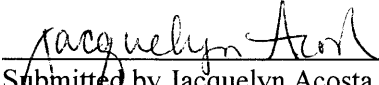





City of Carson Report to Mayor and City Council

March 20, 2012
New Business Discussion

SUBJECT: PRESENTATION OF THE JUNE 30, 2011, COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)


Submitted by Jacquelyn Acosta
Administrative Services General Manager


Approved by David C. Biggs
City Manager

THIS IS A JOINT AGENDA ITEM

I. SUMMARY

The financial statements of the City of Carson have been completed and audited, as required by state law, and the good news is that for FY 2010/11, the City's total assets (all funds) exceeded its liabilities by \$379.6 million. The general fund also showed very positive financial results, with revenues exceeding expenditures by \$5.3 million, thereby increasing the total general fund reserves to \$23.5 million.

II. RECOMMENDATION

TAKE the following actions:

1. HEAR a presentation from the City's outside, independent auditor on the City's financial results for FY 2010/11.
2. RECEIVE and FILE.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

As required by state law, the City must have its financial records audited each year by an outside, independent auditor. The City currently contracts with Vasquez & Company LLP, to conduct this annual audit. A representative from Vasquez & Company LLP, is here tonight to make a presentation to the City Council on the audited financial statements of the City of Carson for the fiscal year ended June 30, 2011.

The bottom line is that the City's financial position improved significantly in FY 2010/11. The auditors gave the City's financial statements an "unqualified" opinion, which means that they believe that the financial statements "present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carson, California, as of June 30, 2011, and the respective changes in financial position of the City of Carson, California, for the

year then ended in conformity with accounting principles generally accepted in the United States of America.”

Staff is requesting that the City Council hear a presentation on the City’s financial statements by the auditors and then receive and file the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011.

V. FISCAL IMPACT

None at this time.

VI. EXHIBITS

1. Comprehensive Annual Financial Report (delivered under separate cover)

Document2

Prepared by: Jackie Acosta, Administrative Services General Manager

TO:Rev03-08-12

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date_____ Action_____

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011



**Comprehensive Annual Financial Report
City of Carson, California
Year ended June 30, 2011
*with Report of Independent Auditors***

***Prepared by:
The Administrative Services Work Group***



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION

CITY OF CARSON, CALIFORNIA





CITY OF CARSON

January 12, 2012

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, 2011 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 unit, the Carson Redevelopment Agency. Component units 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. Accordingly, the financial activities of the Carson Redevelopment Agency (Agency) are blended with the financial activities of the city.

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 91,548 in 2011. 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 2011, the city of Carson is ranked the 10th highest in assessed value of all Los Angeles County cities, recording a total of \$13.1 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 general managers and officers of the City's work groups.

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 Special Districts 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 recently, due to the continued economic downturn in the housing market and the overall economic crisis facing the nation, the general fund balance fell 13% from \$20.8 million in FY 2008/09 to \$18.2 million in FY 2009/10; however, in FY 2010/11, the fund balance increased by \$5.3 million to \$23.5M due to City-wide effort to cut costs and better than projected overall revenues. Total actual 2011 general fund revenues came in at 7.8% more than the projection as a result of positive budget to actual variances in licenses and permits (22.9%) and total taxes (8.1%). With regards to 2011 general fund expenditures, actual totals were 2.3% less than the final budget. Public services comprised 58% of the total expenditures. As of June 30, 2011, the general fund balance stood at \$23.5 million which represents 40% of the \$58.7 million adopted operating budget for that year.

Although the 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. City-wide property taxes and sales taxes continue to be the major revenue sources, bringing in \$42.8 million and \$17.2 million, respectively, in FY 2010/11. The sources of revenues were used primarily for capital improvement programs, which account for \$27.2 million, and by the Public Services work group, which account for \$34.5 million of the \$119.3 million total governmental funds expenditures. This work group consists of the Public Safety, Parks and Recreation, and the Human Services Divisions, all tasked with the delivery of essential police protection, recreation facilities, maintenance and social services, respectively.

The economic downturn primarily brought about by the housing market meltdown has continued to be a financial challenge to local governance with the widening gap between City revenues and expenditures. 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 123 citations and made 105 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" and "Anger Management for Teens," all designed to reduce crime through preventative and educational efforts. The City also received grant funds from the California Office of Traffic Safety for seatbelt enforcement and Driving Under the Influence (DUI) checkpoint activities. These checkpoint activities resulted in 10 DUI arrests, 231 citations issued, and 231 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: 125 DUI arrests, 10,719 citations issued, and 2,710 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 undertaken several significant park-related capital improvement projects which are delineated in the City's capital improvement master plan. This includes the Hemingway Aquatic Center, a state-of-the-art swimming complex.

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. Cormier Chevrolet, Toyota, Honda, Nissan), 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) 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. 8 Residential Condominium Units – 440 E. Sepulveda Boulevard
2. 20 Condominium Units – 18501-18701 S. Figueroa Street
3. 8 Condominium conversions – 175 W. 223rd Street
4. 8 Condominium conversions – 157 W. 223rd Street
5. 6 Detached condominium – 325-327-329 W. Fiat Street
6. 4 Detached condominium – 235 W. 220th Street
7. 12 single-family houses – 2535-2569 E. Carson Street
8. 40 unit apartment complex – 21227 Figueroa Street
9. 65 unit apartments – 425 E. Carson Street
10. 152 for-sale houses – 616 E. Carson Street

Carson continues to sustain the demand for commercial development. The Carson Redevelopment Agency ("Agency") has 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 and the I-405 Freeway, formerly a Brownfields site, is in the final stage. It now includes a new Nissan franchise with a state-of-the-art facility and a new Honda facility, the existing Cormier Chevrolet dealership, Cruise America, a recreational vehicle rental business, and Altman's Winnebago recreational vehicle dealership. The upgrade of Carson Toyota's showroom and service center completed the development of this site.

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

Carson Consolidated Project Area

Subarea: PA No. 1

- 93-acre Brownfields Site: The Phase IIs performed on the southern portion of the site are still pending review by the Department of Toxic Substance Control. The Agency is continuing to pay interest on the \$5.5 million HUD Section 108 loan with a \$770,000 BEDI grant from the EPA. The Section 108 loan is to be used for acquisition and relocation within the 93-acre site. The Agency continues to work with Rand Resources for potential development of the site, which development may include a major sports franchise.
- The Boulevards at Southbay (formerly Carson Marketplace): In FY 2008/09, the Agency provided approximately \$39 million assistance for site remediation. 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 50% complete.
- South Bay Pavilion renovation Phase II: The Agency is under negotiations with Vintage Capital Group, the new mall owner, for the terms of an Owner Participation Agreement that will bring new national chain restaurants to the mall. New restaurants are expected to sign leases in the last quarter of 2011.
- 17505 S. Main Street: After remediating the site and circulating a Request For Proposal (RFP), the Agency was not able to attract any qualified developers to purchase the property. The Agency, however, continues to seek a qualified developer for the property.
- 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. Along with Agency assistance, The Related Companies is seeking a tax credit allocation from the Tax Credit Allocation Committee (TCAC) to make the project financially feasible.
- 20802 S. Main Street: The Agency entered into an Exclusive Negotiating Agreement (ENA) with a developer for the purchase and development of the site. But, due to the developer's inability to perform as required by the ENA, it was terminated at the end of the 180-day agreement period. The site continues to be marketed.

Subarea: Merged & Amended Project Area (PA No. 2 & 3)

- **Cormier Chevrolet:** The Agency continues to own the property and lease it to Cormier. Indications are that sales are improving.
- **Nissan:** The Agency and Hilland Real Estate, LLC entered into a DDA to provide Hilland with \$3 million of warranted financial assistance to facilitate its long-term operation of a new Nissan automobile dealership at the site, the former home of Superior Nissan, located at 1505 E. 223rd Street. The Agency assistance will be repaid to the Agency via the terms of a performance promissory note, secured by a deed of trust.
- **2254 E. 223rd Street:** The Agency had a license agreement with BP on the second 5-acre parcel of this former 10-acre site. BP also has an option to purchase this piece for a seven year period with approximately two years left. The Agency continues to seek a qualified developer for the site.
- **2403 E. 223rd Street:** The Agency had entered into an ENA with VIMCO for development of a hotel. Negotiations were unsuccessful and the ENA was terminated. The Agency continues to seek a qualified developer for the site.
- **2535 E. Carson Street:** In August 2009, the Agency acquired the 0.92 acre site for \$1,269,044 for the purpose of developing affordable housing. In preparation for future development, the structure has been demolished. The Agency continues to seek a qualified developer for the site.

Subarea: Project Area No. 4

616 E. Carson Street: Pursuant to an ENA with City View, the Agency is continuing to negotiate the terms of a DDA for 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.

- 21208 Shearer Street: The Agency received a No Further Action letter from the Regional Water Quality Control Board (RWQCB) to allow for the development of a passive park on this site. Through the request for proposals process, a qualified landscape architect, AHBE, was selected to design the passive park for the site. The new park is expected to be completed in December 2011.
- 21009 S. Prospect Avenue: The property is being held for assemblage.
- 21521 Avalon Boulevard: The Agency combined the site with another Agency-owned property at the NW corner of Carson & Avalon. The assembled sites were included in a Request For Qualifications (RFQ) process for development as a mixed-use residential development. Only two developers were short-listed to provide proposals and neither proposal was considered acceptable. Thus, developers will be sought in the future when the market is more appropriate.
- Carson City Center: Phase I construction (85-unit senior affordable housing development, underground parking and first floor retail) was completed in 2011. The International House of Pancakes (IHOP) signed a lease for 5,000 sq. ft. on the first floor and has recently opened for business and has recently opened for business.

Phase II (to be 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. Phase II construction is slated for completion in Fall 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, Public Works staff of the Development Services Work Group 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 of the Public Services Work Group 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 Economic Development Work Group also strives to create a more beautiful Carson by administering such programs as "Neighborhood Pride" and the "Business Beautification Program." Additionally, Economic Development staff is working with numerous developers and landowners to revitalize old, and/or build new, commercial, industrial and housing projects in the City.

The City's Green Task Force participates in efforts to help support the local and global environment. For example, City employees are asked to recycle and maximize the use of both the front and back sides of the paper and turning off computers and printers after work hours. Local residents and businesses are encouraged to turn off all non-essential lights during low peak hours. The City also participated in Earth Hour 2010, a global event led by the World Wildlife Fund. The City is dedicated to continue its efforts to help educate the public about the need for conservation and to keep the City "green".

FINANCIAL INFORMATION

The officials having direct responsibility for the financial administration and management of the City are the City Treasurer, the Administrative Services General Manager 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, and budget preparation and monitoring.

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, 2011 is \$4,665,475, after applying the contributions made during the fiscal year of \$1,275,767 from the annual OPEB cost of \$5,941,242. The net OPEB obligation at June 30, 2011, is \$14,400,682.

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, 2011, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

ACKNOWLEDGMENTS

The Finance staff of the Administrative Services Work Group 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,

A handwritten signature in black ink, appearing to read "Jacquelyn Acosta", written in a cursive style.

Jacquelyn Acosta

Administrative Services General Manager



CITY OF CARSON ELECTED OFFICIALS

FISCAL YEAR 2010-2011



Jim Dear
Mayor



Elito M. Santarina
Mayor Pro Tem



Mike A. Gipson
Councilmember



Lula Davis-Holmes
Councilmember



Julie Ruiz-Raber
Councilmember



Helen Kawagoe
City Clerk



Karen Avilla
City Treasurer

CITY MANAGEMENT



Clifford W. Graves
Interim City Manager

MANAGEMENT TEAM

Jacquelyn Acosta
Administrative Services General Manager

Clifford W. Graves
Economic Development General Manager

Raymond R. Cruz
Public Services General Manager

Victor Rollinger
Development Services General Manager

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.

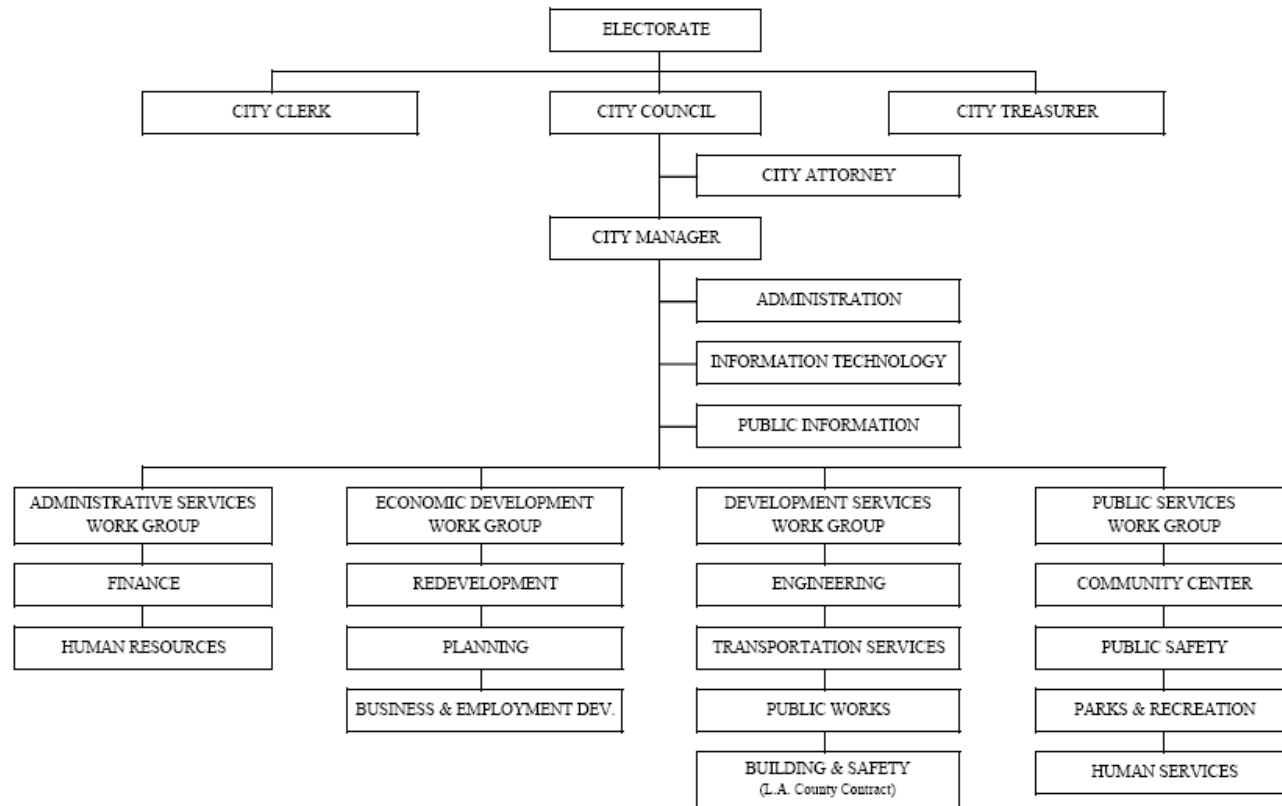
The community takes pride in the large percentage of Carson students who attend college, many to California State University, Dominguez Hills, a valuable asset to the city.

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





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION

CITY OF CARSON, CALIFORNIA



REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carson, California as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Carson. Our responsibility is to express opinions on these basic 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 19, the California Supreme Court has upheld legislative bill ABX1 26 which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. The effect of this legislation on the City of Carson's financial position and operations is not yet reasonably determinable.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carson, California, as of June 30, 2011, and the respective changes in financial position of the City of Carson, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City of Carson has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, effective for the fiscal year ended June 30, 2011. As a result of this required implementation, fund balance classifications in the governmental fund financial statements have been changed to reflect the new fund balance classifications under GASB 54.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 3 through 13 and 58 through 61 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carson's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2012 for consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Vargas + Company LLP".

Los Angeles, California
January 12, 2012

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, 2011. 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, 2011 by \$379.6 million. This amount is referred to as the net assets of the City. Of this amount, \$339.2 million is invested in capital assets net of accumulated depreciation, \$61.1 million is restricted, and an unrestricted deficit amount of \$20.6 million represents the long-term debt acquired to fund capital project acquisitions and improvements.
- The City's net assets decreased by \$39.6 million during the past year as a result of total expenditures exceeding total revenues by \$39.6 million. For FY 2010/11, revenues increased by \$1.4 million and expenditures increased by \$5.6 million over FY 2009/10 levels.

Fund Financial Statements

- As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$232.1 million, an increase of \$28.9 million over the prior fiscal year. Approximately \$7.2 million (3.1%) of the \$232.1 million balance is unassigned and is available for spending at the government's discretion.
- As of June 30, 2011, the total fund balance of the City's General Fund was \$23.5 million, a 29.3% increase or \$5.3 million from the prior year level of \$18.2 million.
- In the General Fund, revenues exceeded expenditures by \$4.4 million, before other financing sources/uses.
- The City's total long-term liabilities increased by \$41.9 million, or 24.0%, for the fiscal year ended June 30, 2011, from \$174.5 million to \$216.5 million mainly due to the increase in the bonds payable by \$36.2 million and the OPEB liability by \$4.7 million.

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 Assets 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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, pass-through payments, interest on long-term debt and interfund reimbursement.

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate entities, the Carson Redevelopment Agency, and the Carson Joint Powers Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 14 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, Redevelopment Agency Consolidated Capital Project Fund, and the Low/Moderate Income Housing 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 16 of this report.

During 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.

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.

The fiduciary fund financial statements can be found on page 20 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 58 of this report.

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 65 of this report.

Government-wide Financial Statements Analysis

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, net assets were approximately \$379.6 million as of June 30, 2011. Net assets decreased by \$39.6 million, or 9.5%, for fiscal year 2010/11 as explained in the financial highlights at the beginning of the discussion. Assets increased by 0.3% while liabilities increased by 22.1% compared to June 30, 2010, mainly due to a 24.0% or \$41.9 million increase in long-term payables.

By far, the largest portion of the City's net assets at June 30, 2011 (\$339.2 million, or 80.9% of total net assets) reflects its 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 assets as of June 30, 2011 and June 30, 2010.

Summary of Net Assets
June 30, 2011 and 2010

	Governmental Activities		Increase
	2011	2010	(Decrease)
ASSETS			
Cash and other assets	\$ 270,249,685	\$ 268,339,067	\$ 1,910,618
Capital assets net of accumulated depreciation	339,193,971	339,117,408	76,563
Total assets	609,443,656	607,456,475	1,987,181
LIABILITIES			
Current and other liabilities	13,289,462	13,609,524	(320,062)
Long-term liabilities	216,509,615	174,560,591	41,949,024
Total liabilities	229,799,077	188,170,115	41,628,962
NET ASSETS			
Invested in capital assets, net of related debt	339,193,971	339,117,408	76,563
Restricted	61,056,380	121,397,519	(60,341,139)
Unrestricted	(20,605,772)	(41,228,567)	20,622,795
Total net assets \$	379,644,579	\$ 419,286,360	\$ (39,641,781)

A portion of the City's net assets (16.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, which represent a deficit of \$20.6 million, is the result of long-term debt used to fund capital project acquisition and improvements.

City of Carson
Management's Discussion and Analysis
Year ended June 30, 2011

Statement of Activities. Governmental activities decreased the City's net assets by \$39.6 million for fiscal year 2010/11. The total revenue for the fiscal year is \$110 million, which is an increase of \$1.4 million from the prior year. The total expenses increased by \$5.6 million to \$149.8 million from the prior year. The following table presents the comparative revenue and expenditure data for fiscal years ended June 30, 2011 and 2010.

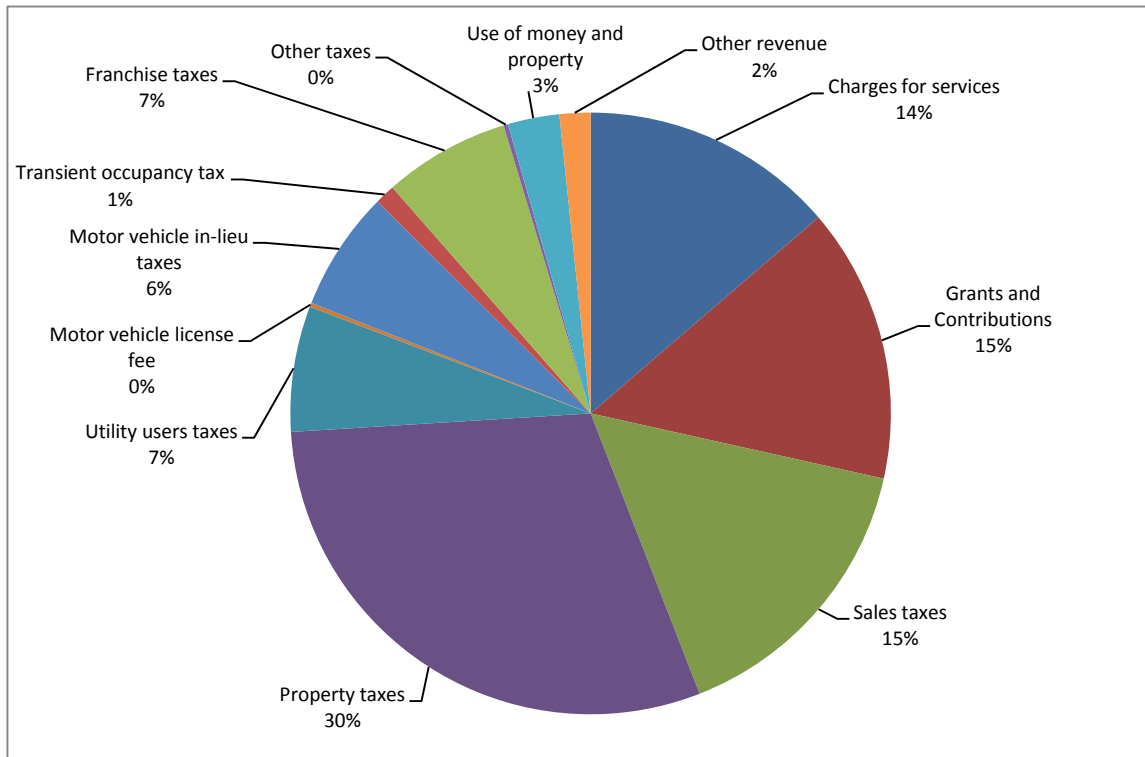
Statement of Activities
For the Year Ended June 30, 2011 and 2010

	Governmental Activities		Increase/ (Decrease)
	2011	2010	
Program revenues			
Charges for services	\$ 15,100,971	\$ 12,061,204	\$ 3,039,767
Grants and Contributions	16,285,997	16,260,466	25,531
General revenues			
Taxes			
Sales taxes	17,195,450	15,051,658	2,143,792
Property taxes	32,977,590	32,874,557	103,033
Utility users taxes	7,439,521	6,722,319	717,202
Motor vehicle license fee, unrestricted	242,811	288,398	(45,587)
Motor vehicle in-lieu taxes	7,104,861	7,153,876	(49,015)
Transient occupancy tax	1,197,800	1,121,092	76,708
Franchise taxes	7,483,227	6,876,484	606,743
Other taxes	266,446	362,105	(95,659)
Use of money and property	3,062,757	4,842,082	(1,779,325)
Other revenue	1,828,731	5,212,274	(3,383,543)
Total	110,186,162	108,826,515	1,359,647
Expenditures			
Governmental activities			
General government	20,080,004	20,353,651	(273,647)
Public services	36,479,108	42,720,041	(6,240,933)
Development services	13,370,105	16,439,031	(3,068,927)
Economic development	53,955,750	27,435,269	26,520,481
Capital maintenance programs	14,405,946	27,685,936	(13,279,990)
Interest and other charges	8,615,980	7,858,690	757,290
	149,827,943	144,219,309	5,608,634
Change in net assets	(39,641,781)	(35,392,794)	(4,248,987)
Net assets, beginning as restated	419,286,360	454,679,154	(35,392,794)
Net assets, ending	\$ 379,644,579	\$ 419,286,360	\$ (39,641,781)

Key elements of the significant changes in fiscal year 2010/11 revenues are as follows:

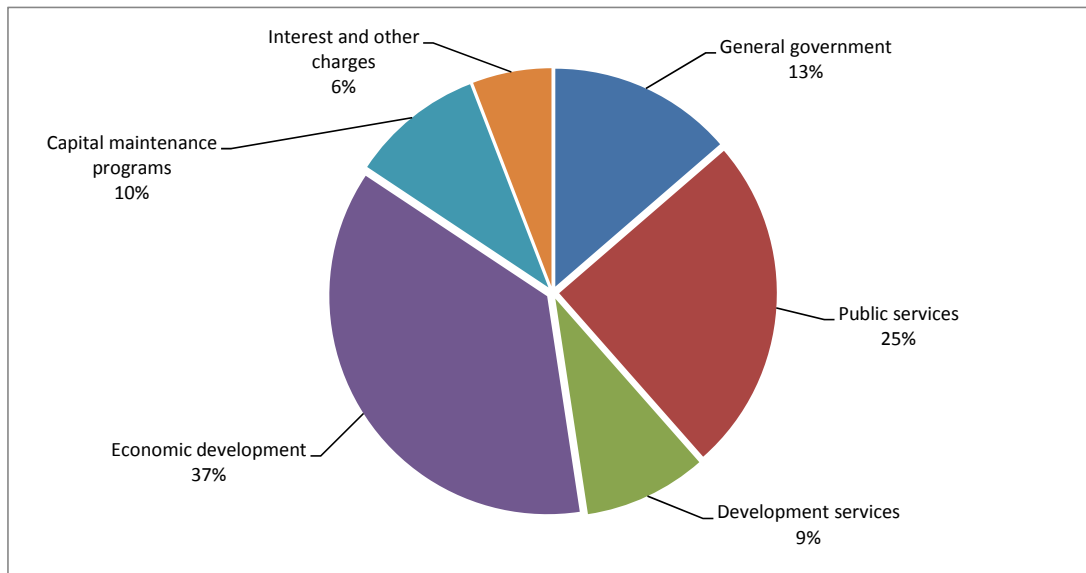
- Sales tax revenues had an increase of \$2.1 million. This 14% increase is a sign that the economy is slowly recovering from prior years' economic condition which had reduced sales revenues throughout the region.
- Utility users' taxes, a new tax measure beginning in FY 2009/10, increased the City's revenue source by \$717 thousand. The increase is due to the City lifting of the cap of the utility users' tax.
- Franchise taxes increased by \$606 thousand. Franchise taxes are paid for the privilege of using City property or to operate a franchise within the City limits. The largest franchise taxes were paid to the City by the electric and gas utility companies.
- Other revenues decreased by \$3.4 million due to a decrease in grant funds: Although the City received \$1.8 million in grant funds, the 65% decrease was due to a large drop in funding from the federal stimulus funds which were received in prior year.
- Revenue in the use of money and property category decreased by \$1.8 million. The decrease resulted mainly from a decrease in investment income. Interest income on investments decreased from \$2.8 million in FY 2009/10 to \$1.8 million in FY 2010/11 due to the lingering impact of the economic crisis.

Revenues by Source- Governmental Activities



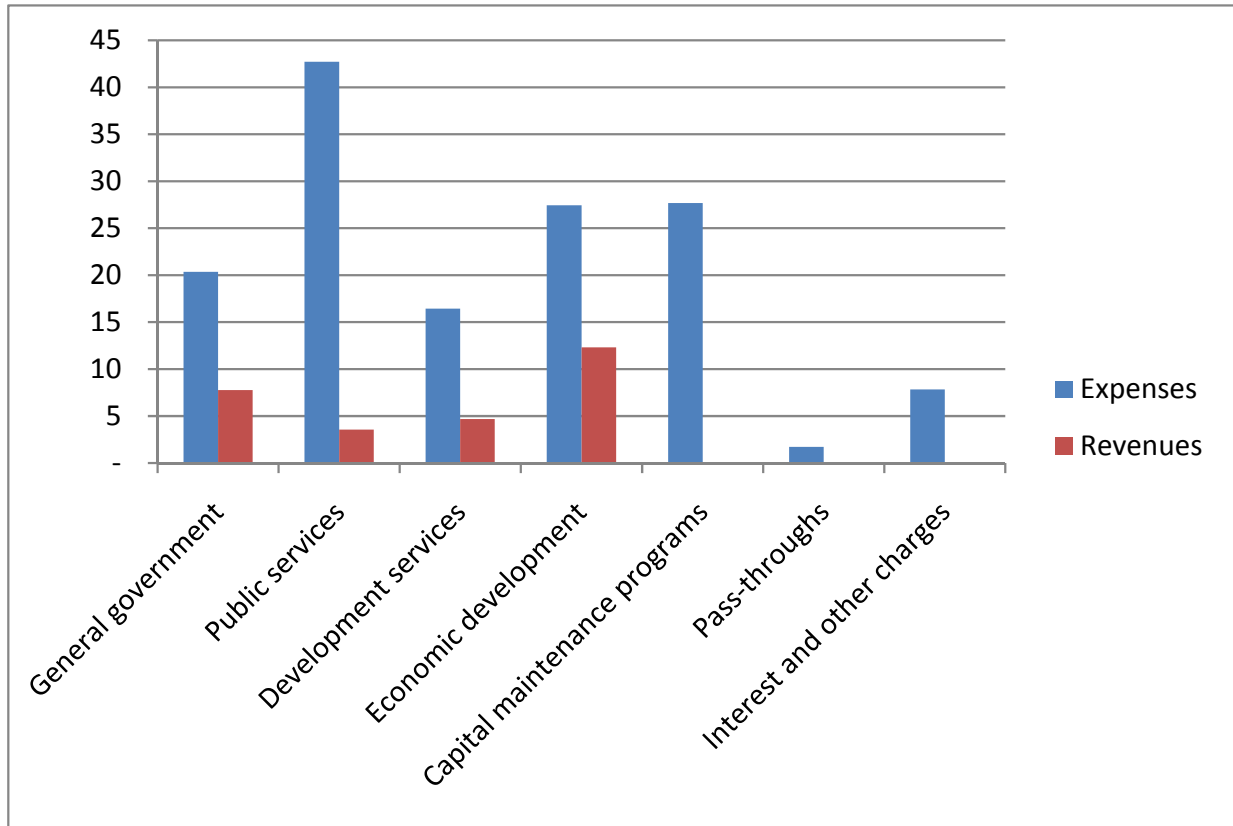
The top seven major revenue sources come from: 1) No/low property taxes - 30%, 2) sales and use taxes – 15%, 3) grants and contributions – 15%, 4) charges for services – 14%, 5) motor vehicles in-lieu taxes – 6%, 6) franchise tax – 7%, and 7) utility users taxes – 7%. Use of money and property, which includes mainly investment income, dropped from 5% to 3% this year. Charges for services, which increased 3% 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 \$149.8 million, which is an increase of \$5.6 million or 3.9% from the prior year. While most expenses of the various governmental activities decreased, the overall net increase of \$5.6 million was due mainly to the write-off of Redevelopment Agency loans. Because of the nature of various loans receivable in relation to development projects under disposition and development agreements, the Agency provides a \$27.2 million allowance for uncollectibility and \$13.4 million discount on notes receivable which are both reported as program costs under economic development. If not for the \$40.6 million provision made to the loans receivable, the overall expenses of the City will show a decrease. Capital maintenance programs decreased by \$13.3 million due to a one-time \$10 million financial assistance made by the Redevelopment Agency to the developer for the Boulevards project in FY 2009/10 that did not occur in FY 2010/11. A decrease in public services expenses is due to city-wide efforts including suspension of city programs such as summer youth program and unfunding of several full-time positions. Public services, which account for 25% of total expenses, include the cost of public safety, parks and recreation and human services programs.

**Governmental Activities
Expenses versus Program Revenues**



Program expenses exceed program revenues in all categories resulting to a \$118.4 million deficit for FY 2010/11. 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 \$232.1 million. The City's governmental funds report a balance of \$7.2 million in its *unassigned fund balance* which can be spent at the City's discretion. Assigned fund balance reports a total of \$4.3 million which are set aside for specific purposes. Restricted fund balance of \$181.4 million is subject to externally enforceable legal obligations which include (1) general fund - \$2.3 million, (2)

redevelopment agency capital projects - \$99.0 million, (3) the 20% set-aside for low and moderate income housing - \$51.9 million, (4) debt service - \$15.2 million, and (5) special revenue grants - \$13.0 million. Non-spendable fund balance of approximately \$33 million cannot be spent because they are not in spendable form. These include (1) property held for resale - \$32.2 million (2) inventory - \$442 thousand, and (3) prepaid assets and loans receivable totaling \$304 thousand. Committed fund balance of \$6.2 million represents amounts set aside for economic uncertainties.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance is \$23.5 million, \$22.3 million of which is unrestricted and is either committed, assigned or 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 18.5% of total general fund expenditures of \$57.4 million.

The City's General Fund balance increased by \$5.3 million during the current fiscal year. Key factors of this increase were attributed to an increase in revenue as well as decrease in actual expenditures during the year as discussed in the preceding pages.

The Redevelopment Agency funds had a net \$26.0 million increase in fund balance. The increase was due to the issuance of two housing bonds totaling \$40.6 million in proceeds.

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 \$495 thousand due to slight increases in public services, economic development, development services, capital improvement program, and a decrease in the general government categories.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$339.2 million (net of accumulated depreciation of \$182.9 million) as of June 30, 2011. 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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Land, land right and improvements	\$ 92,936,028	\$ 94,841,042
Buildings and improvements	45,873,520	47,193,384
Machineries and equipment	3,609,800	4,407,117
Infrastructure	171,149,377	174,464,406
Construction in progress	25,625,245	18,211,459
Total	<u>\$ 339,193,970</u>	<u>\$ 339,117,408</u>

Additional information on the City's capital assets can be found in note 5 to the basic financial statements of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$192.3 million. The amount represents tax allocation bonds issued by the Redevelopment Agency to fund redevelopment projects within the project areas.

Outstanding Debt
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Bonded Indebtedness:		
Tax allocation bonds	\$ 192,340,863	\$ 156,170,863
Other long-term debt:		
Other post-employment benefits	14,400,682	9,735,207
Self-insurance claims payable	3,837,864	3,725,812
Compensated absences	5,930,206	4,928,709
Total	<u>216,509,615</u>	<u>\$ 174,560,591</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. In FY 2010/11, the total assessed valuation is \$13.2 billion which provides the City a current debt limitation \$2.6 billion, an amount significantly in excess of the City's outstanding general obligation debt. Additional information on the City's long-term liabilities can be found in note 6 to the basic financial statements of this report.

Economic Factors and Next Year's Budget

The economic downturn which impacted the entire nation and California is expected to endure a long and slow recovery. Like many other cities, our City has experienced the impact through the declines in our revenue sources. 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 FY 2010/11 may show signs that the economy is slowly recovering, the projected increase in sales tax for FY 2011/12 will be diluted by the reduction in other major revenues of the city. Therefore, the city anticipates the continuance of lean budgets with very tight controls on the expenditures.

FY 2011/12 General Fund revenues are projected to be \$65,842,595, an increase of \$1,019,078 above the FY 2010/11 year-end estimated revenues of \$64,823,517.

FY 2011/12 adopted a budget with projected expenditures of \$65,754,318, which is \$4.8 million greater than the year-end estimates for FY 2010/11. The significant increase is due to return to regular work schedules (no furloughs) and leave redemption, retirement and health insurance costs, capital asset replacement, and the sheriff's contract.

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. Consequently, all redevelopment agencies remain subject to the suspension provisions of ABX1 26 and are to be dissolved in accordance with that bill as of February 1, 2012. The legislation provides, however, that another local governmental entity may assume the role as successor agency to the dissolved redevelopment agency.
- Prop 1A State Borrowing: Proposition 1A was passed in 2004 to safeguard tax revenues for local governments. With California's fiscal emergency, the State suspended Prop 1A with the passage of ABX4 14 and ABX4 15 as part of its 2009/10 budget package which allowed it to borrow 8% of the amount of property tax revenue, including those property tax revenues associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts, except for redevelopment agencies. With this passage, the State is borrowing from the City approximately \$1.5 million per year for three years. These funds are to be repaid to the City by June 30, 2013 with a 2% interest rate.
- 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. It will be the City's priority to plan for this significant unfunded liability. Information on the unfunded OPEB liability is found in note 13 to the basic financial statements of this report.

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 Redevelopment Agency, has implemented multiple 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 expanding its 18-computer Senior Technology center with an addition of a new 3-computer Senior Cyber Café which offers a 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, ASGM, Finance Department, 701 E Carson St. Carson, CA 90745.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA



City of Carson
Statement of Net Assets
June 30, 2011

ASSETS	Governmental Activities
Cash and investments	\$ 133,467,155
Receivables	
Taxes	8,481,813
Accounts	758,866
Accrued interest - loans	3,983,278
Accrued interest - other	267,216
Loans, net of allowance for uncollectible accounts	18,936,695
Cash and investments - restricted	63,806,281
Due from government agencies	4,749,291
Inventory	441,886
Prepaid and other assets	259,945
Unamortized bond issuance costs	2,854,449
Land held for resale	32,242,810
Capital assets not being depreciated	127,865,419
Capital assets, net of accumulated depreciation	211,328,552
Total assets	609,443,656
LIABILITIES	
Accounts payable and accrued liabilities	9,215,835
Accrued interest payable	2,051,074
Accrued payroll	368,286
Due to governmental agencies	9,574
Refundable deposits	711,919
Unearned revenues	70,956
Retentions payable	861,818
Noncurrent liabilities	
Due within one year	9,663,359
Due in more than one year	206,846,256
Total liabilities	229,799,077
NET ASSETS	
Invested in capital assets, net of related debt	339,193,971
Restricted for:	
Debt service	15,168,145
Development services	5,462,293
Economic development	5,862,319
Public services	1,351,533
Low and moderate income housing	33,212,090
Unrestricted	(20,605,772)
Total net assets \$	379,644,579

See notes to financial statements.

City of Carson
Statement of Activities
Year ended June 30, 2011

		Program Revenues				
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	
Governmental Activities						
General government	\$ 20,578,498	\$ 9,854,136	\$ -	\$ -	\$ (10,724,362)	
Public services	36,479,106	2,729,439	775,021	73,347	(32,901,299)	
Development services	11,742,451	313,790	6,040,337	-	(5,388,324)	
Economic development	53,957,318	2,203,606	4,148,623	5,248,669	(42,356,420)	
Capital maintenance programs	15,535,108	-	-	-	(15,535,108)	
Pass-throughs	2,921,050	-	-	-	(2,921,050)	
Interest and other charges	8,615,980	-	-	-	(8,615,980)	
Total Governmental Activities	<u>\$ 149,829,511</u>	<u>\$ 15,100,971</u>	<u>\$ 10,963,981</u>	<u>\$ 5,322,016</u>	<u>(118,442,543)</u>	
General revenues						
Taxes:						
					32,977,590	
					17,195,450	
					1,197,800	
					7,483,227	
					266,446	
					7,439,521	
					242,811	
					7,104,861	
					3,062,757	
					1,830,299	
					<u>78,800,762</u>	

See notes to financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FUND FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA



**City of Carson
Governmental Funds
Balance Sheet
June 30, 2011**

	Capital Projects					
	General	Capital Project Funds	Low and Moderate Income Housing	Nonmajor Governmental Funds	Total	
ASSETS						
Cash and investments (Note 2)	\$ 23,875,190	\$ 74,536,057	\$ 21,120,519	\$ 13,935,389	\$ 133,467,155	
Cash and investments with fiscal agent (Note 2)	-	15,426,078	33,212,058	15,168,145	63,806,281	
Receivables:						
Taxes	5,243,458	3,238,355	-	-	8,481,813	
Accounts	672,047	69,206	314	17,300	758,867	
Accrued interest - loans	-	145,649	3,837,629	-	3,983,278	
Accrued interest - other	12,021	152,675	-	102,520	267,216	
Loans	44,391	22,139,312	37,370,440	-	59,554,143	
Due from other funds (Note 6)	5,319,494	17,045,404	11,394,662	22,526	33,782,086	
Due from government agencies	124,739	-	-	4,624,552	4,749,291	
Inventory	441,886	-	-	-	441,886	
Prepays and other assets	191,645	68,300	-	-	259,945	
Land held for resale	-	24,591,862	7,650,948	-	32,242,810	
Deferred charges	-	4,430,973	247,373	-	4,678,346	
Total assets	\$ 35,924,871	\$ 161,843,871	\$ 114,833,943	\$ 33,870,432	\$ 346,473,117	
LIABILITIES						
Accounts payable and accrued liabilities	\$ 5,021,042	\$ 2,787,273	\$ 295,367	\$ 1,114,197	\$ 9,217,879	
Accrued payroll	262,590	41,292	5,176	57,184	366,242	
Due to other governmental agencies	-	-	-	9,575	9,575	
Due to other funds (Note 6)	-	12,624,191	17,165,070	3,992,825	33,782,086	
Retentions payable	-	130,788	450,220	280,810	861,818	
Deferred revenue	6,322,157	21,889,147	37,398,792	2,980,726	68,590,822	
Refundable deposits	22,236	689,683	-	-	711,919	
Self insurance claims payable	795,555	-	-	-	795,555	
Total liabilities	12,423,580	38,162,374	55,314,625	8,435,317	114,335,896	
FUND BALANCES						
Nonspendable						
Loans receivable	44,391	-	-	-	44,391	
Inventory	441,886	-	-	-	441,886	
Prepaid items	191,645	68,300	-	-	259,945	
Land held for resale	-	24,591,862	7,650,948	-	32,242,810	
Restricted						
Low and moderate income housing	-	-	51,868,370	-	51,868,370	
Debt service	-	-	-	15,168,145	15,168,145	
Special revenue funds	-	-	-	13,099,376	13,099,376	
Redevelopment projects	-	99,021,335	-	-	99,021,335	
1% PEG fees	177,492	-	-	-	177,492	
Capital projects	1,143,924	-	-	-	1,143,924	
Alameda Corridor Projects	1,000,000	-	-	-	1,000,000	
Committed						
Economic uncertainties	6,198,067	-	-	-	6,198,067	
Assigned						
Raised median construction	233,114	-	-	-	233,114	
Self-insurance	1,500,000	-	-	-	1,500,000	
Special projects	1,000,000	-	-	-	1,000,000	
Utility Underground	844,360	-	-	-	844,360	
Encumbrances and continuing appropriations	134,802	-	-	589,883	724,685	
Unassigned	10,591,610	-	-	(3,422,289)	7,169,321	
Total fund balances	23,501,291	123,681,497	59,519,318	25,435,115	232,137,221	
Total liabilities and fund balances	\$ 35,924,871	\$ 161,843,871	\$ 114,833,943	\$ 33,870,432	\$ 346,473,117	

See notes to financial statements.

**City of Carson
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011**

Fund balance of governmental funds		\$ 232,137,221
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of governmental activities are not financial resources and are not reported in the governmental funds.		
Capital assets		522,049,919
Accumulated depreciation		(182,855,948)
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Self insurance claims	\$ (3,042,309)	
Compensated absences	(5,930,206)	
Net OPEB liability	(14,400,682)	
Bonds payable	(192,340,863)	
Unamortized bond issuance costs	<u>2,854,449</u>	(212,859,611)
Interest expenditures are recognized when due and accrued interest payable is not recorded in the governmental funds.		(2,051,074)
Deferred 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.		63,841,520
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		(27,167,669)
Interest-free notes receivables are discounted in the statement of net assets. This does not affect the governmental fund financial statements.		(13,449,779)
Net assets of governmental activities		<u><u>\$ 379,644,579</u></u>

See notes to financial statements.

City of Carson
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2011

		Capital Projects			
	General	Capital	Low-and	Nonmajor	Total
	Fund	Project	Moderate	Governmental	
		Funds	Income	Funds	
			Housing		
Revenues					
Taxes	\$ 48,278,867	\$ 28,307,078	\$ -	\$ 2,429,291	\$ 79,015,236
Licenses and permits	6,472,150	-	-	-	6,472,150
Fines and forfeitures	2,049,229	-	-	138,501	2,187,730
Charges for services	2,408,497	-	-	776,247	3,184,744
Intergovernmental	599,808	-	-	10,146,452	10,746,260
Use of money and property	1,058,557	1,403,484	335,594	265,122	3,062,757
Miscellaneous	897,053	84,833	138,006	1,060,329	2,180,221
Total revenues	61,764,161	29,795,395	473,600	14,815,942	106,849,098
Expenditures					
Current:					
General government	18,136,954	-	-	-	18,136,954
Interfund reimbursement	(3,464,606)	-	-	-	(3,464,606)
Economic development	1,231,175	10,669,129	1,244,831	2,103,971	15,249,106
Development services	7,795,603	-	-	3,428,992	11,224,595
Public services	33,198,295	-	-	1,278,707	34,477,002
Pass-through expenditures	-	2,921,050	-	-	2,921,050
Capital improvement programs	509,979	15,807,004	1,709,923	9,194,709	27,221,615
Debt service:					
Bond principal	-	-	-	4,390,000	4,390,000
Interest and other fiscal charges	-	-	198,522	8,394,118	8,592,640
Bond issuance costs	-	-	577,740	-	577,740
Total expenditures	57,407,400	29,397,183	3,731,016	28,790,497	119,326,096
Excess (deficiency) of revenues over expenditures	4,356,761	398,212	(3,257,416)	(13,974,555)	(12,476,998)
Other financing sources (uses)					
Transfers in (Note 6)	962,406	156,485	5,661,415	16,056,220	22,836,526
Transfers out (Note 6)	-	(17,489,328)	(4,128,780)	(1,218,418)	(22,836,526)
Gain on sale of land	-	-	779,500	-	779,500
Issuance of bonds	-	-	40,560,000	-	40,560,000
Net other financing sources (uses)	962,406	(17,332,843)	42,872,135	14,837,802	41,339,500
Change in fund balance	5,319,167	(16,934,631)	39,614,719	863,247	28,862,502
Fund balance, beginning of year	18,182,124	140,616,128	19,904,599	24,571,868	203,274,719
Fund balance, end of year	\$ 23,501,291	\$ 123,681,497	\$ 59,519,318	\$ 25,435,115	\$ 232,137,221

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, 2011

Change in Fund Balances - Governmental Funds	\$ 28,862,502
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures, and changes in fund balances because:	
Governmental 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:	
Capital outlay, net of disposal	9,372,193
Depreciation expense	(9,295,630)
Proceeds from the issuance of bonds and loans is reported as other financing sources in governmental funds. The issuance of bonds increases liabilities in the statement of net assets. Costs associated with the issuance of debt are reported as expenditures in the governmental funds, but are deferred and amortized in the statement of net assets.	
Proceeds of bond issuance	(40,560,000)
Bond issuance cost	577,740
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Payment of principal	4,390,000
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Claims and judgments	(112,052)
Amortization of bond issuance costs	(70,462)
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.	
Compensated absences	(1,001,497)
Change in accrued interest on long-term debt	47,122
Other postemployment benefits	(4,665,475)
Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.	
	13,431,226
Interest-free notes receivables are discounted in the statement of net assets. This does not affect the governmental fund financial statements.	
	(13,449,779)
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.	
	(27,167,669)
Change in net assets of governmental activities	\$ <u><u>(39,641,781)</u></u>

See notes to financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FIDUCIARY FUND FINANCIAL STATEMENT

CITY OF CARSON, CALIFORNIA



City of Carson
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2011

	<u>Totals</u>
ASSETS	
Cash and investments	\$ 6,177,282
Cash and investments with fiscal agent	2,511,475
Receivables:	
Accounts	494,867
Interest	36
Total assets	\$ <u><u>9,183,660</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 240,312
Refundable deposits	2,541,279
Due to assessees/bondholders	6,402,069
Total liabilities	\$ <u><u>9,183,660</u></u>

See notes to financial statements.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA



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 Redevelopment Agency (the Agency) and the Carson Joint Powers Financing Authority (Authority). The financial activities of the Agency and the 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 Agency is a separate government entity created to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the City. City Council members, in a separate session, serve as the governing board of the Agency, and all accounting and administrative functions are performed by the City. The financial activities of the Agency have been blended into the accompanying basic financial statements of the City within the Debt Service and Capital Projects Fund Types. Separate financial statements of the Agency are available at City Hall, 701 E. Carson Street, P.O. Box 6234, Carson, California 90749.

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 Carson Redevelopment Agency. The Authority was created for the purpose of providing financing for public capital improvements for the Agency. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

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. The City reports the following major governmental funds:

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.

Capital Projects Funds

Project Areas 1, 2, 3 and 4 are used to account for all revenues and costs of implementing the redevelopment projects in accordance with the California Community Redevelopment Law, including acquisition of properties, cost of site improvements and other costs that benefit the Project Areas as well as administrative expenses incurred in sustaining Agency activities.

Low-and Moderate-Income Housing was established to increase and improve the supply of low-and moderate-income housing within the community. The primary source of funds has been the contribution of 20% of incremental property tax revenues generated by the Redevelopment Project Areas.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Debt Service Funds are used to account for the payment of interest and principal on the Agency's tax allocation bonds for each project area. The principal sources of revenue of these funds are incremental property taxes and investment income.

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. Agency Funds are accounted for in essentially the same manner as governmental funds; however, their purpose is to be custodial in nature (assets equal liabilities), and therefore, the measurement of results of operations is not appropriate.

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.

Fund Balance Reporting

During the fiscal year ended June 30, 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. This Statement 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned fund balance consists of funds that are set aside for specific purposes by the Commission's highest level of decision making authority or a body or official that has been given the authority to assign funds.

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.

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 represents land purchased by the Agency to further the Redevelopment Plan. Such land is recorded at the lower of acquisition cost or estimated net realizable value. Fund balance is classified as nonspendable for such land held for resale at year-end as such recorded balances are not immediately subject to cash liquidation and therefore do not represent a readily expendable resource.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 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 was \$5,654,652.

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, 2011 are classified in the accompanying financial statement as follows:

Statement of Net Assets:	
Cash and investments	\$ 133,467,155
Cash and investments with fiscal agents	63,806,281
Statement of Fiduciary Assets and Liabilities	
Cash and investments	6,177,282
Cash and investments with fiscal agents	2,511,475
Total cash and investments	\$ <u>205,962,193</u>

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 4,050
Deposits with financial institutions	2,838,039
Investments	203,120,104
Total cash and investments	<u>\$ 205,962,193</u>

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:

City of Carson
Notes to the Basic Financial Statements
Year ended June 30, 2011

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	\$ 10,017,544	\$ 10,017,544	\$ -	\$ -
Certificates of deposits	60,220,564	51,320,564	8,900,000	-
Money market funds	20,933,803	18,030,087	2,903,716	-
Federal agency securities	42,029,293	2,000,000	15,517,273	24,512,020
Bonds	3,601,143	424,443	3,176,700	-
Held by fiscal agent:				
Certificates of deposits	249,753	249,753	-	-
Federal agency securities	33,061,926	5,917,791	2,507,502	24,636,633
Money market funds	28,727,978	25,312,821	-	3,415,157
Bonds	4,278,100	2,064,320	-	2,213,780
	<u>\$ 203,120,104</u>	<u>\$ 115,337,323</u>	<u>\$ 33,005,191</u>	<u>\$ 54,777,590</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						Not Rated
			AAA	AA+	AA-	A+	A-	
State investment pool	\$ 10,017,544	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,017,544
Certificates of deposits	60,220,564	N/A	-	-	-	-	-	60,220,564
Money market funds	20,933,803	N/A	-	-	-	-	-	20,933,803
Federal agency securities	42,029,293	AAA	35,521,890	6,507,403	-	-	-	-
Bonds	3,601,143	AAA	-	3,500,290	100,853	-	-	-
Held by fiscal agent:								
Certificates of deposit	249,753	N/A	-	-	-	-	-	249,753
Federal agency securities	33,061,926	AAA	33,061,926	-	-	-	-	-
Money market funds	28,727,978	AAA	28,727,978	-	-	-	-	-
Bonds	4,278,100	AAA	-	-	-	2,064,320	2,213,780	-
Total	<u>\$ 203,120,104</u>		<u>\$ 97,311,794</u>	<u>\$ 10,007,693</u>	<u>\$ 100,853</u>	<u>\$ 2,064,320</u>	<u>\$ 2,213,780</u>	<u>\$ 91,421,664</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	\$ 36,873,260
Federal Home Mortgage Corp.	Federal agency securities	14,943,720
Federal National Mortgage Assoc.	Federal agency securities	21,290,238

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, 2011, 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:

<u>Investment Type</u>	<u>Reported Amount</u>
Federal agency securities	\$ 42,029,293

For investments identified herein as held by fiscal agent, the fiscal agent 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 \$10 million is 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 LAND HELD FOR RESALE

In the fiscal year 2009-2010, the Agency wrote down the carrying value of land held for resale to its net realizable value. This resulted in a write-down of approximately \$14.2 million in the value of land held for resale.

NOTE 3 LAND HELD FOR RESALE (CONTINUED)

Account details as of June 30, 2011 are as follows:

Land held for resale - acquisition cost	\$ 46,413,847
Less allowance for decline in value	<u>(14,171,037)</u>
Net amount	<u>\$ 32,242,810</u>

NOTE 4 LOANS RECEIVABLE

Details of the City's loans receivable as of June 30, 2011 are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 51,852,691
First Time Homebuyer Loan Program	<u>7,701,452</u>
Total	59,554,143
Less: Allowance for uncollectible accounts	(27,167,669)
Discount on notes receivable	<u>(13,449,779)</u>
Loans receivable, net	<u>\$ 18,936,695</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 redevelopment agency projects.

NOTE 5 CAPITAL ASSETS

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance June 30, 2011</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 72,615,479	\$ 1,266,264	\$ -	\$ 73,881,743
Machinery and equipment	14,979,029	342,141	(1,222,455)	14,098,715
Infrastructure				
Roadways	276,228,999	3,470,078	-	279,699,077
Sewer	20,123,476	-	-	20,123,476
Storm drain	6,381,489	-	-	6,381,489
Total capital assets, being depreciated	<u>390,328,472</u>	<u>5,078,483</u>	<u>(1,222,455)</u>	<u>394,184,500</u>
Less accumulated depreciation for:				
Buildings and Improvements	(25,422,095)	(2,586,128)	-	(28,008,223)
Machinery and equipment	(10,571,912)	(1,098,291)	1,181,288	(10,488,915)
Infrastructure				
Roadways	(120,282,479)	(6,324,544)	-	(126,607,023)
Sewer	(14,322,144)	(349,716)	-	(14,671,860)
Storm drain	(2,961,688)	(118,239)	-	(3,079,927)
Total accumulated depreciation	<u>(173,560,318)</u>	<u>(10,476,918)</u>	<u>1,181,288</u>	<u>(182,855,948)</u>
Total capital assets, being depreciated, net	<u>216,768,154</u>	<u>(5,398,435)</u>	<u>(41,167)</u>	<u>211,328,552</u>
Capital assets not being depreciated:				
Land	17,249,232	-	(1,905,014)	15,344,218
Land rights	75,285,334	-	-	75,285,334
Land improvements	2,306,476	-	-	2,306,476
Infrastructure-street trees	9,296,753	-	7,392	9,304,145
Construction in progress	18,211,459	12,159,351	(4,745,564)	25,625,246
Total capital assets not being depreciated	<u>122,349,254</u>	<u>12,159,351</u>	<u>(6,643,186)</u>	<u>127,865,419</u>
Governmental activities capital assets, net	<u>\$ 339,117,408</u>	<u>\$ 6,760,916</u>	<u>\$ (6,684,353)</u>	<u>\$ 339,193,971</u>

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

	Amount
General government	\$ 1,977,932
Public services	4,389,514
Development services	1,864,376
Economic development	2,245,096
Total depreciation expense - governmental activities	\$ 10,476,918

NOTE 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due From/Due to Other Funds

Due from/due to other funds as of June 30, 2011 are as follows:

	Due To Other Funds			
Due From Other Funds:	Capital Projects Fund	Low/Moderate Income Housing	Nonmajor Governmental Funds	Total
General Fund	\$ 1,207,714	\$ 121,685	\$ 3,990,095	\$ 5,319,494
Capital Project	-	17,042,674	2,730	17,045,404
Low/Moderate Income Housing	11,394,662	-	-	11,394,662
Nonmajor Governmental Funds	21,815	711	-	22,526
	\$ 12,624,191	\$ 17,165,070	\$ 3,992,825	\$ 33,782,086

Current interfund receivables and payables were (1) a result of short-term borrowings to eliminate negative cash, (2) reimbursement of certain administrative costs, (3) short-term borrowing for project costs, (4) short-term borrowings for land acquisition, and (5) short-term borrowings for cash and investments.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

Transfers in and out for the year ended June 30, 2011 were as follows:

Transfers Out:	Transfers In				Total
	General Fund	Capital Projects Fund	Low/Moderate Income Housing	Nonmajor Governmental Funds	
Capital Projects	\$ -	\$ -	\$ 5,661,415	\$ 11,827,913	\$ 17,489,328
Low/Moderate Income Housing	-	-	-	4,128,780	4,128,780
Nonmajor Governmental Funds	962,406	156,485	-	99,527	1,218,418
	<u>\$ 962,406</u>	<u>\$ 156,485</u>	<u>\$ 5,661,415</u>	<u>\$ 16,056,220</u>	<u>\$ 22,836,526</u>

Interfund transfers were principally used to (1) set aside 20% tax increment revenues, (2) to transfer monies to make debt service payments on outstanding bonds, (3) to transfer monies to reimburse the General Fund and other nonmajor governmental funds for street maintenance costs and other costs, and (4) to implement council actions approving transfer of funds from Restricted Tow Fee Fund to General Fund.

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Retirements	Balance at June 30, 2011	Amount due within one year	Amount due after one year
Compensated absences	\$ 4,928,709	\$ 3,541,316	\$ 2,539,819	\$ 5,930,206	\$ 3,132,804	\$ 2,797,402
Net OPEB Obligation	9,735,207	5,941,242	1,275,767	14,400,682	-	14,400,682
Self-insurance claims payable	3,725,812	156,686	44,634	3,837,864	795,555	3,042,309
Bonded debt - tax allocation bonds	<u>156,170,863</u>	<u>40,560,000</u>	<u>4,390,000</u>	<u>192,340,863</u>	<u>5,735,000</u>	<u>186,605,863</u>
	<u>\$ 174,560,591</u>	<u>\$ 50,199,244</u>	<u>\$ 8,250,220</u>	<u>\$ 216,509,615</u>	<u>\$ 9,663,359</u>	<u>\$ 206,846,256</u>

NOTE 8 TAX ALLOCATION BONDS AND LOANS PAYABLE

Balance at
June 30, 2011

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, 2011, the reserve requirement for the bonds was \$1,402,083. The balance in the reserve account as of June 30, 2011 was \$1,402,083.

\$ 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, 2011.

2,005,000

2001 Tax Allocation Refunding Bonds

In July 2001, the Carson Redevelopment Agency issued \$28,625,000 of Tax Allocation Refunding Bonds, Series 2001 for Redevelopment Project Area No. 1 to advance refund \$14,160,000 of the outstanding 1992 Tax Allocation Refunding Bonds and \$15,000,000 of the outstanding Tax Allocation Bonds, Series 1993B, 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 \$780,000 to \$2,775,000 plus interest at 2.7% to 5.5% through October 1, 2016.

NOTE 8 TAX ALLOCATION BONDS AND LOANS PAYABLE (CONTINUED)

Balance at
June 30, 2011

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 assets.

The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2011. \$ 14,630,000

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, 2011, the reserve requirement for the bonds was \$2,071,911. The balance in the reserve account as of June 30, 2011 was \$2,071,911.

22,445,000

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, 2011, the reserve requirement for the bonds was \$990,837. The balance in the reserve account as of June 30, 2011 was \$990,837.

12,165,000

Subtotal Redevelopment Project Area 1 \$ 83,505,862

Redevelopment Project Area 2:

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, 2011.

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, 2011.

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, 2011, the reserve requirement for the bond was \$812,363. The balance in the reserve account as of June 30, 2011 was \$812,363.

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 8 TAX ALLOCATION BONDS AND LOANS PAYABLE (CONTINUED)

	Balance at June 30, 2011
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 assets. 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, 2011, the reserve requirement for the bonds was \$1,459,134. The balance in the reserve account as of June 30, 2011 was \$1,501,267.	
	\$ 16,740,000
Subtotal Redevelopment Project Area 2	42,075,000

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, 2011.

26,200,000

Subtotal Redevelopment Project Area 4

26,200,000

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, 2011.

14,940,000

City of Carson
Notes to the Basic Financial Statements
Year Ended June 30, 2011

NOTE 8 TAX ALLOCATION BONDS AND LOANS PAYABLE (CONTINUED)

	Balance at June 30, 2011
<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, 2011.	
	\$ 25,620,000
Subtotal Low and Moderate Income Housing	<u>40,560,000</u>
Total Redevelopment Agency Tax Allocation Bonds Payable	<u>\$ 192,340,863</u>

NOTE 9 DEBT SERVICE REQUIREMENTS TO MATURITY

The following schedule summarizes the debt service to maturity requirements for bonds outstanding as of June 30, 2011:

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
2012	\$ -	\$ 1,392,213	\$ 150,000	\$ 82,687	\$ 2,130,000	\$ 746,075
2013	-	1,392,213	155,000	77,253	2,235,000	626,038
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
2017-2021	12,425,000	5,697,519	980,000	169,056	2,775,000	76,312
2022-2026	9,613,027	6,620,899	225,000	5,203	-	-
2027-2031	4,501,614	9,141,187	-	-	-	-
2032-2035	5,721,222	3,483,101	-	-	-	-
Total	<u>\$ 32,260,863</u>	<u>\$ 31,903,771</u>	<u>\$ 2,005,000</u>	<u>\$ 529,125</u>	<u>\$ 14,630,000</u>	<u>\$ 2,539,076</u>

Year Ending June 30,	Project Area 1 2009A Tax Allocation Refunding Bonds		Project Area 1 2009 Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 370,000	\$ 1,428,294	\$ -	\$ 727,050
2013	395,000	1,413,688	-	727,050
2014	405,000	1,396,675	260,000	722,175
2015	430,000	1,377,350	270,000	711,562
2016	445,000	1,356,012	285,000	699,769
2017-2021	2,855,000	6,346,950	1,630,000	3,277,725
2022-2026	7,330,000	4,827,056	2,105,000	2,773,938
2027-2031	1,795,000	3,277,575	2,830,000	2,025,706
2032-2036	5,070,000	2,440,550	3,855,000	960,538
2037	3,350,000	117,250	930,000	30,225
Total	<u>\$ 22,445,000</u>	<u>\$ 23,981,400</u>	<u>\$ 12,165,000</u>	<u>\$ 12,655,738</u>

City of Carson
Notes to the Basic Financial Statements
Year Ended June 30, 2011

NOTE 9 DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)

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
	\$ 775,000	\$ 593,400	\$ 185,000	\$ 114,444	\$ 415,000	\$ 395,171
2013	810,000	561,700	195,000	108,500	420,000	380,974
2014	840,000	529,750	200,000	101,831	435,000	364,924
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
2017-2021	5,175,000	1,625,244	1,195,000	305,594	2,670,000	1,335,024
2022-2025	3,770,000	289,000	840,000	54,400	4,280,000	556,238
Total	<u>\$ 13,145,000</u>	<u>\$ 4,554,532</u>	<u>\$ 3,035,000</u>	<u>\$ 866,772</u>	<u>\$ 9,155,000</u>	<u>\$ 3,709,701</u>

Year Ending June 30,	Project Area 2 2007A Tax Allocation Refunding Bonds		Project Area 4 2006 Tax Allocation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 115,000	\$ 760,900	\$ 435,000	\$ 1,100,891
2013	115,000	756,300	460,000	1,082,448
2014	125,000	751,700	475,000	1,063,748
2015	125,000	746,700	495,000	1,044,348
2016	130,000	741,700	510,000	1,024,885
2017-2021	735,000	3,625,500	2,865,000	4,824,759
2022-2026	1,780,000	3,458,819	3,460,000	4,210,606
2027-2031	6,050,000	2,620,262	4,245,000	3,403,750
2032-2036	7,565,000	1,107,338	5,260,000	2,370,531
2037-2041	-	-	6,510,000	1,084,784
2042-2045	-	-	1,485,000	33,412
Total	<u>\$ 16,740,000</u>	<u>\$ 14,569,219</u>	<u>\$ 26,200,000</u>	<u>\$ 21,244,162</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
2012	\$ 1,160,000	\$ 685,168	\$ -	\$ 1,294,062
2013	950,000	663,407	-	1,294,062
2014	1,140,000	625,938	-	1,294,062
2015	1,375,000	569,212	-	1,294,062
2016	1,440,000	505,720	-	1,294,062
2017-2021	8,325,000	1,335,795	-	6,470,312
2022-2026	550,000	15,125	9,510,000	5,369,644
2027-2031	-	-	6,700,000	3,266,875
2032-2036	-	-	7,695,000	1,501,369
2037	-	-	1,715,000	45,019
Total	<u>\$ 14,940,000</u>	<u>\$ 4,400,365</u>	<u>\$ 25,620,000</u>	<u>\$ 23,123,529</u>

NOTE 10 PLEDGED REVENUES

The City has outstanding debt issuances that 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. For the current year, debt service payments as a percentage of pledged revenue, net of mandatory costs, are indicated in the table below.

Description of Pledged Revenue	Annual Amount of Pledged Revenue	Annual Debt Service Payments	Debt Service as a Percentage of Pledged Revenues
Tax increment - Project Area 1	\$ 8,854,911	\$ 7,035,680	79.46%
Tax increment - Project Area 2	9,084,569	4,209,377	46.34%
Tax increment - Project Area 4	2,991,156	1,539,060	51.45%

NOTE 11 SELF-INSURANCE PROGRAMS

The City and its Redevelopment Agency are 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, 2011, \$3,837,864 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, 2011 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 11 SELF-INSURANCE PROGRAMS (CONTINUED)

A summary of the City's claims activity for the two years through June 30, 2011 is as follows:

	Workers' Compensation Claims	General Liability Claims	Totals
Balance at June 30, 2009	\$ 2,766,994	\$ 841,460	\$ 3,608,454
Additions	132,154	908,906	1,041,060
Payments	<u>(186,695)</u>	<u>(737,007)</u>	<u>(923,702)</u>
Balance at July 1, 2010	2,712,453	1,013,359	3,725,812
Additions	263,810	42,910	306,720
Payments	<u>(107,093)</u>	<u>(87,575)</u>	<u>(194,668)</u>
Balance at June 30, 2011	\$ <u>2,869,170</u>	\$ <u>968,694</u>	\$ <u>3,837,864</u>

NOTE 12 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, 2009 to June 30, 2011 has been determined by an actuarial valuation of the plan as of June 30, 2008. The contribution rate indicated for the period is 17.592% 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, 2011, the contribution rate is multiplied by the payroll of covered employees that were actually paid during the period from July 1, 2010 to June 30, 2011.

NOTE 12 DEFINED BENEFIT PENSION PLAN (PERS)

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

Valuation Date	June 30, 2008
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	28 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on age, service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.0% 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.

Annual Pension Cost (Employer Contribution)			
Fiscal Year	Miscellaneous	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 6,396,422	100.0%	-
6/30/2010	6,429,602	100.0%	-
6/30/2011	5,881,646	100.0%	-

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

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer 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 current maximum City contribution is \$1,110 and is scheduled to increase to \$1,297 on January 1, 2011, to \$1,400 on January 1, 2012 and is limited to a maximum increase of 10%, thereafter, based on the highest family rate. Unclassified/part-time employees are eligible for the minimum required employer contribution under the CalPERS Health Plan. The current minimum required contribution is \$105 per month and is scheduled to increase to \$108 for 2011 and by medical price inflation thereafter.

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 contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as premiums become due). During the fiscal year ended June 30, 2011, the City contributed \$1,275,767 to the plan, including \$1,275,767 for current premiums (100% of total premiums).

The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

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.

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

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	06/30/11	06/30/10
Annual Required Contribution	\$ 6,107,934	\$ 5,899,458
Interest on Net OPEB Obligation	486,760	234,073
Adjustments to Annual Required Contribution	(653,452)	-
Annual OPEB Cost	5,941,242	6,133,531
Annual Contribution Made	(1,275,767)	(1,079,791)
Increase in Net OPEB Obligation	4,665,475	5,053,740
Net OPEB Obligation, beginning of year	9,735,207	4,681,467
Net OPEB Obligation, end of year	\$ 14,400,682	\$ 9,735,207

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 5,833,142	19.74%	\$ 4,681,467
6/30/2010	6,133,531	17.60%	9,735,207
6/30/2011	5,941,242	21.47%	14,400,682

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 13 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 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and annual cost trend rate 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.

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

NOTE 14 DEFICIT FUND BALANCES

The following fund reported an accumulated deficit in fund balance as of June 30, 2011:

	<u>Accumulated Deficit</u>
Special Revenue Funds:	
Self Supporting Fund	\$ (416,441)
Used Oil State Grant Fund	(3,516)
Federal Highway Planning Grant Fund	(2,999,356)
Traffic Safety Fund	(1,470)

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

NOTE 15 EXPENDITURES EXCEEDING APPROPRIATIONS

Expenditures for the year ended June 30, 2011 which exceeded the appropriations of the following fund of the City were as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Amount Exceeding Appropriations</u>
Major Funds:			
General Fund			
General government	\$ 17,925,405	\$ 18,136,954	\$ (211,549)
Capital improvement program	506,278	509,979	(3,701)

NOTE 15 EXPENDITURES EXCEEDING APPROPRIATIONS (CONTINUED)

	Final Budget	Actual	Amount Exceeding Appropriations
Nonmajor Funds:			
Self-supporting Fund			
Public services	901,439	906,646	(5,207)
Used Oil State Grant Fund			
Development services	23,300	33,280	(9,980)
Family Support Grant Fund			
Public services	62,453	65,616	(3,163)
Brownfields Cleanup Revolving Fund			
Economic development	-	1,568	(1,568)
Neighborhood Stabilization Program Fund			
Economic development	483,415	535,771	(52,356)
Capital improvement program	496,952	706,100	(209,148)

NOTE 16 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. 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, 2011 is \$22,895,000 and \$7,330,000, 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.

NOTE 16 DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

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, 2011 is \$1,500,000.

NOTE 17 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 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS

Carson Mall Partners

In December 1991, the Agency entered into an Owner Participation Agreement (OPA) with Carson Mall Partners, a California general partnership (Developer) and IKEA Property, Inc., a Delaware corporation to renovate, improve and expand the Carson Mall and replace the Broadway department store with an IKEA store. The Developer had entered into a lease arrangement with IKEA, and IKEA had entered into a sublease to the Agency. In consideration for the sublease, the Agency paid an initial rent payment in the sum of \$1,000,000 and after the opening of the IKEA store on site, the Agency agreed to pay an annual rent which is the lesser of \$478,187 or an amount equal to the portion of the local sales tax received by the City from the IKEA store. The term of the sublease expires 19 years after IKEA opened for business. The lease expired in November 2011.

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, 2011, 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).

NOTE 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

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).

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, 2011.

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, 2011, the balance of the loan from this developer is \$3,625,951.

NOTE 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

BP West Coast Products, LLC

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 will consist of an office building of approximately 125,000 square feet.

The Agency agreed to sell the 4.5 acre development parcel to the Developer for the sum of one dollar (\$1.00) and a note amount equal to \$2,960,000. The performance promissory note is equal to the fair market value of the development parcel and the Agency's cash contribution of \$210,000 toward the required construction cost of the project. The term shall be for 15 years and simple interest shall accrue at two (2) percent. Each year, seventy-five percent (75%) of the increased site tax increment will be credited against any amounts outstanding under the performance promissory note. As of June 30, 2011, the balance of the loans receivable from BP West Coast Products is \$2,960,000.

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 will be 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. Developer payments are being made as required.

NOTE 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

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 would commit to providing \$110 million in public financial assistance. In addition, the Agency will finance the improvements to the I-405/Avalon Boulevard on-off ramp system. Participant will contribute \$25 million toward this project. Total financial assistance granted to the Developer as of June 30, 2011 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 will be located on a 4.5 acre site at the southeast corner of Carson Street and Avalon Boulevard.

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 loan 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.

C-P Land Company - 2201 E. 223rd St.

On April 21, 2009, the Agency approved the purchase of C-P Land Company (Developer) property at 2201 E. 223rd Street and subsequent lease of that property to Cormier Chevrolet Company (Dealership) located at the same address.

NOTE 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

The Agency purchased the Developer's land and buildings for the fair market value of \$7.8 million (Purchase Price). Approximately \$2.7 million towards the Purchase Price was credited to the Agency to pay off an Agency Note. The Agency placed \$5.1 million of the Purchase Price into escrow. Of that amount, approximately \$2.4 million will be used to pay off an outstanding Developer bank loan, and the Developer received the remaining approximately \$2.7 million to pay GMAC.

The Agency's lease of the Property back to the Dealership includes land and buildings per lease agreement dated April 21, 2009. The term is five years beginning May 1, 2009, with a reevaluation at the end of that time. The lease is as follows: 1) first year, one dollar, (\$1.00); 2) second year, 0.25% of 1.00% of the Dealership's gross sales (minimum gross sales of \$25 million) including new and used vehicle sales, parts and service business; 3) third year, 0.50% of 1.00% of the Dealership's gross sales (minimum gross sales of \$25 million); 4) fourth year, 0.75% of 1.00% of the Dealership's gross sales (minimum gross sales of \$30 million); fifth year, 1.00% of the Dealership's gross sales (minimum gross sales of \$30 million). The estimated fair reuse value for the lease of the Property was determined to be the projected rental payments of \$1,257,000 over the five-year lease term.

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 sale and development of 1.75 acres of Agency-owned property (Property) at 425 E. Carson Street. The Developer proposes to construct a 65-unit workforce housing project on the Property that would provide housing for very-low, low and moderate income households (Project). The product type ranges from one-bedroom to three-bedroom units. All units are designed to market rate quality.

On March 9, 2011, the Agency transferred the Property to 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 will be evidenced by a promissory note and secured by a Deed of Trust. The Purchase Price and the Agency Assistance total of \$8,794,500 are to be repaid by Developer with residual receipts, with a credit for the Purchase Price made at close of escrow and interest accruing at 0.5% per annum (Note). The combined value of the land and Agency assistance, \$8,794,500, is to be repaid by residual receipts over a 55 year period. Any balance on the Note is due and payable at the end of 55 years.

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.

NOTE 18 COMMITMENTS UNDER DEVELOPMENT AGREEMENTS (CONTINUED)

Reflections Mini-Park - 21208 Shearer Ave.

In December 2010, the Agency entered into a contract with AHBE Landscape Architects to design the park for a fee of \$140,672. After the design was completed the Agency, through the public bid process, entered into a contract with PIMA Corporation for \$569,500 for construction of the park. Construction began in June 2011 and is 90% complete. The park is a native plant park that focuses on water preservation and preserving the natural environment. Construction is to be completed in January 2012.

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, pursuant to which Developer will purchase a 9.57 acre Agency-owned property located at 616, 542, and 550 East Carson Street (Property) for \$2,250,000 to build a mixed-use commercial/retail and residential development consisting 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 qualified buyers. The Developer submitted applications for all required discretionary approvals to the City and all applicable governmental agencies.

Affirmed Housing Group - 21227 Figueroa St.

On March 1, 2011, the Agency entered into a Disposition and Development Agreement with Affirmed Housing Group, Inc. for the development of a 40-unit apartment complex (workforce housing). The construction schedule is unknown due to tax credit competition. The Agency's financial contribution is \$4,200,000 and land (valued at \$1,345,000). The unit mix will be 19 very low-income, 20 moderate-income plus one market-rate manager's unit.

The Related Companies - 425 E. Carson St.

In March 2011, the Agency entered into a Disposition and Development Agreement to assist The Related Companies (Developer) in financing a 65-unit affordable apartment housing complex with 147 parking spaces located at 425 E. Carson Street. The Agency has agreed to sell 1.75 acres to the Developer at the estimated fair market value of \$1,906,500. The Agency has agreed to invest an additional approximately \$6.8 million in the development which is estimated to cost \$20.6 million. The project is a two- and three-story development to include approximately 12 one-bedroom units, 33 two-bedroom units, and 20 three-bedroom units. All rental units, except the manager's unit, will be restricted at affordable rents for not less than 55 years. Construction began in March 2011 and is about 60% complete. Construction is scheduled to be completed in May 2012.

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 to moderate-income households. Construction is scheduled to start the first quarter of 2012 with an anticipated 12 month build out scheduled from the close of escrow. The Agency contribution will be between \$770,000 and \$1,328,495 although the Agency's contribution is limited to \$770,000, unless there is a variable due to final Project conditions of approval.

NOTE 19 STATUS OF CARSON REDEVELOPMENT AGENCY

Recent Laws and Regulations Affecting Redevelopment Agencies

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. Consequently, all redevelopment agencies remain subject to the suspension provisions of ABX1 26 and are to be dissolved in accordance with that bill as of February 1, 2012. The legislation provides, however, that another local governmental entity may assume the role as successor agency to the dissolved redevelopment agency.

Actions Taken by the City and RDA

On March 8, 2011, the City Council passed a resolution establishing the Carson Housing Authority in accordance with the California Housing Authority Law. Accordingly, the City Council declared that its members shall serve as Commissioners of the Carson Housing Authority and shall have all the rights, powers, duties, privileges and immunities vested by the California Housing Authority law. Also, on March 8, 2011, the Carson Redevelopment Agency passed a resolution approving agreements for the transfer of certain properties, owned by the Agency and acquired using the Housing Set-Aside funds, to the Carson Housing Authority and to the City to carry out redevelopment activities pursuant to the California Redevelopment law and in accordance with the California Housing Authority Law.

In consideration of the transfer of the properties, the Housing Authority and the City are obligated to carry out the redevelopment and disposition of the properties in accordance with the agreement.

Impact on the City

The impact of the above action and the City's final decision and the effect on the City's financial position and operations of actions to be taken pursuant to the legislation with respect to liquidation of assets, payment of debt and ongoing operations is not presently determinable.

NOTE 20 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 12, 2012, 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.

**NOTE 21 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that have effective dates that may impact future financial presentations.

GASB No. 60 - GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Statement 60 addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 61 - GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

GASB No. 62 - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 63 - GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 64 - GASB has issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*. The requirements of this Statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA



GENERAL FUND

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

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

City Council

Local legislative policy

City Attorney

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

City Clerk

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

City Treasurer

Investments
Cash management
Cashiering

Economic Development

Employment development
Business development
Redevelopment
Housing and neighborhood
development
Planning

Administrative Services

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

Public Services

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

City Manager

Implementation of City Council
policies
Intergovernmental relations
Public information
Information technology
Community center

Development Services

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

Non-Departmental

Retiree health insurance
Program support

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

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

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

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City Council	\$ 629,267	\$ 681,267	\$ 615,237	\$ 66,030
City Attorney	1,285,000	1,303,306	1,349,669	(46,363)
Non Departmental	3,020,000	3,020,000	3,586,189	(566,189)
City Clerk	787,032	787,913	831,394	(43,481)
City Treasurer	634,830	634,830	669,819	(34,989)
City Manager	6,126,388	5,361,035	5,035,738	325,297
Administrative Services	6,002,830	6,137,054	6,048,908	88,146
Total General Government	<u>18,485,347</u>	<u>17,925,405</u>	<u>18,136,954</u>	<u>(211,549)</u>
Economic Development	1,246,511	1,362,482	1,231,175	131,307
Development Services	8,782,740	8,325,892	7,795,603	530,289
Public Services	33,466,074	34,367,064	33,198,295	1,168,769
Subtotal current expenditures	<u>61,980,672</u>	<u>61,980,843</u>	<u>60,362,027</u>	<u>1,618,816</u>
Capital Improvement Program	-	506,278	509,979	(3,701)
Other Financing Uses	-	-	-	-
Total General Fund expenditures	<u>61,980,672</u>	<u>62,487,121</u>	<u>60,872,006</u>	<u>1,615,115</u>
Interfund reimbursement	<u>(3,735,000)</u>	<u>(3,735,000)</u>	<u>(3,464,606)</u>	<u>(270,394)</u>
Net General Fund expenditures	<u>\$ 58,245,672</u>	<u>\$ 58,752,121</u>	<u>\$ 57,407,400</u>	<u>\$ 1,344,721</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*
6/30/2007	\$ 134,642,474	\$ 105,298,448	\$ 29,344,026	78.2%	\$ 24,291,028	120.8%
6/30/2008	146,121,992	115,895,972	30,226,020	79.3%	25,458,415	118.7%
6/30/2009	166,628,216	124,589,374	42,038,842	74.8%	27,230,503	154.4%

*UAAL refers to unfunded actuarial accrued liability.

Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (c)/(b-a)
7/1/2008	\$ -	\$ 47,691,008	\$ 47,691,008	0.0%	\$ 23,662,000	201.6%
7/1/2009	-	47,691,008	47,691,008	0.0%	27,230,503	175.1%
7/1/2010	-	50,765,291	50,765,291	0.0%	27,200,000	186.6%

Budgetary Control and Accounting

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

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUPPLEMENTARY SCHEDULES

CITY OF CARSON, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

GOVERNMENTAL FUNDS

CITY OF CARSON, CALIFORNIA



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 \$43 out of the \$135 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 **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 Grant Funds** represent five 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 Proposition 42 funds are used to relieve traffic congestion through street or road maintenance or reconstruction. 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 eleven 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 Office of Traffic Safety Driving Under the Influence Grant Fund is used for programs designed to reduce the number of impaired (DUI) drivers on the City streets. The Brownfields Cleanup Grant Fund is used for cleanup activities at contaminated sites. The Brownfields Economic Development Initiative (BEDI) Grant Fund is used to pay interest on the \$5.5 million Section 108 HUD loan which assists in the redevelopment of a 90-acre Brownfields site. The Federal Transit Administration (FTA) Grant Fund provides for the purchase of rolling stocks. 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). Also an ARRA grant, the Energy Efficiency and Conservation Block Grant (EECBG) is used for the City's solar energy system at the Juanita Millender-McDonald Community Center.

City of Carson
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds	Debt Service Funds	Totals
ASSETS			
Cash and investments	\$ 13,935,389	\$ -	\$ 13,935,389
Cash and investments with fiscal agent	-	15,168,145	15,168,145
Receivables:			
Accounts	17,300	-	17,300
Interest-other	102,520	-	102,520
Due from other funds	22,526	-	22,526
Due from governmental agencies	4,624,552	-	4,624,552
Total assets	\$ 18,702,287	\$ 15,168,145	\$ 33,870,432
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,114,197	\$ -	\$ 1,114,197
Accrued payroll	57,184	-	57,184
Due to other governmental agencies	9,575	-	9,575
Due to other funds	3,992,825	-	3,992,825
Retentions payable	280,810	-	280,810
Deferred revenue	2,980,726	-	2,980,726
Total liabilities	8,435,317	-	8,435,317
FUND BALANCES (DEFICIT)			
Restricted	13,099,376	15,168,145	28,267,521
Assigned	589,883	-	589,883
Unassigned	(3,422,289)	-	(3,422,289)
Total fund balances	10,266,970	15,168,145	25,435,115
Total liabilities and fund balances	\$ 18,702,287	\$ 15,168,145	\$ 33,870,432

City of Carson
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2011

	Special Revenue Funds	Debt Service Funds	Totals
Revenues			
Taxes	\$ 2,429,291	\$ -	\$ 2,429,291
Fines and forfeitures	138,501	-	138,501
Charges for services	776,247	-	776,247
Intergovernmental	10,045,307	-	10,045,307
Use of money and property	165,509	99,613	265,122
Charges to other funds	71,329	-	71,329
Miscellaneous	1,088,577	-	1,088,577
Total revenues	<u>14,714,761</u>	<u>99,613</u>	<u>14,814,374</u>
Expenditures			
Current:			
Public services	1,278,707	-	1,278,707
Development services	4,558,154	-	4,558,154
Economic development	2,102,403	-	2,102,403
Capital improvement programs	8,065,547	-	8,065,547
Principal payment	-	4,390,000	4,390,000
Interest and fiscal charges	-	8,394,118	8,394,118
Total expenditures	<u>16,004,811</u>	<u>12,784,118</u>	<u>28,788,929</u>
Excess (deficiency) of revenues over expenditures	<u>(1,290,050)</u>	<u>(12,684,505)</u>	<u>(13,974,555)</u>
Other financing sources (uses)			
Transfers in	99,527	15,956,693	16,056,220
Transfers out	(1,218,418)	-	(1,218,418)
Net other financing sources (uses)	<u>(1,118,891)</u>	<u>15,956,693</u>	<u>14,837,802</u>
Change in fund balance	(2,408,941)	3,272,188	863,247
Fund balances, beginning of year	<u>12,675,911</u>	<u>11,895,957</u>	<u>24,571,868</u>
Fund balances, end of year	<u>\$ 10,266,970</u>	<u>\$ 15,168,145</u>	<u>\$ 25,435,115</u>



	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund	Proposition A Local Return Fund
ASSETS				
Cash and investments	\$ 15,168	\$ 1,195,669	\$ 59,245	\$ 1,107,005
Receivables:				
Accounts	-	17,300	-	-
Interest-other	-	-	-	-
Due from other funds	-	-	-	-
Due from governmental agencies	-	286,380	-	14,712
Total assets	<u>\$ 15,168</u>	<u>\$ 1,499,349</u>	<u>\$ 59,245</u>	<u>\$ 1,121,717</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 158,185	\$ -	\$ 320,120
Accrued payroll	-	-	-	4,284
Due to other governmental agencies	-	-	-	-
Due to other funds	-	-	-	-
Retentions payable	-	20,455	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>178,640</u>	<u>-</u>	<u>324,404</u>
FUND BALANCES (DEFICIT)				
Restricted	15,168	1,320,709	59,245	797,313
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>15,168</u>	<u>1,320,709</u>	<u>59,245</u>	<u>797,313</u>
Total liabilities and fund balances	<u>\$ 15,168</u>	<u>\$ 1,499,349</u>	<u>\$ 59,245</u>	<u>\$ 1,121,717</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2011

Proposition C Local Return Fund	Measure R Fund	Air Quality Improvement Fund	Self- Supporting Fund	Capital Asset Replacement Fund	Restricted Administrative Tow Fee Fund
\$ 665,946	\$ 1,384,337	\$ 101,275	\$ -	\$ 589,866	\$ 102,356
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,418	-
-	-	23,779	-	-	-
<u>\$ 665,946</u>	<u>\$ 1,384,337</u>	<u>\$ 125,054</u>	<u>\$ -</u>	<u>\$ 592,284</u>	<u>\$ 102,356</u>
\$ 227,155	\$ -	\$ -	\$ 27,243	\$ 2,401	\$ 3,704
5,645	-	1,206	34,530	-	-
-	-	-	-	-	-
-	-	-	354,668	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232,800</u>	<u>-</u>	<u>1,206</u>	<u>416,441</u>	<u>2,401</u>	<u>3,704</u>
433,146	1,384,337	123,848	1,506	-	98,652
-	-	-	-	589,883	-
-	-	-	(417,947)	-	-
<u>433,146</u>	<u>1,384,337</u>	<u>123,848</u>	<u>(416,441)</u>	<u>589,883</u>	<u>98,652</u>
<u>\$ 665,946</u>	<u>\$ 1,384,337</u>	<u>\$ 125,054</u>	<u>\$ -</u>	<u>\$ 592,284</u>	<u>\$ 102,356</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2011

	Youth Services Program Fund	Metropolitan Water District Fund	Parks and Recreation Funds	State Grant Funds	Federal Grant Funds	Totals
ASSETS						
Cash and investments	\$ 38,911	\$ 15,033	\$ 357,855	\$ 2,220,191	\$ 6,082,532	\$ 13,935,389
Receivables:						
Accounts	-	-	-	-	-	17,300
Interest-other	-	-	-	-	102,520	102,520
Due from other funds	-	-	-	-	20,108	22,526
Due from governmental agencies	-	-	-	88,988	4,210,693	4,624,552
Total assets	<u>\$ 38,911</u>	<u>\$ 15,033</u>	<u>\$ 357,855</u>	<u>\$ 2,309,179</u>	<u>\$ 10,415,853</u>	<u>\$ 18,702,287</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 146	\$ -	\$ -	\$ 9,980	\$ 365,263	\$ 1,114,197
Accrued payroll	-	-	3,987	-	7,532	57,184
Due to other governmental agencies	-	-	-	-	9,575	9,575
Due to other funds	-	-	-	1,423	3,636,734	3,992,825
Retentions payable	-	-	-	6,420	253,935	280,810
Deferred revenue	-	-	-	24,725	2,956,001	2,980,726
Total liabilities	<u>146</u>	<u>-</u>	<u>3,987</u>	<u>42,548</u>	<u>7,229,040</u>	<u>8,435,317</u>
FUND BALANCES (DEFICIT)						
Restricted	38,765	15,033	353,868	2,270,147	6,187,639	13,099,376
Assigned	-	-	-	-	-	589,883
Unassigned	-	-	-	(3,516)	(3,000,826)	(3,422,289)
Total fund balances	<u>38,765</u>	<u>15,033</u>	<u>353,868</u>	<u>2,266,631</u>	<u>3,186,813</u>	<u>10,266,970</u>
Total liabilities and fund balances	<u>\$ 38,911</u>	<u>\$ 15,033</u>	<u>\$ 357,855</u>	<u>\$ 2,309,179</u>	<u>\$ 10,415,853</u>	<u>\$ 18,702,287</u>



City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – Parks and Recreation Funds
June 30, 2011

	Park Development Fund	LA County Park District Fund	Totals
ASSETS			
Cash and investments	\$ 294,150	\$ 63,705	\$ 357,855
Total assets	<u>\$ 294,150</u>	<u>\$ 63,705</u>	<u>\$ 357,855</u>
LIABILITIES			
Accrued payroll	\$ -	\$ 3,987	\$ 3,987
Total liabilities	<u>-</u>	<u>3,987</u>	<u>3,987</u>
FUND BALANCES (DEFICIT)			
Restricted	294,150	59,718	353,868
Total fund balances	<u>294,150</u>	<u>59,718</u>	<u>353,868</u>
Total liabilities and fund balances	<u>\$ 294,150</u>	<u>\$ 63,705</u>	<u>\$ 357,855</u>

City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – State Grant Funds
June 30, 2011

	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund	State Local Transportation Fund	Proposition 42 Fund	Proposition 1B Fund	Totals
ASSETS							
Cash and investments	\$ 80,497	\$ 58,010	\$ 7,887	\$ 247,996	\$ 276,618	\$ 1,549,183	\$ 2,220,191
Due from governmental agencies	25,866	38,397	24,725	-	-	-	88,988
Total assets	<u>\$ 106,363</u>	<u>\$ 96,407</u>	<u>\$ 32,612</u>	<u>\$ 247,996</u>	<u>\$ 276,618</u>	<u>\$ 1,549,183</u>	<u>\$ 2,309,179</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 9,980	\$ -	\$ -	\$ -	\$ 9,980
Due to other funds	-	-	1,423	-	-	-	1,423
Retentions payable	-	-	-	-	6,420	-	6,420
Deferred revenue	-	-	24,725	-	-	-	24,725
Total liabilities	<u>-</u>	<u>-</u>	<u>36,128</u>	<u>-</u>	<u>6,420</u>	<u>-</u>	<u>42,548</u>
FUND BALANCES (DEFICIT)							
Restricted	106,363	96,407	-	247,996	270,198	1,549,183	2,270,147
Unassigned	-	-	(3,516)	-	-	-	(3,516)
Total fund balances	<u>106,363</u>	<u>96,407</u>	<u>(3,516)</u>	<u>247,996</u>	<u>270,198</u>	<u>1,549,183</u>	<u>2,266,631</u>
Total liabilities and fund balances	<u>\$ 106,363</u>	<u>\$ 96,407</u>	<u>\$ 32,612</u>	<u>\$ 247,996</u>	<u>\$ 276,618</u>	<u>\$ 1,549,183</u>	<u>\$ 2,309,179</u>

	Department of Justice / OJP Grant Fund	Family Support Grant Fund	Housing and Community Development Fund	Federal Highway Planning Grant Fund	Traffic Safety Fund
ASSETS					
Cash and investments	\$ 311,353	\$ 11,245	\$ 5,681,392	\$ -	\$ -
Receivables:					
Loans, interest and other	-	-	27,520	-	-
Due from other funds	-	-	711	16,239	-
Due from governmental agencies	21,893	21,318	54,457	3,635,795	1,469
Total assets	\$ 333,246	\$ 32,563	\$ 5,764,080	\$ 3,652,034	\$ 1,469
LIABILITIES					
Accounts payable and accrued liabilities	\$ 33,500	\$ 6,989	\$ 69,301	\$ -	\$ -
Accrued payroll	-	-	3,341	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other funds	-	-	-	3,544,424	1,469
Retentions payable	-	-	-	227,435	-
Deferred revenue	-	-	-	2,879,531	1,470
Total liabilities	33,500	6,989	72,642	6,651,390	2,939
FUND BALANCES (DEFICIT)					
Restricted	299,746	25,574	5,691,438	-	-
Unassigned	-	-	-	(2,999,356)	(1,470)
Total fund balances	299,746	25,574	5,691,438	(2,999,356)	(1,470)
Total liabilities and fund balances	\$ 333,246	\$ 32,563	\$ 5,764,080	\$ 3,652,034	\$ 1,469

City of Carson
Nonmajor Special Revenue Funds
Combining Balance Sheet – Federal Grant Funds
June 30, 2011

Brownfields Cleanup Revolving Loan Fund	Brownfields Economic Development Initiative Grant Fund	FTA Grant Fund	WIA Grant Fund	Neighborhood Stabilization Grant Fund	EECBG/ Energy Grant Fund	Totals
\$ 1,568	\$ -	\$ -	\$ -	\$ 76,974	\$ -	\$ 6,082,532
-	-	-	-	75,000	-	102,520
-	-	-	3,158	-	-	20,108
-	4,322	-	100,571	105,868	265,000	4,210,693
<u>\$ 1,568</u>	<u>\$ 4,322</u>	<u>\$ -</u>	<u>\$ 103,729</u>	<u>\$ 257,842</u>	<u>\$ 265,000</u>	<u>\$ 10,415,853</u>
\$ 1,568	\$ -	\$ -	\$ 4,062	\$ 11,343	\$ 238,500	\$ 365,263
-	-	-	3,472	719	-	7,532
-	4,322	-	5,253	-	-	9,575
-	-	-	90,841	-	-	3,636,734
-	-	-	-	-	26,500	253,935
-	-	-	-	75,000	-	2,956,001
<u>1,568</u>	<u>4,322</u>	<u>-</u>	<u>103,628</u>	<u>87,062</u>	<u>265,000</u>	<u>7,229,040</u>
-	-	-	101	170,780	-	6,187,639
-	-	-	-	-	-	(3,000,826)
-	-	-	101	170,780	-	3,186,813
<u>\$ 1,568</u>	<u>\$ 4,322</u>	<u>\$ -</u>	<u>\$ 103,729</u>	<u>\$ 257,842</u>	<u>\$ 265,000</u>	<u>\$ 10,415,853</u>

	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund	Proposition A Local Return Fund	Proposition C Local Return Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 1,327,575	\$ 1,101,716
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Charges to other funds	-	-	-	-	-
Intergovernmental	-	2,491,196	128,312	263,973	-
Use of money and property	245	5,917	241	9,359	7,101
Miscellaneous	-	250,000	-	164,396	145,563
Total revenues	<u>245</u>	<u>2,747,113</u>	<u>128,553</u>	<u>1,765,303</u>	<u>1,254,380</u>
Expenditures					
Current:					
Public services	13,977	-	-	-	-
Development services	-	-	-	1,992,063	1,327,367
Economic development	-	-	-	-	-
Capital improvement programs	-	1,261,061	30,217	8,716	180,141
Total expenditures	<u>13,977</u>	<u>1,261,061</u>	<u>30,217</u>	<u>2,000,779</u>	<u>1,507,508</u>
Excess (deficiency) of revenues over expenditures	<u>(13,732)</u>	<u>1,486,052</u>	<u>98,336</u>	<u>(235,476)</u>	<u>(253,128)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(925,000)	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>(925,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(13,732)	561,052	98,336	(235,476)	(253,128)
Fund balances, beginning of year	<u>28,900</u>	<u>759,657</u>	<u>(39,091)</u>	<u>1,032,789</u>	<u>686,274</u>
Fund balances, end of year	<u>\$ 15,168</u>	<u>\$ 1,320,709</u>	<u>\$ 59,245</u>	<u>\$ 797,313</u>	<u>\$ 433,146</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2011

Measure R Fund	Air Quality Improvement Fund	Self Supporting Fund	Capital Asset Replacement Fund	Restricted Administrative Tow Fee Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	51,019	-	87,482
-	-	754,255	-	-
-	-	-	71,329	-
823,107	107,911	-	-	-
9,654	859	-	-	1,537
-	-	-	-	-
<u>832,761</u>	<u>108,770</u>	<u>805,274</u>	<u>71,329</u>	<u>89,019</u>
-	-	906,646	-	29,938
-	67,882	-	-	-
-	-	-	-	-
74,150	-	-	177,617	99,318
<u>74,150</u>	<u>67,882</u>	<u>906,646</u>	<u>177,617</u>	<u>129,256</u>
<u>758,611</u>	<u>40,888</u>	<u>(101,372)</u>	<u>(106,288)</u>	<u>(40,237)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
758,611	40,888	(101,372)	(106,288)	(40,237)
625,726	82,960	(315,069)	696,171	138,889
<u>\$ 1,384,337</u>	<u>\$ 123,848</u>	<u>\$ (416,441)</u>	<u>\$ 589,883</u>	<u>\$ 98,652</u>

City of Carson
All Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2011

	Youth Services Program Fund	Metropolitan Water District Fund	Parks and Recreation Funds	State Grant Funds	Federal Grant Funds	Totals
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	2,429,291
Fines and forfeitures	-	-	-	-	-	138,501
Charges for services	6,992	15,000	-	-	-	776,247
Charges to other funds	-	-	-	-	-	71,329
Intergovernmental	-	-	106,847	455,651	5,769,455	10,146,452
Use of money and property	-	33	3,435	24,654	102,474	165,509
Miscellaneous	-	-	-	-	429,041	989,000
Total revenues	<u>6,992</u>	<u>15,033</u>	<u>110,282</u>	<u>480,305</u>	<u>6,300,970</u>	<u>14,716,329</u>
Expenditures						
Current:						
Public services	1,392	-	103,516	61,857	161,381	1,278,707
Development services	-	-	-	41,680	-	3,428,992
Economic development	-	-	-	-	2,103,971	2,103,971
Capital improvement programs	-	-	-	1,106,329	6,257,160	9,194,709
Total expenditures	<u>1,392</u>	<u>-</u>	<u>103,516</u>	<u>1,209,866</u>	<u>8,522,512</u>	<u>16,006,379</u>
Excess (deficiency) of revenues over expenditures	<u>5,600</u>	<u>15,033</u>	<u>6,766</u>	<u>(729,561)</u>	<u>(2,221,542)</u>	<u>(1,290,050)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	99,527	99,527
Transfers out	-	-	-	(108,952)	(184,466)	(1,218,418)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,952)</u>	<u>(84,939)</u>	<u>(1,118,891)</u>
Change in fund balance	5,600	15,033	6,766	(838,513)	(2,306,481)	(2,408,941)
Fund balances, beginning of year	<u>33,165</u>	<u>-</u>	<u>347,102</u>	<u>3,105,144</u>	<u>5,493,294</u>	<u>12,675,911</u>
Fund balances, end of year	<u>\$ 38,765</u>	<u>\$ 15,033</u>	<u>\$ 353,868</u>	<u>\$ 2,266,631</u>	<u>\$ 3,186,813</u>	<u>\$ 10,266,970</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, 2011

	Park Development Fund	LA County Park District Fund	Totals
Revenues			
Intergovernmental	\$ -	\$ 106,847	\$ 106,847
Use of money and property	2,993	442	3,435
Total revenues	<u>2,993</u>	<u>107,289</u>	<u>110,282</u>
Expenditures			
Current:			
Public services	-	103,516	103,516
Total expenditures	<u>-</u>	<u>103,516</u>	<u>103,516</u>
Change in fund balance	2,993	3,773	6,766
Fund balances, beginning of year	291,157	55,945	347,102
Fund balances, end of year	<u>\$ 294,150</u>	<u>\$ 59,718</u>	<u>\$ 353,868</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, 2011

	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund	State Local Transportation Fund	Proposition 42 Fund	Proposition 1B Fund	Totals
Revenues							
Intergovernmental	\$ 25,866	\$ 125,692	\$ 56,393	\$ 247,700	\$ -	\$ -	\$ 455,651
Use of money and property	820	463	19	296	5,655	17,401	24,654
Total revenues	<u>26,686</u>	<u>126,155</u>	<u>56,412</u>	<u>247,996</u>	<u>5,655</u>	<u>17,401</u>	<u>480,305</u>
Expenditures							
Current:							
Public services	-	61,857	-	-	-	-	61,857
Development services	8,400	-	33,280	-	-	-	41,680
Capital improvement programs	-	-	-	-	454,831	651,498	1,106,329
Total expenditures	<u>8,400</u>	<u>61,857</u>	<u>33,280</u>	<u>-</u>	<u>454,831</u>	<u>651,498</u>	<u>1,209,866</u>
Excess (deficiency) of revenues over expenditures	<u>18,286</u>	<u>64,298</u>	<u>23,132</u>	<u>247,996</u>	<u>(449,176)</u>	<u>(634,097)</u>	<u>(729,561)</u>
Other financing sources (uses)							
Transfers out	-	-	(1,425)	-	(107,527)	-	(108,952)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,425)</u>	<u>-</u>	<u>(107,527)</u>	<u>-</u>	<u>(108,952)</u>
Change in fund balance	18,286	64,298	21,707	247,996	(556,703)	(634,097)	(838,513)
Fund balances, beginning of year	<u>88,077</u>	<u>32,109</u>	<u>(25,223)</u>	<u>-</u>	<u>826,901</u>	<u>2,183,280</u>	<u>3,105,144</u>
Fund balances, end of year	<u>\$ 106,363</u>	<u>\$ 96,407</u>	<u>\$ (3,516)</u>	<u>\$ 247,996</u>	<u>\$ 270,198</u>	<u>\$ 1,549,183</u>	<u>\$ 2,266,631</u>

	Department of Justice DOJ/OJP Grant Fund	Family Support Grant Fund	Housing and Community Development Fund	Federal Highway Planning Grant Fund	Traffic Safety Fund
Revenues					
Intergovernmental	\$ 72,143	\$ 49,720	\$ 900,326	\$ 2,647,281	\$ 25,989
Use of money and property	2,921	247	99,063	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>75,064</u>	<u>49,967</u>	<u>999,389</u>	<u>2,647,281</u>	<u>25,989</u>
Expenditures					
Current:					
Public services	72,143	65,616	-	-	23,622
Economic development	-	-	935,225	-	-
Capital improvement programs	-	-	-	5,286,060	-
Total expenditures	<u>72,143</u>	<u>65,616</u>	<u>935,225</u>	<u>5,286,060</u>	<u>23,622</u>
Excess (deficiency) of revenues over expenditures	<u>2,921</u>	<u>(15,649)</u>	<u>64,164</u>	<u>(2,638,779)</u>	<u>2,367</u>
Other financing sources (uses)					
Transfers in	-	-	-	99,527	-
Transfers out	-	(4,670)	-	(179,796)	-
Net other financing sources (uses)	<u>-</u>	<u>(4,670)</u>	<u>-</u>	<u>(80,269)</u>	<u>-</u>
Change in fund balance	2,921	(20,319)	64,164	(2,719,048)	2,367
Fund balances, beginning of year	<u>296,825</u>	<u>45,893</u>	<u>5,627,274</u>	<u>(280,308)</u>	<u>(3,837)</u>
Fund balances, end of year	<u>\$ 299,746</u>	<u>\$ 25,574</u>	<u>\$ 5,691,438</u>	<u>\$ (2,999,356)</u>	<u>\$ (1,470)</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, 2011

Browfields Cleanup Revolving Loan Fund	Brownfields Economic Development Initiative Grant Fund	FTA Grant Fund	WIA Grant Fund	Neighborhood Stabilization Grant Fund	EECBG/ DOE Fund	Totals
\$ 1,568	\$ 29,794	\$ 19,916	\$ 774,351	\$ 983,367	\$ 265,000	\$ 5,769,455
-	-	-	-	243	-	102,474
-	-	-	-	429,041	-	429,041
<u>1,568</u>	<u>29,794</u>	<u>19,916</u>	<u>774,351</u>	<u>1,412,651</u>	<u>265,000</u>	<u>6,300,970</u>
-	-	-	-	-	-	161,381
1,568	29,794	-	601,613	535,771	-	2,103,971
-	-	-	-	706,100	265,000	6,257,160
<u>1,568</u>	<u>29,794</u>	<u>-</u>	<u>601,613</u>	<u>1,241,871</u>	<u>265,000</u>	<u>8,522,512</u>
-	-	19,916	172,738	170,780	-	(2,221,542)
-	-	-	-	-	-	99,527
-	-	-	-	-	-	(184,466)
-	-	-	-	-	-	(84,939)
-	-	19,916	172,738	170,780	-	(2,306,481)
-	-	(19,916)	(172,637)	-	-	5,493,294
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 170,780</u>	<u>\$ -</u>	<u>\$ 3,186,813</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Fines and forfeitures	\$ 3,000	\$ -	\$ (3,000)
Use of money and property	700	245	(455)
Total revenues	<u>3,700</u>	<u>245</u>	<u>(3,455)</u>
Expenditures			
Current:			
Public services	25,262	13,977	11,285
Total expenditures	<u>25,262</u>	<u>13,977</u>	<u>11,285</u>
Change in fund balance	\$ <u>(21,562)</u>	(13,732)	\$ <u>7,830</u>
Fund balances, beginning of year		<u>28,900</u>	
Fund balances, end of year		\$ <u>15,168</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 2,512,576	\$ 2,491,196	\$ (21,380)
Use of money and property	25,000	5,917	(19,083)
Miscellaneous	-	250,000	250,000
Total revenues	<u>2,537,576</u>	<u>2,747,113</u>	<u>209,537</u>
Expenditures			
Capital improvement programs	1,942,510	1,261,061	681,449
Total expenditures	<u>1,942,510</u>	<u>1,261,061</u>	<u>681,449</u>
Excess (deficiency) of revenues over expenditures	<u>595,066</u>	<u>1,486,052</u>	<u>890,986</u>
Other financing sources (uses)			
Transfers out	<u>(925,000)</u>	<u>(925,000)</u>	<u>-</u>
Change in fund balance	<u>\$ (329,934)</u>	<u>561,052</u>	<u>\$ 890,986</u>
Fund balances, beginning of year		<u>759,657</u>	
Fund balances, end of year		<u>\$ 1,320,709</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 209,999	\$ 128,312	\$ (81,687)
Use of money and property	-	241	241
Total revenues	<u>209,999</u>	<u>128,553</u>	<u>(81,446)</u>
Expenditures			
Capital improvement programs	<u>157,200</u>	<u>30,217</u>	<u>126,983</u>
Total expenditures	<u>157,200</u>	<u>30,217</u>	<u>126,983</u>
Change in fund balance	<u>\$ 52,799</u>	98,336	<u>\$ 45,537</u>
Fund balances, beginning of year		<u>(39,091)</u>	
Fund balances, end of year		<u>\$ 59,245</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, 2011

	Final Budget	Actual Amounts	Final Budget - Positive (Negative)
Revenues			
Taxes	\$ 1,322,976	\$ 1,327,575	\$ 4,599
Intergovernmental	259,716	263,973	4,257
Use of money and property	25,000	9,359	(15,641)
Miscellaneous	170,000	164,396	(5,604)
Total revenues	<u>1,777,692</u>	<u>1,765,303</u>	<u>(12,389)</u>
Expenditures			
Current:			
Development services	2,611,387	1,992,063	619,324
Capital improvement programs	40,000	8,716	31,284
Total expenditures	<u>2,651,387</u>	<u>2,000,779</u>	<u>650,608</u>
Excess (deficiency) of revenues over expenditures	<u>(873,695)</u>	<u>(235,476)</u>	<u>638,219</u>
Change in fund balance	<u>\$ (873,695)</u>	<u>(235,476)</u>	<u>\$ 638,219</u>
Fund balances, beginning of year		<u>1,032,789</u>	
Fund balances, end of year		<u>\$ 797,313</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes	\$ 1,097,374	\$ 1,101,716	\$ 4,342
Intergovernmental	6,770,950	-	(6,770,950)
Use of money and property	18,000	7,101	(10,899)
Miscellaneous	79,400	145,563	66,163
Total revenues	<u>7,965,724</u>	<u>1,254,380</u>	<u>(6,711,344)</u>
Expenditures			
Current:			
Development services	1,363,272	1,327,367	35,905
Capital improvement programs	6,770,950	180,141	6,590,809
Total expenditures	<u>8,134,222</u>	<u>1,507,508</u>	<u>6,626,714</u>
Excess (deficiency) of revenues over expenditures	<u>(168,498)</u>	<u>(253,128)</u>	<u>(84,630)</u>
Change in fund balance	<u>\$ (168,498)</u>	<u>(253,128)</u>	<u>\$ (84,630)</u>
Fund balances, beginning of year		<u>686,274</u>	
Fund balances, end of year		<u>\$ 433,146</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 823,031	\$ 823,107	\$ 76
Use of money and property	3,129	9,654	6,525
Total revenues	<u>826,160</u>	<u>832,761</u>	<u>6,601</u>
Expenditures			
Current:			
Capital improvement programs	600,000	74,150	525,850
Total expenditures	<u>600,000</u>	<u>74,150</u>	<u>525,850</u>
Change in fund balance	\$ <u>226,160</u>	758,611	\$ <u>532,451</u>
Fund balances, beginning of year		<u>625,726</u>	
Fund balances, end of year		<u>\$ 1,384,337</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 120,000	\$ 107,911	\$ (12,089)
Use of money and property	<u>800</u>	<u>859</u>	<u>59</u>
Total revenues	<u>120,800</u>	<u>108,770</u>	<u>(12,030)</u>
Expenditures			
Current:			
Development services	<u>101,332</u>	<u>67,882</u>	<u>33,450</u>
Total expenditures	<u>101,332</u>	<u>67,882</u>	<u>33,450</u>
Change in fund balance	\$ <u>19,468</u>	40,888	\$ <u>21,420</u>
Fund balances, beginning of year		<u>82,960</u>	
Fund balances, end of year		<u>\$ 123,848</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ 901,439	\$ 754,255	\$ (147,184)
Fines and forfeitures	-	51,019	51,019
Total revenues	<u>901,439</u>	<u>805,274</u>	<u>(96,165)</u>
Expenditures			
Current:			
Public services	901,439	906,646	(5,207)
Total expenditures	<u>901,439</u>	<u>906,646</u>	<u>(5,207)</u>
Change in fund balance	\$ <u>-</u>	(101,372)	\$ <u>(101,372)</u>
Fund balances, beginning of year		<u>(315,069)</u>	
Fund balances, end of year		<u>\$ (416,441)</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges to other funds	\$ 68,359	\$ 71,329	\$ 2,970
Total reveunes	<u>68,359</u>	<u>71,329</u>	<u>2,970</u>
Expenditures			
Capital improvement programs	<u>788,770</u>	<u>177,617</u>	<u>611,153</u>
Total expenditures	<u>788,770</u>	<u>177,617</u>	<u>611,153</u>
Excess (deficiency) of revenues over expenditures	<u>(720,411)</u>	<u>(106,288)</u>	<u>614,123</u>
Change in fund balance	<u>\$ (720,411)</u>	<u>(106,288)</u>	<u>\$ 614,123</u>
Fund balances, beginning of year		<u>696,171</u>	
Fund balances, end of year		<u>\$ 589,883</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Fines and forfeitures	\$ 102,300	\$ 87,482	\$ (14,818)
Use of money and property	-	1,537	1,537
Total revenues	<u>102,300</u>	<u>89,019</u>	<u>(13,281)</u>
Expenditures			
Current:			
Public services	19,568	29,938	(10,370)
Capital improvement programs	125,000	99,318	25,682
Total expenditures	<u>144,568</u>	<u>129,256</u>	<u>15,312</u>
Change in fund balance	\$ <u>(42,268)</u>	(40,237)	\$ <u>2,031</u>
Fund balances, beginning of year		<u>138,889</u>	
Fund balances, end of year		<u>\$ 98,652</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ 6,600	\$ 6,992	\$ 392
Total revenues	<u>6,600</u>	<u>6,992</u>	<u>392</u>
Expenditures			
Current:			
Public services	9,000	1,392	7,608
Total expenditures	<u>9,000</u>	<u>1,392</u>	<u>7,608</u>
Change in fund balance	\$ <u>(2,400)</u>	5,600	\$ <u>8,000</u>
Fund balances, beginning of year		<u>33,165</u>	
Fund balances, end of year		<u>\$ 38,765</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ -	\$ 15,000	\$ 15,000
Use of money and property	-	33	33
Total revenues	<u>-</u>	<u>15,033</u>	<u>15,033</u>
 Change in fund balance	 <u>\$ -</u>	 15,033	 <u>\$ 15,033</u>
 Fund balances, beginning of year		 -	
Fund balances, end of year		<u>\$ 15,033</u>	

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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Use of money and property	\$ 10,000	\$ 2,993	\$ (7,007)
Total revenues	<u>10,000</u>	<u>2,993</u>	<u>(7,007)</u>
Expenditures			
Current:			
Public services	-	-	-
Capital improvement programs	291,046	-	291,046
Total expenditures	<u>291,046</u>	<u>-</u>	<u>291,046</u>
Change in fund balance	\$ <u>(281,046)</u>	2,993	\$ <u>284,039</u>
Fund balances, beginning of year		<u>291,157</u>	
Fund balances, end of year		<u>\$ 294,150</u>	

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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 106,847	\$ 106,847	\$ -
Use of money and property	1,000	442	(558)
Total revenues	<u>107,847</u>	<u>107,289</u>	<u>(558)</u>
Expenditures			
Current:			
Public Services	145,139	103,516	41,623
Total expenditures	<u>145,139</u>	<u>103,516</u>	<u>41,623</u>
Change in fund balance	\$ <u>(37,292)</u>	3,773	\$ <u>41,065</u>
Fund balances, beginning of year		<u>55,945</u>	
Fund balances, end of year		<u>\$ 59,718</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 12,000	\$ 25,866	\$ 13,866
Use of money and property	440	820	380
Total revenues	<u>12,440</u>	<u>26,686</u>	<u>14,246</u>
Expenditures			
Current:			
Development services	82,478	8,400	74,078
Total expenditures	<u>82,478</u>	<u>8,400</u>	<u>74,078</u>
Change in fund balance	\$ <u>(70,038)</u>	18,286	\$ <u>88,324</u>
Fund balances, beginning of year		<u>88,077</u>	
Fund balances, end of year		<u>\$ 106,363</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 101,000	\$ 125,692	\$ 24,692
Use of money and property	900	463	(437)
Total revenues	<u>101,900</u>	<u>126,155</u>	<u>24,255</u>
Expenditures			
Current:			
Public services	97,000	61,857	35,143
Total expenditures	<u>97,000</u>	<u>61,857</u>	<u>35,143</u>
Change in fund balance	<u>\$ 4,900</u>	64,298	<u>\$ 59,398</u>
Fund balances, beginning of year		<u>32,109</u>	
Fund balances, end of year		<u>\$ 96,407</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 25,223	\$ 56,393	\$ 31,170
Use of money and property	-	19	19
Total revenues	<u>25,223</u>	<u>56,412</u>	<u>31,189</u>
Expenditures			
Current:			
Development services	<u>23,300</u>	<u>33,280</u>	<u>(9,980)</u>
Total expenditures	<u>23,300</u>	<u>33,280</u>	<u>(9,980)</u>
Excess (deficiency) of revenues over expenditures	1,923	23,132	21,209
Other financing sources			
Transfers out	<u>(1,175)</u>	<u>(1,425)</u>	<u>(250)</u>
Change in fund balance	<u>\$ 748</u>	21,707	<u>\$ 20,959</u>
Fund balances, beginning of year		<u>(25,223)</u>	
Fund balances, end of year		<u>\$ (3,516)</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 247,700	\$ 247,700	\$ -
Use of money and property	-	296	296
Total revenues	<u>247,700</u>	<u>247,996</u>	<u>296</u>
Expenditures			
Current:			
Capital improvement programs	<u>247,700</u>	-	<u>247,700</u>
Total expenditures	<u>247,700</u>	<u>-</u>	<u>247,700</u>
Change in fund balance	<u>\$ -</u>	247,996	<u>\$ 247,996</u>
Fund balances, beginning of year		-	
Fund balances, end of year		<u>\$ 247,996</u>	

City of Carson
State Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
PROPOSITION 42 FUND
Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 5,655	\$ 5,655
Total revenues	<u>-</u>	<u>5,655</u>	<u>5,655</u>
Expenditures			
Current:			
Development services	-	-	-
Capital improvement program	787,126	454,831	332,295
Total expenditures	<u>787,126</u>	<u>454,831</u>	<u>332,295</u>
Excess (deficiency) of revenues over expenditures	(787,126)	(449,176)	337,950
Other financing sources			
Transfers out	-	(107,527)	(107,527)
	<u>-</u>	<u>(107,527)</u>	<u>(107,527)</u>
Change in fund balance	<u>\$ (787,126)</u>	<u>(556,703)</u>	<u>\$ 230,423</u>
Fund balances, beginning of year		<u>826,901</u>	
Fund balances, end of year		<u>\$ 270,198</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Use of money and property	\$ 10,916	\$ 17,401	\$ 6,485
Total revenues	<u>10,916</u>	<u>17,401</u>	<u>6,485</u>
Expenditures			
Current:			
Capital improvement program	1,401,498	651,498	750,000
Total expenditures	<u>1,401,498</u>	<u>651,498</u>	<u>750,000</u>
Change in fund balance	<u>\$ (1,390,582)</u>	(634,097)	<u>\$ 756,485</u>
Fund balances, beginning of year		<u>2,183,280</u>	
Fund balances, end of year		<u>\$ 1,549,183</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 72,143	\$ 72,143	\$ -
Use of money and property	100	2,921	2,821
Total revenues	<u>72,243</u>	<u>75,064</u>	<u>2,821</u>
Expenditures			
Current:			
Public services	67,000	72,143	(5,143)
Capital project	295,680	-	295,680
Total expenditures	<u>362,680</u>	<u>72,143</u>	<u>290,537</u>
Change in fund balance	<u>\$ (290,437)</u>	2,921	<u>\$ 293,358</u>
Fund balances, beginning of year		<u>296,825</u>	
Fund balances, end of year		<u>\$ 299,746</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 49,720	\$ 49,720	\$ -
Use of money and property	800	247	(553)
Total revenues	<u>50,520</u>	<u>49,967</u>	<u>(553)</u>
Expenditures			
Current:			
Public services	62,453	65,616	(3,163)
Total expenditures	<u>62,453</u>	<u>65,616</u>	<u>(3,163)</u>
Excess (deficiency) of revenues over expenditures	(11,933)	(15,649)	(3,716)
Other financing sources			
Transfers out	<u>(6,000)</u>	<u>(4,670)</u>	<u>1,330</u>
Change in fund balance	<u>\$ (17,933)</u>	<u>(20,319)</u>	<u>\$ (2,386)</u>
Fund balances, beginning of year		<u>45,893</u>	
Fund balances, end of year		<u>\$ 25,574</u>	

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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 7,265,458	\$ 900,326	\$ (6,365,132)
Use of money and property	-	99,063	99,063
Miscellaneous	-	-	-
Total revenues	<u>7,265,458</u>	<u>999,389</u>	<u>(6,266,069)</u>
Expenditures			
Current:			
Economic development	1,444,381	935,225	509,156
Capital improvement programs	<u>5,499,930</u>	-	<u>5,499,930</u>
Total expenditures	<u>6,944,311</u>	<u>935,225</u>	<u>6,009,086</u>
Change in fund balance	<u>\$ 321,147</u>	64,164	<u>\$ (256,983)</u>
Fund balances, beginning of year		<u>5,627,274</u>	
Fund balances, end of year		<u>\$ 5,691,438</u>	

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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 13,835,817	\$ 2,647,281	\$ (11,188,536)
Total revenues	<u>13,835,817</u>	<u>2,647,281</u>	<u>(11,188,536)</u>
Expenditures			
Current:			
Capital improvement programs	13,695,582	5,286,060	8,409,522
Total expenditures	<u>13,695,582</u>	<u>5,286,060</u>	<u>8,409,522</u>
Excess (deficiency) of revenues over expenditures	140,235	(2,638,779)	(2,779,014)
Other financing sources (uses)			
Transfers in	139,298	99,527	(39,771)
Transfers out	-	(179,796)	(179,796)
Net other financing sources (uses)	<u>139,298</u>	<u>(80,269)</u>	<u>(219,567)</u>
Change in fund balance	<u>\$ 279,533</u>	(2,719,048)	<u>\$ (2,998,581)</u>
Fund balances, beginning of year		<u>(280,308)</u>	
Fund balances, end of year		<u>\$ (2,999,356)</u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
TRAFFIC SAFETY FUND
Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 34,044	\$ 25,989	\$ (8,055)
Total revenues	<u>34,044</u>	<u>25,989</u>	<u>(8,055)</u>
Expenditures			
Current:			
Public services	<u>30,207</u>	<u>23,622</u>	<u>6,585</u>
Total expenditures	<u>30,207</u>	<u>23,622</u>	<u>6,585</u>
Change in fund balance	<u>\$ 3,837</u>	<u>2,367</u>	<u>\$ (1,470)</u>
Fund balances, beginning of year		<u>(3,837)</u>	
Fund balances, end of year		<u>\$ (1,470)</u>	

City of Carson

Federal Grants Nonmajor Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

BROWNFIELDS CLEANUP REVOLVING LOAN FUND

Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 169,256	\$ 1,568	\$ (167,688)
Total revenues	<u>169,256</u>	<u>1,568</u>	<u>(167,688)</u>
Expenditures			
Current:			
Economic development	-	1,568	(1,568)
Total expenditures	<u>-</u>	<u>1,568</u>	<u>(1,568)</u>
Other financing sources			
Transfers out	<u>169,256</u>	-	<u>169,256</u>
Change in fund balance	\$ <u><u>338,512</u></u>	1,568	\$ <u><u>-</u></u>
Fund balances, beginning of year		<u>-</u>	
Fund balances, end of year		\$ <u><u>1,568</u></u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE (BEDI) GRANT FUND
Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 129,308	\$ 29,794	\$ (99,514)
Total revenues	<u>129,308</u>	<u>29,794</u>	<u>(99,514)</u>
Expenditures			
Economic development	<u>129,308</u>	<u>29,794</u>	<u>99,514</u>
Total expenditures	<u>129,308</u>	<u>29,794</u>	<u>99,514</u>
Change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balances, beginning of year		<u>-</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

FEDERAL TRANSPORTATION ADMINISTRATION (FTA) GRANT FUND

Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 19,916	\$ 19,916	\$ -
Total revenues	<u>19,916</u>	<u>19,916</u>	<u>-</u>
 Change in fund balance	 <u>\$ 19,916</u>	 19,916	 <u>\$ -</u>
 Fund balances, beginning of year		<u>(19,916)</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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 829,138	\$ 774,351	\$ (54,787)
Total revenues	<u>829,138</u>	<u>774,351</u>	<u>(54,787)</u>
Expenditures			
Current:			
Economic development	663,033	601,613	61,420
Total expenditures	<u>663,033</u>	<u>601,613</u>	<u>61,420</u>
Change in fund balance	<u>\$ 166,105</u>	172,738	<u>\$ 6,633</u>
Fund balances, beginning of year		<u>(172,637)</u>	
Fund balances, end of year		<u>\$ 101</u>	

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, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 980,367	\$ 983,367	\$ 3,000
Use of money and property	-	243	243
Miscellaneous	-	429,041	429,041
Total expenditures	<u>980,367</u>	<u>1,412,651</u>	<u>432,284</u>
Expenditures			
Current:			
Economic development	483,415	535,771	(52,356)
Capital improvement program	<u>496,952</u>	<u>706,100</u>	<u>(209,148)</u>
Total expenditures	<u>980,367</u>	<u>1,241,871</u>	<u>(261,504)</u>
Change in fund balance	<u>\$ -</u>	170,780	<u>\$ 693,788</u>
Fund balances, beginning of year		<u>-</u>	
Fund balances, end of year		<u>\$ 170,780</u>	

City of Carson
Federal Grants Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DOE/EECBG Fund
Year ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 899,900	\$ 265,000	\$ (634,900)
Total revenues	<u>899,900</u>	<u>265,000</u>	<u>(634,900)</u>
Expenditures			
Current:			
Capital improvement program	900,321	265,000	635,321
Total expenditures	<u>900,321</u>	<u>265,000</u>	<u>635,321</u>
Change in fund balance	<u>\$ (421)</u>	-	<u>\$ 421</u>
Fund balances, beginning of year		-	
Fund balances, end of year		<u>\$ -</u>	

Capital Projects Funds

Capital Projects funds are used to account for the acquisition and construction of major capital facilities. The following Capital Projects Funds have been classified as major funds in the accompanying financial statements.

The **Redevelopment Agency Capital Project Merged Fund** – is used to account for revenues and expenditures related to activities in the merged Redevelopment Project Areas.

In September 2010, the City Council and the Redevelopment Agency Board adopted a resolution approving the amendment to the redevelopment plans for Project Area No. 1, Merged and Amended Project Area, Project Area No. 4 and Carson Consolidated Project Area. The purpose of the amendment is to merge the existing project areas; add one project to the approved capital improvement project list for Project Area No. 1; and reestablish and extend eminent domain authority within the existing project areas for 12 years except for property that is zoned or used for any residential purpose, which includes mobile homes and trailer parks, as stated in the redevelopment plans.

The **Low- and Moderate-Income Housing Fund** – accounts for expenditures related to activities that increase and improve the supply of low-and moderate-income housing in the community. Financing for the activities is provided by the 20% tax increment set-aside and through proceeds from bond issuance.



City of Carson
Other Major Governmental Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
CAPITAL PROJECTS FUND
Year ended June 30, 2011

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Property taxes	\$ 25,335,266	\$ 28,307,078	\$ 2,971,812
Use of money and property	1,845,211	1,403,484	(441,727)
Miscellaneous	-	84,833	84,833
Total revenues	<u>27,180,477</u>	<u>29,795,395</u>	<u>2,614,918</u>
Expenditures			
Current:			
Economic development	10,676,001	10,669,129	6,872
Pass-through expenditures	2,591,222	2,921,050	(329,828)
Capital improvement programs	39,912,019	15,807,004	24,105,015
Debt service:			
Bond issuance costs	172,618	-	172,618
Total expenditures	<u>53,351,860</u>	<u>29,397,183</u>	<u>23,954,677</u>
Excess (deficiency) of revenues over expenditures	(26,171,383)	398,212	26,569,595
Other financing sources (uses)			
Transfers in	-	156,485	156,485
Transfers out	(5,067,052)	(17,489,328)	(12,422,276)
Net other financing sources (uses)	<u>(5,067,052)</u>	<u>(17,332,843)</u>	<u>(12,265,791)</u>
Change in fund balance	<u>\$ (31,238,435)</u>	<u>(16,934,631)</u>	<u>\$ 14,303,804</u>
Fund balances, beginning of year		<u>140,616,128</u>	
Fund balances, end of year		<u>\$ 123,681,497</u>	

City of Carson
Other Major Governmental Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
LOW- AND MODERATE-INCOME HOUSING FUND
Year ended June 30, 2011

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Use of money and property	\$ 351,544	\$ 335,594	\$ (15,950)
Miscellaneous	75,000	138,006	63,006
Total revenues	<u>426,544</u>	<u>473,600</u>	<u>47,056</u>
Expenditures			
Current:			
Economic development	1,457,349	1,244,831	212,518
Capital improvement programs	19,326,275	1,709,923	17,616,352
Debt service:			
Interest and other fiscal charges	-	198,522	(198,522)
Bond issuance costs	-	577,740	(577,740)
Total expenditures	<u>20,783,624</u>	<u>3,731,016</u>	<u>17,052,608</u>
Excess (deficiency) of revenues over expenditures	(20,357,080)	(3,257,416)	17,099,664
Other financing sources (uses)			
Transfers in	5,067,052	5,661,415	594,363
Transfers out	(900,000)	(4,128,780)	(3,228,780)
Proceeds from sale of land	2,340,000	-	(2,340,000)
Issuance of bonds	32,707,678	40,560,000	7,852,322
Gain on sale of land	-	779,500	779,500
Net other financing sources (uses)	<u>39,214,730</u>	<u>42,872,135</u>	<u>3,657,405</u>
Change in fund balance	<u>\$ 18,857,650</u>	39,614,719	<u>\$ 20,757,069</u>
Fund balances, beginning of year		<u>19,904,599</u>	
Fund balances, end of year		<u>\$ 59,519,318</u>	

Debt Service Funds

Debt Service Funds are used primarily to account for the accumulation of resources for the payment of principal and interest on the long-term debt of the Carson Redevelopment Agency.

The **Redevelopment Debt Service Fund** is used to account for the accumulation of resources and the payment of principal and interest on long-term debt issued to finance projects in the merged project areas.

City of Carson
Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Year ended June 30, 2011

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Use of money and property	\$ -	\$ 99,613	\$ 99,613
Total revenues	<u>-</u>	<u>99,613</u>	<u>99,613</u>
Expenditures			
Debt service:			
Bond principal	4,577,868	4,390,000	187,868
Interest and fiscal charges	<u>7,537,643</u>	<u>8,394,118</u>	<u>(856,475)</u>
Total expenditures	<u>12,115,511</u>	<u>12,784,118</u>	<u>(668,607)</u>
Excess (deficiency) of revenues over expenditures	(12,115,511)	(12,684,505)	(568,994)
Other financing sources (uses)			
Transfers in	-	15,956,693	15,956,693
Total other financing sources (uses)	<u>-</u>	<u>15,956,693</u>	<u>15,956,693</u>
Change in fund balance	\$ <u>(12,115,511)</u>	3,272,188	\$ <u>15,387,699</u>
Fund balances, beginning of year		<u>11,895,957</u>	
Fund balances, end of year		<u>\$ 15,168,145</u>	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FIDUCIARY FUNDS

CITY OF CARSON, CALIFORNIA



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. 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 fiduciary funds of the City of Carson include the following:

The **Trust and Agency Funds** are funds deposited with the City by various individuals and private organizations.

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.

City of Carson
FIDUCIARY FUNDS
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2011

	Trust and Agency	Wilmington Ave Assessment District	Sepulveda Blvd Assessment District	Dominguez Tech Center Assessment District	Totals
ASSETS					
Cash and investments	\$ 2,779,558	\$ 452,750	\$ 1,318,828	\$ 1,626,146	\$ 6,177,282
Cash and investments with fiscal agent	-	-	-	2,511,475	2,511,475
Receivables:					
Accounts	-	-	-	494,867	494,867
Interest	36	-	-	-	36
Total assets	<u>\$ 2,779,594</u>	<u>\$ 452,750</u>	<u>\$ 1,318,828</u>	<u>\$ 4,632,488</u>	<u>\$ 9,183,660</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 238,315	\$ -	\$ 1,257	\$ 740	\$ 240,312
Refundable deposits	2,541,279	-	-	-	2,541,279
Due to assessees/bondholders	-	452,750	1,317,571	4,631,748	6,402,069
Total liabilities	<u>\$ 2,779,594</u>	<u>\$ 452,750</u>	<u>\$ 1,318,828</u>	<u>\$ 4,632,488</u>	<u>\$ 9,183,660</u>

City of Carson
Fiduciary Funds
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2011

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011
<u>Trust and Agency</u>				
ASSETS				
Cash and investments	\$ 2,875,452	\$ 1,020,168	\$ 1,116,062	\$ 2,779,558
Due from Capital ProjectFund	11,939	-	11,939	-
Receivable:				
Interest	36	-	-	36
Total assets	<u>\$ 2,887,427</u>	<u>\$ 1,020,168</u>	<u>\$ 1,128,001</u>	<u>\$ 2,779,594</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 170,648	\$ 845,884	\$ 778,217	\$ 238,315
Due to City of Carson	83,081	-	83,081	-
Refundable deposits	2,633,698	987,590	1,080,009	2,541,279
Total liabilities	<u>\$ 2,887,427</u>	<u>\$ 1,833,474</u>	<u>\$ 1,941,307</u>	<u>\$ 2,779,594</u>
<u>Wilmington Ave Assessment District</u>				
ASSETS				
Cash and investments	\$ 448,321	\$ 4,429	\$ -	\$ 452,750
Total assets	<u>\$ 448,321</u>	<u>\$ 4,429</u>	<u>\$ -</u>	<u>\$ 452,750</u>
LIABILITIES				
Due to assessees	\$ 448,321	\$ 4,429	\$ -	\$ 452,750
Total liabilities	<u>\$ 448,321</u>	<u>\$ 4,429</u>	<u>\$ -</u>	<u>\$ 452,750</u>
<u>Sepulveda Blvd Assessment District</u>				
ASSETS				
Cash and investments	\$ 1,299,855	\$ 216,632	\$ 197,660	\$ 1,318,828
Total assets	<u>\$ 1,299,855</u>	<u>\$ 216,632</u>	<u>\$ 197,660</u>	<u>\$ 1,318,828</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,500	\$ 9,030	\$ 9,273	\$ 1,257
Due to assessees/bondholders	1,298,355	216,632	197,416	1,317,571
Total liabilities	<u>\$ 1,299,855</u>	<u>\$ 225,662</u>	<u>\$ 206,689</u>	<u>\$ 1,318,828</u>

City of Carson
Fiduciary Funds
Statement of Changes in Fiduciary Assets and Liabilities
Year ended June 30, 2011

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011
<u>Dominguez Tech Center Assessment District</u>				
ASSETS				
Cash and investments	\$ 1,598,931	\$ 2,455,362	\$ 2,428,147	\$ 1,626,147
Cash and investments with fiscal agent	2,510,412	2,273,241	2,272,178	2,511,475
Receivables:				
Accounts	494,464	494,865	494,463	494,866
Total assets	<u>\$ 4,603,807</u>	<u>\$ 5,223,468</u>	<u>\$ 5,194,788</u>	<u>\$ 4,632,488</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,500	\$ 9,321	\$ 10,081	\$ 740
Due to bondholders	4,602,307	5,223,468	5,194,027	4,631,748
Total liabilities	<u>\$ 4,603,807</u>	<u>\$ 5,232,790</u>	<u>\$ 5,204,109</u>	<u>\$ 4,632,488</u>
<u>Totals - All Fiduciary Funds</u>				
ASSETS				
Cash and investments	\$ 6,222,558	\$ 3,696,592	\$ 3,741,868	\$ 6,177,282
Cash and investments with fiscal agent	2,510,412	2,273,241	2,272,178	2,511,475
Due from Capital Project Area 4	11,939	-	11,939	-
Receivables:				
Accounts	494,464	494,865	494,463	494,867
Interest	36	-	-	36
Total assets	<u>\$ 9,239,410</u>	<u>\$ 6,464,698</u>	<u>\$ 6,520,448</u>	<u>\$ 9,183,660</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 173,648	\$ 864,235	\$ 797,572	\$ 240,312
Refundable deposits	2,633,698	6,432,119	6,471,453	2,541,279
Due to City of Carson	83,081	-	83,081	-
Due to assessees/bondholders	6,348,983	-	-	6,402,069
Total liabilities	<u>\$ 9,239,410</u>	<u>\$ 7,296,354</u>	<u>\$ 7,352,106</u>	<u>\$ 9,183,660</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

(Not covered by Independent Auditors' Report)

CITY OF CARSON, CALIFORNIA



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 Assets by Component
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of accumulated depreciation and related debt	N/A	\$ 348,271,440	\$ 352,560,147	\$ 345,259,471	\$ 347,867,446	\$ 338,831,073	\$ 339,173,885	\$ 343,401,921	\$ 339,117,408	\$ 339,193,971
Restricted for:										
Public services	N/A	204,195	(428,719)	2,121,021	5,043,426	7,266,284	7,955,782	365,563	437,501	1,351,533
Development services	N/A	772,895	9,601,103	-	-	-	-	5,163,559	6,218,413	5,462,293
Economic development	N/A	134,152,221	185,724,332	192,255,065	198,110,054	16,876,793	14,883,468	66,747,912	58,194,306	21,030,464
Low and moderate income housing	N/A	-	-	-	-	44,076,682	47,791,190	57,703,840	56,547,299	33,212,090
Unrestricted	N/A	(20,247,230)	(81,462,097)	(71,911,054)	(68,817,297)	90,795,828	96,062,533	(13,874,931)	(41,228,567)	(20,605,772)
Total governmental activities net assets	<u>-</u>	<u>\$ 463,153,521</u>	<u>\$ 465,994,766</u>	<u>\$ 467,724,503</u>	<u>\$ 482,203,629</u>	<u>\$ 497,846,660</u>	<u>\$ 505,866,858</u>	<u>\$ 459,507,864</u>	<u>\$ 419,286,360</u>	<u>\$ 379,644,579</u>

Source: City of Carson

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

City of Carson
Change in Net Assets (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	N/A	\$ 17,052,037	\$ 16,632,600	\$ 18,001,181	\$ 16,767,939	\$ 19,469,561	\$ 20,809,981	\$ 27,028,260	\$ 20,353,648	\$ 20,578,498
Public services	N/A	30,696,990	32,134,878	33,180,089	32,697,684	36,489,941	39,934,036	40,435,251	42,720,043	36,479,106
Development services	N/A	20,194,095	22,350,042	14,921,451	14,397,933	15,041,177	14,393,790	13,221,772	16,439,029	11,742,451
Economic development	N/A	13,078,462	11,698,412	17,172,120	13,106,094	18,252,691	14,418,785	70,810,907	56,847,899	53,957,318
Interest and other charges	N/A	4,920,814	5,549,730	5,465,560	4,819,483	5,689,403	6,820,184	6,429,807	7,858,690	15,535,108
Interfund reimbursement	N/A	(3,089,227)	-	-	-	-	-	-	-	8,615,980
Total governmental activities expenses	-	\$ 82,853,171	\$ 88,365,662	\$ 88,740,401	\$ 81,789,133	\$ 94,942,773	\$ 96,376,776	\$ 157,925,997	\$ 144,219,309	\$ 149,829,511
Program Revenues:										
Governmental activities:										
Charges for services	N/A	\$ 11,392,292	\$ 11,855,375	\$ 11,951,722	\$ 11,709,299	\$ 11,823,146	\$ 11,942,829	\$ 11,976,952	\$ 12,061,204	15,100,971
Operating contributions and grants	N/A	12,267,363	12,570,380	10,103,518	8,396,046	17,071,652	12,623,073	7,767,632	12,193,258	10,963,981
Capital contributions and grants	N/A	175,404	-	73,922	996,437	77,327	78,098	1,890,354	4,067,208	5,322,016
Total governmental activities program revenues	-	\$ 23,835,059	\$ 24,425,755	\$ 22,129,162	\$ 21,101,782	\$ 28,972,125	\$ 24,644,000	\$ 21,634,938	\$ 28,321,670	\$ 31,386,968
Net (expense) revenues-governmental activities/primary government	-	\$ (59,018,112)	\$ (63,939,907)	\$ (66,611,239)	\$ (60,687,351)	\$ (65,970,648)	\$ (71,732,776)	\$ (136,291,059)	\$ (115,897,639)	\$ (118,442,543)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	N/A	\$ 52,846,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Property taxes	N/A	-	25,832,203	28,150,634	29,157,856	31,005,842	32,202,400	34,892,648	32,874,557	32,977,590
Sales taxes	N/A	-	20,632,463	19,010,261	20,133,009	21,066,579	21,648,681	19,262,212	15,051,658	17,195,450
Transient occupancy taxes	N/A	-	896,294	1,139,242	1,329,497	1,392,123	1,564,083	1,244,543	1,121,092	1,197,800
Franchise taxes	N/A	-	6,675,126	6,888,795	8,433,494	8,120,849	8,159,269	9,686,804	6,876,484	7,483,227
Admissions Tax	N/A	-	-	-	-	-	-	105,019	362,105	266,446
Utility users tax	N/A	-	-	-	-	-	-	1,028	6,722,319	7,439,521
Motor vehicle license fee	N/A	-	-	2,494,546	677,746	531,114	435,813	334,137	288,398	242,811
Motor vehicle in lieu	N/A	-	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	N/A	-	-	3,311	3,698	-	-	-	-	-
Licenses and permits	N/A	5,335,589	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	N/A	1,643,899	-	-	-	-	-	-	-	-
Use of money and property	N/A	5,746,229	3,068,670	5,708,185	7,840,437	10,288,832	9,209,215	8,488,288	4,842,082	3,062,757
Developer constructed infrastructure	N/A	4,550,996	-	-	-	-	-	-	-	-
Loss on sale of land	N/A	(759,060)	-	-	-	-	-	-	-	-
Other revenue	N/A	-	3,134,879	1,577,536	995,775	956,734	533,503	638,428	5,212,274	1,830,299
Total governmental activities	-	\$ 69,363,758	\$ 64,919,563	\$ 70,342,117	\$ 75,166,477	\$ 79,757,433	\$ 80,533,916	\$ 81,888,570	\$ 80,504,845	\$ 78,800,762
Change in Net Assets										
Governmental activities	N/A	\$ 10,345,646	\$ 979,656	\$ 3,730,878	\$ 14,479,126	\$ 13,786,785	\$ 8,801,140	\$ (54,402,489)	\$ (35,392,794)	\$ (39,641,781)
Total primary government	-	\$ 10,345,646	\$ 979,656	\$ 3,730,878	\$ 14,479,126	\$ 13,786,785	\$ 8,801,140	\$ (54,402,489)	\$ (35,392,794)	\$ (39,641,781)

Source: City of Carson

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 **
General fund										
Reserved	\$ 10,865,216	\$ 3,959,454	\$ 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	22,148,605	17,898,007	19,148,285	20,231,985	20,418,185	-	-	1,269,181	1,245,972	
Undesignated	8,900,575	7,934,829	2,681,347	3,758,506	4,477,779	26,679,476	21,679,654	16,405,465	15,991,314	
Total general fund	41,914,396	29,792,290	25,416,280	26,917,878	27,832,043	27,837,716	24,385,007	20,789,393	18,182,124	
Special Revenue										
Reserved	711,797	1,593,088	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	4,239,081	-	2,025,413	-	-	8,034,288	11,962,175	6,724,222	7,045,587	
Undesignated	(491,396)	10,028,656	8,278,870	12,608,252	13,291,655	-	-	-	-	
State local transportation fund										
Unreserved, reported in:										
Special revenue funds	-	(791,232)	-	-	-	-	-	-	-	
Total special revenue fund	4,459,482	10,830,512	11,940,369	13,873,563	16,422,023	23,772,239	26,754,722	23,797,516	24,571,868	
Capital projects										
Reserved	65,856,829	60,482,480	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	60,795,127	-	21,057,309	-	-	142,140,637	156,640,705	116,298,202	109,182,006	
Undesignated	-	68,963,168	85,547,156	108,341,115	112,382,042	-	-	-	-	
Total capital projects	126,651,956	129,445,648	185,723,992	192,255,065	199,173,293	231,725,757	237,801,445	196,052,423	160,520,727	
Debt service*										
Reserved	7,448,969	-	-	-	-	-	-	-	-	
Total debt service	7,448,969	-	-	-	-	-	-	-	-	
Total governmental funds	\$ 180,474,803	\$ 170,068,450	\$ 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
Restricted										2,321,416
Committed										\$ 6,198,067
Assigned										3,712,276
Unassigned										10,591,610
										<u>\$ 23,501,291</u>
Low and moderate income housing										
Nonspendable										7,650,948
Restricted										51,868,370
										<u>\$ 59,519,318</u>
Capital projects										
Nonspendable										24,660,162
Restricted										99,021,335
										<u>\$ 123,681,497</u>
Nonmajor governmental funds										
Restricted										28,267,521
Assigned										589,883
Unassigned										(3,422,289)
										<u>25,435,115</u>
Total governmental funds										<u>\$ 232,137,221</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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 52,471,657	\$ 52,846,105	\$ 56,519,628	\$ 63,655,899	\$ 69,505,481	\$ 73,210,445	\$ 76,416,838	\$ 80,907,303	\$ 74,168,970	79,015,236
Licenses and permits	4,442,791	5,335,589	5,994,196	5,431,560	5,402,462	5,293,969	5,385,637	5,643,875	4,766,767	6,472,150
Fines, forfeitures and penalties	1,630,539	1,643,899	1,795,051	1,653,669	1,754,645	1,727,612	1,609,321	1,701,748	1,789,500	2,187,730
Use of money and property	7,547,944	5,746,229	3,878,909	7,177,883	9,354,791	11,007,795	11,433,529	10,557,318	4,604,809	3,184,744
Intergovernmental	25,222,451	15,278,181	10,153,767	8,721,085	6,215,326	12,207,289	9,067,678	5,443,708	13,027,869	10,746,260
Charges for services	2,519,138	3,543,371	2,893,193	3,271,407	3,077,369	2,985,352	2,985,224	2,559,121	2,662,335	3,062,757
Charges to other funds	3,332,516	753,374	437,525	-	902,500	372,000	869,400	32,697	145,057	-
Miscellaneous	2,806,225	2,361,288	3,080,473	2,822,930	2,757,222	3,453,703	1,192,004	1,304,603	6,450,369	2,180,221
Total revenues	99,973,261	87,508,036	84,752,742	92,734,433	98,969,796	110,258,165	108,959,631	108,150,373	107,615,676	106,849,098
Expenditures										
General government	21,561,512	15,962,700	18,059,804	16,049,750	16,666,041	18,071,092	19,130,574	20,139,083	20,686,885	18,136,954
Public services	33,125,568	29,555,026	30,201,484	29,599,768	31,849,780	34,324,469	36,385,981	36,577,270	36,679,991	34,477,002
Development services	4,608,275	13,496,117	14,429,057	13,306,867	14,310,213	14,600,846	15,243,991	12,786,280	13,695,643	14,145,645
Economic development	5,801,010	13,028,698	11,983,776	18,003,874	16,522,830	27,983,987	18,219,462	67,156,790	27,037,959	15,249,106
Debt Service										
Bond principal	2,135,000	3,040,000	2,190,000	3,160,000	2,930,000	3,105,000	3,795,000	3,610,000	3,765,000	4,390,000
Bond interest	2,792,625	2,574,293	2,879,437	5,077,668	4,958,655	5,223,017	7,634,458	5,985,058	7,181,131	8,592,640
Other bond financing costs	1,043,597	979,935	2,050,259	2,000	-	947,786	1,033,973	234,980	334,120	577,740
Capital improvement programs	27,356,192	21,213,118	14,708,820	3,956,003	4,302,986	5,709,591	8,053,836	32,557,557	51,262,569	27,221,615
Interfund reimbursement	-	(3,089,227)	(3,226,212)	(2,679,747)	(2,951,561)	(3,196,983)	(3,617,653)	(3,995,295)	(3,770,394)	(3,464,606)
Total expenditures	98,423,779	96,760,660	93,276,425	86,476,183	88,588,944	106,768,805	105,879,622	175,051,723	156,872,904	119,326,096
Excess (deficiency) of revenues over (under) expenditures	1,549,482	(9,252,624)	(8,523,683)	6,258,250	10,380,852	3,489,360	3,080,009	(66,901,350)	(49,257,228)	(12,476,998)
Other financing sources (uses)										
Transfers in	13,777,533	13,820,727	67,297,056	13,593,689	12,894,333	13,623,464	23,638,979	26,673,638	18,589,935	22,838,526
Transfers out	(13,777,533)	(13,820,727)	(67,297,056)	(13,593,689)	(12,894,333)	(13,623,464)	(23,638,979)	(26,673,638)	(18,589,935)	(22,838,526)
Loan Proceeds	-	-	-	5,000,000	-	-	-	-	-	-
Bond Proceeds	28,625,000	21,957,077	63,490,863	-	-	28,000,000	16,845,000	22,810,000	12,165,000	40,560,000
Payment to escrow agent	(31,174,303)	(22,416,467)	(4,333,072)	-	-	-	(14,319,547)	(390,683)	(272,385)	-
Loss on sale of land	-	(759,060)	(598,936)	(1,433,918)	-	-	-	-	-	779,500
Total other financing sources (uses)	(2,549,303)	(1,218,450)	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	<u>\$ (999,821)</u>	<u>\$ (10,471,074)</u>	<u>\$ 50,035,172</u>	<u>\$ 9,824,332</u>	<u>\$ 10,380,852</u>	<u>\$ 31,489,360</u>	<u>\$ 5,605,462</u>	<u>\$ (44,482,033)</u>	<u>\$ (37,364,613)</u>	<u>\$ 28,862,502</u>
Debt service as a percentage of noncapital expenditures	9.17%	9.15%	9.53%	10.71%	9.94%	9.77%	14.01%	7.19%	11.50%	16.54%

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
2002	\$ 24,857,471	\$ 19,625,485	\$ 5,121,807	\$ 6,724,067	\$ 2,292,022	\$ 1,768,946	\$ 6,253,964	\$ 5,217,810
2003	26,436,403	19,133,151	4,244,705	4,998,244	3,046,120	1,895,545	3,274,399	5,303,265
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
2011	42,753,339 *	17,195,450 **	7,483,227	3,062,757	3,053,450	2,652,479	5,769,455	242,811

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

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

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 Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2002	\$ 7,795,376	\$ 1,620,292	\$ (92,483)	\$ 9,323,185	\$ 1,657,319	\$ 721,509	\$ (4,942)	2,373,886	1.000%
2003	8,209,445	1,519,365	(92,130)	9,636,680	1,602,933	718,933	(4,985)	2,316,881	1.000%
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%

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	0.0011	0.0010	0.0010	0.0009	0.0008	0.0007	0.0000	0.0000	0.0000	0.0000
Community College	0.0160	0.0146	0.0199	0.0181	0.0143	0.0215	0.0088	0.0221	0.0231	0.0403
Unified Schools	0.0481	0.0370	0.0771	0.0888	0.0843	0.1068	0.1233	0.1248	0.1518	0.1870
Flood Control	0.0011	0.0009	0.0005	0.0002	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000
Metropolitan Water District	<u>0.0077</u>	<u>0.0067</u>	<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>
Total Direct Rate	<u>1.0740</u>	<u>1.0602</u>	<u>1.1046</u>	<u>1.1138</u>	<u>1.1047</u>	<u>1.1337</u>	<u>1.1366</u>	<u>1.1512</u>	<u>1.1792</u>	<u>1.2310</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	2011		2002	
	Taxable Assessed Value*	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
BP West Coast Products	\$ 2,369,154,082	13.66%	\$ -	0.00%
Atlantic Richfield Co.	-	0.00%	1,710,074,095	0.00%
ConocoPhillips Co	480,552,665	2.77%	-	0.00%
Watson Cogeneration Co.	478,236,107	2.76%	428,924,000	2.47%
Tosco Corp.	-	0.00%	249,961,234	1.44%
Watson Land Co	448,294,293	2.58%	246,646,229	1.42%
Gatx Tank Storage Terminals Corp.	228,756,972	1.32%	100,048,018	0.58%
General Mills Operations Inc.	124,381,931	0.72%	-	0.00%
Home Depot Center Anschutz So. Cal. Sports	122,980,940	0.71%	-	0.00%
Ineos Polypropylene LLC	110,724,733	0.64%	-	0.00%
Carson Dominguez Properties LP	105,798,363	0.61%	-	0.00%
Nissan Motor Corp.	-	0.00%	91,629,270	0.53%
Air Products and Chemicals Inc.	90,531,450	0.52%	-	0.00%
Equilon Enterprises LLC	-	0.00%	89,745,287	0.52%
Arco Polypropylene LLC	-	0.00%	84,268,000	0.49%
Shell Oil Co.	-	0.00%	69,318,716	0.40%
Texaco Refining & Marketing Inc.	-	0.00%	55,150,512	0.32%
	<u>\$ 4,559,411,536</u>	<u>26.29%</u>	<u>\$ 3,125,765,361</u>	<u>8.16%</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		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy		Amount	Percent of Levy
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	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	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007	\$ 26,878,008	\$ 26,591,132	98.93%	\$ 2,300,029	\$ 28,891,161	107.49%	\$ 2,300,029	N/A	N/A
2008	\$ 31,165,050	\$ 28,498,357	91.44%	\$ 2,666,694	\$ 31,165,051	100.00%	\$ 2,666,694	N/A	N/A
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%			

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, 2011

	Gross Bonded Debt	Exclusions	Net Bonded Debt City Share
Direct Debt			
City of Carson - 1915 Act Bonds	\$ 31,725,000	\$ 31,725,000	\$ -
Carson Redevelopment Agency	192,340,863	192,340,863	-
Total Direct Debt	<u>\$ 224,065,863</u>	<u>\$ 224,065,863</u>	<u>\$ -</u>
Overlapping Debt-Repaid with Property Taxes			
Tax and Assessment Debt			\$ 363,797,574
General Fund Debt (Net)			53,731,188
Total Overlapping Debt-Repaid with Property Taxes			<u>417,528,762</u>
Total Direct and Overlapping Debt			<u><u>\$ 417,528,762</u></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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit - 15% of Total Assessed Value	\$ 1,417,928,154	\$ 1,466,520,208	\$ 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
Amount of debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,417,928,154	\$ 1,466,520,208	\$ 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
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	\$ 9,323,185,053	\$ 9,636,681,097	\$ 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
Add back: exempt real property	129,669,308	140,120,290	130,275,972	161,305,568	168,779,548	173,464,020	189,553,778	197,510,065	195,997,487	200,654,403
Total assessed value	\$ 9,452,854,361	\$ 9,776,801,387	\$ 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
Debt limit (15% of total assessed value)	\$ 1,417,928,154	\$ 1,466,520,208	\$ 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
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	\$ 1,417,928,154	\$ 1,466,520,208	\$ 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

Note:

The City of Carson has no bonded debt.

The Carson Redevelopment Agency

has bonded debt (Tax Allocation) \$ 56,845,000 \$ 54,405,000 \$ 111,560,863 \$ 108,400,863 \$ 105,470,863 \$ 130,365,863 \$ 128,570,863 \$ 147,770,863 \$ 156,170,863 \$ 192,340,863

Source: County of Los Angeles, Auditor-Controller/Disbursements/Tax Division and City of Carson, Finance Department.

City of Carson
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Gross tax increment	\$ 19,090,303	\$ 21,062,687	\$ 19,887,155	\$ 21,826,789	\$ 22,819,093	\$ 25,682,282	\$ 27,856,482	\$ 33,249,076	\$ 28,706,556	\$ 28,307,079
Less Mandatory Costs:										
Admin & Pass-Thru	N/A	N/A	N/A	N/A	N/A		\$ 2,079,662	\$ 2,761,636	\$ 1,989,657	\$ 1,715,027
20% Housing Set aside	N/A	N/A	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
Net tax increment	-	-	-	-	-	\$ 25,682,282	\$ 20,205,523	\$ 23,837,625	\$ 20,975,588	\$ 20,930,635
Debt service										
Principal	\$ 2,135,000	\$ 3,040,000	\$ 2,190,000	\$ 3,160,000	\$ 2,930,000	\$ 3,105,000	\$ 3,795,000	\$ 3,610,000	\$ 3,765,000	\$ 4,390,000
Interest	2,792,625	2,574,293	2,879,437	5,077,669	4,958,655	4,870,555	5,931,620	5,848,966	7,175,236	8,394,118
	<u>\$ 4,927,625</u>	<u>\$ 5,614,293</u>	<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>
Coverage	<u>3.87</u>	<u>3.75</u>	<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>

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)
2002	93,225	\$ 301,002,945	\$ 30,856	6.8%
2003	94,836	309,827,072	31,512	7.0%
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	N/A	N/A	11.7%
2010	98,047	N/A	N/A	N/A
2011	91,548	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	2011			2002		
	Number of Employees (1)	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
B P West Coast	1,211	1	2.98%	N/A	N/A	N/A
Lakeshore Equipment Co. Inc.	887	2	2.18%	N/A	N/A	N/A
Northrup Grumman	796	3	1.96%	N/A	N/A	N/A
Golden Wheel Corp.	488	4	1.20%	N/A	N/A	N/A
See's Candy Shops Inc.	409	5	1.00%	N/A	N/A	N/A
Leiner Health Products	392	6	0.96%	N/A	N/A	N/A
General Mills Operations LLC	362	7	0.89%	N/A	N/A	N/A
Bottling Group LLC	352	8	0.86%	N/A	N/A	N/A
Mag Aerospace Industries	345	9	0.85%	N/A	N/A	N/A
Pacific Bell	340	10	0.84%	N/A	N/A	N/A
Total	5,582		13.72%	N/A	N/A	N/A
Total City Employment ⁽²⁾	40,700					

Sources: (1) City of Carson

(2) State of California Employment Development Department
(data shown is not seasonally adjusted - 40,700)

N/A - Not Available. Data on city employment for 2000 is not available.

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

	Full-time-Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Workgroup										
General government										
City Council	3.10	3.09	3.09	3.09	3.09	2.99	4.06	4.00	4.00	4.00
City Attorney	-	-	-	-	-	-	-	-	-	-
City Clerk	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
City Treasurer	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	42.50	49.63	49.69	48.67	48.67	48.93	46.95	47.00	47.00	47.00
Administrative services	46.00	47.00	49.00	49.00	52.00	52.00	52.00	52.00	52.00	52.00
Development Services	86.00	94.00	99.00	97.00	97.00	94.90	96.00	95.80	82.00	82.00
Economic Development	31.10	28.08	29.08	29.08	29.00	29.18	28.99	30.20	41.00	41.00
Public Services	<u>150.30</u>	<u>156.21</u>	<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>
Total	<u><u>370.00</u></u>	<u><u>389.01</u></u>	<u><u>399.01</u></u>	<u><u>395.00</u></u>	<u><u>398.92</u></u>	<u><u>397.00</u></u>	<u><u>398.00</u></u>	<u><u>398.00</u></u>	<u><u>395.00</u></u>	<u><u>395.00</u></u>

Source: City of Carson

City of Carson
Operating Indicators by Workgroup
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Economic Development</u>										
Housing and Block Grant Division:										
Mobile home rehab grant applications received	N/A	N/A	N/A	N/A	79	75	28	49	38	55
Mobile home rehab grants (qualified)	N/A	N/A	N/A	N/A	66	51	33	17	24	32
Mobile home rehab grants (dollar value)	N/A	N/A	N/A	N/A	\$330,000	\$255,000	\$140,000	\$85,000	\$115,389	\$137,705
Single family rehab loan applications received	N/A	N/A	N/A	N/A	82	89	60	63	64	35
Single family rehab loans granted	N/A	N/A	N/A	N/A	69	69	36	16	2	22
Single family rehab loans granted (dollar value)	N/A	N/A	N/A	N/A	\$885,000	\$885,000	\$355,000	\$125,000	\$50,000	\$139,185
Mobile home rent control increases processed	N/A	N/A	N/A	N/A	6	6	9	11	11	13
Employment Development Division:										
Job applicants processed	N/A	N/A	N/A	N/A	1,146	N/A	654	1,545	1,274	986
Summer youth employees hired	N/A	N/A	N/A	N/A	96	100	90	181	100	27
Business Development Division:										
Business visitations conducted	N/A	N/A	N/A	N/A	15	6	19	25	60	160
Redevelopment Division:										
Development agreements negotiated	N/A	N/A	N/A	N/A	6	12	10	4	5	17
<u>Public Services</u>										
Graffiti Abatement Division:										
Service request completed	N/A	N/A	N/A	N/A	1,555	2,228	2,939	2,321	2,050	1,882
Square feet of graffiti removed by waterblast	N/A	N/A	N/A	N/A	94,270	93,697	33,620	69,293	43,013	49,996
Square feet of graffiti removed by painting over	N/A	N/A	N/A	N/A	626,341	685,605	572,347	553,654	646,754	291,507
Building and Landscape Maintenance Division:										
Service request completed	N/A	N/A	N/A	N/A	1,286	1,521	1,886	1,712	1,719	1,715
Vouchers issued	N/A	N/A	N/A	N/A	55	57	56	27	18	0

Source: City of Carson
N/A - Not Available

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	N/A	N/A	147.8	147.8	147.8	147.8	147.8	147.8
Facilities square footage	N/A	N/A	N/A	N/A	320,004	320,004	320,004	320,004	320,004	320,004
Parks	N/A	N/A	N/A	N/A	12	12	12	12	12	12
Parks - mini	N/A	N/A	N/A	N/A	3	3	3	3	3	3
Sports Complex	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Swimming pools	N/A	N/A	N/A	N/A	3	3	3	4	4	4
City Hall	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Corporate yard	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Public Safety Services Center	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Gymnasiums	N/A	N/A	N/A	N/A	3	3	3	3	3	3
Tennis courts	N/A	N/A	N/A	N/A	18	18	18	18	18	18
Basketball courts	N/A	N/A	N/A	N/A	18	18	18	18	28	28
Racquetball courts	N/A	N/A	N/A	N/A	8	8	8	8	8	8
Volleyball courts	N/A	N/A	N/A	N/A	2	2	2	2	4	4
Snack bars	N/A	N/A	N/A	N/A	14	14	14	14	10	10
Ornamental fountains	N/A	N/A	N/A	N/A	3	3	3	3	3	3
Flagpoles	N/A	N/A	N/A	N/A	17	17	17	17	17	17
Wading pools	N/A	N/A	N/A	N/A	7	7	7	7	5	4
Parking lots	N/A	N/A	N/A	N/A	23	23	23	23	23	23

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

