



**CITY OF
CITRUS
HEIGHTS**

FINANCIAL SUMMARIES

Financial Summaries

Financial Overview

This section provides a financial overview of all City funds by fund type. It presents the total available resources and total use of resources, including beginning and ending fund balances, revenues, expenditures, operating transfers in, and operating transfers out.

Summary of All City Funds

The “Summary of All City Funds” schedule on the following page groups the City’s funds into four classifications:

- General Fund
- Enterprise Fund
- Special Revenue Funds
- Capital Funds

The General Fund, Enterprise Fund, and Capital Funds are the operating funds of the City. The majority of funding for City operations is derived from these three funds, with the General Fund being the most predominate.

The budget for capital funds is reviewed by City Council as part of the five-year Capital Improvement Program (CIP). Capital improvement projects for FY 2018-2019 are included in this budget.

Debt Obligations

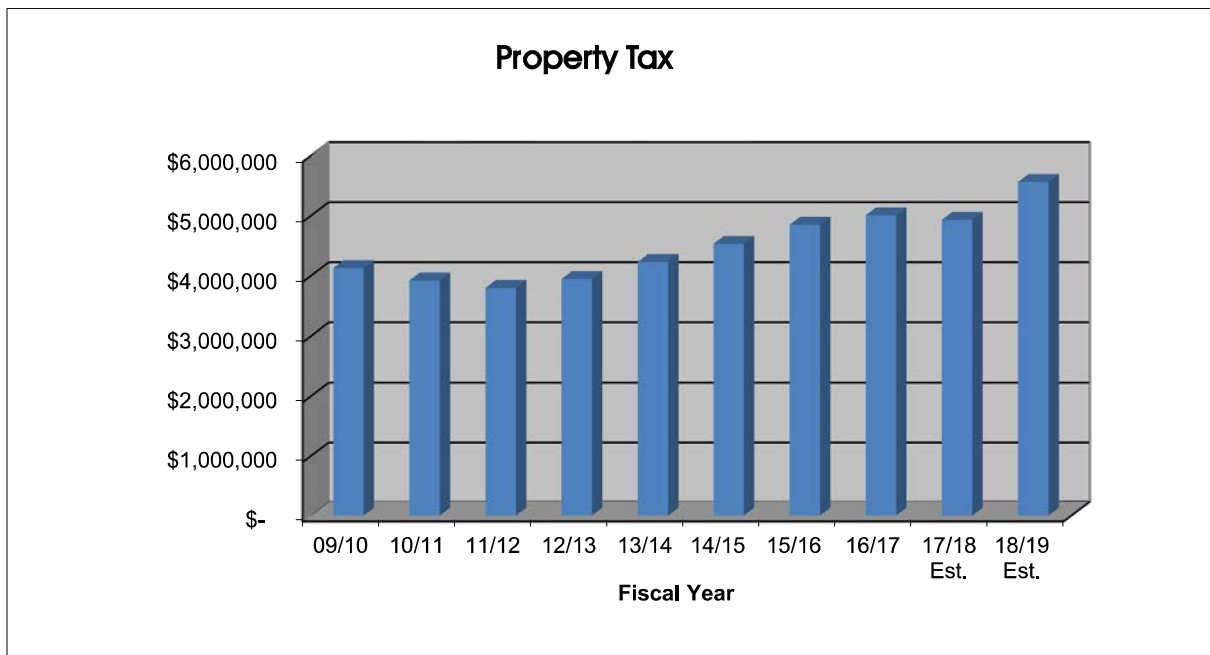
The City has no long-term bonded debt obligations. The only long-term liability is the amount due to employees for earned but unused compensated absences.

SUMMARY OF ALL CITY FUNDS					
			<i>Special</i>		
	<i>General</i>	<i>Enterprise</i>	<i>Revenue</i>	<i>Capital</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>	<i>Funds</i>	<i>All Funds</i>
Revenues					
Property Tax	5,566,248	-	753,241		6,319,489
Sales Tax	12,380,000	-	-		12,380,000
Utility Users Tax	3,026,900	-	-		3,026,900
Other Tax Revenue	666,000				666,000
Franchise Fees	1,299,100	-	-		1,299,100
Business License	315,630	-	-		315,630
Planning, Permits, Fees	1,197,450	610,000	4,353,400		6,160,850
Motor Vehicle In Lieu	8,384,112	-	-		8,384,112
Gas and Road Tax	-	-	5,700,332	535,400	6,235,732
Use of Money	35,000	-	25,719	11,000	71,719
Vehicle Fines	986,100	-	-		986,100
Charges for Service	797,011	-	79,000		876,011
Other Revenues	1,962,826	175,400	6,514,319	3,168,749	11,821,294
Transfers In	25,000	-	313,750	689,225	1,027,975
Total Revenues	\$ 36,641,377	\$ 785,400	\$ 17,739,761	\$ 4,404,374	\$ 59,570,912
Expenditures					
Legislative	153,144	-	-		153,144
Management and Support	5,587,071	283,587	1,140,315	179,000	7,189,973
Police	21,274,577	-	622,824		21,897,401
Community Center	580,034	-	-		580,034
General Services	1,035,136	574,205	13,877,711	3,168,799	18,655,851
Community Services	2,063,071	-	3,138,688		5,201,759
SB 1290 Pass-Through	-	-	-		-
Transfers Out	5,825,998	-	104,000		5,929,998
Total Expenditures	\$ 36,519,031	\$ 857,792	\$ 18,883,538	\$ 3,347,799	\$ 59,608,160

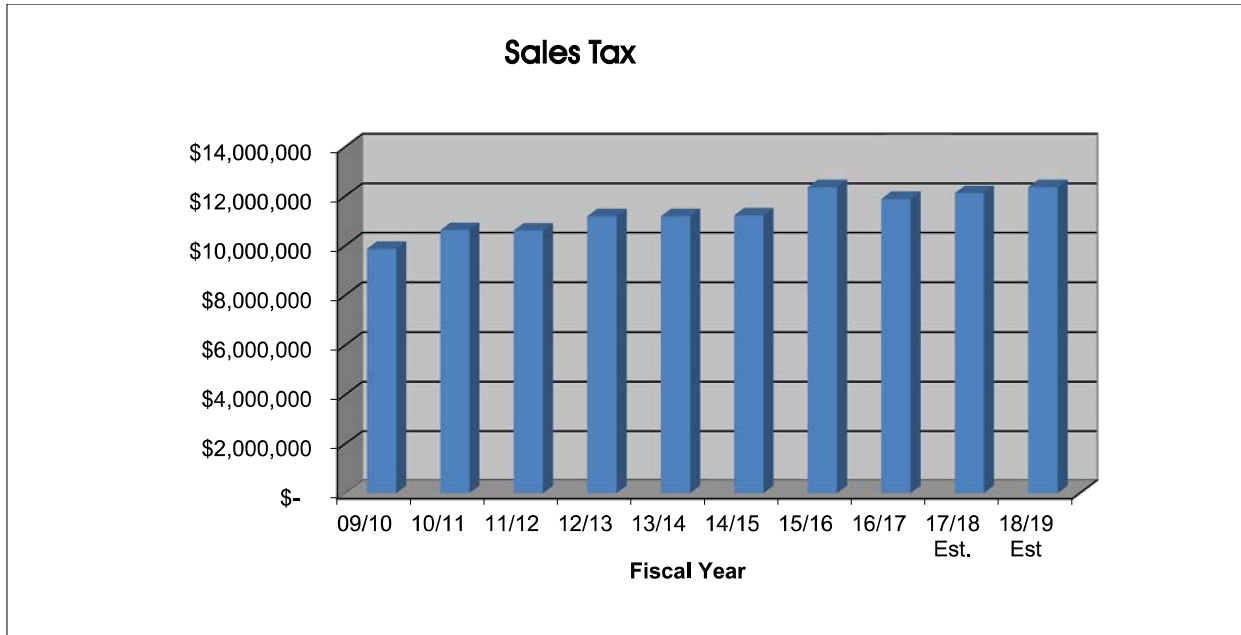
General Fund Revenues

Major General Fund Revenue Sources						
Property Tax	Sales Tax	Utility Users Tax	Franchise Fees	Business License	Planning, Permits, and Fees	Motor Vehicle-in-Lieu

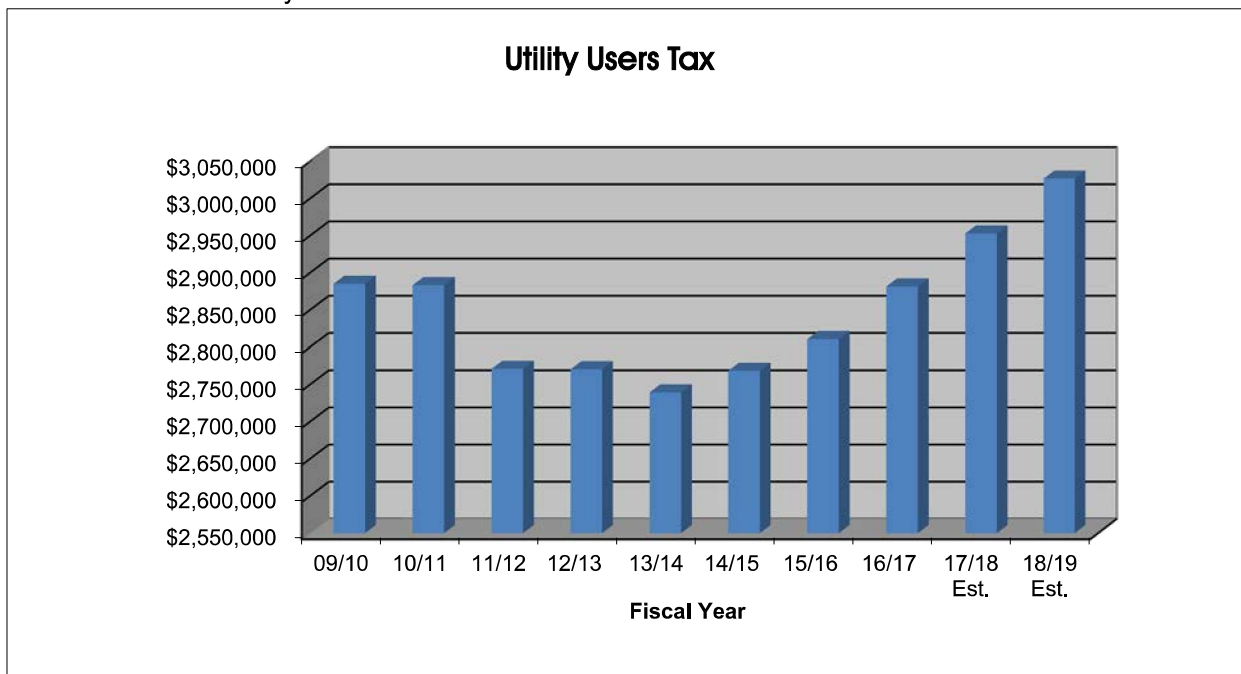
Property Tax: Property tax is imposed on real property (land and permanently attached improvements such as buildings) and personal property (moveable property). It is based on the property's assessed value as determined by the County Assessor. The property tax rate is limited to 1% of the assessed value plus rates imposed to fund indebtedness approved by the voters. For FY 1998-1999 through FY 2021-2022, the City of Citrus Heights has agreed to pay the County of Sacramento an amount equal to the annual property tax revenue in payment of the City's revenue neutrality obligation. Revenues are estimated to increase by 12.74% in FY 2018-2019.



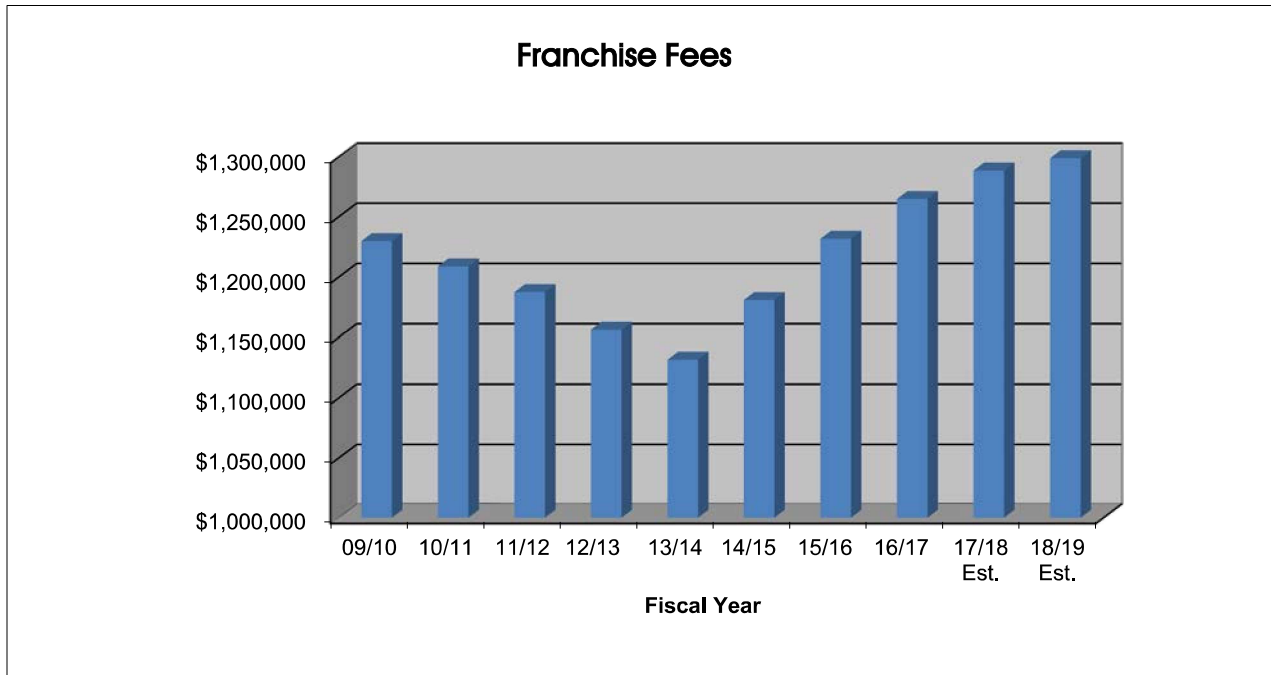
Sales and Use Tax: Sales tax is imposed on retailers for the privilege of selling tangible personal property in California. The State Board of Equalization collects 1% which is then allocated back to cities and counties based on a point-of-sale formula. The use tax complements the sales tax (at the same rate) and is imposed for transactions in which the sales tax is not collected by the seller. Revenues are estimated to increase by 2% in FY 2018-2019.



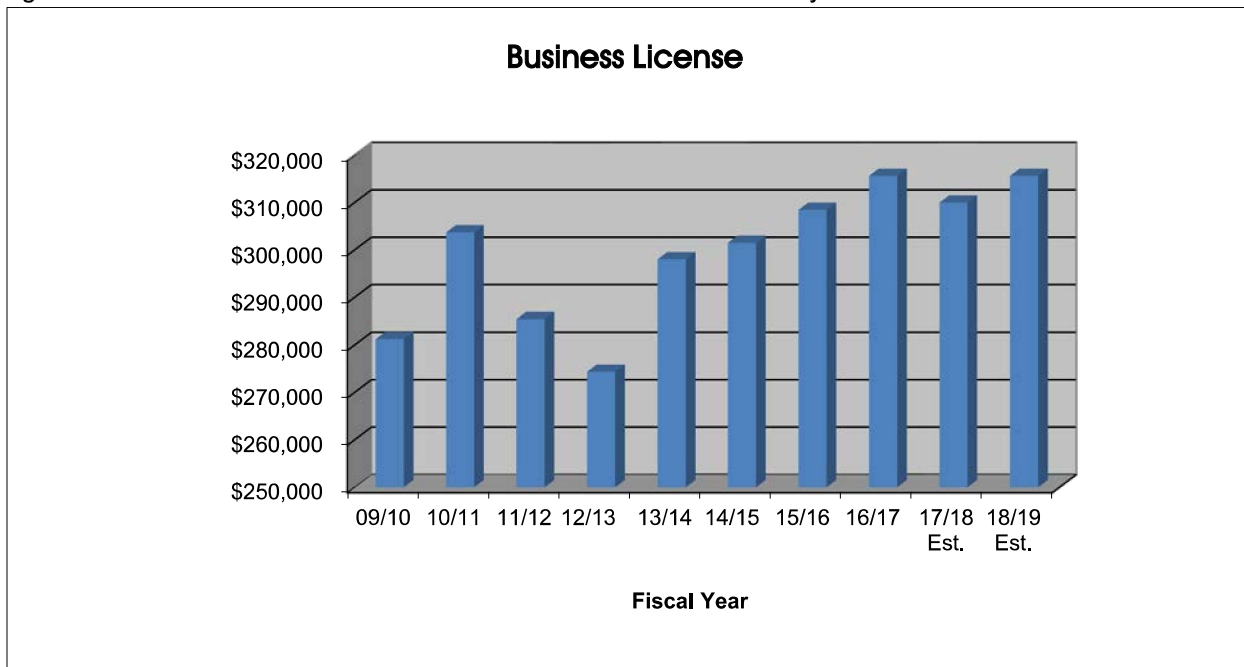
Utility Users Tax: The utility users tax is imposed on customers of electricity, gas, telephone services, cable television, and sewer service. The tax rate is 2.5% of the charges for such services. Revenues are estimated to increase by 3% in FY 2018-2019.



Franchise Fees: State statutes provide Citrus Heights the authority to impose fees on utility companies and other businesses for the privilege of using City rights-of-way. The City receives various franchise fees from utilities, waste management, and cable companies. Revenues are estimated to increase by 1% in FY 2018-2019.



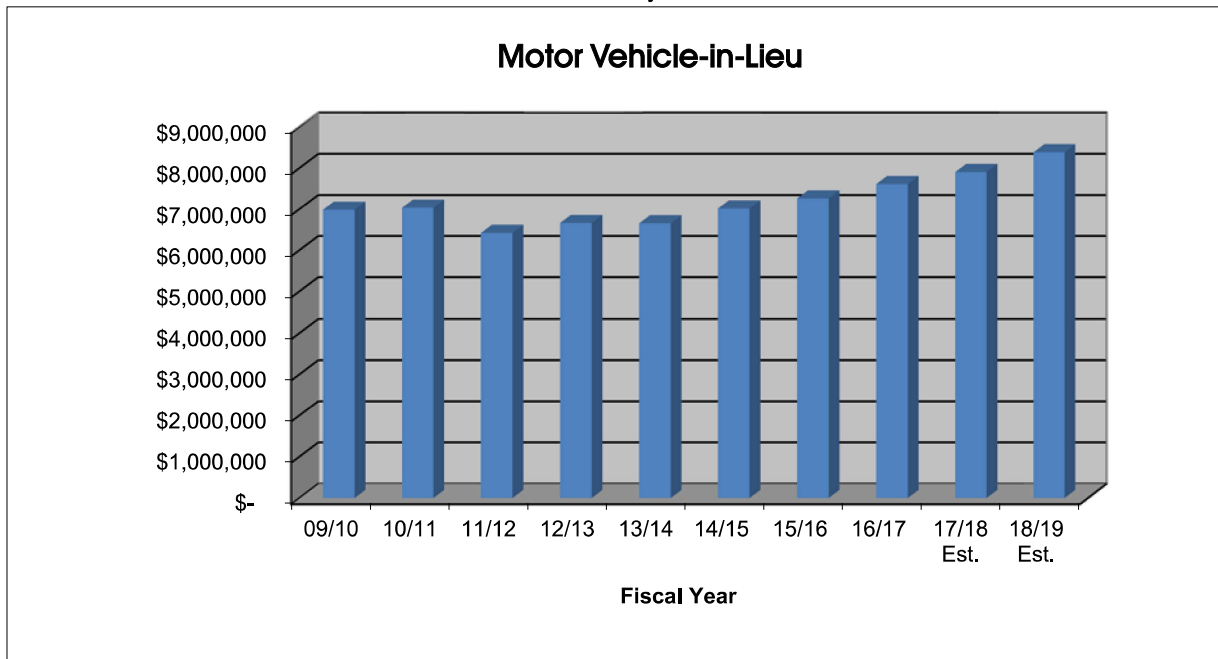
Business License: The business license tax is imposed on all entities conducting business within the City except for financial institutions, residential facilities, public assembly buildings, public libraries, and agriculture. Business License revenues are estimated to increase by 2% in FY 2018-2019.



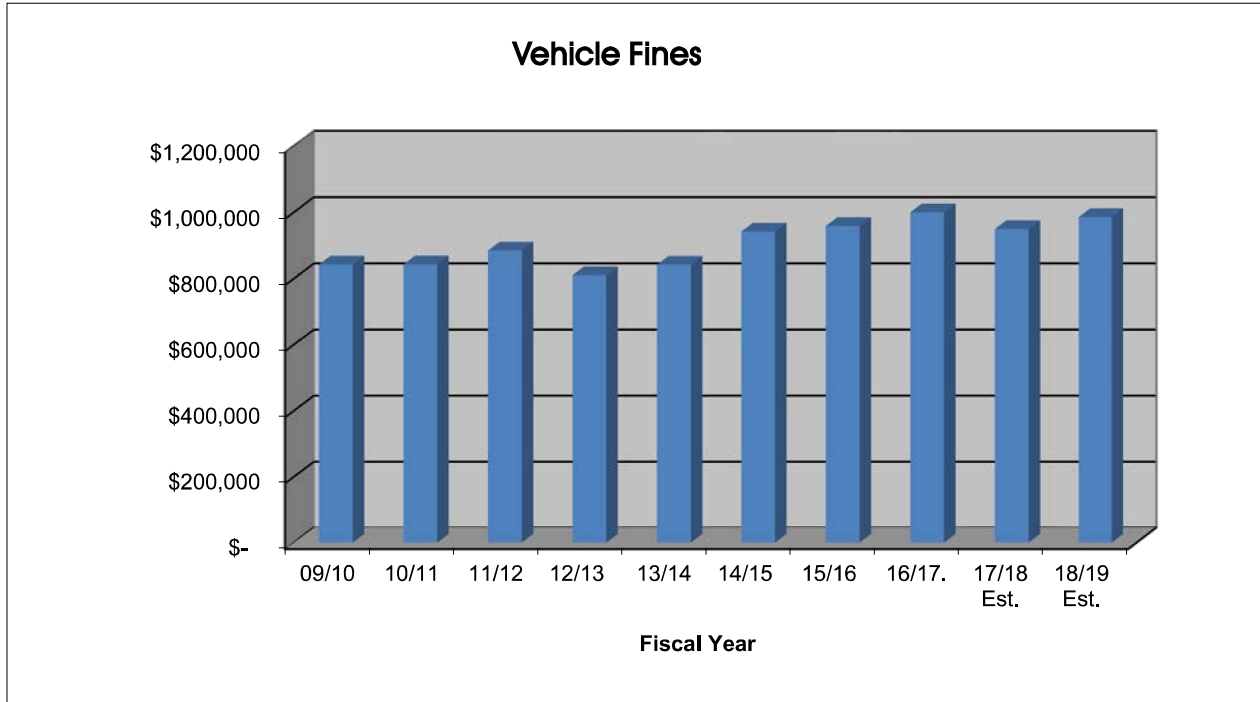
Planning, Permits, and Fees: A variety of plan checking fees and building permit fees, related to development, are collected. Revenues help to support the City's building, planning, and engineering activities. Revenues are estimated to decrease in FY 2018-2019.



Motor Vehicle-in-Lieu: Prior to 2004, cities received annual Vehicle License Fee (VLF) revenue equal to approximately 2% of the market value of motor vehicles. In 2004, the VLF was reduced from 2% to 0.65%; cities and counties were then compensated with property taxes-in-lieu of the VLF. The property tax-in-lieu of VLF amount changes annually based on each agency's gross taxable value. Property tax-in-lieu of vehicle license fees are estimated to increase by 6% in FY 2018-2019.



Vehicle Fines: The City shares with the State and County all fines collected upon conviction of a misdemeanor or an infraction in any municipal or justice court, and bail moneys forfeited following conviction of a misdemeanor or infraction committed within City boundaries. Revenue from parking violations is also included in this amount. Estimates are based on historical activity.



Interest Earnings: The City earns revenue from the investment of idle funds. In making investment decisions, consideration is given to safety, liquidity, and yield. The Government Code limits the City to certain types of investments. Estimated revenues are based on an overall rate of return from previous years.

Interfund Charges (Cost Allocation): The General Fund includes the following departments that provide services to other funds. The cost of providing these services is charged to the user fund. The allocation method is listed next to the department.

- Risk Management Services – number of employees in each department
- Human Resources – number of employees in each department
- Information Technology – number of computers in each department
- Facility Management – square footage of buildings used by each department
- Fleet Management – vehicles used by each department
- City Manager and Finance – percentage of time spent in support of various funds
- City Clerk – number of agenda items
- Engineering – percentage of time spent on various capital projects

General Fund Expenditures

The General Fund is used to account for money which is not required legally or by sound financial management to be accounted for in another fund. These are the expenditure categories in the General Fund:

City Council: Includes Council stipends and benefits, partial salary and benefits for the City Manager's Executive Assistant, travel expenses, and other Council related business.

City Attorney: Includes all general government legal services.

City Manager: Includes expenditures for the City Manager, Central Services, City Clerk, Information Technology, and City Information. Non-departmental expenditures include the payment for revenue neutrality, special studies, projects, and augmentations to support community events and Code Enforcement.

Administrative Services Department: Includes expenditures for administration of Human Resources, Risk Management, and Finance.

Community and Economic Development Department: Includes expenditures for Economic Development, Planning, Building and Safety, and Grants and Housing.

General Services Department: Includes expenditures for Engineering, Street Maintenance, Solid Waste, Stormwater Drainage, Transit, Fleet and Facility Management, the City's Community Centers, Community Events, Assessment District Management, and Capital Improvement Project planning and administration.

Police Department: Includes expenditures for all local law enforcement including Patrol, Traffic Enforcement, Investigations, Support Services (which includes records management and the emergency communications center), Animal Services, and administration of Code Enforcement.

GENERAL FUND and RESERVES			
		<i>General</i>	<i>Total</i>
	<i>General</i>	<i>Fund</i>	<i>General Fund</i>
	<i>Fund</i>	<i>Reserve</i>	<i>and Reserves</i>
Estimated			
Fund Balance - 7/1/18	-	5,285,000	5,285,000
Revenues			-
Property Tax	5,566,248		5,566,248
Sales Tax	12,380,000		12,380,000
Utility Users Tax	3,026,900		3,026,900
Franchise Fees	1,299,100		1,299,100
Other Tax Revenue	666,000		666,000
Business License	315,630		315,630
Planning, Permits, Fees	1,197,450		1,197,450
Intergovernmental/Motor Vehicle In Lieu	8,447,112		8,447,112
Use of Money	35,000		35,000
Fines & Forfeitures	986,100		986,100
Charges for Service	797,011		797,011
Other Revenues	1,924,826		1,924,826
			-
Total Revenues	36,641,377	-	36,641,377
Expenditures			-
<u>Legislative</u>	153,144		153,144
			-
<u>Management & Support</u>			-
City Manager	658,204		658,204
City Attorney	260,000		260,000
City Clerk	237,892		237,892
Elections	45,500		45,500
Community Partnerships	-		-
Human Resources	800,563		800,563
Information Services	1,042,979		1,042,979
Risk Management	1,250,432		1,250,432
Finance	907,068		907,068
Central Services	100,200		100,200
Non-Departmental	284,233		284,233
REACH Program	-		-
Benefit Administration	-		-
Total Management and Support	5,587,071		5,587,071

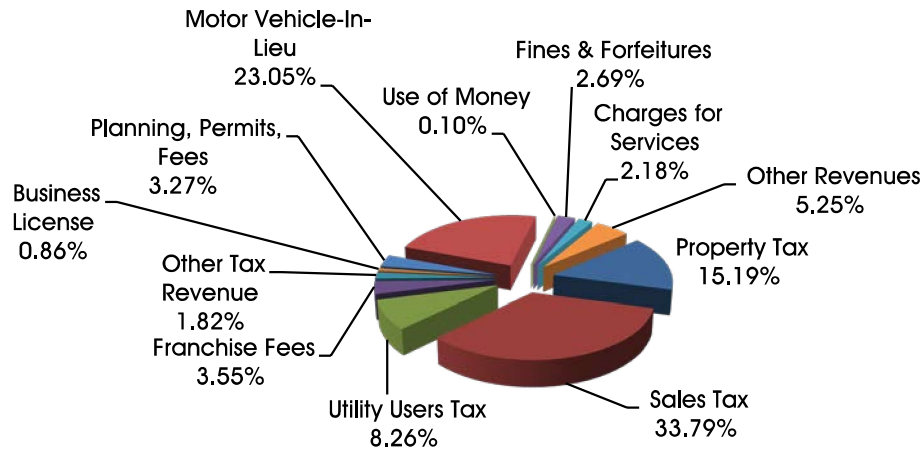
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Police			-
Police Operations	20,700,144		20,700,144
Animal Control	<u>574,433</u>		<u>574,433</u>
Total Police	21,274,577		21,274,577
			-
Community Center			-
Operations	544,809		544,809
Sylvan Community Center	14,075		14,075
Sayonara Community Center	<u>21,150</u>		<u>21,150</u>
Total Community Center	580,034		580,034
			-
General Services			-
Engineering	123,237		123,237
Facility Management	724,926		724,926
Fleet Management	<u>186,973</u>		<u>186,973</u>
Total General Services	1,035,136		1,035,136
			-
Community Services			-
Economic Development	396,160		396,160
Housing	88,106		88,106
Planning	743,577		743,577
Building Inspection	800,898		800,898
Planning Commission	14,330		14,330
History & Arts Commission	<u>20,000</u>		<u>20,000</u>
Total Community Services	2,063,071		2,063,071
Transfers Out			-
Transfer Out to Other Funds	259,750		259,750
Transfer to OPEB Trust	-		-
Revenue Neutrality	<u>5,566,248</u>		<u>5,566,248</u>
Total Transfers	5,825,998		5,825,998
Total Expenditures	36,519,031	-	36,519,031
			-
			-
Estimated			-
Fund Balance - 6/30/19		5,407,346	5,407,346

Detail for Non-Departmental Expenses			
	Revenue Neutrality Payment	\$ 5,566,248	
	Operating Expenses	\$ 114,857	
	<u>Community Support:</u>		
	Meals on Wheels	82,000	
	Sacramento Self-Help Housing	15,400	
	Campus Life	11,000	
	Sunrise Christian Food Ministry	5,000	
	Citrus Heights Marching Band	6,000	
	River City Cat Rescue	5,000	
	Terra Nova Counseling	5,000	
	Diversity Employment Outreach	2,475	
	Miscellaneous Community Support	7,500	
	REACH	10,000	
	REACH Neighborhood Improvement Project Funding	15,000	
	Community Campout	5,000	
	Total Community Support	\$ 169,375	
	<u>Total Transfers Out to Other Funds</u>		
	Neighborhood Enhancement Fund	103,003	
	Community Events Fund	131,747	
	Capital Improvement Fund	25,000	
	Total Transfers to Other Funds	\$ 259,750	
	Total Non-Departmental Expenses	\$ 6,110,230	

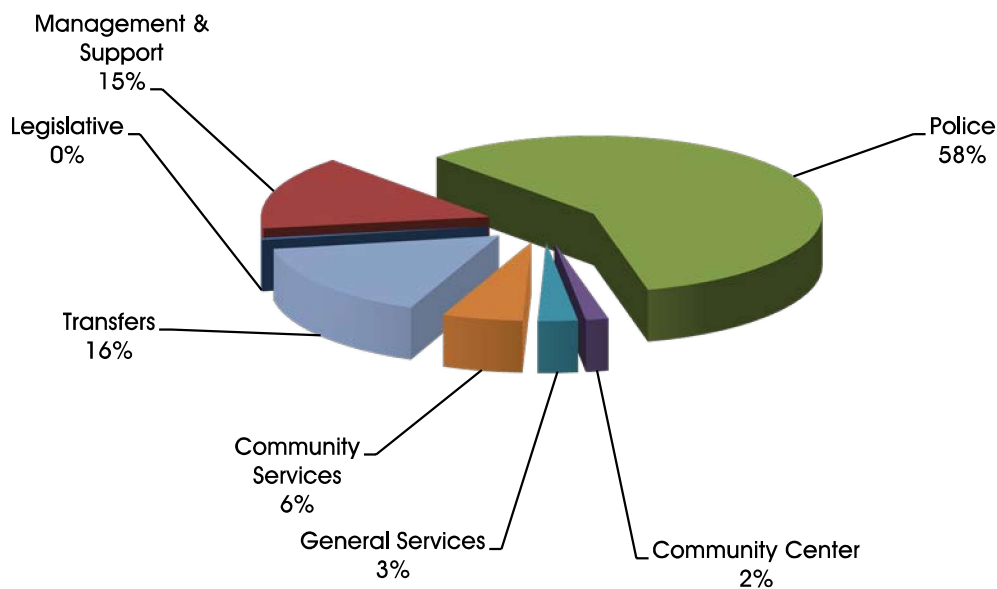
GENERAL FUND REVENUES

Proposed FY 2018-2019 \$36.6 Million



GENERAL FUND EXPENDITURES & TRANSFERS

Proposed FY 2018-2019 \$36.5 Million



Enterprise Funds

Enterprise funds account for City activities which operate as public enterprises. These funds receive revenues from fees charged to programs or other department users, and the programs are largely cost-covering. The City has one enterprise fund.

Solid Waste Fund: This fund accounts for the revenues and expenses associated with garbage collection in the City. The City contracts solid waste services with Republic Services.

Special Revenue Funds

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

Community Events: This fund accounts for revenues and expenses associated with the City's community events such as Sunday FunDay, holiday tree lighting, annual parade, concert series, etc.

Transit Fund: This fund accounts for the revenue and expenses associated with the administration of city-wide transit services in conjunction with the Sacramento Regional Transportation Authority.

Stormwater Drainage Fund: This fund accounts for the revenues and expenses associated with the administration and coordination of stormwater drainage activities.

Street Maintenance: These funds account for Transportation Development Act (TDA), Gas Tax, and Measure A Street Maintenance funds. It represents the revenues and expenses associated with the maintenance and improvement of the City's roads and street landscaping.

Code Enforcement and Sacramento Abandoned Vehicle Program: These funds account for the revenues and expenses associated with code enforcement.

Grants and Housing (CDBG, Recycling Grants, OTS Grants, Healthy Cities Grant, Home Grants and Other miscellaneous grants): These funds account for the revenues and expenses associated with specialized grant monies received by the City which may only be spent under specific guidelines.

Police Grants: These funds account for the revenues and expenses associated with police grant monies received by the City which may only be spent under specific guidelines.

Assessment Districts: These funds account for the revenues and expenses associated with the maintenance of the City's nine lighting and landscape assessment districts. Lighting and landscape districts are formed to finance common area landscape maintenance and lighting. Homeowners are assessed through their property tax bill.

Development Impact Fees (Drainage, Transit, Roadway, Tree Preservation, Low Income Housing, Park Facilities, Fire Capital): These funds account for the revenues and expenses associated with new development of infrastructure, affordable housing, and parks.

Capital Funds

Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities and infrastructure.

Measure A Construction Fund: This fund accounts for the revenues and expenses associated with street and highway construction/improvements. Various projects are approved annually through the Sacramento Transportation Authority, a regional agency with which the City has a voting seat. Funding is through a special augmentation of sales tax.

Federal/State Funded Projects: These funds account for the revenues and expenses associated with street and highway construction/improvements. Funding is received through federal and state grants and special state funding.

Regional Transit: This fund accounts for revenues and expenses associated with transit related capital and maintenance improvements identified by the City. Funding is administered by Sacramento Regional Transit and is available per the City's Transit Agreement.

General Capital Improvements: This fund accounts for the revenues and expenses associated with construction projects or the purchase of public facilities and projects. Funding is received from transfers from the General Fund.

Replacement Fund:

This fund accounts for capital improvement and replacement projects, including information technology and vehicle replacement.

<u>Replacement Fund</u>	FY 2016-2017 Actual	FY 2017-2018 Budgeted	FY 2018-2019 Proposed
Revenues	376,017	434,473	666,725
Expenditures	468,013	715,000	179,000

