

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
Successor Agency
Housing Authority
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
Risk assessment and management

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

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
Program support

**City of Carson
GENERAL FUND
Schedule of Revenues – Budget and Actual
Year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Taxes				
Sales and use tax	\$ 17,844,000	\$ 17,844,000	\$ 20,688,872	\$ 2,844,872
Franchise tax	7,434,200	7,434,200	7,746,907	312,707
Property tax allocation from state	14,400,000	14,400,000	14,052,654	(347,346)
Transient occupancy tax	1,135,000	1,135,000	1,307,732	172,732
Utility Users tax	7,400,000	7,400,000	7,980,683	580,683
Real property transfer tax	285,000	285,000	211,000	(74,000)
Admissions tax	225,000	225,000	390,600	165,600
Total taxes	<u>48,723,200</u>	<u>48,723,200</u>	<u>52,378,448</u>	<u>3,655,248</u>
Licenses and permits				
Business licenses	2,500,000	2,500,000	2,649,097	149,097
Building permits	2,300,000	2,300,000	2,789,592	489,592
Other licenses and permits	633,260	633,260	688,878	55,618
Total licenses and permits	<u>5,433,260</u>	<u>5,433,260</u>	<u>6,127,567</u>	<u>694,307</u>
Fines, forfeitures and property:				
Traffic and parking fines	1,640,000	1,640,000	1,607,565	(32,435)
Other fines, forfeitures and penalties	332,700	332,700	365,342	32,642
Total fines, forfeitures and penalties	<u>1,972,700</u>	<u>1,972,700</u>	<u>1,972,907</u>	<u>207</u>
Use of money and property:				
Interest on investments	230,000	230,000	160,540	(69,460)
Rents and commissions	896,025	896,025	318,884	(577,141)
Community Center revenue	913,500	913,500	778,525	(134,975)
Total use of money and property	<u>2,039,525</u>	<u>2,039,525</u>	<u>1,257,949</u>	<u>(781,576)</u>
Intergovernmental:				
Motor vehicle licenses	265,000	265,000	256,016	(8,984)
Other intergovernmental	14,000	14,000	160,887	146,887
Total intergovernmental	<u>279,000</u>	<u>279,000</u>	<u>416,903</u>	<u>137,903</u>
Charges for services:				
Planning and public works	305,300	305,300	390,753	85,453
Recreation	1,244,700	1,244,700	1,343,794	99,094
Other service charges	381,800	381,800	610,079	228,279
Total charges for services	<u>1,931,800</u>	<u>1,931,800</u>	<u>2,344,626</u>	<u>412,826</u>
Other revenues	891,868	943,211	926,219	(16,992)
Total General Fund revenues	<u>\$ 61,271,353</u>	<u>\$ 61,322,696</u>	<u>\$ 65,424,619</u>	<u>\$ 4,101,923</u>

**City of Carson
GENERAL FUND
Schedule of Expenditures – Budget and Actual
Year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 807,929	\$ 859,304	\$ 590,964	\$ 268,340
City Attorney	1,366,000	1,366,802	1,168,743	198,059
Non Departmental	4,810,000	8,263,959	8,244,806	19,153
City Clerk	602,797	603,846	532,554	71,292
City Treasurer	724,029	724,029	719,856	4,173
City Manager	3,509,191	3,519,144	2,922,970	596,174
Administrative Services	6,573,936	6,541,738	6,511,062	30,676
Total General Government	<u>18,393,882</u>	<u>21,878,822</u>	<u>20,690,955</u>	<u>1,187,867</u>
Economic Development	1,415,540	1,417,540	1,433,659	(16,119)
Development Services	8,441,464	8,466,208	7,944,821	521,387
Public Services	37,146,113	37,462,938	35,115,219	2,347,719
Subtotal current expenditures	<u>65,396,999</u>	<u>69,225,508</u>	<u>65,184,654</u>	<u>4,040,854</u>
Capital Improvement Program	545,080	618,912	495,902	123,010
Other Financing Uses	-	-	2,503	(2,503)
Total General Fund expenditures	<u>65,942,079</u>	<u>69,844,420</u>	<u>65,683,059</u>	<u>4,161,361</u>
Interfund reimbursement	(3,735,000)	(3,735,000)	(5,198,738)	1,463,738
Net General Fund expenditures	<u>\$ 62,207,079</u>	<u>\$ 66,109,420</u>	<u>\$ 60,484,321</u>	<u>\$ 5,625,099</u>

City of Carson
PROPOSITION C LOCAL RETURN FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2012

	Final Budget	Actual Amounts	Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ 1,119,392	\$ 1,189,496	\$ 70,104
Intergovernmental	6,770,950	3,711,647	(3,059,303)
Use of money and property	14,000	3,198	(10,802)
Miscellaneous	138,000	163,680	25,680
Total revenues	<u>8,042,342</u>	<u>5,068,021</u>	<u>(2,974,321)</u>
 Expenditures			
Current:			
Development services	8,169,362	5,192,947	2,976,415
Capital improvement programs	168,684	174,630	(5,946)
Total expenditures	<u>8,338,046</u>	<u>5,367,577</u>	<u>2,970,469</u>
Excess (deficiency) of revenues over expenditures	<u>(295,704)</u>	<u>(299,556)</u>	<u>(3,852)</u>
 Other financing sources (uses)			
Transfers In	<u>-</u>	<u>500</u>	<u>500</u>
 Change in fund balance	<u>\$ (295,704)</u>	<u>(299,056)</u>	<u>\$ (3,352)</u>
 Fund balances, beginning of year		<u>433,146</u>	
Fund balances, end of year		<u>\$ 134,090</u>	

City of Carson
FEDERAL HIGHWAY PLANNING GRANT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2012

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 9,834,805	\$ 3,056,945	\$ (6,777,860)
Total revenues	<u>9,834,805</u>	<u>3,056,945</u>	<u>(6,777,860)</u>
Expenditures			
Capital improvement programs	<u>9,834,805</u>	<u>607,291</u>	<u>9,227,514</u>
Total expenditures	<u>9,834,805</u>	<u>607,291</u>	<u>9,227,514</u>
Change in fund balance	<u>\$ -</u>	2,449,654	<u>\$ 2,449,654</u>
Fund balances, beginning of year		<u>(2,999,356)</u>	
Fund balances, end of year		<u>\$ (549,702)</u>	

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
6/30/2009	\$ 166,628,216	\$ 124,589,374	\$ 42,038,842	74.8%	\$ 27,230,503	154.4%
6/30/2010	175,896,151	133,535,154	42,360,997	75.9%	27,107,068	156.3%
6/30/2011	190,199,074	142,496,715	47,702,359	74.9%	25,455,297	187.4%

Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets *	Actuarial 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)
7/1/2009	\$ -	\$ 47,691,008	\$ 47,691,008	0.0%	\$ 27,230,503	175.1%
7/1/2010	-	50,765,291	50,765,291	0.0%	27,107,068	187.3%
7/1/2011	-	48,138,659	48,138,659	0.0%	25,455,297	189.1%

* The City has made a contribution to California Employer's Retiree Benefit Trust (CERBT) of \$3,384,670 subsequent to actuarial valuation date of July 1, 2011.

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 yearend 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.

