem.

Table 4.15
Overall Variance in Other Financing Revenues, 1991–92
(dollars unless otherwise indicated)

Group	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Cities sampled	1,854,534,605	1,263,528,344	591,006,261	31.9%
Counties sampled	815,876,077	682,453,027	133,423,050	16.4%
Sample total	2,670,410,682	1,945,981,371	724,429,311	27.1%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the controller’s reported amounts.

5. Summary, Recommendations and Conclusions

This chapter presents a summary of the findings of this study as well as the implications of those findings. These implications are approached from two different directions. First, a practical approach is taken to the data, and a series of recommendations is presented to address parts of each of the quality issues raised in Chapter 1—timeliness, comprehensiveness and accuracy. Second, a broader view of the implications of the findings is taken. This section will present specific implications of the findings regarding the quality of the data to policymakers and analysts interested in California state and local policy. The credit for the quality of the data must be shared between the Controller’s Office and the myriad of local governments who supply the Controller with accurate information.

Summary of Findings

A general statement of this report's findings is that the Controller's data are very good. As one colleague commented, "I'm increasingly impressed with the quality of the Controller's data." This is not to say that the data are perfect—there are clearly areas where the consistency of the reporting can be significantly improved, as will be discussed in this report's recommendations below.

Comprehensiveness of the Data

The data were found to be quite comprehensive. However, it is clear that community facility districts are typically not included. A survey of a sample of the CFDs in the state found that only between 20 and 35 percent of these entities are included in their parent entity's report to the State Controller's Office. The balance are not included. A census of the 233 CFDs in existence in 1991–92 found that the combined revenues of all of these entities totaled only \$283.5 million. In a local government sector whose revenues totaled nearly \$95 billion, this represents a trivial source of error—0.3 percent—even if all CFDs were excluded. Since some proportion of these districts is included in the reported information, the actual level of error introduced by the omission of CFDs is even lower. Note, however, that if one wishes to focus on these particular entities for a specific policy inquiry, the data are wholly inadequate.

Beyond CFDs, an effort was made to identify other entities that may be missing from the Controller's reports. After an exhaustive (more than 7,000 entities) comparison of local agency formation commission and California Debt Advisory Commission lists to the entities reported in the Controller's reports, three non-CFD entities were found to be missing

from the Controller's entity list.¹ The revenues for these entities totaled approximately \$0.5 million—an inconsequential level of difference.

It can be concluded from this exercise that the Controller's data are comprehensive—that they include the full range of public entities that generate revenues at the local level. At the same time, one major category of entity is generally missing from the revenue data, but its absence's effect on the overall revenue picture is negligible.

Accuracy of the Data

Along the accuracy dimension, the data test well. When the amounts reported overall by individual entities were compared with the amounts reported by the State Board of Equalization for sales and property taxes, the variance was very low—ranging from 0.0 percent to 5.1 percent. On a county-by-county and city-by-city basis, the variation was also quite low. Furthermore, this average was heavily influenced by a few outliers. Without these outliers, the difference between the two sets of information essentially disappeared.

In comparing the information reported to the Controller with audited financial information, the overall totals were even better. For counties the variance was 1.2 percent, for cities 1.4 percent and for special districts 1.5 percent. At the individual comparison level, the absolute average percentage differences for each were 1.4 percent, 3.9 percent,² and 0.9 percent, respectively, showing that aggregation implicit in the overall totals reflects the overall trend in the data. In general, these

¹The methodology used allows for the existence of additional non-reporting entities, but a review of the candidates indicates that their overall effect would also be inconsequential.

²This value excludes the three outliers, Irwindale, Westmorland and Sacramento, as specifically discussed in Chapter 4.

data are highly accurate in their portrayal of the revenues raised and received by these entities.

In summary, this study has found the revenue data included in the Controller's reports to be quite correct and complete. There were, however, areas where the process and specifics could be improved. The next section discusses some specific suggestions for improving the data to render them as useful, complete and correct as possible.

Recommendations

These recommendations arise as a result of this exhaustive review of the State Controller's reports. These recommendations are generally organized around the areas where concerns were raised: timeliness, comprehensiveness and accuracy and provide specific suggestions about how the information provided could be strengthened along each of those specific dimensions.

Timeliness

As discussed in Chapter 1, this report did not provide an analysis of the timeliness of the data. The issue is key, however, to the utility of the data to state decisionmakers and policy analysts. For this reason, the following two suggestions are offered in hopes of making the availability of the information in the Controller's report much more timely.

- **Institute Internet/Web-based submission.** The Controller's Office should move to a more direct submission technology for the information in the questionnaires. A direct World Wide Web-based submission form would go a long way toward this goal. While a few entities are now submitting their questionnaires on diskette, an on-line form could significantly enhance the availability and ease of electronic submission for

local governments. The general and increasingly widespread availability of access to the Web coupled with its easy information transfer capabilities make it an ideal medium for transferring information between local governments and the State Controller's Office.³

Furthermore, such an approach could facilitate the implementation of a broader, more standardized format as proposed in the discussion under accuracy below. This approach would also remove the data entry and quality control of that data entry from the Controller's Office, significantly accelerating the preparation of the data for review and freeing up valuable resources for the review stage. The data would also immediately and automatically be in a consistent format across entities in the same category.

- **Make data immediately available.** Beyond getting the information to the Controller's Office more quickly and in a more consistent format, the data could be made immediately available to policy analysts and decisionmakers—even before the data have been reviewed.⁴ This would make the bulk of the information available in an unreviewed format 90 days after the fiscal year end—a much more useful timetable than more than a year later. Granted there is the prospect that unreviewed and unaudited data will contain errors, but the timeliness of the information could more than offset the risks associated with

³Typically, one of the greatest concerns associated with using Web submission techniques is security. This is not an issue in this case because all of the reported data are already in the public domain.

⁴Unreviewed data provided in this format would be so marked, indicating to users and consumers that it had not been reviewed. As the information is reviewed by the Controller's office, the notation could be changed to reflect that development. In such a strategy, it is recommended that large and complex entities, which may be more likely to significantly affect policy choices, should be reviewed first.

mistakes by specific entities.⁵ To provide a metric of the reliability of a specific entity's unreviewed data, an additional field could be provided by the Controller's Office for each entity that reports the magnitude and types of information that were corrected in the prior year's report.⁶

Comprehensiveness

The Controller's data are quite comprehensive in their reporting of revenue activity in the state. There are two recommendations, however, that arose as a result of this analysis:

- **Provide specific instructions for Mello-Roos districts.** Specific instructions and questions should be provided to assure the inclusion of community facility districts in the Controller's reports. While some of these entities are already reported, the vast majority are not. It is critical, inasmuch as decisionmakers and analysts care about this financing entity, to have accurate and complete information regarding their activity.
- **Create a mechanism for identifying new entities.** The Controller's Office should also implement a watchdog-type mechanism for identifying new entities that would not normally be captured under the current reporting scheme. While this study did not find many at this time, the increased constraints

⁵Note that this study reviewed the published reports from the State Controller's Office and subsequently included all of the corrections that that office identified in the course of their review of the data. Information on the quality of the data before this review was not available, and clearly the prevalence of a need for significant review and correction of the data should be a factor in the implementation of this recommendation. Note, however, that the immediate publication of information could serve as an incentive for local entities to provide the information more accurately as its unreviewed quality comes under greater scrutiny.

⁶Also note that it is recommended that the reported information be left on-line in subsequent years, preferably in a side-by-side format, so that changes over time can be reviewed easily.

and pressures on local governments will assure more creative behaviors in the future. The Controller should have an eye toward making sure that these entities report their activity as they come into existence.

Accuracy

The general content of the Controller's reports was found to be highly accurate. However, there were several areas where specific recommendations for improvements can be made. These are detailed below.

- **Provide more specific instructions and follow-up regarding capital project funds, debt service funds and housing authorities.** Several types of activity were not consistently reported by all entities to the Controller's Office. Often the specific variation identified between the Controller's report and the audited financial report could be tracked to the non-inclusion of either capital projects funds, debt service funds or housing authorities, or some combination of the three. Even in the case of counties, where separate columns are provided for debt service and capital projects funds, these revenues were not always included. It is recommended that these instructions be further strengthened and a systematic effort be made to ensure that all are included.
- **Expand and clarify reporting of special assessment districts.** One category of activity for which the inadequacy of reporting has come to the forefront in light of current events is special assessment districts. Researchers and analysts trying to assess the effects of Proposition 218 on the November 1996 ballot found the data not up to the task. The reporting on these increasingly (in recent years) popular revenue-generating

arrangements is spotty at best and does not seem to capture the full range of activity that occurs.

Because of the lack of a third-party information source, this study did not directly quantify the revenues that should be classified and reported as special benefit assessments. Discussions with other analysts looking at special benefit assessments indicate that the reported revenues are very low. It would seem from this research, however, that these revenues are not missing; they are simply included as property taxes and not separated out as special benefit assessments. Specific instructions and procedures should be established to track these activities.

- **Expand the reporting of school district information.** The Controller's report on school districts in California is very cursory. It reports revenues and expenditures only at the most aggregated levels—providing revenue and expenditure detail by type and category only at the statewide level and district-specific revenues and expenditures only in total. Inasmuch as school districts represent one of the largest categories of local revenues and expenditures, the detailed information on these entities should be published and made available for public accountability, review and discussion. It is recommended, therefore, that the Controller provide in its annual report entity-level detail for each district, county office and joint powers agency in the state. This would require an expanded provision of information by the California State Superintendent of Public Instruction. The Department of Education could provide this information in a format immediately available for paper or electronic publication.

It would also be helpful to include the specific numbers used by the state for calculating the Proposition 98–required expenditures each year. Such a service would provide a common source of information for analysts and decisionmakers.

- **Provide detailed fiscal information for community college districts.** Community college districts are unique entities in the state. Even though they receive their funding largely under the Proposition 98 formula, they participate as part of the state's postsecondary education sector. Unlike the other public members of the state's postsecondary education sector, they are organized and governed locally. Inasmuch as this research envisions the Controller's data as a centralized database for both informational and accountability purposes, the information on these largely local entities should be as available as the local elementary school district, city, county or mosquito abatement district. As a result, it is recommended that these districts' financial activity be reported in the Controller's data system.
- **Establish a consistent report format for all categories of entities.** Currently, there is significant variety in the way that the diverse types of entities report their specific information. As discussed regarding school districts above, but true on a much broader basis, the requirements and reporting structures associated with individual entity type are almost always determined by the specific institutional and historical context of the reporting entity and less with a view toward comparability and public accountability and with even less of a view toward utility for decisionmakers.

As a result, the various reports are very difficult to compare and use—both across government entities and sometimes even within the same report. In the *Annual Report on Financial Transactions Concerning Special Districts*, for example, transit districts use a format driven by their reporting requirements for the U.S. Department of Transportation, while hospital districts use the requirements specified in the (California) Hospital

Disclosure Act.⁷ Although there are some distinct advantages to making the reporting process as convenient as possible for reporting entities, some minor changes could be implemented to improve the usefulness and comparability of the data.

To provide a specific example of how this lack of comparability affects reporting, there is variation in how different entity types handle the major category of property tax revenues. Some have a separate line indicating property tax revenues, while others include them under “other non-operating revenues.” There are also differences between the reporting format for enterprises that are considered part of the county general government—and are reported in the enterprise tables in the Controller’s annual report on counties—and those that are separate dependent and independent districts listed in the special districts report.

Even the detailed categories between such general governments as cities and counties vary somewhat. For example, the sale of a fixed asset in a city is included under “other revenues.” In a county it would be included under “other financing sources.” The reporting format for school districts, because it comes from a different source, is completely different.

It would be invaluable to have consistent reporting formats between entities for comparability purposes. It would also be useful to have the major tax revenue streams—such as sales and property taxes—explicitly identified for each entity. Such an approach would also provide a quick measure of the quality of the information provided. More generic information, such as addresses, telephone numbers, miscellaneous demographic information (or hyperlinks to associated databases in an Internet-type approach) and contact people, would also be useful additions to these databases.

⁷This act commences with Section 440 of the Health and Safety Code.

In conjunction with a universal report format, one may wish to expand the governance information for each dependent entity in the database. In most cases at the current time, the governance information is limited to the parent entity's generic category (e.g., county, city, special district). It would be far more useful to include precisely who the parent entity is. One could include an identifying code or, in an Internet-type application, a hyperlink to the parent entity. This would make the information far more useful for policy analysts and decisionmakers who would like to perform the type of aggregation that had to be done manually for the purposes of this study.

Overall Issues To Be Considered in Implementation

Overall, these recommendations represent minor enhancements to the quality of the data currently available. There are issues to be considered in the implementation of any and all of these ideas, however. There are effects on the backward comparability of the data as well as changes in the associated workload for both the Controller's Office and reporting entities.

Any changes that affect the data reported in the Controller's study will clearly affect their direct comparability to prior years. This happens every time improvements are made to data systems. The effects in this case, however, would likely be minimal, as the low variances identified in this report would suggest. Most of the recommendations center around properly classifying activities and providing consistent reporting formats between entities.

The expanded inclusion of Mello-Roos districts could be included as a separate line item, minimizing the effect their inclusion would have on other revenue categories. The expanded and more consistent reporting

of capital project funds, debt service funds and housing authorities would mean that the activity reported would more closely correspond to what is actually happening. Since this type of variation is included in the comparisons presented in Chapter 4, it is clear that the overall effect would be minimal.

These changes, especially the Web-related recommendations and the format standardization, would have implications for both the Controller's Office and the reporting entities. On the Controller's side, these changes would require some investment of time and resources in assessing both the appropriate reporting formats and developing the new information technologies to implement them. On the reporting entity's side, each would have to find access to the Web and make the transition to completing an on-line form in a new format. Providing a cost estimate of either of these activities is beyond the scope of this report, but it is believed that the resulting improvements in the timelines and usefulness of the data would be worth the investment.

The process of implementing the new format may well serve as the ideal mechanism for implementing the new and improved instructions as well. As entities review their reporting procedures to comply with the new format, they could also verify that they are including all of the types of activity desired by the State Controller's Office.

Conclusions: The Broader Implications of the Findings

Beyond these specific recommendations, there are some broader conclusions and implications that arise as a result of this study's findings. These findings have greater importance to the policy context in which this report was introduced. They are detailed below.

- **Reliability.** The revenue data are reliable for understanding the range of activity occurring in the local government sector. As a consequence, concerns about the data underlying the various studies on California's public revenue burden can be dismissed. This then allows the decisionmaker and analyst to focus on the methodology and values involved in the policy argument instead of wondering whether the data are comprehensive and accurate enough to understand what is happening. The levels of variation identified in this study are well below the threshold change levels identified in the various published studies addressing the revenue burden issue, indicating that the changes they measure are real, subject to the constraints of their individual methodologies.
- **Usability.** This study also indicates that the State Controller's data are usable for further research into more detailed aspects of state and local governance. This was one of PPIC's main concerns going into this study—if in fact the data were not of adequate quality, what, if any, corrections could be made to the data to make them usable. PPIC is committed to studying the implications of various governance and finance choices at the local level for local, state and federal policy and policy initiatives. It was and is critical to that line of research to have confidence in the quality of the local government finance data, and this study has found that such confidence is well placed in these data.
- **Areas for further work.** This study has preliminarily identified one important area, beyond the revenue data, where the local finance data appear to have more significant problems. This is the area of debt reporting. Our preliminary review of reported debt proceeds indicated a relatively high level of variation between audited and reported numbers. To the extent that debt becomes an increasingly important part of the local finance and governance policy environment, this variation should be explored further.

Appendix A

Detailed Sales Tax Comparisons

This appendix contains the detailed results of the findings about sales taxes for counties and cities summarized in Tables 3.1 and 3.2. This detailed information and the statistical summaries of the differences in the entity-level data are provided for the reader's reference.

City Sales Tax Comparisons

The detailed results presented in Table A.1 are summarized in Table 3.1. Note that the detail is presented in a semi-aggregated form. The specific comparisons for each city have been aggregated and reported by county in order to reduce the scale of the presentation. As an example, the entry in Table A.1 for Alameda County represents the sum of the sales tax revenues for all 14 cities in Alameda County.

Table A.1
Comparison of City Sales Tax Revenues, All Cities
Aggregated by County, 1991-92
(dollars unless otherwise indicated)

County	Controller's Reports	Board of Equalization	Difference	Percentage Difference ^a
Alameda	123,948,143	122,405,442	1,542,701	1.2%
Amador	1,216,461	1,225,000	-8,539	-0.7%
Butte	11,334,205	11,202,766	131,439	1.2%
Calaveras	492,664	485,964	6,700	1.4%
Colusa	1,027,142	1,023,129	4,013	0.4%
Contra Costa	67,305,843	67,270,892	34,951	0.1%
Del Norte	907,680	907,680	0	0.0%
El Dorado	4,814,661	4,721,106	93,555	1.9%
Fresno	49,040,452	48,978,443	62,009	0.1%
Glenn	1,059,685	1,059,962	-277	0.0%
Humboldt	7,880,963	7,830,331	50,632	0.6%
Imperial	7,775,969	7,871,996	-96,027	-1.2%
Inyo	1,226,606	1,226,606	0	0.0%
Kern	33,240,227	32,852,889	387,338	1.2%
Kings	4,780,709	4,777,709	3,000	0.1%
Lake	1,498,033	1,495,487	2,546	0.2%
Lassen	1,158,866	1,152,466	6,400	0.6%
Los Angeles	718,324,138	726,217,730	-7,893,592	-1.1%
Madera	3,615,025	3,615,025	0	0.0%
Marin	22,389,742	22,405,463	-15,721	-0.1%
Mendocino	3,676,833	3,701,569	-24,736	-0.7%
Merced	7,989,985	7,992,777	-2,792	0.0%
Modoc	416,515	416,515	0	0.0%
Mono	880,723	841,466	39,257	4.5%
Monterey	24,415,488	24,487,627	-72,139	-0.3%
Napa	7,160,538	7,135,435	25,103	0.4%
Nevada	2,489,195	2,494,695	-5,500	-0.2%
Orange	255,966,614	257,509,919	-1,543,305	-0.6%
Placer	12,495,001	12,431,858	63,143	0.5%
Plumas	130,563	131,113	-550	-0.4%
Riverside	76,994,488	77,848,667	-854,179	-1.1%
Sacramento	37,246,209	40,044,544	-2,798,335	-7.5%
San Benito	1,576,978	1,579,072	-2,094	-0.1%
San Bernardino	101,133,583	102,666,564	-1,532,981	-1.5%

Table A.1—continued

County	Controller's Reports	Board of Equalization	Difference	Percentage Difference ^a
San Diego	210,539,303	200,858,348	9,680,955	4.6%
San Francisco	83,379,910	83,747,510	-367,600	-0.4%
San Joaquin	30,842,093	30,547,671	294,422	1.0%
San Luis Obispo	13,769,325	13,726,925	42,400	0.3%
San Mateo	70,107,782	68,650,568	1,457,214	2.1%
Santa Barbara	24,239,204	24,045,784	193,420	0.8%
Santa Clara	175,041,439	175,485,491	-444,052	-0.3%
Santa Cruz	13,395,933	13,321,630	74,303	0.6%
Shasta	12,123,812	12,120,462	3,350	0.0%
Sierra	47,668	47,668	0	0.0%
Siskiyou	2,488,313	2,466,286	22,027	0.9%
Solano	24,466,476	24,417,655	48,821	0.2%
Sonoma	30,236,569	29,972,344	264,225	0.9%
Stanislaus	24,574,650	24,689,495	-114,845	-0.5%
Sutter	4,206,089	4,099,752	106,337	2.5%
Tehama	2,584,917	2,540,500	44,417	1.7%
Tulare	17,098,200	16,944,141	154,059	0.9%
Tuolumne	929,028	932,171	-3,143	-0.3%
Ventura	50,875,970	50,533,574	342,396	0.7%
Yolo	12,567,507	12,658,087	-90,580	-0.7%
Yuba	1,958,832	1,958,832	0	0.0%
Grand total	2,401,082,947	2,401,772,801	-689,854	0.0%

SOURCE: Controller's data are from the *Annual Report of Financial Transactions Concerning Cities, Fiscal Year 1991-92*, Tables 2-7, pp. 4-481. The Board of Equalization data are from the State Board of Equalization's *Annual Report for the Year Ending June 30, 1992*, Table 21A, pp. A-26 to A-29.

NOTES: Alpine, Mariposa and Trinity Counties have no incorporated cities.

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

The summary statistics for these data, presented in Table A.2, also point to the closeness of the two datasets. The absolute average percentage difference between the two reported series is only 1.9 percent.

Table A.2
Summary Statistics for Differences in Reported
City Sales Tax Revenues, All Cities, 1991–92

Description	Dollars	Percentage
Average of absolute variance	\$89,543	1.9%
Largest underreporting	\$2,774,700	46.1%
Largest overreporting	\$10,401,694	30.2%
Proportion with < 3% difference		82%
Proportion with < 5% difference		88%

NOTE: See Table A.1 for underlying detail and additional references.

County Sales Tax Comparisons

The results presented in Table A.3 are the details for each county in the state. This information is summarized in Table 3.2 of this report.

The summary statistics in Table A.4 show the average absolute percentage difference is only 3.4 percent. The average county received more than \$11 million in sales taxes, and the average difference of \$627,466 between the Controller’s and Board of Equalization reports accounts for 3.4 percent of this average.

Table A.3
Comparison of County Sales Tax Revenues, All Counties, 1991–92
(dollars unless otherwise indicated)

County	Controller Reports	Board of Equalization	Variance	Percentage Variance ^a
Alameda	13,054,052	10,331,992	2,722,060	20.9%
Alpine	234,739	234,739	0	0.0%
Amador	866,861	866,861	0	0.0%
Butte	3,025,252	3,025,252	0	0.0%
Calaveras	1,604,612	1,284,818	319,794	19.9%
Colusa	575,569	575,969	-400	-0.1%
Contra Costa	7,765,324	7,634,485	130,839	1.7%
Del Norte	473,008	473,008	0	0.0%
El Dorado	4,040,193	4,090,396	-50,203	-1.2%
Fresno	10,489,412	8,338,868	2,150,544	20.5%
Glenn	599,164	621,364	-22,200	-3.7%
Humboldt	1,855,499	1,855,499	0	0.0%
Imperial	1,488,276	1,488,276	0	0.0%
Inyo	727,567	727,567	0	0.0%
Kern	17,074,043	17,074,044	-1	0.0%
Kings	1,247,120	1,247,120	0	0.0%
Lake	1,560,219	1,567,919	-7,700	-0.5%
Lassen	619,558	619,558	0	0.0%
Los Angeles	33,136,115	33,576,615	-440,500	-1.3%
Madera	2,508,173	2,508,174	-1	0.0%
Marin	2,200,199	2,179,444	20,755	0.9%
Mariposa	1,153,713	1,153,713	0	0.0%
Mendocino	2,712,116	2,716,866	-4,750	-0.2%
Merced	2,442,469	2,442,469	0	0.0%
Modoc	146,844	147,444	-600	-0.4%
Mono	307,560	307,560	0	0.0%
Monterey	4,273,025	4,273,025	0	0.0%
Napa	3,056,962	2,947,662	109,300	3.6%
Nevada	3,460,396	3,462,396	-2,000	-0.1%
Orange	11,709,981	11,208,781	501,200	4.3%
Placer	6,369,103	6,355,066	14,037	0.2%
Plumas	1,243,634	1,243,634	0	0.0%
Riverside	12,269,864	12,269,864	0	0.0%
Sacramento	64,310,319	63,034,180	1,276,139	2.0%
San Benito	699,226	701,826	-2,600	-0.4%
San Bernardino	15,019,249	9,966,519	5,052,730	33.6%
San Diego	9,970,643	10,188,010	-217,367	-2.2%
San Joaquin	6,010,472	6,010,472	0	0.0%

Table A.3—continued

County	Controller Reports	Board of Equalization	Variance	Percentage Variance ^a
San Luis Obispo	3,122,567	3,117,166	5,401	0.2%
San Mateo	13,801,957	12,879,333	922,624	6.7%
Santa Barbara	7,929,501	7,632,501	297,000	3.7%
Santa Clara	2,948,976	2,903,508	45,468	1.5%
Santa Cruz	4,663,342	4,663,342	0	0.0%
Shasta	2,233,855	2,247,526	-13,671	-0.6%
Sierra	93,771	93,771	0	0.0%
Siskiyou	471,761	471,761	0	0.0%
Solano	1,639,557	1,639,554	3	0.0%
Sonoma	8,392,929	7,192,929	1,200,000	14.3%
Stanislaus	10,121,273	8,000,090	2,121,183	21.0%
Sutter	1,262,661	1,273,161	-10,500	-0.8%
Tehama	694,635	740,901	-46,266	-6.7%
Trinity	544,907	517,486	27,421	5.0%
Tulare	4,678,791	4,719,491	-40,700	-0.9%
Tuolumne	2,527,442	2,527,442	0	0.0%
Ventura	4,813,481	4,457,070	356,411	7.4%
Yolo	1,325,862	1,261,712	64,150	4.8%
Yuba	1,034,197	1,034,197	0	0.0%
Total	322,601,996	306,124,396	16,477,600	5.1%

SOURCE: Controller's data are from the *Annual Report of Financial Transactions Concerning Counties, Fiscal Year 1991-92*, Tables 6 and 9-13, pp. 14-32 and 100-137. The Board of Equalization data are from the State Board of Equalization's *Annual Report for the Year Ending June 30, 1992*, Table 21A, pp. A-26 to A-29.

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table A.4

Summary Statistics for Differences in Reported County Sales Tax Revenues, All Counties, 1991-92

Description	Dollars	Percentage
Average of absolute variance	\$627,466	3.4%
Largest underreporting	\$440,500	6.7%
Largest overreporting	\$5,052,730	33.6%
Proportion with < 3% difference		74%
Proportion with < 5% difference		82%

NOTE: See Table A.3 for underlying detail and additional references.

Appendix B

Detailed Property Tax Comparisons

This appendix contains the detailed results of the findings about property taxes for counties and cities summarized in Tables 3.3 and 3.4. This detailed information and the accompanying statistical summaries of the entity-level differences are provided for the reader's reference.

City Property Tax Comparisons

The detailed results presented in Table B.1 are summarized in Table 3.3. Note that the detail is presented here in a semi-aggregated form. The specific comparisons for each city have been aggregated and reported by county in order to reduce the scale of the presentation. As an example, the entry in Table B.1 for Alameda County represents the sum of the property tax revenues for all 14 cities in Alameda County.

Table B.1
Comparison of City Property Tax Revenues, All Cities Aggregated by
County, 1991–92
(dollars unless otherwise indicated)

County	County Auditor- Controller	County Auditor- Controller	Variance	Percentage Variance ^a
Alameda	183,318,614	182,609,682	708,932	0.4%
Amador	854,018	878,759	-24,741	-2.9%
Butte	5,331,149	5,279,639	51,510	1.0%
Calaveras	136,446	132,330	4,116	3.0%
Colusa	672,113	638,654	33,459	5.0%
Contra Costa	64,354,459	65,869,851	-1,515,392	-2.4%
Del Norte	116,006	118,199	-2,193	-1.9%
El Dorado	4,386,556	4,318,961	67,595	1.5%
Fresno	44,982,289	44,488,494	493,795	1.1%
Glenn	872,332	899,176	-26,844	-3.1%
Humboldt	2,312,403	2,193,000	119,403	5.2%
Imperial	4,761,422	4,661,794	99,628	2.1%
Inyo	315,009	296,976	18,033	5.7%
Kern	22,021,512	21,612,090	409,422	1.9%
Kings	2,663,279	2,760,219	-96,940	-3.6%
Lake	994,217	978,642	15,575	1.6%
Lassen	462,395	437,211	25,184	5.4%
Los Angeles	986,053,936	915,967,524	70,086,412	7.1%
Madera	1,901,496	1,770,172	131,324	6.9%
Marin	28,108,606	26,371,367	1,737,239	6.2%
Mendocino	1,198,245	1,165,921	32,324	2.7%
Merced	6,075,167	6,081,295	-6,128	-0.1%
Modoc	183,140	203,047	-19,907	-10.9%
Mono	534,221	538,127	-3,906	-0.7%
Monterey	17,343,348	17,285,664	57,684	0.3%
Napa	9,039,163	8,728,000	311,163	3.4%
Nevada	1,726,207	1,643,236	82,971	4.8%
Orange	221,862,960	218,185,979	3,676,981	1.7%
Placer	10,519,272	10,024,605	494,667	4.7%
Plumas	190,009	137,139	52,870	27.8%
Riverside	52,958,420	51,674,136	1,284,284	2.4%
Sacramento	57,901,184	56,434,993	1,466,191	2.5%
San Benito	738,173	779,469	-41,296	-5.6%
San Bernardino	69,092,707	65,128,268	3,964,439	5.7%
San Diego	224,227,255	217,996,342	6,230,913	2.8%
San Francisco	522,289,889	511,334,716	10,955,173	2.1%
San Joaquin	30,035,255	29,524,769	510,486	1.7%

Table B.1—continued

County	County Auditor- Controller	County Auditor- Controller	Variance	Percentage Variance ^a
San Luis Obispo	14,026,768	13,796,855	229,913	1.6%
San Mateo	69,276,568	66,949,327	2,327,241	3.4%
Santa Barbara	15,385,732	13,897,870	1,487,862	9.7%
Santa Clara	127,334,980	123,859,452	3,475,528	2.7%
Santa Cruz	11,033,897	9,480,608	1,553,289	14.1%
Shasta	5,762,481	5,404,143	358,338	6.2%
Sierra	25,280	24,392	888	3.5%
Siskiyou	1,373,680	1,449,634	-75,954	-5.5%
Solano	30,526,994	29,750,803	776,191	2.5%
Sonoma	21,590,280	20,845,006	745,274	3.5%
Stanislaus	14,280,490	13,812,462	468,028	3.3%
Sutter	2,982,701	3,010,322	-27,621	-0.9%
Tehama	1,185,415	1,265,706	-80,291	-6.8%
Tulare	8,605,449	8,008,687	596,762	6.9%
Tuolumne	335,386	322,274	13,112	3.9%
Ventura	37,555,299	37,401,022	154,277	0.4%
Yolo	16,276,240	15,338,012	938,228	5.8%
Yuba	1,087,454	1,045,322	42,132	3.9%
Grand total	2,959,177,966	2,844,810,343	114,367,623	3.9%

SOURCE: Controller's data are from the *Annual Report of Financial Transactions Concerning Cities, Fiscal Year 1991-92*, Tables 2-7, pp. 4-481. The county auditor-controller data are from the original surveys submitted to the Controller's Office *Annual Report on Property Taxes*. These surveys are used to prepare the summary tables presented in State Board of Equalization's *Annual Report for the Year Ending June 30, 1992*, Tables 4-15, pp. A-4 to A-19. It is also worth noting that these amounts are very close to those reported by the Board of Equalization but that, because of the specific criteria reported in each category, these amounts are never explicitly reported in the *Annual Report* in a manner such that they correspond to those reported above for comparability.

NOTES: Alpine, Mariposa and Trinity Counties have no incorporated cities.

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table B.2 contains the statistical summaries at the county-aggregated level for the differences in reported property taxes for cities. As a result of some difficulties with the source documents, it is not possible to provide these statistics for the fully disaggregated detailed data.

Table B.2
Summary Statistics for Differences in Reported
City Property Tax Revenues, All Cities, 1991–92

Description	Dollars	Percentage
Average of absolute variance	\$2,149,174	4.2%
Largest underreporting	\$1,515,392	10.9%
Largest overreporting	\$70,086,412	27.8%
Proportion with < 3% difference		45%
Proportion with < 5% difference		69%

NOTES: These comparisons are based on the county-level aggregations because it was not feasible to disaggregate the data included in the Board of Equalization reports. See Table B.1 for underlying detail and additional references.

County Property Tax Comparisons

The results presented in Table B.3 are the details for each county in the state. This information is summarized in Table 3.4 of this report.

Table B.4 presents the summary statistics for these data at the detailed county level. These statistics further attest to the close agreement between the two data sets.

Table B.3
Comparison of County Property Tax Revenues, All Counties, 1991–92
(dollars unless otherwise indicated)

County	County Auditor- Controller	County Auditor- Controller	Variance	Percentage Variance ^a
Alameda	244,631,962	239,690,240	4,941,722	2.0%
Alpine	1,302,100	1,233,386	68,714	5.3%
Amador	8,426,311	7,997,242	429,069	5.1%
Butte	16,976,687	16,813,050	163,637	1.0%
Calaveras	6,260,557	6,203,279	57,278	0.9%
Colusa	4,853,537	4,762,462	91,075	1.9%
Contra Costa	153,612,873	149,602,417	4,010,456	2.6%
Del Norte	2,136,772	2,153,954	-17,182	-0.8%
El Dorado	28,233,034	26,912,738	1,320,296	4.7%
Fresno	87,750,635	80,532,082	7,218,553	8.2%
Glenn	4,011,468	3,984,571	26,897	0.7%
Humboldt	17,196,633	16,403,295	793,338	4.6%
Imperial	18,077,125	17,015,635	1,061,490	5.9%
Inyo	8,261,674	8,022,820	238,854	2.9%
Kern	136,644,112	138,367,835	-1,723,723	-1.3%
Kings	14,576,330	14,183,427	392,903	2.7%
Lake	10,876,670	10,846,596	30,074	0.3%
Lassen	3,662,935	3,562,188	100,747	2.8%
Los Angeles	2,221,118,329	2,064,141,394	156,976,935	7.1%
Madera	13,032,443	12,419,819	612,624	4.7%
Marin	54,822,482	54,354,253	468,229	0.9%
Mariposa	2,716,103	2,790,041	-73,938	-2.7%
Mendocino	16,199,034	15,068,978	1,130,056	7.0%
Merced	26,816,199	26,050,773	765,426	2.9%
Modoc	2,244,483	2,004,100	240,383	10.7%
Mono	6,633,710	5,928,187	705,523	10.6%
Monterey	50,734,910	48,770,233	1,964,677	3.9%
Napa	24,181,607	23,218,833	962,774	4.0%
Nevada	14,677,843	14,299,544	378,299	2.6%
Orange	326,392,260	329,176,489	-2,784,229	-0.9%
Placer	41,678,575	40,451,075	1,227,500	2.9%
Plumas	4,423,707	4,753,792	-330,085	-7.5%
Riverside	191,197,422	173,240,222	17,957,200	9.4%
Sacramento	182,197,235	179,094,318	3,102,917	1.7%
San Benito	4,528,019	4,536,123	-8,104	-0.2%
San Bernardino	190,760,765	183,641,238	7,119,527	3.7%
San Diego	346,181,240	341,951,387	4,229,853	1.2%
San Joaquin	90,229,793	87,429,755	2,800,038	3.1%

Table B.3—continued

County	County Auditor- Controller	County Auditor- Controller	Variance	Percentage Variance ^a
San Luis Obispo	56,709,520	56,347,036	362,484	0.6%
San Mateo	130,932,923	126,798,154	4,134,769	3.2%
Santa Barbara	67,837,663	67,675,213	162,450	0.2%
Santa Clara	298,713,084	292,380,335	6,332,749	2.1%
Santa Cruz	33,765,816	33,072,656	693,160	2.1%
Shasta	19,270,632	18,562,664	707,968	3.7%
Sierra	1,940,527	1,926,673	13,854	0.7%
Siskiyou	7,102,578	6,446,262	656,316	9.2%
Solano	51,298,525	50,854,789	443,736	0.9%
Sonoma	82,777,370	81,462,994	1,314,376	1.6%
Stanislaus	41,306,545	39,268,442	2,038,103	4.9%
Sutter	10,981,944	10,777,681	204,263	1.9%
Tehama	7,225,813	6,998,041	227,772	3.2%
Trinity	2,244,366	2,185,865	58,501	2.6%
Tulare	45,147,936	41,247,236	3,900,700	8.6%
Tuolumne	11,350,279	9,860,309	1,489,970	13.1%
Ventura	120,449,624	120,971,069	-521,445	-0.4%
Yolo	18,245,367	17,243,793	1,001,574	5.5%
Yuba	8,343,734	7,779,810	563,924	6.8%
Grand total	5,593,901,820	5,353,466,793	240,435,027	4.3%

SOURCE: Controller's data are from the *Controller's Annual Report of Financial Transactions Concerning Cities, Fiscal Year 1991-92*, Tables 2-7, pp. 4-481. The county auditor-controller data are from the original surveys submitted to the Controller's Office *Annual Report of Property Taxes*. These surveys are used to prepare the summary tables presented in State Board of Equalization's *Annual Report for the Year Ending June 30, 1992*, Tables 4-15, pp. A-4 to A-19.

^aPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table B.4

Summary Statistics for Differences in Reported County Property Tax Revenues, All Counties, 1991-92

Description	Dollars	Percentage
Average of absolute variance	\$4,218,158	3.2%
Largest underreporting	\$2,784,229	7.5%
Largest overreporting	\$156,976,935	13.1%
Proportion with < 3% difference		54%
Proportion with < 5% difference		74%

NOTE: See Table B.3 for underlying detail and additional references.

Appendix C

Selecting a Statewide Sample of Public Entities

The sampling approach used in this study is key to the level of confidence one would have in its findings. In this appendix, the specifics of the sampling methodology of the study are presented. There were two approaches to sampling in this study. The initial concept was to select several counties in the state and to obtain detailed information from every entity within that county. After completing a study of a pilot county under this approach, the decision was made to change to a partially stratified, random sample of entities.

Initially, the belief was that there were specific benefits to having the detail on a geographically and politically clustered group because there would be sufficient interplays and exchanges of resources between them, which would in turn facilitate understanding of the intergovernmental relationships and provide economies of scale. The first county selected

under these criteria was Alameda County. There were three reasons it was chosen: (1) its close proximity to PPIC, which would aid in information gathering; (2) its diversity in terms of the types and size of entities; and (3) its relatively moderate size and ordinal ranking when looking at the state across a wide range of demographic criteria. Several other counties were also identified for the next phase of research at this point. A pilot county, Alameda County, was chosen to test and verify the reasoning behind this methodology.

The Initial Sample: Alameda County

PPIC staff traveled to the county government and to each city within Alameda County to obtain CAFRs. A parallel telephone effort was instituted to obtain the CAFR for each special district that had activity within the county. Comprehensive audited financial statements were collected from the 20 independent districts, 11 joint powers agencies, and the three transportation planning agencies that had any activity in Alameda County, as well as all 14 cities and the county government itself. Information was not gathered separately on the redevelopment agencies or dependent special districts because the finances of such entities were included in the cities' financial statements. The total number of special districts collected was slightly larger than either the Controller's or Census of Governments' list of special districts because this effort included entities that were administratively housed in other counties but had some activity in the county, while two other organizations were assigned nexus in Alameda County by virtue of the location of their district headquarters.

These audited financial reports were then compared with the Controller's reports using the methodology described in Appendix D.

After completing this study of Alameda County, the decision to use the county as the selection criterion was revisited. It was found that there were in fact no comparative benefits to using such a geographically clustered sampling approach. The level of shared information between entities and the aggregated level of detail in the reports did not allow the realization of some of the hoped for cross-comparisons of fiscal information.

The Final Sample

Consequently, the balance of the state sampling was stratified first by size, then through random selection. This was done by selecting the largest entities in a category (cities, counties, special districts). In general, this was done by listing the entities in a category in descending revenue order (as reported in the Controller's reports). A cutoff point was then selected where the magnitude of revenues fell off. For example, the seven largest counties in the state were included in the sample. The largest, Los Angeles County, had more than \$10 billion in revenues. The next largest had just under \$2 billion in revenues.¹ All seven had more than \$1 billion in revenues. Alameda County was included because of its size and because it was the pilot county. The remaining seven counties were selected at random from the balance of the counties in the state.

The strength of this methodology was that it allowed the study to make certain to address the bulk of the activity in the state while still allowing for the possibility that smaller entities may actually report the information either better (they have less activity and complexity) or

¹For purposes of this analysis, the joint entity of the City and County of San Francisco is treated as a city. If treated as a county, it would actually be the next largest after Los Angeles County, with approximately \$3 billion in revenues.

worse (they have fewer resources to commit to the provision of the information) than their large, urban cousins. Since dollars were the key dimension of this project, it was critical to make certain that the large entities in each category were included. A low percentage error in Los Angeles County with its more than \$10 billion in revenues will have a much more significant effect on any research findings than Plumas County's \$27 million or San Benito County's \$31 million in revenues. However, to the extent that one wishes to make comparisons and understand the differential effects of policy on various local governments, it is just as important to know that the information included for Plumas and San Benito Counties is accurate. As a result, the sample of entities from across the state was composed of a complete census of the largest entities, as well as a random sample of the smaller counties, cities and special districts. The detailed samples are given in the subsections below.

Counties Sampled

As described above, the seven largest counties and Alameda County were included in the sample. The remaining counties were sampled at random from the rest of the counties in the state. The counties included in the sample were Alameda, Humboldt, Los Angeles, Orange, Placer, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Luis Obispo, Santa Clara, Siskiyou and Tehama.

Cities Sampled

A similar approach was followed with cities. The sample initially included the 14 cities in Alameda County. With the expansion of the sample to a stratified statewide sample, the largest 15 cities (by population) were selected. An additional 29 cities were selected at

random from the rest for a total of 54 cities.² These cities were Alameda, Albany, Anaheim, Bakersfield, Berkeley, Carlsbad, Chowchilla, Delano, Dublin, Emeryville, Eureka, Fontana, Foster City, Fremont, Fresno, Glendale, Hayward, Huntington Beach, Irwindale, La Habra, La Quinta, Lindsay, Livermore, Long Beach, Los Angeles, Manteca, Modesto, Morro Bay, Napa, Newark, Oakdale, Oakland, Parlier, Piedmont, Pleasanton, Redding, Redwood City, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, San Leandro, San Mateo, Santa Ana, Simi Valley, South Pasadena, Stockton, Union City, Villa Park, Westmorland, Woodside and Yucca Valley.

The information from only two cities on this list was not received in time to be included in the analysis in this report, reducing the total sample to 52 cities.³ The sample, while oversampling Alameda County, was reviewed across several key dimensions to ensure a robust sample. These dimensions included region of the state, size, government type and age of the city. The sample contains a wide range of cities within each of these categories, and as such it contains a reasonable cross-section of the state's cities.

Special Districts Sampled

The special district sample was drawn in a fashion similar to that for the cities and counties. First, data for all of the independent special districts in Alameda County were collected. These 34 special districts

²Note that there was some overlap between the Alameda County cities group and the largest cities group—three cities were in both samples.

³The two cities that were not received in time for inclusion were San Bernardino and Chowchilla.

included 20 independent districts, 11 joint power agencies, and three transportation planning agencies.

In addition to these Alameda County entities, 141 more special districts were selected for review. These were selected first by district type and then, as with cities and counties above, by size and finally at random. The districts with the largest revenues in each category were chosen first. Because significant concerns had been voiced about transit districts and transportation planning authorities, these two categories were oversampled. After selecting the largest districts in each category, 45 more districts were sampled at random from the remaining districts.

The response rate for this sample was very high. Of the 175 districts selected, information was obtained on 155. Of the 20 missing districts, 6 reported they were not in existence and 14 refused or were unable to provide audited financial information. These 14 entities were broadly distributed throughout the sample categories and also varied by size. As a result, these missing entities are not believed to affect research design.

The final sample was composed of 155 special districts. Nineteen of the state's transportation planning agencies and 18 transit districts were included, as well as 30 water/sewer/irrigation districts, 11 hospitals, 13 other enterprise districts (public utility districts, airports, and ports) and 64 non-enterprise districts (e.g., park and recreation districts, flood control, self-insurance). The specific districts are included by district category below.

Hospital Districts. Antelope Valley Hospital District, Eden Township Hospital District, El Camino Hospital District, Kaweah Delta Hospital District, Mount Diablo Hospital District, Palomar Pomerado Hospital District, Salinas Valley Memorial Hospital District, Sequoia

Hospital District, Tri-City Hospital District, Valley Health System and Washington Township Hospital District.

Transit Districts. Alameda-Contra Costa Transit District, Bay Area Rapid Transit District, Central Contra Costa Transit Authority, Golden Gate Bridge, Highway and Transportation District, Livermore/Amador Valley Transit Authority, Long Beach Public Transportation Company, Marin County Transit District, North County Transit District, Orange County Transit, Sacramento Regional Transit District, San Diego Transit Corporation, San Diego Trolley, Inc., San Mateo County Transit District, Santa Barbara Metropolitan Transit District, Santa Cruz Metropolitan Transit District, Southern California Rapid Transit District and Stockton Metropolitan Transit District.

Transportation Planning Agencies. Alameda County Transportation Authority, Association of Bay Area Governments, Contra Costa Transportation Authority, Fresno County Transportation Authority, Imperial County Local Transportation Authority, Los Angeles County Transportation Commission, Madera County Transportation Authority, Metropolitan Transportation Commission, Orange County Transportation Authority, Riverside County Transportation Commission, Sacramento Area Council of Governments, Sacramento Transportation Authority, San Bernardino Association of Governments, San Diego Association of Governments, San Diego Metropolitan Transit Development Board, San Francisco County Transportation Authority, San Mateo County Transportation Authority, Santa Clara County Traffic Authority and Southern California Association of Governments.

Water and Sanitation Districts. Alameda County Water District, Byron-Bethany Irrigation District, Central Contra Costa Sanitary

District, Central Marin Sanitation Agency, Costa Mesa Sanitary District, Dublin San Ramon Service District, East Bay Dischargers Authority, Eastern Municipal Water District, Fairfield-Suisun Sewer District, Garden Grove Sanitary District, Irvine Ranch Water District, Ivanhoe Public Utility District, Jurupa Community Services District, Kern County Water Agency, La Habra Heights County Water District, Leucadia County Water District, Livermore-Amador Valley Water Management Agency, Mesa Consolidated Water District, Metropolitan Water District of Southern California, Oro Loma Sanitary District, Sacramento Regional County Sanitation District, San Benito County Water District, San Diego County Water Authority, Shafter-Wasco Irrigation District, South Tahoe Public Utility District, Thermalito Irrigation District, Tri-Valley Wastewater Authority, Union Sanitary District, Ventura Regional Sanitation District and West Kern Water District.

Airport, Electric Utility and Harbor and Port Districts. East Kern Airport District, Lassen Municipal Utility District, Monterey Peninsula Airport District, M-S-R Public Power Agency, Northern California Power Agency, Sacramento Municipal Utility District, Sacramento-Yolo Port District, San Diego Unified Port District, Santa Maria Public Airport District, Southern California Public Power Authority, Stockton Port District, Transmission Agency of Northern California and Truckee-Donner Public Utility District.

Non-Enterprise Districts. Alameda County Mosquito Abatement District, Alameda County Resource Conservation District, American River Fire Protection District, Auburn Cemetery District, Auburn Recreation and Park District, Bay Area Air Quality Management District, Bay Area Housing Authority Risk Management Agency, Bay

Area Library and Information System, Brannan-Andrus Levee Maintenance District, Broadmoor Police Protection District, California Housing Authority Risk Management Agency, California Joint Powers Risk Management Authority, Chino Valley Independent Fire District, City of San Francisco Downtown Parking Corporation, City of San Francisco Uptown Parking Corporation, Clovis Memorial District, Conejo Recreation and Park District, Dry Creek Storm Water District, East Bay Regional Park District, East Bay Schools Insurance Group, Eastern Plumas Fire Protection District, East Side Mosquito Abatement District, Elk Grove Community Services District, Fairview Fire Protection District, Fresno Metropolitan Flood Control District, Gilsizer County Drainage District, Glenn County Mosquito Abatement District, Half Moon Bay Fire Protection District, Hayward Area Recreation and Park District, Inland Empire Schools Insurance Authority, Jamestown Cemetery District, Kings River Resource Conservation District, Livermore Area Recreation and Park District, Madera Cemetery District, Marin-Sonoma Mosquito Abatement District, Mariposa County Resource Conservation District, Midpeninsula Regional Open Space District, North Coast Schools Insurance District, North Coast Schools Medical Insurance Group, North County Cemetery District, Orange County Cemetery District, Orange County Vector Control District, Ortega Trail Recreation and Park District, Palos Verdes Library District, Panoche Drainage District, Reclamation District #999, Reclamation District #2025, Reclamation District #2091, Resource Conservation District of Santa Monica, Riverside-Corona Resources Conservation District, Riverside County Flood Control District, Rocklin Placer Library Authority, Sacramento-Yolo Mosquito and Vector Control District, San Ramon Fire Protection

District, Santa Barbara County Health Care District, Santa Maria Valley Water Conservation District, Schools Insurance Authority, Self-Insured School District of Kern, Self-Insured School District of Kern II, South Coast Air Quality Management District, Spreckels Memorial District, Surfside Colony Community Services District, Temecula Public Cemetery District and Tulare County Pest Control District.

Appendix D

Financial Statement Reconciliation Methodology

Reconciling the Controller's reports to audited financial reports was a key portion of this analysis of the accuracy of the Controller's reports, the results of which were presented in Chapter 4. This appendix describes the methodology used to reconcile the two sets of information.

The series used in the reconciliations for the Controller's reports were those in the published *Annual Report on Financial Transactions Concerning . . .* books. These are the final adjusted numbers reported by the Controller's Office for the various entities. For the audited financial reports, amounts were captured from each entity's comprehensive

audited financial report.¹ The next section provides more detail on the CAFR.

Some Background on the Comprehensive Audited Financial Report

The CAFR reports the findings of an annual audit required of public governments in California. These reports are prepared by independent public accounting firms and follow a format prescribed by Generally Accepted Accounting Practices (GAAP).² This format contains general instructions regarding the content and format of the audits to be performed and the specific content and format of the report. This section briefly highlights some of the issues that are relevant to the reconciliation process.

First, the range of activity included in a given CAFR encompasses all the activity over which that entity's governing board has control. For this reason, the activities of dependent entities, such as redevelopment agencies, whose entire governing board is typically the city council or the county board of supervisors, are included in the CAFR's reported activity. Other types of dependent entities include libraries, community facility districts and housing authorities. Local-run enterprise activities, such as water, sewer and transit districts, are also included in the parent entity's report, although they are listed separately in the report.

Since the Controller reports many of these activities separately as dependent special districts in the *Annual Report on Financial Transactions*

¹For the small number of entities that did not have CAFRs, any other audited numbers were collected or, when no audits were possible, the budget figures that showed the actual financial activity of the entity for the 1991–92 fiscal year were collected.

²These practices are established and enforced by a national professional board, the Financial Accounting Standards Board.

Concerning Special Districts, it is often necessary to add these amounts to the original entity's amounts to assure an appropriate comparison.

Second, in accordance with GAAP, the CAFR reports several types of funds within each entity. These fund categories reflect the different types of monies that a local government can have. One group of categories refers to the limitations placed on the use of funds. Funds in this category include general funds,³ special funds,⁴ capital projects funds⁵ and debt service funds.⁶ Others refer to the type of activity or enterprise that generates the revenues, such as enterprise⁷ and internal service funds.⁸ Another group identifies revenues from the perspective of

³General funds are the general "checking accounts" for local governments. These funds represent the unrestricted revenues by which the bulk of the activity of local government is funded. Most programs and activities over which the local government has full discretion are funded from these accounts.

⁴Special funds are funds legally or contractually obligated to fund specific activities within the entity, but that do not fall into the specific categories listed later in this paragraph. Some examples of these funds are cigarette taxes, which are earmarked for anti-smoking campaigns, and certain transit taxes, which are set aside for transit development and expansion.

⁵Capital projects funds are funds specifically earmarked to pay for the development and operation of capital projects within the entity.

⁶Debt service funds are those which include the revenues and expenditures for activities specifically earmarked to retire debt for which the entity is obligated.

⁷Enterprise funds contain the activity of wholly owned subsidiaries that generate revenues for the provision of specific public services within the local government entity. These are usually locally run utilities, hospitals, airports and transit activities. These funds are reported separately in part because the enterprise's rates and charges are often set as a function of its cost of providing services. Providing an audited account of its revenues and expenditures facilitates the rate-setting process.

⁸Internal service funds include the activities of internal entity departments charged to other departments. For example, a city's computer department may "charge" the cable enterprise for installing a new computer system. The city would reflect these charges as revenues to the internal service fund. These are tracked in part for internal accounting purposes and in part to make certain that these "revenues and expenditures," which remain entirely within the city, are correctly identified and do not overrepresent the city's overall revenues. They should not be included in the amounts reported to the Controller because they do not reflect revenues from outside the entity's internal governmental structure.

the entity's level of control over the funds—expendable⁹ and non-expendable¹⁰ trust funds. Many independent special purpose districts also make a distinction between operating¹¹ and non-operating funds.¹²

Each of these funds are reported across a range of revenue categories. Each category represents a way in which local governments can obtain revenues. These revenue categories include taxes, fines and forfeitures, permits, revenues from the use of money and property, current service charges and miscellaneous revenues. It is convenient that the Controller's reports also use these same distinctions. The definitions of activity within each, however, are not exactly the same between the two reports. GAAP allows for much more variation in interpreting which revenue category best suits a specific activity.¹³ The Controller's instructions are much more explicit. As such, there is a significant chance that there will be a different revenue category reported for a specific activity between the two reports.

Finally, each CAFR typically includes notes that expand upon the information presented in the financial tables themselves. It is in the notes, for example, that the specific reporting entity is defined and that one ascertains which dependent districts are included in the accounting

⁹Expendable trust funds are monies left to the local government by a third party over which the entity has significant discretion in its use.

¹⁰Non-expendable trust funds are resources held and owned by a local government for a special purpose. These funds are constrained by contractual or legal obligations of the entity. The largest funds in this category are pension funds. Occasionally, CFD revenues are included here.

¹¹Operating funds are those raised by a special purpose district that come about as a direct result of that entity's primary activity or activities.

¹²Non-operating funds are those raised by a special purpose district that do not come about as a direct result of that entity's primary activity or activities.

¹³This is due in part to the national character of these specifications. They must be broad and flexible enough to encompass a much larger range of activities than the California State Controller Office must track.

reconciliation. These notes also explain any activities that are unique to the entity and contain detailed descriptions about its outstanding debt and its pension funds and requirements.

The Reconciliation Process

The goal of the reconciliation process is to compare the information in the Controller's report to the audited financial statements. The general philosophy used is to (a) create comparable entities, (b) compare the two sets of information by revenue category, and (c) seek explanations for any variation identified and to make corrections, if appropriate. There is also a desire to be consistent across all of the entities in the sample—one of the goals of this analysis is to identify how consistently the Controller's instructions are interpreted and applied by the more than 6,500 local government entities in the state.

The specific steps in the reconciliation are listed below:

1. A specific summary of the CAFR's reported audited numbers was prepared. These summaries were listed by revenue category. The general, special, capital projects and debt service funds were always included. In addition, enterprise funds were also included. Internal service funds and non-expendable trust funds were always *excluded*. The inclusion of expendable trust funds was decided on a case-by-case basis.¹⁴
2. The Controller's comparable entity was developed. First, the information in the published Controller's report for the entity was

¹⁴The general criteria focused on whether the city had complete control of the revenues and from where the monies came.

aggregated into the same revenue categories as those reported in the CAFR.¹⁵ The entity list in the notes section of the CAFR was reviewed to see if there were any dependent entities that were included separately in the Controller's reports. If any such entities were identified, their revenues were identified in the appropriate Controller's report and added to those of the entity itself to create a comparable entity.

3. The Controller-based entity was then compared with the CAFR. The comparison was made on a revenue category-by-category basis. Variation between the two reports was identified both in each category and overall.
4. If the difference between the CAFR and the Controller's numbers was greater than three percent, or in cases where all of the difference was concentrated in a single revenue category, an attempt was made to contact that entity for an explanation of the discrepancy. If the explanations provided required any corrections, these were addressed at this point. If satisfactory explanations could not be determined or if the resulting variation was still higher than the desired threshold listed above, the variance was left in the analysis. Therefore, any variance listed is a conservative estimate of the level of variation between the reports. It is possible that additional proper explanations are available for the variance reported—they were simply beyond the scope of the resources available to obtain them.¹⁶

¹⁵The same general revenue categories were used for each entity type.

¹⁶Local governments were contacted at least four times before the unexplained variance was simply left in the analysis.

These reconciliations were performed by experienced accounting staff and reviewed for accuracy, completeness and consistency by the project leaders. The final results of these reconciliations were then compiled for this analysis.

Appendix E

Detailed Comparison of Controller's Reports to Audited Reports: Counties

This appendix contains the detailed county-by-county comparisons of overall revenues summarized in Table 4.1. Table E.1 refers to each county in the sample and provides detailed revenues in each source as well as the absolute and percentage variance for each. Table E.2 presents a summary for county revenue differences.

Table E.1
Overall Variance in Revenues by County, PPIC Sample, 1991–92
(dollars unless otherwise indicated)

County	Controller's Report	CAFR	Difference ^a	Percentage Difference ^b
Alameda	1,336,376,878	1,335,938,000	438,878	0.0%
Humboldt	107,295,843	109,735,034	2,439,191	2.3%
Los Angeles	10,637,724,062	10,804,509,000	166,784,938	1.6%
Orange	1,851,222,881	1,894,906,668	43,683,787	2.4%
Placer	160,121,836	160,416,275	294,439	0.2%
Plumas	27,222,179	27,403,031	180,852	0.7%
Riverside	1,277,362,193	1,295,303,000	17,940,807	1.4%
Sacramento	1,266,267,170	1,263,491,000	2,776,170	0.2%
San Benito	31,233,474	31,888,493	655,019	2.1%
San Bernardino	1,491,348,401	1,493,286,000	1,937,599	0.1%
San Diego	1,925,142,944	1,982,789,000	57,646,056	3.0%
San Luis Obispo	215,138,708	221,376,757	6,238,049	2.9%
Santa Clara	1,794,561,975	1,774,369,907	20,192,068	1.1%
Siskiyou	49,274,479	50,823,204	1,548,725	3.1%
Tehama	50,505,271	50,881,555	376,284	0.7%
Sample total	22,220,798,294	22,497,116,924	276,318,630	1.2%

^aDifference is presented in absolute terms.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table E.2
**Summary Statistics for Differences in Reported Overall
County Revenues, PPIC Sample, 1991–92**

Description	Dollars	Percentage
Average of absolute variance	\$21,542,191	1.5%
Largest underreporting	\$166,784,938	3.1%
Largest overreporting	\$20,192,068	1.1%
Proportion with < 3% difference		94%
Proportion with < 5% difference		100%

NOTE: See Table E.1 for underlying detail and additional references.

Appendix F

Detailed Comparison of Controller's Reports to Audited Reports: Cities

This appendix contains the detailed city-by-city comparisons of overall revenues summarized in Table 4.3. Table F.1 refers to each city in the sample and provides detailed revenues in each source as well as the absolute and percentage variance for each. Each city is presented individually, therefore the first line, which refers to Alameda, is for the City of Alameda, not the cities in the County of Alameda as is the case in Appendixes C and B. Table F.2 presents a summary of these results.

Table F.1
Overall Variance in Revenues by City, PPIC Sample, 1991–92
(dollars unless otherwise indicated)

City	Controller's Report	CAFR	Difference ^a	Percentage Difference ^b
Alameda	96,025,964	111,645,495	15,619,531	16.3%
Albany	10,227,244	9,998,842	228,402	2.2%
Anaheim	511,914,234	523,276,000	11,361,766	2.2%
Bakersfield	117,843,042	119,864,561	2,021,519	1.7%
Berkeley	142,505,892	156,990,000	14,484,108	10.2%
Carlsbad	74,442,368	74,340,421	101,947	0.1%
Delano	15,070,563	15,382,547	311,984	2.1%
Dublin	16,087,477	16,138,379	50,902	0.3%
Emeryville	19,208,296	20,899,499	1,691,203	8.8%
Eureka	24,755,649	25,664,069	908,420	3.7%
Fontana	85,408,186	85,555,000	146,814	0.2%
Foster City	42,603,768	43,472,367	868,599	2.0%
Fremont	90,531,341	103,078,610	12,547,269	13.9%
Fresno	274,671,462	274,830,935	159,473	0.1%
Glendale	258,066,930	255,217,407	2,849,523	1.1%
Hayward	87,878,928	88,692,248	813,320	0.9%
Huntington Beach	149,271,364	151,474,000	2,202,636	1.5%
Irwindale	117,362,428	15,008,649	102,353,779	87.2%
La Habra	29,478,535	29,698,246	219,711	0.7%
La Quinta	20,476,844	21,025,675	548,831	2.7%
Lindsay	5,465,245	6,148,812	683,567	12.5%
Livermore	60,307,576	60,026,563	281,013	0.5%
Long Beach	827,583,052	742,496,000	85,087,052	10.3%
Los Angeles	6,170,652,329	6,254,840,000	84,187,671	1.4%
Manteca	26,748,613	26,893,659	145,046	0.5%
Modesto	103,283,396	103,857,197	573,801	0.6%
Morro Bay	9,802,143	9,867,466	65,323	0.7%
Napa	45,929,676	49,782,607	3,852,931	8.4%
Newark	21,288,827	22,038,047	749,220	3.5%
Oakdale	7,926,170	8,346,875	420,705	5.3%
Oakland	556,730,768	566,136,000	9,405,232	1.7%
Parlier	2,618,047	2,708,047	90,000	3.4%
Piedmont	6,281,386	6,740,534	459,148	7.3%
Pleasanton	48,865,069	51,169,280	2,304,211	4.7%
Redding	113,207,966	115,653,900	2,445,934	2.2%
Redwood City	69,505,589	73,319,405	3,813,816	5.5%
Riverside	402,358,554	383,439,183	18,919,371	4.7%

Table F.1—continued

City	Controller's Report	CAFR	Difference ^a	Percentage Difference ^b
Sacramento	346,860,999	442,230,000	95,369,001	27.5%
San Diego	1,106,748,531	1,096,171,000	10,577,531	1.0%
San Francisco	2,953,515,334	2,662,419,000	291,096,334	9.9%
San Jose	659,063,058	655,473,813	3,589,245	0.5%
San Leandro	61,997,779	61,122,886	874,893	1.4%
San Mateo	66,574,216	64,242,104	2,332,112	3.5%
Santa Ana	197,294,635	195,667,691	1,626,944	0.8%
Simi Valley	61,128,118	63,348,185	2,220,067	3.6%
South Pasadena	13,304,341	13,304,339	2	0.0%
Stockton	142,378,224	162,513,000	20,134,776	14.1%
Union City	23,249,959	25,116,930	1,866,971	8.0%
Villa Park	2,038,084	2,023,507	14,577	0.7%
Westmorland	767,903	1,006,664	238,761	31.1%
Woodside	2,447,101	2,812,755	365,654	14.9%
Yucca Valley	2,540,090	2,549,345	9,255	0.4%
Sample total	16,302,293,293	16,075,717,744	226,575,549 ^a	1.4%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Table F.2

**Summary Statistics for Differences in Reported Overall City Revenues,
PPIC Sample, 1991–92**

Description	Dollars	Percentage
Average of absolute variance	\$15,640,190	6.7%
Largest underreporting	\$95,359,001	31.1%
Largest overreporting	\$291,096,334	87.2%
Proportion with < 3% difference		58%
Proportion with < 5% difference		71%

NOTE: See Table F.1 for underlying detail and additional references.

Appendix G

Detailed Comparison of Controller's Reports to Audited Reports: Special Districts

This appendix provides tables detailing the findings reported in Tables 4.8 through 4.14, as well as some summary statistics of the differences at the entity level. It is organized to parallel the order of the tables included in the body of the report—hospital districts, transit districts, transportation planning agencies, water and sanitation districts, miscellaneous enterprise districts and, finally, non-enterprise districts. There is no detail provided for the overall special district summary provided in Table 4.14. This simply represents an accumulation of the values reported in each of the other special district tables.

Hospital Districts

Table G.1

Overall Variance in Revenues for Hospital Districts, 1991–92
(dollars unless otherwise indicated)

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Antelope Valley	106,723,755	106,799,025	75,270	0.1%
Eden Township	86,895,638	85,982,000	913,638	1.1%
El Camino	177,653,644	180,572,140	2,918,496	1.6%
Kaweah Delta	97,169,845	97,235,574	65,729	0.1%
Mt. Diablo	132,163,864	134,564,000	2,400,136	1.8%
Palomar Pomerado	211,514,468	211,514,468	0	0.0%
Salinas Valley				
Memorial	116,332,768	116,332,768	0	0.0%
Sequoia	151,752,099	151,019,000	733,099	0.5%
Tri-City	148,898,251	148,351,861	546,390	0.4%
Valley Health				
System	134,834,487	134,569,734	264,753	0.2%
Washington				
Township	120,552,063	120,394,000	158,063	0.1%
Sample total	1,484,490,882	1,487,334,570	2,843,688	0.2%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Transit Districts

Table G.2
Overall Variance in Revenues for Transit Districts, 1991–92
(dollars unless otherwise indicated)

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Alameda-Contra Costa Transit District	143,891,257	143,990,000	98,743	0.1%
BART	285,013,596	285,007,000	6,596	0.0%
Central Contra Costa Transit Authority	14,756,837	14,757,000	163	0.0%
Golden Gate Bridge, Highway and Transportation District	28,426,761	28,633,000	206,239	0.7%
Livermore/Amador Valley Transit Authority	4,317,530	4,333,996	16,466	0.4%
Long Beach Public Transportation Company	31,496,982	31,496,982	0	0.0%
Marin Co. Transit District	1,621,438	1,596,551	24,887	1.5%
North Co. Transit District	26,732,864	26,736,997	4,133	0.0%
Orange Co. Transit	115,303,777	115,303,777	0	0.0%
Sacramento Regional Transit District	49,730,820	49,730,821	1	0.0%
San Diego Transit Corporation	54,696,544	54,696,545	1	0.0%
San Diego Trolley, Inc.	19,451,926	19,451,926	0	0.0%
San Mateo Co. Transit District	81,494,904	89,078,369	7,583,465	9.3%
Santa Barbara Metropolitan Transit District	8,333,022	8,333,023	1	0.0%
Santa Clara Co. Transit District	166,980,278	164,425,009	2,555,269	1.5%
Santa Cruz Metropolitan Transit District	21,226,070	21,225,171	899	0.0%
Southern California Rapid Transit District	632,754,288	630,989,000	1,765,288	0.3%
Stockton Metropolitan Transit District	10,768,741	9,821,249	947,492	8.8%
Sample total	1,696,997,635	1,699,606,416	2,608,781	0.2%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Transportation Planning Agencies

Table G.3

Overall Variance in Revenues for Transportation Planning Agencies, 1991–92
(dollars unless otherwise indicated)

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Alameda County Transportation Authority	76,845,000	76,845,000	0	0.0%
Association of Bay Area Governments	5,897,594	5,936,311	38,717	0.7%
Contra Costa Transportation Authority	53,063,000	53,063,000	0	0.0%
Fresno County Transportation Authority	38,251,629	37,929,779	321,850	0.8%
Imperial Co. Local Transportation Authority	5,178,213	5,227,609	49,396	1.0%
Los Angeles Co. Transportation Commission	1,314,435,023	1,315,707,384	1,272,361	0.1%
Madera Co. Transportation Authority	3,062,472	3,062,473	1	0.0%
Metropolitan Transportation Commission	202,866,248	199,036,029	3,830,219	1.9%
Orange Co. Transportation Authority	228,268,952	235,623,782	7,354,830	3.2%
Riverside Co. Transportation Commission	80,236,093	80,235,824	269	0.0%
Sacramento Area Council of Governments	39,595,972	39,277,620	318,352	0.8%
Sacramento Transportation Authority	50,377,539	50,377,539	0	0.0%
San Bernardino Association of Governments	227,375,321	90,499,428	136,875,893	60.2%
San Diego Association of Governments	226,446,352	224,010,537	2,435,815	1.1%
San Diego Metropolitan Transit Development Board	215,022,840	211,837,676	3,185,164	1.5%
San Francisco Co. Transportation Authority	47,012,962	47,012,000	962	0.0%
San Mateo Co. Transportation Authority	40,950,805	40,950,805	0	0.0%
Santa Clara Co. Traffic Authority	125,023,000	125,121,000	98,000	0.1%
Southern California Association of Governments	12,633,341	11,686,250	947,091	7.5%
Sample total	2,992,542,356	2,853,440,046	139,102,310	4.6%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Water and Sanitation Districts

Table G.4

Overall Variance in Revenues for Water and Sanitation Districts, 1991–92
(dollars unless otherwise indicated)

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Alameda Co. Water District	34,480,701	34,480,701	0	0.0%
Byron-Bethany Irrigation District	1,021,186	1,000,998	20,188	2.0%
Central Contra Costa Sanitary District	46,913,101	46,906,900	6,201	0.0%
Central Marin Sanitation Agency	4,987,586	4,987,018	568	0.0%
Costa Mesa Sanitary District	4,793,411	4,797,964	4,553	0.1%
Dublin San Ramon Service District	13,910,506	13,910,506	0	0.0%
East Bay Dischargers Authority	2,088,715	2,061,883	26,832	1.3%
Eastern Municipal Water District	123,970,053	125,039,572	1,069,519	0.9%
Fairfield-Suisun Sewer District	18,345,184	17,863,867	481,317	2.6%
Garden Grove Sanitary District	5,858,264	5,858,264	0	0.0%
Irvine Ranch Water District	144,887,000	144,887,000	0	0.0%
Ivanhoe Public Utility District	762,146	762,146	0	0.0%
Jurupa Community Services District	8,262,648	8,277,443	14,795	0.2%
Kern Co. Water Agency	105,333,695	105,333,695	0	0.0%
La Habra Heights Co. Water District	2,821,486	2,821,486	0	0.0%
Leucadia Co. Water District	6,719,834	6,770,395	50,561	0.8%
Livermore-Amador Valley Water Mgt Agency	2,027,482	2,027,482	0	0.0%
Mesa Consolidated Water District	12,593,135	12,593,135	0	0.0%
Metropolitan Water District of So. Calif.	549,699,920	543,802,000	5,897,920	1.1%
Oro Loma Sanitary District	19,068,690	11,086,210	7,982,480	41.9%
Sacramento Regional Co. Sanitation District	68,593,725	68,593,726	1	0.0%
San Benito Co. Water District	4,113,366	4,093,992	19,374	0.5%
San Diego Co. Water Authority	168,637,074	168,746,000	108,926	0.1%
Shafter-Wasco Irrigation District	1,698,589	1,698,589	0	0.0%
South Tahoe Public Utility District	18,227,697	18,227,697	0	0.0%
Thermalito Irrigation District	1,085,582	1,085,582	0	0.0%
Tri-Valley Wastewater Authority	405,632	405,632	0	0.0%
Union Sanitary District	33,033,989	33,034,000	11	0.0%
Ventura Regional Sanitation District	29,138,618	29,137,245	1,373	0.0%
West Kern Water District	10,029,706	10,029,706	0	0.0%
Sample total	1,443,508,721	1,430,320,834	13,187,887	0.9%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Airport, Electric Utility and Harbor and Port Districts

Table G.5

**Overall Variance in Revenues for Airport, Electric Utility and Harbor and Port Districts, 1991–92
(dollars unless otherwise indicated)**

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
East Kern Airport District	5,349,678	5,349,678	0	0.0%
Lassen Municipal Utility District	14,336,889	14,336,892	3	0.0%
Monterey Peninsula Airport District	4,722,181	4,475,385	246,796	5.2%
M-S-R Public Power Agency	68,462,793	70,625,000	2,162,207	3.2%
Northern California Power Agency	181,838,260	180,258,000	1,580,260	0.9%
Sacramento Municipal Utility District	683,046,027	682,982,000	64,027	0.0%
Sacramento-Yolo Port District	12,086,055	12,086,055	0	0.0%
San Diego Unified Port District	109,183,738	109,183,738	0	0.0%
Santa Maria Public Airport District	2,252,186	2,252,187	1	0.0%
Southern California Public Power Authority	245,085,477	245,085,000	477	0.0%
Stockton Port District	11,052,578	11,052,579	1	0.0%
Transmission Agency of Northern California	46,723	46,723	0	0.0%
Truckee-Donner Public Utility District	10,394,621	10,324,759	69,862	0.7%
Sample total	1,347,857,206	1,348,057,996	200,790	0.0%

^aDifference is presented in absolute terms. Accordingly, the overall total listed does not equal the sum of the column, but the difference between the overall amounts reported.

^bPercentage difference is the difference as a percentage of the Controller's reported amounts.

Non-Enterprise Districts

Table G.6
Overall Variance in Revenues for Non-Enterprise Districts, 1991–92
(dollars unless otherwise indicated)

District Name	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Alameda Co. Mosquito Abatement District	1,046,595	1,069,772	23,177	2.2%
Alameda Co. Resource Conservation District	66,912	64,638	2,274	3.4%
American River Fire Protection District	17,329,094	17,334,006	4,912	0.0%
Auburn Cemetery District	380,817	380,817	0	0.0%
Auburn Recreation and Park District	2,261,380	2,185,931	75,449	3.5%
Bay Area Air Quality Management District	26,707,906	28,864,381	2,156,475	8.1%
Bay Area Housing Authority Risk Mgt Agency	2,228,398	2,228,398	0	0.0%
Bay Area Library and Information System	770,476	770,476	0	0.0%
Brannan-Andrus Levee Maintenance District	128,952	125,553	3,399	2.6%
Broadmoor Police Protection District	750,275	750,275	0	0.0%
Calif. Housing Authority Risk Mgt Agency	1,671,639	1,648,684	22,955	1.4%
Calif. Joint Powers Risk Mgt. Authority	10,426,588	10,426,588	0	0.0%
Chino Valley Independent Fire District	10,113,062	10,113,062	0	0.0%
City of San Francisco Downtown Parking Co.	3,331,569	3,331,569	0	0.0%
City of San Francisco Uptown Parking Co.	5,509,476	5,509,477	1	0.0%
Clovis Memorial District	728,882	728,881	1	0.0%
Conejo Recreation and Park District	10,818,803	10,818,803	0	0.0%
Dry Creek Storm Water District	88,722	89,822	1,100	1.2%
East Bay Regional Park District	52,037,070	52,645,762	608,692	1.2%
East Bay Schools Insurance Group	1,398,876	1,398,876	0	0.0%

Table G.6—continued

<u>District Name</u>	Controller	Audited Report	Difference ^a	Percentage Difference ^b
Eastern Plumas Fire Protection District	46,762	46,762	0	0.0%

Appendix H

Copy of the Controller's Annual Questionnaire for Counties

ANNUAL REPORT
OF
FINANCIAL TRANSACTIONS
TO
STATE CONTROLLER

(Per Government Code Section 53891)

Fiscal Year Ended June 30, 1995

COUNTY OF _____



SEND TO:

STATE CONTROLLER
Division of Accounting and Reporting
Local Government Reporting Section - County Unit
P. O. Box 942850
Sacramento, California 94250-5876

OFFICE USE ONLY

KEY ENTRY USE ONLY

County Number:

Date Received:

Keyed By:

Verified By:

FR565 _____

ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
SCHEDULE A		FOR THE FISCAL YEAR ENDED JUNE 30, 1995	
STATISTICS AND APPROPRIATION LIMITS		A	
1. IS THIS REPORT BASED UPON AUDITED FIGURES?	<input checked="" type="checkbox"/> 01 FOR YES <input type="checkbox"/> 02 FOR NO	1	
2. ACCOUNTING BASIS:	<input checked="" type="checkbox"/> 01 FOR MODIFIED ACCRUAL <input type="checkbox"/> 02 FOR CASH	2	
3. CURRENT TRANSIENT LODGING (ROOM OCCUPANCY) TAX RATE? (TO 3 DECIMAL PLACES, I.E. 00.000)		3	%
4. EFFECTIVE DATE OF CURRENT TRANSIENT LODGING TAX RATE? (MONTH/DAY/YEAR, I.E. MM/DD/YY)		4	/ /
4.5 CURRENT UTILITY USERS TAX RATE? (TO 3 DECIMAL PLACES, I.E. 00.000)		4.5	%
5. CURRENT YEAR PROPERTY TAX DELINQUENCY AS OF JUNE 30, 1995 AS A PERCENT OF TAX LEVY -- (TO 3 DECIMAL PLACES, I.E. 00.000)		5	%
5.1 APPROPRIATIONS LIMIT		5.1	\$
5.2 TOTAL ANNUAL APPROPRIATIONS SUBJECT TO LIMIT		5.2	\$

GENERAL SUMMARY SCHEDULE

6. BEGINNING: FUND BALANCE <input type="checkbox"/> OR CASH BALANCE <input type="checkbox"/>	(6)		
7. ADD: REVENUES DURING FISCAL YEAR (FROM LINE 239, COLUMN C)	(7)		
ADJUSTMENTS (SPECIFY)			
8.1 TRANSFERS IN (FROM LINE 242, COLUMN C)	(8.1)		
8.2	(8.2)		
8.3	(8.3)		
8.4	(8.4)		
TOTAL ADJUSTMENTS (LINES 8.1 THRU 8.4)	(8.5)		
9. SUBTOTAL (LINES 6 THRU 8.5)	(9)		
10. DEDUCT: EXPENDITURES DURING FISCAL YEAR (FROM LINE 393, COLUMN C)	(10)		
ADJUSTMENTS (SPECIFY)			
11.1 TRANSFERS OUT (FROM LINE 399, COLUMN C)	(11.1)		
11.2	(11.2)		
11.3	(11.3)		
11.4	(11.4)		
TOTAL ADJUSTMENTS (LINES 11.1 THRU 11.4)	(11.5)		
12. ENDING (LINE 9 LESS LINE 10 LESS LINE 11.5)	(12)		

CERTIFICATE

I HEREBY CERTIFY, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THE SCHEDULES FAIRLY REFLECT THE FINANCIAL TRANSACTIONS OF THE COUNTY IN ACCORDANCE WITH THE REQUIREMENTS AS PRESCRIBED BY THE STATE CONTROLLER.

AUDITOR-CONTROLLER

DATE

PREPARED BY (PRINT OR TYPE)

PREPARERS' PHONE NUMBER

COUNTY OF _____
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES AS OF JUNE 30, 1995

		GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS	
		A GENERAL	B SPECIAL REVENUE	C DEBT SERVICE	D CAPITAL PROJECTS	E ENTERPRISE	F** INTERNAL SERVICE	G** TRUST AND AGENCY *	H** GENERAL FIXED ASSETS	I** GENERAL LONG-TERM DEBT
ASSETS:										
CURRENT ASSETS	50									
NON-CURRENT ASSETS	51									
TOTAL ASSETS (50 + 51)	52									
LIABILITIES:										
CURRENT LIABILITIES	53									
NON-CURRENT LIABILITIES	54									
TOTAL LIABILITIES (53 + 54)	55									
FUND EQUITY:										
CONTRIBUTED CAPITAL	56									
INVESTMENT IN GENERAL FIXED ASSETS	57									
RETAINED EARNING/FUND BALANCE RESERVED	58									
UNRESERVED	59									
TOTAL RETAINED EARNINGS/FUND BALANCE (58 + 59)	60									
TOTAL FUND EQUITY (56 + 57 + 60)	61									
TOTAL LIABILITY & FUND EQUITY (55 + 61)	62									

* THE RESOURCES OF THE TRUST AND AGENCY FUNDS (FIDUCIARY FUND TYPES) ARE NOT AVAILABLE TO THE COUNTY FOR MEETING OBLIGATIONS, FINANCING OPERATIONS, ETC.
 ** NO SUPPORTING SCHEDULES IN THE REPORT.

SCHEDULE C		ANNUAL REPORT OF FINANCIAL TRANSACTIONS STATEMENT OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 1995		COUNTY OF _____
A	TAXES		B	C
PROPERTY TAXES				
COUNTY WIDE SECURED AND UNSECURED		100		
SUPPLEMENTAL COUNTY WIDE SECURED & UNSECURED		100.5		
LESS THAN COUNTY WIDE FUNDS-SECURED & UNSECURED		101		
SUPPLEMENTAL LESS THAN COUNTY WIDE FUNDS - SECURED AND UNSECURED		101.5		
VOTER APPROVED INDEBTEDNESS		102		
SUPPLEMENTAL VOTER APPROVED INDEBTEDNESS		102.5		
PRIOR YEAR-SECURED & UNSECURED		103		
SUPPLEMENTAL PRIOR YEAR SECURED & UNSECURED		103.5		
TOTAL PROPERTY TAXES (Lines 100 thru 103.5)		106		
OTHER TAXES				
SALES AND USE TAXES		107		
TRANSPORTATION TAX (For Non-Transit Purposes)		108		
TRANSPORTATION TAX (For Transit Purposes)		108.5		
PROPERTY TRANSFER		109		
TRANSIENT LODGING (ROOM OCCUPANCY)		110		
TIMBER YIELD		111		
AIRCRAFT		112		
CONSTRUCTION DEVELOPMENT TAXES		112.3		
UTILITY USERS TAX		112.6		
OTHER (SPECIFY):		113		
TOTAL OTHER TAXES (Lines 107 thru 113)		114		
SPECIAL BENEFIT ASSESSMENTS				
OPERATIONS		115		
CAPITAL OUTLAY		116		
TOTAL SPECIAL BENEFIT ASSESSMENTS (Lines 115 + 116)		117		
LICENSES, PERMITS AND FRANCHISES				
ANIMAL LICENSES		118		
BUSINESS LICENSES		119		
CONSTRUCTION PERMITS		120		
ROAD PRIVILEGES AND PERMITS		121		
ZONING PERMITS		122		
FRANCHISES		123		
OTHER LICENSES & PERMITS (SPECIFY):		124		
		125		
		126		
TOTAL LICENSES, PERMITS AND FRANCHISES (Lines 118 thru 126)		127		

SCHEDULE C (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS STATEMENT OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 1995	COUNTY OF _____
A	B	C

FINES, FORFEITURES & PENALTIES

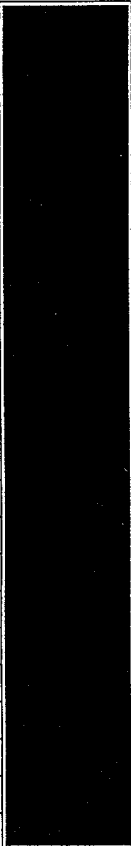

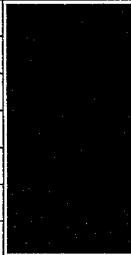
VEHICLE CODE FINES	128		
OTHER COURT FINES SUPERIOR COURT FINES	129		
JUSTICE COURT FINES	130		
MUNICIPAL COURT FINES	131		
FORFEITURES AND PENALTIES	132		
PENALTIES & COST ON DELINQUENT TAXES	132.5		
TOTAL FINES, FORFEITURES & PENALTIES (Lines 128 thru 132.5)	133		

REVENUE FROM THE USE OF MONEY AND PROPERTY

INTEREST	134		
RENTS AND CONCESSIONS	135		
ROYALTIES	136		
TOTAL REVENUE FROM THE USE OF MONEY AND PROPERTY (Lines 134 thru 136)	137		

AID FROM OTHER GOVERNMENTAL AGENCIES

STATE HIGHWAY USERS TAX	138		
MOTOR VEHICLE IN-LIEU TAX (Include "Realignment From The VLF Fund")	139		
TRAILER COACH IN-LIEU TAX	140		
OTHER STATE IN-LIEU TAXES (SPECIFY) - HIGHWAY PROPERTY RENTALS	141		
-	142		
-	143		
-	144		
PUBLIC ASSISTANCE ADMINISTRATION	145		
PUBLIC ASSISTANCE PROGRAMS (Include "Sales Tax Realignment For Social Services")	146		
AID FOR MENTAL HEALTH (Include "Sales Tax Realignment For Mental Health")	147		
HEALTH PROGRAMS - MIA	149		
- ALCOHOL AND DRUG ABUSE	150		
- REALIGNMENT FOR HEALTH SERVICES	151		
- OTHER AID FOR HEALTH (SPECIFY):	152		
-	153		
-	154		

SCHEDULE C (CONTINUED)		ANNUAL REPORT OF FINANCIAL TRANSACTIONS STATEMENT OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 1995		COUNTY OF _____
A		B	C	
AID FROM OTHER GOVERNMENTAL AGENCIES-STATE- (CONTINUED)				
STATE AID FOR AGRICULTURE	155			
AID FOR CONSTRUCTION	156			
AID FOR CORRECTIONS	157			
AID FOR COUNTY FAIRS	158			
AID FOR DISASTER	159			
HOMEOWNERS' PROPERTY TAX RELIEF	160			
OPEN SPACE TAX RELIEF	161			
SB 90 MANDATED COSTS	162			
CIGARETTE TAX	163			
164	OFF HIGHWAY MOTOR VEHICLE LICENSE FEE			
165	ROADS			
166	CHILD CARE-FOOD/SPEC. MILK PROGRAM			
167	PEACE OFFICERS STANDARDS AND TRAINING			
168	PUBLIC DEFENDER			
169	TRIAL COURT FUNDING			
170	TOBACCO TAX - AB 75 / PROP. 99			
170.5	PUBLIC SAFETY FUND - REALIGNMENT			
171	OTHER (SPECIFY):			
172				
173				
174				
175				
176				
TOTAL STATE (Lines 138 thru 176)		177		
FEDERAL PUBLIC ASSISTANCE ADMINISTRATION	178			
PUBLIC ASSISTANCE PROGRAMS	179			
HEALTH ADMINISTRATION	180			
AID FOR CONSTRUCTION	181			
AID FOR DISASTER	182			
FOREST RESERVE REVENUE	183			
IN-LIEU TAXES	185			

SCHEDULE C (CONTINUED)		ANNUAL REPORT OF FINANCIAL TRANSACTIONS STATEMENT OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 1995		COUNTY OF _____
A		B	C	
AID FROM OTHER GOVERNMENTAL AGENCIES-FEDERAL (CONTINUED)				
186	OTHER FEDERAL (SPECIFY):			
187	JOB TRAINING PARTNERSHIP ACT (JTPA)			
188	COMMUNITY DEVELOPMENT BLOCK GRANT			
189	HEALTH GRANTS			
190				
191				
TOTAL FEDERAL (Lines 178 thru 191)		192		
OTHER: IN-LIEU TAXES (SPECIFY):		193		
	-	194		
	-	195		
OTHER: GOVERNMENTAL AGENCIES (SPECIFY):		196		
	-	197		
	-	198		
	-	199		
TOTAL OTHER (Lines 193 thru 199)		200		
CHARGES FOR CURRENT SERVICES				
	ASSESSMENTS & TAX COLLECTION FEES (Include "Property Tax Administrative Fees")	201		
	AUDITING AND ACCOUNTING FEES	202		
	COMMUNICATION SERVICES	203		
	ELECTION SERVICES	204		
	LEGAL SERVICES	205		
	PLANNING AND ENGINEERING SERVICES	206		
	AGRICULTURAL SERVICES	207		
	CIVIL PROCESS SERVICES	208		
	COURT FEES AND COSTS (Include "Booking Fees")	209		
	ESTATE FEES	210		
	HUMANE SERVICES	211		
	LAW ENFORCEMENT SERVICES	212		
	RECORDING FEES	213		
	ROAD AND STREET SERVICES	214		
	HEALTH FEES	215		
	MENTAL HEALTH SERVICES	216		

SCHEDULE C (CONTINUED)		ANNUAL REPORT OF FINANCIAL TRANSACTIONS STATEMENT OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 1995		COUNTY OF _____
A		B	C	
CHARGES FOR CURRENT SERVICES (CONTINUED)				
CALIFORNIA CHILDREN'S SERVICES	217			
SANITATION SERVICES	218			
INSTITUTIONAL CARE AND SERVICES	219			
LIBRARY SERVICES	220			
PARK AND RECREATION FEES	221			
OTHER (SPECIFY):	222			
	223			
	224			
	225			
	226			
TOTAL CHARGES FOR CURRENT SERVICES (Lines 201 thru 226)	227			
MISCELLANEOUS REVENUE				
OTHER SALES	228			
MISCELLANEOUS (SPECIFY):	229			
	230			
	231			
	232			
	233			
TOTAL MISCELLANEOUS REVENUE (Lines 228 thru 233)	234			
OTHER FINANCING SOURCES				
SALE OF FIXED ASSETS	235			
PROCEEDS FROM THE SALE OF BONDS	236			
OTHER LONG-TERM DEBT PROCEEDS	237			
TOTAL OTHER FINANCING SOURCES (Lines 235 thru 237)	238			
GRAND TOTAL OF REVENUE (Total of Column C, Lines 106 thru 238)	239			
TRANSFERS IN FROM ENTERPRISES				
TRANSFERS IN (SPECIFY ENTERPRISE)	240			
	241			
TOTAL TRANSFERS IN (Lines 240 + 241)	242			
TOTAL REVENUE AND TRANSFERS IN (Total of Column C, Lines 239 + 242)	243			

ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
STATEMENT OF EXPENDITURES			
SCHEDULE D	FOR THE FISCAL YEAR ENDED JUNE 30, 1995		
	A	B	C
	OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL

GENERAL

LEGISLATIVE AND ADMINISTRATIVE BOARD OF SUPERVISORS	300			
CLERK OF THE BOARD	301			
ADMINISTRATIVE OFFICER	302			
COUNCIL OF GOVERNMENTS	303			
OTHER	304			
TOTAL LEGISLATIVE & ADMINISTRATIVE (Lines 300 thru 304)	305			

FINANCE AUDITOR-CONTROLLER	306			
TREASURER, TAX-COLLECTOR	307			
ASSESSOR	308			
PURCHASING AGENT	309			
OTHER	310			
TOTAL FINANCE (Lines 306 thru 310)	311			

COUNSEL COUNTY COUNSEL	312			
DISTRICT ATTORNEY (LEGAL ADVICE)	313			
OTHER	314			
TOTAL COUNSEL (Lines 312 thru 314)	315			

PERSONNEL	TOTAL	316			
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ELECTIONS	TOTAL	317			
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COMMUNICATIONS	TOTAL	318			
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SCHEDULE D (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
	STATEMENT OF EXPENDITURES			
	FOR THE FISCAL YEAR ENDED JUNE 30, 1995			
	A	B	C	
	OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL	

GENERAL - (CONTINUED)

PROPERTY MANAGEMENT	TOTAL	319			
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PLANT ACQUISITION	320			
JAILS				
COURTS	321			
OTHER	322			
TOTAL PLANT ACQUISITION (Lines 320 thru 322)	323			

PROMOTION	TOTAL	324			
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OTHER GENERAL	TOTAL	325			
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PUBLIC PROTECTION

JUDICIAL	326			
SUPERIOR COURTS				
MUNICIPAL COURTS	327			
JUSTICE COURTS	328			
COURT REPORTER	329			
COUNTY CLERK	330			
GRAND JURY (INCLUDING AUDIT)	331			
DISTRICT ATTORNEY - PROSECUTION	332			
DISTRICT ATTORNEY - FAMILY SUPPORT	333			
PUBLIC DEFENDER	334			
COURT APPOINTED COUNSEL	335			
MARSHAL - COURT	336			
SHERIFF - COURT	337			
OTHER	338			
TOTAL JUDICIAL (Lines 326 thru 338)	339			

SCHEDULE D (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____
	STATEMENT OF EXPENDITURES		
	FOR THE FISCAL YEAR ENDED JUNE 30, 1995		
	A	B	C
	OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL

PUBLIC PROTECTION - (CONTINUED)

POLICE PROTECTION	TOTAL	340			
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DETENTION AND CORRECTION ADULT DETENTION	341				
JUVENILE DETENTION	342				
PROBATION	343				
TOTAL DETENTION AND CORRECTION (Lines 341 thru 343)	344				

FIRE PROTECTION	TOTAL	345			
-----------------	-------	-----	--	--	--

FLOOD CONTROL-SOIL & WATER CONS. TOTAL	346				
--	-----	--	--	--	--

PROTECTIVE INSPECTION AGRICULTURAL COMMISSIONER	347				
BUILDING INSPECTOR	348				
LIVESTOCK INSPECTOR	349				
SEALER OF WEIGHTS AND MEASURES	350				
TOTAL PROTECTIVE INSPECTION (Lines 347 thru 350)	351				

OTHER PROTECTION LAFCO	352				
RECORDER	353				
CORNER	354				
EMERGENCY SERVICES	355				
PLANNING AND ZONING	356				
FOUND	357				
OTHER	358				
TOTAL OTHER PROTECTION (Lines 352 thru 358)	359				

SCHEDULE D (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
	STATEMENT OF EXPENDITURES			
	FOR THE FISCAL YEAR ENDED JUNE 30, 1995			
	A	B	C	
	OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL	

PUBLIC WAYS AND FACILITIES

ROADS	TOTAL	360			
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TRANSPORTATION TERMINALS	TOTAL	361			
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TRANSPORTATION SYSTEMS	TOTAL	362			
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PARKING FACILITIES	TOTAL	363			
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HEALTH

PUBLIC HEALTH	TOTAL	364			
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MEDICAL CARE	TOTAL	365			
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MENTAL HEALTH	TOTAL	366			
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DRUG & ALCOHOL ABUSE SERVICES	TOTAL	367			
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SANITATION

REFUSE COLLECTION & DISPOSAL	TOTAL	368			
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SCHEDULE D (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
	STATEMENT OF EXPENDITURES			
	FOR THE FISCAL YEAR ENDED JUNE 30, 1995			
		A	B	C
		OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL

PUBLIC ASSISTANCE

WELFARE ADMINISTRATION	369			
AID PROGRAMS-CASH (GRANTS)	370			
TOTAL WELFARE (Lines 369 + 370)	370.5			

SOCIAL SERVICES ADMINISTRATION & PROGRAMS	371			
OTHER	372			
TOTAL SOCIAL SERVICES (Lines 371 + 372)	373			

GENERAL RELIEF AID TO INDIGENTS	374			
INDIGENT BURIALS	375			
TOTAL GENERAL RELIEF (Lines 374 + 375)	376			

CARE OF COURT WARDS	TOTAL 377			
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VETERAN'S SERVICES	TOTAL 378			
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OTHER PUBLIC ASSISTANCE J.T.P.A.	379			
OTHER	380			
TOTAL OTHER PUBLIC ASSISTANCE (Lines 379 + 380)	381			

EDUCATION

SCHOOL ADMINISTRATION	TOTAL 382			
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LIBRARY SERVICES	TOTAL 383			
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AGRICULTURAL EDUCATION	TOTAL 384			
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SCHEDULE D (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS		COUNTY OF _____	
	STATEMENT OF EXPENDITURES			
	FOR THE FISCAL YEAR ENDED JUNE 30, 1995			
		A	B	C
		OPERATING EXPENDITURES	CAPITAL OUTLAY	TOTAL

EDUCATION - (CONTINUED)

OTHER EDUCATION	TOTAL	385			
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RECREATION AND CULTURAL SERVICES

RECREATION FACILITIES	TOTAL	386			
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CULTURAL SERVICES	TOTAL	387			
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VETERAN'S MEMORIAL BUILDING	TOTAL	388			
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SMALL CRAFT HARBORS	TOTAL	389			
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DEBT SERVICE

RETIREMENT OF LONG-TERM DEBT	TOTAL	390			
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INTEREST ON LONG-TERM DEBT	TOTAL	391			
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INTEREST ON SHORT-TERM NOTES AND WARRANTS	TOTAL	392			
---	-------	-----	--	--	--

GRAND TOTAL OF EXPENDITURES (SUM OF "TOTAL" LINES - 305 THRU 392)		393			
--	--	-----	--	--	--

TRANSFERS OUT TO ENTERPRISES

TRANSFERS OUT (SPECIFY ENTERPRISE)	394				
	395				
	396				
	397				
	398				
TOTAL TRANSFERS OUT (Lines 394 thru 398)	399				

TOTAL EXPENDITURES & TRANSFERS OUT (FOR COL. A, B & C, LINES 393 + 399)	400				
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SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

GENERAL OBLIGATION BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-								
500										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
501										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
502										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
503										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

COUNTY OF: _____

REVENUE BONDS

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-					
500							
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	Maturity Date	AMOUNT DELINQUENT PRINCIPLE INTEREST
						BEG. -H- END -I-	-J- -K-
LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-					
501							
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	Maturity Date	AMOUNT DELINQUENT PRINCIPLE INTEREST
						BEG. -H- END -I-	-J- -K-
LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-					
502							
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	Maturity Date	AMOUNT DELINQUENT PRINCIPLE INTEREST
						BEG. -H- END -I-	-J- -K-
LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-					
503							
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	Maturity Date	AMOUNT DELINQUENT PRINCIPLE INTEREST
						BEG. -H- END -I-	-J- -K-

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

IMPROVEMENT DISTRICT BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-							
500									
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	MATURITY DATE END -I-	AMOUNT DELINQUENT PRINCIPLE -J-	AMOUNT DELINQUENT INTEREST -K-

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-							
501									
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	MATURITY DATE END -I-	AMOUNT DELINQUENT PRINCIPLE -J-	AMOUNT DELINQUENT INTEREST -K-

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-							
502									
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	MATURITY DATE END -I-	AMOUNT DELINQUENT PRINCIPLE -J-	AMOUNT DELINQUENT INTEREST -K-

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-							
503									
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	MATURITY DATE END -I-	AMOUNT DELINQUENT PRINCIPLE -J-	AMOUNT DELINQUENT INTEREST -K-

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

SPECIAL ASSESSMENT BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H- END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J- -K-
500										
501										
502										
503										

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

LIMITED OBLIGATION BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-								
500										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
501										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
502										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	
503										
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT		
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-	

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE F			
ANNUAL REPORT OF FINANCIAL TRANSACTIONS FEDERAL/STATE CONSTRUCTION FINANCING AND LEASE OBLIGATIONS FOR THE YEAR ENDED JUNE 30, 1995			
COUNTY OF _____			
CONSTRUCTION FINANCED BY THE UNITED STATES AND/OR THE STATE OF CALIFORNIA			
		UNITED STATES A	STATE OF CALIFORNIA B
BY CONTRACT:			
DATE	600		
PURPOSE	601		
MAXIMUM REPAYMENT OBLIGATION	602	\$	\$
AMOUNT EXPENDED OR RECEIVED TO DATE	603	\$	\$
TOTAL REPAYMENTS TO DATE	604	\$	\$
BALANCE DUE	605	\$	\$
AMOUNT DELINQUENT	606	\$	\$

LEASE OBLIGATIONS

REPORT ALL LEASE-OBLIGATIONS IN WHICH THE ORIGINAL AGREEMENT WAS FOR A PERIOD IN EXCESS OF TEN (10) YEARS AND WHERE THE LOCAL AGENCY ACQUIRES OWNERSHIP OF THE PROPERTY. REPORT IN WHOLE DOLLARS ONLY. PLEASE PRINT PROPERTY DESCRIPTIONS.

LEASED PROPERTY: (A) DESCRIPTION		(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION	
607A			
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO			
		B	\$
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER			
NAME OF LESSOR:			
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE			
OBLIGATION:			

LEASED PROPERTY: (A) DESCRIPTION		(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION	
608A			
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO			
		B	\$
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER			
NAME OF LESSOR:			
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE			
OBLIGATION:			

SCHEDULE F (CONTINUED)	ANNUAL REPORT OF FINANCIAL TRANSACTIONS LEASE OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1995	COUNTY OF _____
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LEASED PROPERTY:	(A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
609A		
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$		
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER		
NAME OF LESSOR:		
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE		
OBLIGATION:		

LEASED PROPERTY:	(A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
610A		
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$		
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER		
NAME OF LESSOR:		
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE		
OBLIGATION:		

LEASED PROPERTY:	(A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
611A		
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$		
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER		
NAME OF LESSOR:		
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE		
OBLIGATION:		

LEASED PROPERTY:	(A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
612A		
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$		
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER		
NAME OF LESSOR:		
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE		
OBLIGATION:		

SCHEDULE F
(CONTINUED)

ANNUAL REPORT OF FINANCIAL TRANSACTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995
REPRODUCIBLE PAGE FOR ADDITIONAL LEASE OBLIGATIONS
(DO NOT ENTER THE LINE NUMBER)

COUNTY OF _____

LEASED PROPERTY: (A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$	
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER	
NAME OF LESSOR:	
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE	
OBLIGATION:	

LEASED PROPERTY: (A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$	
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER	
NAME OF LESSOR:	
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE	
OBLIGATION:	

LEASED PROPERTY: (A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$	
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER	
NAME OF LESSOR:	
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE	
OBLIGATION:	

LEASED PROPERTY: (A) DESCRIPTION	(B) TOTAL FUTURE PAYMENTS ON UNEXPIRED OBLIGATION
IS THIS A NEW LEASE FOR FISCAL YEAR 1994-95? <input type="checkbox"/> YES <input type="checkbox"/> NO B \$	
NATURE OF LEASE: <input type="checkbox"/> CONTRACT <input type="checkbox"/> RENTAL <input type="checkbox"/> LEASE <input type="checkbox"/> OTHER	
NAME OF LESSOR:	
SOURCE OF FUNDS FOR THE ACQUISITION OR IMPROVEMENT AUTHORIZED OR REQUIRED BY THE LEASE	
OBLIGATION:	

SCHEDULE G		AIRPORT ACTIVITY/ENTERPRISE		COUNTY OF
		REVENUE AND EXPENSE STATEMENT		
		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
OPERATING REVENUES				
LANDING FEES	650	\$		
AIRCRAFT STORAGE FEES	651			
FUEL FLOWAGE FEES	652			
CONCESSIONS	653			
RENTS & LEASES	654			
SALES & SERVICES	655			
OTHER REVENUE	656			
TOTAL OPERATING REVENUE (Lines 650 thru 656)	657		\$	
OPERATING EXPENSES				
ADMINISTRATION	658	\$		
MAINTENANCE AND OPERATION				
LANDING AREAS	659			
TERMINAL BUILDINGS & AREAS	660			
OTHER BUILDINGS & AREAS	661			
GENERAL SHOPS & EQUIPMENT	662			
COST OF SALES & SERVICE	663			
DEPRECIATION	664			
OTHER OPERATING EXPENSES	665			
TOTAL OPERATING EXPENSES (Lines 658 thru 665)	666		\$	
NET OPERATING INCOME (LOSS) (Lines 657B - 666B)	667		\$	
NON-OPERATING REVENUES				
INTEREST	668	\$		
NET GAIN (LOSS) FROM SALES OF PROPERTY	669			
GRANTS-IN-AID				
FEDERAL	670			
STATE	671			
IN-LIEU TAXES	672			
OTHER	673			
OTHER NON-OPERATING REVENUES	674			
TOTAL NON-OPERATING REVENUES (Lines 668 thru 674)	675		\$	

AIRPORT ACTIVITY/ENTERPRISE (CONTINUED)		REVENUE AND EXPENSE STATEMENT		COUNTY OF _____
SCHEDULE G (CONTINUED)		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
NON-OPERATING EXPENSES				
INTEREST	676	\$		
JUDGMENTS & DAMAGES	677			
TAXES & ASSESSMENTS	678			
OTHER NON-OPERATING EXPENSES	679			
TOTAL NON-OPERATING EXPENSES (Lines 676 thru 679)	680		\$	
NET INCOME (LOSS) (Lines 667B + 675B - 680B)	681		\$	

IS THIS ACTIVITY ACCOUNTED FOR AS AN ENTERPRISE?			
01 FOR YES	02 FOR NO	682	

FUNDS RECEIVED FROM THE COUNTY (FROM LINES 394-398)	683		\$
CURRENT YEAR CAPITAL OUTLAY	684		\$

HOSPITAL ACTIVITY/ENTERPRISE REVENUE AND EXPENSE STATEMENT		COUNTY OF _____	
SCHEDULE H		FISCAL YEAR ENDED JUNE 30, 1995	
		A	B
OPERATING REVENUES DAILY HOSPITAL SERVICES	700	\$	
ANCILLARY SERVICES INPATIENT	701		
OUTPATIENT	702		
GROSS PATIENT REVENUE (Lines 700 thru 702)	703		\$
DEDUCTIONS FROM REVENUE CHARITY DISCOUNTS	704	\$	
DONATIONS FOR INDIGENT CARE	705		
PROVISIONS FOR BAD DEBTS	706		
MEDI-CARE CONTRACTUAL ADJUSTMENTS	707		
MEDI-CAL CONTRACTUAL ADJUSTMENTS	708		
OTHER CONTRACTUAL ADJUSTMENTS	709		
OTHER DEDUCTIONS FROM REVENUE	710		
TOTAL DEDUCTIONS FROM REVENUE (Lines 704 thru 710)	711		
NET PATIENT REVENUE (Lines 703B - 711B)	712		\$
OTHER OPERATING REVENUE TUITION AND OTHER EDUCATIONAL REVENUE	713	\$	
SERVICES, COMMISSIONS & RENTALS	714		
OTHER OPERATING REVENUE	715		
TOTAL OTHER OPERATING REVENUE (Lines 713 thru 715)	716		
TOTAL OPERATING REVENUE (Lines 712B + 716B)	717		\$
OPERATING EXPENSES DAILY HOSPITAL SERVICES	718	\$	
ANCILLARY SERVICES	719		
RESEARCH	720		
EDUCATION	721		
GENERAL SERVICES	722		
FISCAL SERVICES	723		
ADMINISTRATIVE SERVICES & UNASSIGNED COSTS	724		
TOTAL OPERATING EXPENSES (Lines 718 thru 724)	725		
NET OPERATING INCOME (LOSS) (Lines 717B - 725B)	726		\$

HOSPITAL ACTIVITY/ENTERPRISE (CONTINUED)		REVENUE AND EXPENSE STATEMENT		COUNTY OF _____
SCHEDULE H (CONTINUED)		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
NON-OPERATING REVENUE INCOME & GAINS FROM INVESTMENTS	727	\$		
CONTRIBUTIONS & DONATED SERVICES	728			
UNRESTRICTED INCOME FROM ENDOWMENT FUNDS	729			
UNRESTRICTED INCOME FROM OTHER RESTRICTED FUNDS	730			
SUBVENTIONS OR GRANTS FEDERAL	731			
STATE (INCLUDE MEDICAL INDIGENT ADULT GRANTS)	732			
OTHER	733			
OTHER NON-OPERATING REVENUE	734			
TOTAL NON-OPERATING REVENUE (Lines 727 thru 734)	735		\$	
NON-OPERATING EXPENSES INTEREST EXPENSE	736	\$		
OTHER NON-OPERATING EXPENSES	737			
TOTAL NON-OPERATING EXPENSES (Lines 736 and 737)	738			
NET NON-OPERATING INCOME (Lines 735B - 738B)	739		\$	
NET INCOME BEFORE EXTRAORDINARY ITEMS (Lines 726B + 739B)	740		\$	
EXTRAORDINARY ITEMS	741		\$	
NET INCOME (LOSS) (Lines 740B + 741B)	742		\$	
IS THIS ACTIVITY ACCOUNTED FOR AS AN ENTERPRISE?		743		
01 FOR YES 02 FOR NO				
FUNDS RECEIVED FROM THE COUNTY (From Lines 394-398)	744		\$	
CURRENT YEAR CAPITAL OUTLAY	745		\$	

REFUSE ACTIVITY/ENTERPRISE REVENUE AND EXPENSE STATEMENT		COUNTY OF _____	
SCHEDULE I		FISCAL YEAR ENDED JUNE 30, 1995	
		A	B
OPERATING REVENUES			
REFUSE DISPOSAL FEES - COMMERCIAL	750	\$	
REFUSE DISPOSAL FEES - PUBLIC	751		
REFUSE COLLECTION FEES - RESIDENTIAL	752		
REFUSE COLLECTION FEES - COMMERCIAL	753		
OTHER OPERATING REVENUE	754		
TOTAL OPERATING REVENUE (Lines 750 thru 754)	755		\$
OPERATING EXPENSES			
REFUSE DISPOSAL SALARIES & WAGES	756	\$	
SERVICES & SUPPLIES	757		
OTHER CHARGES (ABATEMENTS)	758		
TOTAL REFUSE DISPOSAL (Lines 756 thru 758)	759		\$
REFUSE COLLECTION SALARIES & WAGES	760	\$	
SERVICES & SUPPLIES	761		
OTHER CHARGES	762		
TOTAL REFUSE COLLECTION (Lines 760 thru 762)	763		\$
OTHER OPERATING EXPENSES	764	\$	
TOTAL OPERATING EXPENSES (Lines 759B + 763B + 764A)	765		\$
NET OPERATING INCOME (LOSS) (Lines 755B - 765B)	766		\$
NON-OPERATING REVENUE			
INTEREST EARNINGS	767	\$	
SALE OF RETIRED PLANT & EQUIPMENT	768		
OTHER NON-OPERATING REVENUES	769		
TOTAL NON-OPERATING REVENUES (Lines 767 thru 769)	770		\$

REFUSE ACTIVITY/ENTERPRISE (CONTINUED)		REVENUE AND EXPENSE STATEMENT		COUNTY OF _____
SCHEDULE I (CONTINUED)		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
NON-OPERATING EXPENSES				
INTEREST EXPENSE	771	\$		
OTHER NON-OPERATING EXPENSES	772			
TOTAL NON-OPERATING EXPENSES (Lines 771 + 772)	773		\$	
NET INCOME (LOSS)	(Lines 766B + 770B - 773B)	774	\$	

IS THIS ACTIVITY ACCOUNTED FOR AS AN ENTERPRISE?		775	
01 FOR YES	02 FOR NO		

FUNDS RECEIVED FROM COUNTY (From Lines 394-398)	776	\$
CURRENT YEAR CAPITAL OULAY	777	\$

OTHER ENTERPRISE (SPECIFY ACTIVITY ON LINE 799)		REVENUE AND EXPENSE STATEMENT		COUNTY OF
SCHEDULE K		FISCAL YEAR ENDED JUNE 30, 1995		
NOTE: DO NOT USE THIS FORM FOR THE FOLLOWING ENTERPRISE ACTIVITIES: -PARKING -HARBORS -GOLF COURSES -PARKS -SANITATION -WATER				
SEPARATE FORMS ARE PROVIDED FOR THESE ENTERPRISES. IF YOU NEED THESE FORMS AND THEY WERE NOT INCLUDED IN YOUR FORMS PACKAGE, CALL THE STATE CONTROLLER'S OFFICE AT (916) 445-5153.				
ACTIVITY NAME (Please Specify): (Note: Maximum of 15 Characters)	799	A	B	
OPERATING REVENUES CHARGES FOR SERVICE	800	\$		
OTHER OPERATING REVENUE	801			
TOTAL OPERATING REVENUE (Lines 800 + 801)	802		\$	
OPERATING EXPENSE PERSONAL SERVICES	803	\$		
CONTRACTUAL SERVICES	804			
SUPPLIES	805			
MATERIALS	806			
OTHER OPERATING EXPENSES	807			
GENERAL AND ADMINISTRATIVE EXPENSE	808			
DEPRECIATION EXPENSE	809			
TOTAL OPERATING EXPENSE (Lines 803 thru 809)	810		\$	
NET OPERATING INCOME (LOSS) (Lines 802B - 810B)	811		\$	
NON-OPERATING REVENUES INTEREST	812	\$		
OPERATING GRANTS FEDERAL	813			
STATE	814			
GAIN ON SALE OF ASSETS	815			
OTHER	816			
TOTAL NON-OPERATING REVENUE (Lines 812 thru 816)	817		\$	
NON-OPERATING EXPENSES INTEREST	818	\$		
LOSS ON SALE OF ASSETS	819			
OTHER	820			
TOTAL NON-OPERATING EXPENSES (Lines 818 thru 820)	821		\$	
NET INCOME (LOSS) (Lines 811B + 817B - 821B)	822		\$	
FUNDS RECEIVED FROM THE COUNTY (From Lines 394-398)	823		\$	
CURRENT YEAR CAPITAL OUTLAY	824		\$	

PARKING ENTERPRISE REVENUE AND EXPENSE STATEMENT		COUNTY OF _____	
SCHEDULE L		FISCAL YEAR ENDED JUNE 30, 1995	
		A	B
OPERATING REVENUES CHARGES FOR SERVICE	825	\$	
OTHER OPERATING REVENUE	826		
TOTAL OPERATING REVENUE (LINES 825 + 826)	827		\$
OPERATING EXPENSE PERSONAL SERVICES	828	\$	
CONTRACTUAL SERVICES	829		
SUPPLIES	830		
MATERIALS	831		
OTHER OPERATING EXPENSES	832		
GENERAL AND ADMINISTRATIVE EXPENSE	833		
DEPRECIATION EXPENSE	834		
TOTAL OPERATING EXPENSE (Lines 828 thru 834)	835		\$
NET OPERATING INCOME (LOSS) (Lines 827B - 835B)	836		\$
NON-OPERATING REVENUES INTEREST	837	\$	
OPERATING GRANTS FEDERAL	838		
STATE	839		
GAIN ON SALE OF ASSETS	840		
OTHER	841		
TOTAL NON-OPERATING REVENUE (Lines 837 thru 841)	842		\$
NON-OPERATING EXPENSES INTEREST	843	\$	
LOSS ON SALE OF ASSETS	844		
OTHER	845		
TOTAL NON-OPERATING EXPENSES (Lines 843 thru 845)	846		\$
NET INCOME (LOSS) (Lines 836B + 842B - 846B)	847		\$
FUNDS RECEIVED FROM COUNTY (From Lines 394-398)	848		\$
CURRENT YEAR CAPITAL OUTLAY	849		\$

PARK ENTERPRISE		REVENUE AND EXPENSE STATEMENT		COUNTY OF
SCHEDULE M		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
OPERATING REVENUES CHARGES FOR SERVICE	850	\$		
OTHER OPERATING REVENUE	851			
TOTAL OPERATING REVENUE (Lines 850 + 851)	852		\$	
OPERATING EXPENSE PERSONAL SERVICES	853	\$		
CONTRACTUAL SERVICES	854			
SUPPLIES	855			
MATERIALS	856			
OTHER OPERATING EXPENSES	857			
GENERAL AND ADMINISTRATIVE EXPENSE	858			
DEPRECIATION EXPENSE	859			
TOTAL OPERATING EXPENSE (Lines 853 thru 859)	860		\$	
NET OPERATING INCOME (LOSS) (Lines 852B - 860B)	861		\$	
NON-OPERATING REVENUES INTEREST	862	\$		
OPERATING GRANTS FEDERAL	863			
STATE	864			
GAIN ON SALE OF ASSETS	865			
OTHER	866			
TOTAL NON-OPERATING REVENUE (Lines 862 thru 866)	867		\$	
NON-OPERATING EXPENSES INTEREST	868	\$		
LOSS ON SALE OF ASSETS	869			
OTHER	870			
TOTAL NON-OPERATING EXPENSES (Lines 868 thru 870)	871		\$	
NET INCOME (LOSS) (Lines 861B + 867B - 871B)	872		\$	
FUNDS RECEIVED FROM COUNTY (From Lines 394-398)	873		\$	
CURRENT YEAR CAPITAL OUTLAY	874		\$	

WATER ENTERPRISE		REVENUE AND EXPENSE STATEMENT		COUNTY OF _____	
SCHEDULE N		FISCAL YEAR ENDED JUNE 30, 1995			
		A	B		
OPERATING REVENUES					
CHARGES FOR SERVICE	875	\$			
OTHER OPERATING REVENUE	876				
TOTAL OPERATING REVENUE (Lines 875 + 876)	877			\$	
OPERATING EXPENSE					
PERSONAL SERVICES	878	\$			
CONTRACTUAL SERVICES	879				
SUPPLIES	880				
MATERIALS	881				
OTHER OPERATING EXPENSES	882				
GENERAL AND ADMINISTRATIVE EXPENSE	883				
DEPRECIATION EXPENSE	884				
TOTAL OPERATING EXPENSE (Lines 878 thru 884)	885			\$	
NET OPERATING INCOME (LOSS) (Lines 877B - 885B)	886			\$	
NON-OPERATING REVENUES					
INTEREST	887	\$			
OPERATING GRANTS					
FEDERAL	888				
STATE	889				
GAIN ON SALE OF ASSETS	890				
OTHER	891				
TOTAL NON-OPERATING REVENUE (Lines 887 thru 891)	892			\$	
NON-OPERATING EXPENSES					
INTEREST	893	\$			
LOSS ON SALE OF ASSETS	894				
OTHER	895				
TOTAL NON-OPERATING EXPENSES (Lines 893 thru 895)	896			\$	
NET INCOME (LOSS) (Lines 886B + 892B - 896B)		897			\$
FUNDS RECEIVED FROM COUNTY (From Lines 394-398)		898			\$
CURRENT YEAR CAPITAL OUTLAY		899			\$

SCHEDULE O		SANITATION ENTERPRISE		COUNTY OF _____	
		REVENUE AND EXPENSE STATEMENT		FISCAL YEAR ENDED JUNE 30, 1995	
		A	B		
OPERATING REVENUES					
CHARGES FOR SERVICE	900	\$			
OTHER OPERATING REVENUE	901				
TOTAL OPERATING REVENUE	(Lines 900 + 901)	902		\$	
OPERATING EXPENSE					
PERSONAL SERVICES	903	\$			
CONTRACTUAL SERVICES	904				
SUPPLIES	905				
MATERIALS	906				
OTHER OPERATING EXPENSES	907				
GENERAL AND ADMINISTRATIVE EXPENSE	908				
DEPRECIATION EXPENSE	909				
TOTAL OPERATING EXPENSE	(Lines 903 thru 909)	910		\$	
NET OPERATING INCOME (LOSS)	(Lines 902B - 910B)	911		\$	
NON-OPERATING REVENUES					
INTEREST	912	\$			
OPERATING GRANTS					
FEDERAL	913				
STATE	914				
GAIN ON SALE OF ASSETS	915				
OTHER	916				
TOTAL NON-OPERATING REVENUE	(Lines 912 thru 916)	917		\$	
NON-OPERATING EXPENSES					
INTEREST	918	\$			
LOSS ON SALE OF ASSETS	919				
OTHER	920				
TOTAL NON-OPERATING EXPENSES	(Lines 918 thru 920)	921		\$	
NET INCOME (LOSS)	(Lines 911B + 917B - 921B)	922		\$	
FUNDS RECEIVED FROM COUNTY	(From Lines 394-398)	923		\$	
CURRENT YEAR CAPITAL OUTLAY		924		\$	

GOLF COURSE ENTERPRISE		REVENUE AND EXPENSE STATEMENT		COUNTY OF _____
SCHEDULE P		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
OPERATING REVENUES CHARGES FOR SERVICE	925	\$		
OTHER OPERATING REVENUE	926			
TOTAL OPERATING REVENUE (Lines 925 + 926)	927			
OPERATING EXPENSE PERSONAL SERVICES	928	\$		
CONTRACTUAL SERVICES	929			
SUPPLIES	930			
MATERIALS	931			
OTHER OPERATING EXPENSES	932			
GENERAL AND ADMINISTRATIVE EXPENSE	933			
DEPRECIATION EXPENSE	934			
TOTAL OPERATING EXPENSE (Lines 928 thru 934)	935			
NET OPERATING INCOME (LOSS) (Lines 927B - 935B)	936		\$	
NON-OPERATING REVENUES INTEREST	937	\$		
OPERATING GRANTS FEDERAL	938			
STATE	939			
GAIN ON SALE OF ASSETS	940			
OTHER	941			
TOTAL NON-OPERATING REVENUE (Lines 937 thru 941)	942		\$	
NON-OPERATING EXPENSES INTEREST	943	\$		
LOSS ON SALE OF ASSETS	944			
OTHER	945			
TOTAL NON-OPERATING EXPENSES (Lines 943 thru 945)	946		\$	
NET INCOME (LOSS) (Lines 936B + 942B - 946B)	947		\$	
FUNDS RECEIVED FROM COUNTY (From Lines 394-398)	948		\$	
CURRENT YEAR CAPITAL OUTLAY	949		\$	

HARBOR ENTERPRISE		REVENUE AND EXPENSE STATEMENT		COUNTY OF
SCHEDULE Q		FISCAL YEAR ENDED JUNE 30, 1995		
		A	B	
OPERATING REVENUES CHARGES FOR SERVICE	950	\$		
OTHER OPERATING REVENUE	951			
TOTAL OPERATING REVENUE (Lines 950 + 951)	952			
OPERATING EXPENSE PERSONAL SERVICES	953	\$		
CONTRACTUAL SERVICES	954			
SUPPLIES	955			
MATERIALS	956			
OTHER OPERATING EXPENSES	957			
GENERAL AND ADMINISTRATIVE EXPENSE	958			
DEPRECIATION EXPENSE	959			
TOTAL OPERATING EXPENSE (Lines 953 thru 959)	960		\$	
NET OPERATING INCOME (LOSS) (Lines 952B - 960B)	961		\$	
NON-OPERATING REVENUES INTEREST	962	\$		
OPERATING GRANTS FEDERAL	963			
STATE	964			
GAIN ON SALE OF ASSETS	965			
OTHER	966			
TOTAL NON-OPERATING REVENUE (Lines 962 thru 966)	967		\$	
NON-OPERATING EXPENSES INTEREST	968	\$		
LOSS ON SALE OF ASSETS	969			
OTHER	970			
TOTAL NON-OPERATING EXPENSES (Lines 968 thru 970)	971		\$	
NET INCOME (LOSS) (Lines 961B + 967B - 971B)	972		\$	
FUNDS RECEIVED FROM COUNTY (From Lines 394-398)	973		\$	
CURRENT YEAR CAPITAL OUTLAY	974		\$	

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

IMPROVEMENT DISTRICT BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-		AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J-	-K-
500													

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-		AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J-	-K-
501													

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-		AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J-	-K-
502													

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-		AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE BEG. -H-	END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J-	-K-
503													

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

SPECIAL ASSESSMENT BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-	YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE -H-	BEG. -I-	END -I-	AMOUNT DELINQUENT PRINCIPLE INTEREST -J-	-K-
500													
501													
502													
503													

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES:

SCHEDULE E

SUMMARY OF BONDED INDEBTEDNESS FOR THE YEAR ENDED JUNE 30, 1995

LIMITED OBLIGATION BONDS

COUNTY OF: _____

LINE NO.	INDEX -A-	PURPOSE OF ISSUE -B-										
500												
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT				
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-			
501												
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT				
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-			
502												
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT				
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-			
503												
YEAR OF ISSUE -C-	AMOUNT AUTHORIZED -D-	AMOUNT ISSUED -E-	AMOUNT REDEEMED IN C/Y (D-N-K-P)	AMOUNT REDEEMED TO DATE -F-	AMOUNT OUTSTANDING -G-	MATURITY DATE		AMOUNT DELINQUENT				
						BEG. -H-	END -I-	PRINCIPLE -J-	INTEREST -K-			

NATURE AND EXTENT OF ADDITIONAL SECURITY PLEDGED FROM THE REVENUE OF ANY ENTERPRISES: