

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA



GENERAL FUND

The General Fund accounts for all financial resources that are not restricted as to their use or required to be accounted for in another fund. These resources include sales and use tax, franchise taxes, business license fees, building permits, interest on investments, fines and forfeitures, charges for services, and other miscellaneous revenues.

General Fund resources are used to finance the general governmental operations of the City of Carson. The city workgroups that are listed below are supported by the General Fund. The list likewise shows the services that each workgroup provides.

City Council

Local legislative policy

City Attorney

Legal advisor to City Council and departments
Preparations of resolutions and ordinances
Contract review
Litigation

City Clerk

Records management
Preparation of agendas and minutes
Codification of municipal code
Elections

City Treasurer

Investments
Cash management
Cashiering

Economic Development

Employment development
Business development
Redevelopment
Housing and neighborhood development
Planning

Administrative Services

Revenue collection
Business license
Budget preparation
Financial reporting
Grants accounting
Accounts payable
Payroll
Purchasing
Reproduction and mail services
Warehouse operations
Human resources
Recruitment/training
Worker's compensation

Public Services

Parks and recreation
Special events
Building and landscape Maintenance
Sheriff's contract
Code enforcement and compliance
Security services
Youth services
Safety and emergency services
Pedestrian safety
Senior services
Fine Arts

City Manager

Implementation of City Council policies
Intergovernmental relations
Public information
Information technology
Community center
Risk assessment and management

Development Services

General engineering
Contract administration
Construction engineering
Public works
Street and parkway maintenance
Vehicle and equipment maintenance
Median and tree maintenance
Waste management
Environmental
Building and safety
Transportation

Non-Departmental

Retiree health insurance
Termination/leave pay
Program support

**City of Carson
General Fund
Schedule of Revenues – Budget and Actual
Year ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Taxes				
Sales and use tax	\$ 20,033,226	\$ 20,033,226	\$ 15,051,658	\$ (4,981,568)
Franchise tax	9,599,658	9,599,657	6,876,484	(2,723,173)
Property tax allocation from state	14,468,277	14,468,277	12,808,528	(1,659,749)
Transient occupancy tax	1,383,501	1,383,501	1,121,092	(262,409)
Utility Users tax	5,000,000	5,000,000	6,722,319	1,722,319
Real property transfer tax	169,023	169,023	235,259	66,236
Admissions tax	280,000	280,000	362,105	82,105
Total taxes	<u>50,933,685</u>	<u>50,933,684</u>	<u>43,177,445</u>	<u>(7,756,239)</u>
Licenses and permits				
Business licenses	2,631,274	2,631,274	2,282,081	(349,193)
Building permits	2,483,337	2,483,337	1,901,201	(582,136)
Other licenses and permits	486,403	486,403	583,485	97,082
Total licenses and permits	<u>5,601,014</u>	<u>5,601,014</u>	<u>4,766,767</u>	<u>(834,247)</u>
Fines, forfeitures and property:				
Traffic and parking fines	1,150,000	1,150,000	1,321,403	171,403
Other fines, forfeitures and penalties	417,189	417,189	385,460	(31,729)
Total fines, forfeitures and penalties	<u>1,567,189</u>	<u>1,567,189</u>	<u>1,706,863</u>	<u>139,674</u>
Use of money and property:				
Interest on investments	900,000	900,000	244,302	(655,698)
Rents and commissions	239,067	239,067	269,552	30,485
Community Center revenue	868,627	868,627	843,303	(25,324)
Shuttle revenue	5,000	5,000	316	(4,684)
Total use of money and property	<u>2,012,694</u>	<u>2,012,694</u>	<u>1,357,473</u>	<u>(655,221)</u>
Intergovernmental:				
Motor vehicle licenses	277,896	277,896	288,398	10,502
Other intergovernmental	188,176	368,176	132,311	(235,865)
Total intergovernmental	<u>466,072</u>	<u>646,072</u>	<u>420,709</u>	<u>(225,363)</u>
Charges for services:				
Planning and public works	210,408	210,408	281,780	71,372
Recreation	1,361,882	1,361,882	1,238,076	(123,806)
Other service charges	359,008	359,008	479,211	120,203
Total charges for services	<u>1,931,298</u>	<u>1,931,298</u>	<u>1,999,067</u>	<u>67,769</u>
Other revenues				
	566,086	566,086	5,945,042	5,378,956
Total General Fund revenues	<u>\$ 63,078,038</u>	<u>\$ 63,258,037</u>	<u>\$ 59,373,366</u>	<u>\$ (3,884,671)</u>

**City of Carson
General Fund
Schedule of Expenditures – Budget and Actual
Year ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government	\$ 19,854,514	\$ 20,153,667	\$ 20,686,885	\$ (533,218)
Economic Development	1,359,728	1,421,132	1,373,607	47,525
Development Services	10,124,159	10,172,034	9,036,800	1,135,234
Public Services	<u>36,061,957</u>	<u>36,180,076</u>	<u>35,352,688</u>	<u>827,388</u>
Subtotal current expenditures	<u>67,400,358</u>	<u>67,926,909</u>	<u>66,449,980</u>	<u>1,476,929</u>
Capital Improvement Program	226,500	226,500	62,640	163,860
Other Financing Uses	-	-	-	-
Total General Fund expenditures	<u>67,626,858</u>	<u>68,153,409</u>	<u>66,512,620</u>	<u>1,640,789</u>
Interfund reimbursement	(3,735,000)	(3,735,000)	(3,770,394)	35,394
Net General Fund expenditures	<u>\$ 63,891,858</u>	<u>\$ 64,418,409</u>	<u>\$ 62,742,226</u>	<u>\$ 1,676,183</u>

**City of Carson
General Fund
Schedule of Expenditures – Budget and Actual
by Work Group
Year ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 746,345	\$ 819,638	\$ 706,255	\$ 113,383
City Attorney	990,000	1,015,000	1,700,526	(685,526)
Non Departmental	4,030,000	4,018,676	4,258,847	(240,171)
City Clerk	611,648	612,821	544,242	68,579
City Treasurer	685,917	709,917	698,693	11,224
City Manager	6,432,818	6,556,930	6,534,946	21,984
Administrative Services	6,357,786	6,420,685	6,243,376	177,309
Total General Government	<u>19,854,514</u>	<u>20,153,667</u>	<u>20,686,885</u>	<u>(533,218)</u>
Economic Development	1,359,728	1,421,132	1,373,607	47,525
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Defined Benefit Pension Plan - Miscellaneous
(California Public Employees' Retirement System)

Actuarial Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll*
6/30/2006	\$ 121,980,920	\$ 94,172,070	\$ 27,808,850	77.2%	\$ 22,328,225	124.5%
6/30/2007	134,642,474	105,298,448	29,344,026	78.2%	24,291,028	120.8%
6/30/2008	146,121,992	115,895,972	30,226,020	79.3%	25,458,415	118.7%

*UAAL reports to unfunded actuarial accrued liability.

Other Post-Employment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (c)/(b-a)
6/30/2009	\$ -	\$ 47,691,008	\$ 47,691,008	0.0%	\$ 23,662,000	201.6%
6/30/2008	-	47,691,008	47,691,008	0.0%	23,662,000	201.6%
6/30/2007	N/A	N/A	N/A	N/A	N/A	N/A

Budgetary Control and Accounting

The following procedures are utilized by the City in formulating its annual budget:

- Early in the calendar year, the General Managers prepare estimates of required appropriations for the following fiscal year. These estimates are compiled into a proposed operating budget.
- The City Manager submits the proposed budget to the City Council for the subsequent fiscal year. The operating budget includes both the sources and types of funds for the proposed expenditures. The City Council and staff meet in budget workshops in order to relate requests with available resources.
- Public hearings are conducted to obtain taxpayer comments on the proposed budget being adopted. Pursuant to provisions of the Carson Municipal Code, the General Fund budget must be adopted no later than July 20 of the new fiscal year. The budget is legally enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures of any fund must be approved by the City Council. The budget is generally amended during the fiscal year to reflect adjustments, as authorized by the City Council. Expenditures may not legally exceed appropriations at the fund level.
- Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts are recorded during the year as encumbrances in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are treated as a reservation of fund balance since they do not constitute expenditures or liabilities.
- It is the practice of the City to give Finance staff some discretion with respect to budget amounts for year end purposes.

Budgeted amounts are reported on the same basis of accounting as the fund types they relate to (modified-accrual) and adopted on a basis consistent with generally accepted accounting principles (GAAP). All unexpended appropriations expire at year-end and if warranted are reappropriated in the next budget cycle. Annual budgets are prepared for all governmental fund types expected to have activity during the fiscal year.

For fiscal year 2010, the annual budget was only adopted for general fund and redevelopment agency funds. No annual budget was adopted for all special revenue funds. The proposed budget was presented for purposes of budget to actual comparison for all special revenues funds.