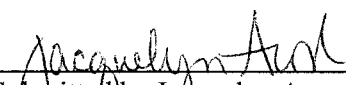


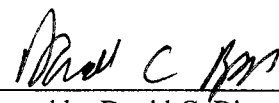


# City of Carson Report to Mayor and City Council

March 19, 2013  
New Business Discussion

**SUBJECT: PRESENTATION OF THE JUNE 30, 2012, COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

  
Submitted by Jacquelyn Acosta  
Director of Administrative Services

  
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 2011/12, the City's total assets (all funds) exceeded its liabilities by \$363,100,748.00. The general fund also showed very positive financial results, with revenues exceeding expenditures by \$6,117,614.00, thereby increasing the total general fund reserves to \$29,618,905.00.

### 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 2011/12.
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, 2012.

The bottom line is that the City's financial position improved significantly in FY 2011/12. The auditors gave the City's financial statements an "unqualified" opinion, which means that they believe that the 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, 2012, and the respective changes in financial position of the City of Carson, California, for the

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

Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carson for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. Staff believes that the June 30, 2012, Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we have submitted it to the GFOA to determine its eligibility for another certificate.

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, 2012.

**V. FISCAL IMPACT**

None at this time.

**VI. EXHIBITS**

1. Comprehensive Annual Financial Report. (pgs. 4-198)

Document1

Prepared by: Jacquelyn Acosta, Director of Administrative Services

TO: Rev09-04-2012

Reviewed by:

|                         |                    |
|-------------------------|--------------------|
| City Clerk              | City Treasurer     |
| Administrative Services | Public Works       |
| Community Development   | Community Services |

**Action taken by City Council**

Date\_\_\_\_\_

Action\_\_\_\_\_

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Prepared by: Jacquelyn Acosta, Director of Administrative Services

TO: Rev09-04-2012

Reviewed by:

|                         |                    |
|-------------------------|--------------------|
| City Clerk              | City Treasurer     |
| Administrative Services | Public Works       |
| Community Development   | Community Services |



# Comprehensive Annual Financial Report Year Ended June 30, 2012



EXHIBIT NO. - 1



# CITY OF CARSON, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

PREPARED BY:  
THE ADMINISTRATIVE SERVICES WORK GROUP

JACQUELYN ACOSTA  
ADMINISTRATIVE SERVICES GENERAL MANAGER





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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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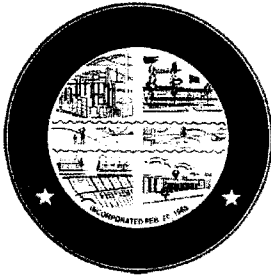
## INTRODUCTORY SECTION

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CITY OF CARSON, CALIFORNIA







# CITY OF CARSON

February 28, 2013

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

It is my pleasure to present to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012 of the City of Carson, California, which consists of management's representation concerning the finances of the city. Responsibility for the completeness and reliability of all the information included in the report rests with management. To provide a reasonable basis for making these representations, management has established an internal control system which is designed to achieve reasonable, but not absolute, assurances that the assets of the City are protected from loss, theft or misuse, and that sufficient, reliable information is compiled to aid in the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP) in the United States. The concept of reasonable assurance recognizes that the costs of internal controls should not outweigh the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgment by management. To the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

## THE REPORTING ENTITY

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

## CITY PROFILE

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



Located in the South Bay section of Los Angeles County, Carson has grown from a population of approximately 61,000 in 1968 to 91,828 in 2012. 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 10<sup>th</sup> highest in assessed value of all Los Angeles County cities, recording a total of \$13.2 billion.

### **Form of Government**

The City of Carson ("City") was incorporated as a General Law city on February 20, 1968. The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the governing council, which consists of an elected Mayor and four Councilmembers. The Council is elected on a nonpartisan basis. The Mayor is elected to a four-year term. Councilmembers are elected to four-year, staggered terms with two Councilmembers elected every two years. The City Council is responsible for, among other things, setting City policies, adopting ordinances and resolutions, adopting the budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and directives of the Council, for overseeing the day-to-day operations of the City, and for appointing the 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 appropriate agencies of the County of Los Angeles. The City's educational needs are served by the Los Angeles Unified School District and some private schools. Solid waste collection and disposal, gas, water, electric and communication services are provided by private companies.

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

The City of Carson has had a healthy financial position for many years. But 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, and in FY 2011/12, it increased \$6.1 million to \$29.6 million due to City-wide effort to cut costs and better than projected overall revenues. Total actual 2012 general fund revenues came in at \$4.1 million or 6.7% more than the projection as a result of positive budget to actual variances in sales and use tax revenues by \$2.8 million (16%) and licenses and permits by \$ .694 million (12.8%). With regards to 2012 general fund expenditures, actual of \$65.6 million were 6% less than the final budget of \$69.8 million. Public services comprised 53.5% of the total general fund expenditures. As of June 30, 2012, the general fund balance stood at \$29.6 million which represents 45% of the \$66.1 million adopted operating budget for that year.

Although the general fund balance increased for the current year, the City continues to keep a lean budget as the major revenue sources of the City continue to face challenges. The increase in the projection of the sales tax will be diluted by the reduction in other major revenue sources. Sales taxes and property taxes continue to be the major revenue sources, bringing in \$20.7 million and \$14.0 million, respectively, in FY 2011/12. The sources of revenues were used primarily for the Public Services work group, which account for \$36.4 million of the \$124.3 million total governmental funds expenditures. This work group consists of the Public Safety, Parks and Recreation, Landscape and Building Maintenance and the Human Services Divisions plus the Community Center, 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. While the City seems to be recovering slowly, there are still lingering impacts from the depression, especially in the housing market. In addition, the dissolution of redevelopment agency cut the City's revenue stream by approximately \$28 million per year in tax increment revenues. Therefore, tough policy decisions remain which will require that we identify our highest priorities and make wise resource allocation choices.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### **Public Safety**

One of the City Council's top priorities continues to be public safety. This is demonstrated by the City's goal to increase the actual and perceived level of public safety and to make our neighborhoods, businesses, and parks safer for all citizens. Cognizant of the fact that the City's continued growth and prosperity depends on the realization of this goal, the City Council approved a unique, Carson-exclusive, Park Safety Plan that calls for the deployment of sheriff deputies specifically at the City's parks. The park enforcement team has issued 200 citations and made 308 arrests, and continues to ensure a safe environment at our parks.

The City's Code Enforcement program continues to respond to and resolve numerous service requests on a daily basis. The Youth Services division, in cooperation with the Sheriff's Department, continues to promote public safety and crime prevention through the administration of a number of proactive programs such as "Youth and the Law," the "Parent Project", "Positive Choices", and "Anger Management for Teens," all designed to reduce crime through preventative and educational efforts. The City also 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, 172 citations issued, and 121 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: 161 DUI arrests, 8,360 citations issued, and 2,035 illegally-driven vehicles removed from City streets throughout the year.

### **Parks and Recreation**

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

The Congresswoman Juanita Millender-McDonald Community Center renovated in 2003 is a 73,000 square-foot facility used as a meeting center for community and business sponsored events. The Community Center houses both the Senior Technology Center, which provides computer services for

the senior populace, and the improved Early Childhood Educational Center. These park and facility improvement projects, coupled with park security efforts, demonstrate the City's continued effort to provide its residents with an enhanced quality of life.

### **Infrastructure**

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

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

### **Housing and Economic Development**

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

The low tax rates have contributed to the marketability of Carson to businesses. There are large modern petro-chemical facilities (e.g. BP Arco, Tosco Refining, Shell), electronics manufacturers (e.g. Sony, Kenwood, Pioneer, Sansui), automobile dealers (e.g. WIN Chevrolet, Toyota, Honda, Nissan), 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. 12 single-family houses – 2535-2569 E. Carson Street
2. 40 unit apartment complex – 21227 Figueroa Street
3. 65 unit apartments – 425 E. Carson Street
4. 152 for-sale houses – 616 E. Carson Street
5. 40 unit apartments – 407-409 E. Carson Street
6. 150 unit market rate luxury apartments – 21720-21814 Avalon Blvd.
7. 86 unit senior apartments – 708-724 E. Carson Street

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

## Auto Row

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

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

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

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

- Cormier Chevrolet: in accordance with the terms of the DDA the Agency resold the land and improvements back to Win Chevrolet in December 2011 for the then fair market appraised value.



- 2254 E. 223<sup>rd</sup> Street: There is a seven-year BP purchase option on the remnant 5.0-acre Agency property which is due to expire on November 15, 2012. After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold when the option expires, with the proceeds to be turned over to the State.
- 2403 E. 223<sup>rd</sup> Street: After the State's dissolution of redevelopment in California, this property was transferred to the City's Successor Agency. State mandate requires that this property be sold, with the proceeds to be turned over to the State.
- 2535 E. Carson Street: The former redevelopment agency entered into a DDA, in June of 2011, with the Olson Company for purchase of the property and development of 12 single family detached, affordable residential units. The Construction started in summer of 2012.
- 616 E. Carson Street: The Agency entered into a DDA with CityView in February 2011. Plans call for a development of a mixed-use commercial/retail and residential project consisting of approximately 13,000 square feet of ground floor retail space and one hundred fifty-two (152) for-sale residential units. Fifteen percent (15%) of the residential units will be sold to qualified affordable buyers. Construction is expected to start in the first half of 2013.
- 21208 Shearer Street: After receiving a No Further Action letter from the Regional Water Quality Control Board (RWQCB) to allow for the development of a passive park the Agency hired AHBE landscape architects to design a passive park for the site. The park was completed in January 2012.
- 21009 S. Prospect Avenue: The property was assembled with contiguous parcels for a site with a total developable area of 1.55 acres. Because the property was purchased with Agency low-mod housing set-aside funds and intended for residential development, it, along with the rest of the contiguous property, was transferred to the Carson Housing Authority rather than the Successor Agency. A suitable developer will be sought.
- 21521 Avalon Boulevard: After the State's dissolution of redevelopment in California, this property was transferred to the City's Housing Successor Agency, which is the Carson Housing Authority (Authority). Unlike property held by the Successor Agency, property transferred to the Authority is subject to Authority law and shall be developed in accordance thereto. The Authority will consider development possibilities until one is selected.
- Carson City Center: Phase II (known as The Renaissance at City Center) began construction in Fall 2010 and includes: 150 market-rate rental housing units (1, 2 and 3 bedroom), 25,000 square feet of lifestyle-oriented shops, and subterranean parking. Unfortunately, there was a large fire at Phase II in October of 2011. The fire set the completion of the project back and now Phase II construction is now slated for completion in May 2013.
- 21607 S. Main Street - A new 3,675 square foot building for retail/restaurant use is proposed to be constructed in the parking lot along Main Street and in front of the Seafood City grocery store. The Planning Commission approved the development plan on June 26, 2012.

## **Community Awareness and Communication**

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

## **Beautification/Green Task Force**

As no economy can thrive without an effective infrastructure, no community can continue to grow and prosper without continual efforts to imbue a sense of pride in its citizenry. To this end, 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 has also formed a "Green Task Force" to identify "green" programs and create an environmental action plan in an effort to support the local and global environment. The following are examples of energy-saving projects completed in recent years:

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

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

In 2012, the City made the Silver level in the SCE rating, which is projected to reach the Gold level in 2013. The City also received an award for the solar project at the Community Center and has been selected to receive the Beacon Award for Energy Conservation. The City of Carson is a leader in the South Bay area in the Energy Conservation program.

## **FINANCIAL INFORMATION**

The officials having direct responsibility for the financial administration and management of the City are the City Treasurer, the 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, 2012 is \$662,111, after applying the contributions made during the fiscal year of \$4,917,824 from the annual OPEB cost of \$5,579,935. The net OPEB obligation at June 30, 2012, is \$15,062,793. Additional information can be found in Note 10 to the basic financial statements of this report.

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

### **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, 2012, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carson for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principle and applicable legal requirements.

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

## **ACKNOWLEDGMENTS**

The Finance staff of the Administrative Services 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,



Jacquelyn Acosta

Administrative Services General Manager

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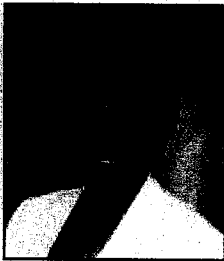


# CITY OF CARSON ELECTED OFFICIALS

## FISCAL YEAR 2011/12



Jim Dear  
Mayor



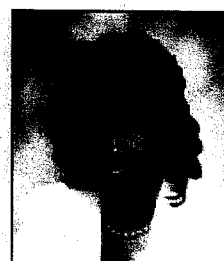
Julie Ruiz-Raber  
Mayor Pro Tem



Elito M. Santarina  
Councilmember



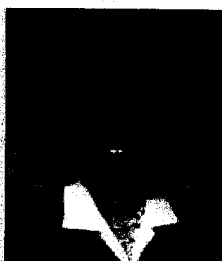
Mike A. Gipson  
Councilmember



Lula Davis-Holmes  
Councilmember



Donesia L. Gause  
City Clerk



Karen Avilla  
City Treasurer

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## CITY MANAGEMENT

David C. Biggs  
City Manager

Jacquelyn Acosta  
Administrative Services General Manager

Clifford W. Graves  
Economic Development General Manager

Raymond R. Cruz  
Public Services General Manager

Farrokh Abolfathi  
Acting 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.

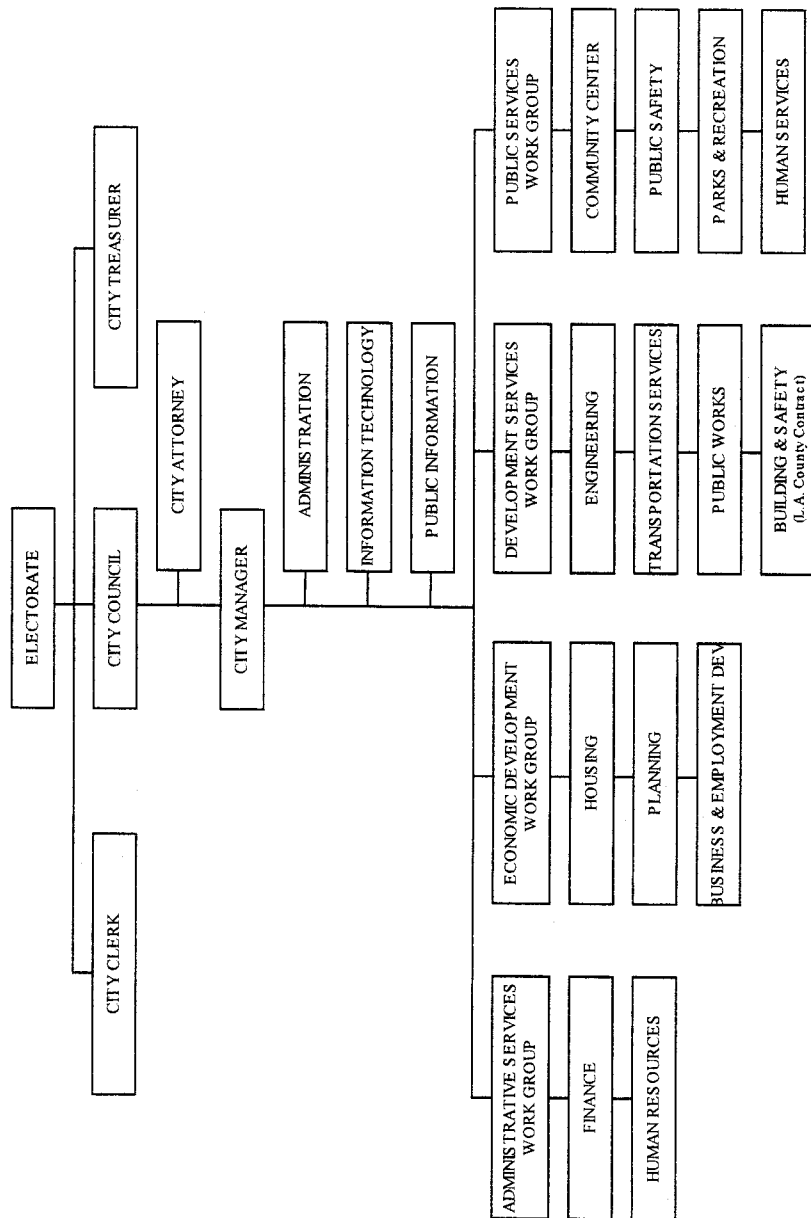
The community takes pride in the large percentage of Carson students who attend college, many to California State University, Dominguez Hills, a valuable asset to the City.

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



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Carson  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrell*

President

*Jeffrey R. Enen*

Executive Director

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **FINANCIAL SECTION**

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CITY OF CARSON, CALIFORNIA







CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

801 South Grand Avenue, Suite 400 • Los Angeles, CA 90017-4646 • Ph: (213) 873-1700 • Fax: (213) 873-1777 • [www.vasquezcpa.com](http://www.vasquezcpa.com)

## 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, 2012, 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.

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, 2012, 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 16 to the financial statements, the Carson Redevelopment Agency, a blended component unit of the City, was dissolved effective February 1, 2012 as a result of legislation enacted by the State of California.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2013 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.



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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 14 and 65 through 70 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 and budgetary comparison schedules 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.

*Vargus + Company LLP*

Los Angeles, California  
February 28, 2013



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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CITY OF CARSON, CALIFORNIA





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, 2012. 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, 2012 by \$363.1 million. This amount is referred to as the net assets of the City. Of this amount, \$302.4 million is invested in capital assets net of accumulated depreciation, \$58.1 million is restricted, and \$2.6 million is unrestricted.
- The City's net assets decreased by \$16.5 million during the fiscal year as a result of total expenditures exceeding total revenues by \$16.5 million. For FY 2011/12, revenues decreased by \$10.3 million and expenditures decreased by \$51.3 million over the FY 2010/11 levels. The majority of the overall decreases in revenues and expenditures are related to the passing of AB 1X 26, which approved the dissolution of redevelopment agencies as of February 1, 2012. Assets of the former Carson Redevelopment Agency were transferred to the Successor Agency to the Dissolved Carson Redevelopment Agency (Successor Agency) on February 1, 2012. Financial information for the Successor Agency is presented as a Private-purpose Trust fund. Additional information can be found in notes 1 and 15 in the notes to the basic financial statements.

### **Fund Financial Statements**

- As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$60.5 million, a decrease of \$171.6 million over the prior fiscal year due to the dissolution of redevelopment agency. Approximately \$14.9 million (24.6%) of the \$60.5 million balance is unassigned and is available for spending at the government's discretion.
- As of June 30, 2012, the total fund balance of the City's General Fund was \$29.6 million, a \$6.1 million (26.0%) increase from the prior year level of \$23.5 million.
- In the General Fund, revenues exceeded expenditures by \$4.9 million, before other financing sources/uses.
- The City's total long-term liabilities decreased by \$193.6 million for the fiscal year ended June 30, 2012, from \$216.5 million to \$25.7 million mainly due to the bonds payable of \$186.6 million, which is now reported in the Successor Agency's private trust fund as of June 30, 2012.

## **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, and interest and other charges.

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

The government-wide financial statements can be found beginning on page 15 of this report.

### Fund Financial Statements

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

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

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



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

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

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

The governmental fund financial statements can be found beginning on page 17 of this report.

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

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

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

The fiduciary fund financial statements can be found on page 21 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 \$363.1 million as of June 30, 2012. Net assets decreased by \$16.5 million, or 4.4%, for fiscal year 2011/12 as explained in the financial highlights at the beginning of the discussion. Assets decreased by \$209.4 million (34.4%) and liabilities decreased by \$192.8 million (83.9%) compared to June 30, 2011, mainly due to the dissolution of redevelopment agency.

By far, the largest portion of the City's net assets at June 30, 2012 (\$302.4 million, or 83.3% 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, 2012 and June 30, 2011.

#### Summary of Net Assets June 30, 2012 and 2011

|   | <b>Governmental Activities</b> |                           | <b>Increase<br/>(Decrease)</b> |
|---|--------------------------------|---------------------------|--------------------------------|
|   | <b>2012</b>                    | <b>2011</b>               |                                |
| <b>ASSETS</b>                                   |                                |                           |                                |
| Cash and other assets                           | \$ 97,663,023                  | \$ 270,249,685            | \$ (172,586,662)               |
| Capital assets net of accumulated depreciation  | <u>302,392,752</u>             | <u>339,193,971</u>        | <u>(36,801,219)</u>            |
| <b>Total assets</b>                             | <b><u>400,055,775</u></b>      | <b><u>609,443,656</u></b> | <b><u>(209,387,881)</u></b>    |
| <b>LIABILITIES</b>                              |                                |                           |                                |
| Current and other liabilities                   | 11,224,826                     | 13,289,462                | (2,064,636)                    |
| Long-term liabilities                           | <u>25,720,201</u>              | <u>216,509,615</u>        | <u>(190,789,414)</u>           |
| <b>Total liabilities</b>                        | <b><u>36,945,027</u></b>       | <b><u>229,799,077</u></b> | <b><u>(192,854,050)</u></b>    |
| <b>NET ASSETS</b>                               |                                |                           |                                |
| Invested in capital assets, net of related debt | 302,392,752                    | 339,193,971               | (36,801,219)                   |
| Restricted                                      | 58,146,655                     | 61,056,380                | (2,909,725)                    |
| Unrestricted                                    | <u>2,571,341</u>               | <u>(20,605,772)</u>       | <u>23,177,113</u>              |
| <b>Total net assets \$</b>                      | <b><u>363,110,748</u></b>      | <b><u>379,644,579</u></b> | <b><u>\$ (16,533,831)</u></b>  |

A portion of the City's net assets, \$58.1 million (16.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2.6 million is unrestricted net assets and is available for spending at the government's discretion.

**City of Carson**  
**Management's Discussion and Analysis**  
**Year ended June 30, 2012**

**Statement of Activities.** Governmental activities decreased the City's net assets by \$16.5 million for fiscal year 2011/12. The total revenue for the fiscal year is \$99.9 million, which is a decrease of \$10.3 million from the prior year. The total expenses decreased by \$51.3 million from \$149.8 million to \$98.5 million. The following table presents the comparative revenue and expenditure data for fiscal years ended June 30, 2012 and 2011.

**Statement of Activities**  
**For the Year Ended June 30, 2012 and 2011**

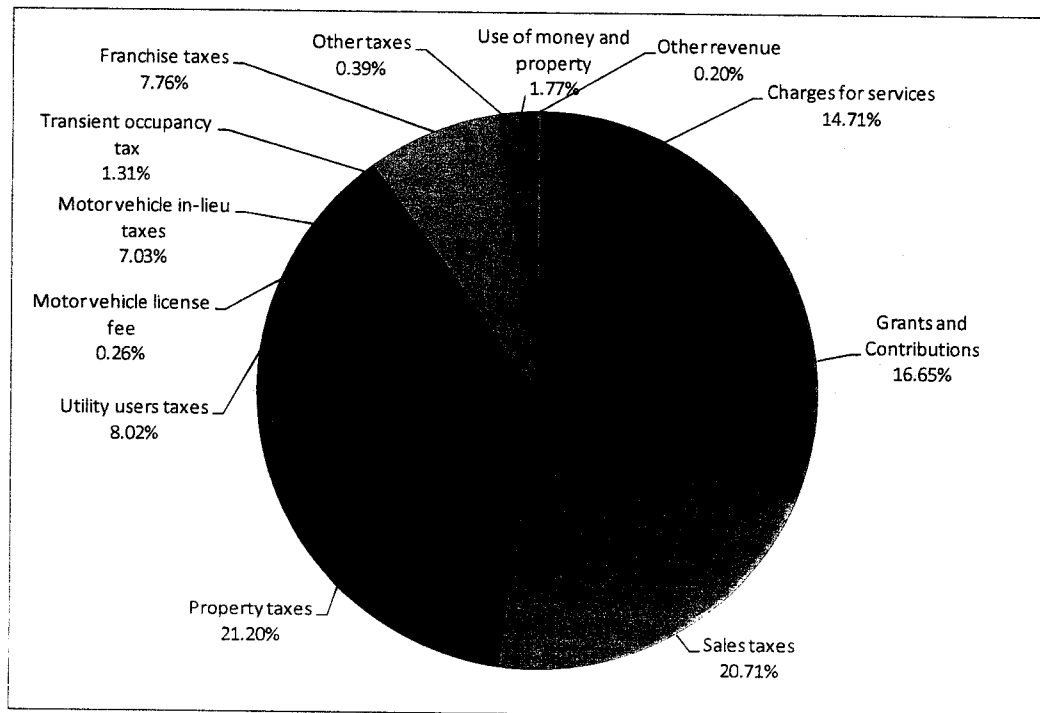
|   | <u>Governmental Activities</u> |                       | <u>Increase/<br/>(Decrease)</u> |
|---|--------------------------------|-----------------------|---------------------------------|
|   | <u>2012</u>                    | <u>2011</u>           |                                 |
| <b>Program revenues</b>                         |                                |                       |                                 |
| Charges for services                            | \$ 14,690,950                  | \$ 15,100,971         | \$ (410,021)                    |
| Grants and Contributions                        | 16,632,683                     | 16,285,997            | 346,686                         |
| <b>General revenues</b>                         |                                |                       |                                 |
| Taxes   |                                |                       |                                 |
| Sales taxes                                     | 20,688,872                     | 17,195,450            | 3,493,422                       |
| Property taxes                                  | 21,182,424                     | 32,977,590            | (11,795,166)                    |
| Utility users taxes                             | 8,016,141                      | 7,439,521             | 576,620                         |
| Motor vehicle license fee, unrestricted         | 256,016                        | 242,811               | 13,205                          |
| Motor vehicle in-lieu taxes                     | 7,023,678                      | 7,104,861             | (81,183)                        |
| Transient occupancy tax                         | 1,307,732                      | 1,197,800             | 109,932                         |
| Franchise taxes                                 | 7,746,907                      | 7,483,227             | 263,680                         |
| Other taxes                                     | 390,600                        | 266,446               | 124,154                         |
| Use of money and property                       | 1,763,424                      | 3,062,757             | (1,299,333)                     |
| Other revenue                                   | 195,425                        | 1,830,299             | (1,634,874)                     |
| Total   | <u>99,894,852</u>              | <u>110,187,730</u>    | <u>(10,292,878)</u>             |
| <b>Expenditures</b>                             |                                |                       |                                 |
| <b>Governmental activities</b>                  |                                |                       |                                 |
| General government                              | 22,940,199                     | 20,578,498            | 2,361,701                       |
| Public services                                 | 41,684,670                     | 36,479,106            | 5,205,564                       |
| Development services                            | 14,060,876                     | 11,742,451            | 2,318,425                       |
| Economic development                            | 13,071,236                     | 53,957,318            | (40,886,082)                    |
| Capital maintenance programs                    | -                              | 15,535,108            | (15,535,108)                    |
| Interest and other charges                      | 5,350,108                      | 8,615,980             | (3,265,872)                     |
|   | <u>98,504,968</u>              | <u>149,829,511</u>    | <u>(51,324,543)</u>             |
| Change in net assets before extraordinary items | 1,389,884                      | (39,641,781)          | 41,031,665                      |
| Extraordinary items                             | (17,923,715)                   | -                     | (17,923,715)                    |
| Change in net assets                            | (16,533,831)                   | (39,641,781)          | 23,107,950                      |
| Net assets, beginning                           | 379,644,579                    | 419,286,360           | (39,641,781)                    |
| Net assets, ending                              | <u>\$ 363,110,748</u>          | <u>\$ 379,644,579</u> | <u>\$ (16,533,831)</u>          |



Key elements of the significant changes in fiscal year 2011/12 revenues are as follows:

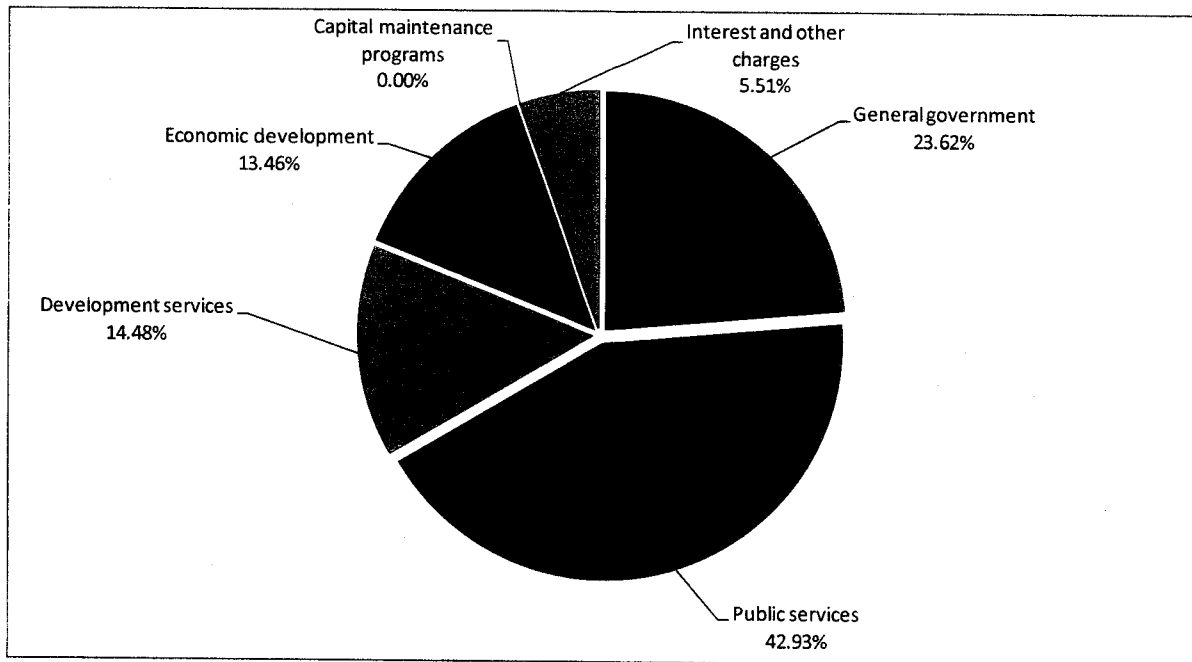
- Property taxes decreased by \$11.8 million due to the dissolution of redevelopment agency. The passage of AB 1X 26 dissolved the redevelopment agency as of February 1, 2012 and assets of the former agency were transferred to the Successor Agency of the Dissolved Carson Redevelopment Agency. Property tax information of the Successor Agency can be found in the fiduciary fund financial statement.
- Sales tax revenues had an increase of \$3.5 million, a 20% increase over FY2010/11. In FY2010/11, sales tax had an increase of 14%. This two-year consecutive increase is a sign that the economy is slowly recovering from prior years' economic condition which had reduced sales revenues throughout the region.
- Utility users' taxes, a new tax measure for the City beginning in FY 2009/10, increased the City's revenue source by \$576 thousand. The increase is due to the City lifting of the cap of the utility users' tax. The City projects that this 2% utility users tax will generate \$8.1 million in FY2012/13, a 1% increase over current year.
- Revenue in the use of money and property category decreased by \$1.3 million. The decrease resulted mainly from a decrease in investment income and mainly due to the reporting of income of the dissolved redevelopment agency in the fiduciary fund financial statement. Interest income on investments has not recovered from 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 - 21%, 2) sales and use taxes - 21%, 3) grants and contributions - 17%, 4) charges for services - 15%, 5) utility users taxes - 8%, 6) franchise taxes - 8%, and 7) motor vehicles in-lieu taxes - 7%. Charges for services, which decreased 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.

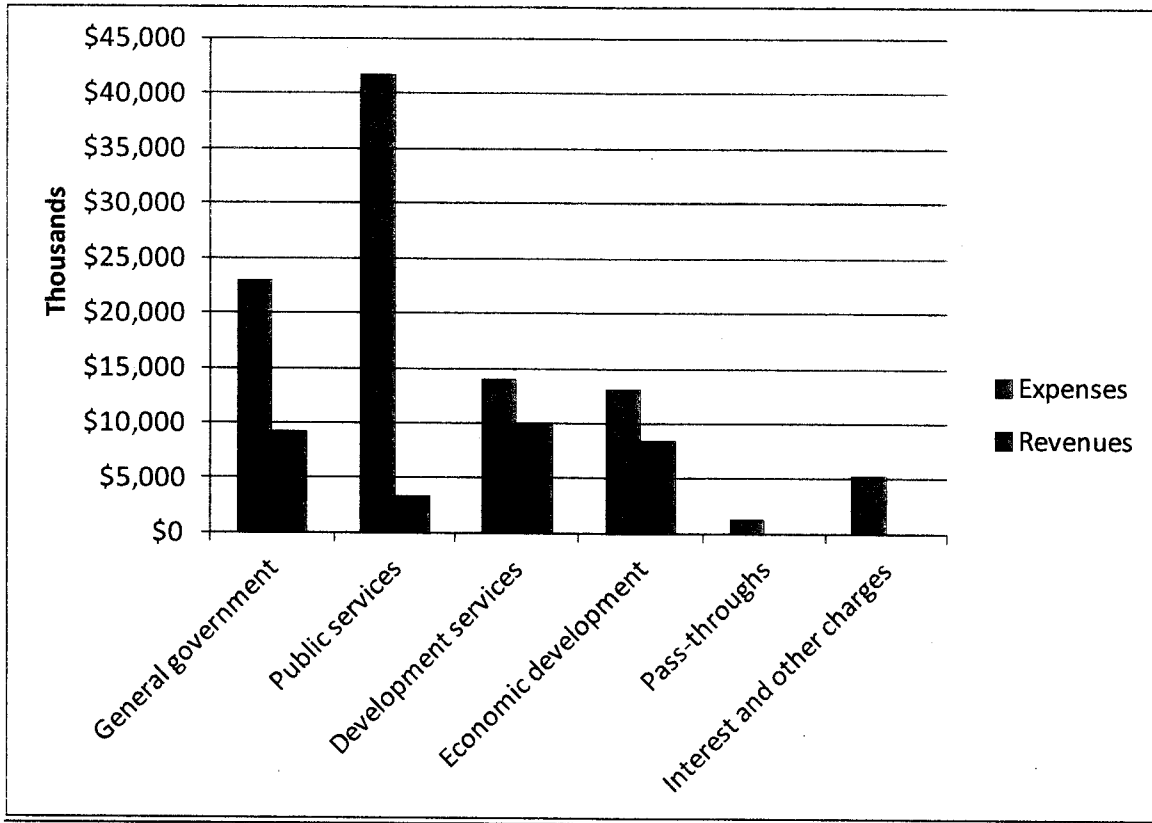
**Expenses by Function**



Expenses of the governmental activities totaled \$98.5 million, which is an decrease of \$51.3 million or 34.2% from the prior year. While most expenses of the various governmental activities increase, the overall net decrease of \$51.3 million was due mainly to the dissolution of the redevelopment agency. Public services, which account for 42.3% 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 \$67.1 million deficit for FY 2011/12. 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 \$60.5 million. The City's governmental funds report a balance of \$14.9 million in its *unassigned fund balance* which can be spent at the City's discretion. Assigned fund balance reports a total of \$4.4 million which are set aside for specific purposes. Restricted fund balance of \$17.6 million is subject to externally enforceable legal obligations which mainly include (1) general fund - \$2.4 million, (2) Housing projects - \$8.8 million and (3) other governmental funds of \$6.2 million.



**City of Carson**  
**Management's Discussion and Analysis**  
**Year ended June 30, 2012**

Non-spendable fund balance of approximately \$16.9 million cannot be spent because they are not in spendable form. These include (1) inventory - \$458 thousand, (2) prepaid assets and loans receivable totaling \$281 thousand and (3) land held for resale of \$16.2 million. Committed fund balance of \$6.7 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 \$29.6 million, \$16.0 million of which is unassigned. As a measure of General Fund liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. General Fund unassigned fund balance represents 27% of total general fund expenditures of \$60.5 million. The City's General Fund balance increased by \$6.1 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 over budget during the year. The following table presents the comparative revenue and expenditure data of the general fund for the fiscal year ended June 30, 2011 and 2012:

**General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2012 and 2011**

|  | General Fund         |                      | Increase<br>(Decrease) |
|--|----------------------|----------------------|------------------------|
|  | 2012                 | 2011                 |                        |
| <b>Revenues</b>                                      |                      |                      |                        |
| Taxes  | \$ 52,413,906        | \$ 48,278,867        | \$ 4,135,039           |
| Licenses and permits                                 | 6,127,567            | 6,472,150            | (344,583)              |
| Fines and forfeitures                                | 1,972,907            | 2,049,229            | (76,322)               |
| Charges for services                                 | 2,504,288            | 2,408,497            | 95,791                 |
| Intergovernmental                                    | 416,903              | 599,808              | (182,905)              |
| Use of money and property                            | 1,098,287            | 1,058,557            | 39,730                 |
| Miscellaneous  | 890,761              | 897,053              | (6,292)                |
| <b>Total revenues</b>                                | <b>65,424,619</b>    | <b>61,764,161</b>    | <b>3,660,458</b>       |
| <b>Expenditures</b>                                  |                      |                      |                        |
| Current:   |                      |                      |                        |
| General government                                   | 20,690,955           | 18,136,954           | 2,554,001              |
| Interfund reimbursement                              | (5,198,738)          | (3,464,606)          | (1,734,132)            |
| Economic development                                 | 1,435,078            | 1,231,175            | 203,903                |
| Development services                                 | 7,943,400            | 7,795,603            | 147,797                |
| Public services                                      | 35,115,221           | 33,198,295           | 1,916,926              |
| Capital improvement programs                         | 495,902              | 509,979              | (14,077)               |
| <b>Total expenditures</b>                            | <b>60,481,818</b>    | <b>57,407,400</b>    | <b>3,074,418</b>       |
| Excess (deficiency) of revenues<br>over expenditures | 4,942,801            | 4,356,761            | 586,040                |
| <b>Other financing sources (uses)</b>                |                      |                      |                        |
| Transfers in (Note 6)                                | 1,177,316            | 962,406              | 214,910                |
| Transfers out (Note 6)                               | (2,503)              | -                    | (2,503)                |
| <b>Net other financing sources (uses)</b>            | <b>1,174,813</b>     | <b>962,406</b>       | <b>212,407</b>         |
| Change in fund balance                               | 6,117,614            | 5,319,167            | 798,447                |
| <b>Fund balance, beginning of year</b>               | <b>23,501,291</b>    | <b>18,182,124</b>    | <b>5,319,167</b>       |
| <b>Fund balance, end of year</b>                     | <b>\$ 29,618,905</b> | <b>\$ 23,501,291</b> | <b>\$ 6,117,614</b>    |



### General Fund Budgetary Highlights

In the General Fund, differences between the original budget and the final amended budget resulted in an increase in appropriation of \$3.9 million due to increases in public services, development services, capital improvement program, and 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 \$302.4 million (net of accumulated depreciation of \$179.7 million) as of June 30, 2012. 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, 2012 and 2011

|                                   | 2012           | 2011           |
|-----------------------------------|----------------|----------------|
| Land, land right and improvements | \$ 92,936,028  | \$ 92,936,028  |
| Buildings and improvements        | 20,459,885     | 45,873,520     |
| Machineries and equipment         | 2,890,631      | 3,609,800      |
| Infrastructure                    | 170,171,096    | 171,149,377    |
| Construction in progress          | 15,941,125     | 25,625,245     |
| Total                             | \$ 302,398,765 | \$ 339,193,970 |

Additional information on the City's capital assets can be found in note 3 to the basic financial statements of this report.

**Debt Administration.** At the end of the current fiscal year, the City had no outstanding bonded debt outstanding as these are now part of the dissolved redevelopment agency reported in the fiduciary fund financial statement. The City has a net OPEB obligation of \$16.8 million as of June 30, 2012. During the year, the City established an Employer's Retiree Benefit Trust and contributed \$1.5 million to this irrevocable trust fund. A contribution of \$3.4 million was made for the benefit of the dissolved redevelopment agency employee. This amount is reported in the fiduciary fund financial statement of the Successor Agency.

#### Outstanding Debt June 30, 2012 and 2011

|                                | 2012       | 2011           |
|--------------------------------|------------|----------------|
| Bonded Indebtedness:           |            |                |
| Tax allocation bonds           | \$ -       | \$ 192,340,863 |
| Other long-term debt:          |            |                |
| Other post-employment benefits | 16,803,490 | 14,400,682     |
| Self-insurance claims payable  | 3,481,341  | 3,837,864      |
| Compensated absences           | 5,435,370  | 5,930,206      |
| Total                          | 25,720,201 | \$ 216,509,615 |



### **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 and FY 2011/12 may show signs that the economy is slowly recovering, the projected increase in sales tax for FY 2012/13 will be diluted by the reduction in other major revenues of the city such as property taxes. Therefore, the city anticipates the continuance of lean budgets with very tight controls on the expenditures.

FY 2012/13 General Fund revenues are projected to be \$67,926,017, a decrease of \$3.9 million thousand above the FY 2011/12 year-end actual revenues of \$71,800,673, which include, transfers in and interfund reimbursements.

FY 2012/13 General Fund expenditures are projected to be \$66,356,848, which is \$674 thousand more than the year-end actual expenditures for FY 2011/12 of \$65,683,059.

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

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

- The California Legislature approved and the Governor signed bill ABX1 26 (legislation) which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. This bill was appealed to the State Supreme Court which ruled, on December 29, 2011, that ABX1 26 is constitutional and valid. The dissolutions of all redevelopment agencies took effect as of February 1, 2012. Additional information on the dissolution of the redevelopment agency can be found in note 13 to the basic financial statements.
- 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 borrowed from the City approximately \$1.6 million. 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. The City has made it a priority to plan for this significant unfunded liability. During FY 2011/12, the City joined the California Employer's Retiree Benefit Trust (CERBT) and made contributions to the fund. Information on the unfunded OPEB liability is found in note 8 to the basic financial statements of this report. In FY 2012/13, the City established a policy to fund CERBT annually.

Despite tough economic times, the City continues to be mindful of ways to improve the level of services that it provides to the residents as well as to provide additional resources to the community. It is staff's endeavor to continue to improve overall City performance by continuing programs which include public safety, public infrastructure maintenance, parks and recreation, youth outreach programs, and employment and business development programs. For example, the City, in conjunction with its 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, Administrative Services General Manager, Finance Department, 701 E Carson St. Carson, CA 90745.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **BASIC FINANCIAL STATEMENTS**

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CITY OF CARSON, CALIFORNIA





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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CITY OF CARSON, CALIFORNIA



**City of Carson**  
**Statement of Net Assets**  
**June 30, 2012**

| <b>ASSETS</b>                                      | Governmental<br>Activities |
|--|----------------------------|
| Cash and investments                               | \$ 45,685,395              |
| Receivables  |                            |
| Taxes  | 5,749,421                  |
| Accounts   | 424,554                    |
| Accrued interest - other                           | 4,259,210                  |
| Loans, net of allowance for uncollectible accounts | 18,019,567                 |
| Due from government agencies                       | 6,071,165                  |
| Due from Successor Agency                          | 547,201                    |
| Inventory  | 458,496                    |
| Prepaid and other assets                           | 229,813                    |
| Land held for resale                               | 16,218,201                 |
| Capital assets not being depreciated               | 118,220,560                |
| Capital assets, net of accumulated depreciation    | 184,172,192                |
| <b>Total assets</b>                                | <b>400,055,775</b>         |
| <br>   |                            |
| <b>LIABILITIES</b>                                 |                            |
| Accounts payable and accrued liabilities           | 5,970,927                  |
| Accrued payroll                                    | 269,228                    |
| Due to governmental agencies                       | 5,253                      |
| Due to Successor Agency                            | 2,899,999                  |
| Refundable deposits                                | 22,236                     |
| Unearned revenues                                  | 1,965,138                  |
| Retentions payable                                 | 92,045                     |
| Noncurrent liabilities                             |                            |
| Due within one year                                | 795,555                    |
| Due in more than one year                          | 24,924,646                 |
| <b>Total liabilities</b>                           | <b>36,945,027</b>          |
| <br>   |                            |
| <b>NET ASSETS</b>                                  |                            |
| Invested in capital assets, net of related debt    | 302,392,752                |
| Restricted for:                                    |                            |
| Development services                               | 4,606,521                  |
| Housing projects                                   | 47,104,277                 |
| Economic development                               | 207,323                    |
| Public services                                    | 6,228,534                  |
| Unrestricted                                       | 2,571,341                  |
| <b>Total net assets \$</b>                         | <b>363,110,748</b>         |

See notes to financial statements.



**City of Carson**  
**Statement of Activities**  
**Year ended June 30, 2012**

|                               | Expenses      | Program Revenues     |                                    |                                  | Net Governmental Activities |
|-------------------------------|---------------|----------------------|------------------------------------|----------------------------------|-----------------------------|
|                               |               | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants |                             |
| Governmental Activities       |               |                      |                                    |                                  |                             |
| General government            | \$ 22,940,199 | \$ 9,325,641         | \$ -                               | \$ -                             | \$ (13,614,558)             |
| Public services               | 41,684,670    | 2,846,162            | 491,779                            | 82,463                           | (38,264,266)                |
| Development services          | 14,060,876    | 349,850              | 9,749,062                          | -                                | (3,961,964)                 |
| Economic development          | 13,071,236    | 2,169,297            | 3,242,968                          | 3,066,411                        | (4,592,560)                 |
| Pass-throughs                 | 1,397,879     | -                    | -                                  | -                                | (1,397,879)                 |
| Interest and other charges    | 5,350,108     | -                    | -                                  | -                                | (5,350,108)                 |
| Total Governmental Activities | \$ 98,504,968 | \$ 14,690,950        | \$ 13,483,809                      | \$ 3,148,874                     | (67,181,335)                |

General revenues

Taxes:

|   |            |
|---|------------|
| Property taxes                          | 21,182,424 |
| Sales taxes                             | 20,688,872 |
| Transient occupancy taxes               | 1,307,732  |
| Franchise taxes                         | 7,746,907  |
| Admissions tax                          | 390,600    |
| Utility users tax                       | 8,016,141  |
| Motor vehicle license fee, unrestricted | 256,016    |
| Motor vehicle in lieu, unrestricted     | 7,023,678  |
| Use of money and property               | 1,763,424  |
| Other revenue                           | 195,425    |

Total general revenues 68,571,219

Change in net assets before extraordinary items 1,389,884

Extraordinary items (17,923,715)

Change in net assets (16,533,831)

Net asset - beginning 379,644,579

Net asset - ending \$ 363,110,748

See notes to financial statements.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **FUND FINANCIAL STATEMENTS**

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CITY OF CARSON, CALIFORNIA





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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CITY OF CARSON, CALIFORNIA





**City of Carson  
Governmental Funds  
Balance Sheet  
June 30, 2012**

|  | General              | Proposition C<br>Local Return<br>Fund | Federal<br>Highway<br>Planning<br>Grant Fund | Carson<br>Housing<br>Authority | Nonmajor<br>Governmental<br>Funds | Total                 |
|--|----------------------|---------------------------------------|--|--------------------------------|-----------------------------------|-----------------------|
| <b>ASSETS</b>                              |                      |                                       |  |                                |                                   |                       |
| Cash and investments (Note 2)              | \$ 29,853,170        | \$ -                                  | \$ -   | \$ 8,832,055                   | \$ 7,000,170                      | \$ 45,685,395         |
| Receivables:                               |                      |                                       |  |                                |                                   |                       |
| Taxes                                      | 5,749,421            | -                                     | -  | -                              | -                                 | 5,749,421             |
| Accounts                                   | 423,881              | -                                     | -  | 673                            | -                                 | 424,554               |
| Accrued interest - other                   | 8,820                | -                                     | -  | 4,085,350                      | 165,040                           | 4,259,210             |
| Loans                                      | 51,568               | -                                     | -  | 42,407,166                     | -                                 | 42,458,734            |
| Due from other funds (Note 2)              | 1,617,283            | -                                     | -  | -                              | -                                 | 1,617,283             |
| Due from Successor Agency                  | 547,201              | -                                     | -  | -                              | -                                 | 547,201               |
| Due from government agencies               | 58,765               | 1,823,257                             | 3,115,623                                    | -                              | 1,073,520                         | 6,071,165             |
| Inventory                                  | 458,496              | -                                     | -  | -                              | -                                 | 458,496               |
| Prepays and other assets                   | 229,813              | -                                     | -  | -                              | -                                 | 229,813               |
| Land held for resale                       | -                    | -                                     | -  | 16,218,201                     | -                                 | 16,218,201            |
| <b>Total assets</b>                        | <b>\$ 38,998,418</b> | <b>\$ 1,823,257</b>                   | <b>\$ 3,115,623</b>                          | <b>\$ 71,543,445</b>           | <b>\$ 8,238,730</b>               | <b>\$ 123,719,473</b> |
| <b>LIABILITIES</b>                         |                      |                                       |  |                                |                                   |                       |
| Accounts payable and accrued               | \$ 3,833,329         | \$ 1,259,516                          | -  | -                              | 878,082                           | \$ 5,970,927          |
| Accrued payroll                            | 203,572              | 4,777                                 | -  | -                              | 60,879                            | 269,228               |
| Due to other governmental agencies         | -                    | -                                     | -  | -                              | 5,253                             | 5,253                 |
| Due to other funds (Note 5)                | -                    | 424,874                               | 569,305                                      | -                              | 623,104                           | 1,617,283             |
| Due to Successor Agency                    | 2,559,683            | -                                     | 216,489                                      | -                              | 123,827                           | 2,899,999             |
| Retentions payable                         | -                    | -                                     | -  | -                              | 92,045                            | 92,045                |
| Deferred revenue                           | 1,965,138            | -                                     | 2,879,531                                    | 46,492,516                     | 165,000                           | 51,502,185            |
| Refundable deposits                        | 22,236               | -                                     | -  | -                              | -                                 | 22,236                |
| Self insurance claims payable              | 795,555              | -                                     | -  | -                              | -                                 | 795,555               |
| <b>Total liabilities</b>                   | <b>9,379,513</b>     | <b>1,689,167</b>                      | <b>3,665,325</b>                             | <b>46,492,516</b>              | <b>1,948,190</b>                  | <b>63,174,711</b>     |
| <b>FUND BALANCES</b>                       |                      |                                       |  |                                |                                   |                       |
| Nonspendable                               |                      |                                       |  |                                |                                   |                       |
| Loans receivable                           | 51,568               | -                                     | -  | -                              | -                                 | 51,568                |
| Inventory                                  | 458,496              | -                                     | -  | -                              | -                                 | 458,496               |
| Prepaid items                              | 229,813              | -                                     | -  | -                              | -                                 | 229,813               |
| Land held for resale                       | -                    | -                                     | -  | 16,218,201                     | -                                 | 16,218,201            |
| Restricted                                 |                      |                                       |  |                                |                                   |                       |
| Special revenue funds                      | -                    | 134,090                               | -  | -                              | 6,221,890                         | 6,355,980             |
| Housing projects                           | -                    | -                                     | -  | 8,832,728                      | -                                 | 8,832,728             |
| 1% PEG fees                                | 266,109              | -                                     | -  | -                              | -                                 | 266,109               |
| Capital projects                           | 1,143,924            | -                                     | -  | -                              | -                                 | 1,143,924             |
| Alameda Corridor Projects                  | 1,000,000            | -                                     | -  | -                              | -                                 | 1,000,000             |
| Committed                                  |                      |                                       |  |                                |                                   |                       |
| Economic uncertainties                     | 6,635,685            | -                                     | -  | -                              | -                                 | 6,635,685             |
| Reward fund                                | 70,000               | -                                     | -  | -                              | -                                 | 70,000                |
| Assigned                                   |                      |                                       |  |                                |                                   |                       |
| Raised median construction                 | 233,114              | -                                     | -  | -                              | -                                 | 233,114               |
| Self-insurance                             | 1,500,000            | -                                     | -  | -                              | -                                 | 1,500,000             |
| Special projects                           | 1,000,000            | -                                     | -  | -                              | -                                 | 1,000,000             |
| Equipment replacement                      | -                    | -                                     | -  | -                              | 608,662                           | 608,662               |
| Utility Underground                        | 974,204              | -                                     | -  | -                              | -                                 | 974,204               |
| Encumbrances and continuing appropriations | 84,682               | -                                     | -  | -                              | -                                 | 84,682                |
| Unassigned                                 | 15,971,310           | -                                     | (549,702)                                    | -                              | (540,012)                         | 14,881,596            |
| <b>Total fund balances</b>                 | <b>29,618,905</b>    | <b>134,090</b>                        | <b>(549,702)</b>                             | <b>25,050,929</b>              | <b>6,290,540</b>                  | <b>60,544,762</b>     |
| <b>Total liabilities and fund</b>          | <b>\$ 38,998,418</b> | <b>\$ 1,823,257</b>                   | <b>\$ 3,115,623</b>                          | <b>\$ 71,543,445</b>           | <b>\$ 8,238,730</b>               | <b>\$ 123,719,473</b> |

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, 2012**

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|   |                     |                       |
|---|---------------------|-----------------------|
| Fund balance of governmental funds  |                     | \$ 60,544,762         |
| 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  |                     | 482,079,661           |
| Accumulated depreciation  |                     | (179,686,909)         |
| Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.   |                     |                       |
| Self insurance claims   | \$ (2,685,786)      |                       |
| Compensated absences  | (5,435,370)         |                       |
| Net OPEB liability  | <u>(16,803,490)</u> | (24,924,646)          |
| 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.                              |                     | 49,537,047            |
| 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. |                     | (10,989,388)          |
| 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>\$ 363,110,748</u> |

See notes to financial statements.



City of Carson  
Governmental Funds

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2012**

|  | General<br>Fund      | Proposition C<br>Local Return<br>Fund | Federal<br>Highway<br>Planning<br>Grant Fund | Carson<br>Housing<br>Authority | Nonmajor<br>Governmental<br>Funds | Total                |
|--|----------------------|---------------------------------------|--|--------------------------------|-----------------------------------|----------------------|
| <b>Revenues</b>                                      |                      |                                       |  |                                |                                   |                      |
| Taxes  | \$ 52,413,906        | \$ 1,189,496                          | \$ -   | \$ -                           | \$ 15,375,205                     | \$ 68,978,607        |
| Licenses and permits                                 | 6,127,567            | -                                     | -  | -                              | 112,852                           | 6,240,419            |
| Fines and forfeitures                                | 1,972,907            | -                                     | -  | -                              | 816,361                           | 2,789,268            |
| Charges for services                                 | 2,504,288            | -                                     | -  | -                              | 7,938,469                         | 10,442,757           |
| Intergovernmental                                    | 416,903              | 3,711,647                             | 3,056,945                                    | -                              | 1,176,433                         | 8,361,928            |
| Use of money and property                            | 1,098,287            | 3,198                                 | -  | -                              | 661,939                           | 1,763,424            |
| Miscellaneous  | 890,761              | 163,680                               | -  | -                              | 200,203                           | 1,254,644            |
| <b>Total revenues</b>                                | <b>65,424,819</b>    | <b>5,068,021</b>                      | <b>3,056,945</b>                             | <b>-</b>                       | <b>26,281,462</b>                 | <b>99,831,047</b>    |
| <b>Expenditures</b>                                  |                      |                                       |  |                                |                                   |                      |
| Current:   |                      |                                       |  |                                |                                   |                      |
| General government                                   | 20,690,955           | -                                     | -  | -                              | -                                 | 20,690,955           |
| Interfund reimbursement                              | (5,198,738)          | -                                     | -  | -                              | -                                 | (5,198,738)          |
| Economic development                                 | 1,435,078            | -                                     | -  | -                              | 26,031,156                        | 27,466,234           |
| Development services                                 | 7,943,400            | 5,192,947                             | -  | -                              | 2,176,832                         | 15,313,179           |
| Public services                                      | 35,115,221           | -                                     | -  | -                              | 1,251,011                         | 36,366,232           |
| Pass-through expenditures                            | -                    | -                                     | -  | -                              | 1,397,879                         | 1,397,879            |
| Capital improvement programs                         | 495,902              | 174,630                               | 607,291                                      | -                              | 16,125,166                        | 17,402,989           |
| Debt service:  |                      |                                       |  |                                |                                   |                      |
| Bond principal                                       | -                    | -                                     | -  | -                              | 5,735,000                         | 5,735,000            |
| Interest and other fiscal charges                    | -                    | -                                     | -  | -                              | 5,096,767                         | 5,096,767            |
| <b>Total expenditures</b>                            | <b>60,481,818</b>    | <b>5,367,577</b>                      | <b>607,291</b>                               | <b>-</b>                       | <b>57,813,811</b>                 | <b>124,270,497</b>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>4,942,801</u>     | <u>(299,556)</u>                      | <u>2,449,654</u>                             | <u>-</u>                       | <u>(31,532,349)</u>               | <u>(24,439,450)</u>  |
| <b>Other financing sources (uses)</b>                |                      |                                       |  |                                |                                   |                      |
| Transfers in (Note 6)                                | 1,177,316            | 500                                   | -  | -                              | 24,588,330                        | 25,766,146           |
| Transfers out (Note 6)                               | (2,503)              | -                                     | -  | -                              | (25,763,643)                      | (25,766,146)         |
| <b>Net other financing sources (uses)</b>            | <u>1,174,813</u>     | <u>500</u>                            | <u>-</u>                                     | <u>-</u>                       | <u>(1,175,313)</u>                | <u>-</u>             |
| Change in fund balance before<br>extraordinary items | 6,117,614            | (299,056)                             | 2,449,654                                    | -                              | (32,707,662)                      | (24,439,450)         |
| <b>Extraordinary items</b>                           | <u>-</u>             | <u>-</u>                              | <u>-</u>                                     | <u>25,050,929</u>              | <u>(172,203,938)</u>              | <u>(147,153,009)</u> |
| Change in fund balance                               | 6,117,614            | (299,056)                             | 2,449,654                                    | 25,050,929                     | (204,911,600)                     | (171,592,459)        |
| <b>Fund balance, beginning of year</b>               | <u>23,501,291</u>    | <u>433,146</u>                        | <u>(2,999,356)</u>                           | <u>-</u>                       | <u>211,202,140</u>                | <u>232,137,221</u>   |
| <b>Fund balance, end of year</b>                     | <u>\$ 29,618,905</u> | <u>\$ 134,090</u>                     | <u>\$ (549,702)</u>                          | <u>\$ 25,050,929</u>           | <u>\$ 6,290,540</u>               | <u>\$ 60,544,762</u> |

See notes to financial statements.



City of Carson  
Governmental Funds

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
Year ended June 30, 2012

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|  |                     |
|--|---------------------|
| Change in Fund Balances before extraordinary items - Governmental Funds  | \$ (24,439,450)     |
| 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:  |                     |
| Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows: |                     |
| Capital outlay, net of disposal  | 18,287,765          |
| Depreciation expense   | (8,651,112)         |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.   |                     |
| This pertains to payment of principal for the former RDA debt which was adjusted as part of extraordinary items  | 5,735,000           |
| 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   | 356,523             |
| Amortization of bond issuance costs  | (253,341)           |
| 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   | 494,836             |
| Other post-employment benefits   | (3,425,709)         |
| Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.   | 14,858,227          |
| 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.  | (1,572,855)         |
| Change in net assets of governmental activities before extraordinary items   | \$ <u>1,389,884</u> |

See notes to financial statements.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **FIDUCIARY FUND FINANCIAL STATEMENT**

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CITY OF CARSON, CALIFORNIA





City of Carson  
Fiduciary Funds  
Statement of Fiduciary Net Assets  
June 30, 2012

|   | Successor Agency<br>to the Dissolved<br>Redevelopment Agency<br>Private-purpose<br>Trust Fund | Agency<br>Fund       |
|---|---|----------------------|
| <b>Assets</b>                                   |   |                      |
| Cash and investments                            | \$ 25,543,459   | \$ 6,354,120         |
| Cash and investments with fiscal agents         | 100,185,912   | 2,512,652            |
| Receivables                                     |   |                      |
| Accounts  | -   | 1,166,856            |
| Interest, investments                           | 109,915   | 36                   |
| Interest, loans                                 | 227,342   | -                    |
| Loans, net                                      | 3,684,222   | -                    |
| Due from the City of Carson                     | 2,899,999   | -                    |
| Unamortized bond issuance costs                 | 2,381,163   | -                    |
| Land held for resale                            | 15,303,183  | -                    |
| OPEB asset                                      | 1,740,697   | -                    |
| Capital assets not being depreciated            | 21,227,342  | -                    |
| Capital assets, net of accumulated depreciation | 30,123,481  | -                    |
| <b>Total assets</b>                             | <b>\$ 203,426,715</b>   | <b>\$ 10,033,664</b> |
| <b>Liabilities</b>                              |   |                      |
| Accounts payable and accrued liabilities        | \$ 3,455,919  | \$ 427,310           |
| Accrued interest payable                        | 2,489,944   | -                    |
| Retention and refundable deposits               | 1,421,272   | 3,159,547            |
| Due to City of Carson                           | 547,201   | -                    |
| Due to other governments                        | 5,934,776   | -                    |
| Due to assessors/bondholders                    | -   | 6,446,807            |
| Noncurrent liabilities                          |   |                      |
| Due within one year                             | 5,735,000   | -                    |
| Due in more than one year                       | 180,870,863   | -                    |
| <b>Total liabilities</b>                        | <b>200,454,975</b>  | <b>\$ 10,033,664</b> |
| <b>Fiduciary Net Assets</b>                     |   |                      |
| Net Assets                                      | 2,971,740   |                      |
| <b>Total net assets</b>                         | <b>2,971,740</b>  |                      |

See notes to financial statements.



City of Carson  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Assets  
June 30, 2012

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|  | Successor Agency<br>to the Dissolved<br>Redevelopment Agency<br>Private-purpose<br>Trust Fund |
|--|---|
| <b>Revenues</b>  |   |
| Property taxes   | \$ 5,302,706  |
| Use of money and property                              | 989,552   |
| Other income   | 103,749   |
| <b>Total revenues</b>                                  | <u>6,396,007</u>  |
| <b>Expenses</b>  |   |
| Economic development                                   | 16,465,578  |
| Debt service   |   |
| Interest and fiscal charges                            | 4,882,404   |
| <b>Total expenses</b>                                  | <u>21,347,982</u>   |
| <b>Change in net assets before extraordinary items</b> | (14,951,975)  |
| <b>Extraordinary items</b>                             | <u>17,923,715</u>   |
| <b>Change in net assets</b>                            | 2,971,740   |
| <b>Net assets held in trust - beginning</b>            | -   |
| <b>Net assets held in trust - ending</b>               | <u>\$ 2,971,740</u>   |

See notes to financial statements.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 former Carson Redevelopment Agency (the Agency), the Carson Joint Powers Financing Authority (Authority) and the Carson Housing Authority (Housing Authority). The financial activities of the Agency, the Authority, and the Housing Authority are blended with the financial activities of the City because of the significance of their operational and financial relationship with the City.

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

The Carson Joint Powers Financing Authority was established pursuant to a Joint Exercise of Powers Agreement dated November 17, 1992, between the City and the 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.

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

Prior to its dissolution on February 1, 2012, the former Carson Redevelopment Agency's (Agency) financial activity was reported as a component unit of the City. The Agency's primary purpose was to carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Carson. The City Council appointed the Agency director and had full accountability for the Agency's fiscal matters. The Agency's financial data and transactions were included with the debt service fund type and capital projects fund type. Agency revenues consisted primarily of property tax allocations on the incremental increase of property values in the redevelopment area, and investment income.



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Pursuant to the provisions of ABX1 26, the Carson Redevelopment Agency was dissolved and the Successor Agency to the Dissolved Carson Redevelopment Agency (Successor Agency) was created, and all of the assets, liabilities and obligations of the former redevelopment agency were transferred to the Successor Agency and the Carson Housing Authority on February 1, 2012.

The City of Carson currently serves as the Successor Agency to the former redevelopment agency that is responsible for revenue collection, maintaining the bond reserves, disposing of excess property and fulfilling the obligations of the dissolved Agency.

Financial information for the Successor Agency is presented as a Private-purpose Trust fund. See also Note 16.

**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.



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Fund Financial Statements*

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

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

*Governmental Funds*

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

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

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.



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

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.



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

Capital Projects and Debt Service Funds of the former Redevelopment Agency - account for the final seven months (July 1, 2011 through January 31, 2012) of the activity of the former Redevelopment Agency's capital projects and debt service funds. 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. Capital project funds are used to account for all costs of implementing redevelopment projects in accordance with the California Redevelopment Law. 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. The City has the following Fiduciary Funds:

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



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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**

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment. The City's fund balance amounting to \$6.6 million meets this classification as of June 30, 2012.

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. The City Council delegates the authority to assign fund balance to the City Manager and the Administrative Services General Manager for purposes of reporting in the annual financial statements.

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



**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts unless City goals and objectives and/or judicious business practice indicate alternate order would be more prudent.

**Cash and Investments**

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

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

**Land Held for Resale**

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

**Capital Assets**

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

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

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

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following schedule summarizes capital assets' estimated useful lives:

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

**Inventory**

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

**Employee Compensated Absences**

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

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

**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.



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The former Carson Redevelopment Agency receives annual property tax increment funds from the County of Los Angeles. In addition, the City receives funds from the State of California via the County, as the City is considered to be a "no and low" property tax City. The City's current year allocation of the "no and low" property tax of \$7,028,976 was included in the property tax revenues of \$14 million reported for the fiscal year 2011-2012.

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, 2012 are classified in the accompanying financial statements as follows:

|   | Government-wide<br>Statement of<br>Net Assets | Fiduciary Fund<br>Statement of Net Assets |              |                |
|---|---|---|--------------|----------------|
|   |   | Successor<br>Agency                       | Other Agency | Total          |
| Unrestricted assets:                    |   |   |              |                |
| Cash and investments                    | \$ 45,685,395                                 | \$ 25,543,459                             | \$ 6,354,120 | \$ 77,582,974  |
| Restricted assets:                      |   |   |              |                |
| Cash and investments with fiscal agents | -   | 100,185,912                               | 2,512,652    | 102,698,564    |
| Total cash and investments              | \$ 45,685,395                                 | \$ 125,729,371                            | \$ 8,866,772 | \$ 180,281,538 |

Cash and investments as of June 30, 2012 consist of the following:

|                                      |                |
|--------------------------------------|----------------|
| Cash on hand                         | \$ 4,050       |
| Deposits with financial institutions | 57,753,604     |
| Investments                          | 122,523,884    |
| Total cash and investments           | \$ 180,281,538 |

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

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

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

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



**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by Debt Agreements**

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

| Authorized Investment Type         | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment In One Issuer |
|------------------------------------|------------------|---------------------------------|----------------------------------|
| 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, 2012**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

| Investment Type           | Total                 | Remaining maturity in Months |                     |                      |
|---------------------------|-----------------------|------------------------------|---------------------|----------------------|
|                           |                       | 12 Months<br>Or Less         | 13 to 24<br>Months  | 25-60<br>Months      |
| State investment pool     | \$ 11,996,526         | \$ 11,996,526                | \$ -                | \$ -                 |
| Money market funds        | 3,822,034             | 3,822,034                    | -                   | -                    |
| Bonds                     | 2,006,760             | 2,006,760                    | -                   | -                    |
| Federal agency securities | 2,000,000             | -                            | -                   | 2,000,000            |
| Held by fiscal agent:     |                       |                              |                     |                      |
| Bonds                     | 14,860,947            | 8,420,520                    | 2,219,887           | 2,220,540            |
| Federal agency securities | 33,284,380            | 6,866,858                    | 4,385,300           | 24,032,222           |
| Money market funds        | 54,553,237            | 54,553,237                   | -                   | -                    |
|                           | <u>\$ 122,523,884</u> | <u>\$ 87,665,935</u>         | <u>\$ 6,605,187</u> | <u>\$ 28,252,762</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<br>Legal<br>Rating |                      |                     |                     |                      |
|---------------------------|-----------------------|----------------------------|----------------------|---------------------|---------------------|----------------------|
|                           |                       |                            | AAA                  | AA+/Aa2             | AA-/A+              | Not Rated            |
| State investment pool     | \$ 11,996,526         | N/A                        | \$ -                 | \$ -                | \$ -                | \$ 11,996,526        |
| Money market funds        | 3,822,034             | N/A                        | -                    | -                   | -                   | 3,822,034            |
| Bonds                     | 2,006,760             | Aaa                        | -                    | 2,006,760           | -                   | -                    |
| Federal agency securities | 2,000,000             | AA                         | -                    | 2,000,000           | -                   | -                    |
| Held by fiscal agent:     |                       |                            |                      |                     |                     |                      |
| Bonds                     | 14,860,947            | N/A                        | 7,027,280            | -                   | 7,833,667           | -                    |
| Federal agency securities | 33,284,380            | N/A                        | 29,284,380           | 4,000,000           | -                   | -                    |
| Money market funds        | 54,553,237            | N/A                        | 54,553,237           | -                   | -                   | -                    |
| Total                     | <u>\$ 122,523,884</u> |                            | <u>\$ 90,864,897</u> | <u>\$ 8,006,760</u> | <u>\$ 7,833,667</u> | <u>\$ 15,818,560</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<br>Type        | Reported<br>Amount |
|-----------------------------|---------------------------|--------------------|
| Federal Home Mortgage Corp. | Federal agency securities | \$ 13,007,000      |



**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, 2012, the City's investments in the following investments types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

| Investment Type           | Reported<br>Amount |
|---------------------------|--------------------|
| Federal Agency Securities | \$ 32,441,024      |

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

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool of approximately \$12 million reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF's and the City's exposure to risk (credit, market or legal) is not currently available.

**NOTE 3      LOANS RECEIVABLE**

Details of the City's loans receivable as of June 30, 2012 are as follows:

|   |                      |
|---|----------------------|
| Loans relative to development projects under various disposition and development agreements | \$ 34,605,510        |
| First Time Homebuyer Loan Program   | 7,801,656            |
| Other loans   | <u>51,568</u>        |
| Total   | 42,458,734           |
| Less: Allowance for uncollectible accounts  | (10,989,388)         |
| Discount on notes receivable  | <u>(13,449,779)</u>  |
| Loans receivable, net   | <u>\$ 18,019,567</u> |

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

**NOTE 4      LAND HELD FOR RESALE**

Land held for resale represent housing properties transferred to the Housing Authority from the former redevelopment agency. Account details as of June 30, 2012 are as follows:

|   |                      |
|---|----------------------|
| Land held for resale - acquisition cost | \$ 23,544,325        |
| Less allowance for decline in value     | <u>(7,326,124)</u>   |
| Net amount                              | <u>\$ 16,218,201</u> |



**City of Carson**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2012**

**NOTE 5 CAPITAL ASSETS**

Following is the summary of changes in capital assets for the year ended June 30, 2012:

|   | Beginning<br>Balance,<br>July 1, 2011* | Increases           | Decreases/<br>Transfers | Ending<br>Balance,<br>June 30, 2012 |
|---|--|---------------------|-------------------------|-------------------------------------|
| Capital assets being depreciated:           |  |                     |                         |                                     |
| Buildings and improvements                  | \$ 37,537,442                          | \$ 90,228           | \$ -                    | \$ 37,627,670                       |
| Machinery and equipment                     | 13,963,892                             | 259,404             | (305,183)               | 13,918,113                          |
| Infrastructure                              |  |                     |                         |                                     |
| Roadways                                    | 279,699,077                            | 5,818,030           | -                       | 285,517,107                         |
| Sewer                                       | 20,123,476                             | -                   | -                       | 20,123,476                          |
| Storm drain                                 | 6,381,489                              | -                   | -                       | 6,381,489                           |
| Total capital assets being depreciated      | <u>357,705,376</u>                     | <u>6,167,662</u>    | <u>(305,183)</u>        | <u>363,567,855</u>                  |
| Less accumulated depreciation for:          |  |                     |                         |                                     |
| Buildings and Improvements                  | (16,292,671)                           | (875,114)           | -                       | (17,167,785)                        |
| Machinery and equipment                     | (10,384,316)                           | (940,425)           | 291,246                 | (11,033,495)                        |
| Infrastructure                              |  |                     |                         |                                     |
| Roadways                                    | (126,607,023)                          | (6,366,554)         | -                       | (132,973,577)                       |
| Sewer                                       | (14,671,860)                           | (349,716)           | -                       | (15,021,576)                        |
| Storm drain                                 | (3,079,927)                            | (119,303)           | -                       | (3,199,230)                         |
| Total accumulated depreciation              | <u>(171,035,797)</u>                   | <u>(8,651,112)</u>  | <u>291,246</u>          | <u>(179,395,663)</u>                |
| Total capital assets being depreciated, net | <u>186,669,579</u>                     | <u>(2,483,450)</u>  | <u>(13,937)</u>         | <u>184,172,192</u>                  |
| Capital assets not being depreciated:       |  |                     |                         |                                     |
| Land  | 15,344,218                             | -                   | -                       | 15,344,218                          |
| Land rights                                 | 75,285,334                             | -                   | -                       | 75,285,334                          |
| Land improvements                           | 2,306,476                              | -                   | -                       | 2,306,476                           |
| Infrastructure-street trees                 | 9,304,145                              | 39,262              | -                       | 9,343,407                           |
| Construction in progress                    | 14,132,463                             | 7,719,625           | (5,910,963)             | 15,941,125                          |
| Total capital assets not being depreciated  | <u>116,372,636</u>                     | <u>7,758,887</u>    | <u>(5,910,963)</u>      | <u>118,220,560</u>                  |
| Capital assets, net                         | <u>\$ 303,042,215</u>                  | <u>\$ 5,275,437</u> | <u>\$ (5,924,900)</u>   | <u>\$ 302,392,752</u>               |

\* The July 1, 2011 balances of capital assets were restated to remove the capital assets of the former redevelopment agency.

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

|  | Amount              |
|--|---------------------|
| General government                                   | \$ 1,701,740        |
| Public services                                      | 3,921,396           |
| Development services                                 | 1,643,186           |
| Economic development                                 | 1,384,790           |
| Total depreciation expense - governmental activities | <u>\$ 8,651,112</u> |



**City of Carson**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2012**

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Due From/Due to Other Funds**

Due from/due to other funds as of June 30, 2012 are as follows:

|                       | Due To Other Funds                    |   |                                   | Total        |
|-----------------------|---------------------------------------|---|-----------------------------------|--------------|
|                       | Proposition C<br>Local Return<br>Fund | Federal Highway<br>Planning<br>Grant Fund | Nonmajor<br>Governmental<br>Funds |              |
| Due From Other Funds: |                                       |   |                                   |              |
| General Fund          | \$ 424,874                            | \$ 569,305                                | \$ 623,104                        | \$ 1,617,283 |

Current interfund receivables and payables were due to (1) 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.

**Interfund Transfers**

Transfers in and out for the year ended June 30, 2012 were as follows:

| Transfers Out:                 | Transfers In    |                                       |                                   | Total         |
|--------------------------------|-----------------|---------------------------------------|-----------------------------------|---------------|
|                                | General<br>Fund | Proposition C<br>Local Return<br>Fund | Nonmajor<br>Governmental<br>Funds |               |
| General fund                   | \$ -            | \$ 500                                | \$ 2,003                          | \$ 2,503      |
| Nonmajor Governmental<br>Funds | 1,177,316       | -                                     | 24,586,327                        | 25,763,643    |
|                                | \$ 1,177,316    | \$ 500                                | \$ 24,588,330                     | \$ 25,766,146 |

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

**NOTE 7 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

|                                  | Balance at<br>July 1, 2011 | Additions    | Retirements  | Balance at<br>June 30, 2012 | Amount due<br>within one<br>year | Amount<br>due after<br>one year |
|----------------------------------|----------------------------|--------------|--------------|-----------------------------|----------------------------------|---------------------------------|
| Compensated<br>absences          | \$ 5,930,206               | \$ 3,394,009 | \$ 3,888,845 | \$ 5,435,370                | \$ -                             | \$ 5,435,370                    |
| Net OPEB Obligation              | 13,377,781                 | 4,958,863    | 1,533,154    | 16,803,490                  | -                                | 16,803,490                      |
| Self-insurance claims<br>payable | 3,837,864                  | 279,769      | 636,292      | 3,481,341                   | 795,555                          | 2,685,786                       |
|                                  | \$ 23,145,851              | \$ 8,632,641 | \$ 6,058,291 | \$ 25,720,201               | \$ 795,555                       | \$ 24,924,646                   |



**NOTE 7      LONG-TERM LIABILITIES (CONTINUED)**

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

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

**NOTE 8      SELF-INSURANCE PROGRAMS**

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

At June 30, 2012, \$3,481,341 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, 2012 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.

A summary of the City's claims activity for the two years through June 30, 2012 is as follows:

|                          | Workers'<br>Compensation<br>Claims | General Liability<br>Claims | Totals              |
|--------------------------|------------------------------------|-----------------------------|---------------------|
| Balance at June 30, 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 July 1, 2011  | 2,869,170                          | 968,694                     | 3,837,864           |
| Additions                | 1,159,088                          | 34,367                      | 1,193,455           |
| Payments                 | <u>(879,351)</u>                   | <u>(670,627)</u>            | <u>(1,549,978)</u>  |
| Balance at June 30, 2012 | <u>\$ 3,148,907</u>                | <u>\$ 332,434</u>           | <u>\$ 3,481,341</u> |



**NOTE 9      DEFINED BENEFIT PENSION PLAN (PERS)**

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

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

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2011 to June 30, 2012 has been determined by an actuarial valuation of the plan as of June 30, 2009. The contribution rate indicated for the period is 19.709% 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, 2012, the contribution rate is multiplied by the payroll of covered employees that were actually paid during the period from July 1, 2011 to June 30, 2012.

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

|                            |  |
|----------------------------|--|
| Valuation Date             | June 30, 2009  |
| 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%. |



**NOTE 9      DEFINED BENEFIT PENSION PLAN (PERS) (CONTINUED)**

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.

| Fiscal<br>Year | Miscellaneous<br>Plan | Percentage of<br>APC Contributed | Net Pension<br>Obligation |
|----------------|-----------------------|----------------------------------|---------------------------|
| 6/30/2010      | \$ 6,429,602          | 100.0%                           | \$ -                      |
| 6/30/2011      | 5,881,646             | 100.0%                           | -                         |
| 6/30/2012      | 6,406,512             | 100.0%                           | -                         |

PERS valuation date of June 30, 2011 reported the plan was 74.9% funded. Entry age normal accrued liability was \$190.2 million versus the actuarial value of assets (AVA) of \$142.5 million resulted in \$47.7 million unfunded liability. The annual covered payroll was \$25.4 million representing a ratio of 187.4% against unfunded liability.

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

**NOTE 10      OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

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

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

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



**NOTE 10      OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

|                       | 1/1/2012 | 1/1/2013 |
|-----------------------|----------|----------|
| Full-Time             | \$ 1,333 | \$ 1,385 |
| Part-Time with 8 yrs+ | 412      | 415      |
| Part-Time Employees   | 112      | 115      |

**City's Funding Policy**

The plan provisions and contribution requirements of plan members and the City are established and may be amended by City Council. The City joined the California Employer's Retiree Benefit Trust (CERBT) and has made a contribution of \$3,384,670 for the fiscal year 2011-2012 in addition to a direct contribution it paid for retiree benefits of \$1,533,154. The contribution of \$3,384,670 was for the benefit of the dissolved redevelopment agency employees. Total contribution during the fiscal year 2011-2012 amounted to \$4,917,824.

**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 annual OPEB cost for the current fiscal year, the amount actually contributed to the plan, and changes in the City and the Successor Agency's net OPEB obligation for these benefits:

|   | 6/30/2012     |                     |               | 6/30/2011     |
|---|---------------|---------------------|---------------|---------------|
|   | City          | Successor<br>Agency | Total         | Total         |
| Annual Required Contribution                | \$ 5,167,652  | \$ 647,222          | \$ 5,814,874  | \$ 6,107,934  |
| Interest on Net OPEB Obligation             | 735,874       | 92,165              | 828,039       | 486,760       |
| Adjustments to Annual Required Contribution | (944,664)     | (118,314)           | (1,062,978)   | (653,452)     |
| Annual OPEB Cost                            | 4,958,863     | 621,072             | 5,579,935     | 5,941,242     |
| Contribution Made                           | (1,533,154)   | (3,384,670)         | (4,917,824)   | (1,275,767)   |
| Increase in Net OPEB Obligation             | 3,425,709     | (2,763,598)         | 662,111       | 4,665,475     |
| Net OPEB Obligation, beginning of year      | 13,377,781    | 1,022,901           | 14,400,682    | 9,735,207     |
| Net OPEB Obligation (Asset), end of year    | \$ 16,803,490 | \$ (1,740,697)      | \$ 15,062,793 | \$ 14,400,682 |



**NOTE 10      OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The City and the Successor Agency's annual OPEB cost combined, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012 and the two preceding years were as follows:

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|----------------------|---------------------|--|------------------------|
| 6/30/2010            | \$ 6,133,531        | 17.60%   | 9,375,207              |
| 6/30/2011            | 5,941,242           | 21.47%   | 14,400,682             |
| 6/30/2012            | 5,579,935           | 88.13%   | 15,062,793             |

**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.

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



**NOTE 10      OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

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

**NOTE 11      DEFICIT FUND BALANCES**

The following fund reported an accumulated deficit in fund balance as of June 30, 2012:

|                                     | <u>Accumulated Deficit</u> |
|-------------------------------------|----------------------------|
| Special Revenue Funds:              |                            |
| Federal Highway Planning Grant Fund | \$       (549,702)         |
| TDA Article 3 Fund                  | (4,376)                    |
| Self Supporting Fund                | (540,012)                  |
| State Local Transportation Fund     | (41)                       |
| Neighborhood Stabilization Fund     | (63,397)                   |

Management expects that these deficits will be remedied after the related reimbursements from the grants are received. With regards to the Self-Supporting Fund, the account will receive a transfer of \$525,000 as part of the approved budget of the General Fund for the fiscal year 2012/13.



**NOTE 12 EXPENDITURES EXCEEDING APPROPRIATIONS**

For the year ended June 30, 2012, expenditures by function exceeded appropriations of the following City funds:

|  | Final<br>Budget | Actual       | Amount<br>Exceeding<br>Appropriations |
|--|-----------------|--------------|---------------------------------------|
| <b>Major Funds:</b>                    |                 |              |                                       |
| General Fund                           |                 |              |                                       |
| Economic development                   | \$ 1,417,540    | \$ 1,433,659 | \$ (16,119)                           |
| <b>Nonmajor Funds:</b>                 |                 |              |                                       |
| Restricted Administrative Tow Fee Fund |                 |              |                                       |
| Public services                        | 118,900         | 151,638      | (32,738)                              |
| Proposition 42 Fund                    |                 |              |                                       |
| Capital improvement program            | 246,347         | 275,384      | (29,037)                              |
| Metropolitan Water District Fund       |                 |              |                                       |
| Capital improvement program            | -               | 15,000       | (15,000)                              |
| State COPS Grant Fund                  |                 |              |                                       |
| Public services                        | 67,000          | 68,000       | (1,000)                               |
| Neighborhood Stabilization Program     |                 |              |                                       |
| Capital improvement program            | 879,458         | 1,010,655    | (131,197)                             |
| WIA Grant Fund                         |                 |              |                                       |
| Economic development                   | 417,984         | 473,889      | (55,905)                              |

**NOTE 13 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, 2012 is \$22,185,000 and \$7,120,000, for Series A and B, respectively.



**NOTE 13      DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT (CONTINUED)**

**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, signalizing and landscaping. Bond proceeds were also used to establish the Reserve Fund, and to pay the cost of issuing the bonds.

The City's obligation to transfer funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Reserve Fund. The City is in no way liable for repayment but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings for the benefit of the Bondholders. For these reasons, neither the debt nor the related debt service transactions are recorded on the City's basic financial statements. The principal balance outstanding at June 30, 2012 is \$1,420,000.

**NOTE 14      CONTINGENCIES – CLAIMS**

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

**NOTE 15      HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS**

**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.



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

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 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.

**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 buyers who meet income eligibility criteria. The Developer submitted applications for all required discretionary approvals to the City and all applicable governmental agencies. Sale of the site to the Developer is expected in March of 2013.

**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 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 began in July of 2012 and was completed in December 2012. All units have been sold. 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 15      HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS  
(CONTINUED)**

**Avalon Courtyard Senior Apartments**

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

**Carson Terrace, L.P.**

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

**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT  
AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Carson that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

In future fiscal years, successor agencies are to only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Bill allowed the sponsoring community that formed the redevelopment agency to elect to assume the housing functions and take over certain assets of the former Low and Moderate Income Housing fund of the dissolved redevelopment agency. The City established Carson Housing Authority to be the housing successor agency.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (except for certain assets of the former Low and Moderate Income Housing fund, which were transferred to the Carson Housing Authority Fund) from governmental funds of the City to fiduciary funds was reported as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain.

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss recognized in the governmental funds was not the same amount as the extraordinary gain that was recognized in the fiduciary fund financial statements.



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

|  |                    |
|--|--------------------|
| Extraordinary loss reported in governmental funds due to the following   |                    |
| Net assets of Successor Agency Trust Fund  | \$     147,153,009 |
| Capital assets of the former Redevelopment Agency reported in the government-wide financial statements - increase in net assets of the Successor Agency Trust fund                       | 46,437,872         |
| Accrued bond interest reported in the government-wide financial statements - decrease in net assets of Successor Agency Trust Fund   | (2,051,074)        |
| Long-term debt reported in government-wide financial statements - decrease in net assets of Successor Agency   | (187,628,764)      |
| Bond issue costs reported in government-wide financial statements - decrease in net assets of Successor Agency   | 2,601,108          |
| Allowance for Uncollectible Accounts reported in the government-wide financial statements - decrease in net assets of the Successor Agency Trust Fund                                    | (16,178,281)       |
| Deferred revenues are not available to pay for current period expenditures and therefore are deferred in the funds and recognized as revenue in the government-wide financial statements | 27,589,845         |
| Net increase to net assets of the Successor Agency as a result of initial transfers (amount of extraordinary loss reported in the Government-wide State of Activities of the City)       | \$     17,923,715  |

**Disclosure of Successor Agency Assets**

Land Held for Resale

In the fiscal year 2009-2010, the former redevelopment Agency wrote down the carrying value of land held for resale to its net realizable value. This resulted in a write-down of approximately \$6.8 million in the value of land held for resale.



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Account details as of June 30, 2012 are as follows:

|   |                      |
|---|----------------------|
| Land held for resale - acquisition cost | \$ 22,148,096        |
| Less allowance for decline in value     | (6,844,913)          |
| Net amount                              | <u>\$ 15,303,183</u> |

Notes Receivable

Details of the Successor Agency's loans receivable as of June 30, 2012 are as follows:

|   |                     |
|---|---------------------|
| Loans relative to development projects under various disposition and development agreements | \$ 27,362,503       |
| Less: Allowance for uncollectible accounts  | (23,678,281)        |
| Loans receivable, net   | <u>\$ 3,684,222</u> |

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

Capital assets

Following is the summary of changes in capital assets of the Successor Agency for the year ended June 30, 2012:

|  | Balance at<br>July 1, 2011 | Additions            | Deletions             | Balance at<br>June 30, 2012 |
|--|----------------------------|----------------------|-----------------------|-----------------------------|
| Capital assets being depreciated:      |                            |                      |                       |                             |
| Building and improvements              | \$ 36,344,301              | \$ 6,067,844         | \$ -                  | \$ 42,412,145               |
| Machinery and equipment                | 134,823                    | -                    | -                     | 134,823                     |
| Total capital assets being depreciated | <u>36,479,124</u>          | <u>6,067,844</u>     | <u>-</u>              | <u>42,546,968</u>           |
| Less accumulated depreciation for:     |                            |                      |                       |                             |
| Buildings and improvements             | (11,715,552)               | (601,774)            | -                     | (12,317,326)                |
| Machinery and equipment                | (104,599)                  | (1,562)              | -                     | (106,161)                   |
| Total accumulated depreciation         | <u>(11,820,151)</u>        | <u>(603,336)</u>     | <u>-</u>              | <u>(12,423,487)</u>         |
| Capital assets being depreciated, net  | <u>24,658,973</u>          | <u>5,464,508</u>     | <u>-</u>              | <u>30,123,481</u>           |
| Capital assets not being depreciated:  |                            |                      |                       |                             |
| Construction-in-progress               | <u>11,492,783</u>          | <u>15,802,403</u>    | <u>(6,067,844)</u>    | <u>21,227,342</u>           |
| Capital assets, net \$                 | <u>\$ 36,151,756</u>       | <u>\$ 21,266,911</u> | <u>\$ (6,067,844)</u> | <u>\$ 51,350,823</u>        |

**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**Disclosure of Successor Agency Debts**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

|                                       | Balance<br>July 1, 2011 | Increases | Decreases    | Balance<br>June 30,<br>2012 | Due<br>Within<br>One Year | Due<br>After<br>One Year |
|---------------------------------------|-------------------------|-----------|--------------|-----------------------------|---------------------------|--------------------------|
| Bonded debt - tax<br>allocation bonds | \$ 192,340,863          | \$ -      | \$ 5,735,000 | \$ 186,605,863              | \$ 5,735,000              | \$ 180,870,863           |

Balance at  
June 30, 2012

**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, 2012, the reserve requirement for the bonds was \$1,402,083. The balance in the reserve account as of June 30, 2012 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, 2012.

1,885,000



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Balance at  
June 30, 2012

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, 2012.

\$            12,500,000

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, 2012, the reserve requirement for the bonds was \$2,071,911. The balance in the reserve account as of June 30, 2012 was \$2,071,911.

22,075,000

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, 2012, the reserve requirement for the bonds was \$990,837. The balance in the reserve account as of June 30, 2012 was \$990,837.

|  |           |                   |
|--|-----------|-------------------|
|  | \$        | 12,165,000        |
| <b>Subtotal Redevelopment Project Area 1</b> | <b>\$</b> | <b>80,885,863</b> |



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Balance at  
June 30, 2012

**Redevelopment Project Area 2:**

2003A Tax Allocation Refunding Bonds

In January 2003, the Carson Redevelopment Agency issued \$18,500,000 of Tax Allocation Refunding Bonds, Series 2003A for Redevelopment Project Area No. 2 to advance refund a portion of outstanding 1993 Tax Allocation Refunding Bonds. Principal installments are due annually ranging from \$470,000 to \$7,015,000 plus interest at 2.0% to 5.25% through October 2020. The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2012.

\$            12,370,000

2003B Tax Allocation Refunding Bonds

In July 2003, the Carson Redevelopment Agency issued \$4,195,000 of Tax Allocation Refunding Bonds, Series 2003B for Redevelopment Project Area No. 2 to fully advance refund outstanding 1993 series tax allocation refunding bonds. Principal installments are due annually ranging from \$125,000 to \$290,000 plus interest at 2.5% through October 2023. The reserve for the bonds was fully funded in the form of a surety bond as of June 30, 2012.

2,850,000

2003C Tax Allocation Bonds

In December 2003, the Carson Redevelopment Agency issued \$11,800,000 of Tax Allocation Bonds, Series 2003C for Redevelopment Project Area No. 2 to fund redevelopment activities within the project area. Principal installments are due annually ranging from \$440,000 to \$2,385,000 plus interest at 2.0% to 4.5% through October 2016. As of June 30, 2012, the reserve requirement for the bond was \$812,363. The balance in the reserve account as of June 30, 2012 was \$812,363.

8,740,000

2007A Tax Allocation Refunding Bonds

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



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Balance at  
June 30, 2012

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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, 2012, the reserve requirement for the bonds was \$1,459,134. The balance in the reserve account as of June 30, 2012 was \$1,501,267.

\$      16,625,000

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**Subtotal Redevelopment Project Area 2**      40,585,000

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**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, 2012.

25,765,000

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**Subtotal Redevelopment Project Area 4**      25,765,000

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**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, 2012. The balance in the reserve account as of June 30, 2012 was \$895,752.

13,780,000



**NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Balance at  
June 30, 2012

2010A Tax Allocation Housing Bonds

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, 2012. The balance in the reserve account as of June 30, 2012 was \$2,376,632.

\$ 25,620,000

**Subtotal Low and Moderate Income Housing**

39,400,000

**Total Redevelopment Agency Tax Allocation  
Bonds Payable**

\$ 186,605,863

Debt Service Requirements To Maturity

The following schedule summarizes the debt service to maturity requirements for bonds outstanding as of June 30, 2012:

| Year<br>Ending<br>June 30, | Project Area 1<br>2003 B Tax Allocation<br>Refunding Bonds |               | Project Area 1<br>2003 Tax Allocation<br>Refunding Bonds |            | Project Area 1<br>2001 Tax Allocation<br>Refunding Bonds |              |
|----------------------------|--|---------------|--|------------|--|--------------|
|                            | Principal  | Interest      | Principal  | Interest   | Principal  | Interest     |
| 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                       | -  | 1,392,213     | 980,000  | 169,056    | 2,775,000  | 76,312       |
| 2018-2022                  | 12,425,000   | 4,305,306     | 225,000  | 5,203      | -  | -            |
| 2023-2027                  | 9,613,027  | 6,620,899     | -  | -          | -  | -            |
| 2028-2032                  | 4,501,614  | 9,141,187     | -  | -          | -  | -            |
| 2033-2037                  | 5,721,222  | 3,483,101     | -  | -          | -  | -            |
| Total                      | \$ 32,260,863  | \$ 30,511,558 | \$ 1,855,000   | \$ 446,438 | \$ 12,500,000  | \$ 1,793,001 |

| Year<br>Ending<br>June 30, | Project Area 1<br>2009A Tax Allocation<br>Refunding Bonds |               | Project Area 1<br>2009 Revenue<br>Bonds |               |
|----------------------------|---|---------------|---|---------------|
|                            | Principal   | Interest      | Principal                               | Interest      |
| 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                                 | 711,563       |
| 2016                       | 445,000   | 1,356,013     | 285,000                                 | 699,769       |
| 2017                       | 2,855,000   | 6,346,950     | 1,630,000                               | 3,277,725     |
| 2018-2022                  | 7,330,000   | 4,827,056     | 2,105,000                               | 2,773,938     |
| 2023-2027                  | 1,795,000   | 3,277,575     | 2,830,000                               | 2,025,706     |
| 2028-2032                  | 5,070,000   | 2,440,550     | 3,855,000                               | 960,538       |
| 2033-2037                  | 3,350,000   | 117,250       | 930,000                                 | 30,225        |
| Total                      | \$ 22,075,000   | \$ 22,553,106 | \$ 12,165,000                           | \$ 11,928,688 |



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

Debt Service Requirements To Maturity

| Year<br>Ending<br>June 30, | Project Area 2<br>2003 A Tax Allocation<br>Refunding Bonds |                     | Project Area 2<br>2003B Tax Allocation<br>Refunding Bonds |                   | Project Area 2<br>2003C Tax Allocation<br>Refunding Bonds |                     |
|----------------------------|--|---------------------|---|-------------------|---|---------------------|
|                            | Principal  | Interest            | Principal   | Interest          | Principal   | Interest            |
|                            |  |                     |   |                   |   |                     |
| 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                       | 945,000  | 418,984             | 220,000   | 79,375            | 495,000   | 310,668             |
| 2018-2022                  | 5,425,000  | 1,364,884           | 1,245,000   | 256,181           | 2,775,000   | 1,218,681           |
| 2023-2024                  | 2,575,000  | 130,375             | 570,000   | 24,438            | 3,680,000   | 361,913             |
|                            | <u>\$ 12,370,000</u>                                       | <u>\$ 3,961,131</u> | <u>\$ 2,850,000</u>                                       | <u>\$ 752,328</u> | <u>\$ 8,740,000</u>                                       | <u>\$ 3,314,528</u> |

| Year<br>Ending<br>June 30, | Project Area 2<br>2007A Tax Allocation<br>Refunding Bonds |                      | Project Area 4<br>2006 Tax Allocation<br>Bonds |                      |
|----------------------------|---|----------------------|--|----------------------|
|                            | Principal   | Interest             | Principal                                      | Interest             |
|                            |   |                      |  |                      |
| 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                       | 135,000   | 736,500              | 535,000  | 1,005,960            |
| 2018-2022                  | 770,000   | 3,595,906            | 2,970,000                                      | 4,715,566            |
| 2023-2027                  | 2,715,000   | 3,380,050            | 3,600,000                                      | 4,066,221            |
| 2028-2032                  | 6,325,000   | 2,348,013            | 4,430,000                                      | 3,215,491            |
| 2033-2037                  | 6,185,000   | 751,450              | 5,485,000                                      | 2,135,484            |
| 2038-2042                  | -   | -                    | 6,805,000                                      | 789,122              |
| Total                      | <u>\$ 16,625,000</u>                                      | <u>\$ 13,808,319</u> | <u>\$ 25,765,000</u>                           | <u>\$ 20,143,271</u> |

| Year<br>Ending<br>June 30, | Low-and-Moderate Income Housing<br>2010 A-T Tax Allocation<br>Housing Bonds |                     | Low-and-Moderate Income Housing<br>2010 A Tax Allocation<br>Housing Bonds |                      |
|----------------------------|---|---------------------|---|----------------------|
|                            | Principal   | Interest            | Principal   | Interest             |
|                            |   |                     |   |                      |
| 2013                       | \$ 950,000  | 663,407             | -   | 1,294,063            |
| 2014                       | 1,140,000   | 625,938             | -   | 1,294,063            |
| 2015                       | 1,375,000   | 569,212             | -   | 1,294,063            |
| 2016                       | 1,440,000   | 505,720             | -   | 1,294,063            |
| 2017                       | 1,505,000   | 439,295             | -   | 1,294,063            |
| 2018-2022                  | 7,370,000   | 911,625             | 1,395,000   | 6,440,669            |
| 2023-2027                  | -   | -                   | 9,900,000   | 4,889,625            |
| 2028-2032                  | -   | -                   | 6,300,000   | 2,940,144            |
| 2033-2037                  | -   | -                   | 8,025,000   | 1,088,719            |
| Total                      | <u>\$ 13,780,000</u>  | <u>\$ 3,715,197</u> | <u>\$ 25,620,000</u>  | <u>\$ 21,829,469</u> |



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

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

**Disclosure Of Successor Agency 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.

**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.

**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

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

**Carson Real Estate Leasing, LLC**

On May 18, 2004, the Agency entered into a Disposition and Development Agreement (DDA) with the Carson Real Estate Leasing, LLC, a California limited liability company (Developer), for the development of approximately 92,000 square feet of a new and used car sales facility in the Merged and Amended Project Area. The Agency agreed to sell the land to the Developer for a total purchase price of \$8,581,718. The purchase price consists of a \$4,666,848 cash payment and a promissory note of \$3,914,870 - the Agency's subsidy to the project. The term shall be for 20 years with an option to extend for an additional five years. Each year, an amount equal to 50% of the sales tax generated from the site in excess of the average sales tax amount generated in year 2001-2003 shall be credited towards the payment of the principal amount and any interest accrued. As of June 30, 2012, the balance of the loan from this developer is \$3,625,951.

**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 consisted of an office building of approximately 125,000 square feet.

**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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 is for 15 years and simple interest shall accrue at two (2) percent. Each year, seventy-five percent (75%) of the increased site tax increment is credited against any amounts outstanding under the performance promissory note. As of June 30, 2012, 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 was forgiven. Repayment of the remaining \$1,500,000 is tied to the operation of the El Pescador restaurant - each year the restaurant is in operation, the amount of the note will be reduced by 20%. On January 31, 2008, the Agency sold the property to 501 Albertoni, LLC.

A dispute arose over the meaning of Attachment No. 9 to the DDA entitled "Purchase Price Adjustment" and whether Developer was required to pay the Agency an additional purchase price of \$586,654. On April 6, 2010, both parties entered into a settlement agreement whereby the Developer agreed to pay \$400,000 in full consideration. Payment of the settlement was agreed as follows: \$50,000 to be paid in the form of a certified check and \$350,000 in the form of an unsecured promissory note at an interest rate of 3% per year. Specifically, the Developer is required to make an interest payment of \$2,625 per quarter for 10 years commencing on June 30, 2010 with the \$350,000 balance due at the earlier of March 20, 2020 or the date of the sale of the property.

**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, 2012 amounted to \$69.5 million.



**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

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

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

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

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

**WIN Chevrolet, Properties, LLC - 2201 E. 223<sup>rd</sup> St.**

On April 21, 2009, the Agency approved the purchase of the C-P Land Company (Developer) property at 2201 E. 223<sup>rd</sup> Street (Property). The Agency then leased Property to the Cormier Chevrolet Company (Dealership) at the same address.

In November 2011, after entering into a partnership with the Win Company (Win) with Win as majority interest partner, the Dealership exercised its repurchase rights of the Property under the DDA. The Agency sold the Property to the partnership, which renamed the new dealership Win Chevrolet. The Property was sold for \$12,000,000; there was a \$5,000,000 cash payment and a performance promissory note (Note) of \$7,000,000 was carried back by the Agency.

The Note amount will be reduced at a rate of 1/20 of the original principal balance each year that the dealership operates in compliance with the 20-year operating covenant. If the new dealership ceases to operate, WIN Chevrolet will owe the balance of the Note.

**NOTE 16      SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

**Hilland - Nissan Real Estate - 1505 E. 223<sup>rd</sup> 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. 223<sup>rd</sup> 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 17      SUBSEQUENT EVENTS**

The City has evaluated events subsequent to June 30, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 28, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**NOTE 18      NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2012, that have effective dates that may impact future financial statements presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

**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 provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

**NOTE 18      NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)  
PRONOUNCEMENTS (CONTINUED)**

**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.

**GASB No. 65** - *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

**NOTE 19      CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT**

After spending close to a year exploring and debating reforms to public pension systems in California, lawmakers in Sacramento passed Assembly Bill 340 (AB 340) on August 31, 2012. AB 340 known as the California Public Employees' Pension Reform Act of 2013 (PEPRA) which amends various provisions of the Public Employees' Retirement Law (PERL) and County Employee's Retirement Law of 1937 (CERL), was signed into law by the Governor on September 12, 2012. PEPRA will take effect on January 1, 2013. Management asserts that PEPRA will not have a significant impact on the City's June 30, 2012 financial statements.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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CITY OF CARSON, CALIFORNIA





## GENERAL FUND

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

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

**City Council**

Local legislative policy

**City Attorney**

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

**City Clerk**

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

**City Treasurer**

Investments  
Cash management  
Cashiering

**Economic Development**

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

**Administrative Services**

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

**Public Services**

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

**City Manager**

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

**Development Services**

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

**Non-Departmental**

Retiree health insurance  
Program support



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

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

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

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

City of Carson  
**PROPOSITION C LOCAL RETURN FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**Year ended June 30, 2012**

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

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

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

Defined Benefit Pension Plan - Miscellaneous  
(California Public Employees' Retirement System)

| Actuarial<br>Valuation<br>Date | Entry Age<br>Normal<br>Accrued<br>Liability | Actuarial<br>Value<br>of Assets | Unfunded<br>Liability/<br>(Excess<br>Assets) | Funded<br>Status | Annual<br>Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|--------------------------------|---|---------------------------------|--|------------------|------------------------------|--|
| 6/30/2009                      | \$ 166,628,216                              | \$ 124,589,374                  | \$ 42,038,842                                | 74.8%            | \$ 27,230,503                | 154.4%   |
| 6/30/2010                      | 175,896,151                                 | 133,535,154                     | 42,360,997                                   | 75.9%            | 27,107,068                   | 156.3%   |
| 6/30/2011                      | 190,199,074                                 | 142,496,715                     | 47,702,359                                   | 74.9%            | 25,455,297                   | 187.4%   |

Postemployment Benefit Plan

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets * | Actuarial<br>Accrued<br>Liability<br>(AAL) Entry<br>Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as<br>a % of<br>Covered<br>Payroll<br>(c)/(b-a) |
|--------------------------------|-----------------------------------|--|------------------------------------|--------------------------|---------------------------|--|
| 7/1/2009                       | \$ -                              | \$ 47,691,008  | \$ 47,691,008                      | 0.0%                     | \$ 27,230,503             | 175.1%   |
| 7/1/2010                       | -                                 | 50,765,291   | 50,765,291                         | 0.0%                     | 27,107,068                | 187.3%   |
| 7/1/2011                       | -                                 | 48,138,659   | 48,138,659                         | 0.0%                     | 25,455,297                | 189.1%   |

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



### **Budgetary Control and Accounting**

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

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

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





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **SUPPLEMENTARY SCHEDULES**

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CITY OF CARSON, CALIFORNIA





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **GOVERNMENTAL FUNDS**

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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 **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 State Local Transportation Fund accounts for a variety of state transportation grant. The Proposition 42 funds are used to relieve traffic congestion through street or road maintenance or reconstruction. This fund was eliminated by the passages of ABx8 6 and ABx 8 9 in FY2010/11, with remaining balances in FY2011/12, and will be replaced by the gasoline tax Section 2103. 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 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 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. After the \$5.5 million loan was returned to HUD in FY2011/12, the BEDI grant account was closed. 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, 2012

|  |                             | RDA                   |                          |  |                     |
|--|-----------------------------|-----------------------|--------------------------|--|---------------------|
|  | Special<br>Revenue<br>Funds | Debt Service<br>Funds | Capital Projects<br>Fund | Low and<br>Moderate Income<br>Housing Fund | Totals              |
| <b>ASSETS</b>                              |                             |                       |                          |  |                     |
| Cash and investments                       | \$ 7,000,170                | \$ -                  | -                        | -  | \$ 7,000,170        |
| Receivables:                               |                             |                       |                          |  |                     |
| Interest-other                             | 165,040                     | -                     | -                        | -  | 165,040             |
| Due from governmental agencies             | 1,073,520                   | -                     | -                        | -  | 1,073,520           |
| <b>Total assets</b>                        | <b>\$ 8,238,730</b>         | <b>\$ -</b>           | <b>-</b>                 | <b>-</b>                                   | <b>\$ 8,238,730</b> |
| <b>LIABILITIES</b>                         |                             |                       |                          |  |                     |
| Accounts payable and accrued liabilities   | \$ 878,082                  | \$ -                  | -                        | -  | \$ 878,082          |
| Accrued payroll                            | 60,879                      | -                     | -                        | -  | 60,879              |
| Due to other governmental agencies         | 5,253                       | -                     | -                        | -  | 5,253               |
| Due to other funds                         | 623,104                     | -                     | -                        | -  | 623,104             |
| Due to Successor Agency                    | 123,827                     | -                     | -                        | -  | 123,827             |
| Retentions payable                         | 92,045                      | -                     | -                        | -  | 92,045              |
| Deferred revenue                           | 165,000                     | -                     | -                        | -  | 165,000             |
| <b>Total liabilities</b>                   | <b>1,948,190</b>            | <b>-</b>              | <b>-</b>                 | <b>-</b>                                   | <b>1,948,190</b>    |
| <b>FUND BALANCES (DEFICIT)</b>             |                             |                       |                          |  |                     |
| Restricted                                 | 6,221,890                   | -                     | -                        | -  | 6,221,890           |
| Assigned                                   | 608,662                     | -                     | -                        | -  | 608,662             |
| Unassigned                                 | (540,012)                   | -                     | -                        | -  | (540,012)           |
| <b>Total fund balances</b>                 | <b>6,290,540</b>            | <b>-</b>              | <b>-</b>                 | <b>-</b>                                   | <b>6,290,540</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 8,238,730</b>         | <b>\$ -</b>           | <b>-</b>                 | <b>-</b>                                   | <b>\$ 8,238,730</b> |

City of Carson  
Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2012**

|  | Special<br>Revenue<br>Funds | RDA                  |                          |  | Totals               |
|--|-----------------------------|----------------------|--------------------------|--|----------------------|
|  |                             | Debt Service<br>Fund | Capital Projects<br>Fund | Low and<br>Moderate Income<br>Housing Fund |                      |
| <b>Revenues</b>                                      |                             |                      |                          |  |                      |
| Taxes  | \$ 1,432,757                | \$ -                 | \$ 13,942,448            | \$ -                                       | \$ 15,375,205        |
| Fines and forfeitures                                | 112,852                     | -                    | -                        | -  | 112,852              |
| Charges for services                                 | 816,361                     | -                    | -                        | -  | 816,361              |
| Intergovernmental                                    | 7,938,469                   | -                    | -                        | -  | 7,938,469            |
| Use of money and property                            | 97,308                      | 66,860               | 628,206                  | 384,059                                    | 1,176,433            |
| Charges to other funds                               | 579,209                     | -                    | 8,568                    | 74,162                                     | 661,939              |
| Miscellaneous  | 200,203                     | -                    | -                        | -  | 200,203              |
| <b>Total revenues</b>                                | <b>11,177,159</b>           | <b>66,860</b>        | <b>14,579,222</b>        | <b>458,221</b>                             | <b>26,281,462</b>    |
| <b>Expenditures</b>                                  |                             |                      |                          |  |                      |
| Current:   |                             |                      |                          |  |                      |
| Public services                                      | 1,251,011                   | -                    | -                        | -  | 1,251,011            |
| Development services                                 | 2,176,832                   | -                    | -                        | -  | 2,176,832            |
| Economic development                                 | 7,107,853                   | -                    | 9,523,519                | 9,399,784                                  | 26,031,156           |
| Capital improvement programs                         | 6,256,163                   | -                    | 9,584,300                | 284,703                                    | 16,125,166           |
| Pass-through expenditures                            | -                           | -                    | 1,397,879                | -  | 1,397,879            |
| Debt service:  |                             |                      |                          |  |                      |
| Principal payment                                    | -                           | 5,735,000            | -                        | -  | 5,735,000            |
| Interest and fiscal charges                          | -                           | 5,096,767            | -                        | -  | 5,096,767            |
| <b>Total expenditures</b>                            | <b>16,791,859</b>           | <b>10,831,767</b>    | <b>20,505,698</b>        | <b>9,684,487</b>                           | <b>57,813,811</b>    |
| Excess (deficiency) of revenues<br>over expenditures | (5,614,700)                 | (10,764,907)         | (5,926,476)              | (9,226,266)                                | (31,532,349)         |
| <b>Other financing sources (uses)</b>                |                             |                      |                          |  |                      |
| Transfers in   | 2,003                       | 10,352,128           | 2,788,489                | 11,445,710                                 | 24,588,330           |
| Transfers out  | (929,943)                   | -                    | (19,643,220)             | (5,190,480)                                | (25,763,643)         |
| <b>Net other financing sources (uses)</b>            | <b>(927,940)</b>            | <b>10,352,128</b>    | <b>(16,854,731)</b>      | <b>6,255,230</b>                           | <b>(1,175,313)</b>   |
| Change in fund balance before extraordinary          | (6,542,640)                 | (412,779)            | (22,781,207)             | (2,971,036)                                | (32,707,662)         |
| <b>Extraordinary items</b>                           | <b>-</b>                    | <b>(14,755,366)</b>  | <b>(100,900,290)</b>     | <b>(56,548,282)</b>                        | <b>(172,203,938)</b> |
| Change in fund balance                               | (6,542,640)                 | (15,168,145)         | (123,681,497)            | (59,519,318)                               | (204,911,600)        |
| <b>Fund balances, beginning of year</b>              | <b>12,833,180</b>           | <b>15,168,145</b>    | <b>123,681,497</b>       | <b>59,519,318</b>                          | <b>211,202,140</b>   |
| <b>Fund balances, end of year</b>                    | <b>\$ 6,290,540</b>         | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ -</b>                                | <b>\$ 6,290,540</b>  |





|  | Asset<br>Forfeiture<br>Fund | State<br>Gas Tax<br>Fund | TDA<br>Article 3<br>Fund | Proposition A<br>Local Return<br>Fund |
|--|-----------------------------|--------------------------|--------------------------|---------------------------------------|
| <b>ASSETS</b>                              |                             |                          |                          |                                       |
| Cash and investments                       | \$ 5,954                    | \$ 1,427,841             | \$ 33,194                | \$ 842,969                            |
| Receivables:                               |                             |                          |                          |                                       |
| Interest-other                             | -                           | -                        | -                        | -                                     |
| Due from governmental agencies             | -                           | 270,559                  | -                        | 273,923                               |
| <b>Total assets</b>                        | <b>\$ 5,954</b>             | <b>\$ 1,698,400</b>      | <b>\$ 33,194</b>         | <b>\$ 1,116,892</b>                   |
| <b>LIABILITIES</b>                         |                             |                          |                          |                                       |
| Accounts payable and accrued liabilities   | \$ -                        | \$ 327,610               | \$ 37,570                | \$ 130,062                            |
| Accrued payroll                            | -                           | -                        | -                        | 5,729                                 |
| Due to other governmental agencies         | -                           | -                        | -                        | -                                     |
| Due to other funds                         | -                           | -                        | -                        | -                                     |
| Due to Successor Agency                    | -                           | -                        | -                        | -                                     |
| Retentions payable                         | -                           | 40,169                   | -                        | -                                     |
| Deferred revenue                           | -                           | -                        | -                        | -                                     |
| <b>Total liabilities</b>                   | <b>-</b>                    | <b>367,779</b>           | <b>37,570</b>            | <b>135,791</b>                        |
| <b>FUND BALANCES (DEFICIT)</b>             |                             |                          |                          |                                       |
| Restricted                                 | 5,954                       | 1,330,621                | (4,376)                  | 981,101                               |
| Assigned                                   | -                           | -                        | -                        | -                                     |
| Unassigned                                 | -                           | -                        | -                        | -                                     |
| <b>Total fund balances</b>                 | <b>5,954</b>                | <b>1,330,621</b>         | <b>(4,376)</b>           | <b>981,101</b>                        |
| <b>Total liabilities and fund balances</b> | <b>\$ 5,954</b>             | <b>\$ 1,698,400</b>      | <b>\$ 33,194</b>         | <b>\$ 1,116,892</b>                   |



City of Carson  
All Nonmajor Special Revenue Funds  
Combining Balance Sheet  
June 30, 2012

| Measure<br>R<br>Fund | Air Quality<br>Improvement<br>Fund | Self-<br>Supporting<br>Fund | Capital Asset<br>Replacement<br>Fund | Restricted<br>Administrative<br>Tow Fee<br>Fund | Youth<br>Services<br>Program<br>Fund |
|----------------------|------------------------------------|-----------------------------|--------------------------------------|---|--------------------------------------|
| 1,201,997 \$         | 88,974 \$                          | - \$                        | 796,205 \$                           | 8,479 \$  | 45,999                               |
| -                    | -                                  | -                           | -                                    | -   | -                                    |
| 86,946               | 28,349                             | -                           | -                                    | -   | -                                    |
| <u>1,288,943 \$</u>  | <u>117,323 \$</u>                  | <u>- \$</u>                 | <u>796,205 \$</u>                    | <u>8,479 \$</u>                                 | <u>45,999</u>                        |
| 935 \$               | - \$                               | 8,653 \$                    | 187,543 \$                           | 913 \$  | 7                                    |
| 356                  | 1,214                              | 39,849                      | -                                    | -   | -                                    |
| -                    | -                                  | -                           | -                                    | -   | -                                    |
| -                    | -                                  | 491,510                     | -                                    | -   | -                                    |
| -                    | -                                  | -                           | -                                    | -   | -                                    |
| 50,376               | -                                  | -                           | -                                    | -   | -                                    |
| -                    | -                                  | -                           | -                                    | -   | -                                    |
| <u>51,667</u>        | <u>1,214</u>                       | <u>540,012</u>              | <u>187,543</u>                       | <u>913</u>                                      | <u>7</u>                             |
| 1,237,276            | 116,109                            | -                           | -                                    | 7,566   | 45,992                               |
| -                    | -                                  | -                           | 608,662                              | -   | -                                    |
| -                    | -                                  | (540,012)                   | -                                    | -   | -                                    |
| <u>1,237,276</u>     | <u>116,109</u>                     | <u>(540,012)</u>            | <u>608,662</u>                       | <u>7,566</u>                                    | <u>45,992</u>                        |
| <u>1,288,943 \$</u>  | <u>117,323 \$</u>                  | <u>- \$</u>                 | <u>796,205 \$</u>                    | <u>8,479 \$</u>                                 | <u>45,999</u>                        |



City of Carson  
All Nonmajor Special Revenue Funds  
Combining Balance Sheet (Continued)  
June 30, 2012

|  | Metropolitan<br>Water<br>District<br>Fund | Parks and<br>Recreation<br>Funds | State<br>Grant<br>Funds | Federal<br>Grant<br>Funds | Totals              |
|--|---|----------------------------------|-------------------------|---------------------------|---------------------|
| <b>ASSETS</b>                              |   |                                  |                         |                           |                     |
| Cash and investments                       | \$ 1,533                                  | \$ 898,233                       | \$ 1,141,962            | \$ 506,830                | \$ 7,000,170        |
| Receivables:                               |   |                                  |                         |                           |                     |
| Interest-other                             | -   | -                                | -                       | 165,040                   | 165,040             |
| Due from governmental agencies             | -   | -                                | 85,870                  | 327,873                   | 1,073,520           |
| <b>Total assets</b>                        | <b>\$ 1,533</b>                           | <b>\$ 898,233</b>                | <b>\$ 1,227,832</b>     | <b>\$ 999,743</b>         | <b>\$ 8,238,730</b> |
| <b>LIABILITIES</b>                         |   |                                  |                         |                           |                     |
| Accounts payable and accrued liabilities   | \$ -                                      | \$ -                             | \$ 67,053               | \$ 117,736                | \$ 878,082          |
| Accrued payroll                            | -   | 4,407                            | -                       | 9,324                     | 60,879              |
| Due to other governmental agencies         | -   | -                                | -                       | 5,253                     | 5,253               |
| Due to other funds                         | -   | -                                | 1,423                   | 130,171                   | 623,104             |
| Due to Successor Agency                    | -   | -                                | 21,500                  | 102,327                   | 123,827             |
| Retentions payable                         | 1,500                                     | -                                | -                       | -                         | 92,045              |
| Deferred revenue                           | -   | -                                | -                       | 165,000                   | 165,000             |
| <b>Total liabilities</b>                   | <b>1,500</b>                              | <b>4,407</b>                     | <b>89,976</b>           | <b>529,811</b>            | <b>1,948,190</b>    |
| <b>FUND BALANCES (DEFICIT)</b>             |   |                                  |                         |                           |                     |
| Restricted                                 | 33  | 893,826                          | 1,137,856               | 469,932                   | 6,221,890           |
| Assigned                                   | -   | -                                | -                       | -                         | 608,662             |
| Unassigned                                 | -   | -                                | -                       | -                         | (540,012)           |
| <b>Total fund balances</b>                 | <b>33</b>                                 | <b>893,826</b>                   | <b>1,137,856</b>        | <b>469,932</b>            | <b>6,290,540</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,533</b>                           | <b>\$ 898,233</b>                | <b>\$ 1,227,832</b>     | <b>\$ 999,743</b>         | <b>\$ 8,238,730</b> |



City of Carson  
Nonmajor Special Revenue Funds  
Combining Balance Sheet – Parks and Recreation Funds  
June 30, 2012

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|  | Park<br>Development<br>Fund | LA County<br>Park<br>District<br>Fund | Totals            |
|--|-----------------------------|---------------------------------------|-------------------|
| <b>ASSETS</b>                              |                             |                                       |                   |
| Cash and investments                       | \$ 803,797                  | \$ 94,436                             | \$ 898,233        |
| <b>Total assets</b>                        | <b>\$ 803,797</b>           | <b>\$ 94,436</b>                      | <b>\$ 898,233</b> |
| <b>LIABILITIES</b>                         |                             |                                       |                   |
| Accrued payroll                            | \$ -                        | \$ 4,407                              | \$ 4,407          |
| <b>Total liabilities</b>                   | <b>\$ -</b>                 | <b>\$ 4,407</b>                       | <b>\$ 4,407</b>   |
| <b>FUND BALANCES</b>                       |                             |                                       |                   |
| Restricted                                 | 803,797                     | 90,029                                | 893,826           |
| <b>Total fund balances</b>                 | <b>803,797</b>              | <b>90,029</b>                         | <b>893,826</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 803,797</b>           | <b>\$ 94,436</b>                      | <b>\$ 898,233</b> |

City of Carson  
Nonmajor Special Revenue Funds  
Combining Balance Sheet – State Grant Funds  
June 30, 2012

|  | Beverage<br>Container<br>Recycling<br>Fund | State<br>COPS Grant<br>Fund | Used Oil<br>State Grant<br>Fund | State<br>Local<br>Transportation<br>Fund | Proposition<br>42<br>Fund | Proposition<br>1B<br>Fund | Totals              |
|--|--|-----------------------------|---------------------------------|--|---------------------------|---------------------------|---------------------|
| <b>ASSETS</b>                              |  |                             |                                 |  |                           |                           |                     |
| Cash and investments                       | \$ 95,818                                  | \$ 173,707                  | \$ 42,077                       | \$ 1,534                                 | \$ -                      | \$ 828,826                | \$ 1,141,962        |
| Due from governmental agencies             | -  | 85,870                      | -                               | -  | -                         | -                         | 85,870              |
| <b>Total assets</b>                        | <b>\$ 95,818</b>                           | <b>\$ 259,577</b>           | <b>\$ 42,077</b>                | <b>\$ 1,534</b>                          | <b>\$ -</b>               | <b>\$ 828,826</b>         | <b>\$ 1,227,832</b> |
| <b>LIABILITIES</b>                         |  |                             |                                 |  |                           |                           |                     |
| Accounts payable and accrued liabilities   | \$ 26,889                                  | \$ 17,000                   | \$ 21,589                       | 1,575                                    | -                         | -                         | \$ 67,053           |
| Due to other funds                         | -  | -                           | 1,423                           | -  | -                         | -                         | 1,423               |
| Due to Successor Agency                    | -  | -                           | -                               | -  | -                         | 21,500                    | 21,500              |
| <b>Total liabilities</b>                   | <b>26,889</b>                              | <b>17,000</b>               | <b>23,012</b>                   | <b>1,575</b>                             | <b>-</b>                  | <b>21,500</b>             | <b>89,976</b>       |
| <b>FUND BALANCES (DEFICIT)</b>             |  |                             |                                 |  |                           |                           |                     |
| Restricted                                 | 68,929                                     | 242,577                     | 19,065                          | (41)                                     | -                         | 807,326                   | 1,137,856           |
| <b>Total fund balances</b>                 | <b>68,929</b>                              | <b>242,577</b>              | <b>19,065</b>                   | <b>(41)</b>                              | <b>-</b>                  | <b>807,326</b>            | <b>1,137,856</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 95,818</b>                           | <b>\$ 259,577</b>           | <b>\$ 42,077</b>                | <b>\$ 1,534</b>                          | <b>\$ -</b>               | <b>\$ 828,826</b>         | <b>\$ 1,227,832</b> |



|  | Edward Byrne<br>Justice<br>Assistance<br>Grant Fund | Family<br>Support<br>Grant Fund | Housing and<br>Community<br>Development<br>Fund | Traffic<br>Safety<br>Fund |
|--|---|---------------------------------|---|---------------------------|
| <b>ASSETS</b>                              |   |                                 |   |                           |
| Cash and investments                       | \$ 301,479  | \$ 12,565                       | \$ 90,459                                       | \$ -                      |
| Receivables:                               |   |                                 |   |                           |
| Loans, interest and other                  | -   | -                               | 40  | -                         |
| Due from governmental agencies             | -   | 16,796                          | 224,154   | -                         |
| <b>Total assets</b>                        | <b>\$ 301,479</b>                                   | <b>\$ 29,361</b>                | <b>\$ 314,653</b>                               | <b>\$ -</b>               |
| <b>LIABILITIES</b>                         |   |                                 |   |                           |
| Accounts payable and accrued liabilities   | \$ -  | \$ 4,834                        | \$ 104,410                                      | \$ -                      |
| Accrued payroll                            | -   | -                               | 3,021   | -                         |
| Due to other governmental agencies         | -   | -                               | -   | -                         |
| Due to other funds                         | -   | -                               | -   | -                         |
| Due to Successor Agency                    | -   | -                               | -   | -                         |
| Deferred revenue                           | -   | -                               | -   | -                         |
| <b>Total liabilities</b>                   | <b>-</b>  | <b>4,834</b>                    | <b>107,431</b>                                  | <b>-</b>                  |
| <b>FUND BALANCES (DEFICIT)</b>             |   |                                 |   |                           |
| Restricted                                 | 301,479   | 24,527                          | 207,222   | -                         |
| <b>Total fund balances</b>                 | <b>301,479</b>                                      | <b>24,527</b>                   | <b>207,222</b>                                  | <b>-</b>                  |
| <b>Total liabilities and fund balances</b> | <b>\$ 301,479</b>                                   | <b>\$ 29,361</b>                | <b>\$ 314,653</b>                               | <b>\$ -</b>               |



City of Carson  
Nonmajor Special Revenue Funds  
Combining Balance Sheet – Federal Grant Funds  
June 30, 2012

| Brownfields<br>Economic<br>Development<br>Initiative<br>Grant Fund | WIA<br>Grant<br>Fund | Neighborhood<br>Stabilization<br>Grant<br>Fund | EECBG/<br>Energy<br>Grant<br>Fund | Totals            |
|--|----------------------|--|-----------------------------------|-------------------|
| \$ -   | \$ -                 | \$ -   | \$ 102,327                        | \$ 506,830        |
| -  | -                    | 165,000  | -                                 | 165,040           |
| -  | 86,923               | -  | -                                 | 327,873           |
| <u>\$ -</u>  | <u>\$ 86,923</u>     | <u>\$ 165,000</u>                              | <u>\$ 102,327</u>                 | <u>\$ 999,743</u> |
|  |                      |  |                                   |                   |
| \$ -   | \$ 318               | \$ 8,174                                       | \$ -                              | \$ 117,736        |
| -  | 5,547                | 756  | -                                 | 9,324             |
| -  | 5,253                | -  | -                                 | 5,253             |
| -  | 75,704               | 54,467   | -                                 | 130,171           |
| -  | -                    | -  | 102,327                           | 102,327           |
| -  | -                    | 165,000  | -                                 | 165,000           |
| <u>-</u>   | <u>86,822</u>        | <u>228,397</u>                                 | <u>102,327</u>                    | <u>529,811</u>    |
|  |                      |  |                                   |                   |
| -  | 101                  | (63,397)                                       | -                                 | 469,932           |
| -  | 101                  | (63,397)                                       | -                                 | 469,932           |
| <u>\$ -</u>  | <u>\$ 86,923</u>     | <u>\$ 165,000</u>                              | <u>\$ 102,327</u>                 | <u>\$ 999,743</u> |

|  | Asset<br>Forfeiture<br>Fund | State<br>Gas Tax<br>Fund | TDA<br>Article 3<br>Fund | Proposition A<br>Local Return<br>Fund |
|--|-----------------------------|--------------------------|--------------------------|---------------------------------------|
| <b>Revenues</b>                                      |                             |                          |                          |                                       |
| Taxes  | \$ -                        | \$ -                     | \$ -                     | \$ 1,432,757                          |
| Fines and forfeitures                                | -                           | -                        | -                        | -                                     |
| Charges for services                                 | -                           | -                        | -                        | -                                     |
| Charges to other funds                               | -                           | -                        | -                        | -                                     |
| Intergovernmental                                    | -                           | 2,713,835                | -                        | 274,832                               |
| Use of money and property                            | 86                          | 11,099                   | 326                      | 4,485                                 |
| Miscellaneous  | -                           | 4,597                    | -                        | 187,193                               |
| <b>Total revenues</b>                                | <u>86</u>                   | <u>2,729,531</u>         | <u>326</u>               | <u>1,899,267</u>                      |
| <b>Expenditures</b>                                  |                             |                          |                          |                                       |
| Current:   |                             |                          |                          |                                       |
| Public services                                      | 9,300                       | -                        | -                        | -                                     |
| Development services                                 | -                           | -                        | -                        | 1,717,482                             |
| Economic development                                 | -                           | -                        | -                        | -                                     |
| Capital improvement programs                         | -                           | 1,794,619                | 63,947                   | -                                     |
| <b>Total expenditures</b>                            | <u>9,300</u>                | <u>1,794,619</u>         | <u>63,947</u>            | <u>1,717,482</u>                      |
| Excess (deficiency) of revenues<br>over expenditures | <u>(9,214)</u>              | <u>934,912</u>           | <u>(63,621)</u>          | <u>181,785</u>                        |
| <b>Other financing sources (uses)</b>                |                             |                          |                          |                                       |
| Transfers in   | -                           | -                        | -                        | 2,003                                 |
| Transfers out  | -                           | (925,000)                | -                        | -                                     |
| <b>Net other financing sources (uses)</b>            | <u>-</u>                    | <u>(925,000)</u>         | <u>-</u>                 | <u>2,003</u>                          |
| Change in fund balance                               | (9,214)                     | 9,912                    | (63,621)                 | 183,788                               |
| <b>Fund balances, beginning of year</b>              | <u>15,168</u>               | <u>1,320,709</u>         | <u>59,245</u>            | <u>797,313</u>                        |
| <b>Fund balances, end of year</b>                    | <u>\$ 5,954</u>             | <u>\$ 1,330,621</u>      | <u>\$ (4,376)</u>        | <u>\$ 981,101</u>                     |

City of Carson  
All Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year ended June 30, 2012

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| Measure<br>R<br>Fund | Air Quality<br>Improvement<br>Fund | Self<br>Supporting<br>Fund | Capital Asset<br>Replacement<br>Fund | Restricted<br>Administrative<br>Tow Fee<br>Fund | Youth<br>Services<br>Program<br>Fund |
|----------------------|------------------------------------|----------------------------|--------------------------------------|---|--------------------------------------|
| \$ -                 | \$ -                               | \$ -                       | \$ -                                 | \$ -  | \$ -                                 |
| -                    | -                                  | 46,667                     | -                                    | 66,185  | -                                    |
| -                    | -                                  | 805,846                    | -                                    | -   | 10,515                               |
| -                    | -                                  | -                          | 579,209                              | -   | -                                    |
| 885,559              | 114,841                            | -                          | -                                    | -   | -                                    |
| 9,131                | 571                                | -                          | -                                    | 457   | -                                    |
| -                    | -                                  | 4,550                      | -                                    | -   | -                                    |
| <u>894,690</u>       | <u>115,412</u>                     | <u>857,063</u>             | <u>579,209</u>                       | <u>66,642</u>                                   | <u>10,515</u>                        |
| -                    | -                                  | 980,634                    | -                                    | 151,638   | 3,288                                |
| -                    | 123,151                            | -                          | -                                    | -   | -                                    |
| -                    | -                                  | -                          | -                                    | -   | -                                    |
| 1,041,751            | -                                  | -                          | 560,430                              | 6,090   | -                                    |
| <u>1,041,751</u>     | <u>123,151</u>                     | <u>980,634</u>             | <u>560,430</u>                       | <u>157,728</u>                                  | <u>3,288</u>                         |
| <u>(147,061)</u>     | <u>(7,739)</u>                     | <u>(123,571)</u>           | <u>18,779</u>                        | <u>(91,086)</u>                                 | <u>7,227</u>                         |
| -                    | -                                  | -                          | -                                    | -   | -                                    |
| -                    | -                                  | -                          | -                                    | -   | -                                    |
| -                    | -                                  | -                          | -                                    | -   | -                                    |
| (147,061)            | (7,739)                            | (123,571)                  | 18,779                               | (91,086)  | 7,227                                |
| 1,384,337            | 123,848                            | (416,441)                  | 589,883                              | 98,652  | 38,765                               |
| <u>\$ 1,237,276</u>  | <u>\$ 116,109</u>                  | <u>\$ (540,012)</u>        | <u>\$ 608,662</u>                    | <u>\$ 7,566</u>                                 | <u>\$ 45,992</u>                     |



**City of Carson**  
**All Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2012**

|  | Metropolitan<br>Water<br>District<br>Fund | Parks and<br>Recreation<br>Funds | State<br>Grant<br>Funds | Federal<br>Grant<br>Funds | Totals              |
|--|---|----------------------------------|-------------------------|---------------------------|---------------------|
| <b>Revenues</b>                                      |   |                                  |                         |                           |                     |
| Taxes  | \$ -                                      | \$ -                             | \$ -                    | \$ -                      | 1,432,757           |
| Fines and forfeitures                                | -   | -                                | -                       | -                         | 112,852             |
| Charges for services                                 | -   | -                                | -                       | -                         | 816,361             |
| Charges to other funds                               | -   | -                                | -                       | -                         | 579,209             |
| Intergovernmental                                    | -   | 640,927                          | 289,781                 | 3,018,694                 | 7,938,469           |
| Use of money and property                            | -   | 2,418                            | 12,107                  | 56,628                    | 97,308              |
| Miscellaneous  | -   | -                                | 3,863                   | -                         | 200,203             |
| <b>Total revenues</b>                                | <u>-</u>                                  | <u>643,345</u>                   | <u>305,751</u>          | <u>3,075,322</u>          | <u>11,177,159</u>   |
| <b>Expenditures</b>                                  |   |                                  |                         |                           |                     |
| Current:   |   |                                  |                         |                           |                     |
| Public services                                      | -   | -                                | 68,000                  | 38,151                    | 1,251,011           |
| Development services                                 | -   | -                                | 336,199                 | -                         | 2,176,832           |
| Economic development                                 | -   | -                                | -                       | 7,107,853                 | 7,107,853           |
| Capital improvement programs                         | 15,000                                    | 103,387                          | 1,025,384               | 1,645,555                 | 6,256,163           |
| <b>Total expenditures</b>                            | <u>15,000</u>                             | <u>103,387</u>                   | <u>1,429,583</u>        | <u>8,791,559</u>          | <u>16,791,859</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>(15,000)</u>                           | <u>539,958</u>                   | <u>(1,123,832)</u>      | <u>(5,716,237)</u>        | <u>(5,614,700)</u>  |
| <b>Other financing sources (uses)</b>                |   |                                  |                         |                           |                     |
| Transfers in   | -   | -                                | -                       | -                         | 2,003               |
| Transfers out  | -   | -                                | (4,943)                 | -                         | (929,943)           |
| <b>Net other financing sources (uses)</b>            | <u>-</u>                                  | <u>-</u>                         | <u>(4,943)</u>          | <u>-</u>                  | <u>(927,940)</u>    |
| Change in fund balance                               | (15,000)                                  | 539,958                          | (1,128,775)             | (5,716,237)               | (6,542,640)         |
| <b>Fund balances, beginning of year</b>              | <u>15,033</u>                             | <u>353,868</u>                   | <u>2,266,631</u>        | <u>6,186,169</u>          | <u>12,833,180</u>   |
| <b>Fund balances, end of year</b>                    | <u>\$ 33</u>                              | <u>\$ 893,826</u>                | <u>\$ 1,137,856</u>     | <u>\$ 469,932</u>         | <u>\$ 6,290,540</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, 2012

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|   | Park<br>Development<br>Fund | LA County<br>Park<br>District<br>Fund | Totals            |
|---|-----------------------------|---------------------------------------|-------------------|
| <b>Revenues</b>                         |                             |                                       |                   |
| Intergovernmental                       | \$ 512,793                  | \$ 128,134                            | \$ 640,927        |
| Use of money and property               | 2,265                       | 153                                   | 2,418             |
| <b>Total revenues</b>                   | <u>515,058</u>              | <u>128,287</u>                        | <u>643,345</u>    |
| <b>Expenditures</b>                     |                             |                                       |                   |
| Current:                                |                             |                                       |                   |
| Public services                         | 5,411                       | 97,976                                | 103,387           |
| <b>Total expenditures</b>               | <u>5,411</u>                | <u>97,976</u>                         | <u>103,387</u>    |
| Change in fund balance                  | 509,647                     | 30,311                                | 539,958           |
| <b>Fund balances, beginning of year</b> | 294,150                     | 59,718                                | 353,868           |
| <b>Fund balances, end of year</b>       | <u>\$ 803,797</u>           | <u>\$ 90,029</u>                      | <u>\$ 893,826</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, 2012

|  | Beverage<br>Container<br>Recycling<br>Fund | State<br>COPS Grant<br>Fund | Used Oil<br>State Grant<br>Fund | State<br>Local<br>Transportation<br>Fund | Proposition<br>42<br>Fund | Proposition<br>1B<br>Fund | Totals              |
|--|--|-----------------------------|---------------------------------|--|---------------------------|---------------------------|---------------------|
| <b>Revenues</b>                                      |  |                             |                                 |  |                           |                           |                     |
| Intergovernmental                                    | \$ 24,800                                  | \$ 213,439                  | \$ 51,542                       | \$ -                                     | \$ -                      | \$ -                      | \$ 289,781          |
| Use of money and property                            | 620  | 731                         | 52                              | 1,238                                    | 1,323                     | 8,143                     | 12,107              |
| Miscellaneous  | -  | -                           | -                               | -  | 3,863                     | -                         | 3,863               |
| <b>Total revenues</b>                                | <u>25,420</u>                              | <u>214,170</u>              | <u>51,594</u>                   | <u>1,238</u>                             | <u>5,186</u>              | <u>8,143</u>              | <u>305,751</u>      |
| <b>Expenditures</b>                                  |  |                             |                                 |  |                           |                           |                     |
| Current:   |  |                             |                                 |  |                           |                           |                     |
| Public services                                      | -  | 68,000                      | -                               | -  | -                         | -                         | 68,000              |
| Development services                                 | 61,654                                     | -                           | 25,270                          | 249,275                                  | -                         | -                         | 336,199             |
| Capital improvement programs                         | -  | -                           | -                               | -  | 275,384                   | 750,000                   | 1,025,384           |
| <b>Total expenditures</b>                            | <u>61,654</u>                              | <u>68,000</u>               | <u>25,270</u>                   | <u>249,275</u>                           | <u>275,384</u>            | <u>750,000</u>            | <u>1,429,583</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(36,234)</u>                            | <u>146,170</u>              | <u>26,324</u>                   | <u>(248,037)</u>                         | <u>(270,198)</u>          | <u>(741,857)</u>          | <u>(1,123,832)</u>  |
| <b>Other financing sources (uses)</b>                |  |                             |                                 |  |                           |                           |                     |
| Transfers out  | (1,200)                                    | -                           | (3,743)                         | -  | -                         | -                         | (4,943)             |
| <b>Net other financing sources (uses)</b>            | <u>(1,200)</u>                             | <u>-</u>                    | <u>(3,743)</u>                  | <u>-</u>                                 | <u>-</u>                  | <u>-</u>                  | <u>(4,943)</u>      |
| Change in fund balance                               | (37,434)                                   | 146,170                     | 22,581                          | (248,037)                                | (270,198)                 | (741,857)                 | (1,128,775)         |
| <b>Fund balances, beginning of year</b>              | 106,363                                    | 96,407                      | (3,516)                         | 247,996                                  | 270,198                   | 1,549,183                 | 2,266,631           |
| <b>Fund balances, end of year</b>                    | <u>\$ 68,929</u>                           | <u>\$ 242,577</u>           | <u>\$ 19,065</u>                | <u>\$ (41)</u>                           | <u>\$ -</u>               | <u>\$ 807,326</u>         | <u>\$ 1,137,856</u> |



|  | DOJ/OJP<br>Grant Fund | Family<br>Support<br>Grant Fund | Housing and<br>Community<br>Development<br>Fund | Traffic<br>Safety<br>Fund |
|--|-----------------------|---------------------------------|---|---------------------------|
| <b>Revenues</b>                                      |                       |                                 |   |                           |
| Intergovernmental                                    | \$ -                  | \$ 37,000                       | \$ 901,998                                      | \$ 1,470                  |
| Use of money and property                            | 1,733                 | 104                             | 52,293  | -                         |
| <b>Total revenues</b>                                | <u>1,733</u>          | <u>37,104</u>                   | <u>954,291</u>                                  | <u>1,470</u>              |
| <b>Expenditures</b>                                  |                       |                                 |   |                           |
| Current:   |                       |                                 |   |                           |
| Public services                                      | -                     | 38,151                          | -   | -                         |
| Economic development                                 | -                     | -                               | 6,438,507                                       | -                         |
| Capital improvement programs                         | -                     | -                               | -   | -                         |
| <b>Total expenditures</b>                            | <u>-</u>              | <u>38,151</u>                   | <u>6,438,507</u>                                | <u>-</u>                  |
| Excess (deficiency) of revenues<br>over expenditures | <u>1,733</u>          | <u>(1,047)</u>                  | <u>(5,484,216)</u>                              | <u>1,470</u>              |
| <b>Other financing sources (uses)</b>                |                       |                                 |   |                           |
| Transfers in   | -                     | -                               | -   | -                         |
| Transfers out  | -                     | -                               | -   | -                         |
| <b>Net other financing sources (uses)</b>            | <u>-</u>              | <u>-</u>                        | <u>-</u>  | <u>-</u>                  |
| Change in fund balance                               | 1,733                 | (1,047)                         | (5,484,216)                                     | 1,470                     |
| <b>Fund balances, beginning of year</b>              | <u>299,746</u>        | <u>25,574</u>                   | <u>5,691,438</u>                                | <u>(1,470)</u>            |
| <b>Fund balances, end of year</b>                    | <u>\$ 301,479</u>     | <u>\$ 24,527</u>                | <u>\$ 207,222</u>                               | <u>\$ -</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, 2012

| Brownfields<br>Economic<br>Development<br>Initiative<br>Grant Fund | WIA<br>Grant<br>Fund | Neighborhood<br>Stabilization<br>Grant<br>Fund | EECBG/<br>DOE<br>Fund | Totals            |
|--|----------------------|--|-----------------------|-------------------|
| \$ 7,294   | \$ 473,889           | \$ 962,143                                     | \$ 634,900            | \$ 3,018,694      |
| -  | -                    | 2,498  | -                     | 56,628            |
| <u>7,294</u>   | <u>473,889</u>       | <u>964,641</u>                                 | <u>634,900</u>        | <u>3,075,322</u>  |
| -  | -                    | -  | -                     | 38,151            |
| 7,294  | 473,889              | 188,163  | -                     | 7,107,853         |
| -  | -                    | 1,010,655                                      | 634,900               | 1,645,555         |
| <u>7,294</u>   | <u>473,889</u>       | <u>1,198,818</u>                               | <u>634,900</u>        | <u>8,791,559</u>  |
| -  | -                    | (234,177)                                      | -                     | (5,716,237)       |
| -  | -                    | -  | -                     | -                 |
| -  | -                    | -  | -                     | -                 |
| -  | -                    | -  | -                     | -                 |
| -  | -                    | (234,177)                                      | -                     | (5,716,237)       |
| -  | 101                  | 170,780  | -                     | 6,186,169         |
| <u>\$ -</u>  | <u>\$ 101</u>        | <u>\$ (63,397)</u>                             | <u>\$ -</u>           | <u>\$ 469,932</u> |

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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, 2012

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|   | Final<br>Budget   | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---|
| <b>Revenues</b>                             |                   |                   |   |
| Fines and forfeitures                       | \$ 3,000          | \$ -              | \$ (3,000)  |
| Use of money and property                   | 217               | 86                | (131)   |
| <b>Total revenues</b>                       | <u>3,217</u>      | <u>86</u>         | <u>(3,131)</u>  |
| <br><b>Expenditures</b>                     |                   |                   |   |
| Current:                                    |                   |                   |   |
| Public services                             | 12,300            | 9,300             | 3,000   |
| <b>Total expenditures</b>                   | <u>12,300</u>     | <u>9,300</u>      | <u>3,000</u>  |
| <br><b>Change in fund balance</b>           | \$ <u>(9,083)</u> | (9,214)           | \$ <u>(131)</u>   |
| <br><b>Fund balances, beginning of year</b> |                   | <u>15,168</u>     |   |
| <br><b>Fund balances, end of year</b>       |                   | \$ <u>5,954</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, 2012

|  | Final<br>Budget       | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------------|---------------------|---|
| <b>Revenues</b>                                      |                       |                     |   |
| Intergovernmental                                    | \$ 2,615,189          | \$ 2,713,835        | \$ 98,646   |
| Use of money and property                            | 10,690                | 11,099              | 409   |
| Miscellaneous  | -                     | 4,597               | 4,597   |
| <b>Total revenues</b>                                | <u>2,625,879</u>      | <u>2,729,531</u>    | <u>103,652</u>  |
| <b>Expenditures</b>                                  |                       |                     |   |
| Development services                                 | 260,000               | -                   | 260,000   |
| Capital improvement programs                         | <u>2,667,158</u>      | <u>1,794,619</u>    | <u>872,539</u>  |
| <b>Total expenditures</b>                            | <u>2,927,158</u>      | <u>1,794,619</u>    | <u>1,132,539</u>  |
| Excess (deficiency) of revenues<br>over expenditures | <u>(301,279)</u>      | <u>934,912</u>      | <u>1,236,191</u>  |
| <b>Other financing sources (uses)</b>                |                       |                     |   |
| Transfers out  | <u>(925,000)</u>      | <u>(925,000)</u>    | <u>-</u>  |
| <b>Change in fund balance</b>                        | <u>\$ (1,226,279)</u> | <u>9,912</u>        | <u>\$ 1,236,191</u>                                       |
| <b>Fund balances, beginning of year</b>              |                       | <u>1,320,709</u>    |   |
| <b>Fund balances, end of year</b>                    |                       | <u>\$ 1,330,621</u> |   |

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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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Intergovernmental                       | \$ 128,917         | \$ -              | \$ (128,917)  |
| Use of money and property               | -                  | 326               | 326   |
| <b>Total revenues</b>                   | <u>128,917</u>     | <u>326</u>        | <u>(128,591)</u>  |
| <b>Expenditures</b>                     |                    |                   |   |
| Capital improvement programs            | <u>187,921</u>     | <u>63,947</u>     | <u>123,974</u>  |
| <b>Total expenditures</b>               | <u>187,921</u>     | <u>63,947</u>     | <u>123,974</u>  |
| <b>Change in fund balance</b>           | <u>\$ (59,004)</u> | <u>(63,621)</u>   | <u>\$ (4,617)</u>   |
| <b>Fund balances, beginning of year</b> |                    | <u>59,245</u>     |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ (4,376)</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, 2012

|  | Final<br>Budget     | Actual<br>Amounts | Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|-------------------|--|
| <b>Revenues</b>                                      |                     |                   |  |
| Taxes  | \$ 1,349,521        | \$ 1,432,757      | \$ 83,236                                |
| Intergovernmental                                    | 271,685             | 274,832           | 3,147                                    |
| Use of money and property                            | 23,000              | 4,485             | (18,515)                                 |
| Miscellaneous  | 200,000             | 187,193           | (12,807)                                 |
| <b>Total revenues</b>                                | <u>1,844,206</u>    | <u>1,899,267</u>  | <u>55,061</u>                            |
| <b>Expenditures</b>                                  |                     |                   |  |
| Current:   |                     |                   |  |
| Development services                                 | 2,019,814           | 1,717,482         | 302,332                                  |
| Capital improvement programs                         | 25,000              | -                 | 25,000                                   |
| <b>Total expenditures</b>                            | <u>2,044,814</u>    | <u>1,717,482</u>  | <u>327,332</u>                           |
| Excess (deficiency) of revenues<br>over expenditures | <u>(200,608)</u>    | <u>181,785</u>    | <u>382,393</u>                           |
| <b>Other financing sources (uses)</b>                |                     |                   |  |
| Transfers in   | -                   | 2,003             | (2,003)                                  |
| <b>Change in fund balance</b>                        | <u>\$ (200,608)</u> | <u>183,788</u>    | <u>\$ 380,390</u>                        |
| <b>Fund balances, beginning of year</b>              |                     | <u>797,313</u>    |  |
| <b>Fund balances, end of year</b>                    |                     | <u>\$ 981,101</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, 2012

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|   | Final<br>Budget     | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---|
| <b>Revenues</b>                         |                     |                     |   |
| Intergovernmental                       | \$ 839,552          | \$ 885,559          | \$ 46,007   |
| Use of money and property               | 9,645               | 9,131               | (514)   |
| <b>Total revenues</b>                   | <u>849,197</u>      | <u>894,690</u>      | <u>45,493</u>   |
| <b>Expenditures</b>                     |                     |                     |   |
| Capital improvement programs            | 1,605,850           | 1,041,751           | 564,099   |
| <b>Total expenditures</b>               | <u>1,605,850</u>    | <u>1,041,751</u>    | <u>564,099</u>  |
| <b>Change in fund balance</b>           | <u>\$ (756,653)</u> | <u>(147,061)</u>    | <u>\$ 609,592</u>   |
| <b>Fund balances, beginning of year</b> |                     | <u>1,384,337</u>    |   |
| <b>Fund balances, end of year</b>       |                     | <u>\$ 1,237,276</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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Intergovernmental                       | \$ 113,706         | \$ 114,841        | \$ 1,135  |
| Use of money and property               | 902                | 571               | (331)   |
| <b>Total revenues</b>                   | <u>114,608</u>     | <u>115,412</u>    | <u>804</u>  |
| <b>Expenditures</b>                     |                    |                   |   |
| Current:                                |                    |                   |   |
| Development services                    | <u>135,535</u>     | <u>123,151</u>    | <u>12,384</u>   |
| <b>Total expenditures</b>               | <u>135,535</u>     | <u>123,151</u>    | <u>12,384</u>   |
| <b>Change in fund balance</b>           | \$ <u>(20,927)</u> | (7,739)           | \$ <u>13,188</u>  |
| <b>Fund balances, beginning of year</b> |                    | <u>123,848</u>    |   |
| <b>Fund balances, end of year</b>       |                    | \$ <u>116,109</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, 2012

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|   | Final<br>Budget     | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---|
| <b>Revenues</b>                         |                     |                     |   |
| Charges for services                    | \$ 744,100          | \$ 805,846          | \$ 61,746   |
| Fines and forfeitures                   | 55,000              | 46,667              | (8,333)   |
| Miscellaneous                           | -                   | 4,550               | 4,550   |
| <b>Total revenues</b>                   | <u>799,100</u>      | <u>857,063</u>      | <u>57,963</u>   |
| <b>Expenditures</b>                     |                     |                     |   |
| Current:                                |                     |                     |   |
| Public services                         | <u>1,014,900</u>    | <u>980,634</u>      | <u>34,266</u>   |
| <b>Total expenditures</b>               | <u>1,014,900</u>    | <u>980,634</u>      | <u>34,266</u>   |
| <b>Change in fund balance</b>           | \$ <u>(215,800)</u> | (123,571)           | \$ <u>92,229</u>  |
| <b>Fund balances, beginning of year</b> |                     | <u>(416,441)</u>    |   |
| <b>Fund balances, end of year</b>       |                     | \$ <u>(540,012)</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, 2012

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|  | Final<br>Budget     | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|-------------------|---|
| <b>Revenues</b>                                      |                     |                   |   |
| Charges to other funds                               | \$ 589,743          | \$ 579,209        | \$ (10,534)   |
| <b>Total reveunes</b>                                | <u>589,743</u>      | <u>579,209</u>    | <u>(10,534)</u>   |
| <b>Expenditures</b>                                  |                     |                   |   |
| Capital improvement programs                         | 1,074,661           | 560,430           | 514,231   |
| <b>Total expenditures</b>                            | <u>1,074,661</u>    | <u>560,430</u>    | <u>514,231</u>  |
| Excess (deficiency) of revenues<br>over expenditures | <u>(484,918)</u>    | <u>18,779</u>     | <u>503,697</u>  |
| <b>Change in fund balance</b>                        | <u>\$ (484,918)</u> | <u>18,779</u>     | <u>\$ 503,697</u>   |
| <b>Fund balances, beginning of year</b>              |                     | <u>589,883</u>    |   |
| <b>Fund balances, end of year</b>                    |                     | <u>\$ 608,662</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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Fines and forfeitures                   | \$ 92,000          | \$ 66,185         | \$ (25,815)   |
| Use of money and property               | 1,643              | 457               | (1,186)   |
| <b>Total revenues</b>                   | <u>93,643</u>      | <u>66,642</u>     | <u>(27,001)</u>   |
| <b>Expenditures</b>                     |                    |                   |   |
| Current:                                |                    |                   |   |
| Public services                         | 118,900            | 151,638           | (32,738)  |
| Capital improvement programs            | 25,000             | 6,090             | 18,910  |
| <b>Total expenditures</b>               | <u>143,900</u>     | <u>157,728</u>    | <u>(13,828)</u>   |
| <b>Change in fund balance</b>           | <u>\$ (50,257)</u> | <u>(91,086)</u>   | <u>\$ (40,829)</u>  |
| <b>Fund balances, beginning of year</b> |                    | <u>98,652</u>     |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ 7,566</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, 2012

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|   | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|-------------------|---|
| <b>Revenues</b>                         |                 |                   |   |
| Charges for services                    | \$ 6,600        | \$ 10,515         | \$ 3,915  |
| <b>Total revenues</b>                   | <u>6,600</u>    | <u>10,515</u>     | <u>3,915</u>  |
| <b>Expenditures</b>                     |                 |                   |   |
| Current:                                |                 |                   |   |
| Public services                         | 4,500           | 3,288             | 1,212   |
| <b>Total expenditures</b>               | <u>4,500</u>    | <u>3,288</u>      | <u>1,212</u>  |
| <b>Change in fund balance</b>           | <u>\$ 2,100</u> | 7,227             | <u>\$ 5,127</u>   |
| <b>Fund balances, beginning of year</b> |                 | <u>38,765</u>     |   |
| <b>Fund balances, end of year</b>       |                 | <u>\$ 45,992</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, 2012

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|   | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|-------------------|---|
| <b>Revenues</b>                         |                 |                   |   |
| Charges for services                    | \$ -            | \$ -              | \$ -  |
| Use of money and property               | -               | -                 | -   |
| <b>Total revenues</b>                   | <u>-</u>        | <u>-</u>          | <u>-</u>  |
| <b>Expenditures</b>                     |                 |                   |   |
| Current:                                |                 |                   |   |
| Public safety                           | -               | -                 | -   |
| Capital improvement programs            | -               | 15,000            | (15,000)  |
| <b>Total expenditures</b>               | <u>-</u>        | <u>15,000</u>     | <u>(15,000)</u>   |
| <b>Change in fund balance</b>           | <u>\$ -</u>     | <u>(15,000)</u>   | <u>\$ (15,000)</u>  |
| <b>Fund balances, beginning of year</b> |                 | 15,033            |   |
| <b>Fund balances, end of year</b>       |                 | <u>\$ 33</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, 2012

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|   | Final<br>Budget     | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|-------------------|---|
| <b>Revenues</b>                         |                     |                   |   |
| Intergovernmental                       | \$ -                | \$ 512,793        | \$ 512,793  |
| Use of money and property               | 2,052               | 2,265             | 213   |
| <b>Total revenues</b>                   | <u>2,052</u>        | <u>515,058</u>    | <u>513,006</u>  |
| <b>Expenditures</b>                     |                     |                   |   |
| Capital improvement programs            | 268,000             | 5,411             | 262,589   |
| <b>Total expenditures</b>               | <u>268,000</u>      | <u>5,411</u>      | <u>262,589</u>  |
| <b>Change in fund balance</b>           | \$ <u>(265,948)</u> | 509,647           | \$ <u>775,595</u>   |
| <b>Fund balances, beginning of year</b> |                     | <u>294,150</u>    |   |
| <b>Fund balances, end of year</b>       |                     | <u>\$ 803,797</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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Intergovernmental                       | \$ 100,000         | \$ 128,134        | \$ 28,134   |
| Use of money and property               | -                  | 153               | 153   |
| <b>Total revenues</b>                   | <u>100,000</u>     | <u>128,287</u>    | <u>28,287</u>   |
| <b>Expenditures</b>                     |                    |                   |   |
| Capital improvement programs            | <u>130,000</u>     | <u>97,976</u>     | <u>32,024</u>   |
| <b>Total expenditures</b>               | <u>130,000</u>     | <u>97,976</u>     | <u>32,024</u>   |
| <b>Change in fund balance</b>           | <u>\$ (30,000)</u> | <u>30,311</u>     | <u>\$ 60,311</u>  |
| <b>Fund balances, beginning of year</b> |                    | <u>59,718</u>     |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ 90,029</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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Intergovernmental                       | \$ 25,000          | \$ 24,800         | \$ (200)  |
| Use of money and property               | 1,500              | 620               | (880)   |
| <b>Total revenues</b>                   | <u>26,500</u>      | <u>25,420</u>     | <u>(1,080)</u>  |
| <b>Expenditures</b>                     |                    |                   |   |
| Current:                                |                    |                   |   |
| Development services                    | 76,587             | 61,654            | 14,933  |
| <b>Total expenditures</b>               | <u>76,587</u>      | <u>61,654</u>     | <u>14,933</u>   |
| Other financing uses                    |                    |                   |   |
| Transfer out                            | (1,200)            | (1,200)           | -   |
| <b>Change in fund balance</b>           | \$ <u>(50,087)</u> | (37,434)          | \$ <u>13,853</u>  |
| <b>Fund balances, beginning of year</b> |                    | <u>106,363</u>    |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ 68,929</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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|-------------------|---|
| <b>Revenues</b>                         |                    |                   |   |
| Intergovernmental                       | \$ -               | \$ 213,439        | \$ 213,439  |
| Use of money and property               | 1,000              | 731               | (269)   |
| <b>Total revenues</b>                   | <u>1,000</u>       | <u>214,170</u>    | <u>213,170</u>  |
| <b>Expenditures</b>                     |                    |                   |   |
| Current:                                |                    |                   |   |
| Public services                         | 67,000             | 68,000            | (1,000)   |
| <b>Total expenditures</b>               | <u>67,000</u>      | <u>68,000</u>     | <u>(1,000)</u>  |
| <b>Change in fund balance</b>           | <u>\$ (66,000)</u> | 146,170           | <u>\$ 212,170</u>   |
| <b>Fund balances, beginning of year</b> |                    | <u>96,407</u>     |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ 242,577</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, 2012**

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|  | Final<br>Budget | Actual<br>Amounts | Final Budget -<br>Positive<br>(Negative) |
|--|-----------------|-------------------|--|
| <b>Revenues</b>                                      |                 |                   |  |
| Intergovernmental                                    | \$ 37,725       | \$ 51,542         | \$ 13,817                                |
| Use of money and property                            | -               | 52                | 52                                       |
| <b>Total revenues</b>                                | <u>37,725</u>   | <u>51,594</u>     | <u>13,869</u>                            |
| <b>Expenditures</b>                                  |                 |                   |  |
| Current:   |                 |                   |  |
| Development services                                 | 31,170          | 25,270            | 5,900                                    |
| <b>Total expenditures</b>                            | <u>31,170</u>   | <u>25,270</u>     | <u>5,900</u>                             |
| Excess (deficiency) of revenues<br>over expenditures | 6,555           | 26,324            | 19,769                                   |
| <b>Other financing sources</b>                       |                 |                   |  |
| Transfers out  | <u>(5,436)</u>  | <u>(3,743)</u>    | <u>1,693</u>                             |
| <b>Change in fund balance</b>                        | <u>\$ 1,119</u> | <u>22,581</u>     | <u>\$ 21,462</u>                         |
| <b>Fund balances, beginning of year</b>              |                 | <u>(3,516)</u>    |  |
| <b>Fund balances, end of year</b>                    |                 | <u>\$ 19,065</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, 2012**

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|   | Final<br>Budget     | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|-------------------|---|
| <b>Revenues</b>                         |                     |                   |   |
| Intergovernmental                       | \$ 90,000           | \$ -              | \$ (90,000)   |
| Use of money and property               | -                   | 1,238             | 1,238   |
| <b>Total revenues</b>                   | <u>90,000</u>       | <u>1,238</u>      | <u>(88,762)</u>   |
| <b>Expenditures</b>                     |                     |                   |   |
| Current:                                |                     |                   |   |
| Capital improvement programs            | <u>337,700</u>      | <u>249,275</u>    | <u>88,425</u>   |
| <b>Total expenditures</b>               | <u>337,700</u>      | <u>249,275</u>    | <u>88,425</u>   |
| <b>Change in fund balance</b>           | <u>\$ (247,700)</u> | <u>(248,037)</u>  | <u>\$ (337)</u>   |
| <b>Fund balances, beginning of year</b> |                     | <u>247,996</u>    |   |
| <b>Fund balances, end of year</b>       |                     | <u>\$ (41)</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, 2012

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|  | Final<br>Budget     | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|-------------------|---|
| <b>Revenues</b>                                      |                     |                   |   |
| Use of money and property                            | \$ 2,439            | \$ 1,323          | \$ (1,116)  |
| Miscellaneous  | -                   | 3,863             |   |
| <b>Total revenues</b>                                | <u>2,439</u>        | <u>5,186</u>      | <u>(1,116)</u>  |
| <b>Expenditures</b>                                  |                     |                   |   |
| Capital improvement program                          | <u>246,347</u>      | <u>275,384</u>    | <u>(29,037)</u>   |
| <b>Total expenditures</b>                            | <u>246,347</u>      | <u>275,384</u>    | <u>(29,037)</u>   |
| Excess (deficiency) of revenues<br>over expenditures | (243,908)           | (270,198)         | (30,153)  |
| <b>Other financing sources</b>                       |                     |                   |   |
| Transfers out  | <u>-</u>            | <u>-</u>          | <u>-</u>  |
|  | <u>-</u>            | <u>-</u>          | <u>-</u>  |
| <b>Change in fund balance</b>                        | <u>\$ (243,908)</u> | <u>(270,198)</u>  | <u>\$ (30,153)</u>  |
| <b>Fund balances, beginning of year</b>              |                     | <u>270,198</u>    |   |
| <b>Fund balances, end of year</b>                    |                     | <u>\$ -</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, 2012**

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|   | Final<br>Budget       | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------------|-------------------|---|
| <b>Revenues</b>                         |                       |                   |   |
| Use of money and property               | \$ 10,841             | \$ 8,143          | \$ (2,698)  |
| <b>Total revenues</b>                   | <u>10,841</u>         | <u>8,143</u>      | <u>(2,698)</u>  |
| <b>Expenditures</b>                     |                       |                   |   |
| Current:                                |                       |                   |   |
| Capital improvement program             | 1,557,892             | 750,000           | 807,892   |
| <b>Total expenditures</b>               | <u>1,557,892</u>      | <u>750,000</u>    | <u>807,892</u>  |
| <b>Change in fund balance</b>           | \$ <u>(1,547,051)</u> | (741,857)         | \$ <u>805,194</u>   |
| <b>Fund balances, beginning of year</b> |                       | <u>1,549,183</u>  |   |
| <b>Fund balances, end of year</b>       |                       | \$ <u>807,326</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, 2012

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|   | Final<br>Budget     | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|-------------------|---|
| <b>Revenues</b>                         |                     |                   |   |
| Use of money and property               | \$ 1,000            | \$ 1,733          | \$ 733  |
| <b>Total revenues</b>                   | <u>1,000</u>        | <u>1,733</u>      | <u>733</u>  |
| <b>Expenditures</b>                     |                     |                   |   |
| Capital improvement programs            | 297,182             | -                 | 297,182   |
| <b>Total expenditures</b>               | <u>297,182</u>      | <u>-</u>          | <u>297,182</u>  |
| <b>Change in fund balance</b>           | \$ <u>(296,182)</u> | 1,733             | \$ <u>297,915</u>   |
| <b>Fund balances, beginning of year</b> |                     | <u>299,746</u>    |   |
| <b>Fund balances, end of year</b>       |                     | <u>\$ 301,479</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, 2012

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|  | Final<br>Budget    | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------|-------------------|---|
| <b>Revenues</b>                                      |                    |                   |   |
| Intergovernmental                                    | \$ 28,000          | \$ 37,000         | \$ 9,000  |
| Use of money and property                            | 400                | 104               | (296)   |
| <b>Total revenues</b>                                | <u>28,400</u>      | <u>37,104</u>     | <u>8,704</u>  |
| <b>Expenditures</b>                                  |                    |                   |   |
| Current:   |                    |                   |   |
| Public services                                      | 55,733             | 38,151            | 17,582  |
| <b>Total expenditures</b>                            | <u>55,733</u>      | <u>38,151</u>     | <u>17,582</u>   |
| Excess (deficiency) of revenues<br>over expenditures | (27,333)           | (1,047)           | 26,286  |
| <b>Other financing sources</b>                       |                    |                   |   |
| Transfers out  | (5,000)            | -                 | 5,000   |
| <b>Change in fund balance</b>                        | <u>\$ (32,333)</u> | <u>(1,047)</u>    | <u>\$ 31,286</u>  |
| <b>Fund balances, beginning of year</b>              |                    | <u>25,574</u>     |   |
| <b>Fund balances, end of year</b>                    |                    | <u>\$ 24,527</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, 2012

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|   | Final<br>Budget       | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------------|-------------------|---|
| <b>Revenues</b>                         |                       |                   |   |
| Intergovernmental                       | \$ -                  | \$ 901,998        | \$ 901,998  |
| Use of money and property               | -                     | 52,293            | 52,293  |
| <b>Total revenues</b>                   | <u>-</u>              | <u>954,291</u>    | <u>954,291</u>  |
| <b>Expenditures</b>                     |                       |                   |   |
| Current:                                |                       |                   |   |
| Economic development                    | 7,206,052             | 6,438,507         | 767,545   |
| <b>Total expenditures</b>               | <u>7,206,052</u>      | <u>6,438,507</u>  | <u>767,545</u>  |
| <b>Change in fund balance</b>           | <u>\$ (7,206,052)</u> | (5,484,216)       | <u>\$ 1,721,836</u>                                       |
| <b>Fund balances, beginning of year</b> |                       | <u>5,691,438</u>  |   |
| <b>Fund balances, end of year</b>       |                       | <u>\$ 207,222</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, 2012

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|   | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|-------------------|---|
| <b>Revenues</b>                         |                 |                   |   |
| Intergovernmental                       | \$ -            | \$ 1,470          | \$ 1,470  |
| <b>Total revenues</b>                   | <u>-</u>        | <u>1,470</u>      | <u>1,470</u>  |
| <b>Expenditures</b>                     |                 |                   |   |
| Current:                                |                 |                   |   |
| Public services                         | <u>-</u>        | <u>-</u>          | <u>-</u>  |
| <b>Total expenditures</b>               | <u>-</u>        | <u>-</u>          | <u>-</u>  |
| <b>Change in fund balance</b>           | <u>\$ -</u>     | <u>1,470</u>      | <u>\$ 1,470</u>   |
| <b>Fund balances, beginning of year</b> |                 | <u>(1,470)</u>    |   |
| <b>Fund balances, end of year</b>       |                 | <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, 2012**

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|   | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|-------------------|---|
| <b>Revenues</b>                         |                 |                   |   |
| Intergovernmental                       | \$ 99,515       | \$ 7,294          | \$ (92,221)   |
| <b>Total revenues</b>                   | <u>99,515</u>   | <u>7,294</u>      | <u>(92,221)</u>   |
| <b>Expenditures</b>                     |                 |                   |   |
| Economic development                    | 99,515          | 7,294             | 92,221  |
| <b>Total expenditures</b>               | <u>99,515</u>   | <u>7,294</u>      | <u>92,221</u>   |
| <b>Change in fund balance</b>           | \$ <u>-</u>     | -                 | \$ <u>-</u>   |
| <b>Fund balances, beginning of year</b> |                 | <u>-</u>          |   |
| <b>Fund balances, end of year</b>       |                 | \$ <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, 2012

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|   | Final<br>Budget   | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---|
| <b>Revenues</b>                         |                   |                   |   |
| Intergovernmental                       | \$ 523,299        | \$ 473,889        | \$ (49,410)   |
| <b>Total revenues</b>                   | <u>523,299</u>    | <u>473,889</u>    | <u>(49,410)</u>   |
| <b>Expenditures</b>                     |                   |                   |   |
| Current:                                |                   |                   |   |
| Economic development                    | 417,984           | 473,889           | (55,905)  |
| <b>Total expenditures</b>               | <u>417,984</u>    | <u>473,889</u>    | <u>(55,905)</u>   |
| <b>Change in fund balance</b>           | <u>\$ 105,315</u> | -                 | <u>\$ (105,315)</u>                                       |
| <b>Fund balances, beginning of year</b> |                   | <u>101</u>        |   |
| <b>Fund balances, end of year</b>       |                   | <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, 2012

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|   | Final<br>Budget    | Actual<br>Amounts  | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---|
| <b>Revenues</b>                         |                    |                    |   |
| Intergovernmental                       | \$ 1,101,700       | \$ 962,143         | \$ (139,557)  |
| Use of money and property               | -                  | 2,498              | 2,498   |
| <b>Total expenditures</b>               | <u>1,101,700</u>   | <u>964,641</u>     | <u>(137,059)</u>  |
| <b>Expenditures</b>                     |                    |                    |   |
| Current:                                |                    |                    |   |
| Economic development                    | 305,590            | 188,163            | 117,427   |
| Capital improvement program             | 879,458            | 1,010,655          | (131,197)   |
| <b>Total expenditures</b>               | <u>1,185,048</u>   | <u>1,198,818</u>   | <u>(13,770)</u>   |
| <b>Change in fund balance</b>           | <u>\$ (83,348)</u> | (234,177)          | <u>\$ (123,289)</u>                                       |
| <b>Fund balances, beginning of year</b> |                    | <u>170,780</u>     |   |
| <b>Fund balances, end of year</b>       |                    | <u>\$ (63,397)</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, 2012

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|   | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|-----------------|-------------------|---|
| <b>Revenues</b>                         |                 |                   |   |
| Intergovernmental                       | \$ 634,900      | \$ 634,900        | \$ -  |
| <b>Total revenues</b>                   | <u>634,900</u>  | <u>634,900</u>    | <u>-</u>  |
| <b>Expenditures</b>                     |                 |                   |   |
| Capital improvement program             | 634,900         | 634,900           | -   |
| <b>Total expenditures</b>               | <u>634,900</u>  | <u>634,900</u>    | <u>-</u>  |
| <b>Change in fund balance</b>           | \$ <u>-</u>     | -                 | \$ <u>-</u>   |
| <b>Fund balances, beginning of year</b> |                 | <u>-</u>          |   |
| <b>Fund balances, end of year</b>       |                 | \$ <u>-</u>       |   |



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **FIDUCIARY FUNDS**

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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. The City has two types of Fiduciary funds: Agency Fund and Private-Purpose Trust Fund.

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

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

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

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

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

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

City of Carson  
Fiduciary Funds  
Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2012

|  | Trust and<br>Agency | Wilmington Ave<br>Assessment<br>District | Sepulveda Blvd<br>Assessment<br>District | Dominguez<br>Tech Center<br>Assessment<br>District | Totals               |
|--|---------------------|--|--|--|----------------------|
| <b>ASSETS</b>                            |                     |  |  |  |                      |
| Cash and investments                     | \$ 3,587,079        | \$ 711,929                               | \$ 1,081,999                             | \$ 973,112   | \$ 6,354,119         |
| Cash and investments with fiscal agent   | -                   | -  | -  | 2,512,652  | 2,512,652            |
| Receivables:                             |                     |  |  |  |                      |
| Accounts                                 | -                   | -  | -  | 1,166,855  | 1,166,855            |
| Interest                                 | 36                  | -  | -  | -  | 36                   |
| Total assets                             | <u>\$ 3,587,115</u> | <u>\$ 711,929</u>                        | <u>\$ 1,081,999</u>                      | <u>\$ 4,652,619</u>                                | <u>\$ 10,033,662</u> |
| <b>LIABILITIES</b>                       |                     |  |  |  |                      |
| Accounts payable and accrued liabilities | \$ 427,310          | \$ -                                     | \$ -                                     | \$ -   | \$ 427,310           |
| Refundable deposits                      | 3,159,805           | -  | -  | -  | 3,159,805            |
| Due to assessees/bondholders             | -                   | 711,929                                  | 1,081,999                                | 4,652,619  | 6,446,547            |
| Total liabilities                        | <u>\$ 3,587,115</u> | <u>\$ 711,929</u>                        | <u>\$ 1,081,999</u>                      | <u>\$ 4,652,619</u>                                | <u>\$ 3,587,115</u>  |



**City of Carson**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Year ended June 30, 2012**

|                                | Balance at<br>July 1, 2011 | Additions           | Reductions          | Balance at<br>June 30, 2012 |
|--------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| <b><u>Trust and Agency</u></b> |                            |                     |                     |                             |
| <b>ASSETS</b>                  |                            |                     |                     |                             |
| Cash and investments           | \$ 2,779,558               | \$ 2,056,186        | \$ 1,248,665        | \$ 3,587,079                |
| Receivable:                    |                            |                     |                     |                             |
| Interest                       | 36                         | -                   | -                   | 36                          |
| Total assets                   | <u>\$ 2,779,594</u>        | <u>\$ 2,056,186</u> | <u>\$ 1,248,665</u> | <u>\$ 3,587,115</u>         |

|  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>LIABILITIES</b>                       |                     |                     |                     |                     |
| Accounts payable and accrued liabilities | \$ 238,315          | \$ 1,401,206        | \$ 1,212,211        | \$ 427,310          |
| Refundable deposits                      | 2,541,279           | 2,615,966           | 1,997,440           | 3,159,805           |
| Total liabilities                        | <u>\$ 2,779,594</u> | <u>\$ 4,017,172</u> | <u>\$ 3,209,651</u> | <u>\$ 3,587,115</u> |

**Wilmington Ave Assessment District**

|                      |                   |                   |             |                   |
|----------------------|-------------------|-------------------|-------------|-------------------|
| <b>ASSETS</b>        |                   |                   |             |                   |
| Cash and investments | \$ 452,750        | \$ 259,179        | \$ -        | \$ 711,929        |
| Total assets         | <u>\$ 452,750</u> | <u>\$ 259,179</u> | <u>\$ -</u> | <u>\$ 711,929</u> |

|                    |                   |                   |                   |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| <b>LIABILITIES</b> |                   |                   |                   |                   |
| Due to bondholders | \$ 452,750        | \$ 730,119        | \$ 470,940        | \$ 711,929        |
| Total liabilities  | <u>\$ 452,750</u> | <u>\$ 730,120</u> | <u>\$ 470,941</u> | <u>\$ 711,929</u> |

**Sepulveda Blvd Assessment District**

|                      |                     |                   |                   |                     |
|----------------------|---------------------|-------------------|-------------------|---------------------|
| <b>ASSETS</b>        |                     |                   |                   |                     |
| Cash and investments | \$ 1,318,828        | \$ 215,605        | \$ 452,434        | \$ 1,081,999        |
| Total assets         | <u>\$ 1,318,828</u> | <u>\$ 215,605</u> | <u>\$ 452,434</u> | <u>\$ 1,081,999</u> |

|  |                     |                   |                   |                     |
|--|---------------------|-------------------|-------------------|---------------------|
| <b>LIABILITIES</b>                       |                     |                   |                   |                     |
| Accounts payable and accrued liabilities | \$ 1,257            | \$ 7,150          | \$ 8,407          | \$ -                |
| Due to bondholders                       | 1,317,571           | 686,546           | 922,118           | 1,081,999           |
| Total liabilities                        | <u>\$ 1,318,828</u> | <u>\$ 693,696</u> | <u>\$ 930,525</u> | <u>\$ 1,081,999</u> |

City of Carson  
Fiduciary Funds  
Statement of Changes in Fiduciary Assets and Liabilities  
Year ended June 30, 2012

|   | Balance at<br>July 1, 2011 | Additions           | Reductions          | Balance at<br>June 30, 2012 |
|---|----------------------------|---------------------|---------------------|-----------------------------|
| <b><u>Dominguez Tech Center Assessment District</u></b> |                            |                     |                     |                             |
| <b>ASSETS</b>   |                            |                     |                     |                             |
| Cash and investments                                    | \$ 1,626,147               | \$ 2,449,561        | \$ 3,102,596        | \$ 973,112                  |
| Cash and investments with fiscal agent                  | 2,511,475                  | 2,273,480           | 2,272,304           | 2,512,651                   |
| Receivables:  |                            |                     |                     |                             |
| Accounts  | 494,866                    | 1,166,855           | 494,865             | 1,166,856                   |
| Total assets  | <u>\$ 4,632,488</u>        | <u>\$ 5,889,896</u> | <u>\$ 5,869,765</u> | <u>\$ 4,652,619</u>         |
| <b>LIABILITIES</b>                                      |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                | \$ 740                     | \$ 10,947           | \$ 11,687           | \$ -                        |
| Due to bondholders                                      | 4,631,748                  | 5,890,426           | 5,869,555           | 4,652,619                   |
| Total liabilities                                       | <u>\$ 4,632,488</u>        | <u>\$ 5,901,373</u> | <u>\$ 5,881,242</u> | <u>\$ 4,652,619</u>         |

**Totals - All Fiduciary Funds**

|  |                     |                      |                      |                      |
|--|---------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                            |                     |                      |                      |                      |
| Cash and investments                     | \$ 6,177,283        | \$ 4,980,531         | \$ 4,803,695         | \$ 6,354,119         |
| Cash and investments with fiscal agent   | 2,511,475           | 2,273,480            | 2,272,304            | 2,512,651            |
| Receivables:                             |                     |                      |                      |                      |
| Accounts                                 | 494,866             | 1,166,855            | 494,865              | 1,166,856            |
| Interest                                 | 36                  | -                    | -                    | 36                   |
| Total assets                             | <u>\$ 9,183,660</u> | <u>\$ 8,420,866</u>  | <u>\$ 7,570,864</u>  | <u>\$ 10,033,662</u> |
| <b>LIABILITIES</b>                       |                     |                      |                      |                      |
| <b>Current liabilities</b>               |                     |                      |                      |                      |
| Accounts payable and accrued liabilities | \$ 240,312          | \$ 1,419,303         | \$ 1,232,305         | \$ 427,310           |
| Refundable deposits                      | 2,541,279           | 2,615,966            | 1,997,440            | 3,159,805            |
| Due to assessees/bondholders             | 6,402,069           | 7,307,091            | 7,262,613            | 6,446,547            |
| Total liabilities                        | <u>\$ 9,183,660</u> | <u>\$ 11,342,360</u> | <u>\$ 10,492,358</u> | <u>\$ 10,033,662</u> |



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **STATISTICAL SECTION**

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(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**

|  | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012               |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|
| <b>Governmental activities</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Invested in capital assets, net of accumulated depreciation and related debt | \$ 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        | 302,392,752        |
| Restricted for:  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Public services  | 204,195               | (428,719)             | 2,121,021             | 5,043,426             | 7,266,284             | 7,955,782             | 365,563               | 437,501               | 1,351,533             | 6,228,534          |
| Development services   | 772,895               | 9,601,103             | -                     | -                     | -                     | -                     | 5,163,559             | 6,218,413             | 5,462,293             | 4,606,521          |
| Economic development   | 134,152,221           | 185,724,332           | 192,255,065           | 198,110,054           | 16,876,793            | 14,883,468            | 66,747,912            | 58,184,306            | 21,030,464            | 207,323            |
| Low and moderate income housing  | -                     | -                     | -                     | -                     | 44,076,682            | 47,791,190            | 57,703,840            | 56,547,299            | 33,212,090            | 47,104,277         |
| Unrestricted   | (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)          | 2,571,341          |
| <b>Total governmental activities net assets</b>                              | <b>\$ 463,153,521</b> | <b>\$ 465,994,766</b> | <b>\$ 467,724,503</b> | <b>\$ 482,203,629</b> | <b>\$ 497,846,660</b> | <b>\$ 505,866,858</b> | <b>\$ 459,507,864</b> | <b>\$ 419,286,360</b> | <b>\$ 379,644,579</b> | <b>383,110,748</b> |

Source: City of Carson



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

|   | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            | 2009             | 2010             | 2011             | 2012            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|
| <b>Expenses</b>   |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Governmental activities:  |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| General government  | \$ 17,052,037   | \$ 16,632,800   | \$ 18,001,181   | \$ 16,767,939   | \$ 19,489,561   | \$ 20,809,981   | \$ 27,028,260    | \$ 20,353,648    | \$ 20,578,488    | \$ 22,940,199   |
| Public services   | 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       | 41,684,670      |
| Development services  | 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       | 14,060,876      |
| Economic development  | 13,078,462      | 11,698,412      | 17,172,120      | 13,106,084      | 18,252,691      | 14,418,785      | 70,810,907       | 56,847,899       | 53,957,318       | 14,469,115      |
| Interest and other charges  | 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       | 5,350,108       |
| Interfund reimbursement   | (3,089,227)     | -               | -               | -               | -               | -               | -                | -                | 8,615,980        | -               |
| Total governmental activities expenses                            | \$ 82,853,171   | \$ 88,385,862   | \$ 88,740,401   | \$ 81,789,133   | \$ 94,942,773   | \$ 96,376,776   | \$ 157,925,997   | \$ 144,219,309   | \$ 149,829,511   | \$ 98,504,968   |
| <b>Program Revenues:</b>  |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Governmental activities:  |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Charges for services  | \$ 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    | \$ 14,690,950   |
| Operating contributions and grants                                | 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       | 13,483,809      |
| Capital contributions and grants                                  | 175,404         | -               | 73,922          | 998,437         | 77,327          | 78,098          | 1,890,354        | 4,067,208        | 5,322,016        | 3,148,874       |
| 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    | \$ 31,323,633   |
| 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) | \$ (67,181,335) |
| <b>General Revenues and Other Changes in Net Assets</b>           |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Governmental activities:  |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Taxes   | \$ 52,846,105   | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -             | \$ -             | \$ -             | \$ -            |
| Property taxes  | -               | 25,832,203      | 28,150,634      | 29,157,856      | 31,005,842      | 32,202,400      | 34,892,648       | 32,874,557       | 32,977,590       | 21,182,424      |
| Sales taxes   | -               | 20,632,463      | 19,010,261      | 20,133,009      | 21,066,579      | 21,648,681      | 19,262,212       | 15,051,658       | 17,195,450       | 20,688,872      |
| Transient occupancy taxes   | -               | 896,294         | 1,139,242       | 1,329,497       | 1,392,123       | 1,564,083       | 1,244,543        | 1,121,092        | 1,197,800        | 1,307,732       |
| Franchise taxes   | -               | 6,675,126       | 6,888,795       | 8,433,494       | 8,120,849       | 8,159,269       | 9,686,804        | 6,876,484        | 7,483,227        | 7,746,907       |
| Admissions Tax  | -               | -               | -               | -               | -               | -               | 105,019          | 362,105          | 266,446          | 390,600         |
| Utility users tax   | -               | -               | -               | -               | -               | -               | 1,028            | 6,722,319        | 7,439,521        | 8,016,141       |
| Motor vehicle license fee   | -               | -               | 2,494,546       | 677,746         | 531,114         | 435,813         | 334,137          | 288,398          | 242,811          | 256,016         |
| Motor vehicle in fee  | -               | 4,679,928       | 5,369,607       | 6,594,965       | 6,395,360       | 6,780,952       | 7,235,463        | 7,153,876        | 7,104,861        | 7,023,678       |
| Other tax   | -               | -               | 3,311           | 3,698           | -               | -               | -                | -                | -                | -               |
| Licenses and permits  | 5,335,589       | -               | -               | -               | -               | -               | -                | -                | -                | -               |
| Fines, forfeitures and penalties                                  | 1,643,899       | -               | -               | -               | -               | -               | -                | -                | -                | -               |
| Use of money and property   | 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        | 1,763,424       |
| Developer constructed infrastructure                              | 4,550,996       | -               | -               | -               | -               | -               | -                | -                | -                | -               |
| Loss on sale of land  | (759,060)       | -               | -               | -               | -               | -               | -                | -                | -                | -               |
| Other revenue   | -               | 3,134,879       | 1,577,536       | 995,775         | 956,734         | 533,503         | 638,428          | 5,212,274        | 1,830,299        | 195,425         |
| 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    | \$ 68,571,219   |
| <b>Change in Net Assets</b>                                       |                 |                 |                 |                 |                 |                 |                  |                  |                  |                 |
| Governmental activities   | \$ 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)  | \$ 1,389,884    |
| 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)  | \$ 1,389,884    |

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**

|  | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011**                | 2012                 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| <b>General fund</b>                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Reserved                                   | \$ 3,959,454          | \$ 3,596,646          | \$ 2,927,387          | \$ 2,936,079          | \$ 1,158,240          | \$ 2,705,353          | \$ 3,114,747          | \$ 944,638            |                       |                      |
| Unreserved, reported in:                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Designated for special purpose             | 17,898,007            | 19,148,285            | 20,231,985            | 20,418,185            | -                     | -                     | 1,289,181             | 1,245,972             |                       |                      |
| Undesignated                               | 7,934,829             | 2,881,347             | 3,758,506             | 4,477,779             | 26,679,476            | 21,679,654            | 16,405,465            | 15,991,314            |                       |                      |
| <b>Total general fund</b>                  | <b>29,792,290</b>     | <b>25,416,280</b>     | <b>26,917,878</b>     | <b>27,832,043</b>     | <b>27,837,716</b>     | <b>24,385,007</b>     | <b>20,789,393</b>     | <b>18,182,124</b>     |                       |                      |
| <b>Special Revenue</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Reserved                                   | 1,593,088             | 1,636,066             | 1,265,311             | 3,130,368             | 15,737,951            | 14,792,547            | 17,073,294            | 17,526,281            |                       |                      |
| Unreserved, reported in:                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Designated                                 | -                     | 2,025,413             | -                     | -                     | 8,034,288             | 11,962,175            | 6,724,222             | 7,045,587             |                       |                      |
| Undesignated                               | 10,028,656            | 8,278,870             | 12,608,252            | 13,291,665            | -                     | -                     | -                     | -                     |                       |                      |
| State local transportation fund            | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |                       |                      |
| Unreserved, reported in:                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Special revenue funds                      | (791,232)             | -                     | -                     | -                     | -                     | -                     | -                     | -                     |                       |                      |
| <b>Total special revenue fund</b>          | <b>10,830,512</b>     | <b>11,940,369</b>     | <b>13,873,563</b>     | <b>16,422,023</b>     | <b>23,772,239</b>     | <b>26,754,722</b>     | <b>23,797,516</b>     | <b>24,571,868</b>     |                       |                      |
| <b>Capital projects</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Reserved                                   | 60,482,480            | 79,119,527            | 83,913,950            | 86,791,251            | 88,585,120            | 81,160,740            | 79,754,221            | 51,338,721            |                       |                      |
| Unreserved, reported in:                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Designated                                 | -                     | 21,057,309            | -                     | -                     | 142,140,637           | 156,640,705           | 116,298,202           | 109,182,006           |                       |                      |
| Undesignated                               | 68,963,168            | 85,547,156            | 108,341,115           | 112,382,042           | -                     | -                     | -                     | -                     |                       |                      |
| <b>Total capital projects</b>              | <b>129,445,648</b>    | <b>185,723,992</b>    | <b>192,255,065</b>    | <b>199,173,293</b>    | <b>231,725,757</b>    | <b>237,801,445</b>    | <b>196,052,423</b>    | <b>160,520,727</b>    |                       |                      |
| <b>Total governmental funds</b>            | <b>\$ 170,068,450</b> | <b>\$ 223,080,641</b> | <b>\$ 233,046,506</b> | <b>\$ 243,427,359</b> | <b>\$ 283,335,712</b> | <b>\$ 288,941,174</b> | <b>\$ 240,639,332</b> | <b>\$ 203,274,719</b> |                       |                      |
| <b>General fund</b>                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Nonspendable                               |                       |                       |                       |                       |                       |                       |                       |                       | \$ 677,922            | \$ 739,877           |
| Restricted                                 |                       |                       |                       |                       |                       |                       |                       |                       | 2,321,416             | 2,410,033            |
| Committed                                  |                       |                       |                       |                       |                       |                       |                       |                       | 6,198,067             | 6,705,685            |
| Assigned                                   |                       |                       |                       |                       |                       |                       |                       |                       | 3,712,276             | 3,792,000            |
| Unassigned                                 |                       |                       |                       |                       |                       |                       |                       |                       | 10,591,610            | 15,971,310           |
|  |                       |                       |                       |                       |                       |                       |                       |                       | <b>\$ 23,501,291</b>  | <b>29,618,905</b>    |
| <b>Housing Authority</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Nonspendable                               |                       |                       |                       |                       |                       |                       |                       |                       | 7,650,948             | 16,218,201           |
| Restricted                                 |                       |                       |                       |                       |                       |                       |                       |                       | 51,868,370            | 8,832,728            |
|  |                       |                       |                       |                       |                       |                       |                       |                       | <b>\$ 59,519,318</b>  | <b>25,050,929</b>    |
| <b>Capital projects</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Nonspendable                               |                       |                       |                       |                       |                       |                       |                       |                       | 24,660,162            | -                    |
| Restricted                                 |                       |                       |                       |                       |                       |                       |                       |                       | 99,021,335            | -                    |
|  |                       |                       |                       |                       |                       |                       |                       |                       | <b>\$ 123,681,497</b> | <b>-</b>             |
| <b>Proposition C Local Return Fund</b>     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Restricted                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       | \$ 134,090           |
| <b>Federal Highway Planning Grant Fund</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Unassigned                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       | \$ (549,702)         |
| <b>Nonmajor governmental funds</b>         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                      |
| Restricted                                 |                       |                       |                       |                       |                       |                       |                       |                       | 28,208,276            | 6,221,890            |
| Assigned                                   |                       |                       |                       |                       |                       |                       |                       |                       | 568,883               | 608,662              |
| Unassigned                                 |                       |                       |                       |                       |                       |                       |                       |                       | (3,363,044)           | (540,012)            |
|  |                       |                       |                       |                       |                       |                       |                       |                       | 25,435,115            | 6,290,540            |
| <b>Total governmental funds</b>            |                       |                       |                       |                       |                       |                       |                       |                       | <b>\$ 232,137,221</b> | <b>\$ 60,544,762</b> |

\* 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**

|  | 2003                  | 2004                | 2005               | 2006                | 2007                | 2008               | 2009                  | 2010                  | 2011                | 2012                  |
|--|-----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|-----------------------|-----------------------|---------------------|-----------------------|
| <b>Revenues</b>  |                       |                     |                    |                     |                     |                    |                       |                       |                     |                       |
| Taxes  | \$ 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       | \$ 68,978,607         |
| Licenses and permits   | 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           | 6,240,419             |
| Fines, forfeitures and penalties                                 | 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           | 2,789,268             |
| Use of money and property  | 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           | 1,763,424             |
| Intergovernmental  | 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          | 8,361,928             |
| Charges for services   | 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           | 8,967,821             |
| Charges to other funds   | 753,374               | 437,525             | -                  | 902,500             | 372,000             | 869,400            | 32,697                | 145,057               | -                   | -                     |
| Miscellaneous  | 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           | 2,729,580             |
| Total revenues   | 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         | 99,831,047            |
| <b>Expenditures</b>  |                       |                     |                    |                     |                     |                    |                       |                       |                     |                       |
| General government   | 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          | 20,690,955            |
| Public services  | 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          | 36,366,232            |
| Development services   | 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          | 16,711,058            |
| Economic development   | 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          | 27,466,234            |
| Debt Service   |                       |                     |                    |                     |                     |                    |                       |                       |                     |                       |
| Bond principal   | 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           | 5,735,000             |
| Bond interest  | 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           | 5,096,767             |
| Other bond financing costs                                       | 979,935               | 2,050,259           | 2,000              | -                   | 947,786             | 1,033,973          | 234,980               | 334,120               | 577,740             | -                     |
| Capital improvement programs                                     | 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          | 17,402,989            |
| 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)         | (5,198,738)           |
| Total expenditures   | 96,760,660            | 93,276,425          | 86,476,183         | 88,568,944          | 106,768,805         | 105,879,622        | 175,051,723           | 156,872,904           | 119,326,096         | 124,270,497           |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(9,252,624)</b>    | <b>(8,523,683)</b>  | <b>6,258,250</b>   | <b>10,380,852</b>   | <b>3,489,360</b>    | <b>3,080,009</b>   | <b>(66,901,350)</b>   | <b>(49,257,228)</b>   | <b>(12,476,998)</b> | <b>(24,439,450)</b>   |
| <b>Other financing sources (uses)</b>                            |                       |                     |                    |                     |                     |                    |                       |                       |                     |                       |
| Transfers in   | 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          | 25,766,146            |
| Transfers out  | (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)        | (25,766,146)          |
| Loan Proceeds  | -                     | -                   | 5,000,000          | -                   | -                   | -                  | -                     | -                     | -                   | -                     |
| Bond Proceeds  | 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  | (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)        | -                   | -                   | -                  | -                     | -                     | -                   | -                     |
| Total other financing sources (uses)                             | (1,218,450)           | 58,558,855          | 3,566,082          | -                   | 28,000,000          | 2,525,453          | 22,419,317            | 11,892,615            | 41,339,500          | -                     |
| <b>Net change in fund balances</b>                               | <b>\$(10,471,074)</b> | <b>\$50,035,172</b> | <b>\$9,824,332</b> | <b>\$10,380,852</b> | <b>\$31,489,360</b> | <b>\$5,605,462</b> | <b>\$(44,482,033)</b> | <b>\$(37,364,613)</b> | <b>\$28,862,502</b> | <b>\$(24,439,450)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b>   | 9.15%                 | 9.53%               | 10.71%             | 9.94%               | 9.77%               | 14.01%             | 7.19%                 | 11.50%                | 16.54%              | 11%                   |

Source: City of Carson

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

| Year<br>Ended<br>30-Jun | Property<br>Tax | Sales<br>Tax  | Franchise<br>Tax | Interest<br>Income on<br>Investments | Building<br>Construction<br>Permits | Business<br>License<br>Fees | Federal<br>Grants | Motor<br>Vehicle<br>License Fees |
|-------------------------|-----------------|---------------|------------------|--------------------------------------|-------------------------------------|-----------------------------|-------------------|----------------------------------|
| 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        | 1,808,934                            | 3,053,450                           | 2,650,060                   | 5,769,455         | 242,811                          |
| 2012                    | 19,355,360      | 20,688,872    | 7,746,907        | 937,338                              | 2,789,592                           | 2,649,097                   | 2,056,551         | 256,016                          |

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

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

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



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

| Fiscal Year<br>Ended<br>June 30 | Entire City  |              |                     |                              | Redevelopment Agency |            |                     |                              | Total<br>Direct Tax<br>Rate |
|---------------------------------|--------------|--------------|---------------------|------------------------------|----------------------|------------|---------------------|------------------------------|-----------------------------|
|                                 | Secured      | Unsecured    | Less:<br>Exemptions | Taxable<br>Assessed<br>Value | Secured              | Unsecured  | Less:<br>Exemptions | Taxable<br>Assessed<br>Value |                             |
| 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%                      |
| 2012                            | 11,857,196   | 1,327,723    | (93,911)            | 13,091,009                   | 3,451,606            | 562,904    | (16,037)            | 3,998,473                    | 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 |        |        |        |        |        |        |        |        |        |
|-----------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                             | 2003        | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
| City Direct Rates:          |             |        |        |        |        |        |        |        |        |        |
| City basic rate             | 1.0000      | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Total City Direct Rate      | 1.000       | 1.000  | 1.000  | 1.000  | 1.000  | 1.000  | 1.000  | 1.000  | 1.000  | 1.000  |
| Overlapping Rates:          |             |        |        |        |        |        |        |        |        |        |
| County of Los Angeles       | 0.0010      | 0.0010 | 0.0009 | 0.0008 | 0.0007 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Community College           | 0.0146      | 0.0199 | 0.0181 | 0.0143 | 0.0215 | 0.0088 | 0.0221 | 0.0231 | 0.0403 | 0.0353 |
| Unified Schools             | 0.0370      | 0.0771 | 0.0888 | 0.0843 | 0.1068 | 0.1233 | 0.1248 | 0.1518 | 0.1870 | 0.1682 |
| Flood Control               | 0.0009      | 0.0005 | 0.0002 | 0.0000 | 0.0001 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Metropolitan Water District | 0.0067      | 0.0061 | 0.0058 | 0.0052 | 0.0047 | 0.0045 | 0.0043 | 0.0043 | 0.0037 | 0.0037 |
| Total Direct Rate           | 1.0602      | 1.1046 | 1.1138 | 1.1047 | 1.1337 | 1.1366 | 1.1512 | 1.1792 | 1.2310 | 1.2072 |

**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

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

| Taxpayer                              | 2012                    |  | 2003                   |  |
|---------------------------------------|-------------------------|--|------------------------|--|
|                                       | Taxable Assessed Value* | Percent of Total City Taxable Assessed Value | Taxable Assessed Value | Percent of Total City Taxable Assessed Value |
| BP West Coast Products                | \$ 2,169,383,252        | 16.45%                                       | 2,425,322,021          | 18.39%                                       |
| ConocoPhillips Co                     | 522,795,905             | 3.97%  | -                      | 0.00%  |
| Watson Land Co                        | 466,581,711             | 3.54%  | 274,797,581            | 2.08%  |
| Watson Cogeneration Co.               | 424,573,753             | 3.22%  | 497,862,788            | 3.78%  |
| Tosco Corp.                           | -                       | 0.00%  | 369,544,342            | 2.80%  |
| Galx Tank Storage Terminals Corp.     | 238,829,700             | 1.81%  | 90,918,061             | 0.69%  |
| AMB Property LP                       | 186,185,688             | 1.41%  | 60,853,501             | 0.46%  |
| Home Depot Center Anschutz So. Cal. S | 122,175,714             | 0.93%  | -                      | 0.00%  |
| General Mills Operations Inc.         | 115,693,040             | 0.88%  | -                      | 0.00%  |
| Carson Dominguez Properties LP        | 107,618,527             | 0.82%  | -                      | 0.00%  |
| Ineos Polypropylene LLC               | 104,322,582             | 0.79%  | -                      | 0.00%  |
| Equilon Enterprises LLC               | -                       | 0.00%  | 176,355,170            | 1.34%  |
| Nissan Motor Corp.                    | -                       | 0.00%  | 95,046,044             | 0.72%  |
| Air Products and Chemicals            | -                       | 0.00%  | 83,150,824             | 0.63%  |
| Carson Cogeneration Co. LP            | -                       | 0.00%  | 49,014,060             | 0.37%  |
|                                       | \$ 4,458,159,872        | 33.81%                                       | 4,122,864,392          | 31.27%                                       |

\*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<br>Year Ended<br>June 30 | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of Levy |                    | Collections in<br>Subsequent<br>Years | Total Collections to Date |                    |
|---------------------------------|--|---|--------------------|---------------------------------------|---------------------------|--------------------|
|                                 |  | Amount                                      | Percent<br>of Levy |                                       | Amount                    | Percent<br>of Levy |
| 2003                            | 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                |
| 2005                            | N/A                                    | N/A   | N/A                | N/A                                   | N/A                       | N/A                |
| 2006                            | N/A                                    | N/A   | N/A                | N/A                                   | N/A                       | N/A                |
| 2007                            | \$ 26,878,008                          | \$ 24,577,979                               | 91.44%             | \$ 2,300,029                          | \$ 26,878,008             | 100.00%            |
| 2008                            | 31,165,050                             | 28,498,357                                  | 91.44%             | 2,666,694                             | 31,165,051                | 100.00%            |
| 2009                            | 34,030,650                             | 31,368,244                                  | 92.18%             | 2,662,406                             | 34,030,650                | 100.00%            |
| 2010                            | 33,890,362                             | 31,630,105                                  | 93.33%             | 2,260,257                             | 33,890,362                | 100.00%            |
| 2011                            | 33,155,535                             | 30,977,690                                  | 93.43%             | 2,177,845                             | 33,155,535                | 100.00%            |
| 2012                            | 33,313,250                             | 31,337,722                                  | 94.07%             | 1,975,528                             | 33,313,250                | 100.00%            |

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, 2012

|   | Gross<br>Bonded Debt  | Exclusions            | Net<br>Bonded Debt<br>City Share |
|---|-----------------------|-----------------------|----------------------------------|
| Direct Debt                                       |                       |                       |                                  |
| City of Carson - 1915 Act Bonds                   | \$ 30,725,000         | \$ 30,725,000         | \$ -                             |
| Carson Redevelopment Agency                       | 186,605,863           | 186,605,863           | -                                |
| Total Direct Debt                                 | <u>\$ 217,330,863</u> | <u>\$ 217,330,863</u> | <u>\$ -</u>                      |
| Overlapping Debt-Repaid with Property Taxes       |                       |                       |                                  |
| Tax and Assessment Debt                           |                       |                       | \$ 346,474,789                   |
| General Fund Debt (Net)                           |                       |                       | 38,680,251                       |
| Total Overlapping Debt-Repaid with Property Taxes |                       |                       | <u>385,155,040</u>               |
| Total Direct and Overlapping Debt                 |                       |                       | <u><u>\$ 385,155,040</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     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2003            | 2004             | 2005             | 2006             | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             |
| Debt limit - 15% of Total Assessed Value                        | \$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 | \$ 1,994,163,608 |
| Amount of debt applicable to limit                              | -               | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Legal debt margin   | \$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 | \$ 1,994,163,608 |
| Total net debt applicable to the limit                          | 0.00%           | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            | 0.00%            |
| as a percentage of debt limit                                   |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Legal Debt Margin Calculation</b>                            |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Assessed value  | \$9,636,681,097 | \$10,091,823,173 | \$10,702,428,623 | \$11,590,385,815 | \$11,919,765,292 | \$12,635,386,881 | \$13,487,265,911 | \$13,333,770,032 | \$13,242,222,532 | \$13,091,008,795 |
| Add back: exempt real property                                  | 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      | 203,415,257      |
| Total assessed value  | \$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 | \$13,294,424,052 |
| Debt limit (15% of total assessed value)                        | \$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 | \$ 1,994,163,608 |
| 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   | \$1,466,520,208 | \$ 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 | \$ 1,994,163,608 |

**Note:**

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

|               |                |                |                |                |                |                |                |                |      |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------|
| \$ 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  |              |              |              |              |              |              |              |              |              |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                       | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         |
| Gross tax increment   | \$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 | \$24,310,311 |
| Less Mandatory Costs: |              |              |              |              |              |              |              |              |              |              |
| Admin & Pass-Thru     | N/A          | N/A          | N/A          | N/A          |              | 2,079,662    | 2,761,636    | 1,989,657    | 1,715,027    | 6,023,672    |
| 20% Housing Set aside | 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    | 6,023,672    |
| Net tax increment     | -            | -            | -            | -            | 25,682,282   | 20,205,523   | 23,837,625   | 20,975,588   | 20,930,635   | 18,286,639   |
| Debt service          |              |              |              |              |              |              |              |              |              |              |
| Principal             | \$ 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 | \$ 5,735,000 |
| Interest              | \$ 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 | \$ 9,320,356 |
|                       | \$ 5,614,293 | \$ 5,069,437 | \$ 8,237,669 | \$ 7,888,655 | \$ 7,975,555 | \$ 9,726,620 | \$ 9,458,966 | \$10,940,236 | \$12,784,118 | \$15,055,356 |
| Coverage              | 3.75         | 3.92         | 2.65         | 2.89         | 3.22         | 2.86         | 3.52         | 2.62         | 2.21         | 1.61         |

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<br>Year | Population<br>(1) | Personal<br>Income<br>(in thousands) (2) | Per<br>Capita<br>Personal<br>Income (2) | Unemployment<br>Rate<br>(3) |
|------------------|-------------------|--|---|-----------------------------|
| 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            | 394,980,563                              | 40,356                                  | 11.7%                       |
| 2010             | 98,047            | 410,674,615                              | 41,791                                  | 12.3%                       |
| 2011             | 91,548            | N/A                                      | N/A                                     | 12.4%                       |
| 2012             | 91,828            | N/A                                      | N/A                                     | N/A                         |

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

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

|                                      | 2012                          |      | 2003                                   |                           |
|--------------------------------------|-------------------------------|------|--|---------------------------|
| Employer                             | Number<br>of<br>Employees (1) | Rank | Percent of<br>Total City<br>Employment | Number<br>of<br>Employees |
| B P West Coast                       | 1,203                         | 1    | 2.61%                                  | N/A                       |
| Northrup Grumman                     | 801                           | 2    | 1.74%                                  | N/A                       |
| Golden Wheel Corp.                   | 470                           | 3    | 1.02%                                  | N/A                       |
| See's Candy Shops Inc.               | 407                           | 4    | 0.88%                                  | N/A                       |
| Mag Aerospace Industries             | 382                           | 5    | 0.83%                                  | N/A                       |
| Leiner Health Products               | 378                           | 6    | 0.82%                                  | N/A                       |
| Huck International Inc               | 315                           | 7    | 0.68%                                  | N/A                       |
| Pacific Bell                         | 313                           | 8    | 0.68%                                  | N/A                       |
| The Pepsi Bottling Group             | 309                           | 9    | 0.67%                                  | N/A                       |
| Lakeshore Equipment Co. Inc.         | 306                           | 10   | 0.66%                                  | N/A                       |
| Total                                | 4,884                         |      | 10.59%                                 | N/A                       |
| Total City Employment <sup>(2)</sup> | 41,000                        |      |  | N/A                       |

Sources: (1) City of Carson

(2) State of California Employment Development Department  
(data shown is not seasonally adjusted - 41,000)

N/A - Not Available. Data on city employment for 2003 is not available.

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

|                           | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Function/Workgroup</b> |               |               |               |               |               |               |               |               |               |               |
| General government        |               |               |               |               |               |               |               |               |               |               |
| City Council              | 3.09          | 3.09          | 3.09          | 3.09          | 2.99          | 4.06          | 4.00          | 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          | 4.94          |
| City Manager              | 49.63         | 49.69         | 48.67         | 48.67         | 48.93         | 46.95         | 47.00         | 47.00         | 47.00         | 45.65         |
| Administrative services   | 47.00         | 49.00         | 49.00         | 52.00         | 52.00         | 52.00         | 52.00         | 52.00         | 52.00         | 50.24         |
| Development Services      | 94.00         | 99.00         | 97.00         | 97.00         | 94.90         | 96.00         | 95.80         | 82.00         | 82.00         | 71.15         |
| Economic Development      | 28.08         | 29.08         | 29.08         | 29.00         | 29.18         | 28.99         | 30.20         | 41.00         | 41.00         | 12.03         |
| Public Services           | 156.21        | 158.15        | 157.16        | 158.16        | 158.00        | 159.00        | 158.00        | 158.00        | 158.00        | 154.00        |
| <b>Total</b>              | <u>389.01</u> | <u>399.01</u> | <u>395.00</u> | <u>398.92</u> | <u>397.00</u> | <u>398.00</u> | <u>398.00</u> | <u>395.00</u> | <u>395.00</u> | <u>348.01</u> |

Source: City of Carson

**City of Carson**  
**Operating Indicators by Workgroup**  
**Last Ten Fiscal Years**

|  | 2003 | 2004 | 2005 | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      |
|--|------|------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b><u>Economic Development</u></b>               |      |      |      |           |           |           |           |           |           |           |
| Housing and Block Grant Division:                |      |      |      |           |           |           |           |           |           |           |
| Mobile home rehab grant applications received    | N/A  | N/A  | N/A  | 79        | 75        | 28        | 49        | 38        | 55        | 21        |
| Mobile home rehab grants (qualified)             | N/A  | N/A  | N/A  | 66        | 51        | 33        | 17        | 24        | 32        | 18        |
| Mobile home rehab grants (dollar value)          | N/A  | N/A  | N/A  | \$330,000 | \$255,000 | \$140,000 | \$85,000  | \$115,389 | \$137,705 | \$85,000  |
| Single family rehab loan applications received   | N/A  | N/A  | N/A  | 82        | 89        | 60        | 63        | 64        | 35        | 36        |
| Single family rehab loans granted                | N/A  | N/A  | N/A  | 69        | 69        | 36        | 16        | 2         | 22        | 13        |
| Single family rehab loans granted (dollar value) | N/A  | N/A  | N/A  | \$885,000 | \$885,000 | \$355,000 | \$125,000 | \$50,000  | \$139,185 | \$175,000 |
| Mobile home rent control increases processed     | N/A  | N/A  | N/A  | 6         | 6         | 9         | 11        | 11        | 13        | 9         |
| Employment Development Division:                 |      |      |      |           |           |           |           |           |           |           |
| Job applicants processed                         | N/A  | N/A  | N/A  | 1,146     | N/A       | 654       | 1,545     | 1,274     | 986       | 18,442    |
| Summer youth employees hired                     | N/A  | N/A  | N/A  | 96        | 100       | 90        | 181       | 100       | 27        | 11        |
| Business Development Division:                   |      |      |      |           |           |           |           |           |           |           |
| Business visitations conducted                   | N/A  | N/A  | N/A  | 15        | 6         | 19        | 25        | 60        | 160       | 140       |
| Redevelopment Division:                          |      |      |      |           |           |           |           |           |           |           |
| Development agreements negotiated                | N/A  | N/A  | N/A  | 6         | 12        | 10        | 4         | 5         | 17        | 0         |
| <b><u>Public Services</u></b>                    |      |      |      |           |           |           |           |           |           |           |
| Graffiti Abatement Division:                     |      |      |      |           |           |           |           |           |           |           |
| Service request completed                        | N/A  | N/A  | N/A  | 1,555     | 2,228     | 2,939     | 2,321     | 2,050     | 1,882     | 1,412     |
| Square feet of graffiti removed by waterblast    | N/A  | N/A  | N/A  | 94,270    | 93,697    | 33,620    | 69,293    | 43,013    | 49,996    | 14,343    |
| Square feet of graffiti removed by painting over | N/A  | N/A  | N/A  | 626,341   | 685,605   | 572,347   | 553,654   | 646,754   | 291,507   | 85,768    |
| Building and Landscape Maintenance Division:     |      |      |      |           |           |           |           |           |           |           |
| Service request completed                        | N/A  | N/A  | N/A  | 1,286     | 1,521     | 1,886     | 1,712     | 1,719     | 1,715     | 1,672     |
| Vouchers issued                                  | N/A  | N/A  | N/A  | 55        | 57        | 56        | 27        | 18        | 0         | 1         |

Source: City of Carson  
N/A - Not Available

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

|                               | Fiscal Year |      |      |         |         |         |         |         |         |         |
|-------------------------------|-------------|------|------|---------|---------|---------|---------|---------|---------|---------|
|                               | 2003        | 2004 | 2005 | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    |
| <b>Public Services:</b>       |             |      |      |         |         |         |         |         |         |         |
| 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  | 147.8   | 147.8   | 147.8   | 147.8   | 147.8   | 147.8   | 147.8   |
| Facilities square footage     | N/A         | N/A  | N/A  | 320,004 | 320,004 | 320,004 | 320,004 | 320,004 | 320,004 | 320,004 |
| Parks                         | N/A         | N/A  | N/A  | 12      | 12      | 12      | 12      | 12      | 12      | 12      |
| Parks - mini                  | N/A         | N/A  | N/A  | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| Sports Complex                | N/A         | N/A  | N/A  | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Swimming pools                | N/A         | N/A  | N/A  | 3       | 3       | 3       | 4       | 4       | 4       | 4       |
| City Hall                     | N/A         | N/A  | N/A  | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Corporate yard                | N/A         | N/A  | N/A  | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Public Safety Services Center | N/A         | N/A  | N/A  | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Gymnasiums                    | N/A         | N/A  | N/A  | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| Tennis courts                 | N/A         | N/A  | N/A  | 18      | 18      | 18      | 18      | 18      | 18      | 18      |
| Basketball courts             | N/A         | N/A  | N/A  | 18      | 18      | 18      | 18      | 28      | 28      | 28      |
| Racquetball courts            | N/A         | N/A  | N/A  | 8       | 8       | 8       | 8       | 8       | 8       | 8       |
| Volleyball courts             | N/A         | N/A  | N/A  | 2       | 2       | 2       | 2       | 4       | 4       | 4       |
| Snack bars                    | N/A         | N/A  | N/A  | 14      | 14      | 14      | 14      | 10      | 10      | 10      |
| Ornamental fountains          | N/A         | N/A  | N/A  | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| Flagpoles                     | N/A         | N/A  | N/A  | 17      | 17      | 17      | 17      | 17      | 17      | 17      |
| Wading pools                  | N/A         | N/A  | N/A  | 7       | 7       | 7       | 7       | 5       | 4       | 4       |
| Parking lots                  | N/A         | N/A  | N/A  | 23      | 23      | 23      | 23      | 23      | 23      | 23      |

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