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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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CITY OF CARSON, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT



In accordance with Government Accounting Standards Board (GASB) Statement No. 34, the management of the City of Carson ("City"), offers readers of the City's financial statements this narrative overview and analysis of the financial activities and performance of the City for the fiscal year ended June 30, 2015. 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, 2015 by \$327.2 million. This amount is referred to as the net position of the City. Of this amount, \$295.8 million represents net investment in capital assets, \$95.6 million is restricted, and \$64.2 million is the deficit unrestricted net position.
- The City's net position increased by approximately \$33.5 million during the fiscal year as a result of total expenses exceeding total revenues by \$33.5 million. This is primarily due to transfer of unspent bond proceeds from the Successor Agency to the City amounting to \$40.3 million. Moreover, for FY 2014/15, revenues decreased by \$4.1 million while expenses decreased by \$4.2 million over the FY 2013/14 levels. The majority of the overall decreases in revenues are related to the decrease in utility users tax and property taxes. Grants and contributions increased during the year because of new grants received during the last fiscal year. Expenditures decreased during the year due to the elimination of reimbursements from the Redevelopment Agency to offset the cost of administering redevelopment activities.
- The City's total long-term liabilities increased by \$59 million for the fiscal year ended June 30, 2015, from \$27.28 million to \$86.74 because of the net pension liability reported during the year ended June 30, 2015 as a result of GASB Statement No. 68 implementation.

### **Fund Financial Statements**

- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$103.1 million, an increase of \$28.2 million over the prior fiscal year's fund balances. Approximately \$77.4 million of the \$103.1 million balance is restricted by third parties or is nonexpendable by its nature. The City Council and management have chosen to commit or assign portions of fund balance amounting to \$20 million, while approximately \$5.8 million of the \$103.1 million balance is unassigned and is available for spending at the government's discretion.
- As of June 30, 2015, the total fund balance of the City's General Fund was \$27.6 million, a decrease of \$6.7 million from the prior year level of \$34.3 million.
- In the General Fund, expenditures exceeded revenues by \$7.5 million, before other financing sources/uses.

## **Overview of the Financial Statements**

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

## Government-wide Financial Statements

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

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

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

All of the City's activities are considered to be governmental in nature and as a result, no business-type activities are reported in these statements. The *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, public services, public works, community 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 17 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 and the Carson Housing Authority Funds, 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 19 of this report.

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

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

*Fiduciary Funds*. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are custodial in nature and the measurement of operations is not appropriate. The fiduciary funds include the Successor Agency to the Dissolved Carson Redevelopment Agency and the agency funds listed on page 124.

The fiduciary fund financial statements can be found on page 23 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 and the postemployment medical benefits to its employees. A comparison of budgeted to actual results for the General Fund and Housing Authority Fund is likewise included. *Required supplementary information* can be found beginning on page 73 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 83 of this report.

**Government-wide Financial Statements Analysis**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position was approximately \$327.2 million as of June 30, 2015. Net position increased by \$33.5 million, or 11.4%, for fiscal year 2014/15 as explained in the financial highlights at the beginning of the discussion. Assets and deferred outflows of resources increased by \$36.4 million (9%) and liabilities and deferred inflows of resources increased by \$73.5 million (199%) compared to June 30, 2014, mainly due to the net pension liability reported during the fiscal year 2014/15 as a result of implementing GASB Statement No. 68.

By far, the largest portion of the City's net position at June 30, 2015 (\$295.8 million, or 90% of total net position) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table presents a comparison of the net position as of June 30, 2015 and June 30, 2014.

**Summary of Net Position  
June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2015</u>	<u>2014</u>	
<b>ASSETS</b>			
Cash and other assets	\$ 136,062,562	\$ 105,331,929	\$ 30,730,633
Capital assets net of accumulated depreciation	<u>295,848,031</u>	<u>293,712,678</u>	<u>2,135,353</u>
<b>Total assets</b>	<u>431,910,593</u>	<u>399,044,607</u>	<u>32,865,986</u>
Deferred outflows of resources	<u>5,728,251</u>	<u>2,158,520</u>	<u>3,569,731</u>
<b>Total deferred outflows of resources</b>	<u>5,728,251</u>	<u>2,158,520</u>	<u>3,569,731</u>
<b>LIABILITIES</b>			
Current and other liabilities	11,835,295	9,613,844	2,221,451
Long-term liabilities	<u>86,738,583</u>	<u>27,242,539</u>	<u>59,496,044</u>
<b>Total liabilities</b>	<u>98,573,878</u>	<u>36,856,383</u>	<u>61,717,495</u>
Deferred inflows of resources	<u>11,832,724</u>	-	<u>11,832,724</u>
<b>Total deferred inflows of resources</b>	<u>11,832,724</u>	-	<u>11,832,724</u>
<b>NET POSITION</b>			
Net investment in capital assets	295,848,031	293,712,678	2,135,353
Restricted	95,575,045	60,352,072	35,222,973
Unrestricted	<u>(64,190,834)</u>	<u>10,281,994</u>	<u>(74,472,828)</u>
<b>Total net position</b>	<u>\$ 327,232,242</u>	<u>\$ 364,346,744</u>	<u>\$ (37,114,502)</u>

**City of Carson  
Management's Discussion and Analysis  
Year ended June 30, 2015**

A portion of the City's net position, \$95.6 million (29%) represents resources that are subject to external restrictions on how they may be used. The City's unrestricted net position is a deficit of \$64.2 million as of June 30, 2015.

**Statement of Activities.** Governmental activities increased the City's net position by \$33.5 million for fiscal year 2014/15. The total revenue for the fiscal year is \$88.2 million, which is a decrease of \$4.1 million from the prior year. The total expenses decreased by \$4.3 million from \$99.3 million to \$95 million. The following table presents the comparative revenue and expenditure data for fiscal years ended June 30, 2015 and 2014.

**Statement of Activities  
For the Year Ended June 30, 2015 and 2014**

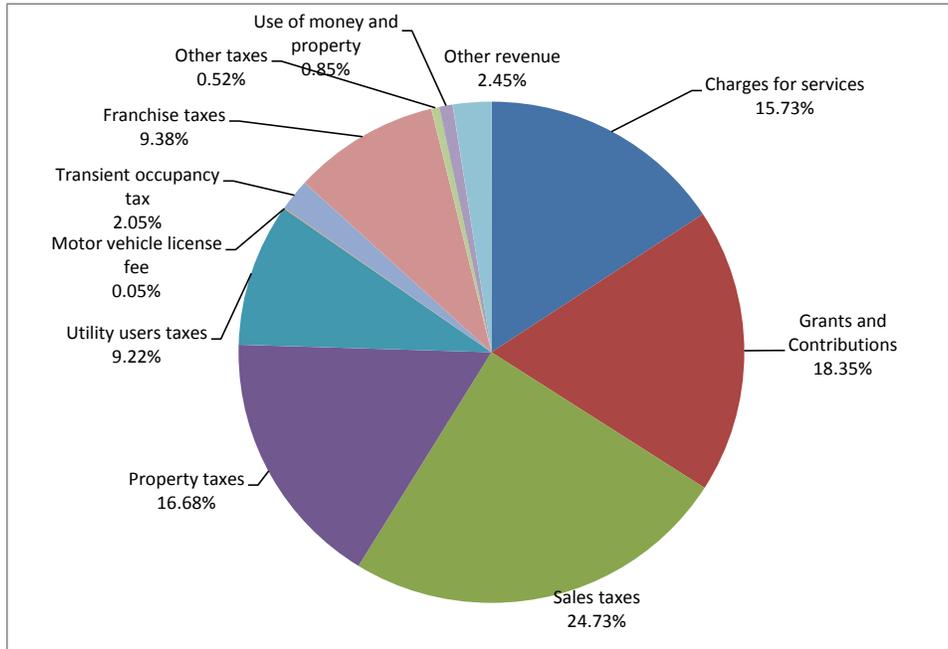
	<u>Governmental Activities</u>		<u>Increase/ (Decrease)</u>
	<u>2015</u>	<u>2014</u>	
<b>Program revenues</b>			
Charges for services	\$ 13,876,288	\$ 13,040,956	\$ 835,332
Grants and contributions	13,457,894	13,096,789	361,105
Capital grants and contributions	2,733,035	1,871,566	861,469
<b>General revenues</b>			
Taxes			
Sales taxes	21,820,128	23,668,795	(1,848,667)
Property taxes	14,720,272	17,381,673	(2,661,401)
Utility users taxes	8,135,144	9,284,071	(1,148,927)
Motor vehicle license fee, unrestricted	40,296	41,716	(1,420)
Transient occupancy tax	1,812,310	1,598,037	214,273
Franchise taxes	8,274,908	7,933,064	341,844
Other taxes	458,117	315,511	142,606
Use of money and property	748,051	3,295,319	(2,547,268)
Other revenue	2,161,737	768,416	1,393,321
Total general revenues	<u>88,238,180</u>	<u>92,295,913</u>	<u>(4,057,733)</u>
Transfers from Successor Agency	40,271,017	-	40,271,017
Total revenues and transfers	<u>128,509,197</u>	<u>92,295,913</u>	<u>36,213,284</u>
<b>Expenses</b>			
<b>Governmental activities</b>			
General government	21,573,509	23,721,702	(2,148,193)
Community development	11,951,040	19,125,990	(7,174,950)
Public works	22,492,218	18,349,893	4,142,325
Community services	38,696,281	37,649,609	1,046,672
Capital maintenance programs	301,315	426,219	(124,904)
Total expenses	<u>95,014,363</u>	<u>99,273,413</u>	<u>(4,259,050)</u>
Change in net position	33,494,834	(6,977,500)	40,472,334
Net position, beginning, as restated for 2015	<u>293,737,408</u>	<u>371,324,244</u>	<u>(77,586,836)</u>
Net position, ending	<u>\$ 327,232,242</u>	<u>\$ 364,346,744</u>	<u>\$ (37,114,502)</u>

The City's net position balance at the beginning of fiscal year 2015 was restated to retroactively report the net pension liability as of the beginning of the fiscal year as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net pension liability reported at the beginning of the fiscal year was \$68.5 million. For purposes of presenting the summarized comparative statement of activities in this section of the report, the 2014 financial statements were not restated due to lack of information.

Key elements of the significant changes in fiscal year 2014/15 revenues are as follows:

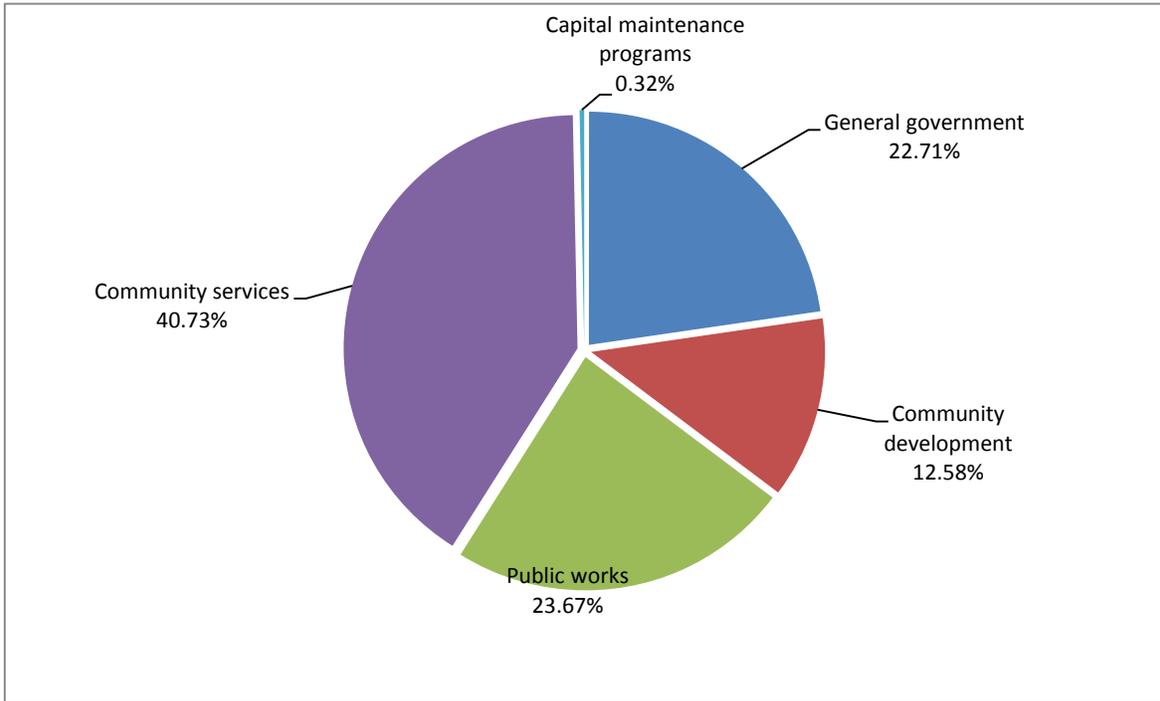
- Property taxes decreased by \$2.7 million. This resulted from a classification of a transfer from the Redevelopment Property Tax Trust Fund (RPTTF) to the Housing Authority to cover debt service in FY 2013/14. In FY 2014/15 the recordation of the debt service for the Housing Authority was properly moved the RPTTF fund as part of the Carson Successor Agency. Without this classification, the property tax went from \$14.4 million in FY 2013/14 to \$14.7 million in FY 2014/15 resulting in a \$300 thousand increase.
- Sales tax revenues decreased by \$1.8 million, a 7.8% decrease over FY 2013/14. This was mainly due to an adjustment to the City's sales tax by the California State Board of Equalization for a prior advance for the 2<sup>nd</sup> quarter of 2014.
- Utility users tax decreased by \$1.1 million due to an overall decrease in usage of gas and electricity.
- The \$341 thousand increase in franchise taxes, as compared to FY 2013/14 was on account of the increase in receipts from gas and electric franchise taxes.
- The \$861 thousand increase in capital grants and contributions was brought about by the increase in construction in progress.
- Charges for services increased by \$835 thousand. The increase resulted mainly from an increase in revenue from planning and zoning fees and from several park program fees.

**Revenues by Source- Governmental Activities**



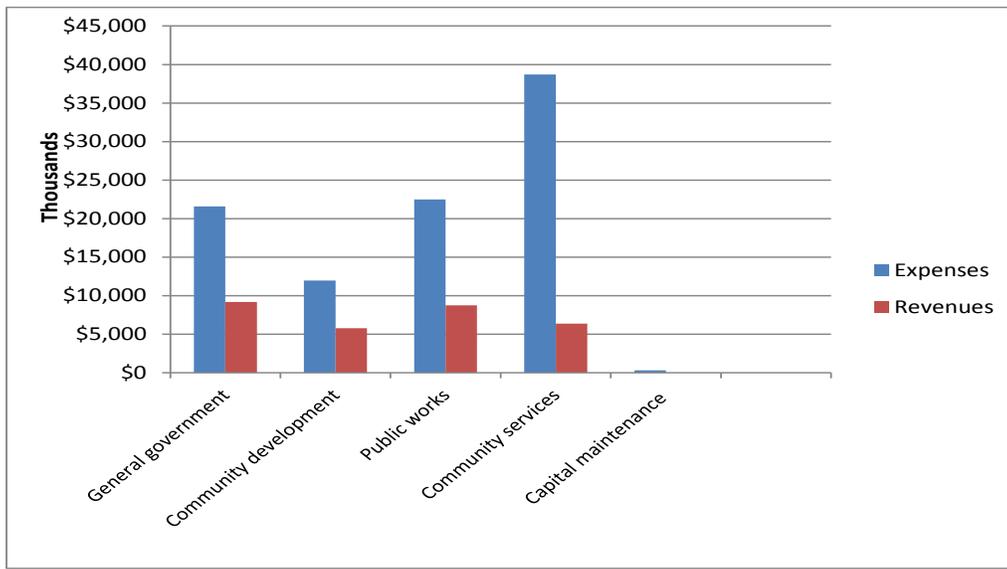
The top seven major revenue sources come from: 1) sales and use taxes - 25%, 2) No/low property taxes - 17%, 3) grants and contributions - 18%, 4) charges for services - 16%, 5) utility users taxes - 9%, 6) franchise taxes - 9%, and 7) transient occupancy tax - 2%. Charges for services, which increased 6% 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 \$95 million, which is a decrease of \$4.2 million or 4.2% from the prior year. Community services, which account for 40% of total expenses, include the cost of public safety, parks and recreation, transportation, and human services programs.

**Governmental Activities  
Expenses versus Program Revenues**



Program expenses exceed program revenues in all categories resulting in a \$64.9 million deficit for FY 2014/15. 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 \$103.1 million. The City's governmental funds report a balance of \$5.8 million in its *unassigned fund balance*, which can be spent at the City's discretion. Assigned fund balance amounts to \$5.6 million which represents fund balance set aside for specific purposes. Restricted fund balance of \$69 million is subject to externally enforceable legal obligations which mainly include (1) General Fund - \$1.8 million, (2) Housing Authority - \$22.7 million, (3) Cooperation Agreement Bonds Proceeds Fund - \$40.1 million, and (4) other governmental funds of \$4.4 million.

Non-spendable fund balance of approximately \$8.4 million cannot be spent because the related assets are not in spendable form. These include (1) inventory and prepayments - \$344 thousand, and (2) land held for resale of \$8 million. Committed fund balance of \$14.4 million, which is set aside for economic uncertainties equates to 20% of the following year's adopted general fund budget, \$70 thousand for reward funds, \$3.8 million for budget stabilization funds and \$90 thousand for contributions to the OPEB Trust.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance is \$27.6 million, \$25.4 million of which is unrestricted and spendable. As a measure of General Fund liquidity, it may be useful to compare the unrestricted fund balance to total fund expenditures. General Fund unrestricted fund balance represents 32.2% of total general fund expenditures of \$79 million. The City's General Fund balance decreased by \$6.7 million during the current fiscal year. Key factor of this decrease was the additional capital improvement expenditures reported during the fiscal year of approximately \$4.6 million and the increase in public works and community services expenditures during the year by approximately \$2.3 million. The following table presents the comparative revenue and expenditure data of the General Fund for the fiscal years ended June 30, 2015 and 2014:

**City of Carson  
Management's Discussion and Analysis  
Year ended June 30, 2015**

**General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2015 and 2014**

	<b>General Fund</b>		Increase (Decrease)
	2015	2014	
<b>Revenues</b>			
Taxes	\$ 55,220,879	\$ 57,210,774	\$ (1,989,895)
Licenses and permits	6,306,253	6,157,526	148,727
Fines and forfeitures	1,779,226	1,824,128	(44,902)
Intergovernmental	577,075	272,325	304,750
Charges for services	2,411,556	2,190,085	221,471
Use of money and property	2,017,184	1,669,220	347,964
Miscellaneous	3,093,676	1,680,463	1,413,213
<b>Total revenues</b>	<b>71,405,849</b>	<b>71,004,521</b>	<b>401,328</b>
<b>Expenditures</b>			
Current:			
General government	21,922,895	22,042,126	(119,231)
Community development	4,422,659	4,188,655	234,004
Public works	14,922,925	13,797,470	1,125,455
Community services	31,867,128	30,670,545	1,196,583
Capital improvement programs	5,779,786	1,134,021	4,645,765
<b>Total expenditures</b>	<b>78,915,393</b>	<b>71,832,817</b>	<b>7,082,576</b>
Excess (deficiency) of revenues over expenditures	<b>(7,509,544)</b>	<b>(828,296)</b>	<b>(6,681,248)</b>
<b>Other financing sources (uses)</b>			
Transfers in (Note 5)	1,833,964	938,605	895,359
Transfers out (Note 5)	(1,019,060)	(100,000)	(919,060)
Net other financing sources (uses)	<b>814,904</b>	<b>838,605</b>	<b>(23,701)</b>
Change in fund balance	<b>(6,694,640)</b>	<b>10,309</b>	<b>(6,704,949)</b>
<b>Fund balance, beginning of year, as restated</b>	<b>34,261,832</b>	<b>34,251,523</b>	<b>10,309</b>
<b>Fund balance, end of year</b>	<b>\$ 27,567,192</b>	<b>\$ 34,261,832</b>	<b>\$ (6,694,640)</b>

**General Fund Budgetary Highlights**

In the General Fund, differences between the original budget and the final amended budget of \$9.3 million was primarily due to increases in appropriation for (1) capital improvement program of \$5 million, and (2) other financing uses of \$1 million.

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental activities amounts to \$295.8 million (net of accumulated depreciation of \$202 million) as of June 30, 2015. 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, 2015 and 2014**

		<u>2015</u>		<u>2014</u>
Land, land right and improvements	\$	<b>92,936,028</b>	\$	92,936,028
Buildings and improvements		<b>19,872,379</b>		18,566,036
Machineries and equipment		<b>2,417,603</b>		2,590,905
Infrastructure		<b>155,114,233</b>		160,341,944
Construction in progress		<b>25,507,788</b>		19,277,765
<b>Total</b>	<b>\$</b>	<b><u>295,848,031</u></b>	<b>\$</b>	<b><u>293,712,678</u></b>

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

**Debt Administration.** At the end of the current fiscal year, the City had no outstanding bonded debt as these are now part of the dissolved redevelopment agency reported in the fiduciary fund financial statements. The City has a net OPEB obligation of \$16.9 million and net pension liability of \$61.4 million as of June 30, 2015.

**Outstanding Debt  
June 30, 2015 and 2014**

		<u>2015</u>		<u>2014</u>
Other long-term debt:				
Other post-employment benefits	\$	<b>16,893,859</b>	\$	16,990,072
Self-insurance claims payable		<b>3,194,910</b>		5,022,904
Compensated absences		<b>5,232,799</b>		5,229,563
Net pension liability		<b>61,417,016</b>		-
<b>Total</b>	<b>\$</b>	<b><u>86,738,584</u></b>	<b>\$</b>	<b><u>27,242,539</u></b>

Additional information on the City's OPEB obligation can be found in Note 9 to the basic financial statements of this report. Additional information on the City's net pension liability can be found in note 8 to the basic financial statements of this report.

### **Economic Factors and Next Year's Budget**

The City is slowly recovering from the economic downturn, which impacted the entire nation and California. Like many other cities, our City has experienced the impact through the declines in our revenue sources; however, we have been able to successfully strategize on ways to combat and lessen the impact of these negative trends while also improving organizational effectiveness and program efficiencies. All major revenue sources are anticipated to be flat. Therefore, the city anticipates the continuance of lean budgets with very tight controls on the expenditures.

FY 2015/16 General Fund revenues are projected to be \$71,553,554, which is \$1.686 million less than the FY 2014/15 year-end actual revenues of \$73,239,813.

FY 2015/16 General Fund expenditures are projected to be \$72,805,291, which is \$7.129 million less than the actual expenditures for FY 2014/15 of \$79,934,453.

On November 4, 2015, the City Council approved the preparation of a resolution which calls and gives notice of a holding of a special election on June 7, 2016, and requesting consolidation with the County of Los Angeles, for the purpose of submitting to the voters a ballot measure to extend the Carson utility users tax for an additional seven years. The 2% tax shall be extended on electric and gas to continue essential services such as police, park safety enforcement teams, sidewalk and street repairs, senior service programs and youth recreation programs. The City will rely on this important revenue source to gap the growing discrepancy between revenue and expenditures of the City.

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

- 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 postemployment 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 9 to the basic financial statements of this report. In FY 2012/13, the City established a policy to fund CERBT annually. For FY 2015/16 the City is expected to rescind this policy.
- The full implementation of the Affordable Care Act and the enhanced government mandated sick leave benefit.
- Continuous spiking of the employer contribution rate to the California Public Employee Retirement System (CalPERS) which for FY 2014/15 is 23.726% and will rise to 26.140% in FY 2015/16 and is projected to be 28.2% for FY 2016/17.

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 the staff's endeavor to continue to improve the overall City performance by continuing programs, which include public safety, public infrastructure maintenance, parks and recreation, youth outreach programs, and employment and business development programs. For example, the City, in conjunction with its Successor Agency to the Dissolved Redevelopment Agency, has implemented economic and housing development projects that will not only improve the aesthetic features of the City but will also generate revenues that will be used to enhance the quality of life of its residents. The City has plans for the implementation of various capital improvement projects that will improve the conditions of park facilities, City streets, and

overall architectural landscape. The City Council continues to demonstrate the high priority it places on public safety, its sensitivity to social issues, and other public safety programs. The City intends to continue these programs in line with its commitment to preserve and enhance 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 its readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to Boris Sztorch, Acting Director of Finance, 701 E Carson St. Carson, CA 90745.