



Comprehensive
Annual Financial Report

Year Ended June 30, 2013

CITY OF CARSON, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

PREPARED BY:
THE ADMINISTRATIVE SERVICES DEPARTMENT

JACQUELYN ACOSTA
DIRECTOR OF ADMINISTRATIVE SERVICES
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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INTRODUCTORY SECTION

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**





CITY OF CARSON

December 30, 2013

Honorable Mayor and Council members
of the City of Carson, California:

It is my pleasure to present to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013 of the City of Carson, California, which consists of management's representation concerning the finances of the city. Responsibility for the completeness and reliability of all the information included in the report rests with management. To provide a reasonable basis for making these representations, management has established an internal control system which is designed to achieve reasonable, but not absolute, assurances that the assets of the City are protected from loss, theft or misuse, and that sufficient, reliable information is compiled to aid in the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP) in the United States. The concept of reasonable assurance recognizes that the costs of internal controls should not outweigh the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgment by management. To the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

THE REPORTING ENTITY

The financial reporting entity includes all the funds and capital assets of the primary government (i.e., the city of Carson as legally defined), as well as its component units that are legally separate entities for which the primary government is financially accountable. Component units are, in substance, part of the primary government's operations and are included as part of the primary government. The Carson Redevelopment Agency (Agency) was previously included within the reporting entity of the City as a blended component unit until June 30, 2011. However, on December 29, 2011, the California Supreme Court upheld Assembly Bill 1x 26 (the Bill) that provides for the dissolution of a redevelopment agency. In accordance with the provision of the Bill, the City elected to serve as the Successor Agency. Accordingly, beginning with fiscal year ending June 30, 2012, the dissolved Carson Redevelopment Agency was excluded from the City-wide financial statements and reported as fiduciary fund. The Carson Housing Authority, which was established to carry out the housing function of the dissolved Carson Redevelopment Agency, was reported as a blended component unit.

CITY PROFILE

Carson was part of a Spanish Land Grant known as Rancho San Pedro deeded to Juan Jose Dominguez over 200 years ago. During the incorporation process, the community was named after George Henry Carson, a member of the Dominguez family. "Dominguez" was a close second to "Carson" as the name for the newly incorporated city. The city adopted the motto of "Future Unlimited." Part of the reason for that statement of unbridled optimism was the city's strategic location and abundant vacant land.

Located in the South Bay section of Los Angeles County, Carson has grown from a population of approximately 61,000 in 1968 to 92,196 in 2013. Over the years, three annexations have increased the City's size to 19.2 square miles. Steady and continued growth has enabled Carson to become a city of regional significance. In FY 1998/99, Carson's assessed valuation was \$7.4 billion. Ten years later, the assessed valuation on secured and unsecured properties has grown to \$13.5 billion. Carson has been included in the top 20 highest valued cities in the county since 1998, according to the annual report of the Assessor's Office of the County of Los Angeles. For 2013, the city of Carson is ranked the 11th highest in assessed value of all Los Angeles County cities, recording a total of \$13.2 billion.

Form of Government

The City of Carson ("City") was incorporated as a General Law city on February 20, 1968. The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the governing council, which consists of an elected Mayor and four Councilmembers. The Council is elected on a nonpartisan basis. The Mayor is elected to a four-year term. Councilmembers are elected to four-year, staggered terms with two Councilmembers elected every two years. The City Council is responsible for, among other things, setting City policies, adopting ordinances and resolutions, adopting the budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and directives of the Council, for overseeing the day-to-day operations of the City, and for appointing the directors and officers of the City's departments.

The City provides a broad range of services, including construction and maintenance of highways, streets and infrastructure, planning and zoning activities, public transit, recreational activities and cultural events for all ages. The City of Carson contracts with the County of Los Angeles for police protection and building and safety services. Library services, fire protection and sewer services are provided by appropriate agencies of the County of Los Angeles. The City's educational needs are served by the Los Angeles Unified School District and some private schools. Solid waste collection and disposal, gas, water, electric and communication services are provided by private companies.

Of regional significance is the California State University, Dominguez Hills (CSUDH), which is located within the City of Carson. Established in 1960, CSUDH offers an impressive variety of bachelors and masters degree programs. The campus includes a privately financed 85-acre national training center known as the Home Depot Center. The center features a state-of-the-art 27,000-seat soccer stadium, a 13,000-seat professional tennis stadium, a 4,800-seat track and field facility (expandable to 20,000), 18 tennis courts, five soccer training fields, and an indoor cycling velodrome.

While Carson is well known as an industrial center with unparalleled access to transportation and the Pacific Rim, it is also a culturally diverse community that is an attractive place to live and work.

ECONOMIC CONDITION AND OUTLOOK

The City of Carson has had a healthy financial position for many years. But due to the economic downturn in the housing market and the overall economic crisis facing the nation in 2008, the general fund balance fell 13% from \$20.8 million in FY 2008/09 to \$18.2 million in FY 2009/10; however, the fund balance has steadily increased from \$23.5M in FY 2010/11 to \$36.4M in FY 2012/13 due to City-wide effort to cut costs and better than projected overall revenues. Total actual 2013 general fund revenues came in at \$7.3 million or 11% more than the projection as a result of positive budget to actual variances in sales and use tax revenues by \$5.3 million (26.6%) and other revenues by \$2.9 million (285%), which came from one-time distributions of money from the dissolution of redevelopment agencies. With regards to 2013 general fund expenditures, actual of \$67.4 million were 3.8% less than the final budget of \$70.1 million. Community services comprised

43.4% of the total general fund expenditures. As of June 30, 2013, the general fund balance stood at \$36.4 million which represents 52% of the \$70.1 million adopted operating budget for that year.

Although the general fund balance increased for the current year, the City continues to keep a lean budget as the major revenue sources of the City continue to face challenges. The increase in the projection of the sales tax will be diluted by the reduction in other major revenue sources. Sales taxes and property taxes continue to be the major revenue sources, bringing in \$25.2 million and \$15.6 million, respectively, in FY 2012/13. The sources of revenues were used primarily for the Community Services Department, which account for \$34.0 million of the \$97.2 million total governmental funds expenditures. This Department consists of the Public Safety, Parks and Recreation, Transportation and the Human Services Divisions plus the Community Center, all tasked with the delivery of essential services such as police protection, recreation facilities, transportation and social services.

The economic downturn and dissolution of redevelopment agencies state-wide have created financial challenge to local governance. While the City seems to be recovering slowly, there are still lingering impacts from the recession, especially in the housing market. In addition, the dissolution of redevelopment agency cut the City's revenue stream by approximately \$28 million per year in tax increment revenues. Therefore, tough policy decisions remain, which will require that we identify our highest priorities and make wise resource allocation choices.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Public Safety

One of the City Council's top priorities continues to be public safety. This is demonstrated by the City's goal to increase the actual and perceived level of public safety and to make our neighborhoods, businesses, and parks safer for all citizens. Cognizant of the fact that the City's continued growth and prosperity depends on the realization of this goal, the City Council approved a unique, Carson-exclusive, Park Safety Plan that calls for the deployment of sheriff deputies specifically at the City's parks. The park enforcement team has issued 100 citations and made 250 arrests, and continues to ensure a safe environment at our parks.

The City's Code Enforcement program continues to respond to and resolve numerous service requests on a daily basis. The Youth Services division, in cooperation with the Sheriff's Department, continues to promote public safety and crime prevention through the administration of a number of proactive programs such as "Youth and the Law," the "Parent Project", "Positive Choices", and "Anger Management for Teens," all designed to reduce crime through preventative and educational efforts. The City also enforced seatbelt and Driving Under the Influence (DUI) checkpoint activities. These checkpoint activities resulted in 6 DUI arrests, 175 citations issued, and 64 illegally-driven vehicles removed from City streets through checkpoints conducted throughout the year. The success in the city-wide area of law enforcement can be summarized as follows: 81 DUI arrests, 6,527 citations issued, and 1,558 illegally-driven vehicles removed from City streets throughout the year.

Parks and Recreation

The Parks and Recreation division operates 12 parks, 4 swimming pools, 3 mini-parks, a boxing center, 2 indoor sports complexes, and a skate park. Recent park and recreation improvements include the renovation of Del Amo Park and the redesign of the standardized irrigation system for our parks. The City has also undertaken a significant park-related capital improvement project known as the Carson Park Master Plan project. It is an 11-acre park and recreation facility, which will include a new recreation building, ball fields, a gymnasium and various activity rooms.

The Congresswoman Juanita Millender-McDonald Community Center renovated in 2003 is a 73,000 square-foot facility used as a meeting center for community and business sponsored events. The

Community Center houses both the Senior Technology Center, which provides computer services for the senior populace, and the improved Early Childhood Educational Center. These park and facility improvement projects, coupled with park security efforts, demonstrate the City's continued effort to provide its residents with an enhanced quality of life.

Infrastructure

On the average, about 400,000 cars travel daily by freeway through Carson's City limits and major thoroughfares. Although this provides great opportunities for community exposure, this traffic places an intense demand on the City's infrastructure. To respond to infrastructure demands, the City has undertaken several major street and transportation projects. Such projects include: the extensive street improvements on the stretch of Broadway Street from Main Street to Alondra Boulevard, and on Central Avenue from Del Amo Boulevard to University Drive, and modifications of the I-405 interchange both at Wilmington Avenue and Avalon Boulevard to improve traffic operation and safety.

The City's Development Services Work Group continues to pursue alternate financing sources for infrastructure improvements by utilizing available Federal, State and County grants, as well as maximizing the use of its gas tax and dedicated sales tax revenues for street maintenance projects thereby making it possible to dedicate general fund monies to the delivery of other essential public services.

Housing and Economic Development

Continuing to be the forefront of the City's economic development initiative is the Boulevards at South Bay, a development of up to 2 million square feet of ultra-modern, mixed-used facilities with a wide array of restaurant and entertainment venues, big box retail stores, a hotel with a conference center and more than 1,000 residential units either for ownership or for rent. This project is expected to generate sales tax and other revenues, and create job opportunities for the residents of the City.

The low tax rates have contributed to the marketability of Carson to businesses. There are large modern petro-chemical facilities (e.g. BP Arco, Tosco Refining, Shell), electronics manufacturers (e.g. Sony, Kenwood, Pioneer, Sansui), automobile dealers (e.g. WIN Chevrolet, Toyota, Honda, Nissan, Back In the Days), aerospace companies (e.g. In-Eros Corporation, Northrop), trucking companies (e.g. Southwest Trails, Proceed USA, USC Intermodal Services Inc.), retail stores (e.g. IKEA, Sears, JCPenny, Target, Home Depot, Old Navy, Children's Place and Staples) and restaurants (e.g. Chili's, Panera Bread, Tony Romas, Olive Garden) within the City. Many have stayed and expanded (e.g. Pioneer Video, Leiner Products). The City Council's emphasis on quality developments – both commercial and residential – along with a city-wide beautification effort, have had a positive impact on the City. In recent years, well-known builders have chosen Carson as a location for their projects. Residential developments include the following recently completed and ongoing projects:

1. 12 single-family houses – 2535-2569 E. Carson Street
2. 40 unit apartment complex – 21227 Figueroa Street
3. 65 unit apartments – 425 E. Carson Street
4. 152 for-sale houses – 616 E. Carson Street
5. 40 unit apartments – 407-409 E. Carson Street
6. 150 unit market rate luxury apartments – 21720-21814 Avalon Blvd.
7. 86 unit senior apartments– 708-724 E. Carson Street

Although redevelopment had effectively ceased as of July 2011 and dissolved as of February 1, 2012, Carson continues the effort to sustain the demand for commercial development. The Carson Redevelopment Agency ("Agency") had been involved in purchasing land and facilitating development that increases the general fund revenue, creates shopping opportunities for residents, adds to the existing housing stock and removes blighted and contaminated sites. City and Agency accomplishments toward that goal are described below.

Auto Row

The expansion of the Carson Auto Row on 223rd Street along the I-405 Freeway, formerly a Brownfields site includes a new Nissan franchise with a state-of-the-art facility; a new Honda facility; the former Cormier Chevrolet dealership, now Win Chevrolet; Cruise America, a recreational vehicle rental business; the upgraded Carson Toyota dealership; and the former Altman's Winnebago recreational vehicle dealership, now the new site of Carson Car Pros Kia dealership.

Porsche Experience Center – 19800 Main Street

In November 2011, Porsche announced that City of Carson will be the future home of the Porsche Experience Center (PEC), a specialized vehicle experience center, one of two in the country and the fifth in the world. The 53-acre will sit mostly on the now-closed Dominguez Hills Golf Course (by I-405 freeway), formerly a landfill area. The project is located right next to the Boulevards at South Bay project, which will have enormous amounts of residential, hotel, retail, entertainment, and office space. The PEC will feature a state-of-the-art test track, driving skills course, simulators, a Porsche showroom, a retail facility for high-performance auto parts, and a restaurant, among others. Porsche will also move its North American offices from Santa Ana to the Carson site.

The Los Angeles County Economic Development Corporation estimated that the construction of the project will generate \$45.5 million in additional economic activity in Southern California, while the ongoing operations will generate \$22.5 million annually. The Porsche Experience Center is projected to be completed in 2014.

The following is a full account of the ongoing activities throughout the City geared at achieving economic gains for Carson.

- The Boulevards at Southbay (formerly Carson Marketplace): In FY 2008/09, the Agency provided approximately \$39 million assistance for site remediation. Total financial assistance granted to the Developer as of June 30, 2013 amounted to \$69.5 million. As of same date, total assessed value of the property increased to \$47.2 million or a seven-fold increase compared to 2006's \$6.6 million. Once completed, the development is expected to exceed an assessed value of \$950 million. Remediation of the Boulevards site, which is located on Del Amo Boulevard west of the I-405 freeway, is about 65% complete.
- 17505 S. Main Street: After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold, with the proceeds to be turned over to the State.
- 401, 425, 437 E. Carson Street: The Agency entered into a Disposition and Development Agreement (DDA) with The Related Companies for development of a 65-unit workforce housing apartment complex. The project was successfully completed in June of 2012. The second phase will be located at 401 E. Carson Street with a 40-unit affordable apartment community
- 20802 S. Main Street: After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold, with the proceeds to be turned over to the State.
- 22020 Recreation Road. The Agency had a loan with the owner of this property, which was used for the sale of recreational vehicles. In the summer of 2011, when the owner defaulted on the Agency's loan, as well as two other loans with two different banks, in accordance with the terms of the Agency's loan agreement with the owner, the Agency foreclosed on the property. To do so meant that the Agency had to also acquire the other two bank loans first,

which it did. At this point in time this was now a Successor Agency property and acquisition of the property was in keeping with the law to maintain the value of such properties prior to disposing of them.

Because the property is along the I-405 freeway it is well suited for operation as an auto dealership. A local KIA automobile dealership asked to purchase the site from the Agency at fair market value and the Agency sold the property to the dealership in September 2012 for the appraised fair market value. The dealership, Car Pros, will transition its operation from its existing off-freeway location to the new site which should substantially increase its exposure and sales.

- Cormier Chevrolet: In accordance with the terms of the DDA the Agency resold the land and improvements back to Win Chevrolet in December 2011 for the then fair market appraised value.
- 2254 E. 223rd Street: There is a seven-year BP purchase option on the remnant 5.0-acre Agency property which is due to expire on November 15, 2012. After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold when the option expires, with the proceeds to be turned over to the State.
- 2403 E. 223rd Street: After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold, with the proceeds to be turned over to the State.
- 2535 E. Carson Street: The former redevelopment agency entered into a DDA, in June of 2011, with the Olson Company for purchase of the property and development of 12 single family detached, affordable residential units. The Construction started in summer of 2012.
- 616 E. Carson Street: The Agency entered into a DDA with CityView in February 2011. Plans call for a development of a mixed-use commercial/retail and residential project consisting of approximately 13,000 square feet of ground floor retail space and one hundred fifty-two (152) for-sale residential units. Fifteen percent (15%) of the residential units will be sold to qualified affordable buyers. Construction is expected to start in the first half of 2013.
- 21208 Shearer Street: After receiving a No Further Action letter from the Regional Water Quality Control Board (RWQCB) to allow for the development of a passive park the Agency hired AHBE landscape architects to design a passive park for the site. The park was completed in January 2012.
- 21009 S. Prospect Avenue: The property was assembled with contiguous parcels for a site with a total developable area of 1.55 acres. Because the property was purchased with Agency low-mod housing set-aside funds and intended for residential development, it, along with the rest of the contiguous property, was transferred to the Carson Housing Authority rather than the Successor Agency. A suitable developer will be sought.
- 21521 Avalon Boulevard: After the State's dissolution of redevelopment in California, this property was transferred to the City's Housing Successor Agency, which is the Carson Housing Authority (Authority). Unlike property held by the Successor Agency, property transferred to the Authority is subject to Authority law and shall be developed in accordance thereto. The Authority will consider development possibilities until one is selected.
- Carson City Center: Phase II (known as The Renaissance at City Center) began construction in Fall 2010 and includes: 150 market-rate rental housing units (1, 2 and 3 bedroom), 25,000 square feet of lifestyle-oriented shops, and subterranean parking. Unfortunately, there was a large fire at Phase II in October of 2011. The fire set the

completion of the project back and now Phase II construction is now slated for completion in Fall 2013.

- 21607 S. Main Street - A new 3,675 square foot building for retail/restaurant use is proposed to be constructed in the parking lot along Main Street and in front of the Seafood City grocery store. The Planning Commission approved the development plan on June 26, 2012.

Community Awareness and Communication

Recognizing that an informed citizenry is an asset to City government, the City of Carson has been proactive in providing public access to information. The Public Information division of the City Manager's office supplies a variety of information to Carson residents, including information on transit services, demographics, upcoming events, as well as the production and distribution of publications pertaining to Carson. Major publications include the quarterly issues of the Carson Report, which present both information about city government and the community. Additionally, the City maintains a website at <http://ci.carson.ca.us>, which contains a wealth of information about the City, and including information about employment opportunities, job training, youth services, local events, council and commission meetings, as well as providing links to other related websites. Moreover, through the website, the public can watch the live broadcast of City Council meetings on video stream, from practically anywhere in the world.

Beautification/Green Task Force

As no economy can thrive without an effective infrastructure, no community can continue to grow and prosper without continual efforts to imbue a sense of pride in its citizenry. To this end, the Public Works Department has been working diligently to improve the City's appearance. For example, street maintenance crews routinely replace street name signs, remove weeds on City property, maintain and monitor approximately 2,000 City trees, and strive to maintain zero potholes throughout the City. The Landscape and Building Maintenance Division is responsible for the City's graffiti abatement program, as well as the maintenance of all of the City's buildings, facilities and landscaped grounds. These crews are out daily making sure that all City facilities and landscaped grounds are kept in tip-top shape. The Community Development Department also strives to create a more beautiful Carson by administering such programs as "Neighborhood Pride" and the "Business Beautification Program." Additionally, they work with numerous developers and landowners to revitalize old, and/or build new, commercial, industrial and housing projects in the City.

The City has also formed a "Green Task Force" to identify "green" programs and create an environmental action plan in an effort to support the local and global environment. The following are examples of energy-saving projects completed in recent years:

- Utilized solar energy as an 85 Kilowatt contribution system to the Community Center, which produced renewable energy.
- Converted all lighting to LED at the Community Center parking and walk areas, which reduces energy usage and provides a cleaner and brighter light for patrons.
- Installed retro lighting throughout the City, which reduced energy consumption. The Corporate Yard project reduced 40% of the electricity usage in the Gary Steel building.
- Participated annually in the Southern California Edison Demand Bid program, which reduces energy consumption.
- Installed Cal-sense irrigation system in all City facilities with Smart Clocks and Smart Valves, which reduces water usage by approximately 26%.

The City is currently working on more energy-saving projects including 1) installing an ocean-friendly garden system for aesthetics and reduction of water usage, 2) installing the "Cool" roofs for City facilities, and 3) implementing a turf reduction program throughout City facilities.

In 2012, the City made the Silver level in the SCE rating, which is projected to reach the Gold level. The City also received an award for the solar project at the Community Center and has been

selected to receive the Beacon Award for Energy Conservation. The Engineering Division is currently working on several energy efficiency projects to prepare them to participate in the 2014 World Wildlife Fund's Earth Hour City Challenge. Among these projects are:

1. Carson Street median street lights – Upgrade to LED lights
2. City-wide median street lights – Upgrade to LED lights
3. City-wide safety lighting (on traffic signals) – Upgrade to LED or Induction Lighting
4. Lighting at City parks
5. Solar power projects
6. Feasibility of purchasing SCE-owned street lights

The City of Carson is a leader in the South Bay area in the Energy Conservation program.

FINANCIAL INFORMATION

The officials having direct responsibility for the financial administration and management of the City are the City Treasurer, the Director of Administrative Services and the Finance Officer. Fiscal operations include general accounting, financial reporting, treasury and investment management, business license, payroll, accounts payable, accounts receivable, procurement of supplies and services, budget preparation and monitoring and information technology.

Financial Report Preparation

The City has presented its CAFR in accordance with Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements for State and Local Governments since June of 2003. The GASB is the authoritative body in establishing U.S. generally accepted accounting principles for state and local governments. GASB 34 financial reporting requirements for state and local governments throughout the United States aim to make annual reports more comprehensive, easier to understand and more useful. In addition, this financial reporting model hopes to improve government's accountability in financial reporting and provide additional information for decision-making.

GASB also issued Statement No. 44 which applies to state and local governments preparing a statistical section accompanying basic financial statements. In compliance with this requirement, the City has included the following information categories in the Statistical Section of its CAFR: (1) financial trends, (2) revenue capacity, (3) debt capacity, (4) demographic and economic information, and (5) operating information. While the City was not able to present the 10-year historical information on some schedules, it was able to provide data extracted from government-wide financial statements retroactively from the City's year of GASB implementation in June 2003.

Beginning with FY 2008/09, the City was required to comply with another GASB pronouncement, GASB Statement No. 45, which requires accrual accounting for the expensing of other post-employment benefits (OPEB). The expense is generally accrued over the working career of employees, rather than on a pay-as-you-go basis. Based on the analysis prepared by an actuarial consultant, the City's net increase in its OPEB obligation at June 30, 2013 is \$675,933, after applying the contributions made during the fiscal year of \$5,023,239 from the annual OPEB cost of \$5,699,172. The net OPEB obligation at June 30, 2013, is \$15,738,726. Additional information can be found in Note 9 to the basic financial statements of this report.

Beginning with the fiscal year ended June 30, 2011, the City classified its fund balance components in accordance with GASB 54 - Fund Balance Reporting and Governmental Fund Type Definitions, segregating its fund balance into spendable and non-spendable resources.

Finally, beginning with the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14*; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Single Audit

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including a schedule of Federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report.

As a recipient of Federal, State and local financial assistance, the City's internal control structure must also ensure, as well as document, compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, staff and the independent auditors.

Independent Audit

The Carson Municipal Code requires an annual audit by independent certified public accountants. Through a selection process, the City awarded the audit contract to Vasquez & Company, LLP, beginning with the fiscal year ended June 30, 2010. The auditors' report on the government-wide financial statements, and individual fund statements and schedules, is included in the financial section of this comprehensive annual financial report. The report expresses the auditor's unqualified opinion as to the fair presentation, in all material respects, of the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carson for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principle and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The Finance staff of the Administrative Services Department continuously strives to enhance the quality and ensure the integrity of the financial information provided to elected officials, management and staff, as well as to the citizens of the great City of Carson. I would also like to sincerely thank Vasquez & Company, LLP. Staff for their technical expertise, their sage advice and their assistance in the preparation of this document. Finally, I would like to express my gratitude to the Mayor, the members of the City Council, and the City Manager for their interest and support towards conducting the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,



Jacquelyn Acosta

Director of Administrative Services

CITY OF CARSON ELECTED OFFICIALS

FISCAL YEAR 2012/13



Jim Dear
Mayor



Elito M. Santarina
Mayor Pro Tem



Mike A. Gipson
Councilmember



Lula Davis-Holmes
Councilmember



Albert Robles
Councilmember



Donesia L. Gause
City Clerk



Karen Avilla
City Treasurer

CITY MANAGEMENT

Jacquelyn Acosta
Acting City Manager

Jacquelyn Acosta
Director of Administrative Services

Clifford W. Graves
Director of Community Development

Raymond R. Cruz
Director of Community Services

Farrokh Abolfathi
Director of Public Works/City Engineer

City of Carson

Position Statement

Carson is a vibrant city with a small town atmosphere where relationships are important. This is clearly visible throughout the community, from the stable single family neighborhoods, which make up nearly eighty percent of the City's residences, to the partnerships between businesses and volunteer-driven agencies, which strengthen the City's remarkable social fabric.

The social composition of Carson is California miniature. It is a city with a balanced ethnic and cultural mix living together in harmony and prosperity.

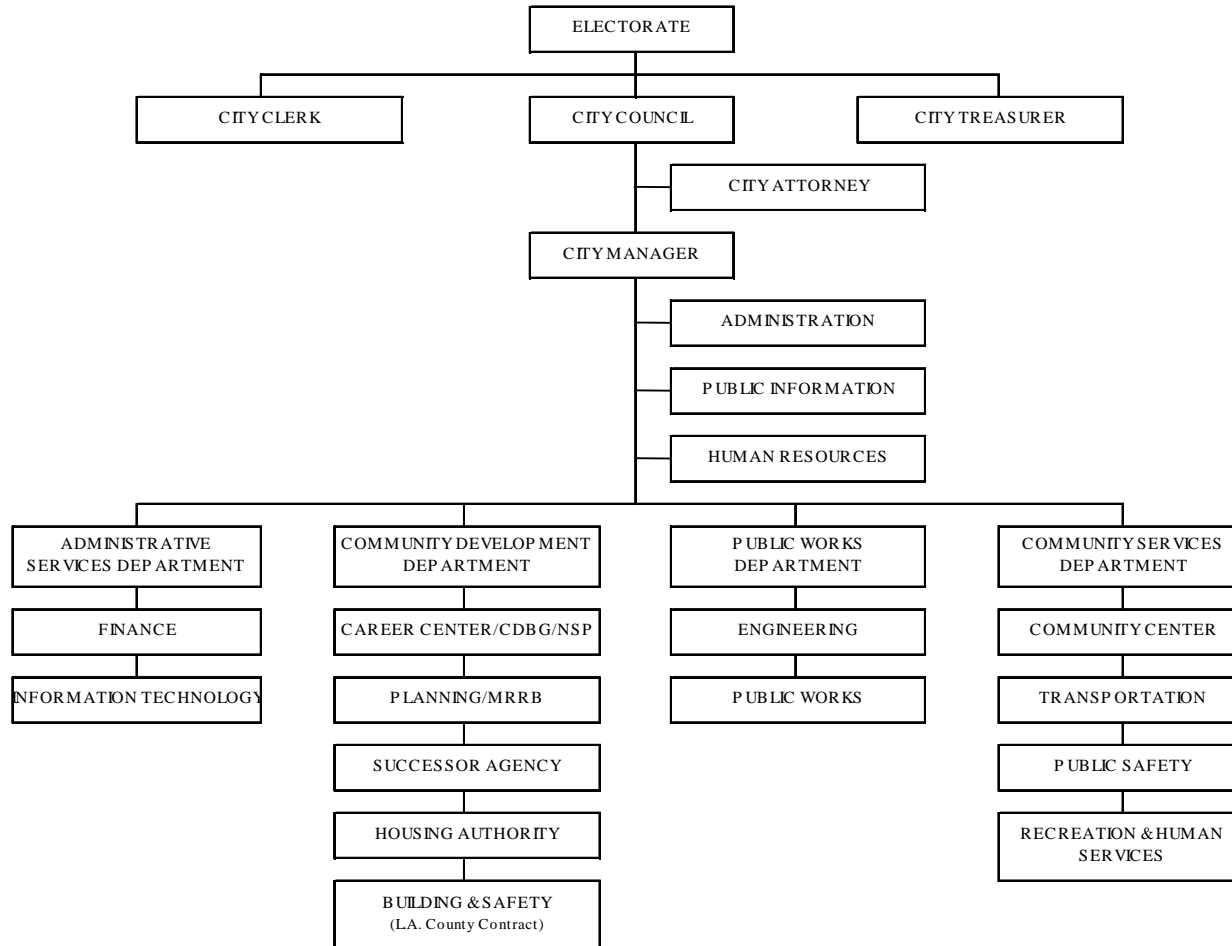
The community takes pride in the large percentage of Carson students who attend college, many to California State University, Dominguez Hills, a valuable asset to the City.

Carson's strategic position in the heart of the powerful economic engine that is Southern California attracts international corporations, which recognize the City's bright future. The City's proximity to the West Coast's two major ports, as well as its intersection by four Southland freeways, makes it a major gateway to the Pacific Rim.

We, the people who live and work in Carson, take pride in our City and will continue to build relationships which ensure that future.

CITY OF CARSON

ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Carson
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



REPORT OF INDEPENDENT AUDITORS

**The Honorable Mayor and the Members of the City Council
City of Carson, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carson, California (the City), as of and for the year ended June 30, 2013, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carson, California, as of June 30, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 and budgetary comparison information and schedule of funding progress for pension and other postemployment benefits plan on pages 66 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carson's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the City of Carson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Carson's internal control over financial reporting and compliance

Vargus + Company LLP

**Los Angeles, California
December 30, 2013**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



In accordance with Government Accounting Standards Board (GASB) Statement No. 34, the management of the City of Carson ("City"), offers readers of the City's financial statements this narrative overview and analysis of the financial activities and performance of the City for the fiscal year ended June 30, 2013. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- The assets of the City exceeded its liabilities at June 30, 2013 by \$371.3 million. This amount is referred to as the net position of the City. Of this amount, \$296.9 million represent net investment in capital assets, \$62.1 million is restricted, and \$12.4 million is unrestricted.
- The City's net position decreased by approximately \$18 million during the fiscal year as a result of total expenditures exceeding total revenues by \$18 million. For FY 2012/13, revenues decreased by \$9.9 million while expenditures increased by \$9.5 million over the FY 2011/12 levels. The majority of the overall decreases in revenues are related to the passing of AB 1X 26, which approved the dissolution of redevelopment agencies as of February 1, 2012. Property tax increment revenues are now being distributed to the Successor Agency to the former Redevelopment Agency, which is now reported as a Private-purpose Trust Fund. Grants and contributions also decreased during the year because of completion and closure of ARRA grants during the last fiscal year. Expenditures increased during the year due to the elimination of reimbursements from Redevelopment Agency to offset the cost of administering redevelopment activities.

Fund Financial Statements

- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$79.2 million, a decrease of \$7.5 million over the prior fiscal year's restated fund balance due to the dissolution of redevelopment agency. Approximately \$6.7 million (8.5%) of the \$79.2 million balance is unassigned and is available for spending at the government's discretion.
- As of June 30, 2013, the total fund balance of the City's General Fund was \$36.4 million, a \$6.7 million (22.8%) increase from the prior year level of \$29.6 million.
- In the General Fund, revenues exceeded expenditures by \$6.3 million, before other financing sources/uses.
- The City's total long-term liabilities decreased slightly by \$29 thousand for the fiscal year ended June 30, 2013, from \$25.72 million to \$25.69.

Overview of the Financial Statements

This discussion and analysis are an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also consists of supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Position and the Statement of Activities make up the government-wide financial statements. The focus of these statements is the primary government and they exclude information about the fiduciary funds.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

All of the City's activities are considered to be governmental in nature and as a result, no business-type activities are reported in these statements. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, public services, development services, economic development, capital maintenance programs, and interest and other charges.

The government-wide financial statements include the City itself (known as the primary government). The Successor Agency to the Dissolved Carson Redevelopment Agency is reported in the fiduciary fund financial statements.

The government-wide financial statements can be found beginning on page 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of

revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Proposition C Local Return, and the Federal Highway Planning Grant Fund, each of which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the *nonmajor governmental funds supplementary information* section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate its compliance with this budget.

The governmental fund financial statements can be found beginning on page 18 of this report.

Beginning with the fiscal year ended June 30, 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The Statement establishes new fund balance classifications that comprise a hierarchy based on the extent to which a government is bound by constraints imposed upon the use of the resources reported in the governmental fund.

More details on these fund balance classification can be found on Note No. 1 in the Notes to the Basic Financial Statements.

As discussed in Note 1, during the FY 2012/13, the City also implemented the provisions of GASB Statement Nos. 61, 63 and 65.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are custodial in nature and the measurement of operations is not appropriate. Beginning with FY 2011/12, the fiduciary funds include the Successor Agency to the Dissolved Carson Redevelopment Agency.

The fiduciary fund financial statements can be found on page 22 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements follow the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and a comparison of budgeted to actual results for the General Fund. *Required supplementary information* can be found beginning on page 66 of this report.

**City of Carson
Management's Discussion and Analysis
Year ended June 30, 2013**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 73 of this report.

Government-wide Financial Statements Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position was approximately \$371.3 million as of June 30, 2013. Net position decreased by \$18 million, or 4.8%, for fiscal year 2012/13 as explained in the financial highlights at the beginning of the discussion. Assets decreased by \$29.6 million (6.8%) and liabilities decreased by \$11.6 million (26.2%) compared to June 30, 2012, mainly due to the payment of short-term liabilities as of the end of the current year.

By far, the largest portion of the City's net position at June 30, 2013 (\$296.9 million, or 80% of total net position) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table presents a comparison of the net position as of June 30, 2013 and June 30, 2012.

**Summary of Net Position
June 30, 2013 and 2012**

	Governmental Activities		Increase (Decrease)
	2013	2012 (As restated)	
ASSETS			
Cash and other assets	\$ 106,985,730	\$ 131,058,165	\$ (24,072,435)
Capital assets net of accumulated depreciation	<u>296,900,646</u>	<u>302,392,752</u>	<u>(5,492,106)</u>
Total assets	<u>403,886,376</u>	<u>433,450,917</u>	<u>(29,564,541)</u>
LIABILITIES			
Current and other liabilities	6,871,409	18,427,017	(11,555,608)
Long-term liabilities	<u>25,690,723</u>	<u>25,720,201</u>	<u>(29,478)</u>
Total liabilities	<u>32,562,132</u>	<u>44,147,218</u>	<u>(11,585,086)</u>
NET POSITION			
Net investment in capital assets	296,900,646	302,392,752	(5,492,106)
Restricted	62,065,816	84,339,606	(22,273,790)
Unrestricted	<u>12,357,782</u>	<u>2,571,341</u>	<u>9,786,441</u>
Total net position	<u>\$ 371,324,244</u>	<u>\$ 389,303,699</u>	<u>\$ (17,979,455)</u>

A portion of the City's net position, \$62.1 million (16.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12.4 million is unrestricted net position and is available for spending at the government's discretion.

**City of Carson
Management's Discussion and Analysis
Year ended June 30, 2013**

Statement of Activities. Governmental activities decreased the City's net position by \$18 million for fiscal year 2012/13. The total revenue for the fiscal year is \$90 million, which is a decrease of \$9.9 million from the prior year. The total expenses increased by \$9.5 million from \$98.5 million to \$108.0 million. The following table presents the comparative revenue and expenditure data for fiscal years ended June 30, 2013 and 2012.

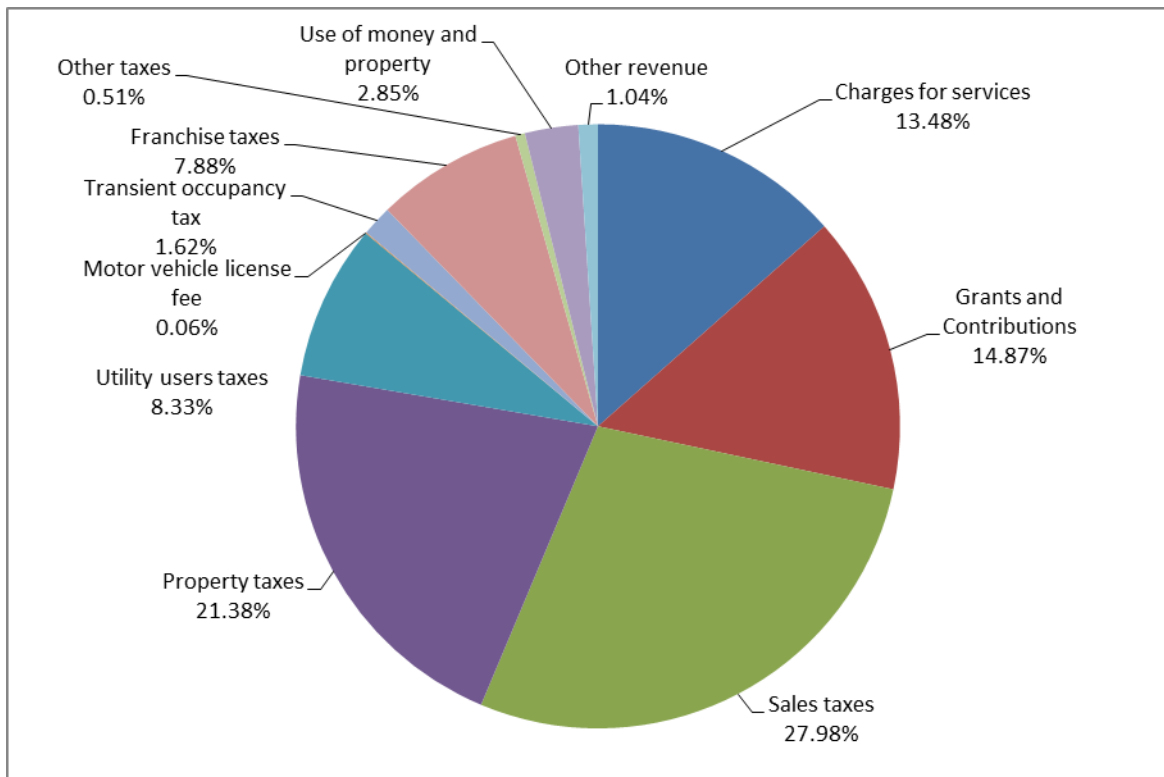
**Statement of Activities
For the Year Ended June 30, 2013 and 2012**

	<u>Governmental Activities</u>		Increase/ (Decrease)
	<u>2013</u>	2012 (As restated)	
Program revenues			
Charges for services	\$ 12,137,769	\$ 14,690,950	\$ (2,553,181)
Grants and contributions	12,895,134	13,483,809	(588,675)
Capital grants and contributions	489,800	3,148,874	(2,659,074)
General revenues			
Taxes			
Sales taxes	25,187,734	20,688,872	4,498,862
Property taxes	19,247,084	28,206,102	(8,959,018)
Utility users taxes	7,495,997	8,016,141	(520,144)
Motor vehicle license fee, unrestricted	50,405	256,016	(205,611)
Transient occupancy tax	1,462,174	1,307,732	154,442
Franchise taxes	7,090,887	7,746,907	(656,020)
Other taxes	463,116	390,600	72,516
Use of money and property	2,568,878	1,763,424	805,454
Other revenue	938,422	195,425	742,997
Total	<u>90,027,400</u>	<u>99,894,852</u>	<u>(9,867,452)</u>
Expenditures			
Governmental activities			
General government	22,049,082	22,940,199	(891,117)
Community development	32,878,975	13,071,236	19,807,739
Public works	15,799,718	14,060,876	1,738,842
Community services	35,247,843	41,684,670	(6,436,827)
Capital maintenance programs	2,031,237	-	2,031,237
Pass-through expenditures	-	1,397,879	(1,397,879)
Interest and other charges	-	5,350,108	(5,350,108)
	<u>108,006,855</u>	<u>98,504,968</u>	<u>9,501,887</u>
Change in net position before extraordinary items	(17,979,455)	1,389,884	(19,369,339)
Extraordinary items	-	(17,923,715)	17,923,715
Change in net position	(17,979,455)	(16,533,831)	(1,445,624)
Net position, beginning, as restated	389,303,699	405,837,530	(16,533,831)
Net position, ending	<u>\$ 371,324,244</u>	<u>\$ 389,303,699</u>	<u>\$ (17,979,455)</u>

Key elements of the significant changes in fiscal year 2012/13 revenues are as follows:

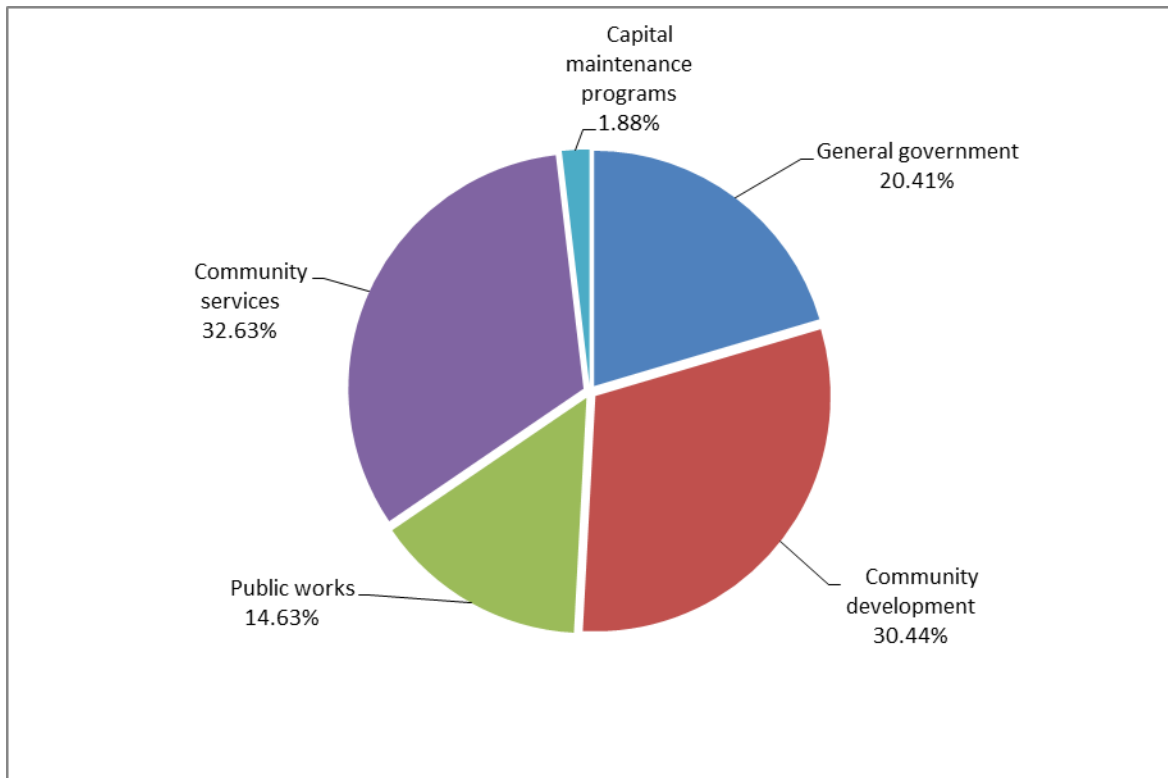
- Property taxes decreased by \$8.9 million due to the dissolution of redevelopment agency. The passage of AB 1X 26 dissolved the redevelopment agency as of February 1, 2012 and assets of the former agency were transferred to the Successor Agency of the Dissolved Carson Redevelopment Agency. Property tax information of the Successor Agency can be found in the fiduciary fund financial statement.
- Sales tax revenues had an increase of \$4.5 million, a 21.7% increase over FY2011/12. In FY2011/12, sales tax had an increase of 22%. This two-year consecutive increase is a sign that the economy is slowly recovering from prior years' economic condition, which had reduced sales revenues throughout the region.
- Miscellaneous revenue increased by \$2 million because of one-time distribution of property tax money that resulted from the dissolution of redevelopment agencies.
- Grants and contributions decreased by \$3.2 million primarily because of the completion and closure of ARRA grants during the FY 2011/12.
- Charges for services decreased by \$2.6 million. The decrease resulted mainly from a decrease in revenue from general government and public services.

Revenues by Source- Governmental Activities



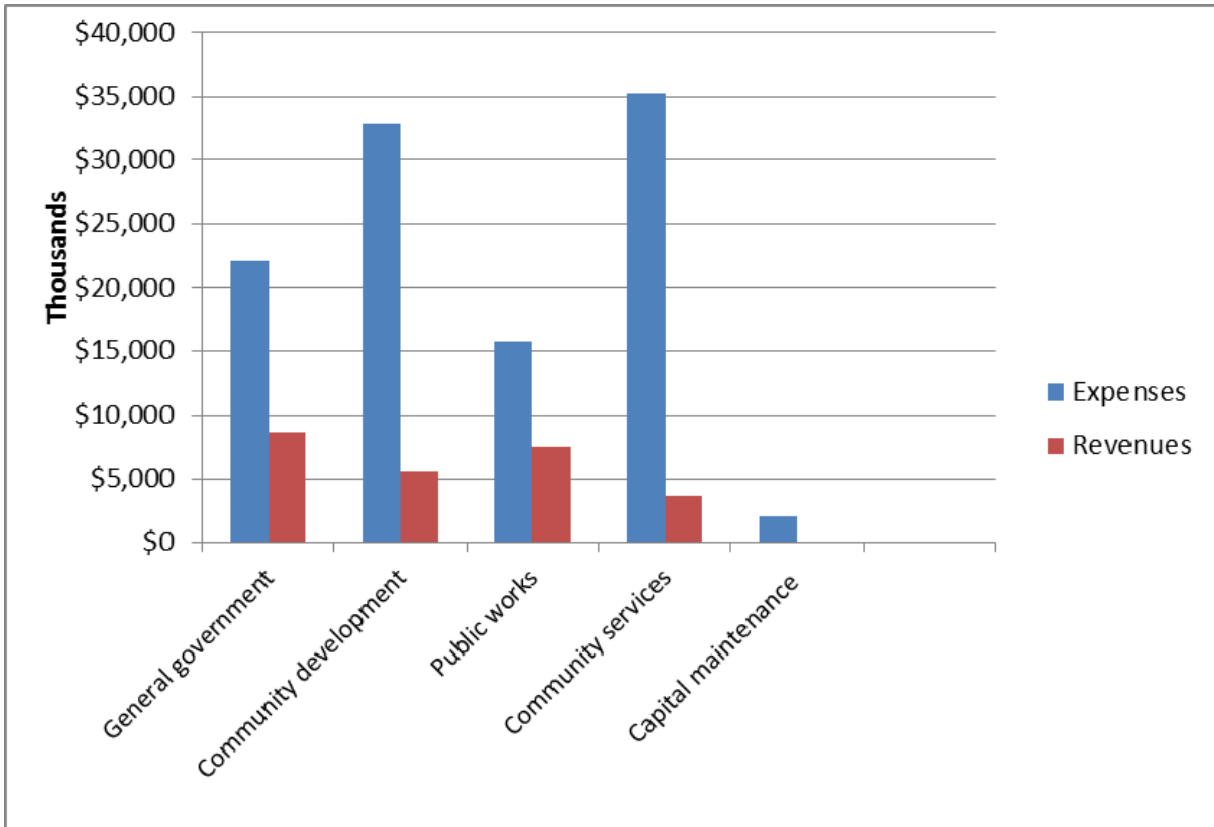
The top seven major revenue sources come from: 1) sales and use taxes – 28%, 2) grants and contributions - 15%, 3) No/low property taxes - 14%, 4) charges for services – 13%, 5) utility users taxes – 8%, 6) franchise taxes – 8%, and 7) motor vehicles in-lieu taxes – 8%. Charges for services, which decreased 17% over prior year, are fees imposed on the user for public safety, public works, youth and adult services provided by the City. Examples of these services include business license application, charges for planning and zoning checks, building code assessments, public works inspections, filing fees, and various parks and recreation program fees.

Expenses by Function



Expenses of the governmental activities totaled \$108.0 million, which is an increase of \$10 million or 10% from the prior year. While most expenses of the various governmental activities increased, the interest and other fiscal charges decreased due mainly to the dissolution of the redevelopment agency. Community services, which account for 33% of total expenses, include the cost of public safety, parks and recreation, transportation, and human services programs.

Governmental Activities Expenses versus Program Revenues



Program expenses exceed program revenues in all categories resulting in an \$83 million deficit for FY 2012/13. The City depends on general tax revenues to fund the operations and program activities.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *restricted fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$79.2 million. The City's governmental funds report a balance of \$6.7 million in its *unassigned fund balance*, which can be spent at the City's discretion. Assigned fund balance reports a total of \$5.1 million which, are set aside for specific purposes. Restricted fund balance of \$36.3 million is subject to externally enforceable legal obligations which, mainly include (1) general fund - \$2.4 million, (2) Housing projects - \$28.6 million and (3) other governmental funds of \$5.2 million.

**City of Carson
Management's Discussion and Analysis
Year ended June 30, 2013**

Non-spendable fund balance of approximately \$9.8 million cannot be spent because they are not in spendable form. These include (1) inventory - \$374 thousand, (2) prepaid assets and loans receivable totaling \$1.2 million and (3) land held for resale of \$8.1 million. Committed fund balance of \$13.7 million, which is set aside for economic uncertainties equates to 20% of the following year's adopted general fund budget, \$90 thousand for reward fund, \$2.5 million for budget stabilization fund and \$4.1 million for contribution to OPEB Trust fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance is \$36.4 million, \$6.7 million of which is unassigned. As a measure of General Fund liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. General Fund unassigned fund balance represents 11.6% of total general fund expenditures of \$66.9 million. The City's General Fund balance increased by \$6.7 million during the current fiscal year. Key factors of this increase were attributed to an increase in revenue during the year. The following table presents the comparative revenue and expenditure data of the general fund for the fiscal year ended June 30, 2012 and 2013:

**General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013 and 2012**

	General Fund		Increase
	2013	2012	(Decrease)
Revenues			
Taxes	\$ 58,039,523	\$ 52,413,906	\$ 5,625,617
Licenses and permits	5,733,199	6,127,567	(394,368)
Fines and forfeitures	1,890,301	1,972,907	(82,606)
Charges for services	118,040	2,504,288	(2,386,248)
Intergovernmental	2,122,974	416,903	1,706,071
Use of money and property	1,261,475	1,098,287	163,188
Miscellaneous	3,987,743	890,761	3,096,982
Total revenues	73,153,255	65,424,619	7,728,636
Expenditures			
Current:			
General government	20,120,174	20,690,955	(570,781)
Interfund reimbursement	-	(5,198,738)	5,198,738
Community development	3,889,965	1,435,078	2,454,887
Public works	13,211,613	7,943,400	5,268,213
Community services	29,249,568	35,115,221	(5,865,653)
Capital improvement programs	407,452	495,902	(88,450)
Total expenditures	66,878,772	60,481,818	6,396,954
Excess (deficiency) of revenues over expenditures	6,274,483	4,942,801	1,331,682
Other financing sources (uses)			
Transfers in (Note 6)	1,014,636	1,177,316	(162,680)
Transfers out (Note 6)	(540,014)	(2,503)	(537,511)
Net other financing sources (uses)	474,622	1,174,813	(700,191)
Change in fund balance	6,749,105	6,117,614	631,491
Fund balance, beginning of year	29,618,905	23,501,291	6,117,614
Fund balance, end of year	\$ 36,368,010	\$ 29,618,905	\$ 6,749,105

General Fund Budgetary Highlights

In the General Fund, differences between the original budget and the final amended budget resulted in an increase in appropriation of \$3.7 million due to increases in community services and general government categories.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$296.9 million (net of accumulated depreciation of \$188 million) as of June 30, 2013. This investment in capital assets includes land, buildings, improvements other than building, infrastructure (roads, sidewalks, streetlights, etc.), and machinery and equipment.

**(Net of Accumulated Depreciation)
June 30, 2013 and 2012**

	2013	2012
Land, land right and improvements	\$ 92,936,028	\$ 92,936,028
Buildings and improvements	19,676,548	20,459,885
Machineries and equipment	2,547,423	2,884,618
Infrastructure	166,582,200	170,171,096
Construction in progress	15,158,447	15,941,125
Total	\$ 296,900,646	\$ 302,392,752

Additional information on the City's capital assets can be found in note 4 to the basic financial statements of this report.

Debt Administration. At the end of the current fiscal year, the City had no outstanding bonded debt outstanding as these are now part of the dissolved redevelopment agency reported in the fiduciary fund financial statement. The City has a net OPEB obligation of \$16.9 million as of June 30, 2013. The City established an Employer's Retiree Benefit Trust and contributed \$3.4 million to this irrevocable trust fund during the year.

**Outstanding Debt
June 30, 2013 and 2012**

	2013	2012
Other long-term debt:		
Other post-employment benefits	\$ 16,917,930	16,803,490
Self-insurance claims payable	3,806,386	3,481,341
Compensated absences	4,966,407	5,435,370
Total	\$ 25,690,723	\$ 25,720,201

Additional information on the City's OPEB obligation can be found in note 9 to the basic financial statements of this report.

Economic Factors and Next Year's Budget

The City is slowly recovering from the economic downturn, which impacted the entire nation and California. Like many other cities, our City has experienced the impact through the declines in our revenue sources; however, we have been able to successfully strategize on ways to combat and lessen the impact of these negative trends while also improving organizational effectiveness and program efficiencies. Although, an increase in sales tax revenue during the last three fiscal years may show signs that the economy is slowly recovering, the projected increase in sales tax for FY 2013/14 will be diluted by the reduction in other major revenues of the city such as property taxes. Therefore, the city anticipates the continuance of lean budgets with very tight controls on the expenditures.

FY 2013/14 General Fund revenues are projected to be \$68,635,600, which is \$5.5 million less than the FY 2012/13 year-end actual revenues of \$74,167,891, which include transfers in.

FY 2013/14 General Fund expenditures are projected to be \$68,635,600, which is \$1.2 million more than the year-end actual expenditures for FY 2012/13 of \$67,418,786.

Since it is likely that revenues will be affected if both job losses and lower consumer spending continue, the City is aggressively monitoring revenue and expenditure trends in order to be prepared financially for any further downturns. While we are hopeful that the worst may be behind us and we may be moving towards stabilization leading to recovery, we were very conservative in revenue projections for the upcoming year in order to avoid any impacts should the economic recovery be delayed.

The following are issues that will impact the City in the near and long term future:

- The California Legislature approved and the Governor signed bill ABX1 26 (legislation), which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. This bill was appealed to the State Supreme Court which ruled, on December 29, 2011, that ABX1 26 is constitutional and valid. The dissolutions of all redevelopment agencies took effect as of February 1, 2012. Additional information on the dissolution of the redevelopment agency can be found in note 13 to the basic financial statements.
- GASB 45 – OPEB: With the implementation of the Governmental Accounting Standards Board Statement (GASB) No. 45, the City is now required to report its "other post employment benefits (OPEB) obligations for current and future retirees. The City has made it a priority to plan for this significant unfunded liability. During FY 2011/12, the City joined the California Employer's Retiree Benefit Trust (CERBT) and made contributions to the fund. Information on the unfunded OPEB liability is found in note 8 to the basic financial statements of this report. In FY 2012/13, the City established a policy to fund CERBT annually.

Despite tough economic times, the City continues to be mindful of ways to improve the level of services that it provides to the residents as well as to provide additional resources to the community. It is staff's endeavor to continue to improve overall City performance by continuing programs, which include public safety, public infrastructure maintenance, parks and recreation, youth outreach programs, and employment and business development programs. For example, the City, in conjunction with its Successor Agency to the Dissolved Redevelopment Agency, has implemented economic and housing development projects that will not only improve the aesthetic features of the City but will also generate revenues that will be used to enhance the quality of life of its residents. The City continues its effort to bridge the digital gap within the senior community by ensuring that its current 21-computer Senior Technology center is up-to-date and its Senior Cyber Café continues to offer social setting where seniors have a place to relax, surf the web, and drink coffee. The City intends to continue these programs while preserving and enhancing the safety and welfare of the community.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to Jackie Acosta, Director of Administrative Services, Finance Department, 701 E Carson St. Carson, CA 90745.

BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Carson
Statement of Net Position
June 30, 2013

ASSETS	Governmental Activities
Cash and investments	\$ 49,102,424
Cash and investments with fiscal agents	19,295,417
Receivables	
Taxes	6,598,998
Accounts	343,605
Accrued interest - other	4,579,284
Loans, net of discount and allowance for uncollectible accounts	15,706,481
Due from government agencies	1,413,355
Due from Successor Agency	202,080
Inventory	373,690
Prepaid and other assets	1,223,457
Land held for resale	8,146,939
Capital assets not being depreciated	117,437,882
Capital assets, net of accumulated depreciation	179,462,764
Total assets	<u>403,886,376</u>
 LIABILITIES	
Accounts payable and accrued liabilities	4,544,389
Accrued payroll	227,439
Due to governmental agencies	1,471
Due to Successor Agency	1,254,220
Refundable deposits	22,236
Unearned revenues	659,509
Retentions payable	162,145
Noncurrent liabilities	
Due within one year	3,295,555
Due in more than one year	22,395,168
Total liabilities	<u>32,562,132</u>
 NET POSITION	
Net investment in capital assets	296,900,646
Restricted for:	
Public works	3,379,453
Housing projects	56,811,390
Community services	1,874,973
Unrestricted	12,357,782
Total net position \$	<u>371,324,244</u>

See notes to financial statements.

**City of Carson
Statement of Activities
Year ended June 30, 2013**

	Expenses	Program Revenues			Net Governmental Activities
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental Activities					
General government	\$ 22,049,082	\$ 8,675,070	\$ -	\$ -	\$ (13,374,012)
Community development	32,878,975	2,746,177	2,871,902	82,463	(27,178,433)
Public works	15,799,718	345,210	7,081,418	-	(8,373,090)
Community services	35,247,843	371,312	2,941,814	407,337	(31,527,380)
Capital maintenance programs	2,031,237	-	-	-	(2,031,237)
Total Governmental Activities	\$ 108,006,855	\$ 12,137,769	\$ 12,895,134	\$ 489,800	(82,484,152)
General revenues					
Taxes:					
					19,247,084
					25,187,734
					1,462,174
					7,090,887
					463,116
					7,495,997
					50,405
					2,568,878
					938,422
				Total general revenues	64,504,697
				Change in net position	(17,979,455)
				Net position - beginning, as restated	389,303,699
				Net position - ending	\$ 371,324,244

See notes to financial statements.

FUND FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



GOVERNMENTAL FUND FINANCIAL STATEMENTS

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**City of Carson
Governmental Funds
Balance Sheet
June 30, 2013**

	General	Carson Housing Authority	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments (Note 2)	\$ 31,438,680	\$ 28,868,567	\$ 8,090,594	\$ 68,397,841
Cash and investments with fiscal agents				-
Receivables:				
Taxes	6,589,465	-	9,533	6,598,998
Accounts	343,419	186	-	343,605
Accrued interest - other	3,877	4,394,286	181,121	4,579,284
Loans	35,119	50,921,599	-	50,956,718
Due from other funds (Note 5)	717,172	66,321	38,960	822,453
Due from Successor Agency	23,751	35,475	142,854	202,080
Due from government agencies	553,164	-	860,191	1,413,355
Inventory	373,690	-	-	373,690
Prepays and other assets	1,223,457	-	-	1,223,457
Land held for resale	-	8,146,939	-	8,146,939
Total assets	\$ 41,301,794	\$ 92,433,373	\$ 9,323,253	\$ 143,058,420
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,435,955	101,271	1,007,163	\$ 4,544,389
Accrued payroll	150,000	-	77,439	227,439
Due to other funds (Note 5)	54,022	130,660	637,771	822,453
Due to Successor Agency	-	-	1,254,220	1,254,220
Due to government agencies	1,471	-	-	1,471
Retentions payable	-	139,815	22,330	162,145
Unearned revenue	474,545	-	184,964	659,509
Refundable deposits	22,236	-	-	22,236
Self insurance claims payable	795,555	-	-	795,555
Total liabilities	4,933,784	371,746	3,183,887	8,489,417
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	55,315,885	-	55,315,885
FUND BALANCES				
Nonspendable				
Loans receivable	35,119	-	-	35,119
Inventory	373,690	-	-	373,690
Prepaid and other assets	1,223,457	-	-	1,223,457
Land held for resale	-	8,146,939	-	8,146,939
Restricted				
Housing projects	-	28,598,803	5,206,026	33,804,829
1% PEG fees	361,310	-	-	361,310
Alameda Corridor Projects	1,000,000	-	-	1,000,000
Capital projects (DTC)	1,123,088	-	-	1,123,088
Committed				
Economic uncertainties	13,727,120	-	-	13,727,120
Budget stabilization fund	2,500,000	-	-	2,500,000
Reward funds	90,000	-	-	90,000
OPEB Trust contribution	4,092,003	-	-	4,092,003
Assigned				
Raised median construction	345,072	-	-	345,072
Self-insurance	1,500,000	-	-	1,500,000
Special projects	1,000,000	-	-	1,000,000
Capital projects	1,000,000	-	-	1,000,000
Equipment replacement	-	-	1,015,107	1,015,107
Utility underground	998,110	-	-	998,110
Load shed program	102,329	-	-	102,329
Encumbrances and continuing appropriations	156,714	-	-	156,714
Unassigned	6,739,998	-	(81,767)	6,658,231
Total fund balances	36,368,010	36,745,742	6,139,366	79,253,118
Total liabilities, deferred inflows of \$ resources and fund balances	41,301,794	\$ 92,433,373	\$ 9,323,253	\$ 143,058,420

See notes to financial statements.

**City of Carson
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013**

Fund balance of governmental funds		\$ 79,253,118
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of governmental activities are not financial resources and are not reported in the governmental funds.		
Capital assets		484,944,935
Accumulated depreciation		(188,044,289)
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Self insurance claims	\$ (3,010,831)	
Compensated absences	(4,966,407)	
Net OPEB liability	<u>(16,917,930)</u>	(24,895,168)
Unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds and recognized as revenue in the Statement of Activities.		
		55,315,885
Receivables that are not expected to be collected are reduced by an allowance for uncollectible accounts in the Statement of Net Position. This does not affect the governmental fund financial statements.		
		(21,350,237)
Interest-free notes receivables are discounted in the Statement of Net Position. This does not affect the governmental fund financial statements.		
		(13,900,000)
Net position of governmental activities		<u>\$ 371,324,244</u>

See notes to financial statements.

**City of Carson
Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2013**

	General Fund	Carson Housing Authority	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 58,039,523	\$ 2,907,469	\$ 2,796,461	\$ 63,743,453
Licenses and permits	5,733,199	-	-	5,733,199
Fines and forfeitures	1,890,301	-	123,270	2,013,571
Intergovernmental	118,040	-	7,676,927	7,794,967
Charges for services	2,122,974	-	784,223	2,907,197
Use of money and property	1,261,475	231,595	766,872	2,259,942
Charges to other funds	-	-	567,509	567,509
Miscellaneous	3,987,743	165,915	544,968	4,698,626
Total revenues	<u>73,153,255</u>	<u>3,304,979</u>	<u>13,260,230</u>	<u>89,718,464</u>
Expenditures				
Current:				
General government	20,120,174	-	-	20,120,174
Community development	3,889,965	17,803,117	1,913,912	23,606,994
Public works	13,211,613	-	1,082,447	14,294,060
Community services	29,249,568	-	4,744,506	33,994,074
Capital improvement programs	407,452	-	4,780,305	5,187,757
Total expenditures	<u>66,878,772</u>	<u>17,803,117</u>	<u>12,521,170</u>	<u>97,203,059</u>
Excess (deficiency) of revenues over expenditures	<u>6,274,483</u>	<u>(14,498,138)</u>	<u>739,060</u>	<u>(7,484,595)</u>
Other financing sources (uses)				
Transfers in (Note 6)	1,014,636	-	551,945	1,566,581
Transfers out (Note 6)	(540,014)	-	(1,026,567)	(1,566,581)
Net other financing sources (uses)	<u>474,622</u>	<u>-</u>	<u>(474,622)</u>	<u>-</u>
Change in fund balance	6,749,105	(14,498,138)	264,438	(7,484,595)
Fund balance, beginning of year, as restated	<u>29,618,905</u>	<u>51,243,880</u>	<u>5,874,928</u>	<u>86,737,713</u>
Fund balance, end of year	<u>\$ 36,368,010</u>	<u>\$ 36,745,742</u>	<u>\$ 6,139,366</u>	<u>\$ 79,253,118</u>

See notes to financial statements.

**City of Carson
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2013**

Change in Fund Balances - Governmental Funds	\$ (7,484,595)
<p>Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p>	
<p>Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>	
Capital outlay	3,156,520
Depreciation expense	(8,648,626)
<p>Governmental funds do not report the effect of long-term debt. These debts are reported in the government-wide financial statements.</p>	
Claims and judgments	(325,045)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds</p>	
Compensated absences	468,963
Other post-employment benefits	(114,440)
<p>Revenues that are measurable but not available. Amounts are recorded as deferred or unavailable revenue under the modified accrual basis of accounting.</p>	
	5,778,838
<p>Receivables that are not expected to be collected are provided with allowance for uncollectible accounts in the Statement of Activities. This does not affect the governmental fund financial statements.</p>	
	(10,811,070)
Change in net position of governmental activities	\$ (17,979,455)

See notes to financial statements.

FIDUCIARY FUND FINANCIAL STATEMENT

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**City of Carson
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2013**

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Agency Fund
Assets		
Cash and investments	\$ 53,293,615	\$ 7,127,038
Cash and investments with fiscal agents	32,164,089	2,536,229
Receivables		
Accounts	4,063	-
Interest, investments	82,097	-
Interest, loans	249,057	-
Loans, net	2,560,057	-
Due from the City of Carson	1,297,352	-
Due from other agency funds	-	3,816
Prepaid assets	57,726	-
Land held for resale	10,902,433	-
OPEB asset	1,179,205	-
Capital assets not being depreciated	24,139,100	-
Capital assets, net of accumulated depreciation	29,575,130	-
Total assets	\$ 155,503,924	\$ 9,667,083
Liabilities		
Accounts payable and accrued liabilities	\$ 342,854	\$ 155,108
Accrued interest payable	2,427,721	-
Retention and refundable deposits	1,156,492	2,925,665
Due to City of Carson	205,897	-
Due to other funds	-	43,133
Due to assessors/bondholders	-	6,543,177
Noncurrent liabilities		
Due within one year	7,047,178	-
Due in more than one year	179,990,197	-
Total liabilities	191,170,339	\$ 9,667,083
Fiduciary Net Position		
Net Position held in trust	(35,666,415)	
Total net position	\$ (35,666,415)	

See notes to financial statements.

City of Carson
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
June 30, 2013

		Successor Agency to the Dissolved Redevelopment Agency Private-purpose <u>Trust Fund</u>
Revenues		
Property taxes	\$	36,351,794
Use of money and property		421,692
Net transfers from the City		<u>4,752,524</u>
Total revenues		<u>41,526,010</u>
Expenses		
Community Development		36,402,131
Debt service		
Interest and fiscal charges		<u>9,502,674</u>
Total expenses		<u>45,904,805</u>
Change in net position		(4,378,795)
Net position held in trust - beginning, as restated		<u>(31,287,620)</u>
Net position held in trust - ending	\$	<u><u>(35,666,415)</u></u>

See notes to financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component financial reporting units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

The accompanying basic financial statements present the City of Carson (the primary government) and its component units, the Carson Joint Powers Financing Authority (Authority) and the Carson Housing Authority (Housing Authority). The financial activities of the Authority and the Housing Authority are blended with the financial activities of the City because of the significance of their operational and financial relationship with the City.

The City was incorporated under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Council-Manager form of government and provides a full range of services, including city administration, economic development, public works, community development, transportation, public safety and recreational and cultural activities. The City contracts with the County of Los Angeles for police protection and building and safety services. Library services, fire protection and sewer services are provided by Special Districts of the County of Los Angeles.

The Carson Joint Powers Financing Authority was established pursuant to a Joint Exercise of Powers Agreement dated November 17, 1992, between the City and the former Carson Redevelopment Agency. The Authority was created for the purpose of providing financing for public capital improvements for the former Redevelopment Agency and the City. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Authority. Separate financial statements of the Financing Authority are not issued.

The Carson Housing Authority was established on March 8, 2011 to carry out the housing function of the former Carson Redevelopment Agency in accordance with the California Housing Authority Law and other applicable housing-related regulations.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the City adopted the following Governmental Accounting Standards Board (GASB) statements, which impacted the City's financial statements:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflow of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.
- GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements report the governmental activities of the primary government (including its blended component units). The City has no business-type activities or discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Governmental Funds

In the fund financial statements, governmental funds and agency funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when the related cash is received by the government.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first.

Government- mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," because they do not represent net current assets.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities.

Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing source rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Fund Classification

The funds designated as major funds are determined by a mathematical calculation consistent with GASB 34 and 63. The City reports the following major governmental funds:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to a specific fund are accounted for in this fund. Expenditures of this fund include general operating costs and capital improvement costs that are not paid through other funds.

The Carson Housing Authority Fund accounts for assets used for low and moderate income housing activities in accordance with the applicable housing-related regulations. The housing assets of the dissolved redevelopment agency's Low and Moderate Income Housing Fund were transferred to Carson Housing Authority.

The City's fund structure also includes the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Fiduciary Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following Fiduciary Funds:

- *Agency Fund* - This fund accounts for money and property held by the City as trustee or custodian. Among the activities are the disposition of funds, deposits made for the account of other governmental agencies, developers, and others under the terms of agreements for which the deposits were made. Agency funds, which are custodial in nature, do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals and entities at some future time.
- *Successor Agency Private-purpose Trust Fund* - Private-purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Carson Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Funds, Private-purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires City management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reporting

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balance represents inventory, prepaid expenses, land held for resale, and loans receivable.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The City's restricted fund balances represent resources restricted for programs funded by grants and other restricted sources, capital projects, debt service and the low/moderate income housing program, and more.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council, as the City's highest level of decision-making authority, may commit, through a resolution, fund balance for specific purposes pursuant to constraints imposed by such formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment. The City's fund balance amounting to \$20.4 million meets this classification as of June 30, 2013.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. The City Council delegates the authority to assign fund balance to the City Manager and the Administrative Services General Manager for purposes of reporting in the annual financial statements.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. The City considers unrestricted fund balances to have been spent when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

The City pools cash and investments of all funds, except for assets held by the Carson Redevelopment Agency and assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

Changes in fair value that occur during a fiscal year are recognized as uses of money and property reported for that fiscal year. Uses of money and property also reports interest earnings, rental income, and any gains or losses realized upon the liquidation, maturity, or sale of investments. Interest income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance. Investments are reported in the accompanying balance sheet at fair value except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Land Held for Resale

Land held for resale in Housing Authority Fund represents housing properties transferred to the Housing Authority from the former redevelopment agency. These properties were approved and reported as housing assets of the Low and Moderate Income Housing Fund of the former Redevelopment Agency.

Land held for resale in the Fiduciary funds represents land purchased by the former Redevelopment Agency to further the Redevelopment Plan. Such land is recorded at the lower of acquisition cost or estimated net realizable value.

Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of one year or more.

Capital assets include additions to public domain (infrastructure) consisting of certain improvements including land rights, roads, streets, overpass, sidewalks, medians, trees and storm drains.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following schedule summarizes capital assets' estimated useful lives:

Buildings and improvements	25-50 years
Equipment and machinery	5-20 years
Infrastructure:	
Roadways	7-100 years
Sewer	25-30 years
Storm drain	20-50 years

Inventory

Inventory is stated at cost on a first-in, first-out (FIFO) basis. Inventory in the General Fund consists principally of fuel, office supplies, recreational activity supplies and other miscellaneous materials and supplies. Materials and supplies are charged to inventories when purchased and treated as expenditure when issued. Inventory amounts are classified as nonspendable in the fund balance since they do not represent available spendable resources.

Employee Compensated Absences

It is the policy of the City to record the cost of employee compensated absences in the government-wide financial statements as earned. In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon leave redemption, termination, or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement Nos. 63 and 65, the City recognizes deferred outflows and deferred inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 14 for the list of deferred inflows of resources the City has recognized as of June 30, 2013.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

The former Carson Redevelopment Agency receives annual property tax increment funds from the County of Los Angeles. In addition, the City receives funds from the State of California via the County, as the City is considered to be a "no and low" property tax City. The City's current year allocation of the "no and low" property tax of \$8,595,259 was included in the property tax revenues of \$15.6 million reported for the fiscal year 2012-2013.

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value plus other increases approved by the voters. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1 to June 30
Due date	November 1 – first installment March 1 – second installment
Collection date	December 10 – first installment April 10 – second installment

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Assets	Fiduciary Fund Statement of Net Assets		Total
		Successor Agency	Other Agency	
Unrestricted assets:				
Cash and investments	\$ 49,102,424	\$ 53,293,615	\$ 7,127,038	\$ 109,523,077
Restricted assets:				
Cash and investments with fiscal agents	19,295,417	32,164,089	2,536,229	53,995,735
Total cash and investments	<u>\$ 68,397,841</u>	<u>\$ 85,457,704</u>	<u>\$ 9,663,267</u>	<u>\$ 163,518,812</u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$ 4,050
Deposits with financial institutions	57,209,141
Investments	<u>106,305,621</u>
Total cash and investments	<u>\$ 163,518,812</u>

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	30%	30%
Commercial Paper	Yes	270 days	25%	10%
Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	N/A	N/A	N/A
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Notes	No	N/A	N/A	N/A
Mutual Funds	No	N/A	N/A	N/A
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund	Yes	N/A	None	\$40 million per account
JPA Pools (other investment pools)	No	N/A	N/A	N/A

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Investment Agreements	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk pertains to the changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment Type	Total	Remaining maturity in Months		
		12 Months Or Less	13 to 24 Months	25-60 Months
State investment pool	\$ 14,321,375	\$ 14,321,375	\$ -	\$ -
Money market funds	33,762,453	33,762,453	-	-
Bonds	2,651,058	-	203,674	2,447,384
Federal agency securities	1,575,000	-	-	1,575,000
Held by fiscal agent:				
Commercial paper	4,249,814	4,249,814	-	-
Bonds	13,134,595	3,001,529	4,583,577	5,549,489
Federal agency securities	19,511,094	1,403,710	-	18,107,384
Money market funds	17,100,232	17,100,232	-	-
	<u>\$ 106,305,621</u>	<u>\$ 73,839,113</u>	<u>\$ 4,787,251</u>	<u>\$ 27,679,257</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Minimum Legal Rating			
			AAA	AA+/Aa2	AA-/A+	Not Rated
State investment pool	\$ 14,321,375	N/A	\$ -	\$ -	\$ -	\$ 14,321,375
Money market funds	33,762,453	N/A	-	-	29,876,450	3,886,003
Bonds	2,651,058	Aaa	-	-	2,651,058	-
Federal agency securities	1,575,000	AA	-	1,575,000	-	-
Held by fiscal agent:	-					
Commercial paper	4,249,814	N/A	2,499,890	-	1,749,924	-
Bonds	13,134,595	N/A	-	12,807,235	327,360	-
Federal agency securities	19,511,094	N/A	12,638,074	6,873,020	-	-
Money market funds	17,100,232	N/A	-	-	-	17,100,232
Total	<u>\$ 106,305,621</u>		<u>\$ 15,137,964</u>	<u>\$ 21,255,255</u>	<u>\$ 34,604,792</u>	<u>\$ 35,307,610</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Investment Type	Investment Type	Reported Amount
Federal Home Loan Bank	Federal agency securities	\$ 14,790,107

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2013, the City's investments in the following investments types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Investment Type	Reported Amount
Federal Agency Securities	\$ 19,511,094

All of the above investments were held by a fiscal agent who selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool of approximately \$14 million reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF's and the City's exposure to risk (credit, market or legal) is not currently available.

NOTE 3 LOANS RECEIVABLE

Details of the City's loans receivable as of June 30, 2013 are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 43,193,511
First Time Homebuyer Loan Program	7,728,088
Other loans	<u>35,119</u>
Total	50,956,718
Less: Allowance for uncollectible accounts	(21,350,237)
Discount on notes receivable	<u>(13,900,000)</u>
Loans receivable, net	<u>\$ 15,706,481</u>

Because of the nature of various loans receivable in relation to development projects under various disposition and development agreements, the City provides an allowance for uncollectibility against such loans. The City reports such loans as program costs. The City also discounted interest-free loans issued in relation to the Housing Authority's housing projects.

NOTE 4 CAPITAL ASSETS

Following is the summary of changes in capital assets for the year ended June 30, 2013:

	<u>Beginning Balance, July 1, 2012</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance, June 30, 2013</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 37,627,670	\$ 117,108	\$ -	\$ 37,744,778
Machinery and equipment	13,918,113	513,747	-	14,431,860
Infrastructure				
Roadways	285,517,107	3,308,343	-	288,825,450
Sewer	20,123,476	-	-	20,123,476
Storm drain	6,381,489	-	-	6,381,489
Total capital assets being depreciated	<u>363,567,855</u>	<u>3,939,198</u>	<u>-</u>	<u>367,507,053</u>
Less accumulated depreciation for:				
Buildings and Improvements	(17,167,785)	(900,445)	-	(18,068,230)
Machinery and equipment	(11,033,495)	(850,942)	-	(11,884,437)
Infrastructure				
Roadways	(132,973,577)	(6,428,457)	-	(139,402,034)
Sewer	(15,021,576)	(349,479)	-	(15,371,055)
Storm drain	(3,199,230)	(119,303)	-	(3,318,533)
Total accumulated depreciation	<u>(179,395,663)</u>	<u>(8,648,626)</u>	<u>-</u>	<u>(188,044,289)</u>
Total capital assets being depreciated, net	<u>184,172,192</u>	<u>(4,709,428)</u>	<u>-</u>	<u>179,462,764</u>
Capital assets not being depreciated:				
Land	15,344,218	-	-	15,344,218
Land rights	75,285,334	-	-	75,285,334
Land improvements	2,306,476	-	-	2,306,476
Infrastructure-street trees	9,343,407	-	-	9,343,407
Construction in progress	15,941,125	2,642,773	(3,425,451)	15,158,447
Total capital assets not being depreciated	<u>118,220,560</u>	<u>2,642,773</u>	<u>(3,425,451)</u>	<u>117,437,882</u>
Capital assets, net	<u>\$ 302,392,752</u>	<u>\$ (2,066,655)</u>	<u>\$ (3,425,451)</u>	<u>\$ 296,900,646</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

	<u>Amount</u>
General Government	\$ 1,695,938
Community services	3,986,697
Public works	1,624,017
Community development	1,341,974
Total depreciation expense - governmental activities	<u>\$ 8,648,626</u>

In accordance with and as allowed by GASB Statement No. 34, the City capitalizes and reports general infrastructure assets acquired in the current year and prior years. Infrastructure assets recorded in prior years as part of implementing GASB Statement No. 34 included roadways, sewer, storm drain, land rights, land improvements, and infrastructure-street trees, which amounted to \$244,174,010 as of June 30, 2013.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due From/Due to Other Funds

Due from/due to other funds as of June 30, 2013 are as follows:

	Due to Other Funds			Total
	General Fund	Carson Housing Authority	Nonmajor Governmental Funds	
Due From Other Funds:				
General Fund	\$ -	\$ 127,042	\$ 590,130	\$ 717,172
Carson Housing Authority	54,022	-	12,299	66,321
Nonmajor Governmental Funds	-	3,618	35,342	38,960
	<u>\$ 54,022</u>	<u>\$ 130,660</u>	<u>\$ 637,771</u>	<u>\$ 822,453</u>

Current interfund receivables and payables were due to (1) short-term borrowings to eliminate negative cash, (2) reimbursement of certain administrative costs, and (3) short-term borrowing for project costs.

Interfund Transfers

Transfers in and out for the year ended June 30, 2013 were as follows:

	Tranfers In			Total
	General Fund	Carson Housing Authority	Nonmajor Governmental Funds	
Tranfers Out:				
General fund	\$ 540,014	\$ -	\$ -	\$ 540,014
Nonmajor Governmental Funds	474,622	-	551,945	1,026,567
	<u>\$ 1,014,636</u>	<u>\$ -</u>	<u>\$ 551,945</u>	<u>\$ 1,566,581</u>

Interfund transfers were principally used to (1) to transfer monies to make debt service payments on outstanding bonds and (2) to transfer monies to reimburse the General Fund and other nonmajor governmental funds for street maintenance costs and other costs.

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013	Amount due within one year	Amount due after one year
Compensated absences	\$ 5,435,370	\$ 2,735,478	\$ 3,204,441	\$ 4,966,407	\$ 2,500,000	\$ 2,466,407
Net OPEB Obligation	16,803,490	5,059,874	4,945,434	16,917,930	-	16,917,930
Self-insurance claims payable	<u>3,481,341</u>	<u>732,014</u>	<u>406,969</u>	<u>3,806,386</u>	<u>795,555</u>	<u>3,010,831</u>
	<u>\$ 25,720,201</u>	<u>\$ 8,527,366</u>	<u>\$ 8,556,844</u>	<u>\$ 25,690,723</u>	<u>\$ 3,295,555</u>	<u>\$ 22,395,168</u>

The City's policies relating to compensated absences are described in Note 1. The liability for Governmental Activities is primarily liquidated from the General Fund.

The OPEB Plan is described in Note 8. The OPEB obligation is primarily liquidated from the General Fund and the Successor Agency Fund.

NOTE 7 SELF-INSURANCE PROGRAMS

The City is covered by self-insurance for dental and unemployment insurance. Additionally, the City is self-insured for the first \$250,000 for regular liability claims, employment practices claims and the first \$750,000 for workers' compensation claims. The City carries insurance for individual workers' compensation claims in excess of \$750,000 with the Safety National Casualty Corporation. The City carries insurance with a \$10,000 deductible for property losses with Travelers Property Casualty Company of America. The City carries insurance with a \$10,000 deductible for crime losses with National Union Fire Insurance Company of Pittsburgh.

At June 30, 2013, \$3,806,386 has been accrued for claims payable. Such amount represents estimates of amounts to be paid for reported claims as well as a provision for incurred but not reported claims, which amount is based upon the City's past experience, as modified for current trends and information of the total liability. A total of \$795,555 has been recorded in the General Fund as the City anticipates that such amount will be paid from current resources.

While the ultimate amount of losses incurred through June 30, 2013 is dependent on future developments, based upon information from the independent claims administrators and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses.

NOTE 7 SELF-INSURANCE PROGRAMS (CONTINUED)

A summary of the City's claims activity for the two years through June 30, 2013 is as follows:

		Workers' Compensation Claims	General Liability Claims	Totals
Balance at June 30, 2011	\$	2,869,170	\$ 968,694	\$ 3,837,864
Additions		1,159,088	34,367	1,193,455
Payments		<u>(879,351)</u>	<u>(670,627)</u>	<u>(1,549,978)</u>
Balance at July 1, 2012		3,148,907	332,434	3,481,341
Additions		144,914	463,288	608,202
Payments		<u>-</u>	<u>(283,157)</u>	<u>(283,157)</u>
Balance at June 30, 2013	\$	<u>3,293,821</u>	\$ <u>512,565</u>	<u>\$ 3,806,386</u>

NOTE 8 DEFINED BENEFIT PENSION PLAN (PERS)

The City of Carson contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Participants are required to contribute 8% of their annual covered salary. The City pays 7% while the employees pay 1% contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2011 to June 30, 2013 has been determined by an actuarial valuation of the plan as of June 30, 2010. The contribution rate indicated for the period is 19.911% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2013, the contribution rate is multiplied by the payroll of covered employees that were actually paid during the period from July 1, 2011 to June 30, 2013.

NOTE 8 DEFINED BENEFIT PENSION PLAN (PERS) (CONTINUED)

A summary of assumptions and methods used to determine the ARC is shown below.

Valuation Date	June 30, 2012
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	24 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30 year amortization period.

The Schedule below shows the three-year trend information for City's annual contribution to the Plan.

<u>Annual Pension Cost (Employer Contribution)</u>			
Fiscal Year	Miscellaneous Plan	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 5,881,646	100.0%	-
6/30/2012	6,406,512	100.0%	-
6/30/2013	6,004,466	100.0%	-

PERS valuation date of June 30, 2011 reported the plan was 74.9% funded. Entry age normal accrued liability was \$190.2 million versus the actuarial value of assets (AVA) of \$142.5 million resulted in \$47.7 million unfunded liability. The annual covered payroll was \$25.5 million representing a ratio of 187.4% against unfunded liability.

The Schedule of Funding Progress is presented as part of the Required Supplementary Information on page 69.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City administers a defined benefit plan, which provides medical insurance benefits to eligible retirees and qualified family members.

An employee is eligible for the City contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement with the City. Vesting requires at least 5 years of PERS eligible service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon the death of the retiree.

The City contributes to the retiree health coverage of eligible retirees and eligible surviving spouses. The City's financial obligation is to pay for the retiree and eligible dependent coverage up to a monthly maximum.

The following table shows the maximum allowance for eligible retirees, as well as active employees:

	<u>1/1/2013</u>	<u>1/1/2014</u>
Full-Time	\$ 1,385	\$ 1,435
Part-Time with 8 yrs+	415	419
Part-Time Employees	115	119

City's Funding Policy

The plan provisions and contribution requirements of plan members and the City are established and may be amended by City Council. The City joined the California Employer's Retiree Benefit Trust (CERBT) and has made a contribution of \$3,404,726 for the fiscal year 2012-2013 in addition to a direct contribution it paid for retiree benefits of \$1,618,513. The contribution of \$77,805 was for the benefit of the dissolved redevelopment agency employees. Total contribution during the fiscal year 2012-2013 amounted to \$5,023,239.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following table shows the components of the annual OPEB cost for the current fiscal year, the amount actually contributed to the plan, and changes in the City and the Successor Agency's net OPEB obligation for these benefits:

	6/30/2013			6/30/2012
	Successor		Total	Total
	City	Agency		
Annual Required Contribution	\$ 5,278,049	\$ 666,863	\$ 5,944,912.00	\$ 5,814,874
Interest on Net OPEB Obligation	768,956	97,155	866,111	828,039
Adjustments to Annual Required Contribution	(987,131)	(124,720)	(1,111,851)	(1,062,978)
Annual OPEB Cost	5,059,874	639,298	5,699,172	5,579,935
Contribution Made	(4,945,434)	(77,806)	(5,023,239)	(4,917,824)
Increase in Net OPEB Obligation	114,440	561,492	675,933	662,111
Net OPEB Obligation, beginning of year	16,803,490	(1,740,697)	15,062,793	14,400,682
Net OPEB Obligation (Asset), end of year	\$ 16,917,930	\$ (1,179,205)	\$ 15,738,726	\$ 15,062,793

The City and the Successor Agency's annual OPEB cost combined, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 5,941,242	21.47%	\$ 14,400,682
6/30/2012	5,579,935	88.13%	15,062,793
6/30/2013	5,699,172	88.14%	15,738,726

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information section, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Method. The actuarial assumptions included a 5.75 percent discount rate, which reflects a blend between a pay-as-you-go discount rate of 5 percent and the 7.61 percent discount rate for invested assets, and annual cost trend rates of 8.5 percent for HMO and 9 percent for PPO initially, reduced by decrements of 0.5 percent per year to an ultimate rate of 5 percent after the eighth year. All the rates included a 3.25 percent inflation assumption. The UAAL is being amortized over 30 years using a level-dollar basis. It is assumed the City's payroll will increase 3.25% per year.

Based on the latest Actuarial Study of the Plan as of July 1, 2011, the Unfunded Actuarial Accrued Liability (UAAL) was \$48 million. The City did not join CERBT until fiscal year 2012 and therefore, the City had not established a trust as of valuation date. Accordingly, the plan is unfunded and the actuarial value of plan assets was zero at the date of valuation.

Below is the funded status of the Plan as of July 1, 2011:

Actuarial Accrued Liability (AAL)	\$	48,138,659
Actuarial Value of Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>48,138,659</u>
Funded Ratio		<u>0%</u>
Covered Payroll	\$	<u>25,477,297</u>
UAAL as of % of Payroll		<u>189.1%</u>

Refer to Required Supplementary Information Section for the Plan's Schedule of Funding Progress.

NOTE 10 DEFICIT FUND BALANCES

The following funds reported an accumulated deficit in fund balance as of June 30, 2013:

		<u>Accumulated Deficit</u>
Special Revenue Funds:		
Self Supporting Fund	\$	(81,767)
State CIP Grants Fund		(37,500)
WIA Grant Fund		(10,900)

Management expects that these deficits will be remedied after the related reimbursements from the grants are received.

NOTE 11 EXPENDITURES EXCEEDING APPROPRIATIONS

For the year ended June 30, 2013, expenditures by function exceeded appropriations of the following City funds:

	Final Budget	Actual	Amount Exceeding Appropriations
Major Funds:			
General Fund			
Community development	\$ 1,437,600	\$ 3,889,965	\$ (2,452,365)
Carson Housing Authority			
Community development	\$ 13,863,121	\$ 17,803,117	\$ (3,939,996)
Nonmajor Funds:			
State Gas Tax Fund			
Capital improvement program	2,378,940	2,516,300	(137,360)
Proposition C Local Return Fund			
Community services	1,264,706	1,303,317	(38,611)
Air Quality Improvement Fund			
Community services	97,424	108,759	(11,335)
Self Supporting Fund			
Community services	822,850	929,586	(106,736)
State Local Transportation Fund			
Community development	-	1,315	(1,315)
Proposition 1B Fund			
Capital improvement program	709,548	725,888	(16,340)
Department of Justice/OJP Grant Fund			
Community services	68,000	73,679	(5,679)
Capital improvement program	287,000	295,800	(8,800)
WIA Grant Fund			
Capital improvement program	-	21,126	(21,126)

NOTE 12 DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT

Assessment District No. 2006

In September 2006, the City of Carson issued \$25,000,000 and \$7,955,000 of Assessment District No. 2006-1 (Dominguez Technology Center West) Reassessment Revenue Bonds, Series A and Subordinate Series B, respectively. The Bonds were issued to finance the acquisition costs for improvements within the Assessment District, establish the Reserve Fund, pay the premium, and to pay the cost of issuing the bonds.

The City is not liable for repayment of this debt but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings for the benefit of the Bondholders.

NOTE 12 DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

For these reasons, neither the debt nor the related debt service transactions are recorded on the City's basic financial statements. The principal balance outstanding at June 30, 2013 is \$21,455,000 and \$6,900,000, for Series A and B, respectively.

Assessment District No. 92-1

In October 1992, the City of Carson issued \$13,100,000 of Assessment District No. 92-1 (Sepulveda Special District), Limited Obligation Improvement Bonds Series 1992 (collectively referred to as the "Bonds"). The Bonds were issued to finance a portion of the costs of the construction of certain street improvements, particularly the widening of a portion of Sepulveda Boulevard and included the reconstruction, removal, modification and relocation of pipelines, facilities, and the relocation of railroad tracks from the public right-of-way, storm drainage improvements, signaling and landscaping. Bond proceeds were also used to establish the Reserve Fund, and to pay the cost of issuing the bonds.

The City's obligation to transfer funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Reserve Fund. The City is in no way liable for repayment but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings for the benefit of the Bondholders. For these reasons, neither the debt nor the related debt service transactions are recorded on the City's basic financial statements. The principal balance outstanding at June 30, 2013 is \$1,335,000.

NOTE 13 DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred inflows of resources in the governmental funds financial statements. The deferred inflow of resources pertains to unavailable revenues, which represent long-term receivables that are not considered "available spendable resources" in the governmental funds financial statements.

	Balance at <u>June 30, 2013</u>
<i>Governmental Activities</i>	
Deferred inflow of resources	
Unavailable revenue	
Long-term receivables	\$ <u>55,315,885</u>

NOTE 14 CONTINGENCIES – CLAIMS

The City is a defendant in several general damage and personal injury lawsuits and claims. These claims arise primarily from injuries sustained by the claimants while on property owned or maintained by the City. In the opinion of outside counsel and the City Attorney, the potential liability of the City for such claims will not have a material adverse effect upon the financial position of the various funds of the City.

NOTE 15 HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS

Following are details of the Housing Authority's commitments under Development Agreements:

East Carson Housing Partners, L.P.

On June 15, 2010, the Carson Redevelopment Agency entered into a disposition and development agreement (DDA) with East Carson Housing Partners, L.P. (Developer) for the development of a 65-unit workforce housing community on a 1.75 acre Agency-owned property (Property) located at 425 E. Carson Street. The development was completed and fully leased by June 2012. The site provides housing for very-low, low and moderate income households. The product type ranges from one-bedroom to three-bedroom units.

The Agency provided assistance for the development of the project by selling the Property to the Developer for the fair market value of \$1,906,500 (Purchase Price). In addition, the Agency provided project assistance in the amount of \$6,888,000 towards Project development costs (Agency Assistance). The combined value of the land and set-aside funds are evidenced by a promissory note and secured by a Deed of Trust recorded on March 9, 2011. The Purchase Price and the Agency Assistance totals \$8,794,500. This amount is to be repaid by Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum (Note). Any balance on the Note is due and payable at the end of 55 years from issuance of certificate of occupancy.

East Carson II Housing Partners, L.P.

On February 19, 2013 the Carson Housing Authority (Authority) entered into an Affordable Housing Agreement with East Carson II Housing Partners, L.P. (Developer) for development of a 45-unit workforce housing community on an approximately 1.0 acre Authority-owned property. This new project will serve as phase two to the East Carson Housing Partners, L.P. project at 425 E. Carson Street completed in June 2012.

The Authority's financial assistance for this project included a loan of \$3,320,000 for pre-development and construction costs and the property purchase price of \$1,565,446 for a total assistance amount of \$4,885,446. The total assistance amount was provided by a promissory note (Note) and secured by a Deed of Trust to be recorded at the time the Authority sells the property to Developer. The Note is to be repaid by Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum. Any balance on the Note will be due and payable at the end of 55 years from issuance of certificate of occupancy. Closing for the property sale occurred in November 2013.

NOTE 15 HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

City View - 616 E. Carson St.

On February 17, 2011, the Agency and City View 616 East Carson, LLC (Developer) entered into a Disposition and Development Agreement to develop a mixed-use commercial/retail and residential development on a 9.57 acre Agency-owned property located at 616, 542, and 550 East Carson Street (Property). The Property was sold to the Developer on April 17, 2013 and the Developer has begun construction. At completion the project will consist of approximately 13,225 square feet of ground floor retail and 152 for-sale residential units. Fifteen percent of the residential units will be sold to buyers who meet income eligibility criteria.

Affirmed Housing Group - 21227 Figueroa St.

On March 1, 2011, the Carson Redevelopment Agency entered into a disposition and development agreement (DDA) with Affirmed Housing Group, Inc. (Developer) for the development of a 40-unit workforce housing community on Agency-owned property located at 21227 Figueroa Street (Property). Construction began immediately after closing and is expected to be completed in December 2013.

The Agency financial assistance for this project included a loan of \$2,855,000 for pre-development and construction costs and the property purchase price of \$1,345,000 for a total assistance amount of \$4,200,000 (Agency Assistance). The Agency Assistance is evidenced by a promissory note and secured by a Deed of Trust recorded on December 24, 2012. The Agency Assistance is to be repaid by Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum (Note). Any balance on the Note is due and payable at the end of 55 years from issuance of certificate of occupancy.

The Olson Company - 2535-2569 E. Carson St.

On June 7, 2011, the Agency entered into a Disposition and Development Agreement with the Olson Company for the development of 12 affordable for sale single family homes for moderate-income households. Construction began in July of 2012 and was completed in December 2012. All units have been sold. The Agency contribution for the construction of the project was \$1,328,495. The Agency contribution is secured by a Deed of Trust and a Regulatory Agreement for each unit, which imposes affordability restrictions for 45 years from time of original sale of each unit. A \$35,000 Note is attached to each unit and is only due payable if a unit is sold during the 45 year covenant period to a non-qualified buyer at a non-affordable price.

City Ventures – 2666 Dominguez St.

The Housing Authority (Authority) entered into a Purchase and Sale Agreement with City Ventures (Developer) for the sale of the approximately 0.5-acre Authority-owned property located at 2671 Tyler Street. The sales price of the Property is \$238,000.00. The Developer will develop the Property as a for-sale single family detached, market rate residential project in accordance with the Property's land use and zoning regulations. The homes will be on fee simple lots. There will be no Authority assistance provided for this project. The sale is scheduled to close within one year from November 2013. The sales proceeds will be used to assist another Authority project known as Via 425 Phase II.

**NOTE 15 HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS
(CONTINUED)**

Concurrently with the sale the Property, the Authority will facilitate the sale, to the Developer, of a 1.0-acre parcel of contiguous land (Site) at 2666 Dominguez, owned by the City of Carson. The Site was the former Dominguez Trailer Park, which the City acquired with CDBG funds for an affordable housing development. The sales price of the Property is \$467,000. The Site and the Property will comprise land upon which the Developer will build their for-sale homes. The sales proceeds from the Site will also be used to assist the Authority project known as Via 425 Phase II.

Avalon Courtyard Senior Apartments

In July 1992, the Agency entered into a Disposition & Development Agreement (DDA) with Thomas Safran & Associates (Developer) for development and operation of an affordable senior citizen housing project (Project). Pursuant to the DDA, the Developer executed a promissory note for a loan in the amount of \$2,681,000 with a simple interest rate of 5%. The amount of Developer loan repayments is equal to 50% of the positive cash flow generated by the Project. As of June 30, 2012, the outstanding loans receivable from the Developer is \$2,681,000. Pursuant to the DDA, as amended, the Agency is also required to provide the Developer a rent subsidy in the amount of \$160,524 per year for 30 years following the date of the certificate of occupancy for the Project (or until August 1, 2025).

Carson Terrace, L.P.

In June 1999, the Agency entered into an Owner Participation Agreement (OPA) with Carson Terrace, L.P. (Developer) for development and operation of an affordable senior citizen housing project (Project). Pursuant to the OPA, the Developer executed a promissory note for a short-term construction loan in the amount of \$2,205,000 with a simple interest rate of 3%. Subsequently, the Developer executed a promissory note for a long-term loan with a 5% simple interest rate for the purpose of retiring the construction loan. An amendment dated December 15, 2000 increased the amount of the long-term loan to \$2,243,587. The amount of Developer loan repayments are equal to 50% of the positive cash flow generated by the Project. Pursuant to the OPA, the Agency is also required to provide the Developer a rent subsidy in the amount of \$73,320 per year for 30 years following the date of the certificate of occupancy issued in 2001 (until December 26, 2030).

NOTE 16 PRIOR PERIOD ADJUSTMENT

The beginning balance of the City's Net Position in the government-wide Statement of Activities and the fund balance of the Housing Authority Fund were restated to reflect the adjustment to transfer the fund balance of the Low and Moderate Income Housing Fund of the former Redevelopment Agency to the Housing Authority. The balances represent housing assets and unspent housing bond proceeds, which were approved for use in housing projects by the California Department of Finance.

		Carson Housing Authority
Fund Balance beginning of year, as previously reported	\$	25,050,929
Adjustment:		
Adjustment to transfer the fund balance of the former Low and Moderate Income Housing Fund to the Housing Authority		26,192,951
Fund Balance beginning of year, as restated	\$	51,243,880

		Government-wide Statement of Activities
Net Position, beginning of year, as previously reported	\$	363,110,748
Adjustment:		
Adjustment to transfer the fund balance of the former Low and Moderate Income Housing Fund to the Housing Authority		26,192,951
Net Position, beginning of year, as restated	\$	389,303,699

NOTE 17 SUCCESSOR AGENCY DISCLOSURES

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the City's former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries and as such, are not available for the use of the City.

Disclosures related to the certain assets and long-term liabilities of the Successor Agency are as follows:

Disclosure of Successor Agency Assets

Land Held for Resale

Account details as of June 30, 2013 are as follows:

Land held for resale - acquisition cost	\$	17,694,859
Less allowance for decline in value		<u>(6,792,426)</u>
Net amount	\$	<u><u>10,902,433</u></u>

Notes Receivable

Details of the Successor Agency's loans receivable as of June 30, 2013 are as follows:

Loans relative to development projects under various disposition and development agreements	\$	25,808,139
Less: Allowance for uncollectible accounts		<u>(23,248,082)</u>
Loans receivable, net	\$	<u><u>2,560,057</u></u>

Because of the nature of various loans receivable in relation to development projects under various disposition and development agreements, the Successor Agency provides an allowance for uncollectibility against such loans. The Successor Agency reports such loans as program costs. The Successor Agency also discounted interest-free loans issued in relation to redevelopment agency projects.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Capital assets

Following is the summary of changes in capital assets of the Successor Agency for the year ended June 30, 2013:

	Beginning Balance, July 1, 2012	Increases	Decreases/ Transfers	Ending Balance, June 30, 2013
Capital assets being depreciated:				
Buildings and improvements	\$ 42,412,145	\$ 137,062	\$ -	\$ 42,549,207
Machinery and equipment	134,823	-	-	134,823
Total capital assets being depreciated	42,546,968	137,062	-	42,684,030
Less accumulated depreciation for:				
Buildings and Improvements	(12,317,326)	(684,241)	-	(13,001,567)
Machinery and equipment	(106,161)	(1,172)	-	(107,333)
Total accumulated depreciation	(12,423,487)	(685,413)	-	(13,108,900)
Total capital assets being depreciated, net	30,123,481	(548,351)	-	29,575,130
Capital assets not being depreciated:				
Construction in progress	21,227,342	3,048,820	(137,062)	24,139,100
Total capital assets not being depreciated	21,227,342	3,048,820	(137,062)	24,139,100
Capital assets, net	\$ 51,350,823	\$ 2,500,469	\$ (137,062)	\$ 53,714,230

Disclosure of Successor Agency Debts

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year	Due After One Year
Bonded debt - tax						
allocation bonds	\$ 186,605,863	\$ -	\$ 5,735,000	\$ 180,870,863	\$ 6,405,000	\$ 174,465,863
Accreted interest	3,116,535	481,267	-	3,597,802	-	3,597,802
County deferred loans	2,568,710	-	-	2,568,710	642,178	1,926,532
	\$ 192,291,108	481,267	5,735,000	187,037,375	7,047,178	179,990,197

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Balance at
June 30, 2013

Redevelopment Project Area 1:

2003B Tax Allocation Bonds

In December 2003, the Carson Redevelopment Agency issued \$32,495,863 of Tax Allocation Bonds, Series 2003B for Redevelopment Project Area No. 1 to fund redevelopment projects within the project area. The first principal installment was due on October 1, 2004; and then on October 1, 2017 annually thereafter ranging from \$466,575 to \$3,940,000 plus interest at 2.0% to 5.25% through October 2034. As of June 30, 2013, the reserve requirement for the bonds was \$1,402,083. The balance in the reserve account as of June 30, 2013 was \$1,402,083. Capital appreciation bonds of \$5,410,863 were issued as part of the bond issuance with maturity dates from October 1, 2023 through 2032. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon the maturity or prior payment of the principal component. Accreted interest of \$3,597,802 has been reflected as long-term debt.

\$ 32,260,863

2003 Tax Allocation Refunding Bonds

In January 2003, the Carson Redevelopment Agency issued \$3,155,000 of Tax Allocation Refunding Bonds, Series 2003 for Redevelopment Project Area No. 1 to partially advance refund outstanding 1992 series tax allocation bonds. Principal installments are due annually ranging from \$125,000 to \$215,000 plus interest at 2.0% to 5.25% through October 2016. The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2013.

1,700,000

Of the 2001 series proceeds, \$31,174,303 were used to purchase U.S. Government securities to advance refund a portion of the 1992 series and advance refund in full the 1993B series. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on \$14,160,000 of the 1992 series and the entire outstanding balance of the 1993B series in the amount of \$15,000,000. As a result, the portion of the 1992 series and the entire 1993B series tax allocation bonds are considered to be defeased. The corresponding liabilities for the \$14,160,000 and \$15,000,000, respectively, have been removed from the statement of net position.

The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2013.

10,265,000

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Balance at
June 30, 2013

2009A Tax Allocation Bonds

On June 23, 2009, the Carson Redevelopment Agency issued \$22,810,000 of Tax Allocation Bonds, Series 2009A for Redevelopment Project Area No. 1 to fund redevelopment projects within the project area. Principal installments are due and begin October 1, 2010 annually ranging from \$290,000 to \$3,350,000 plus interest at 0.98% to 6.23% through October 2036. As of June 30, 2013, the reserve requirement for the bonds was \$2,071,911. The balance in the reserve account as of June 30, 2013 was \$2,071,911.

\$ 21,680,000

2009 Revenue Bonds

In July 2009, the Carson Redevelopment Agency issued \$12,165,000, of Revenue Bonds, Series 2009, for Redevelopment Project Area No.1 to fund redevelopment activities within the project area. Principal payments are due annually ranging from \$260,000 to \$375,000 plus interest at 3.75% to 5.5% through October 1, 2021. As of June 30, 2013, the reserve requirement for the bonds was \$990,837. The balance in the reserve account as of June 30, 2013 was \$990,837.

12,165,000

Subtotal Redevelopment Project Area 1

\$ 78,070,863

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Balance at
June 30, 2013

Redevelopment Project Area 2:

2003A Tax Allocation Refunding Bonds

In January 2003, the Carson Redevelopment Agency issued \$18,500,000 of Tax Allocation Refunding Bonds, Series 2003A for Redevelopment Project Area No. 2 to advance refund a portion of outstanding 1993 Tax Allocation Refunding Bonds. Principal installments are due annually ranging from \$470,000 to \$7,015,000 plus interest at 2.0% to 5.25% through October 2020. The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2013. \$ 11,560,000

2003B Tax Allocation Refunding Bonds

In July 2003, the Carson Redevelopment Agency issued \$4,195,000 of Tax Allocation Refunding Bonds, Series 2003B for Redevelopment Project Area No. 2 to fully advance refund outstanding 1993 series tax allocation refunding bonds. Principal installments are due annually ranging from \$125,000 to \$290,000 plus interest at 2.5% through October 2023. The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2013. 2,655,000

2003C Tax Allocation Bonds

In December 2003, the Carson Redevelopment Agency issued \$11,800,000 of Tax Allocation Bonds, Series 2003C for Redevelopment Project Area No. 2 to fund redevelopment activities within the project area. Principal installments are due annually ranging from \$440,000 to \$2,385,000 plus interest at 2.0% to 4.5% through October 2016. As of June 30, 2013, the reserve requirement for the bond was \$812,363. The balance in the reserve account as of June 30, 2013 was \$812,363. 8,320,000

2007A Tax Allocation Refunding Bonds

In October 2007, the Carson Redevelopment Agency issued \$16,845,000 of Tax Allocation Refunding Bonds, Series 2007A for Redevelopment Project Area No. 2 to advance refund \$14,925,000 of the outstanding 2003D Tax Allocation Refunding Bonds, establish a reserve account for the bonds and to pay the cost of issuing the bonds. Principal installments are due annually ranging in amounts from \$105,000 to \$1,655,000 plus interest at 0.5% to 5.3% through January 1, 2036.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

	<u>Balance at June 30, 2013</u>
<p>Of the 2007A series proceeds, \$16,361,635 were used to purchase U.S. Government securities to advance refund in full the 2003D series. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire outstanding balance of \$14,925,000. As a result, the entire 2003D series tax allocation bonds are considered to be defeased and were removed from the statement of net position. The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$611,384 and a reduction of total debt service payments of \$98,889. As of June 30, 2013, the reserve requirement for the bonds was \$1,459,134. The balance in the reserve account as of June 30, 2013 was \$1,501,267.</p>	<p>\$ <u>16,510,000</u></p>
Subtotal Redevelopment Project Area 2	<u>39,045,000</u>

Redevelopment Project Area 4:

2006 Tax Allocation Bonds

In December 2006, the Carson Redevelopment Agency issued \$28,000,000 of Tax Allocation Bonds, Series 2006 for Redevelopment Project Area No. 4 to fund redevelopment projects within the project area. Principal installments are due and begin October 1, 2007 annually ranging from \$385,000 to \$1,485,000 plus interest at 3.5% to 4.25% through October 2041. The reserve requirement for the bonds was satisfied in the form of a surety bond as of June 30, 2013.

25,305,000

Subtotal Redevelopment Project Area 4

25,305,000

Low and Moderate Income Housing:

2010A-T Tax Allocation Housing Bonds

In October 2010, the Carson Redevelopment Agency issued \$14,940,000 of Tax Allocation Housing Bonds Series 2010A-T to fund low and moderate income housing projects. Principal installments are due annually beginning on October 1, 2011 with interest rates ranging from 1.725% to 5.8%. The reserve requirement for the bonds was fully funded as of June 30, 2013. The balance in the reserve account as of June 30, 2013 was \$895,843.

12,830,000

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

	<u>Balance at June 30, 2013</u>
<u>2010A Tax Allocation Housing Bonds</u>	
In October 2010, the Carson Redevelopment Agency issued \$25,620,000 of Tax Allocation Housing Bonds Series 2010A to fund low and moderate income housing projects. Principal installments are due annually beginning on October 1, 2011 with interest rates ranging from 4.25% to 5.35%. The reserve requirement for the bonds was fully funded as of June 30, 2013. The balance in the reserve account as of June 30, 2013 was \$2,376,873.	\$ <u>25,620,000</u>
Subtotal Low and Moderate Income Housing	<u>38,450,000</u>
Total Redevelopment Agency Tax Allocation Bonds Payable	\$ <u>180,870,863</u>

Debt Service Requirements To Maturity

The following schedule summarizes the debt service to maturity requirements for bonds outstanding as of June 30, 2013:

Year Ending June 30,	Project Area 1 2003 B Tax Allocation Refunding Bonds		Project Area 1 2003 Tax Allocation Refunding Bonds		Project Area 1 2001 Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ 1,392,213	\$ 160,000	\$ 71,444	\$ 2,365,000	\$ 499,538
2015	-	1,392,213	165,000	65,144	2,490,000	366,025
2016	-	1,392,213	170,000	58,338	2,635,000	225,088
2017	-	1,392,213	180,000	51,119	2,775,000	76,313
2018	2,875,000	1,316,744	185,000	43,128	-	-
2019-2023	17,010,000	4,809,932	840,000	80,013	-	-
2024-2028	4,984,565	7,889,046	-	-	-	-
2029-2033	2,631,298	9,293,772	-	-	-	-
2034-2038	4,760,000	241,000	-	-	-	-
Total	<u>\$ 32,260,863</u>	<u>\$ 29,119,343</u>	<u>\$ 1,700,000</u>	<u>\$ 369,184</u>	<u>\$ 10,265,000</u>	<u>\$ 1,166,963</u>

Year Ending June 30,	Project Area 1 2009A Tax Allocation Refunding Bonds		Project Area 1 2009 Revenue Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 405,000	\$ 1,396,675	\$ 260,000	\$ 722,175
2015	430,000	1,377,350	270,000	711,563
2016	445,000	1,356,013	285,000	699,769
2017	470,000	1,332,550	295,000	687,075
2018	545,000	1,305,225	310,000	672,688
2019-2023	3,270,000	5,978,975	1,795,000	3,099,544
2024-2028	6,550,000	3,942,556	2,365,000	2,507,894
2029-2033	2,055,000	3,008,425	3,195,000	1,643,006
2034-2038	7,510,000	1,441,650	3,390,000	457,925
Total	<u>\$ 21,680,000</u>	<u>\$ 21,139,419</u>	<u>\$ 12,165,000</u>	<u>\$ 11,201,638</u>

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Debt Service Requirements To Maturity

Year Ending June 30,	Project Area 2 2003 A Tax Allocation Refunding Bonds		Project Area 2 2003B Tax Allocation Refunding Bonds		Project Area 2 2003C Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 840,000	\$ 529,750	\$ 200,000	\$ 101,831	\$ 435,000
2015	870,000	496,600	205,000	94,744	460,000	347,599
2016	905,000	458,838	215,000	87,259	475,000	329,771
2017	945,000	418,984	220,000	79,375	495,000	310,668
2018	985,000	379,178	230,000	71,075	510,000	290,249
2019-2023	5,695,000	1,083,081	1,295,000	203,381	2,900,000	1,094,970
2024	1,320,000	33,000	290,000	6,163	3,045,000	195,375
	<u>\$ 11,560,000</u>	<u>\$ 3,399,431</u>	<u>\$ 2,655,000</u>	<u>\$ 643,828</u>	<u>\$ 8,320,000</u>	<u>\$ 2,933,554</u>

Year Ending June 30,	Project Area 2 2007A Tax Allocation Refunding Bonds		Project Area 4 2006 Tax Allocation Bonds	
	Principal	Interest	Principal	Interest
	2014	\$ 125,000	\$ 751,700	\$ 475,000
2015	125,000	746,700	495,000	1,044,348
2016	130,000	741,700	510,000	1,024,885
2017	135,000	736,500	535,000	1,005,960
2018	145,000	731,100	550,000	986,698
2019-2023	800,000	3,564,488	3,085,000	4,599,534
2024-2028	3,695,000	3,258,781	3,750,000	3,914,043
2029-2033	6,610,000	2,063,388	4,620,000	3,018,031
2034-2038	4,745,000	457,663	5,725,000	1,890,266
2039-2042	-	-	5,560,000	513,313
Total	<u>\$ 16,510,000</u>	<u>\$ 13,052,019</u>	<u>\$ 25,305,000</u>	<u>\$ 19,060,824</u>

Year Ending June 30,	Low-and-Moderate Income Housing 2010 A-T Tax Allocation Housing Bonds		Low-and-Moderate Income Housing 2010 A Tax Allocation Housing Bonds	
	Principal	Interest	Principal	Interest
	2014	\$ 1,140,000	\$ 625,938	\$ -
2015	1,375,000	569,212	-	1,294,063
2016	1,440,000	505,720	-	1,294,063
2017	1,505,000	439,295	-	1,294,063
2018	1,570,000	362,175	-	1,294,063
2019-2023	5,800,000	549,450	3,430,000	6,330,506
2024-2028	-	-	9,005,000	4,417,000
2029-2033	-	-	6,620,000	2,611,856
2034-2038	-	-	6,565,000	705,731
Total	<u>\$ 12,830,000</u>	<u>\$ 3,051,790</u>	<u>\$ 25,620,000</u>	<u>\$ 20,535,406</u>

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The above outstanding debt issuances are collateralized by pledged tax increment revenue. The term of the commitment of pledged revenues and the purposes for which the proceeds of these debt issuances were utilized are disclosed in the debt descriptions provided herein. The amount of the remaining commitment of the pledge is equal to the amount of the remaining debt service to maturity of the related debt issuances as disclosed above.

As discussed above, certain bond reserve requirements were satisfied through surety bonds issued by MBIA Insurance Corporation, currently named National Public Finance Guarantee Corporation (NPFGC). In November 2012, Moody's Investors Service downgraded NPFGC's financial strength rating from "B3" to "Caa1" with developing outlook. The downgrade reflected the NPFGC's weak liquidity position and other factors.

County Deferred Loans

The former Carson Redevelopment Agency, the County of Los Angeles, and the Consolidated Fire Protection District entered into an Agreement of Reimbursement of Tax Increment Funds on February 15, 1983, upon the authority of Health and Safety Code Section 33401 and the provisions of Amendment No. 6 to the Carson Redevelopment Plan for the Project Area No. 2 (the "Project") as required by Health and Safety Code Section 33338.1, whereby the County agreed to loan tax increment up to \$200,000 annually not to exceed \$8 million dollars for the project.

As of June 30, 2013, the cumulative deferred loan balance payable to the County of Los Angeles was \$2,568,710.

Disclosure Of Successor Agency Commitments Under Development Agreements

Altmanshofer Family Trust

On June 19, 2001, the Carson Redevelopment Agency (Agency) entered into an agreement with David John Altmanshofer and Marlene Clare Altmanshofer, as trustees of the Altmanshofer Family Trust (Developer) to fund the acquisition and construction of property in the amount of \$1,685,000. Of the total amount, the forgivable loan of \$635,000 bears interest at 6% and is due July 15, 2012. The loan will be forgiven in an amount equal to 50% of incremental annual sales tax generated above the amount of \$65,000. The non-forgivable amount of \$1,050,000 bears annual interest of 6% and was due on July 15, 2009.

Because of the economic downturn, on July 1, 2009, the Agency agreed to extend the loan terms and reduced the interest rates. The interest rates for the non-forgivable and the forgivable loans were reduced from 6% to 3% and will be due on July 15, 2016. The Developer went out of business during the latter part of fiscal year 2010-2011. Accordingly, 100% allowance for uncollectible accounts was provided on the loans outstanding as of June 30, 2012.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

When the owner defaulted on the Agency's loan, as well as two other loans with two different banks, in accordance with the terms of the Agency's loan agreement with the owner, the Agency foreclosed on the property. To do so, the Agency also had to acquire the other two bank loans first, which it did. At that point the property becomes a Successor Agency property, and acquisition of the property was in keeping with the law to maintain the value of such properties prior to disposing of them. Because the property is along the I-405 freeway it is well suited for operation as an auto dealership. A local KIA automobile dealership asked to purchase the site from the Agency at fair market value and the Agency sold the property to the dealership for the appraised fair market value in September 2012. The dealership, Car Pros, will transition its operation from its existing off-freeway location to the new site, which should substantially increase its exposure and sales.

Carson Real Estate Leasing, LLC

On May 18, 2004, the Agency entered into a Disposition and Development Agreement (DDA) with the Carson Real Estate Leasing, LLC, a California limited liability company (Developer), for the development of approximately 92,000 square feet of a new and used car sales facility in the Merged and Amended Project Area. The Agency agreed to sell the land to the Developer for a total purchase price of \$8,581,718. The purchase price consists of a \$4,666,848 cash payment and a promissory note of \$3,914,870 - the Agency's subsidy to the project. The term shall be for 20 years with an option to extend for an additional five years. Each year, an amount equal to 50% of the sales tax generated from the site in excess of the average sales tax amount generated in year 2001-2003 shall be credited towards the payment of the principal amount and any interest accrued. As of June 30, 2013, the balance of the loan from this developer is \$3,625,951.

BP West Coast Products, LLC/Tesoro Corporation

On November 15, 2005, the Agency entered into an agreement with BP West Coast Products, LLC, a Delaware limited liability company (Developer), for development of a new office/business park campus of up to 280,000 square feet in potentially three different phases. The first phase consisted of an office building of approximately 125,000 square feet.

The Agency agreed to sell the 4.5 acre development parcel, located at 2254 E. 223rd Street, to the Developer for the sum of one dollar (\$1.00) and a note amount equal to \$2,960,000 (Note). Each year, seventy-five percent (75%) of the site tax increment is credited against any amounts outstanding under the Note. The term is for 15 years and simple interest accrues at two (2) percent per annum. As of April 16, 2013, the balance on the Note was \$2,237,267.

On June 1, 2013, the Developer sold the property and transferred all rights and responsibilities under the Note to Tesoro Corporation.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

501 Albertoni, LLC - University Village

On May 16, 2006, the Agency entered into a Disposition and Development Agreement (DDA) with 501 Albertoni, LLC, a Delaware limited liability company (Developer), for development of retail space as follows: new commercial retail center of approximately 40,000 square feet, a 6,500 square feet freestanding El Pescador restaurant, and an additional 33,500 square feet of commercial space. The Agency agreed to sell the land to the Developer in the amount of \$3,049,200. Upon the close of escrow, the Developer made a cash payment of \$750,000 to the Agency. A promissory note and deed of trust was issued for the remaining \$2,299,200. After the completion of the project, \$799,000 was forgiven. Repayment of the remaining \$1,500,000 is tied to the operation of the El Pescador restaurant - each year the restaurant is in operation, the amount of the note will be reduced by 20%. On January 31, 2008, the Agency sold the property to 501 Albertoni, LLC. A dispute arose over the meaning of Attachment No. 9 to the DDA entitled "Purchase Price Adjustment" and whether Developer was required to pay the Agency an additional purchase price of \$586,654. On April 6, 2010, both parties entered into a settlement agreement whereby the Developer agreed to pay \$400,000 in full consideration. Payment of the settlement was agreed as follows: \$50,000 to be paid in the form of a certified check and \$350,000 in the form of an unsecured promissory note at an interest rate of 3% per year. Specifically, the Developer is required to make an interest payment of \$2,625 per quarter for 10 years commencing on June 30, 2010 with the \$350,000 balance due at the earlier of March 20, 2020 or the date of the sale of the property. As of June 30, 2013, the balance of the loan from this developer is \$950,000.

Carson Marketplace, LLC

On July 25, 2006, the Agency entered into an Owner Participation Agreement (OPA) with Carson Marketplace LLC, a Delaware limited liability company, to effectuate the redevelopment plan for Redevelopment Project Area No. 1 by providing for public improvements and the remediation of the 157-acre portion of the total 168-acre property. Under the OPA, the Agency is committed to providing \$110 million in public financial assistance. In addition, the Agency committed to finance the improvements to the I-405/Avalon Boulevard on-off ramp system. Participant is obligated to contribute \$25 million toward this project. Total financial assistance granted to the Developer as of June 30, 2013 amounted to \$69.5 million.

The Gateway at City Center - 720 E. Carson St. & the Renaissance at City Center - 21800 S. Avalon

On March 18, 2008, the Agency entered into three separate agreements with Thomas Safran (Developer), for a mixed-use development with two major components: an affordable senior housing component and a commercial component. This large scale development is located on a 4.5 acre site at the southeast corner of Carson Street and Avalon Boulevard.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

On April 7, 2009, the Agency entered into an Owner Participation Agreement (OPA) with the Developer to develop a mixed-use project that includes 85 units of affordable senior rental housing plus one market-rate manager's unit, approximately 10,000 square foot of commercial space, and underground and surface-level parking (Phase I). On May 3, 2010, the Agency provided \$13,900,000 in financial assistance in the form of an interest-free for the senior housing component. Phase I was completed in April 2011.

On June 1, 2010, the Agency entered into a Disposition and Development Agreement (DDA) with Thomas Safran & Associates, Inc. and Carson City Center South LLC (Developer) for Phase II, a mixed-used project consisting of 150 new market-rate rental housing units, and approximately 25,000 square feet of commercial space, including subterranean and surface parking. The Agency sold three parcels to the developer immediately adjacent to the site for \$2,340,000 (fair market value). The Agency-owned properties together with the Developer's properties constitute the full development site.

On July 29, 2010, the Agency provided \$7,500,000 in financial assistance in the form of a grant to assist with the commercial component of the project.

The term is 55 years. On the anniversary of the certificate of occupancy date, 1/55 of the principal shall be credited. As of June 30, 2013, the certificate has not been issued.

WIN Chevrolet, Properties, LLC - 2201 E. 223rd St.

On April 21, 2009, the Agency approved the purchase of the C-P Land Company (Developer) property at 2201 E. 223rd Street (Property). The Agency then leased Property to the Cormier Chevrolet Company (Dealership) at the same address. In November 2011, after entering into a partnership with the Win Company (Win) with Win as majority interest partner, the Dealership exercised its repurchase rights of the Property under the DDA. The Agency sold the Property to the partnership, which renamed the new dealership Win Chevrolet. The Property was sold for \$12,000,000; there was a \$5,000,000 cash payment and a performance promissory note (Note) of \$7,000,000 was carried back by the Agency. The Note amount will be reduced at a rate of 1/20 of the original principal balance each year that the dealership operates in compliance with the 20-year operating covenant. If the new dealership ceases to operate, WIN Chevrolet will owe the balance of the Note.

A second note of \$500,000 is tied to the upgrade of the existing dealership to build a new Hyundai vehicle showroom. The loan is forgivable if the showroom is completed within 5 years of the effective date of the DDA. The expected completion date is no later than December 2016. As of June 30, 2013, WIN Chevrolet has a loan balance of \$7,150,000.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Hilland - Nissan Real Estate - 1505 E. 223rd St.

On July 6, 2010, the Agency and Hilland Nissan (Owner) entered into a Disposition and Development Agreement pursuant to which the Agency provided the Owner with \$3,000,000 of financial assistance to facilitate the Owner's long-term operation of a new Nissan dealership at the property located at 1505 E. 223rd St., pursuant to the terms of the DDA. The Agency provided the Owner with a \$3 million loan backed by a performance promissory note (Note), secured by a deed of trust on the Site. Principal due on the 15-year Note is reduced annually by an amount equal to 50% of the sales tax generated above a threshold gross sales amount defined in the Note. As of June 30, 2013, the loan balance is \$2,634,864.

NOTE 18 PRIOR PERIOD ADJUSTMENTS

The beginning net position balance of the Successor Agency was restated as follows:

Net Position beginning of year, as previously reported	\$	2,971,740
Adjustments:		
Adjustment to write off the balance of bond issuance cost to comply with GASB Statement No. 65		(2,381,163)
Adjustment to transfer the fund balance of the former Low and Moderate Income Housing Fund to the Housing Authority		(26,192,952)
Adjustment to record the County Deferral Loan		(2,568,710)
Adjustment to record the cumulative accreted interest on capital appreciation bonds		<u>(3,116,535)</u>
Net position beginning of year, as restated	\$	<u><u>(31,287,620)</u></u>

NOTE 19 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 30, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



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, 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

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
Human resources
Recruitment/training
Worker's compensation
Risk assessment and management

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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
Sales and use tax	\$ 19,900,000	\$ 19,900,000	\$ 25,187,734	\$ 5,287,734
Franchise tax	7,713,650	7,713,650	7,090,887	(622,763)
Property tax allocation from state	16,073,000	16,073,000	15,611,394	(461,606)
Transient occupancy tax	1,275,000	1,275,000	1,462,174	187,174
Utility Users tax	8,125,000	8,125,000	7,495,997	(629,003)
Real property transfer tax	215,000	215,000	728,221	513,221
Admissions tax	345,000	345,000	463,116	118,116
Total taxes	53,646,650	53,646,650	58,039,523	4,392,873
Licenses and permits				
Business licenses	2,500,000	2,500,000	2,628,905	128,905
Building permits	2,325,000	2,325,000	2,379,027	54,027
Other licenses and permits	632,550	632,550	725,267	92,717
Total licenses and permits	5,457,550	5,457,550	5,733,199	275,649
Fines, forfeitures and property:				
Traffic and parking fines	1,325,000	1,325,000	1,576,088	251,088
Other fines, forfeitures and penalties	292,000	292,000	314,213	22,213
Total fines, forfeitures and penalties	1,617,000	1,617,000	1,890,301	273,301
Use of money and property:				
Interest on investments	250,000	250,000	240,027	(9,973)
Rents and commissions	317,750	317,750	398,656	80,906
Community Center revenue	812,500	812,500	622,792	(189,708)
Total use of money and property	1,380,250	1,380,250	1,261,475	(118,775)
Intergovernmental:				
Motor vehicle licenses	250,000	250,000	50,405	(199,595)
Other intergovernmental	272,036	277,036	67,635	(209,401)
Total intergovernmental	522,036	527,036	118,040	(408,996)
Charges for services:				
Planning and public works	402,400	402,400	405,097	2,697
Recreation	1,280,152	1,280,152	1,297,848	17,696
Other service charges	523,900	523,900	420,029	(103,871)
Total charges for services	2,206,452	2,206,452	2,122,974	(83,478)
Other revenues				
	952,500	1,036,260	3,987,743	2,951,483
Total General Fund revenues	\$ 65,782,438	\$ 65,871,198	\$ 73,153,255	\$ 7,282,057

**City of Carson
GENERAL FUND
Schedule of Expenditures – Budget and Actual
Year ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 753,875	\$ 781,671	\$ 645,730	\$ 135,941
City Attorney	1,266,000	1,266,000	977,224	288,776
Non Departmental	5,844,837	8,249,563	7,812,068	437,495
City Clerk	898,238	898,238	774,054	124,184
City Treasurer	716,999	716,999	735,548	(18,549)
City Manager	3,315,063	3,351,275	3,201,957	149,318
Administrative Services	6,245,506	6,275,841	5,973,593	302,248
Total General Government	<u>19,040,518</u>	<u>21,539,587</u>	<u>20,120,174</u>	<u>1,419,413</u>
Community Development	1,371,090	1,437,600	3,889,965	(2,452,365)
Public Works	15,696,358	15,991,038	13,211,613	2,779,425
Community Services	29,740,452	30,347,153	29,249,568	1,097,585
Subtotal current expenditures	<u>65,848,418</u>	<u>69,315,378</u>	<u>66,471,320</u>	<u>2,844,058</u>
Capital Improvement Program	508,429	757,488	407,452	350,036
Net General Fund expenditures	<u>\$ 66,356,847</u>	<u>\$ 70,072,866</u>	<u>\$ 66,878,772</u>	<u>\$ 3,194,094</u>

City of Carson
CARSON HOUSING AUTHORITY

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year ended June 30, 2013

	<u>Budgeted Amounts</u>		Variance with
	<u>Final</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues			
Taxes	\$ -	\$ 2,907,469	2,907,469
Use of money and property	3,020,286	231,595	(2,788,691)
Miscellaneous	<u>603,090</u>	<u>165,915</u>	<u>(437,175)</u>
Total revenues	<u>3,623,376</u>	<u>3,304,979</u>	<u>(318,397)</u>
Expenditures			
Current:			
Community development	\$ 13,863,121	\$ 17,803,117	\$ (3,939,996)
Total expenditures	<u>13,863,121</u>	<u>17,803,117</u>	<u>(3,939,996)</u>
Excess (deficiency) of revenues over expenditures	(10,239,745)	(14,498,138)	4,258,393
Other financing sources			
Transfers in	<u>103,072</u>	<u>-</u>	<u>103,072</u>
Change in fund balance	<u>(10,136,673)</u>	(14,498,138)	<u>4,361,465</u>
Fund balances, beginning of year		<u>51,243,880</u>	
Fund balances, beginning of year		<u>36,745,742</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
6/30/2010	\$ 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%
6/30/2012	198,662,253	150,707,176	47,955,077	75.9%	24,309,612	197.3%

*UAAL refers to unfunded actuarial accrued liability.

Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets *	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	(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 during the fiscal year 2011-2012 and \$3,404,726 during the fiscal year 2012-2013.

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.

SUPPLEMENTARY SCHEDULES

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



GOVERNMENTAL FUNDS

**CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. All the Special Revenue funds of the City are nonmajor governmental funds.

The **Asset Forfeiture Fund** accounts for funds accumulated through seizure and forfeiture of properties, which are then used to supplement funds for public safety services.

The **State Gas Tax Fund** accounts for revenues apportioned under the Streets and Highway Code of the State of California. These funds can be expended for any street-related purpose.

The **TDA Article 3 Fund** accounts for Transportation Development Act grant monies received for building or improving bicycle paths and handicapped accesses.

The **Proposition A Local Return Fund** is used to account for the City's share of an additional one-half cent sales tax, which was approved by the electorate in November 1980. These funds must be used for local transportation programs.

The **Proposition C Local Return Fund** is used to account for the City's share of an additional one-half cent sales tax, which was approved by the electorate in November 1990. These funds must be used for local transportation programs.

The **Measure R Fund** is used to account for the City's share of an additional half-cent sales tax that became effective on July 1, 2009. The fund is used for transportation and highway projects.

The **Air Quality Improvement Fund** accounts for revenues and expenditures for clean air measures authorized by AB2766, which increased motor vehicle registration fees.

The **Self-Supporting Fund** accounts for the self-sustaining programs of the City.

The **Capital Asset Replacement Fund** is used to finance and account for the on-going replacement of the City's stock of vehicles, heavy equipment, specialized equipment, and office furniture and equipment. It is also used to renovate and construct City building and park facilities.

The **Restricted Administrative Tow Fee Fund** represents the \$56 out of the \$175 collected for administering the City's towing program, which is being exclusively used to address the public safety and code enforcement issues in the City.

The **Youth Services Program Fund** accounts for funds related to the implementation of the following youth services program: (a) Parent Project (b) Positive Choices (c) Anger Management (d) Youth and the Law and (e) Community Services.

The **Metropolitan Water District Fund** accounts for the funding of the water management equipment to upgrade the City's irrigation systems.

The **MTA Call for Project Fund** accounts for the Los Angeles County Metropolitan Transportation Authority (MTA) Call-for-Project programs. The fund is used to improve all modes of surface transportation.

The **Parks and Recreation Funds** are used to account for capital improvements at City parks and recreation facilities. Included in this category is the Park Development Fund, which accounts for monies used to implement capital improvements to various parks and the Los Angeles County Park District Grant Fund. The State CIP Grants Fund accounts for all grants received from the State to fund the non-recurring CIP projects of the city.

The **State Grant Funds** represent six funds used for specific community programs. The Beverage Container Recycling Fund is used for the effective disposal of recyclable containers while preserving the environment. The State COPS Grant Fund is used to provide a Community Oriented Policing program. The Used Oil State Grant Fund is used to increase public awareness of the benefits of recycling oil. The State Local Transportation Fund accounts for a variety of state transportation grant. The Proposition 1B passed in 2006, is also dedicated to the reduction of traffic congestion and increase in traffic safety.

The **Federal Grant Funds** account for six types of federal grant monies. The OJP/JAG Assistance Grant Fund accounts for monies required to be expended for public safety services that include anti-gang and community crime prevention activities. The Family Support Grant Fund provides funds for a Youth Enrichment Scholarship Program available to children ages 17 and under, who are local area residents and are in financial need. The Housing and Community Development Fund accounts for funds used for a variety of projects and programs primarily benefiting low-income residents. These funds were originally authorized under the Housing and Community Development Act of 1974 and their expenditure is approved by the Department of Housing and Urban Development (HUD). The Federal Highway Planning Grant Fund accounts for federal monies passed through the State of California Department of Transportation to local cities for the construction and repair of inter-connected Interstate highways and other public roads important to interstate commerce and travel. The Workforce Investment Act (WIA) Grant Fund provides assistance for youth employment, training efforts, and dislocated worker support services. The Neighborhood Stabilization Program Grant Fund accounts for monies received for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. This grant was authorized under the American Recovery and Reinvestment Act (ARRA).



	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund
ASSETS			
Cash and investments	\$ 6,003	\$ 600,000	\$ 71,832
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	9,533	-
Interest-other	-	-	-
Due from other funds	-	-	-
Due from Successor Agency	-	6,332	-
Due from governmental agencies	-	187,806	-
Total assets	<u>\$ 6,003</u>	<u>\$ 803,671</u>	<u>\$ 71,832</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 281,668	\$ 50,000
Accrued payroll	-	-	-
Due to other funds	-	365,577	-
Due to Successor Agency	-	-	-
Retentions payable	-	20,455	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>667,700</u>	<u>50,000</u>
FUND BALANCES (DEFICIT)			
Restricted	6,003	135,971	21,832
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>6,003</u>	<u>135,971</u>	<u>21,832</u>
Total liabilities and fund balances	<u>\$ 6,003</u>	<u>\$ 803,671</u>	<u>\$ 71,832</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2013

Proposition A Local Return Fund	Proposition C Local Return Fund	Measure R Fund	Air Quality Improvement Fund	Self- Supporting Fund	Capital Asset Replacement Fund
\$ 1,095,508	\$ 296,828	2,027,188	\$ 94,005	\$ 9,396	\$ 1,016,045
-	-	-	-	-	-
-	-	-	-	-	-
-	23,410	-	-	-	-
-	-	1,814	-	-	-
21,303	-	-	29,005	-	-
<u>\$ 1,116,811</u>	<u>\$ 320,238</u>	<u>2,029,002</u>	<u>\$ 123,010</u>	<u>\$ 9,396</u>	<u>\$ 1,016,045</u>
\$ 144,743	\$ 88,794	121,844	\$ 2,963	\$ 35,764	\$ 938
4,416	2,776	729	1,146	55,399	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	0	-	-	-
-	-	-	-	-	-
<u>149,159</u>	<u>91,570</u>	<u>122,573</u>	<u>4,109</u>	<u>91,163</u>	<u>938</u>
967,652	228,668	1,906,429	118,901	-	-
-	-	-	-	-	1,015,107
-	-	-	-	(81,767)	-
<u>967,652</u>	<u>228,668</u>	<u>1,906,429</u>	<u>118,901</u>	<u>(81,767)</u>	<u>1,015,107</u>
<u>\$ 1,116,811</u>	<u>\$ 320,238</u>	<u>2,029,002</u>	<u>\$ 123,010</u>	<u>\$ 9,396</u>	<u>\$ 1,016,045</u>

	Restricted Administrative Tow Fee Fund	Youth Services Program Fund	Metropolitan Water District Fund
ASSETS			
Cash and investments	\$ 21,054	\$ 45,672	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Interest-other	-	-	-
Due from other funds	-	-	-
Due from Successor Agency	-	-	-
Due from governmental agencies	9,016	-	-
Total assets	\$ 30,070	\$ 45,672	\$ -
LIABILITIES			
Accounts payable and accrued liabilities	\$ 20	\$ 39	\$ -
Accrued payroll	-	-	-
Due to other funds	-	-	-
Due to Successor Agency	-	-	-
Retentions payable	-	-	-
Deferred revenue	-	-	-
Total liabilities	20	39	-
FUND BALANCES (DEFICIT)			
Restricted	30,050	45,633	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	30,050	45,633	-
Total liabilities and fund balances	\$ 30,070	\$ 45,672	\$ -

City of Carson
All Nonmajor Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2013

MTA Call for Projects Fund	Parks and Recreation Funds	State Grant Funds	Federal Grant Funds	Totals
\$ 1,119,900	\$ 941,330	\$ 255,602	\$ 490,231	\$ 8,090,594
-	-	-	-	-
-	-	-	-	9,533
-	-	-	181,121	181,121
-	-	-	15,550	38,960
-	-	-	134,708	142,854
216,768	-	138,085	258,208	860,191
<u>1,336,668</u>	<u>\$ 941,330</u>	<u>\$ 393,687</u>	<u>\$ 1,079,818</u>	<u>\$ 9,323,253</u>
\$ -	\$ 75,508	\$ 57,073	\$ 147,809	\$ 1,007,163
-	3,515	-	9,458	77,439
23,410	-	37,360	211,424	637,771
1,254,220	-	-	-	1,254,220
-	1,875	-	-	22,330
-	-	8,964	176,000	184,964
<u>1,277,630</u>	<u>80,898</u>	<u>103,397</u>	<u>544,691</u>	<u>3,183,887</u>
59,038	860,432	290,290	535,127	5,206,026
-	-	-	-	1,015,107
-	-	-	-	(81,767)
<u>59,038</u>	<u>860,432</u>	<u>290,290</u>	<u>535,127</u>	<u>6,139,366</u>
<u>1,336,668</u>	<u>\$ 941,330</u>	<u>\$ 393,687</u>	<u>\$ 1,079,818</u>	<u>\$ 9,323,253</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – Parks and Recreation Funds
June 30, 2013

	Park Development Fund	LA County Park District Fund	State CIP Grants Fund	Totals
ASSETS				
Cash and investments	\$ 816,839	\$ 124,491	\$ -	\$ 941,330
Total assets	<u>\$ 816,839</u>	<u>\$ 124,491</u>	<u>\$ -</u>	<u>\$ 941,330</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 17,311	\$ 22,572	\$ 35,625	\$ 75,508
Accrued payroll	-	3,515	-	\$ 3,515
Retentions payable	-	-	1,875	1,875
Total liabilities	<u>17,311</u>	<u>26,087</u>	<u>37,500</u>	<u>80,898</u>
FUND BALANCES				
Restricted	<u>799,528</u>	<u>98,404</u>	<u>(37,500)</u>	<u>860,432</u>
Total fund balances	<u>799,528</u>	<u>98,404</u>	<u>(37,500)</u>	<u>860,432</u>
Total liabilities and fund balances	<u>\$ 816,839</u>	<u>\$ 124,491</u>	<u>\$ -</u>	<u>\$ 941,330</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – State Grant Funds
June 30, 2013

	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund	State Local Transportation Fund	Proposition 1B Fund	Totals
ASSETS						
Cash and investments	\$ 62,515	\$ 125,414	\$ 29,196	\$ 3,000	\$ 35,477	\$ 255,602
Due from governmental agencies	24,802	23,055	-	90,228	-	138,085
Total assets	\$ 87,317	\$ 148,469	\$ 29,196	\$ 93,228	\$ 35,477	\$ 393,687
LIABILITIES						
Accounts payable and accrued liabilities	\$ 400	\$ 17,000	\$ 4,196	-	35,477	\$ 57,073
Due to other funds	-	-	-	37,360	-	37,360
Retentions payable	-	-	-	-	-	-
Deferred revenue	-	-	-	8,964	-	8,964
Total liabilities	400	17,000	4,196	46,324	35,477	103,397
FUND BALANCES (DEFICIT)						
Restricted	86,917	131,469	25,000	46,904	-	290,290
Total fund balances	86,917	131,469	25,000	46,904	-	290,290
Total liabilities and fund balances	\$ 87,317	\$ 148,469	\$ 29,196	\$ 93,228	\$ 35,477	\$ 393,687

	Department of Justice/ OJP Grant Fund	Family Support Grant Fund	Housing and Community Development Fund
ASSETS			
Cash and investments	\$ -	\$ 7,307	\$ 172,568
Receivables:			
Loans, interest and other	-	-	-
Due from other funds	-	-	3,619
Due from Successor Agency	-	-	-
Due from governmental agencies	17,000	20,984	188,659
Total assets	<u>\$ 17,000</u>	<u>\$ 28,291</u>	<u>\$ 364,846</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 4,040	\$ 141,205
Accrued payroll	-	-	3,273
Due to other funds	17,000	-	12,300
Deferred revenue	-	-	-
Total liabilities	<u>17,000</u>	<u>4,040</u>	<u>156,778</u>
FUND BALANCES (DEFICIT)			
Restricted	-	24,251	208,068
Total fund balances	<u>-</u>	<u>24,251</u>	<u>208,068</u>
Total liabilities and fund balances	<u>\$ 17,000</u>	<u>\$ 28,291</u>	<u>\$ 364,846</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – Federal Grant Funds
June 30, 2013

Federal Highway Planning Grant Fund	WIA Grant Fund	Neighborhood Stabilization Grant Fund	Totals
\$ -	\$ -	\$ 310,356	\$ 490,231
-	11,000	170,121	181,121
11,931	-	-	15,550
134,708	-	-	134,708
-	31,565	-	258,208
<u>\$ 146,639</u>	<u>\$ 42,565</u>	<u>\$ 480,477</u>	<u>\$ 1,079,818</u>
\$ -	\$ 1,461	\$ 1,103	\$ 147,809
-	5,519	666	9,458
146,639	35,485	-	211,424
-	11,000	165,000	176,000
<u>146,639</u>	<u>53,465</u>	<u>166,769</u>	<u>544,691</u>
-	(10,900)	313,708	535,127
-	(10,900)	313,708	535,127
<u>\$ 146,639</u>	<u>\$ 42,565</u>	<u>\$ 480,477</u>	<u>\$ 1,079,818</u>

	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Charges to other funds	-	-	-
Intergovernmental	-	2,202,794	128,918
Use of money and property	49	8,064	335
Miscellaneous	-	47,723	-
Total revenues	<u>49</u>	<u>2,258,581</u>	<u>129,253</u>
Expenditures			
Current:			
Community services	-	-	-
Public works	-	-	-
Community development	-	-	-
Capital improvement programs	-	2,516,300	103,045
Total expenditures	<u>-</u>	<u>2,516,300</u>	<u>103,045</u>
Excess (deficiency) of revenues over expenditures	<u>49</u>	<u>(257,719)</u>	<u>26,208</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	(936,931)	-
Net other financing sources (uses)	<u>-</u>	<u>(936,931)</u>	<u>-</u>
Change in fund balance	49	(1,194,650)	26,208
Fund balances, beginning of year	<u>5,954</u>	<u>1,330,621</u>	<u>(4,376)</u>
Fund balances, end of year	<u>\$ 6,003</u>	<u>\$ 135,971</u>	<u>\$ 21,832</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2013

Proposition A Local Return Fund	Proposition C Local Return Fund	Measure R Fund	Air Quality Improvement Fund	Self Supporting Fund
\$ 1,515,067	1,281,394	\$ -	\$ -	\$ -
-	-	-	-	69,928
-	-	-	-	781,988
-	-	-	-	-
278,204	-	941,401	110,774	-
7,349	1,860	13,267	777	-
205,635	114,641	-	-	3,550
<u>2,006,255</u>	<u>1,397,895</u>	<u>954,668</u>	<u>111,551</u>	<u>855,466</u>
2,019,704	1,303,317	-	108,759	929,586
-	-	-	-	-
-	-	-	-	-
-	-	285,515	-	7,649
<u>2,019,704</u>	<u>1,303,317</u>	<u>285,515</u>	<u>108,759</u>	<u>937,235</u>
<u>(13,449)</u>	<u>94,578</u>	<u>669,153</u>	<u>2,792</u>	<u>(81,769)</u>
-	-	-	-	540,014
-	-	-	-	-
-	-	-	-	540,014
<u>(13,449)</u>	<u>94,578</u>	<u>669,153</u>	<u>2,792</u>	<u>458,245</u>
981,101	134,090	1,237,276	116,109	(540,012)
<u>\$ 967,652</u>	<u>228,668</u>	<u>\$ 1,906,429</u>	<u>\$ 118,901</u>	<u>\$ (81,767)</u>

	Capital Asset Replacement Fund	Restricted Administrative Tow Fee Fund	Youth Services Program Fund
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	53,342	-
Charges for services	-	-	2,235
Charges to other funds	567,509	-	-
Intergovernmental	-	-	-
Use of money and property	-	206	-
Miscellaneous	-	-	-
Total revenues	<u>567,509</u>	<u>53,548</u>	<u>2,235</u>
Expenditures			
Current:			
Community services	-	12,447	2,594
Public works	-	-	-
Community development	-	-	-
Capital improvement programs	161,064	18,617	-
Total expenditures	<u>161,064</u>	<u>31,064</u>	<u>2,594</u>
Excess (deficiency) of revenues over expenditures	<u>406,445</u>	<u>22,484</u>	<u>(359)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	406,445	22,484	(359)
Fund balances, beginning of year	<u>608,662</u>	<u>7,566</u>	<u>45,992</u>
Fund balances, end of year	<u>\$ 1,015,107</u>	<u>\$ 30,050</u>	<u>\$ 45,633</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2013

Metropolitan Water District Fund	MTA Call for Projects Fund	Parks and Recreation Funds	State Grant Funds	Federal Grant Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,796,461
-	-	-	-	-	123,270
-	-	-	-	-	784,223
-	-	-	-	-	567,509
-	1,370,405	127,182	320,493	2,323,938	7,804,109
-	425	7,368	6,369	720,803	766,872
-	-	45,998	-	239	417,786
-	<u>1,370,830</u>	<u>180,548</u>	<u>326,862</u>	<u>3,044,980</u>	<u>13,260,230</u>
-	-	-	250,000	118,099	4,744,506
-	958,668	89,592	34,187	-	1,082,447
-	-	-	1,315	1,912,597	1,913,912
-	353,124	124,350	799,323	411,318	4,780,305
-	<u>1,311,792</u>	<u>213,942</u>	<u>1,084,825</u>	<u>2,442,014</u>	<u>12,521,170</u>
-	59,038	(33,394)	(757,963)	602,966	739,060
-	-	-	-	11,931	551,945
(33)	-	-	(89,603)	-	(1,026,567)
(33)	-	-	(89,603)	11,931	(474,622)
(33)	59,038	(33,394)	(847,566)	614,897	264,438
33	-	893,826	1,137,856	(79,770)	5,874,928
\$ -	\$ <u>59,038</u>	\$ <u>860,432</u>	\$ <u>290,290</u>	\$ <u>535,127</u>	\$ <u>6,139,366</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Parks and Recreation Funds
Year ended June 30, 2013

	Park Development Fund	LA County Park District Fund	State CIP Grants Fund	Totals
Revenues				
Intergovernmental	\$ -	\$ 127,182	\$ -	\$ 127,182
Use of money and property	6,875	493	-	7,368
Miscellaneous	45,998	-	-	45,998
Total revenues	<u>52,873</u>	<u>127,675</u>	<u>-</u>	<u>180,548</u>
Expenditures				
Current:				
Public works	-	89,592	-	89,592
Capital improvement programs	57,142	29,708	37,500	124,350
Total expenditures	<u>57,142</u>	<u>119,300</u>	<u>37,500</u>	<u>213,942</u>
Change in fund balance	(4,269)	8,375	(37,500)	(33,394)
Fund balances, beginning of year	<u>803,797</u>	<u>90,029</u>	<u>-</u>	<u>893,826</u>
Fund balances, end of year	<u>\$ 799,528</u>	<u>\$ 98,404</u>	<u>\$ (37,500)</u>	<u>\$ 860,432</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
State Grant Funds
Year ended June 30, 2013

	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund	State Local Transportation Fund	Proposition 1B Fund	Totals
Revenues						
Intergovernmental	\$ 24,802	\$ 137,533	\$ 36,463	\$ 121,695	\$ -	\$ 320,493
Use of money and property	553	1,359	172	-	4,285	6,369
Total revenues	<u>25,355</u>	<u>138,892</u>	<u>36,635</u>	<u>121,695</u>	<u>4,285</u>	<u>326,862</u>
Expenditures						
Current:						
Community services	-	250,000	-	-	-	250,000
Public works	6,167	-	28,020	-	-	34,187
Community development	-	-	-	1,315	-	1,315
Capital improvement programs	-	-	-	73,435	725,888	799,323
Total expenditures	<u>6,167</u>	<u>250,000</u>	<u>28,020</u>	<u>74,750</u>	<u>725,888</u>	<u>1,084,825</u>
Excess (deficiency) of revenues over expenditures	<u>19,188</u>	<u>(111,108)</u>	<u>8,615</u>	<u>46,945</u>	<u>(721,603)</u>	<u>(757,963)</u>
Other financing sources (uses)						
Transfers out	(1,200)	-	(2,680)	-	(85,723)	(89,603)
Net other financing sources (uses)	<u>(1,200)</u>	<u>-</u>	<u>(2,680)</u>	<u>-</u>	<u>(85,723)</u>	<u>(89,603)</u>
Change in fund balance	17,988	(111,108)	5,935	46,945	(807,326)	(847,566)
Fund balances, beginning of year	<u>68,929</u>	<u>242,577</u>	<u>19,065</u>	<u>(41)</u>	<u>807,326</u>	<u>1,137,856</u>
Fund balances, end of year	<u>\$ 86,917</u>	<u>\$ 131,469</u>	<u>\$ 25,000</u>	<u>\$ 46,904</u>	<u>\$ -</u>	<u>\$ 290,290</u>

	Department of Justice/ OJP Grant Fund	Family Support Grant Fund	Housing and Community Development Fund
Revenues			
Intergovernmental	\$ 68,000	\$ 44,000	\$ 1,117,555
Use of money and property	-	144	846
Miscellaneous	-	-	239
Total revenues	<u>68,000</u>	<u>44,144</u>	<u>1,118,640</u>
Expenditures			
Current:			
Community services	73,679	44,420	-
Community development	-	-	1,117,794
Capital improvement programs	295,800	-	-
Total expenditures	<u>369,479</u>	<u>44,420</u>	<u>1,117,794</u>
Excess (deficiency) of revenues over expenditures	<u>(301,479)</u>	<u>(276)</u>	<u>846</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(301,479)	(276)	846
Fund balances, beginning of year	<u>301,479</u>	<u>24,527</u>	<u>207,222</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 24,251</u>	<u>\$ 208,068</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Federal Grant Funds
Year ended June 30, 2013

	Federal Highway Planning Grant Fund	WIA Grant Fund	Neighborhood Stabilization Grant Fund	Totals
\$	537,760	\$ 556,623	\$	\$ 2,323,938
	11	-	719,802	720,803
	-	-	-	239
	<u>537,771</u>	<u>556,623</u>	<u>719,802</u>	<u>3,044,980</u>
	-	-	-	118,099
	-	546,498	248,305	1,912,597
	-	21,126	94,392	411,318
	<u>-</u>	<u>567,624</u>	<u>342,697</u>	<u>2,442,014</u>
	<u>537,771</u>	<u>(11,001)</u>	<u>377,105</u>	<u>602,966</u>
	11,931	-	-	11,931
	-	-	-	-
	<u>11,931</u>	<u>-</u>	<u>-</u>	<u>11,931</u>
	549,702	(11,001)	377,105	614,897
	(549,702)	101	(63,397)	(79,770)
\$	<u><u>-</u></u>	<u><u>(10,900)</u></u>	<u><u>313,708</u></u>	<u><u>\$ 535,127</u></u>

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ASSET FORFEITURE FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 49	\$ 49
Total revenues	<u>-</u>	<u>49</u>	<u>49</u>
Change in fund balance	<u>\$ -</u>	49	<u>\$ 49</u>
Fund balances, beginning of year		<u>5,954</u>	
Fund balances, end of year		<u>\$ 6,003</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
STATE GAS TAX FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 2,466,937	\$ 2,202,794	\$ (264,143)
Use of money and property	11,100	8,064	(3,036)
Miscellaneous	-	47,723	47,723
Total revenues	<u>2,478,037</u>	<u>2,258,581</u>	<u>(219,456)</u>
Expenditures			
Capital improvement programs	2,378,940	2,516,300	(137,360)
Total expenditures	<u>2,378,940</u>	<u>2,516,300</u>	<u>(137,360)</u>
Excess (deficiency) of revenues over expenditures	<u>99,097</u>	<u>(257,719)</u>	<u>(356,816)</u>
Other financing sources (uses)			
Transfers out	<u>(925,000)</u>	<u>(936,931)</u>	<u>(11,931)</u>
Change in fund balance	<u>\$ (825,903)</u>	<u>(1,194,650)</u>	<u>\$ (368,747)</u>
Fund balances, beginning of year		<u>1,330,621</u>	
Fund balances, end of year		<u>\$ 135,971</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
BICYCLE PATHWAY (TDA ARTICLE 3) FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 183,026	\$ 128,918	\$ (54,108)
Use of money and property	-	335	335
Total revenues	<u>183,026</u>	<u>129,253</u>	<u>(53,773)</u>
Expenditures			
Capital improvement programs	178,650	103,045	75,605
Total expenditures	<u>178,650</u>	<u>103,045</u>	<u>75,605</u>
Change in fund balance	<u>\$ 4,376</u>	26,208	<u>\$ 21,832</u>
Fund balances, beginning of year		<u>(4,376)</u>	
Fund balances, end of year		<u>\$ 21,832</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
PROPOSITION A LOCAL RETURN FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget - Positive (Negative)</u>
Revenues			
Taxes	\$ 1,403,502	\$ 1,515,067	\$ 111,565
Intergovernmental	204,100	278,204	74,104
Use of money and property	3,441	7,349	3,908
Miscellaneous	<u>248,000</u>	<u>205,635</u>	<u>(42,365)</u>
Total revenues	<u>1,859,043</u>	<u>2,006,255</u>	<u>147,212</u>
Expenditures			
Current:			
Community services	2,270,283	2,019,704	250,579
Capital improvement programs	<u>81,412</u>	<u>-</u>	<u>81,412</u>
Total expenditures	<u>2,351,695</u>	<u>2,019,704</u>	<u>331,991</u>
Change in fund balance	<u>\$ (492,652)</u>	(13,449)	<u>\$ 479,203</u>
Fund balances, beginning of year		<u>981,101</u>	
Fund balances, end of year		<u>\$ 967,652</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
PROPOSITION C LOCAL RETURN FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget - Positive (Negative)</u>
Revenues			
Taxes	\$ 1,164,168	\$ 1,281,394	\$ 117,226
Use of money and property	400	1,860	1,460
Miscellaneous	135,000	114,641	(20,359)
Total revenues	<u>1,299,568</u>	<u>1,397,895</u>	<u>98,327</u>
Expenditures			
Current:			
Community services	1,264,706	1,303,317	(38,611)
Total expenditures	<u>1,264,706</u>	<u>1,303,317</u>	<u>(38,611)</u>
Change in fund balance	<u>\$ 34,862</u>	94,578	<u>\$ 59,716</u>
Fund balances, beginning of year		<u>134,090</u>	
Fund balances, end of year		<u>\$ 228,668</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
MEASURE R FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 870,148	\$ 941,401	\$ 71,253
Use of money and property	<u>3,000</u>	<u>13,267</u>	<u>10,267</u>
Total revenues	<u>873,148</u>	<u>954,668</u>	<u>81,520</u>
Expenditures			
Capital improvement programs	<u>427,199</u>	<u>285,515</u>	<u>141,684</u>
Total expenditures	<u>427,199</u>	<u>285,515</u>	<u>141,684</u>
Change in fund balance	<u>\$ 445,949</u>	669,153	<u>\$ 223,204</u>
Fund balances, beginning of year		<u>1,237,276</u>	
Fund balances, end of year		<u>\$ 1,906,429</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
AIR QUALITY IMPROVEMENT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 117,629	\$ 110,774	\$ (6,855)
Use of money and property	429	777	348
Total revenues	<u>118,058</u>	<u>111,551</u>	<u>(6,507)</u>
 Expenditures			
Current:			
Community services	97,424	108,759	(11,335)
Total expenditures	<u>97,424</u>	<u>108,759</u>	<u>(11,335)</u>
 Change in fund balance	 <u>\$ 20,634</u>	 2,792	 <u>\$ (17,842)</u>
 Fund balances, beginning of year		 <u>116,109</u>	
 Fund balances, end of year		 <u>\$ 118,901</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
SELF-SUPPORTING FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges for services	\$ 862,582	\$ 781,988	\$ (80,594)
Fines and forfeitures	60,000	69,928	9,928
Miscellaneous	-	3,550	3,550
Total revenues	<u>922,582</u>	<u>855,466</u>	<u>(67,116)</u>
Expenditures			
Current:			
Community services	822,850	929,586	(106,736)
Capital improvement program	13,000	7,649	5,351
Total expenditures	<u>835,850</u>	<u>937,235</u>	<u>(101,385)</u>
Excess (deficiency) of revenues over expenditures	<u>86,732</u>	<u>(81,769)</u>	<u>34,269</u>
Other financing sources			
Transfers in	<u>525,000</u>	<u>540,014</u>	<u>15,014</u>
Change in fund balance	<u>\$ 611,732</u>	<u>458,245</u>	<u>\$ (168,501)</u>
Fund balances, beginning of year		<u>(540,012)</u>	
Fund balances, end of year		<u>\$ (81,767)</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
CAPITAL ASSET REPLACEMENT FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges to other funds	\$ 580,508	\$ 567,509	\$ (12,999)
Total revenues	<u>580,508</u>	<u>567,509</u>	<u>(12,999)</u>
Expenditures			
Capital improvement programs	<u>775,419</u>	<u>161,064</u>	<u>614,355</u>
Total expenditures	<u>775,419</u>	<u>161,064</u>	<u>614,355</u>
Excess (deficiency) of revenues over expenditures	<u>(194,911)</u>	<u>406,445</u>	<u>601,356</u>
Other financing sources (uses)			
Transfers in	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Change in fund balance	<u>\$ 305,089</u>	406,445	<u>\$ 101,356</u>
Fund balances, beginning of year		<u>608,662</u>	
Fund balances, end of year		<u>\$ 1,015,107</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
RESTRICTED ADMINISTRATIVE TOW FEE FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Fines and forfeitures	\$ 69,500	\$ 53,342	\$ (16,158)
Use of money and property	45	206	161
Total revenues	<u>69,545</u>	<u>53,548</u>	<u>(15,997)</u>
Expenditures			
Current:			
Community services	33,450	12,447	21,003
Capital improvement programs	25,000	18,617	6,383
Total expenditures	<u>58,450</u>	<u>31,064</u>	<u>27,386</u>
Change in fund balance	<u>\$ 11,095</u>	22,484	<u>\$ 11,389</u>
Fund balances, beginning of year		<u>7,566</u>	
Fund balances, end of year		<u>\$ 30,050</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
YOUTH SERVICES PROGRAM FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Charges for services	\$ 5,400	\$ 2,235	\$ (3,165)
Total revenues	<u>5,400</u>	<u>2,235</u>	<u>(3,165)</u>
Expenditures			
Current:			
Community services	<u>7,100</u>	<u>2,594</u>	<u>4,506</u>
Total expenditures	<u>7,100</u>	<u>2,594</u>	<u>4,506</u>
Change in fund balance	<u>\$ (1,700)</u>	(359)	<u>\$ 1,341</u>
Fund balances, beginning of year		<u>45,992</u>	
Fund balances, end of year		<u>\$ 45,633</u>	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
METROPOLITAN WATER DISTRICT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Other financing sources			
Transfers out	\$ -	\$ (33)	\$ (33)
Change in fund balance	\$ -	-	\$ -
Fund balances, beginning of year		33	
Fund balances, end of year		\$ -	

City of Carson
Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
MTA CALL FOR PROJECTS FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 2,286,610	\$ 1,370,405	\$ (916,205)
Use of money and property	-	425	425
Total revenues	2,286,610	1,370,830	(915,780)
Expenditures			
Current:			
Public works	958,668	958,668	-
Capital improvement programs	1,327,942	353,124	974,818
Total expenditures	2,286,610	1,311,792	974,818
Change in fund balance	\$ -	59,038	\$ 59,038
Fund balances, beginning of year		-	
Fund balances, end of year		\$ 59,038	

City of Carson
Parks and Recreation Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
PARK DEVELOPMENT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Miscellaneous	\$ -	\$ 45,998	\$ 45,998
Use of money and property	3,050	6,875	3,825
Total revenues	3,050	52,873	49,823
Expenditures			
Capital improvement programs	582,042	57,142	524,900
Total expenditures	582,042	57,142	524,900
Change in fund balance	\$ (578,992)	(4,269)	\$ 574,723
Fund balances, beginning of year		803,797	
Fund balances, end of year		\$ 799,528	

City of Carson
Parks and Recreation Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
LOS ANGELES COUNTY PARK DISTRICT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 350,000	\$ 127,182	\$ (222,818)
Use of money and property	-	493	493
Total revenues	350,000	127,675	(222,325)
Expenditures			
Current:			
Public works	130,000	89,592	40,408
Capital improvement programs	250,000	29,708	220,292
Total expenditures	380,000	119,300	260,700
Change in fund balance	\$ (30,000)	8,375	\$ 38,375
Fund balances, beginning of year		90,029	
Fund balances, end of year		\$ 98,404	

City of Carson
 State Grants Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 STATE CIP GRANTS FUND
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Use of money and property	\$ 654,550	\$ -	\$ (654,550)
Total revenues	<u>654,550</u>	<u>-</u>	<u>(654,550)</u>
Expenditures			
Current:			
Capital improvement program	<u>654,550</u>	<u>37,500</u>	<u>617,050</u>
Total expenditures	<u>654,550</u>	<u>37,500</u>	<u>617,050</u>
Change in fund balance	<u>\$ -</u>	<u>(37,500)</u>	<u>\$ (37,500)</u>
Fund balances, beginning of year		<u>-</u>	
Fund balances, end of year		<u>\$ (37,500)</u>	

City of Carson
 State Grants Nonmajor Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
BEVERAGE CONTAINER RECYCLING FUND
 Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 24,000	\$ 24,802	\$ 802
Use of money and property	414	553	139
Total revenues	<u>24,414</u>	<u>25,355</u>	<u>941</u>
Expenditures			
Current:			
Public works	32,992	6,167	26,825
Total expenditures	<u>32,992</u>	<u>6,167</u>	<u>26,825</u>
Other financing uses			
Transfer out	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
Change in fund balance	<u>\$ (8,578)</u>	17,988	<u>\$ 27,766</u>
Fund balances, beginning of year		<u>68,929</u>	
Fund balances, end of year		<u>\$ 86,917</u>	

City of Carson
State Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
STATE COPS GRANT FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 203,858	\$ 137,533	\$ (66,325)
Use of money and property	731	1,359	628
Total revenues	<u>204,589</u>	<u>138,892</u>	<u>(65,697)</u>
Expenditures			
Current:			
Community services	250,000	250,000	-
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Change in fund balance	<u>\$ (45,411)</u>	(111,108)	<u>\$ (65,697)</u>
Fund balances, beginning of year		<u>242,577</u>	
Fund balances, end of year		<u>\$ 131,469</u>	

City of Carson
State Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
USED OIL STATE GRANT FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 37,250	\$ 36,463	\$ (787)
Use of money and property	-	172	172
Total revenues	<u>37,250</u>	<u>36,635</u>	<u>(615)</u>
 Expenditures			
Current:			
Public works	<u>33,593</u>	<u>28,020</u>	<u>5,573</u>
Total expenditures	<u>33,593</u>	<u>28,020</u>	<u>5,573</u>
Excess (deficiency) of revenues over expenditures	3,657	8,615	4,958
Other financing sources			
Transfers out	<u>(2,680)</u>	<u>(2,680)</u>	<u>-</u>
Change in fund balance	<u>\$ 977</u>	5,935	<u>\$ 4,958</u>
 Fund balances, beginning of year		<u>19,065</u>	
 Fund balances, end of year		<u>\$ 25,000</u>	

City of Carson
State Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
STATE LOCAL TRANSPORTATION FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 88,466	\$ 121,695	\$ 33,229
Total revenues	<u>88,466</u>	<u>121,695</u>	<u>33,229</u>
Expenditures			
Current:			
Community development	-	1,315	(1,315)
Capital improvement programs	<u>88,425</u>	<u>73,435</u>	<u>14,990</u>
Total expenditures	<u>88,425</u>	<u>74,750</u>	<u>13,675</u>
Change in fund balance	<u>\$ 41</u>	46,945	<u>\$ 46,904</u>
Fund balances, beginning of year		<u>(41)</u>	
Fund balances, end of year		<u>\$ 46,904</u>	

City of Carson
State Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
PROPOSITION 1B FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Use of money and property	\$ 5,651	\$ 4,285	\$ (1,366)
Total revenues	<u>5,651</u>	<u>4,285</u>	<u>(1,366)</u>
Expenditures			
Current:			
Capital improvement program	709,548	725,888	(16,340)
Total expenditures	<u>709,548</u>	<u>725,888</u>	<u>(16,340)</u>
Excess (deficiency) of revenues over expenditures	(703,897)	(721,603)	(17,706)
Other financing sources			
Transfers out	<u>(103,429)</u>	<u>(85,723)</u>	<u>17,706</u>
Change in fund balance	<u>\$ (807,326)</u>	(807,326)	<u>\$ -</u>
Fund balances, beginning of year		<u>807,326</u>	
Fund balances, end of year		<u>\$ -</u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DEPARTMENT OF JUSTICE / OJP GRANT FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 92,890	\$ 68,000	\$ (24,890)
Use of money and property	<u>1,809</u>	<u>-</u>	<u>(1,809)</u>
Total revenues	<u>94,699</u>	<u>68,000</u>	<u>(26,699)</u>
 Expenditures			
Current:			
Community services	68,000	73,679	(5,679)
Capital improvement program	<u>287,000</u>	<u>295,800</u>	<u>(8,800)</u>
Total expenditures	<u>355,000</u>	<u>369,479</u>	<u>(5,679)</u>
 Change in fund balance	 <u>\$ (260,301)</u>	 (301,479)	 <u>\$ (32,378)</u>
 Fund balances, beginning of year		 <u>301,479</u>	
 Fund balances, end of year		 <u>\$ -</u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
FAMILY SUPPORT GRANT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 44,000	\$ 44,000	\$ -
Use of money and property	100	144	44
Total revenues	44,100	44,144	44
Expenditures			
Current:			
Community services	63,133	44,420	18,713
Total expenditures	63,133	44,420	18,713
Change in fund balance	\$ (19,033)	(276)	\$ 18,757
Fund balances, beginning of year		24,527	
Fund balances, end of year		\$ 24,251	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
HOUSING AND COMMUNITY DEVELOPMENT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 1,451,609	\$ 1,117,555	\$ (334,054)
Use of money and property	-	846	846
Miscellaneous	-	239	239
Total revenues	1,451,609	1,118,640	(332,969)
Expenditures			
Current:			
Community development	1,471,310	1,117,794	353,516
Total expenditures	1,471,310	1,117,794	353,516
Change in fund balance	\$ (19,701)	846	\$ 20,547
Fund balances, beginning of year		207,222	
Fund balances, end of year		\$ 208,068	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
FEDERAL HIGHWAY PLANNING GRANT FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 5,107,998	\$ 537,760	\$ (4,570,238)
Use of money and property	-	11	11
Total revenues	<u>5,107,998</u>	<u>537,771</u>	<u>(4,570,227)</u>
Expenditures			
Current:			
Capital improvement program	<u>4,558,296</u>	-	<u>4,558,296</u>
Total expenditures	<u>4,558,296</u>	<u>-</u>	<u>4,558,296</u>
Excess (deficiency) of revenues over expenditures	549,702	537,771	(11,931)
Other financing sources			
Transfers in	<u>-</u>	<u>11,931</u>	<u>11,931</u>
Change in fund balance	<u>\$ 549,702</u>	549,702	<u>\$ -</u>
Fund balances, beginning of year		<u>(549,702)</u>	
Fund balances, end of year		<u>\$ -</u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WORKFORCE INVESTMENT ACT (WIA) GRANT FUND
Year ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 629,443	\$ 556,623	\$ (72,820)
Total revenues	629,443	556,623	(72,820)
Expenditures			
Current:			
Community development	629,443	546,498	82,945
Capital improvement programs	-	21,126	(21,126)
Total expenditures	629,443	567,624	61,819
Change in fund balance	\$ -	(11,001)	\$ (11,001)
Fund balances, beginning of year		101	
Fund balances, end of year		\$ (10,900)	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
NEIGHBORHOOD STABILIZATION PROGRAM FUND
Year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Use of money and property	\$ 1,213,000	\$ 719,802	\$ (493,198)
Total expenditures	<u>1,213,000</u>	<u>719,802</u>	<u>(493,198)</u>
Expenditures			
Current:			
Community development	327,000	248,305	78,695
Capital improvement program	<u>820,000</u>	<u>94,392</u>	<u>725,608</u>
Total expenditures	<u>1,147,000</u>	<u>342,697</u>	<u>804,303</u>
Change in fund balance	<u>\$ 66,000</u>	377,105	<u>\$ (311,105)</u>
Fund balances, beginning of year		<u>(63,397)</u>	
Fund balances, end of year		<u>\$ 313,708</u>	

FIDUCIARY FUNDS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



The Fiduciary funds are used to account for assets held by the City as an agent for individuals, private organizations and/or other governmental units. The City has two types of Fiduciary funds: Agency Fund and Private-Purpose Trust Fund.

An agency fund is accounted for in essentially the same manner as governmental funds; however, its purpose is custodial in nature (assets equal liabilities); therefore, the measurement of results is not appropriate. The following Trust and Agency Funds are funds deposited with the City by various individuals and private organization:

The **Wilmington Assessment District Fund** is used to account for the \$2.2 million Assessment District Limited Obligation Refunding Improvement Bonds, Series 1995. The bonds were used to finance the installations and construction of certain public improvements within the boundaries of the District. The City is in no way liable for the repayment of the bonds but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings for the benefit of the bondholders.

The **Sepulveda Blvd. Assessment District Fund** is used to account for the \$13.1 million Limited Obligation Improvement Bonds, Series 1992. The bonds were used to finance the cost of certain street improvements. The City is in no way liable for repayment of the bonds but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings for the benefit of the bondholders.

The **Dominquez Technology Center West Assessment District Fund** is used to account for the \$32.2 million Limited Obligation Improvement Bonds, Series 2001. The bonds were used to finance the acquisition costs for improvements within the Assessment District, to establish the Reserve Fund and to pay the cost of issuing the bonds. The City is in no way liable for repayment of the bonds but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings for the benefit of the bondholders.

A Private-Purpose Trust Fund accounts is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. The City has the following private-purpose trust fund:

Successor Agency Private-purpose Trust Fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Carson Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Fund, Private-purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

**City of Carson
Fiduciary Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2013**

	Trust and Agency	Wilmington Ave Assessment District	Sepulveda Blvd Assessment District	Dominguez Tech Center Assessment District	Totals
ASSETS					
Cash and investments	\$ 3,121,786	\$ 717,837	\$ 1,106,360	\$ 2,181,055	\$ 7,127,038
Cash and investments with fiscal agent	-	-	-	2,536,229	2,536,229
Due from other funds	-	-	-	3,816	3,816
Total assets	<u>\$ 3,121,786</u>	<u>\$ 717,837</u>	<u>\$ 1,106,360</u>	<u>\$ 4,721,100</u>	<u>\$ 9,667,083</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 152,988	\$ -	\$ -	\$ 2,120	\$ 155,108
Refundable deposits	2,925,665	-	-	-	2,925,665
Due to other funds	43,133	-	-	-	43,133
Due to assessees/bondholders	-	717,837	1,106,360	4,718,980	6,543,177
Total liabilities	<u>\$ 3,121,786</u>	<u>\$ 717,837</u>	<u>\$ 1,106,360</u>	<u>\$ 4,721,100</u>	<u>\$ 9,667,083</u>

**City of Carson
Fiduciary Funds
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2013**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2013</u>
<u>Trust and Agency</u>				
ASSETS				
Cash and investments	\$ 3,587,079	\$ 1,224,650	\$ 1,689,943	\$ 3,121,786
Receivable:				
Interest	36	-	36	-
Total assets	<u>\$ 3,587,115</u>	<u>\$ 1,224,650</u>	<u>\$ 1,689,979</u>	<u>\$ 3,121,786</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 427,310	\$ 1,352,076	\$ 1,626,398	\$ 152,988
Refundable deposits	3,159,805	1,218,618	1,452,758	2,925,665
Due to other funds	-	43,133	-	43,133
Total liabilities	<u>\$ 3,587,115</u>	<u>\$ 2,613,827</u>	<u>\$ 3,079,156</u>	<u>\$ 3,121,786</u>
 <u>Wilmington Ave Assessment District</u>				
ASSETS				
Cash and investments	\$ 711,929	\$ 5,908	\$ -	\$ 717,837
Total assets	<u>\$ 711,929</u>	<u>\$ 5,908</u>	<u>\$ -</u>	<u>\$ 717,837</u>
LIABILITIES				
Current liabilities				
Due to bondholders	\$ 711,929	\$ 5,908	\$ -	\$ 717,837
Total liabilities	<u>\$ 711,929</u>	<u>\$ 5,908</u>	<u>\$ -</u>	<u>\$ 717,837</u>
 <u>Sepulveda Blvd Assessment District</u>				
ASSETS				
Cash and investments	\$ 1,081,999	\$ 218,727	\$ 194,366	\$ 1,106,360
Total assets	<u>\$ 1,081,999</u>	<u>\$ 218,727</u>	<u>\$ 194,366</u>	<u>\$ 1,106,360</u>
LIABILITIES				
Due to bondholders	\$ 1,081,999	\$ 218,727	\$ 194,366	\$ 1,106,360
Total liabilities	<u>\$ 1,081,999</u>	<u>\$ 218,727</u>	<u>\$ 194,366</u>	<u>\$ 1,106,360</u>

**City of Carson
Fiduciary Funds
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2013**

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
<u>Dominguez Tech Center Assessment District</u>				
ASSETS				
Cash and investments	\$ 973,112	\$ 3,481,955	\$ 2,274,012	\$ 2,181,055
Cash and investments with fiscal agent	2,512,651	4,071,018	4,047,440	2,536,229
Receivable:				
Accounts	1,166,856	-	1,166,856	-
Due from other funds	-	3,816	-	3,816
Total assets	\$ 4,652,619	\$ 7,556,789	\$ 7,488,308	\$ 4,721,100

LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 9,542	\$ 7,422	\$ 2,120
Due to bondholders	4,652,619	5,912,620	5,846,259	4,718,980
Total liabilities	\$ 4,652,619	\$ 9,542	\$ 7,422	\$ 4,721,100

Totals - All Fiduciary Funds

ASSETS				
Cash and investments	\$ 6,354,119	\$ 4,931,240	\$ 4,158,321	\$ 7,127,038
Cash and investments with fiscal agent	2,512,651	4,071,018	4,047,440	2,536,229
Receivables:				
Accounts	1,166,856	-	1,166,856	-
Interest	36	-	36	-
Due from other funds	-	3,816	-	3,816
Total assets	\$ 10,033,662	\$ 9,006,074	\$ 9,372,653	\$ 9,667,083

LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 427,310	\$ 1,361,618	\$ 1,633,820	\$ 155,108
Refundable deposits	3,159,805	1,218,618	1,452,758	2,925,665
Due to other funds	-	43,133	-	43,133
Due to assessees/bondholders	6,446,547	6,137,255	6,040,625	6,543,177
Total liabilities	\$ 10,033,662	\$ 8,760,624	\$ 9,127,203	\$ 9,667,083

STATISTICAL SECTION

(Not covered by Independent Auditors' Report)

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



This part of the City of Carson's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Carson
Net Position by Component
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of accumulated depreciation and related debt	\$ 352,560,147	\$ 345,259,471	\$ 347,867,446	\$ 338,831,073	\$ 339,173,885	\$ 343,401,921	\$ 339,117,408	\$ 339,193,971	302,392,752	296,900,646
Restricted for:										
Community services	(428,719)	2,121,021	5,043,426	7,266,284	7,955,782	365,563	437,501	1,351,533	6,228,534	1,874,973
Public works	9,601,103	-	-	-	-	5,163,559	6,218,413	5,462,293	4,606,521	3,379,453
Community development	185,724,332	192,255,065	198,110,054	16,876,793	14,883,468	66,747,912	58,194,306	21,030,464	207,323	-
Housing projects	-	-	-	44,076,682	47,791,190	57,703,840	56,547,299	33,212,090	47,104,277	56,811,390
Unrestricted	(81,462,097)	(71,911,054)	(68,817,297)	90,795,828	96,062,533	(13,874,931)	(41,228,567)	(20,605,772)	2,571,341	12,357,782
Total governmental activities net position	\$ 465,994,766	\$ 467,724,503	\$ 482,203,629	\$ 497,846,660	\$ 505,866,858	\$ 459,507,864	\$ 419,286,360	379,644,579	\$ 363,110,748	\$ 371,324,244

\$

Source: City of Carson

**City of Carson
Change in Net Position
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 16,632,600	\$ 18,001,181	\$ 16,767,939	\$ 19,469,561	\$ 20,809,981	\$ 27,028,260	\$ 20,353,648	\$ 20,578,498	\$ 22,940,199	\$ 22,049,082
Community services	32,134,878	33,180,089	32,697,684	36,489,941	39,934,036	40,435,251	42,720,043	36,479,106	41,684,670	35,247,843
Public works	22,350,042	14,921,451	14,397,933	15,041,177	14,393,790	13,221,772	16,439,029	11,742,451	14,060,876	15,799,718
Community development	11,698,412	17,172,120	13,106,094	18,252,691	14,418,785	70,810,907	56,847,899	53,957,318	14,469,115	32,878,975
Interest and other charges	5,549,730	5,465,560	4,819,483	5,689,403	6,820,184	6,429,807	7,858,690	15,535,108	5,350,108	-
Capital maintenance programs	-	-	-	-	-	-	-	2,921,050	-	2,031,237
Interfund reimbursement	-	-	-	-	-	-	-	8,615,980	-	-
Total governmental activities expenses	\$ 88,365,662	\$ 88,740,401	\$ 81,789,133	\$ 94,942,773	\$ 96,376,776	\$ 157,925,997	\$ 144,219,309	\$ 149,829,511	\$ 98,504,968	\$ 108,006,855
Program Revenues:										
Governmental activities:										
Charges for services	\$ 11,855,375	\$ 11,951,722	\$ 11,709,299	\$ 11,823,146	\$ 11,942,829	\$ 11,976,952	\$ 12,061,204	15,100,971	14,690,950	12,137,769
Operating contributions and grants	12,570,380	10,103,518	8,396,046	17,071,652	12,623,073	7,767,632	12,193,258	10,963,981	13,483,809	12,895,134
Capital contributions and grants	-	73,922	996,437	77,327	78,098	1,890,354	4,067,208	5,322,016	3,148,874	489,800
Total governmental activities program revenues	\$ 24,425,755	\$ 22,129,162	\$ 21,101,782	\$ 28,972,125	\$ 24,644,000	\$ 21,634,938	\$ 28,321,670	\$ 31,386,968	\$ 31,323,633	\$ 25,522,703
Net (expense) revenues-governmental activities/primary government	\$ (63,939,907)	\$ (66,611,239)	\$ (60,687,351)	\$ (65,970,648)	\$ (71,732,776)	\$ (136,291,059)	\$ (115,897,639)	\$ (118,442,543)	\$ (67,181,335)	\$ (82,484,152)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	25,832,203	28,150,634	29,157,856	31,005,842	32,202,400	34,892,648	32,874,557	32,977,590	28,206,102	19,247,084 *
Sales taxes	20,632,463	19,010,261	20,133,009	21,066,579	21,648,681	19,262,212	15,051,658	17,195,450	20,688,872	25,187,734
Transient occupancy taxes	896,294	1,139,242	1,329,497	1,392,123	1,564,083	1,244,543	1,121,092	1,197,800	1,307,732	1,462,174
Franchise taxes	6,675,126	6,888,795	8,433,494	8,120,849	8,159,269	9,686,804	6,876,484	7,483,227	7,746,907	7,090,887
Admissions Tax	-	-	-	-	-	105,019	362,105	266,446	390,600	463,116
Utility users tax	-	-	-	-	-	1,028	6,722,319	7,439,521	8,016,141	7,495,997
Motor vehicle license fee	-	2,494,546	677,746	531,114	435,813	334,137	288,398	242,811	256,016	50,405
Motor vehicle in lieu	4,679,928	5,369,607	6,594,965	6,395,360	6,780,952	7,235,463	7,153,876	7,104,861	-	-
Other tax	-	3,311	3,698	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-
Use of money and property	3,068,670	5,708,185	7,840,437	10,288,832	9,209,215	8,488,288	4,842,082	3,062,757	1,763,424	2,568,878
Developer constructed infrastructure	-	-	-	-	-	-	-	-	-	-
Loss on sale of land	-	-	-	-	-	-	-	-	-	-
Other revenue	3,134,879	1,577,536	995,775	956,734	533,503	638,428	5,212,274	1,830,299	195,425	938,422
Total governmental activities	\$ 64,919,563	\$ 70,342,117	\$ 75,166,477	\$ 79,757,433	\$ 80,533,916	\$ 81,888,570	\$ 80,504,845	\$ 78,800,762	\$ 68,571,219	\$ 64,504,697
Change in Net Position										
Governmental activities	\$ 979,656	\$ 3,730,878	\$ 14,479,126	\$ 13,786,785	\$ 8,801,140	\$ (54,402,489)	\$ (35,392,794)	\$ (39,641,781)	\$ 1,389,884	\$ (17,979,455)
Total primary government	\$ 979,656	\$ 3,730,878	\$ 14,479,126	\$ 13,786,785	\$ 8,801,140	\$ (54,402,489)	\$ (35,392,794)	\$ (39,641,781)	\$ 1,389,884	\$ (17,979,455)

Source: City of Carson

N/A - Not Available. The City implemented GASB 34 reporting for the fiscal year ended June 30, 2003.

* Includes Motor vehicle in lieu

**City of Carson
Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011 **	2012	2013
General fund										
Reserved	\$ 3,586,648	\$ 2,927,387	\$ 2,936,079	\$ 1,158,240	\$ 2,705,353	\$ 3,114,747	\$ 944,838			
Unreserved, reported in:										
Designated for special purpose	19,148,285	20,231,985	20,418,185	-	-	1,269,181	1,245,972			
Undesignated	2,681,347	3,758,506	4,477,779	26,679,476	21,679,654	16,405,465	15,991,314			
Total general fund	25,416,280	26,917,878	27,832,043	27,837,716	24,385,007	20,789,393	18,182,124			
Special Revenue										
Reserved	1,636,086	1,265,311	3,130,368	15,737,951	14,792,547	17,073,294	17,526,281			
Unreserved, reported in:										
Designated	2,025,413	-	-	8,034,288	11,962,175	6,724,222	7,045,587			
Undesignated	8,278,870	12,608,252	13,291,655	-	-	-	-			
State local transportation fund										
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-			
Total special revenue fund	11,940,369	13,873,563	16,422,023	23,772,239	26,754,722	23,797,516	24,571,868			
Capital projects										
Reserved	79,119,527	83,913,950	86,791,251	89,585,120	81,160,740	79,754,221	51,338,721			
Unreserved, reported in:										
Designated	21,057,309	-	-	142,140,637	156,640,705	116,298,202	109,182,006			
Undesignated	85,547,156	108,341,115	112,382,042	-	-	-	-			
Total capital projects	185,723,992	192,255,065	199,173,293	231,725,757	237,801,445	196,052,423	160,520,727			
Total governmental funds	\$ 223,080,641	\$ 233,046,506	\$ 243,427,359	\$ 283,335,712	\$ 288,941,174	\$ 240,639,332	\$ 203,274,719			
General fund										
Nonspendable								\$ 677,922	\$ 739,877	\$ 1,632,266
Restricted								2,321,416	2,410,033	2,484,398
Committed								6,198,067	6,705,685	20,409,123
Assigned								3,712,276	3,792,000	5,102,225
Unassigned								10,591,610	15,971,310	6,739,998
								<u>\$ 23,501,291</u>	<u>29,618,905</u>	<u>36,368,010</u>
Housing Authority										
Nonspendable								7,650,948	16,218,201	8,146,939
Restricted								51,868,370	8,832,728	28,598,803
								<u>\$ 59,519,318</u>	<u>25,050,929</u>	<u>36,745,742</u>
Capital projects										
Nonspendable								24,660,162	-	-
Restricted								99,021,335	-	-
								<u>\$ 123,681,497</u>	<u>-</u>	<u>-</u>
Proposition C Local Return Fund										
Restricted									\$ 134,090	\$ -
Federal Highway Planning Grant Fund										
Unassigned									\$ (549,702)	\$ -
Nonmajor governmental funds										
Restricted								28,208,276	6,221,890	5,206,026
Assigned								589,883	608,662	1,015,107
Unassigned								(3,363,044)	(540,012)	(81,767)
								<u>25,435,115</u>	<u>6,290,540</u>	<u>6,139,366</u>
Total governmental funds								<u>\$ 232,137,221</u>	<u>60,544,762</u>	<u>79,253,118</u>

* Beginning Fiscal Year 2002/03, Debt Service Fund Balances are reported as part of the Special Revenue Funds

** Beginning Fiscal Year 2010-2011, The City adopted GASB 54, Fund Balance Reporting, which changes the fund balance classification in the governmental funds.

Source: City of Carson

City of Carson
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 56,519,628	\$ 63,655,899	\$ 69,505,481	\$ 73,210,445	\$ 76,416,838	\$ 80,907,303	\$ 74,168,970	79,015,236	68,978,607	63,743,453
Licenses and permits	5,994,196	5,431,560	5,402,462	5,293,969	5,385,637	5,643,875	4,766,767	6,472,150	6,240,419	5,733,199
Fines, forfeitures and penalties	1,795,051	1,653,669	1,754,645	1,727,612	1,609,321	1,701,748	1,789,500	2,187,730	2,789,268	2,013,571
Use of money and property	3,878,909	7,177,883	9,354,791	11,007,795	11,433,529	10,557,318	4,604,809	3,184,744	1,763,424	2,259,942
Intergovernmental	10,153,767	8,721,085	6,215,326	12,207,289	9,067,678	5,443,708	13,027,869	10,746,260	8,361,928	7,794,867
Charges for services	2,893,193	3,271,407	3,077,369	2,985,352	2,985,224	2,559,121	2,662,335	3,062,757	8,967,821	2,907,197
Charges to other funds	437,525	-	902,500	372,000	869,400	32,697	145,057	-	-	567,509
Miscellaneous	3,080,473	2,822,930	2,757,222	3,453,703	1,192,004	1,304,603	6,450,369	2,180,221	2,729,580	4,698,626
Total revenues	84,752,742	92,734,433	98,969,796	110,258,165	108,959,631	108,150,373	107,615,676	106,849,098	99,831,047	89,718,364
Expenditures										
General government	18,059,804	16,049,750	16,666,041	18,071,092	19,130,574	20,139,083	20,686,885	18,136,954	20,690,955	20,120,174
Community services	30,201,484	29,599,768	31,849,780	34,324,469	36,385,981	36,577,270	36,679,991	34,477,002	36,366,232	33,994,074
Public works	14,429,057	13,306,867	14,310,213	14,600,846	15,243,991	12,786,280	13,695,643	14,145,645	16,711,058	14,294,060
Community development	11,983,776	18,003,874	16,522,830	27,983,987	18,219,462	67,156,790	27,037,959	15,249,106	27,466,234	23,606,994
Debt Service										
Bond principal	2,190,000	3,160,000	2,930,000	3,105,000	3,795,000	3,610,000	3,765,000	4,390,000	5,735,000	-
Bond interest	2,879,437	5,077,668	4,958,655	5,223,017	7,634,458	5,985,058	7,181,131	8,592,640	5,096,767	-
Other bond financing costs	2,050,259	2,000	-	947,786	1,033,973	234,980	334,120	577,740	-	-
Capital improvement programs	14,708,820	3,956,003	4,302,986	5,709,591	8,053,836	32,557,557	51,262,569	27,221,615	17,402,989	5,187,757
Interfund reimbursement	(3,226,212)	(2,679,747)	(2,951,561)	(3,196,983)	(3,617,653)	(3,995,295)	(3,770,394)	(3,464,606)	(5,198,738)	-
Total expenditures	93,276,425	86,476,183	88,588,944	106,768,805	105,879,622	175,051,723	156,872,904	119,326,096	124,270,497	97,203,059
Excess (deficiency) of revenues over (under) expenditures	(8,523,683)	6,258,250	10,380,852	3,489,360	3,080,009	(66,901,350)	(49,257,228)	(12,476,998)	(24,439,450)	(7,484,695)
Other financing sources (uses)										
Transfers in	67,297,056	13,593,689	12,894,333	13,623,464	23,638,979	26,673,638	18,589,935	22,838,526	25,766,146	1,566,581
Transfers out	(67,297,056)	(13,593,689)	(12,894,333)	(13,623,464)	(23,638,979)	(26,673,638)	(18,589,935)	(22,838,526)	(25,766,146)	(1,566,581)
Loan Proceeds	-	5,000,000	-	-	-	-	-	-	-	-
Bond Proceeds	63,490,863	-	-	28,000,000	16,845,000	22,810,000	12,165,000	40,560,000	-	-
Payment to escrow agent	(4,333,072)	-	-	-	(14,319,547)	(390,683)	(272,385)	-	-	-
Loss on sale of land	(598,936)	(1,433,918)	-	-	-	-	779,500	-	-	-
Total other financing sources (uses)	58,558,855	3,566,082	-	28,000,000	2,525,453	22,419,317	11,892,615	41,339,500	-	-
Net change in fund balances	\$ 50,035,172	\$ 9,824,332	\$ 10,380,852	\$ 31,489,360	\$ 5,605,462	\$ (44,482,033)	\$ (37,364,613)	\$ 28,862,502	\$ (24,439,450)	\$ (7,484,695)
Debt service as a percentage of noncapital expenditures	9.53%	10.71%	9.94%-	9.77%-	14.01%	7.19%	11.50%	16.54%	11%	0%

Source: City of Carson

**City of Carson
General Governmental Revenues by Source
Last Ten Fiscal Years**

Year Ended 30-Jun	Property Tax	Sales Tax	Franchise Tax	Interest Income on Investments	Building Construction Permits	Business License Fees	Federal Grants	Motor Vehicle License Fees	Utility Users Tax
2004	\$ 25,970,924	\$20,608,179	\$ 6,675,126	\$ 3,122,010	\$ 3,717,082	\$ 2,008,429	\$ 2,007,064	\$ 4,674,718	\$ -
2005	33,520,241 *	19,186,893 **	6,888,795	5,314,792	3,090,034	2,017,497	2,153,900	2,494,546	-
2006	36,319,089 *	20,124,304 **	8,433,494	5,662,143	2,798,971	2,323,767	1,763,153	677,846	-
2007	39,148,797 *	21,053,363 **	8,120,846	8,458,027	2,195,205	2,538,674	8,303,199	531,114	-
2008	41,960,439 *	21,615,227 **	8,159,269	9,442,128	2,291,416	2,567,338	2,449,439	435,813	-
2009	47,831,937 *	19,262,212 **	9,686,804	8,347,727	2,422,053	2,681,222	1,597,640	334,137	-
2010	41,519,865 *	15,051,658 **	6,876,484	2,849,583	1,901,201	2,282,081	12,607,160	288,398	6,722,319
2011	42,753,339 *	17,195,450 **	7,483,227	1,808,934	3,053,450	2,650,060	5,769,455	242,811	7,439,521
2012	19,355,360 #	20,688,872 **	7,746,907	937,338	2,789,592	2,649,097	2,056,551	256,016	7,980,683
2013	15,611,394 *	25,187,734 **	7,090,887	507,216	2,379,027	2,628,905	3,043,040	50,405	7,495,997

* - Includes property taxes received in lieu of motor vehicles license fees.

** - Includes property taxes received in lieu of sales taxes.

Redevelopment Agency was dissolved on 2/1/2012 due to ABx1 26. Property Tax allocation to the dissolved agency is limited to the State's approved Redevelopment Property Tax Trust Fund (RPTTF) money.

Source: City of Carson

City of Carson
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Entire City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable	Secured	Unsecured	Less: Exemptions	Taxable	
				Assessed Value				Assessed Value	
2004	\$ 8,823,662	\$ 1,359,076	\$ (90,915)	\$ 10,091,823	\$ 2,344,054	\$ 554,936	\$ (13,829)	\$ 2,885,161	1.000%
2005	9,338,345	1,456,260	(92,176)	10,702,429	2,497,646	614,932	(14,185)	3,098,393	1.000%
2006	10,298,564	1,384,761	(92,939)	11,590,386	2,797,669	561,889	(14,343)	3,345,215	1.000%
2007	10,563,712	1,449,239	(93,186)	11,919,765	3,029,193	608,572	(14,785)	3,622,979	1.000%
2008	11,312,601	1,416,880	(94,094)	12,635,387	3,230,043	557,471	(15,449)	3,772,064	1.000%
2009	12,037,843	1,544,502	(95,059)	13,487,286	3,386,534	642,531	(15,853)	4,013,211	1.000%
2010	11,949,059	1,480,135	(95,424)	13,333,770	3,436,787	649,248	(16,065)	4,069,970	1.000%
2011	11,897,501	1,439,918	(95,196)	13,242,223	3,405,081	632,562	(16,197)	4,021,446	1.000%
2012	11,857,196	1,327,723	(93,911)	13,091,009	3,451,606	562,904	(16,037)	3,998,473	1.000%
2013	11,959,163	1,211,622	(92,535)	13,078,250	3,496,537	578,477	(16,017)	4,058,997	1.000%

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With a few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitation described above.

Source: Los Angeles County Assessor's Office

City of Carson
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Direct Rates:										
City basic rate	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total City Direct Rate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates:										
County of Los Angeles	0.0010	0.0009	0.0008	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Community College	0.0199	0.0181	0.0143	0.0215	0.0088	0.0221	0.0231	0.0403	0.0353	0.0376
Unified Schools	0.0771	0.0888	0.0843	0.1068	0.1233	0.1248	0.1518	0.1870	0.1682	0.1756
Flood Control	0.0005	0.0002	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Metropolitan Water District	<u>0.0061</u>	<u>0.0058</u>	<u>0.0052</u>	<u>0.0047</u>	<u>0.0045</u>	<u>0.0043</u>	<u>0.0043</u>	<u>0.0037</u>	<u>0.0037</u>	<u>0.0035</u>
Total Direct Rate	<u><u>1.1046</u></u>	<u><u>1.1138</u></u>	<u><u>1.1047</u></u>	<u><u>1.1337</u></u>	<u><u>1.1366</u></u>	<u><u>1.1512</u></u>	<u><u>1.1792</u></u>	<u><u>1.2310</u></u>	<u><u>1.2072</u></u>	<u><u>1.2167</u></u>

Note:
 In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various inter-governmental overlapping debt.

Source: Los Angeles County Assessor's Office

**City of Carson
Principal Property Taxpayers
Current Year and Ten Years Ago**

Taxpayer	2013		2004	
	Taxable Assessed	Percent of Total City	Taxable Assessed	Percent of Total City
	Value*	Value	Value	Value
BP West Coast Products	\$ 1,807,126,683	13.72%	2,360,386,870	23.18%
ConocoPhillips Co	503,787,721	3.83%	-	0.00%
Watson Land Co	481,448,736	3.66%	318,786,078	3.13%
Tesoro Refining and Marketing Co.	413,716,232	3.14%		0.00%
Watson Cogeneration Co.	284,106,000	2.16%	510,325,568	5.01%
Gatx Tank Storage Terminals Corp.	282,840,064	2.15%	99,497,852	0.98%
Phillips Petroleum Co.	-	0.00%	306,097,669	3.01%
General Mills Operations Inc.	162,655,382	1.23%	-	0.00%
Equilon Enterprises LLC	123,189,840	0.94%	212,298,612	2.08%
Home Depot Center Anschutz So. Cal. Sports	121,767,019	0.92%	-	0.00%
Carson Dominguez Properties LP	110,039,104	0.84%	-	0.00%
Air Products and Chemicals	-	0.00%	93,038,326	0.91%
Carson Cogeneration Co. LP	-	0.00%	80,000,000	0.79%
Nissan Motor Corp.	-	0.00%	70,401,660	0.69%
Tosco Corp.	-	0.00%	68,473,813	0.67%
	<u>\$ 4,290,676,781</u>	<u>32.58%</u>	<u>4,119,306,448</u>	<u>40.45%</u>

*The amounts shown include assessed value data for both the City and the Redevelopment Agency.

Source: Los Angeles County Assessor's Office

N/A - Not Available

**City of Carson
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	\$ 26,878,008	\$ 24,577,979	91.44%	\$ 2,300,029	\$ 26,878,008	100.00%
2008	31,165,050	28,498,357	91.44%	2,666,694	31,165,051	100.00%
2009	34,030,650	31,368,244	92.18%	2,662,406	34,030,650	100.00%
2010	33,890,362	31,630,105	93.33%	2,260,257	33,890,362	100.00%
2011	33,155,535	30,977,690	93.43%	2,177,845	33,155,535	100.00%
2012	33,313,250	31,337,722	94.07%	1,975,528	33,313,250	100.00%
2013	33,825,963	32,062,885	94.79%	1,763,078	33,825,963	100.00%

Note: The amounts presented include city property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: Los Angeles County Auditor Controller
N/A - Not Available

City of Carson
Direct and Overlapping Governmental Activities Debt
June 30, 2013

	Gross Bonded Debt	Exclusions	Net Bonded Debt City Share
Direct Debt			
City of Carson - 1915 Act Bonds	\$ 29,690,000	\$ 29,690,000	\$ -
Carson Redevelopment Agency	180,870,863	180,870,863	-
Total Direct Debt	<u>\$210,560,863</u>	<u>\$ 210,560,863</u>	<u>\$ -</u>
Overlapping Debt-Repaid with Property Taxes			
Tax and Assessment Debt			\$ 377,348,393
General Fund Debt (Net)			42,270,522
Total Overlapping Debt-Repaid with Property Taxes			<u>419,618,915</u>
Total Direct and Overlapping Debt			<u>\$ 419,618,915</u>

Notes:

- (1) Direct debt exclusions represent bonds which are not general obligation bonds of the city and do not represent a claim against the General Fund revenues of the City.
- (2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The net bonded debt estimates the portion of the outstanding debt of the overlapping governments that is borne by the residents and businesses of the city.

Source: California Municipal Statistics, Inc. and the City of Carson, Finance Division.

**City of Carson
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit - 15% of Total Assessed Value	\$ 1,533,314,872	\$ 1,629,560,129	\$ 1,763,874,804	\$ 1,813,984,397	\$ 1,923,741,099	\$ 2,052,719,396	\$ 2,029,465,128	\$ 2,016,431,540	\$ 1,994,163,608	\$ 1,993,415,963
Amount of debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,533,314,872	\$ 1,629,560,129	\$ 1,763,874,804	\$ 1,813,984,397	\$ 1,923,741,099	\$ 2,052,719,396	\$ 2,029,465,128	\$ 2,016,431,540	\$ 1,994,163,608	\$ 1,993,415,963
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation										
Assessed value	\$ 10,091,823,173	\$ 10,702,428,623	\$ 11,590,385,815	\$ 11,919,765,292	\$ 12,635,386,881	\$ 13,487,285,911	13,333,770,032	13,242,222,532	13,091,008,795	13,078,249,995
Add back: exempt real property	130,275,972	161,305,568	168,779,548	173,464,020	189,553,778	197,510,065	195,997,487	200,654,403	203,415,257	211,189,755
Total assessed value	\$ 10,222,099,145	\$ 10,863,734,191	\$ 11,759,165,363	\$ 12,093,229,312	\$ 12,824,940,659	\$ 13,684,795,976	\$ 13,529,767,519	\$ 13,442,876,935	\$ 13,294,424,052	\$ 13,289,439,750
Debt limit (15% of total assessed value)	\$ 1,533,314,872	\$ 1,629,560,129	\$ 1,763,874,804	\$ 1,813,984,397	\$ 1,923,741,099	\$ 2,052,719,396	\$ 2,029,465,128	\$ 2,016,431,540	\$ 1,994,163,608	\$ 1,993,415,963
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,533,314,872	\$ 1,629,560,129	\$ 1,763,874,804	\$ 1,813,984,397	\$ 1,923,741,099	\$ 2,052,719,396	\$ 2,029,465,128	\$ 2,016,431,540	\$ 1,994,163,608	\$ 1,993,415,963

Note:
 The City of Carson has no bonded debt.
 The Carson Redevelopment Agency has bonded debt (Tax Allocation)

	\$ 111,560,863	\$ 108,400,863	\$ 105,470,863	\$ 130,365,863	\$ 128,570,863	\$ 147,770,863	\$ 156,170,863	\$ 192,340,863	\$ -	\$ -
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**City of Carson
Pledged-Revenue Coverage
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross tax increment	\$19,887,155	\$21,826,789	\$22,819,093	\$25,682,282	\$ 27,856,482	\$ 33,249,076	\$28,706,556	\$ 28,307,079	\$ 24,310,311	\$ 31,286,630
Less Mandatory Costs:										
Admin & Pass-Thru	N/A	N/A	N/A		2,079,662	2,761,636	1,989,657	1,715,027	6,023,672	10,961,661
20% Housing Set aside	N/A	N/A	N/A		5,571,297	6,649,815	5,741,311	5,661,416	-	-
Total	-	-	-	-	7,650,959	9,411,451	7,730,968	7,376,443	6,023,672	10,961,661
Net tax increment	-	-	-	25,682,282	20,205,523	23,837,625	20,975,588	20,930,635	18,286,639	20,324,969
Debt service										
Principal	\$ 2,190,000	\$ 3,160,000	\$ 2,930,000	\$ 3,105,000	\$ 3,795,000	\$ 3,610,000	\$ 3,765,000	\$ 4,390,000	\$ 5,735,000	\$ 5,735,000
Interest	\$ 2,879,437	\$ 5,077,669	\$ 4,958,655	\$ 4,870,555	\$ 5,931,620	\$ 5,848,966	\$ 7,175,236	\$ 8,394,118	\$ 9,320,356	\$ 9,083,631
	<u>\$ 5,069,437</u>	<u>\$ 8,237,669</u>	<u>\$ 7,888,655</u>	<u>\$ 7,975,555</u>	<u>\$ 9,726,620</u>	<u>\$ 9,458,966</u>	<u>\$10,940,236</u>	<u>\$ 12,784,118</u>	<u>\$ 15,055,356</u>	<u>\$ 14,818,631</u>
Coverage	<u>3.92</u>	<u>2.65</u>	<u>2.89</u>	<u>3.22</u>	<u>2.86</u>	<u>3.52</u>	<u>2.62</u>	<u>2.21</u>	<u>1.61</u>	<u>2.11</u>

Note: The pledged tax increment revenues and the debt service payments refer to the City of Carson Redevelopment Agency.

Source: City of Carson

**City of Carson
Demographic and Economic Statistics
Last Ten Fiscal Years**

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2004	97,747	\$ 326,402,466	\$ 33,034	6.5%
2005	98,329	346,423,200	35,022	5.3%
2006	97,981	373,322,192	37,362	4.7%
2007	98,110	390,295,865	39,794	5.0%
2008	98,178	413,317,000	42,265	7.2%
2009	98,159	394,980,563	40,356	11.7%
2010	98,047	410,674,615	41,791	12.3%
2011	91,548	N/A	N/A	12.4%
2012	91,828	N/A	N/A	N/A
2013	92,196	N/A	N/A	N/A

Sources: (1) State Department of Finance
(2) U.S. Bureau of Economic Analysis (data shown is for Los Angeles, CA)
(3) State of California Employment Development Department

N/A - Not Available

**City of Carson
Principal Employers
Current Year and Ten Years Ago**

Employer	2013			2004		
	Number of Employees (1)	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Prime Wheel Corporation	417	1	1.01%	N/A	N/A	N/A
See's Candy Shops Inc.	404	2	0.98%	N/A	N/A	N/A
Huck International Inc	385	3	0.94%	N/A	N/A	N/A
Mag Aerospace Industries	377	4	0.92%	N/A	N/A	N/A
Cedarlane Natural Foods Inc	302	5	0.73%	N/A	N/A	N/A
Sourcecorp Bps Inc	301	6	0.73%	N/A	N/A	N/A
General Mills Operations LLC	287	7	0.70%	N/A	N/A	N/A
Xerox Education Services Inc	278	8	0.68%	N/A	N/A	N/A
The Pepsi Bottling Group	276	9	0.67%	N/A	N/A	N/A
Pacific Bell	<u>273</u>	10	<u>0.66%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>3,300</u>		<u>8.02%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total City Employment ⁽²⁾	41,000					

Sources: (1) City of Carson
(2) State of California Employment Development Department
(data shown is not seasonally adjusted - 41,000)

N/A - Not Available. Data on city employment for 2004 is not available.

**City of Carson
Full-Time-Equivalent City Government Employees
By Function/Workgroup
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Workgroup										
General government										
City Council	3.09	3.09	3.09	2.99	4.06	4.00	4.00	4.00	4.00	3.00
City Attorney	-	-	-	-	-	-	-	-	-	-
City Clerk	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	4.00
City Treasurer	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.94	5.00
City Manager	49.69	48.67	48.67	48.93	46.95	47.00	47.00	47.00	45.65	20.00
Administrative services	49.00	49.00	52.00	52.00	52.00	52.00	52.00	52.00	50.24	46.00
Public works	99.00	97.00	97.00	94.90	96.00	95.80	82.00	82.00	71.15	136.00
Community Development	29.08	29.08	29.00	29.18	28.99	30.20	41.00	41.00	12.03	32.00
Community Services	<u>158.15</u>	<u>157.16</u>	<u>158.16</u>	<u>158.00</u>	<u>159.00</u>	<u>158.00</u>	<u>158.00</u>	<u>158.00</u>	<u>154.00</u>	<u>84.00</u>
Total	<u>399.01</u>	<u>395.00</u>	<u>398.92</u>	<u>397.00</u>	<u>398.00</u>	<u>398.00</u>	<u>395.00</u>	<u>395.00</u>	<u>348.01</u>	<u>330.00</u>

Source: City of Carson

City of Carson
Operating Indicators by Workgroup
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Economic Development</u>										
Housing and Block Grant Division:										
Mobile home rehab grant applications received	N/A	N/A	79	75	28	49	38	55	21	35
Mobile home rehab grants (qualified)	N/A	N/A	66	51	33	17	24	32	18	23
Mobile home rehab grants (dollar value)	N/A	N/A	\$330,000	\$255,000	\$140,000	\$85,000	\$115,389	\$137,705	\$85,000	\$172,500
Single family rehab loan applications received	N/A	N/A	82	89	60	63	64	35	36	30
Single family rehab loans granted	N/A	N/A	69	69	36	16	2	22	13	20
Single family rehab loans granted (dollar value)	N/A	N/A	\$885,000	\$885,000	\$355,000	\$125,000	\$50,000	\$139,185	\$175,000	\$230,000
Mobile home rent control increases processed	.	N/A	6	6	9	11	11	13	9	11
Employment Development Division:										
Job applicants processed	N/A	N/A	1,146	N/A	654	1,545	1,274	986	18,442	25,232
Summer youth employees hired	N/A	N/A	96	100	90	181	100	27	11	13
Business Development Division:										
Business visitations conducted	N/A	N/A	15	6	19	25	60	160	140	12
Redevelopment Division:										
Development agreements negotiated	N/A	N/A	6	12	10	4	5	17	0	0
<u>Public Services</u>										
Graffiti Abatement Division:										
Service request completed	N/A	N/A	1,555	2,228	2,939	2,321	2,050	1,882	1,412	817
Square feet of graffiti removed by waterblast	N/A	N/A	94,270	93,697	33,620	69,293	43,013	49,996	14,343	26,156
Square feet of graffiti removed by painting over	N/A	N/A	626,341	685,605	572,347	553,654	646,754	291,507	85,768	153,734
Building and Landscape Maintenance Division:										
Service request completed	N/A	N/A	1,286	1,521	1,886	1,712	1,719	1,715	1,672	N/A
Vouchers issued	N/A	N/A	55	57	56	27	18	0	1	N/A

Source: City of Carson
N/A - Not Available

City of Carson
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Services:										
City square miles	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2
Parks acreage	N/A	N/A	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8
Facilities square footage	N/A	N/A	320,004	320,004	320,004	320,004	320,004	320,004	320,004	320,004
Parks	N/A	N/A	12	12	12	12	12	12	12	12
Parks - mini	N/A	N/A	3	3	3	3	3	3	3	3
Sports Complex	N/A	N/A	1	1	1	1	1	1	1	1
Swimming pools	N/A	N/A	3	3	3	4	4	4	4	4
City Hall	N/A	N/A	1	1	1	1	1	1	1	1
Corporate yard	N/A	N/A	1	1	1	1	1	1	1	1
Public Safety Services Center	N/A	N/A	1	1	1	1	1	1	1	1
Gymnasiums	N/A	N/A	3	3	3	3	3	3	3	3
Tennis courts	N/A	N/A	18	18	18	18	18	18	18	18
Basketball courts	N/A	N/A	18	18	18	18	28	28	28	28
Racquetball courts	N/A	N/A	8	8	8	8	8	8	8	8
Volleyball courts	N/A	N/A	2	2	2	2	4	4	4	4
Snack bars	N/A	N/A	14	14	14	14	10	10	10	10
Ornamental fountains	N/A	N/A	3	3	3	3	3	3	3	3
Flagpoles	N/A	N/A	17	17	17	17	17	17	17	17
Wading pools	N/A	N/A	7	7	7	7	5	4	4	4
Parking lots	N/A	N/A	23	23	23	23	23	23	23	23

Source: City of Carson
N/A - Not Available.

