
REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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, property taxes, utility users 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 departments that are listed below are supported by the General Fund. The list likewise shows the services that each department 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 minutes
Codification of municipal code
Elections

City Treasurer

Investments
Cash management
Cashiering

Community Development

Employment development
Business development
Successor Agency
Housing Authority
Housing and neighborhood development
Planning
Building and safety

Administrative Services

Revenue collection
Business license
Budget preparation
Financial reporting
Grants accounting
Accounts payable
Payroll
Purchasing
Reproduction and mail services
Warehouse operations
Information technology

Community Services

Parks and recreation
Special events
Sherriff's contract
Code enforcement and compliance
Security services
Youth services
Safety and emergency services
Pedestrian safety
Senior services
Fine Arts
Transportation
Community center

City Manager

Implementation of City Council policies
Intergovernmental relations
Public information
Preparation of agendas
Human resources
Recruitment/training
Worker's compensation
Risk assessment and management
Benefits administration

Public Works

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 landscape maintenance

Non-Departmental

Retiree health insurance
Program support

**City of Carson
GENERAL FUND
Schedule of Revenues –Budget and Actual
Year ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Taxes				
Sales and use tax	\$ 21,483,029	\$ 21,483,029	\$ 21,820,128	\$ 337,099
Franchise tax	7,913,779	7,913,779	8,274,908	361,129
Property tax allocation from state	14,569,366	14,569,366	14,290,374	(278,992)
Transient occupancy tax	1,589,504	1,589,504	1,812,310	222,806
Utility Users tax	8,524,298	8,524,298	8,135,144	(389,154)
Real property transfer tax	239,232	239,232	429,898	190,666
Admissions tax	330,325	330,325	458,117	127,792
Total taxes	<u>54,649,533</u>	<u>54,649,533</u>	<u>55,220,879</u>	<u>571,346</u>
Licenses and permits				
Business licenses	2,593,914	2,593,914	2,698,782	104,868
Building permits	2,778,462	2,778,462	2,903,621	125,159
Other licenses and permits	631,104	631,104	703,850	72,746
Total licenses and permits	<u>6,003,480</u>	<u>6,003,480</u>	<u>6,306,253</u>	<u>302,773</u>
Fines, forfeitures and property:				
Traffic and parking fines	1,610,843	1,610,843	1,294,515	(316,328)
Other fines, forfeitures and penalties	337,710	337,710	484,711	147,001
Total fines, forfeitures and penalties	<u>1,948,553</u>	<u>1,948,553</u>	<u>1,779,226</u>	<u>(169,327)</u>
Use of money and property:				
Interest on investments	286,512	286,512	247,026	(39,486)
Rents and commissions	637,499	686,499	1,036,854	350,355
Community Center revenue	771,217	771,217	733,304	(37,913)
Total use of money and property	<u>1,695,228</u>	<u>1,744,228</u>	<u>2,017,184</u>	<u>272,956</u>
Intergovernmental:				
Motor vehicle licenses	42,550	42,550	40,296	(2,254)
Other intergovernmental	258,558	258,558	536,779	278,221
Total intergovernmental	<u>301,108</u>	<u>301,108</u>	<u>577,075</u>	<u>275,967</u>
Charges for services:				
Planning and public works	395,542	395,542	439,362	43,820
Recreation	1,482,687	1,482,687	1,538,419	55,732
Other service charges	404,793	404,793	433,775	28,982
Total charges for services	<u>2,283,022</u>	<u>2,283,022</u>	<u>2,411,556</u>	<u>128,534</u>
Other revenues	1,756,668	2,388,625	3,093,676	705,051
Other financing sources	1,632,000	1,632,000	1,833,964	201,964
Total General Fund revenues	<u>\$ 70,269,592</u>	<u>\$ 70,950,549</u>	<u>\$ 73,239,813</u>	<u>\$ 2,289,264</u>

**City of Carson
GENERAL FUND
Schedule of Expenditures – Budget and Actual
Year ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 1,028,248	\$ 1,115,995	\$ 1,049,413	\$ 66,582
City Attorney	1,505,000	2,109,220	2,898,717	(789,497)
Non Departmental	4,251,925	6,003,300	5,991,854	11,446
City Clerk	916,727	1,200,527	1,224,636	(24,109)
City Treasurer	769,261	763,940	754,006	9,934
City Manager	3,802,087	3,810,055	3,761,499	48,556
Administrative Services	6,676,732	6,705,987	6,242,770	463,217
Total General Government	<u>18,949,980</u>	<u>21,709,024</u>	<u>21,922,895</u>	<u>(213,871)</u>
Community Development	5,029,070	5,043,764	4,422,659	621,105
Public Works	15,411,226	15,580,759	14,922,925	657,834
Community Services	31,788,499	32,083,566	31,867,128	216,438
Subtotal current expenditures	<u>71,178,775</u>	<u>74,417,113</u>	<u>73,135,607</u>	<u>1,281,506</u>
Capital Improvement Program	-	5,049,660	5,779,786	(730,126)
Other Financing Uses	-	1,018,204	1,019,060	(856)
Total General Fund expenditures	<u>71,178,775</u>	<u>80,484,977</u>	<u>79,934,453</u>	<u>550,524</u>
Net General Fund expenditures	\$ <u>71,178,775</u>	\$ <u>80,484,977</u>	\$ <u>79,934,453</u>	\$ <u>550,524</u>

City of Carson
CARSON HOUSING AUTHORITY

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015**

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues			
Use of money and property	\$ 531,597	\$ 490,444	\$ (41,153)
Miscellaneous	1,238,000	13,332	(1,224,668)
Total revenues	<u>1,769,597</u>	<u>503,776</u>	<u>(1,265,821)</u>
Expenditures			
Current:			
Community development	<u>4,476,397</u>	<u>2,573,532</u>	<u>1,902,865</u>
Total expenditures	<u>4,476,397</u>	<u>2,573,532</u>	<u>1,902,865</u>
Excess (deficiency) of revenues over expenditures	(2,706,800)	(2,069,756)	637,044
Other financing sources (uses)			
Transfers in	<u>700,844</u>	<u>213,132</u>	<u>(487,712)</u>
Change in fund balance	<u>\$ (2,005,956)</u>	(1,856,624)	<u>\$ 149,332</u>
Fund balances, beginning of year		<u>32,568,674</u>	
Fund balances, end of year		<u>\$ 30,712,050</u>	

City of Carson
COOPERATION AGREEMENT BOND PROCEEDS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues			
Use of money and property	\$ -	\$ 34,575	\$ 34,575
Total revenues	<u>-</u>	<u>34,575</u>	<u>34,575</u>
 Expenditures			
Current:			
Community development	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	-	34,575	34,575
 Other financing sources (uses)			
Transfers in	-	40,057,886	40,057,886
 Change in fund balance	<u>\$ -</u>	<u>40,092,461</u>	<u>\$ 40,092,461</u>
 Fund balances, beginning of year		<u>-</u>	
 Fund balances, end of year		<u>\$ 40,092,461</u>	

City of Carson
Schedule of Funding Progress – Other Postemployment Benefit Plan
June 30, 2015

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)
7/1/2010	\$ -	\$ 50,765,291	\$ 50,765,291	0%	\$ 27,107,068	187%
7/1/2011	-	48,138,659	48,138,659	0%	25,455,297	189%
7/1/2013	7,287,038	48,365,461	41,078,423	15%	23,621,000	174%

City of Carson
California Public employees' Retirement System – Miscellaneous Plan
Schedule of Changes in the Net Pension Liability And Related Ratios
Last Ten Years*

Measurement Period	2013-14
Total Pension Liability	
Service Cost	\$ 4,634,164
Interest on total pension liability	16,199,814
Differences between expected and actual experience	—
Changes in assumptions	—
Changes in benefits	—
Benefit payments, including refunds of employee contributions	<u>(9,448,777)</u>
Net change in total pension liability	11,385,201
Total pension liability - beginning	218,404,819
Total pension liability - ending (a)	<u>\$ 229,790,020</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 6,276,475
Contributions - employee	2,460,111
Net investment income	25,449,700
Benefit payments	<u>(9,448,777)</u>
Net change in plan fiduciary net position	24,737,509
Plan fiduciary net position - beginning	<u>143,635,495</u>
Plan fiduciary net position - ending (b)	<u>\$ 168,373,004</u>
Net pension liability - ending (a)-(b)	<u>\$ 61,417,016</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.27%</u>
Covered - employee payroll	<u>\$23,683,572</u>
Net pension liability as percentage of covered-employee payroll	<u>259.32%</u>

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

Changes in assumption - There were no changes in assumptions as of the measurement date, June 30, 2014.

* Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

City of Carson
California Public employees' Retirement System – Miscellaneous Plan
Schedule of Plan Contributions
Last Ten Years*

	2015
Actually determined contributions	\$ 6,276,475
Contributions in relation to the actuarially determined contributions	<u>(6,276,475)</u>
Contribution deficiency / (excess)	<u>\$ -</u>
Covered-Employee Payroll	<u>\$23,683,572</u>
Contributions as a percentage of Covered-Employee Payroll	<u>26.50%</u>

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Asset valuation method	15 year Smoothed Market
Inflation	2.75%
Salary increases	Varies by Entry age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense and administrative expenses including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Budgetary Control and Accounting

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

- Early in the calendar year, the Directors 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.