

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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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  
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, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Taxes</b>				
Sales and use tax	\$ 16,000,000	\$ 16,000,000	\$ 17,195,450	\$ 1,195,450
Franchise tax	7,166,000	7,166,000	7,483,227	317,227
Property tax allocation from state	12,596,390	12,596,390	14,446,260	1,849,870
Transient occupancy tax	1,000,000	1,000,000	1,197,800	197,800
Utility Users tax	7,316,372	7,316,372	7,439,521	123,149
Real property transfer tax	210,000	210,000	250,163	40,163
Admissions tax	380,000	380,000	266,446	(113,554)
Total taxes	<u>44,668,762</u>	<u>44,668,762</u>	<u>48,278,867</u>	<u>3,610,105</u>
<b>Licenses and permits</b>				
Business licenses	2,381,400	2,381,400	2,652,479	271,079
Building permits	2,300,000	2,300,000	3,053,450	753,450
Other licenses and permits	584,660	584,660	766,221	181,561
Total licenses and permits	<u>5,266,060</u>	<u>5,266,060</u>	<u>6,472,150</u>	<u>1,206,090</u>
<b>Fines, forfeitures and property:</b>				
Traffic and parking fines	1,780,000	1,780,000	1,667,087	(112,913)
Other fines, forfeitures and penalties	347,775	347,775	382,142	34,367
Total fines, forfeitures and penalties	<u>2,127,775</u>	<u>2,127,775</u>	<u>2,049,229</u>	<u>(78,546)</u>
<b>Use of money and property:</b>				
Interest on investments	495,000	495,000	150,846	(344,154)
Rents and commissions	255,411	255,411	254,761	(650)
Community Center revenue	694,300	694,300	652,950	(41,350)
Total use of money and property	<u>1,444,711</u>	<u>1,444,711</u>	<u>1,058,557</u>	<u>(386,154)</u>
<b>Intergovernmental:</b>				
Motor vehicle licenses	225,000	225,000	242,811	17,811
Other intergovernmental	184,676	266,526	356,997	90,471
Total intergovernmental	<u>409,676</u>	<u>491,526</u>	<u>599,808</u>	<u>108,282</u>
<b>Charges for services:</b>				
Planning and public works	323,000	323,000	307,951	(15,049)
Recreation	1,516,750	1,516,750	1,422,305	(94,445)
Other service charges	335,900	335,900	678,241	342,341
Total charges for services	<u>2,175,650</u>	<u>2,175,650</u>	<u>2,408,497</u>	<u>232,847</u>
<b>Other revenues</b>				
	967,983	1,131,598	897,053	(234,545)
Total General Fund revenues	<u>\$ 57,060,617</u>	<u>\$ 57,306,082</u>	<u>\$ 61,764,161</u>	<u>\$ 4,458,079</u>

**City of Carson  
General Fund  
Schedule of Expenditures – Budget and Actual  
Year ended June 30, 2011**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
General Government	\$ 18,485,347	\$ 17,925,405	\$ 18,136,954	\$ (211,549)
Economic Development	1,246,511	1,362,482	1,231,175	131,307
Development Services	8,782,740	8,325,892	7,795,603	530,289
Public Services	<u>33,466,074</u>	<u>34,367,064</u>	<u>33,198,295</u>	<u>1,168,769</u>
Subtotal current expenditures	<u>61,980,672</u>	<u>61,980,843</u>	<u>60,362,027</u>	<u>1,618,816</u>
Capital Improvement Program	-	506,278	509,979	(3,701)
Other Financing Uses	-	-	-	-
Total General Fund expenditures	<u>61,980,672</u>	<u>62,487,121</u>	<u>60,872,006</u>	<u>1,615,115</u>
Interfund reimbursement	(3,735,000)	(3,735,000)	(3,464,606)	(270,394)
<b>Net General Fund expenditures</b>	<b><u>\$ 58,245,672</u></b>	<b><u>\$ 58,752,121</u></b>	<b><u>\$ 57,407,400</u></b>	<b><u>\$ 1,344,721</u></b>

**City of Carson  
General Fund  
Schedule of Expenditures – Budget and Actual  
by Work Group  
Year ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 629,267	\$ 681,267	\$ 615,237	\$ 66,030
City Attorney	1,285,000	1,303,306	1,349,669	(46,363)
Non Departmental	3,020,000	3,020,000	3,586,189	(566,189)
City Clerk	787,032	787,913	831,394	(43,481)
City Treasurer	634,830	634,830	669,819	(34,989)
City Manager	6,126,388	5,361,035	5,035,738	325,297
Administrative Services	6,002,830	6,137,054	6,048,908	88,146
Total General Government	<u>18,485,347</u>	<u>17,925,405</u>	<u>18,136,954</u>	<u>(211,549)</u>
Economic Development	1,246,511	1,362,482	1,231,175	131,307
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Public Services	33,466,074	34,367,064	33,198,295	1,168,769
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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*
6/30/2007	\$ 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%
6/30/2009	166,628,216	124,589,374	42,038,842	74.8%	27,230,503	154.4%

\*UAAL refers to unfunded actuarial accrued liability.

Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	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)
7/1/2008	\$ -	\$ 47,691,008	\$ 47,691,008	0.0%	\$ 23,662,000	201.6%
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%	27,200,000	186.6%

### **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.