



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



CITY OF CARSON, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY:
FINANCE DEPARTMENT

TARIK RAHMANI
DIRECTOR OF FINANCE
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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INTRODUCTORY SECTION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT





CITY OF CARSON

March 12, 2020

Honorable Mayor and City Council
City of Carson, California

The Comprehensive Annual Financial Report (CAFR) of the City of Carson for the fiscal year ended June 30, 2019, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Carson issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Carson. In addition, to the best of our knowledge, there are no untrue statements of material fact within the financial statements or omissions of material fact to cause the financial statements to be misleading. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The financial section of the CAFR includes Management's Discussion and Analysis (MD&A) of the financial activity. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

THE REPORTING ENTITY

The financial reporting entity includes all the funds of the primary government, the City of Carson as legally defined, as well as its component units. A component unit is a legally separate organization for which the elected officials of the agency are financially accountable. The City has three component units, which are reported as blended component units: the Carson Financing Authority, which was created to finance public capital improvements for the former Redevelopment Agency and the City; the Carson Housing Authority, which was established to carry out the housing function of the dissolved Carson Redevelopment Agency; and the Carson Reclamation Authority, which was formed to oversee and facilitate the remediation of contaminated properties in the City. Separate financial statements are also issued for the Carson Reclamation Authority, and are available at City Hall.

CITY PROFILE

Located in the South Bay section of Los Angeles County, Carson has a documented population of approximately 93,000. 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. 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 2019, the

City of Carson is ranked 14th highest in assessed value of all Los Angeles County cities, recording a total of \$15.2 billion. 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, work and play.

GOVERNMENTAL STRUCTURE

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

The City provides a broad range of services, including construction and maintenance of highways, streets and infrastructure, planning and zoning activities, public transit, recreational activities and cultural events for all ages. The City contracts with the County of Los Angeles for law enforcement, building and safety services, library services and sewer services. The Los Angeles County Fire Department and the Los Angeles Unified School District also serve the City's residents. Solid waste collection and disposal, gas, water, electric and communication services are provided by private companies.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In November 2017, The City's voters approved a business license tax on "persons engaged in the business of operating any facility where petroleum or petroleum products are blended, mixed, processed, or refined and/or any facility that stores petroleum products." The tax is General Fund revenue; and is calculated as 0.25% of applicable business gross receipts. The tax became effective December 1, 2017 and collection of the tax began in January 2018. At the time the measure was placed on the ballot, annual revenue was estimated to be as much as \$24 million based upon information from the City's oil industry expert consultant.

As of December 31, 2019, the City has collected Oil Industry Tax Revenue totaling \$1.8 million or 40% of budget. Forecasting revenues from the Oil Industry Tax remains a challenge as actuals have been significantly lower than previously anticipated. The Oil Industry Accountability Audit process is still underway and staff anticipates a final audit within the end of the fiscal year 2019-2020. The Oil Industry Tax has not solved the City's budget issues. Staff continues to recommend prudence as the City prepares the Fiscal Year 2020-2021 budget.

The Public Works Department completed the following construction projects during FY 2018/19.

- Citywide Integrated Security System upgrade
- Dolphin Park ADA-Compliant Playground area for children of all abilities
- Hemingway Park Improvements that included renovation of the snack bar roof, the community room, ball field leveling, and installation of a rubberized surface for the playground.
- Hemingway Park Aquatic Center equipment replacement
- Carson Dominguez Ballroom roof replacement

The Community Development Department participated in a number of housing projects that got underway during the fiscal year, including the following:

- Negotiated a Development Agreement and Conveyancing Agreement with developer Macerich for a portion of the site – Cell 2 - for a major fashion outlet center. Amended the Specific Plan and undertook a Subsequent EIR for the development of the project. Also, created a Cooperation Agreement between the City and the CRA to effectuate the sales tax sharing with the developer.
- Issued a second Request for Qualifications for Master Developer (“RFQ”) for balance of the site and commenced negotiations with a developer for Cells 1, 3, 4, and 5. The initial RFQ resulted in the preliminary selection of two developers – one for Cell 1 and one for Cells 3, 4, and 5.
- Negotiated a Horizontal Master Developer Agreement for the Site with RE|Solutions, LLC to contract with a Civil General Contractor and Remediation General Contractor to install the remedial systems, piles, structural slabs, and site infrastructure on behalf of the CRA.
- Fulfilled part of the requirements of the \$5 million state CAL ReUSE grant by the successful award of Low-Income Housing Tax Credits to the Veteran’s Village affordable housing project and the Carson Arts Colony affordable housing project, which serve as the milestone for the affordable housing requirement of the grant. Both projects broke ground during the fiscal year.
- Instituted a \$200 million Development Pollution Legal Liability policy, a \$50/\$25 million Development Contractor’s Pollution Liability & Professional Liability coverage, a \$10 million Public Officials Liability coverage, a \$200 million General Liability insurance coverage and a major Builder’s Risk policy for the project.

FINANCIAL INFORMATION

The officials having direct responsibility for the financial administration and management of the City are the City Manager, the City Treasurer and the Director of Finance. 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.

The Finance Department is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely derived, and the valuation of costs and benefits requires estimates and judgements by management.

The City of Carson maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the City Council and the component unit Boards. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budgets of the government units. The level of budgetary control, that is the level at which expenditures cannot legally exceed the appropriated amount, is established at the department level within each fund. Formal budgetary integration is employed as a management control device. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control and the control of expenditures. Encumbrances lapse at fiscal year-end, and unspent balances are eligible to be carried over to the following year’s budget appropriations with City Council approval.

OTHER INFORMATION

The City requires an annual audit by independent certified public accountants. The accounting firm of White Nelson Diehl Evans conducted this year's audit. The auditor's report on the financial statements is included in the financial section of this report.

As a recipient of federal, state, and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. In years when over \$750,000 is expended on federal financial assistance programs, the City is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). For the year ended June 30, 2019, \$2,027,614 was expended on federal financial assistance programs. 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.

The Finance Department staff continuously strives to ensure the integrity of the financial information provided to elected officials, management and staff, and the public. I would like to thank the entire Finance Department; especially the Accounting Manager Claudia Buenrostro, the Senior Accountant Daniel Zepeda, and the Accountants Phat Nguyen, Susan Delirio, and Christopher Lau. I would like to thank the Directors and Analysts of the City's departments for all the information they patiently provided. Finally, I would like to thank the Mayor, the members of the City Council, the City Treasurer, the City Clerk, the City Manager, and the City Attorney for their support towards conducting the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tarik Rahmani', with a long horizontal stroke extending to the right.

Tarik Rahmani
Director of Finance

CITY OF CARSON ELECTED OFFICIALS

FISCAL YEAR 2018/19



Albert Robles
Mayor



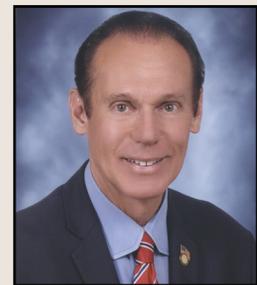
Cedric L. Hicks, Sr.
Mayor Pro Tem



Lula Davis-Holmes
Councilmember



Jawane Hilton
Councilmember



Jim Dear
Councilmember



Donesia L. Gause
City Clerk

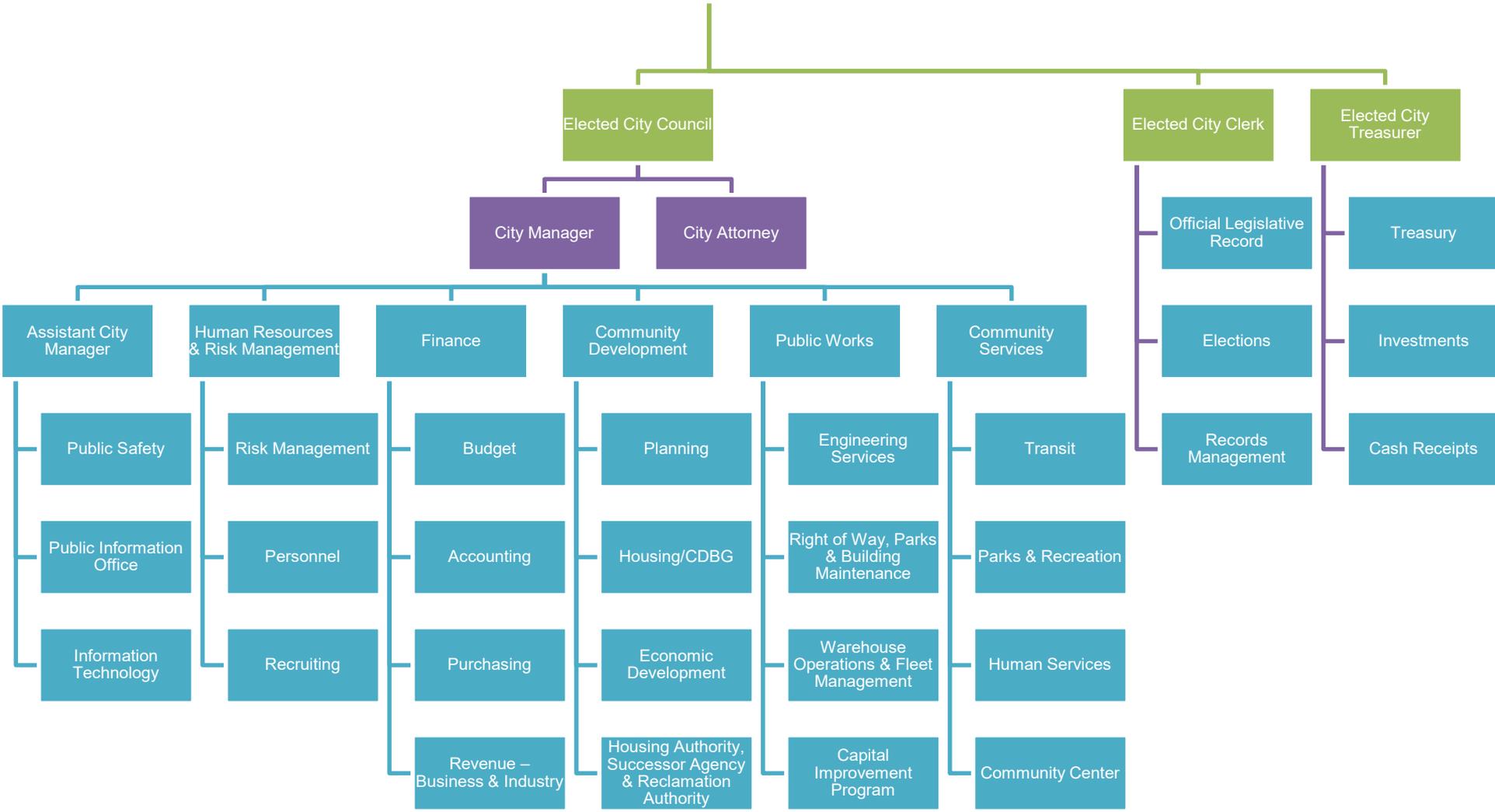


Monica Cooper
City Treasurer

CITY MANAGEMENT

Kenneth C. Farfsing, City Manager
John Raymond, Assistant City Manager-Economic Development
David Roberts, Assistant City Manager-Administrative Services
Tarik Rahmani, Director of Finance
Dr. Maria Slaughter, Director of Public Works
Saied Naaseh, Director of Community Development
Faye Moseley, Director of Human Resources & Risk Management
Idris Jassim Al-Oboudi, Director of Community Services

City of Carson Electorate



FINANCIAL SECTION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Carson
Carson, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Carson, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Carson, as of June 30, 2019, and the respective changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, and the schedule of contributions for the California Public Employees' Retirement System (CalPERS) miscellaneous plan, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions - OPEB plan and the budgetary comparison schedules for the General Fund, the Carson Housing Authority Special Revenue Fund, the Cooperation Agreement Bond Proceeds Special Revenue Fund, and the State CIP Grants Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Matters (Continued)

Other Information (Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
March 12, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



This discussion and analysis of the City of Carson's (the City) financial performance offers readers of the City's financial statements an overview of the financial activities of the City for the fiscal year ended June 30, 2019. Our analysis includes information regarding the City's overall financial position and results of operations to assist users in evaluating the City's financial position. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

Government-wide Financial Statements

- The assets of the City exceeded its liabilities at June 30, 2019 by \$317.2 million. This amount is referred to as the net position of the City. Of this amount, \$386.4 million represents net investment in capital assets, \$37.6 million is restricted, and -\$106.8 million is unrestricted net position.
- The City's net position increased by approximately \$15.4 million during the fiscal year.
- The City's total long-term liabilities decreased by \$9.0 million for the fiscal year ended June 30, 2019, from \$167.4 million to \$158.4.

Fund Financial Statements

- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$78.6 million, an increase of \$21.0 million over the prior fiscal year's fund balance. Approximately \$25.5 million is unassigned.
- As of June 30, 2019, the total fund balance of the City's General Fund was \$45.2 million, an increase of \$10 million from the prior year level of \$35.2 million. The increase is mainly due to the, additional revenues of \$4.1 million in sales tax, \$1.7 million collected from the Oil Industry Tax, \$4.7 million community benefit received offset by a decrease in Utility User Taxes of \$0.3 million. Approximately \$27.9 million of the \$45.2 million general fund balance is unassigned and is available for spending at the government's discretion.
- In the General Fund, revenues exceeded expenditures by \$9.9 million, before other financing sources/uses. This is a decrease of approximately \$7.1 million as compared to the prior fiscal year.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the City of Carson as prescribed by Governmental Accounting Standards Board (GASB) statement No. 34. The three components of the basic financial statements are as follows:

1) Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting in a manner similar to a private-sector business. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

2) Fund Financial Statements

The fund financial statements include statements for each of the two categories of activities: governmental and fiduciary. For governmental activities, these fund statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds and other funds.

3) Notes to the Basic Financial Statements

The notes provide additional information necessary to enable the user to fully understand the various financial statements.

In addition to the basic financial statements and notes, this report contains other supplementary information.

REPORTING THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are considered, regardless of when cash is received or paid.

The Statement of Net Position reports 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 relating to how the City's net position changed during the fiscal year. All activities resulting in changes in net position are reported when earned or incurred, regardless of the receipt or disbursement of the related transactions cash flows. Some of the revenues and expenses reported in this statement will result in future fiscal period cash flows, such as the receipt of uncollected taxes, payment of interest expense or compensated absences.

In the statement of Net Position and the Statement of Activities, we separate the City's activities as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including public services, public works, community development (planning and engineering), parks, recreation and community services. These activities are distinguished due to the use of property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies and other revenues to finance these activities.

Component Unit Activities – The City of Carson is the primary government unit, with two component units that are legally separate entities. The Carson Joint Powers Financing Authority is reported as part of the City, as the City Council also serves as the governing board of the Finance Authority. Separate financial statements are not issued for the Financing Authority.

The activity of the Carson Housing Authority is reported in a major special revenue fund. Separate financial statements are not issued for the Housing Authority.

Fund Financial Statements

A fund is a grouping of related accounts used to account for and accumulate financial information related to a specific activity or objective. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's two types of funds are governmental 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. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by this integrated approach.

The City maintains several individual governmental funds. The General Fund, Carson Housing Authority Special Revenue Fund, State CIP Grants Special Revenue Fund and Cooperation Agreement Bond Proceeds Special Revenue Fund are presented separately as major funds in the governmental fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. Financial data for the remaining Non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds supplementary information* section of this report.

Fiduciary Fund - 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.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the comparison of budgeted to actual results for the major governmental funds, other post-employment benefits schedule of funding progress, schedule of changes in the City's net pension liability and related ratios, and a schedule of the City's pension contributions. This section is located after the Notes to the Financial Statements.

The combining statements referred to earlier in connection with the other governmental fund and fiduciary funds are presented immediately following the required supplementary information described in the previous paragraph in the supplementary information section.

Government-Wide Financial Analysis

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The City's net position may be analyzed and used as an indicator of the City's overall financial condition. The City's combined net position increased by \$15.4 million, from \$301.8 million in the prior period to \$317.2 million in the current fiscal year.

Table 1
City of Carson's Net Position
June 30, 2019 and 2018

	2019	2018 Restated
ASSETS		
Cash and other assets	102,143,643	\$ 77,761,720
Capital assets net of accumulated depreciation	386,414,281	385,341,066
Total assets	488,557,924	463,102,786
Deferred outflows of resources	18,800,119	24,291,313
Total deferred outflows of resources	18,800,119	24,291,313
LIABILITIES		
Current and other liabilities	21,497,098	16,585,601
Long-term liabilities	158,398,001	167,437,822
Total liabilities	179,895,099	184,023,423
Deferred inflows of resources	10,301,219	2,498,166
Total deferred inflows of resources	10,301,219	2,498,166
NET POSITION		
Net investment in capital assets	386,414,281	386,252,066
Restricted	37,579,440	26,629,068
Unrestricted	(106,831,996)	(111,097,624)
Total net position	317,161,725	301,783,510

The City's net position is made up of three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position.

The largest component of the City's net position is represented by its \$386.4 million net investment in capital assets (e.g., infrastructure, land, buildings and improvements, equipment, and construction in progress) less accumulated depreciation and any outstanding debt used to acquire the capital assets. These capital assets are used to provide services to the citizens, and therefore are not available to finance future operations. In addition, resources necessary to repay the related debt must be provided by sources other than the capital assets, as the assets themselves cannot be used to satisfy these liabilities.

Governmental Activities

The City's governmental activities generated revenues of \$118.7 million and total expenses of \$103.3 million resulting in a \$15.4 million increase to net position. Revenues from governmental activities increased by \$6.6 million, or 5.9%. Expenses decreased by \$16.0 million, or 13.4%, over the prior year.

Table 2
City of Carson's Changes in Net Position
For the Year Ended June 30, 2019 and 2018

	Governmental Activities	
	2019	2018 Restated
Program Revenues		
Charges for services	\$ 21,244,520	\$ 19,617,597
Grants and contributions	11,115,977	12,939,593
Capital grants and contributions	8,632,654	1,199,345
General Revenues		
Taxes		
Sales taxes	28,554,425	24,439,171
Property taxes	16,385,673	15,702,099
Utility user taxes	7,892,486	8,129,186
Transient occupancy taxes	2,245,815	2,242,192
Franchise taxes	9,817,355	9,094,861
Oil Industry Business tax	3,256,127	2,331,338
Motor vehicle license fee, unrestricted	45,024	49,309
Investment income	1,614,696	1,102,793
Other revenue	7,895,876	15,217,121
Total Revenues	118,700,628	112,064,605
Expenses		
Governmental Activities		
General Government	34,064,482	37,566,169
Community Development	10,254,671	23,131,014
Public Works	18,843,054	19,520,884
Community Services	17,524,467	17,823,301
Public Safety	22,635,739	21,265,535
Total Expenses	103,322,413	119,306,903
Change in net position	15,378,215	(7,242,298)
Net position, beginning, as restated	301,783,510	309,025,808
Net position, ending	317,161,725	301,783,510

Governmental Funds Financial Analysis

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$78.6 million, an increase of \$21.0 million over the prior year. Approximately \$53.1 million is non-spendable in form (e.g. inventory), restricted, committed and assigned for specific purposes.

The total governmental fund balance includes the general fund balance of \$45.2 million, an increase of \$10 million over the prior period. The increase is mainly due to the, additional revenues of \$4.1 million in sales tax, \$1.7 million collected from the Oil Industry Tax, \$4.7 million community benefit received offset by a decrease in Utility User Taxes of \$0.3 million. The General Fund is the primary operating fund of the City. Of the \$45.2 million fund balance approximately \$27.9 million is unassigned and available for spending at the City's discretion. More detailed information about the City's classification of fund balances are presented in Note 10 to the financial statements.

Other Major fund balance changes

Carson Housing Authority – The Carson Housing Authority fund balance increased \$0.5 million from the prior year mainly due to decreased spending in community development programs.

Cooperation Agreement Bond Proceeds Fund – The Cooperation Agreement Bond Proceeds fund balance increased by \$.3 million from the prior year.

State CIP Grants Special Revenue Fund – The State CIP Grants Special Revenue fund balance decreased by \$.004 million from the prior year.

In addition to the major funds, the fund balances for the other governmental funds had an aggregate increase of \$10.2 million.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental activities totals \$386.4 million (net of accumulated depreciation of \$225.2 million) as of June 30, 2019. 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, 2019 and 2018

	Governmental Activities	
	2019	2018 Restated
Land, land rights, land improvements	\$ 92,936,028	\$ 93,847,028
Infrastructure - street trees	16,271,731	16,271,731
Buildings and Improvements	59,294,427	60,802,757
Machinery and Equipment	2,784,338	2,711,682
Infrastructure	163,089,430	166,800,581
Construction in Progress	52,038,327	45,818,287
	<u>\$ 386,414,281</u>	<u>\$ 386,252,066</u>

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 \$51.4 million and net pension liability of \$99.7 million as of June 30, 2019.

**Outstanding Debt
June 30, 2019 and 2018**

	2019	2018
Other long-term debt:		
Other post-employment benefits	\$ 51,447,209	\$ 58,558,306
Self-insurance claims payable	2,464,825	2,253,843
Compensated absences	4,779,275	4,440,627
Net pension liability	99,706,692	102,185,046
Total	\$ 158,398,001	\$ 167,437,822

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

Even though the City's revenues continue to be stable overall, the City's costs are increasing faster than its revenues. Employee retirement costs, payroll costs, the City's contract with the Los Angeles County Sheriff's Department, and litigation costs are the primary drivers of this trend. In the future, either the City will have to decrease its service level to the community, or the City will have to secure new revenue sources. Most new revenue sources require voter approval. The City Council is committed to maintaining and improving service levels to the community.

FY 2019/20 General Fund revenues are projected to be \$86.9 million, which is \$5.9 million less than the FY 2018/19 year-end actual revenues of \$92.8 million.

FY 2019/20 General Fund expenditures are projected to be \$91.7 million, which is \$8.8 million more than the year-end actual expenditures for FY 2018/19 of \$82.9 million.

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

- The City's employer contribution to the California Public Employee Retirement System (CalPERS) is expected to increase by more than \$1 million annually for the next five years. The contribution for FY19-20 is approximately \$8.3 million, including a \$5.2 million contribution

to the unfunded liability and a normal cost of \$3.1 million. The increased contributions are due to CalPERS changes to actuarial assumptions, including the discount rate.

- The City's workforce continues to turn over with retirements, which increases the City's obligation to pay retiree health insurance, an "other post-employment benefit" or OPEB. During FY 2011/12, the City established a Section 115 Trust to offset the OPEB liability. Currently, due to budget constraints, the City is unable to continue making contributions to the Section 115 Trust; and during FY16-17 and FY17-18 has used approximately \$2 million of the fund to supplement payments for retiree health insurance. Annual retiree health expenditures are expected to increase by approximately \$1 million over the next five years.

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 the Finance Department at, 701 E Carson St. Carson, CA 90745.

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BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government Governmental Activities	Component Unit Reclamation Authority
ASSETS:		
Cash and investments	\$ 78,961,936	\$ 32,047,909
Restricted cash and investments	-	17,797,010
Cash and investments with fiscal agents	3,763,788	-
Receivables:		
Taxes	5,844,264	-
Accounts	2,098,603	14,444,916
Accrued interest	-	14,002
Loans, net of allowance for uncollectible accounts	6,109,095	-
Due from Successor Agency	945,154	-
Due from governmental agencies	3,535,131	11,530
Due from component unit	-	-
Due from primary government	-	86,090
Inventory	311,048	5,977,407
Prepaid and other assets	2,686	4,914,678
Land held for resale	571,938	-
Capital assets, not being depreciated	161,246,086	66,357,756
Capital assets, net of accumulated depreciation	225,168,195	-
TOTAL ASSETS	488,557,924	141,651,298
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts from pension	16,235,360	-
Deferred amounts from OPEB	2,564,759	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	18,800,119	-
LIABILITIES:		
Accounts payable and accrued liabilities	18,018,755	8,002,289
Accrued payroll	1,849,260	-
Due to other governmental agencies	538,143	-
Due to component unit	86,090	-
Due to primary government	-	-
Retention payable	360,244	-
Refundable deposits	-	-
Unearned revenues	644,606	-
Long-term liabilities:		
Due within one year	3,736,355	-
Due in more than one year	3,507,745	-
Net pension liability - due in more than one year	99,706,692	-
Net OPEB liability - due in more than one year	51,447,209	-
Landfill remediation liability - due in more than one year	-	87,050,000
TOTAL LIABILITIES	179,895,099	95,052,289
DEFERRED INFLOWS OF RESOURCES:		
Deferred amounts from pension	2,934,790	-
Deferred amounts from OPEB	7,366,429	-
TOTAL DEFERRED INFLOWS OF RESOURCES	10,301,219	-
NET POSITION:		
Investment in capital assets	386,414,281	66,357,756
Restricted for:		
Economic development	353,012	-
Public works	21,399,782	-
Housing projects	11,162,327	-
Community services	4,664,319	-
Unrestricted	(106,831,996)	(19,758,747)
TOTAL NET POSITION	\$ 317,161,725	\$ 46,599,009

See accompanying notes to basic financial statements.

CITY OF CARSON

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 34,064,482	\$ 7,059,338	\$ 125,964	\$ -
Public safety	22,635,739	1,187,807	269,832	-
Community development	10,254,671	1,595,135	503,756	-
Public works	18,843,054	8,444,010	10,216,425	6,939,524
Community services	17,524,467	2,958,230	-	1,693,130
Total governmental activities	103,322,413	21,244,520	11,115,977	8,632,654
Component unit:				
Reclamation Authority	14,221,924	-	-	18,652,232
Total primary government	\$ 117,544,337	\$ 21,244,520	\$ 11,115,977	\$ 27,284,886

General revenues:

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Franchise taxes

Utility users tax

Oil industry business tax

Motor vehicle license fee, unrestricted

Investment income

Other revenues

Total general revenues

Change in net position

Net position at beginning of year, as restated

Net position at end of year

Net (Expenses) Revenues and
Changes in Net Position

Primary Government Governmental Activities	Component Unit Reclamation Authority
\$ (26,879,180)	\$ -
(21,178,100)	-
(8,155,780)	-
6,756,905	-
(12,873,107)	-
<u>(62,329,262)</u>	<u>-</u>
-	4,430,308
<u>(62,329,262)</u>	<u>4,430,308</u>
16,385,673	-
28,554,425	-
2,245,815	-
9,817,355	-
7,892,486	-
3,256,127	-
45,024	-
1,614,696	1,214,389
7,895,876	-
<u>77,707,477</u>	<u>1,214,389</u>
15,378,215	5,644,697
<u>301,783,510</u>	<u>40,954,312</u>
<u>\$ 317,161,725</u>	<u>\$ 46,599,009</u>

CITY OF CARSON
GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2019

	General Fund	Carson Housing Authority Special Revenue Fund
ASSETS		
Cash and investments	\$ 49,990,676	\$ 932,568
Cash and investments with fiscal agents	-	3,763,788
Receivables:		
Taxes	5,844,264	-
Accounts	1,765,158	213,660
Accrued interest	-	-
Due from government agencies	-	-
Loans, net of allowance	20,132	5,552,417
Due from other funds	3,298,353	-
Due from Successor Agency	500,633	444,521
Inventory	311,048	-
Prepays and other assets	2,686	-
Land held for resale	-	571,938
	-	571,938
TOTAL ASSETS	\$ 61,732,950	\$ 11,478,892
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 14,144,045	\$ 13,421
Accrued payroll	1,669,198	4,499
Due to other funds	18,055	212,555
Due to Carson Reclamation Authority	-	86,090
Due to government agencies	1,597	-
Retentions payable	84,037	-
Unearned revenue	644,606	-
	-	-
TOTAL LIABILITIES	16,561,538	316,565
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenues	-	-
	-	-
FUND BALANCES:		
Nonspendable	313,734	-
Restricted	683,361	11,162,327
Committed	15,324,165	-
Assigned	1,000,000	-
Unassigned	27,850,152	-
	-	-
TOTAL FUND BALANCES	45,171,412	11,162,327
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 61,732,950	\$ 11,478,892

Cooperation Agreement Bond Proceeds Special Revenue Fund	State CIP Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,931,360	\$ 2,500,000	\$ 23,607,332	\$ 78,961,936
-	-	-	3,763,788
-	-	-	5,844,264
37,811	-	81,974	2,098,603
-	-	-	-
-	1,495,823	2,039,308	3,535,131
-	-	536,546	6,109,095
786,509	-	-	4,084,862
-	-	-	945,154
-	-	-	311,048
-	-	-	2,686
-	-	-	571,938
<u>\$ 2,755,680</u>	<u>\$ 3,995,823</u>	<u>\$ 26,265,160</u>	<u>\$ 106,228,505</u>
\$ 164,427	\$ 1,661,021	\$ 2,035,841	\$ 18,018,755
1,428	1,492	172,643	1,849,260
-	2,071,847	1,782,405	4,084,862
-	-	-	86,090
-	-	536,546	538,143
2,067	261,424	12,716	360,244
-	-	-	644,606
<u>167,922</u>	<u>3,995,784</u>	<u>4,540,151</u>	<u>25,581,960</u>
-	1,495,823	553,044	2,048,867
-	-	-	313,734
2,587,758	-	21,992,402	36,425,848
-	-	-	15,324,165
-	-	-	1,000,000
-	(1,495,784)	(820,437)	25,533,931
<u>2,587,758</u>	<u>(1,495,784)</u>	<u>21,171,965</u>	<u>78,597,678</u>
<u>\$ 2,755,680</u>	<u>\$ 3,995,823</u>	<u>\$ 26,265,160</u>	<u>\$ 106,228,505</u>

See accompanying notes to basic financial statements.

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CITY OF CARSON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2019

Fund balances - total governmental funds		\$ 78,597,678
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The capital assets consist of:		
Capital assets	\$ 638,668,885	
Accumulated depreciation	<u>(252,254,604)</u>	
		386,414,281
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Self-insurance claims	(2,464,825)	
Compensated absences	(4,779,275)	
Net pension liability	(99,706,692)	
Net OPEB liability	<u>(51,447,209)</u>	
		(158,398,001)
Unavailable revenues are not available to pay for current period expenditures, and therefore are deferred in the funds and recognized as revenue in the Statement of Activities.		2,048,867
Deferred outflows of resources related to pensions are not considered financial resources and are not reported in the governmental funds.		16,235,360
Deferred outflows of resources related to OPEB are not considered financial resources and are not reported in the governmental funds.		2,564,759
Deferred inflows of resources related to pensions are not available to pay for current period expenses and are not reported in the governmental funds.		(2,934,790)
Deferred inflows of resources related to OPEB are not available to pay for current period expenses and are not reported in the governmental funds.		<u>(7,366,429)</u>
Net position of governmental activities		<u>\$ 317,161,725</u>

CITY OF CARSON

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2019

	General Fund	Carson Housing Authority Special Revenue Fund
REVENUES:		
Taxes	\$ 68,919,788	\$ -
Licenses and permits	9,465,400	-
Fines and forfeitures	1,542,202	-
Intergovernmental	104,854	444,521
Charges for services	3,367,010	-
Investment income	1,844,324	236,509
Developer impact fee	-	-
Miscellaneous	7,564,937	580,678
TOTAL REVENUES	92,808,515	1,261,708
EXPENDITURES:		
Current:		
General government	27,530,697	-
Public safety	22,635,739	-
Community development	4,109,743	746,339
Public works	16,545,258	-
Community services	11,921,448	-
Capital improvement programs	187,779	-
TOTAL EXPENDITURES	82,930,664	746,339
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,877,851	515,369
OTHER FINANCING SOURCES (USES):		
Sale of land	402,738	-
Transfers in	9,354	-
Transfers out	(338,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	73,592	-
NET CHANGE IN FUND BALANCES	9,951,443	515,369
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	35,219,969	10,646,958
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 45,171,412	\$ 11,162,327

See accompanying notes to basic financial statements.

Cooperation Agreement Bond Proceeds Special Revenue Fund	State CIP Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,862,303	\$ 76,782,091
-	-	52,160	9,517,560
-	-	-	1,542,202
-	7,477,054	3,976,311	12,002,740
-	-	3,228,644	6,595,654
1,148	-	372,809	2,454,790
-	-	2,661,162	2,661,162
-	-	516,884	8,662,499
<u>1,148</u>	<u>7,477,054</u>	<u>18,670,273</u>	<u>120,218,698</u>
-	-	351,554	27,882,251
-	-	-	22,635,739
-	67,920	1,008,646	5,932,648
-	-	78,707	16,623,965
-	-	3,391,877	15,313,325
<u>330,589</u>	<u>7,413,413</u>	<u>3,313,231</u>	<u>11,245,012</u>
<u>330,589</u>	<u>7,481,333</u>	<u>8,144,015</u>	<u>99,632,940</u>
<u>(329,441)</u>	<u>(4,279)</u>	<u>10,526,258</u>	<u>20,585,758</u>
-	-	-	402,738
638,017	-	338,500	985,871
-	-	(647,371)	(985,871)
<u>638,017</u>	<u>-</u>	<u>(308,871)</u>	<u>402,738</u>
308,576	(4,279)	10,217,387	20,988,496
<u>2,279,182</u>	<u>(1,491,505)</u>	<u>10,954,578</u>	<u>57,609,182</u>
<u>\$ 2,587,758</u>	<u>\$ (1,495,784)</u>	<u>\$ 21,171,965</u>	<u>\$ 78,597,678</u>

CITY OF CARSON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Net change in fund balances - total governmental funds \$ 20,988,496

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays 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	\$ 9,779,437	
Depreciation expense	(9,617,222)	162,215

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	(338,648)	
Claims and judgments	(210,982)	
Other post-employment benefits	2,606,889	
Pension benefits	<u>(6,311,685)</u>	(4,254,426)

Revenues that are measurable but not available are recorded as unavailable revenue under the modified accrual basis of accounting.		<u>(1,518,070)</u>
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Change in net position of governmental activities		<u><u>\$ 15,378,215</u></u>
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CITY OF CARSON
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION

June 30, 2019

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
ASSETS:		
Cash and investments	\$ 21,071,124	\$ 6,310,242
Cash and investments with fiscal agents	11,364,361	2,603,864
Receivables:		
Interest	50,393	-
Loans, net	-	-
Land held for resale	370,000	-
TOTAL ASSETS	32,855,878	\$ 8,914,106
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts on refundings	3,724,834	
LIABILITIES:		
Accounts payable and accrued liabilities	17,243	\$ 70,308
Accrued interest payable	2,668,207	-
Retention and refundable deposits	236,172	2,400,948
Due to City of Carson	500,633	-
Due to Carson Housing Authority	444,521	-
Due to assessed parties	-	772,889
Due to bondholders	-	5,669,961
Noncurrent liabilities:		
Due within one year	11,730,000	-
Due in more than one year	172,760,124	-
TOTAL LIABILITIES	188,356,900	\$ 8,914,106
NET POSITION:		
Held in trust for private purpose	\$ (151,776,188)	

See accompanying notes to basic financial statements.

CITY OF CARSON
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended June 30, 2019

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Property taxes	20,720,962
Investment income	480,160
Loss on sale of property	(1,163,596)
Other income	24,456
TOTAL ADDITIONS	20,061,982
DEDUCTIONS:	
General government	516,078
Property tax administration costs	757,065
Distribution of bond proceeds to Carson Reclamation Authority	3,006,024
Rent subsidies to Carson Housing Authority	444,521
Reimbursement of costs to the City of Carson	3,105
Interest and fiscal charges	8,831,167
TOTAL DEDUCTIONS	13,557,960
CHANGE IN NET POSITION	6,504,022
NET POSITION - BEGINNING OF YEAR	(158,280,210)
NET POSITION - END OF YEAR	\$ (151,776,188)

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Carson, California (the City) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

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.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component financial reporting units, which are legally separate organizations that must be included in the financial report of the primary government.

The accompanying basic financial statements present the City of Carson (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Units

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

The Carson Housing Authority (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. Even though it is legally separate, it is reported as if it were part of the City because the City Council serves as the governing board of the Housing Authority and a financial benefit/burden relationship exists. Separate financial statements of the Housing Authority may be obtained at City Hall.

The Carson Community Facilities Districts Nos. 2012-1 and 2012-2 (Districts) were established pursuant to the Mello-Roos Community Facilities Act of 1982 to provide funding for the ongoing operation, maintenance and monitoring of environmental remediation systems and for the construction of public facilities and infrastructure improvements, respectively, related to the 157 acre site owned by the Carson Reclamation Authority. The City Council serves as the governing board for these Districts and a financial benefit/burden relationship exists. For the fiscal year ended June 30, 2019, the Districts did not have any financial activity. Separate financial statements of the Districts are not issued.

Discretely Presented Component Unit

The Carson Reclamation Joint Powers Authority (Reclamation Authority) was formed in February 2015 by the governing boards of the Housing Authority and the Carson Community Facilities Districts Nos. 2012-1 and 2012-2. The purpose of the Reclamation Authority is to oversee and facilitate the remediation of contaminated properties in the City. The Reclamation Authority's role is to facilitate and fund the environmental study, investigation, and remediation and reclamation of any and all contaminated properties in the City, or the acquisition and subsequent reclamation of contaminated properties. These powers also include any improvements on property related to environmental cleanup and any negotiations or processing of property reclamation required in connection with the California Department of Toxic Substances Control or any other state or federal environmental agency.

The Reclamation Authority is governed by a five-member board. The Housing Authority appoints a voting majority of this board. Since the Reclamation Authority was formed to remediate contamination of a 157 acre site within the City boundaries and to make the property marketable in order to create economic development opportunities for the benefit of the City and its residents and since management oversight of the Reclamation Authority's operations is performed by the City's Director of Community Development, it would be misleading to exclude the Reclamation Authority from these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Presentation

The statement of net position and statement of activities (i.e., the government-wide financial statements) display information on all of the nonfiduciary activities of the primary government (the City) and its blended component units. A separate column has been included to report the Reclamation Authority, a discretely presented component unit. Eliminations have been made to minimize the effect of interfund activity. The City does not have any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipients of goods or services offered by the functions or programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations. The governmental funds financial statements are provided for major funds individually and nonmajor funds in the aggregate, as well as for the fiduciary activities, even though the latter is excluded from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Presentation (Continued)

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims payable, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in-lieu, and transient occupancy taxes, 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. All other revenue items are considered to be measurable and available only when the related cash is received by the government.

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 nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange* transactions are recognized as revenues when all applicable eligibility requirements have been met.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year, which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

The City’s fiduciary fund financial statements are comprised of a private-purpose trust fund and agency funds. The private-purpose trust fund is reported using the “economic resources measurement focus” and the “accrual basis of accounting.” The agency funds have no measurement focus but utilize the “accrual basis of accounting” for reporting their assets and liabilities.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

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.

Carson Housing Authority Special Revenue Fund - 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.

Cooperation Agreement Bond Proceeds Special Revenue Fund - The Cooperation Agreement Bond Proceeds Fund accounts for unspent bond proceeds transferred to the City from the Successor Agency to the Dissolved Carson Redevelopment Agency (Successor Agency) in accordance with the Cooperation Agreement entered into by and between the City of Carson and the Successor Agency. Under this fund, the City will report the expenditures of the bond proceeds pursuant to the original bond covenants.

State CIP Grants Special Revenue Fund - The State CIP Grants Special Revenue Fund accounts for all grants received from the State of California to fund the non-recurring CIP projects of the City.

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Classifications (Continued)

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:

- *Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund* - This fund is used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Carson Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Funds, the Private-purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.
- *Agency Funds* - These funds account 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.

D. New Accounting Pronouncements

Current Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This standard did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This standard did not significantly impact the City.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019 was early implemented during the current year. Interest Capitalization is no longer required.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.
- GASB 92 – *Omnibus*, effective for periods beginning after June 15, 2020.

E. Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of the investments is generally based on published market prices and quotations from custodians. Investment earnings are allocated based on the source of funds.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income also reports interest earnings, rental income, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

F. Property Taxes

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

The 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 \$7,928,311 was included in the General Fund tax revenues.

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 st
Levy Date:	July 1 st to June 30 th
Due Date:	First Installment - November 1 st Second Installment - March 1 st
Delinquent Date:	First Installment - December 10 th Second Installment - April 10 th

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

The City extends credit to customers in the normal course of operations. Uncollectible amounts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and review of past due accounts.

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs costs, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

I. Inventory

Inventory is stated at cost on a first-in, first-out (FIFO) basis. The City uses the consumption method which means that inventory is expensed as the items are used. Inventory in the General Fund consists principally of fuel, office supplies, recreational activity supplies and other miscellaneous materials and supplies. Inventory in the Reclamation Authority Enterprise Fund consists principally of liner, backfill material, gravel, pile cap boots, geotextile and miscellaneous landfill gas components. Materials and supplies are charged to inventories when purchased and treated as expenditure when issued. Inventory amounts in the General Fund are classified as nonspendable in the fund balance since they do not represent available spendable resources.

J. Capital Assets

Capital assets are recorded at cost where historical records are available and at estimated historical cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$10,000 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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

The following schedule summarizes capital assets' estimated useful lives:

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

K. Land Held for Resale

Land held for resale in the Housing Authority Fund represents housing properties transferred to the Housing Authority from the Low and Moderate Income Housing Fund of the former Redevelopment Agency. Land held for resale in the Fiduciary Funds represents land purchased by the former Redevelopment Agency to further the Redevelopment Plan. This property will be sold and proceeds will be sent to the County of Los Angeles for distribution to affected taxing agencies. Land held for resale is recorded at the lower of acquisition cost or estimated net realizable value.

L. 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. 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.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflows related to OPEB and pension plans equal to employer contributions made after the measurement date of the net OPEB liability and the net pension liability, respectively.
- Deferred outflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions resulting from the net differences between projected and actual earnings on plan investments of the pension plans fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows from OPEB and pension plans resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

- Deferred inflows related to OPEB plans resulting from the net differences between projected and actual earnings on plan investments of the OPEB plan's fiduciary net position. These amounts are amortized over five years.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Fund Balances and Flow Assumptions

The fund balances reported in the governmental funds financial statements consist of the following 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, and prepaid and other assets.

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 and the low/moderate income housing program, and more.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balances and Flow Assumptions (Continued)

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

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. The City Council delegates the authority to assign fund balance to the City Manager and the Administrative Services General Manager for purposes of reporting in the annual financial statements in accordance with Resolution No. 11-084, Classifying the Various Components of the Fund Balance of the City of Carson.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Q. Net Position and Flow Assumptions

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net position is divided into three captions. These captions are described below and apply only to net position, which is applicable only to the government-wide financial statements.

Net investment in capital assets - describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these capital assets. As of June 30, 2019, the City had no outstanding debt related to its capital assets.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position and Flow Assumptions (Continued)

Restricted - describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted - describes the portion of net position which is not restricted as to use.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

R. Use of Estimates

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires City management to make estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position		Total
		Private-Purpose Trust Fund	Agency Funds	
Unrestricted assets:				
Cash and investments	\$ 111,009,845	\$21,071,124	\$ 6,310,242	\$138,391,211
Restricted assets:				
Cash and investments	17,797,010	-	-	17,797,010
with fiscal agents	3,763,788	11,364,361	2,603,864	17,732,013
Total cash and investments	<u>\$ 132,570,643</u>	<u>\$32,435,485</u>	<u>\$ 8,914,106</u>	<u>\$173,920,234</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2019, consist of the following:

Cash on hand	\$ 4,050
Deposits with financial institutions	59,234,599
Investments	<u>114,681,585</u>
 Total cash and investments	 <u>\$173,920,234</u>

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

The following table identifies the investment types that are authorized for the City and its component units 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	Maximum	Maximum	Maximum
United States Treasury Bills	Yes	5 Years	None	None
Federal Government Obligations	Yes	5 Years	None	None
Collateralized Time Deposits	Yes	5 Years	None	None
Banker's Acceptance	Yes	7 Days	10%	None
Commercial Paper	Yes	7 Days	15%	10%
Negotiable Certificates of Deposit	Yes	5 Years	10%	None
Certificates of Deposit -				
Private Placement	Yes	5 Years	30%	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$50 Million	None
Money Market Funds or				
Mutual Funds	Yes	5 Years	20%	10%
Medium-Term Corporate Notes	Yes	5 Years	20%	5%
State/Municipal Bonds	Yes	5 Years	20%	None
Common Stocks	No	N/A	N/A	N/A
Long-Term Notes and Bonds	No	N/A	N/A	N/A
Derivative Based Instruments	No	N/A	N/A	N/A
Repurchase Agreements	No	N/A	N/A	N/A
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Inverse Floaters	No	N/A	N/A	N/A
Futures and Options	No	N/A	N/A	N/A
Mortgage Backed Securities	No	N/A	N/A	N/A

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

N/A - Not Applicable

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Administration Agreement

Restricted cash and investments of the Reclamation Authority are to adhere to the City’s investment policy pursuant to an enterprise fund administration agreement with the California Department of Toxic Substances Control. The Reclamation Authority may only draw down funds from these restricted accounts upon submission of payment requests to the California Department of Toxic Substances Control.

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	Maximum	Maximum
Local Agency Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker’s Acceptance	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 (LAIF)	N/A	None	None
Investment Agreements	N/A	None	None

N/A - Not Applicable

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 - 60 Months	
Local Agency Investment Fund (LAIF)	\$ 37,760,895	\$ -	\$ -	\$ 37,760,895
Money Market Funds	26,360,139	-	-	26,360,139
U.S. Agency Securities	14,356,715	8,203,576	5,860,286	28,420,577
Medium-Term Corporate Notes	1,748,003	251,600	1,805,232	3,804,835
State/Municipal Bonds	-	94,141	508,985	603,126
Held by Fiscal Agent:				
Money Market Funds	17,732,013	-	-	17,732,013
Total	\$ 97,957,765	\$ 8,549,317	\$ 8,174,503	\$114,681,585

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 by Standard & Poor's as of year-end for each investment type.

Investment Type	Total as of June 30, 2019	Minimum Legal Rating	Minimum		Not Rated
			AAA	Other	
Local Agency Investment Fund (LAIF)	\$ 37,760,895	N/A	\$ -	\$ -	\$ 37,760,895
Money Market Funds	26,360,139	AAA	26,360,139	-	-
U.S. Agency Securities	28,420,577	N/A	-	28,420,577	-
Medium-Term Corporate Notes	3,804,835	A	1,004,190	2,800,645	-
State/Municipal Bonds	603,126	AA	-	603,126	-
Held by Fiscal Agent:					
Money Market Funds	17,732,013	N/A	17,732,013	-	-
Total	\$114,681,585		\$ 45,096,342	\$ 31,824,348	\$ 37,760,895

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk (Continued)

The actual ratings for the “Other” category above are as follows:

Investment Type	AA+	AA	AA-	A+	A	Total
U.S. Agency Securities	\$ 28,420,577	\$ -	\$ -	\$ -	\$ -	\$ 28,420,577
Medium-Term						
Corporate Notes	499,305	499,820	1,563,162	-	238,358	2,800,645
State/Municipal Bonds	-	94,141	508,985	-	-	603,126
Total	<u>\$ 28,919,882</u>	<u>\$593,961</u>	<u>\$2,072,147</u>	<u>\$ -</u>	<u>\$238,358</u>	<u>\$ 31,824,348</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:

Issuer	Investment Type	Reported Amount
Federal Agricultural Mortgage Corp. Notes	U.S. Agency Securities	\$ 8,090,061
Federal Home Loan Bank Notes	U.S. Agency Securities	6,990,079
Federal Home Loan Mortgage Corp. Notes	U.S. Agency Securities	5,273,094

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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 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.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
U.S. Agency Securities	\$ -	\$ 28,420,577	\$ -	\$ 28,420,577
Medium-Term Corporate Notes	-	3,804,835	-	3,804,835
State/Municipal Bonds	-	603,126	-	603,126
 Total Leveled Investments	 <u>\$ -</u>	 <u>\$ 32,828,538</u>	 <u>\$ -</u>	 32,828,538
 Local Agency Investment Fund (LAIF)*				37,760,895
Money Market Funds*				26,360,139
Held by Fiscal Agent:				
Money Market Funds*				<u>17,732,013</u>
 Total Investment Portfolio				 <u><u>\$ 114,681,585</u></u>

* Not subject to fair value measurement hierarchy.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 3 - LOANS RECEIVABLE

Details of the City's loans receivable as of June 30, 2019 are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 56,613,049
First Time Homebuyer Loan Program	5,552,417
Computer Loan Program	20,132
HOME Loan Program	371,546
Neighborhood Stabilization Program Loans	<u>165,000</u>
Total Loans Receivable	62,722,144
Less: Allowance for uncollectible accounts	<u>(56,613,049)</u>
Loans Receivable, Net	<u><u>\$ 6,109,095</u></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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 4 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets of the Governmental Activities for the year ended June 30, 2019:

	Balance at July 1, 2018 (1)	Additions	Deletions/ Transfers	Balance at June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 16,255,218	\$ -	\$ (911,000)	\$ 15,344,218
Land rights	75,285,334	-	-	75,285,334
Land improvements	2,306,476	-	-	2,306,476
Infrastructure - street trees	16,271,731	-	-	16,271,731
Construction-in-progress	45,818,287	9,840,671	(3,620,631)	52,038,327
Total capital assets, not being depreciated	<u>155,937,046</u>	<u>9,840,671</u>	<u>(4,531,631)</u>	<u>161,246,086</u>
Capital assets, being depreciated:				
Buildings and improvements	99,705,576	472,309	-	100,177,885
Machinery and equipment	14,993,398	834,212	(1,386,484)	14,441,126
Infrastructure:				
Roadways	333,070,751	1,646,029	-	334,716,780
Sewer	20,187,672	-	-	20,187,672
Storm drain	6,381,489	1,517,847	-	7,899,336
Total capital assets, being depreciated	<u>474,338,886</u>	<u>4,470,397</u>	<u>(1,386,484)</u>	<u>477,422,799</u>
Less accumulated depreciation for:				
Buildings and improvements	(38,902,819)	(1,980,639)	-	(40,883,458)
Machinery and equipment	(12,281,716)	(761,556)	1,386,484	(11,656,788)
Infrastructure:				
Roadways	(171,807,023)	(6,456,432)	-	(178,263,455)
Sewer	(17,117,261)	(300,125)	-	(17,417,386)
Storm drain	(3,915,047)	(118,470)	-	(4,033,517)
Total accumulated depreciation	<u>(244,023,866)</u>	<u>(9,617,222)</u>	<u>1,386,484</u>	<u>(252,254,604)</u>
Total capital assets, being depreciated, net	<u>230,315,020</u>	<u>(5,146,825)</u>	<u>-</u>	<u>225,168,195</u>
Total governmental activities capital assets, net	<u>\$ 386,252,066</u>	<u>\$ 4,693,846</u>	<u>\$ (4,531,631)</u>	<u>\$ 386,414,281</u>

(1) Land has been restated by \$911,000 for a property sold in the current year that had not been previously recorded.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities for the year ended June 30, 2019:

General government	\$ 1,927,805
Community services	3,813,761
Public works	1,664,514
Community development	<u>2,211,142</u>
Total depreciation expense	<u>\$ 9,617,222</u>

Reclamation Authority - Discretely Presented Component Unit

The following is a summary of changes in capital assets of the Reclamation Authority for the year ended June 30, 2019:

	Balance at July 1, 2018 (1)	Additions	Deletions/ Transfers	Balance at June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 21,977,052	\$ -	\$ -	\$ 21,977,052
Construction in progress	<u>14,022,948</u>	<u>30,357,756</u>	<u>-</u>	<u>44,380,704</u>
Total	<u>\$ 36,000,000</u>	<u>\$ 30,357,756</u>	<u>\$ -</u>	<u>\$ 66,357,756</u>

(1) The estimated cost of the landfill operations center under construction was reclassified from land category.

NOTE 5 – INTERFUND TRANSACTIONS

Due From/To Other Funds

Due from/due to other funds as of June 30, 2019, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Carson Housing Authority	\$ 212,555
	State CIP Grants Special Revenue Fund	2,071,847
	Nonmajor Governmental Funds	1,013,951
Cooperation Agreement Bond		
Proceeds Special Revenue Fund	General Fund	18,055
	Nonmajor Governmental Funds	<u>768,454</u>
		<u>\$ 4,084,862</u>

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

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Transfers in and out for the year ended June 30, 2019, were as follows:

Transfer In to Fund	Transfer Out of Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 9,354
Cooperation Agreement Bond Proceeds Special Revenue Fund	Nonmajor Governmental Funds	638,017
Nonmajor Governmental Funds	General Fund	338,500
		<u>\$ 985,871</u>

Interfund transfers were principally used to transfer monies to cover costs accounted for in other funds.

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Other Long-term Liabilities:						
Compensated absences	\$ 4,440,627	\$ 3,308,168	\$ (2,969,520)	\$ 4,779,275	\$ 2,657,117	\$ 2,122,158
Self-insurance claims payable	2,253,843	1,572,853	(1,361,871)	2,464,825	1,079,238	1,385,587
Total	<u>\$ 6,694,470</u>	<u>\$ 4,881,021</u>	<u>\$ (4,331,391)</u>	<u>\$ 7,244,100</u>	<u>\$ 3,736,355</u>	<u>\$ 3,507,745</u>

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

The City’s self-insurance claims payable are described in Note 7.

NOTE 7 - SELF-INSURANCE PROGRAMS

The City is self-insured for dental and unemployment insurance. Additionally, the City is self-insured for the first \$250,000 per liability claim, including employment practices. The liability excess insurance carrier is Lloyds of London/BRIT. The City is self-insured for the first \$750,000 per workers’ compensation claim. The workers’ compensation excess insurance carrier is Arch Insurance Company. The City is self-insured for the first \$10,000 per property claim. The property insurance carrier is Affiliated FM Insurance Company. The City is self-insured for the first \$10,000 per crime claim. The crime insurance carrier is Fidelity and Deposit Company of Maryland.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 7 - SELF-INSURANCE PROGRAMS (CONTINUED)

At June 30, 2019, \$2,464,825 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. While the ultimate amount of losses incurred through June 30, 2019, 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, 2019, is as follows:

	Workers' Compensation Claims	General Liability Claims	Totals
Balance at June 30, 2017	\$ 2,384,679	\$ 686,192	\$ 3,070,871
Additions	451,954	296,735	748,689
Payments	(752,810)	(812,907)	(1,565,717)
Balance at June 30, 2018	2,083,823	170,020	2,253,843
Additions	1,177,358	395,495	1,572,853
Payments	(1,351,742)	(10,129)	(1,361,871)
Balance at June 30, 2019	<u>\$ 1,909,439</u>	<u>\$ 555,386</u>	<u>\$ 2,464,825</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefit Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect for the measurement period ended June 30, 2018, are summarized as follows:

	Prior to May 6, 2011	Miscellaneous On or after May 6, 2011 and Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	3.0%@60	2.0%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0%-3.0%	1.426%-2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.250%
Required employer contribution rates:			
Normal cost rate	10.627%	10.627%	6.250%
Employer portion of unfunded liability	\$ 4,869,400	\$ -	\$ -

Employees Covered

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	382
Inactive employees entitled to but not yet receiving benefits	206
Active employees	403
 Total	 991

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

	<u>Miscellaneous</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Income	(3)

(1) Various by entry age and service

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.0% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan, using the measurement date of June 30, 2018, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2017	<u>\$285,000,828</u>	<u>\$182,815,782</u>	<u>\$102,185,046</u>
Changes in the Year:			
Service cost	4,901,075	-	4,901,075
Interest on the total pension liability	19,821,114	-	19,821,114
Changes of assumptions	(1,676,966)	-	(1,676,966)
Differences between expected and actual experience	(1,748,992)	-	(1,748,992)
Net plan to plan resource movement	-	(447)	447
Contribution - employer	-	7,293,749	(7,293,749)
Contribution - employee	-	1,930,908	(1,930,908)
Net investment income	-	15,376,239	(15,376,239)
Benefit payments, including refunds of employee contributions	(13,614,042)	(13,614,042)	-
Administrative expenses	-	(284,877)	284,877
Other Miscellaneous Income/(Expense)	-	(540,987)	540,987
Net Changes	<u>7,682,189</u>	<u>10,160,543</u>	<u>(2,478,354)</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$292,683,017</u>	<u>\$192,976,325</u>	<u>\$ 99,706,692</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan of 7.15%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 137,858,263
Current Discount Rate	7.15%
Net Pension Liability	\$ 99,706,692
1% Increase	8.15%
Net Pension Liability	\$ 68,005,525

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the City recognized pension expense of \$14,488,717. At June 30, 2019, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 8,354,811	\$ -
Differences between actual and expected experience	452,280	(1,699,131)
Change of assumptions	7,012,462	(1,235,659)
Net differences between projected and actual earnings on plan investments	<u>415,807</u>	<u>-</u>
Total	<u>\$ 16,235,360</u>	<u>\$ (2,934,790)</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$8,354,811 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2020	\$ 5,971,631
2021	2,070,738
2022	(2,581,380)
2023	(515,230)
2024	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2019, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. General Information about the OPEB Plan

Plan Description

The City offers a defined benefit OPEB plan, which provides medical insurance benefits to eligible retirees and qualified family members through an agent multiple employer trust administered by CalPERS.

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

A. General Information about the OPEB Plan (Continued)

City’s Funding Policy

Contributions

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) to pre-fund its OPEB liability. No contributions were made to CERBT during the current year. However, the City did directly pay retiree insurance premiums of \$1,219,256 during the current year, and the implicit rate subsidy for the OPEB Plan was \$352,850. The City also received \$1,000,000 of reimbursements from CERBT for retiree premium payments made. Net contributions for the measurement period ended June 30, 2018 totaled \$572,106.

Plan Membership

As of the June 30, 2018, the measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive plan members or beneficiaries currently receiving benefits	241
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>419</u>
Total	<u><u>660</u></u>

B. Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, rolled forward to June 30, 2018, using standard update procedures.. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.15%
Inflation	2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Expected Long Term Investment Rate of Return	7% assuming CERBT asset allocation Strategy 1
Healthcare Cost Trend Rates	6.0% HMO/6.5% PPO in 2019, decreasing 0.5% annually to 5% for 2022 and thereafter
Pre-retirement Turnover	Derived from CalPERS pension plan
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study

The actuarial assumptions used in the June 30, 2017 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, the measurement date, are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CEBRT		
Global Equity	57.00%	5.50%
Global Debt Securities	27.00%	2.35%
REITs	8.00%	3.65%
Commodities	3.00%	1.75%
Inflation Assets	5.00%	1.50%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.15%. The discount rate is a blended rate between the rate of return at 7% and the 3.6%, the Bond Buyer 20-Bond GO Index. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change of Discount Rate

The discount rate utilized in the June 30, 2015 valuation was 4.25% as compared to the June 30, 2017 valuation discount rate of 5.15%. The discount rate was changed due to capital market assumptions.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2017	\$ 76,244,424	\$ 17,686,118	\$ 58,558,306
Changes in the Year:			
Service cost	2,393,726	-	2,393,726
Interest on the total OPEB liability	3,287,464	-	3,287,464
Differences between actual and expected experience	-	-	-
Changes in assumptions	(9,857,740)	-	(9,857,740)
Changes in benefit terms	-	-	-
Contribution - employer	-	1,572,106	(1,572,106)
Net investment income	-	1,395,100	(1,395,100)
Administrative expenses	-	(9,260)	9,260
Benefit payments	(2,572,106)	(2,572,106)	-
Other expense	-	(23,399)	23,399
Net Changes	(6,748,656)	362,441	(7,111,097)
Balance at June 30, 2018 (Measurement Date)	\$ 69,495,768	\$ 18,048,559	\$ 51,447,209

Change of Assumptions

The discount rate changed from 4.25% to 5.15% in measurement period ended June 30, 2018.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (4.15%)	Discount Rate (5.15%)	1% Increase (6.15%)
Net OPEB Liability	\$ 62,527,622	\$ 51,447,209	\$ 42,525,605

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (5.00% HMO/5.50% PPO decreasing to 4.00% HMO/4.00% PPO) or 1-percentage point higher (7.00% HMO/7.50% PPO decreasing to 6.00% HMO/6.00% PPO) than the current healthcare cost trend rates:

	1% Decrease (5.00% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)	Current Healthcare Cost Trend Rates (6.00% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)	1% Increase (7.00% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)
Net OPEB Liability	\$ 41,263,353	\$ 51,447,209	\$ 64,291,593

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$ 957,870. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,564,759	\$ -
Changes of assumptions	-	(6,571,827)
Differences between projected and actual earnings on plan investments	-	(794,602)
Total	<u>\$ 2,564,759</u>	<u>\$ (7,366,429)</u>

The net difference between projected and actual earnings on plan investments is amortized over a five year period. The differences between actual and expected experience and change in assumptions are amortized over the expected average remaining service life. The expected average remaining service life for the 2018-19 measurement period is 4 years.

\$2,564,759 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ (3,537,900)
2021	(3,537,901)
2022	(251,985)
2023	(38,643)
2024	-
Thereafter	-

E. Payable to the OPEB Plan

At June 30, 2019, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 10 - GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The various fund balance classifications established as of June 30, 2019, were as follows:

	General Fund	Carson Housing Authority	Special Revenue Funds			Total
			Cooperation Agreement Bond Proceeds	State CIP Grants	Nonmajor Governmental Funds	
Nonspendable:						
Inventory	\$ 311,048	\$ -	\$ -	\$ -	\$ -	\$ 311,048
Prepays and other assets	2,686	-	-	-	-	2,686
Total Nonspendable	313,734	-	-	-	-	313,734
Restricted for:						
Housing projects	-	11,162,327	-	-	-	11,162,327
Special revenue funds	-	-	-	-	21,992,402	21,992,402
Restricted donations	683,361	-	-	-	-	683,361
Capital projects	-	-	2,587,758	-	-	2,587,758
Total Restricted	683,361	11,162,327	2,587,758	-	21,992,402	36,425,848
Committed:						
Economic uncertainties	15,274,165	-	-	-	-	15,274,165
Reward funds	50,000	-	-	-	-	50,000
Total Committed	15,324,165	-	-	-	-	15,324,165
Assigned:						
Self insurance	1,000,000	-	-	-	-	1,000,000
Unassigned	27,850,152	-	-	(1,495,784)	(820,437)	25,533,931
Total Fund Balances	\$ 45,171,412	\$ 11,162,327	\$ 2,587,758	\$ (1,495,784)	\$ 21,171,965	\$ 78,597,678

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2019:

	<u>Accumulated Deficit</u>
Major Fund:	
State CIP Grants Special Revenue Fund	\$ (1,495,784)
Nonmajor Special Revenue Funds:	
Los Angeles County Park District Fund	(475,798)
Proposition 1B Fund	(3,574)
HOME Grant Fund	(1,053)
Federal Highway Planning Grant Fund	(75,377)
Workforce Investment Act (WIA) Grant Fund	(40)
Building Plan Retention Fund	(264,595)

Management expects that these deficits will be remedied after the related reimbursements from the grants are received or by transfers from the General Fund.

Excess of Expenditures over Appropriations

For the year ended June 30, 2019, expenditures exceeded appropriations of the following City funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Major Fund:			
General Fund:			
General government:			
City council	\$ 932,549	\$ 1,012,191	\$ (79,642)
City attorney	\$ 2,671,500	\$ 3,591,936	\$ (920,436)
Non-Departmental	\$ 10,789,573	\$ 11,236,426	\$ (446,853)
Capital Improvement Programs	\$ -	\$ 187,779	\$ (187,779)
State CIP Grants Fund:			
Community development	\$ -	\$ 67,920	\$ (67,920)
Nonmajor Special Revenue Funds:			
Restricted Administrative Tow Fee Fund:			
General government	\$ -	\$ 4,235	\$ (4,235)
Beverage Container Recycling Fund:			
Public works	\$ 4,069	\$ 15,775	\$ (11,706)

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 11 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

Excess of Expenditures over Appropriations (Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nonmajor Special Revenue Funds (Continued):			
Used Oil State Grant Fund:			
Public works	\$ 7,887	\$ 9,108	\$ (1,221)
Workforce Investment Act Grant Fund:			
Community development	\$ -	\$ 139	\$ (139)
Public Education and Government Access Fund:			
General government	\$ 5,196	\$ 25,197	\$ (20,001)

NOTE 12 - DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT

Assessment District No. 2006

In September 2006, the City of Carson issued \$25,000,000 and \$7,955,000 of Assessment District No. 2006-1 (Dominguez Technology Center West) Reassessment Revenue Bonds, Series A and Subordinate Series B, respectively, (collectively, the Bonds). The Bonds were issued to finance certain public capital improvements within the Assessment District, purchase the outstanding Reassessment District No. 2001-1 Limited Obligation Refunding Improvement Bonds, 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 balances outstanding at June 30, 2019, are \$16,400,000 and \$5,350,000 , for Series A and Subordinate Series B, respectively.

NOTE 12 - 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 (the Bonds). The Bonds were issued to finance a portion of the costs of the construction of certain street improvements, particularly the widening of a portion of Sepulveda Boulevard and included the reconstruction, removal, modification and relocation of pipelines, facilities, and the relocation of railroad tracks from the public right-of-way, storm drainage improvements, signaling, and landscaping. Bond proceeds were also used to establish the Reserve Fund, and to pay the cost of issuing the bonds.

The City's obligation to transfer funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Reserve Fund. The City is in no way liable for repayment but is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings for the benefit of the bondholders.

For these reasons, neither the debt nor the related debt service transactions are recorded on the City's basic financial statements. The principal balance outstanding at June 30, 2019 is \$645,000.

NOTE 13 - 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.

NOTE 14 - HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS

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

East Carson Housing Partners, L.P.

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

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

***NOTE 14 - HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS
(CONTINUED)***

East Carson Housing Partners, L.P. (Continued)

The Agency provided assistance for the development of the project by selling the Property to the Developer for the fair market value of \$1,906,500 (Purchase Price). In addition, the Agency provided project assistance in the amount of \$6,888,000 towards Project development costs (Agency Assistance). The combined value of the land and set-aside funds are evidenced by a promissory note and secured by a Deed of Trust recorded on March 9, 2011. The Purchase Price and the Agency Assistance totals \$8,794,500. This amount is to be repaid by the Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum (Note). Any balance on the Note is due and payable at the end of 55 years from commencement of their permanent loan. The permanent loan commenced March 1, 2013. At June 30, 2019, the balance on the Note is \$7,865,891.

East Carson II Housing Partners, L.P.

On February 19, 2013, the Housing Authority entered into an Affordable Housing Agreement with East Carson II Housing Partners, L.P. (Developer) for the development of a 40-unit workforce housing community on approximately 1.0 acre Housing Authority-owned property. On November 25, 2013, the Housing Authority closed escrow for the sale of the property and the Developer began construction. The project was completed with a grand opening ceremony held on April 2, 2015. The development serves as phase two to the East Carson Housing Partners, L.P. project at 425 E. Carson Street, which was completed in June 2012.

The Housing Authority's financial assistance for this project included a loan of \$3,320,000 for pre-development and construction costs and the property purchase price of \$1,565,446 for a total assistance amount of \$4,885,446. The total assistance amount was provided by a promissory note (Note) and secured by a Deed of Trust to be recorded at the time the Housing Authority sells the property to Developer. The Note is to be repaid by the Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum. Any balance on the Note will be due and payable at the end of 55 years from commencement of the permanent senior loan. The permanent financing began on November 25, 2013. At June 30, 2019, the balance on the Note is \$4,872,327.

Affirmed Housing Group - 21227 Figueroa Street

On March 1, 2011, the Agency entered into a disposition and development agreement (DDA) with Affirmed Housing Group, Inc. (Developer) for the development of a 40-unit workforce housing community on Agency-owned property located at 21227 Figueroa Street (Property). The Agency's financial assistance for this project included a loan of \$2,855,000 for pre-development and construction costs, and the property purchase price of \$1,345,000 for a total assistance amount of \$4,200,000 (Agency Assistance). The Agency Assistance is evidenced by a promissory note and secured by a Deed of Trust recorded on December 24, 2012. The Agency Assistance is to be repaid by the Developer with residual receipts over a 55 year period, with interest accruing at 0.5% per annum (Note). Any balance on the Note is due and payable at the end of 55 years from issuance of a certificate of occupancy. The certificate of occupancy was issued on March 6, 2014. At June 30, 2019, the balance on the Note is \$4,200,000.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

***NOTE 14 - HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS
(CONTINUED)***

Avalon Courtyard Senior Apartments

In July 1992, the Agency entered into a disposition and 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, 2019, 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. (Original Developer) for development and operation of an affordable senior citizen housing project (Project). Carson Terrace, L.P. includes Los Angeles Housing Partnership, Inc. a California non-profit public benefit corporation ("LAHP") as general partner, and LAHP Holdings III, LLC as the limited partner. 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 Original 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 \$2,296,988. The amount of Original Developer loan repayments are equal to 50% of the positive cash flow generated by the Project. On June 30, 2019, the balance on the note is \$2,296,988. Pursuant to the OPA, the Agency is also required to provide the Original 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 (or until December 26, 2030).

In late 2017, LAHP, the limited partner with Original Developer, approached the Authority about additional assistance to help them apply for 5% Tax Credit assistance and Affordable Housing Program (AHP) funding in order to undertake a major interior remodel. Specifically, LAHP and The Richman Group of California Development Company, a California limited liability company ("TRG") executed a Joint Development Agreement to serve as the New Developer. On May 7 2019, a new OPA was entered into with the New Developer. As of December 12, 2019, the New Developer also executed a new promissory note amounting to \$4,115,366, which recorded on January 8, 2020. The promissory note is a residual receipts loan that accrues simple interest at three percent (3%) per annum, payable in fifty-five (55) years following the recordation of the Release of Construction Covenants (or until December 31, 2077). Repayment of the Loan is made in annual payments from fifty percent 50% of the Net Cash Flow. At June 30, 2019, the balance on the Note remains at \$2,296,988.

***NOTE 14 - HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS
(CONTINUED)***

Gramercy Urban Housing, LLC - 21521 Avalon Boulevard

On January 21, 2014, the Housing Authority entered into a purchase and sale agreement with Gramercy Urban Housing, LLC (Developer) for the sale of approximately 1.0-acre Housing Authority-owned property located at 21521 Avalon Boulevard. Once purchased, the Developer will build a mixed-use commercial/residential project generally consistent with the City's Carson Street Master Plan. The Developer desires to assemble the property with its property at the northwest corner of Avalon Boulevard and Carson Street, and the Carson Successor Agency-owned property located at 615 E. Carson Street for the mixed-use development. There was no Housing Authority assistance in connection with this sale. The property was sold for the highest and best use fair market appraised value of \$1,000,000. Escrow closed on August 12, 2015. The parcel was combined with another Agency-owned parcel plus a privately owned shopping center to assemble property for a 357-unit market rate housing project plus 30,000 square feet of commercial and retail space. Construction of the project commenced in Q2 2017 and is expected to be complete in early 2020.

AHGI - Sepulveda Senior Housing

As part of a Development Agreement, Developer proposed a 65 unit senior affordable housing project. The original DDA provided that the City of Carson would grant the property for the development, at no cost to the developer, as required by the tax-exempt bonds issued to acquire the property. The land was acquired for \$3,135,000. In addition, the Housing Authority was to provide cash assistance in the amount of \$2,765,000, which is evidenced by a promissory note secured by a deed of trust. The note will bear interest at 3% and have a term of 55 years. As a result of the developer not being able to obtain a TCAC award, they asked and gained additional assistance from the City of Carson, totaling \$2,700,000 in the form of a grant award, to be disbursed in the form of construction draws. Lastly, the amended agreement stipulates that should the developer be successful in obtaining an Affordable Housing Grant (AHP Grant) from FHLB, the developer shall reimburse the Authority an amount equal to the grant, which will reduce the Note. At June 30, 2019, the balance on the note is \$2,563,500. Work started on the project in December 2016 and the project was complete and open in September 2018.

21205 Carson Arts LP

This Agreement is for the development of 45 units of affordable housing. The Agreement provides that the Carson Housing Authority will provide \$4,200,000 in cash as a loan to the developer to assist in acquiring the land, as well as provides an additional \$2,800,000 in the form of a grant to the Developer's non-profit partner. The loan is be evidenced by a promissory note and is secured by a Deed of Trust on the property. An agreement with the Developer was approved in March 2017, and the Developer proceeded with the acquisition and demolition of the property. The project received an allocation of Low-Income Housing Tax Credits (LIHTC) in September 2017 and commenced construction in April 2018. At June 30, 2019, the balance on the Note remains at \$4,200,000.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

***NOTE 14 - HOUSING AUTHORITY COMMITMENTS UNDER DEVELOPMENT AGREEMENTS
(CONTINUED)***

Carson Figueroa Affordable Housing LP

On January 24, 2017, the Carson Housing Authority approved an agreement with Carson Figueroa Affordable Housing, LP to provide financial assistance to develop a 51-unit affordable housing community at 600 West Carson Street with a leasing preference to veterans of the United States Armed Forces. The project will be developed at “market rate quality” and will include amenities such as a community room, open outdoor courtyard with grilling and seating areas, a fitness center, a computer room and classes/social services for the residents.

The Housing Authority’s assistance consisted of providing land valued at \$2.93M for the project and providing \$5.5M in financial assistance towards development costs. The developer also received a 9% Low Income Housing Tax Credit award from the California Tax Credit Allocation Committee (TCAC) to finance the project. On March 31, 2017, the Housing Authority closed escrow on the property. Following the close of escrow the Housing Authority and the developer executed the Cal ReUSE Regulatory Agreement and the document was recorded on April 25, 2017.

The official groundbreaking was held on March 1, 2018. Construction on the project was complete in February 2020.

NOTE 15 - RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

On June 28, 2011, Assembly Bills x1 26 (the Dissolution Act) and x1 27 was enacted. Whereby each California redevelopment agency (each Dissolved RDA) was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. On January 10, 2012, the City became the Successor Agency of the former redevelopment agency by operation of law in accordance with the Bill.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. The Housing Authority elected on January 27, 2012 to serve as the Housing Successor Agency.

As of the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Carson Housing Authority Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In the current and future fiscal years, the Successor Agency will only be allocated revenue from the County of Los Angeles in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Dissolved RDA until all enforceable obligations of the Dissolved RDA have been paid in full and all assets have been liquidated.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES

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

Loans Receivable

Details of the Successor Agency's loans receivable as of June 30, 2019, are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 13,221,894
Less: Allowance for uncollectible accounts	<u>(13,221,894)</u>
Loans Receivable, Net	<u><u>\$ -</u></u>

Because of the nature of various loans receivable in relation to development projects under various disposition and development agreements, the Successor Agency provides an allowance for uncollectibility against such loans.

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Other Long-term Liabilities:						
Redevelopment Project Area 1:						
2003B Tax Allocation Bonds	\$ 11,855,094	\$ 669,136	\$ -	\$ 12,524,230	\$ -	\$ 12,524,230
2014A Tax Allocation Refunding Bonds	22,675,000	-	(2,950,000)	19,725,000	3,095,000	16,630,000
2016A Tax Allocation Refunding Bonds	19,970,000	-	(820,000)	19,150,000	845,000	18,305,000
2017A Tax Allocation Refunding Bonds	11,695,000	-	(490,000)	11,205,000	500,000	10,705,000
Less: Bond Discounts	(435,122)	-	23,808	(411,314)	-	(411,314)
Redevelopment Project Area 2:						
2007A Tax Allocation Refunding Bonds	15,850,000	-	(150,000)	15,700,000	150,000	15,550,000
2014A Tax Allocation Refunding Bonds	11,475,000	-	(1,405,000)	10,070,000	1,475,000	8,595,000
Redevelopment Project Area 4:						
2018 Tax Allocation Bonds	21,715,000	-	-	21,715,000	710,000	21,005,000
Add: Bond Premium	995,000	-	(42,792)	952,208	-	952,208
Low and Moderate Income Housing:						
2010A-T Tax Allocation Housing Bonds	5,800,000	-	(1,655,000)	4,145,000	1,750,000	2,395,000
2010A Tax Allocation Housing Bonds	25,620,000	-	-	25,620,000	-	25,620,000
Successor Agency:						
2015B Subordinate Tax Allocation Refunding Bonds	47,200,000	-	(3,105,000)	44,095,000	3,205,000	40,890,000
Total	<u>\$ 194,414,972</u>	<u>\$ 669,136</u>	<u>\$ (10,593,984)</u>	<u>\$ 184,490,124</u>	<u>\$ 11,730,000</u>	<u>\$ 172,760,124</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities (Continued)

All bonds are in compliance with their respective reserve requirements, by either the purchase of a surety bond or the placement of cash in a reserve account with the fiscal agent trustee.

Long-Term Liabilities - 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. In April 2014, this debt was partially defeased when the Successor Agency of the former Carson Redevelopment Agency issued the Tax Allocation Refunding Bonds, Series 2014A. The capital appreciation bonds of \$5,410,863 that were issued as part of the bond issuance Tax Allocation Bonds, Series 2003B with maturity dates from October 1, 2023 through 2032 were not defeased. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon the maturity or prior payment of the principal component. Accreted interest of \$7,113,367 has been reflected as long-term debt.

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 1 - 2003B Tax Allocation Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	765,610	1,444,390	2,210,000
2025 - 2029	2,604,094	6,455,906	9,060,000
2030 - 2032	2,041,159	7,238,841	9,280,000
Subtotals	\$ 5,410,863	\$ 15,139,137	\$ 20,550,000
Accreted Interest	7,113,367	-	7,113,367
Totals	<u>\$ 12,524,230</u>	<u>\$ 15,139,137</u>	<u>\$ 27,663,367</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 1 (Continued)

2014A Tax Allocation Refunding Bonds

In April 2014, the Successor Agency of the former Carson Redevelopment Agency issued \$26,190,000 Tax Allocation Refunding Bonds, Series 2014A, for Redevelopment Project Area No. 1 to advance refund \$1,540,000 of the outstanding 2003 Tax Allocation Refunding Bonds and \$26,850,000 of the outstanding 2003B Tax Allocation 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 \$245,000 to \$3,600,000 plus interest at 3.0% to 5.0% through October 1, 2034. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Obligation Retirement Fund.

As a result of the refunding, the entire 2003 Tax Allocation Refunding Bonds and \$26,850,000 of the 2003B Tax Allocation Bonds are considered to be defeased and the liability for these bonds has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements.

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 1 - 2014A Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,095,000	\$ 876,213	3,971,213
2021	3,245,000	717,712	3,962,712
2022	3,405,000	551,462	3,956,462
2023	3,600,000	376,338	3,976,338
2024	-	286,338	286,338
2025 - 2029	2,025,000	1,178,562	3,203,562
2030 - 2034	2,130,000	880,175	3,010,175
2035 - 2037	2,225,000	47,281	2,272,281
Totals	<u>\$ 19,725,000</u>	<u>\$ 4,914,081</u>	<u>\$ 24,639,081</u>

2016A Tax Allocation Refunding Bonds

In December 2016, the Successor Agency of the Carson Redevelopment Agency issued \$21,350,000 Tax Allocation Refunding Bonds Series 2016A, for Redevelopment Project Area No. 1 to advance refund \$19,930,000 of the outstanding 2009A 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 \$575,000 to \$3,140,000 plus interest at 1.545% to 3.625% through February 1, 2037. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Obligation Retirement Fund.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 1 (Continued)

2016A Tax Allocation Refunding Bonds (Continued)

Of the Series 2016A proceeds, \$23,032,015 were used to purchase U.S. Government securities to refund in full the 2009A Tax Allocation Refunding Bonds. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire balance of the of the 2009A Tax Allocation Refunding Bonds. As a result, the entire 2009A Tax Allocation Refunding Bonds are considered to be defeased, and the liability for these bonds has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements. As of June 30, 2019, the outstanding balance of the defeased debt was \$18,810,000. This defeased debt will be fully redeemed on October 1, 2019.

The defeasance resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,859,009. This difference, reported in the accompanying statements as a deferred outflow of resources, is being charged to interest expense through 2037. The remaining balance at June 30, 2019, is \$2,492,775.

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 1 - 2016A Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 845,000	\$ 719,992	\$ 1,564,992
2021	865,000	698,648	1,563,648
2022	895,000	674,116	1,569,116
2023	915,000	649,504	1,564,504
2024	2,885,000	622,054	3,507,054
2025 - 2029	4,245,000	2,147,954	6,392,954
2030 - 2034	1,920,000	1,696,196	3,616,196
2035 - 2037	6,580,000	694,196	7,274,196
Totals	<u>\$ 19,150,000</u>	<u>\$ 7,902,660</u>	<u>\$ 27,052,660</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 1 (Continued)

2017A Tax Allocation Refunding Bonds

In February 2017, the Successor Agency of the Carson Redevelopment Agency issued \$12,315,000 Tax Allocation Refunding Bonds Series 2017A, for Redevelopment Project Area No. 1 to advance refund \$11,055,000 of the outstanding Carson Public Financing Authority Lease Revenue Bonds (Redemption Project Series 2009), 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 \$490,000 to \$875,000 plus interest at 1.765% to 3.25% through February 1, 2036. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Obligation Retirement Fund.

Of the Series 2017A proceeds, \$12,663,099 were used to purchase U.S. Government securities to refund in full the 2009 Revenue Bonds. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the entire balance of the 2009 Revenue Bonds. As a result, the entire 2009 Revenue Bonds are considered to be defeased, and the liability for these bonds has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements. As of June 30, 2019, the outstanding balance of the defeased debt was \$10,420,000. This defeased debt was fully redeemed on October 1, 2019.

The defeasance resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,325,830. The difference reported in the accompanying statements as a deferred outflow of resources is being charged to interest expense through 2036. The remaining balance at June 30, 2019, is \$1,156,441.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 1 (Continued)

2017A Tax Allocation Refunding Bonds (Continued)

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 1 - 2017A Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 500,000	\$ 412,351	\$ 912,351
2021	515,000	399,835	914,835
2022	525,000	385,714	910,714
2023	540,000	370,006	910,006
2024	560,000	353,806	913,806
2025 - 2029	3,100,000	1,474,656	4,574,656
2030 - 2034	3,745,000	824,488	4,569,488
2035 - 2037	1,720,000	107,044	1,827,044
Totals	<u>\$ 11,205,000</u>	<u>\$ 4,327,900</u>	<u>\$ 15,532,900</u>

Long-Term Liabilities - Redevelopment Project Area 2

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 2003 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.

As a result of the refunding, the entire 2003D Tax Allocation Bonds are considered to be defeased and the liability for this bond has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 2 (Continued)

2007A Tax Allocation Refunding Bonds (Continued)

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 2 - 2007A Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 150,000	\$ 719,300	\$ 869,300
2021	155,000	713,300	868,300
2022	170,000	706,906	876,906
2023	175,000	699,681	874,681
2024	185,000	692,244	877,244
2025 - 2029	4,720,000	3,092,975	7,812,975
2030 - 2034	6,910,000	1,762,338	8,672,338
2035 - 2037	3,235,000	232,275	3,467,275
Totals	<u>\$ 15,700,000</u>	<u>\$ 8,619,019</u>	<u>\$ 24,319,019</u>

2014A Tax Allocation Refunding Bonds

In April 2014, the Successor Agency of the former Carson Redevelopment Agency issued \$17,040,000 Tax Allocation Refunding Bonds, Series 2014A, for Redevelopment Project Area No. 2 to advance refund \$10,720,000 of the outstanding 2003A Tax Allocation Refunding Bonds, \$2,455,000 of the outstanding 2003B Tax Allocation Refunding Bonds, \$7,885,000 of the outstanding 2003C Tax Allocation Bonds, and to pay the cost of issuing the bonds. Principal installments are due annually ranging in amounts from \$1,660,000 to \$1,925,000 plus interest at 4.0% to 5.0% through October 1, 2024. The interest and principal of the bonds are payable from pledged tax increment revenues of the Redevelopment Obligation Retirement Fund.

As a result of the refunding, the entire 2003A Tax Allocation Refunding Bonds, 2003B Tax Allocation Refunding Bonds and 2003C Tax Allocation Bonds are considered to be defeased and the liability for these bonds has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 2 (Continued)

2014A Tax Allocation Refunding Bonds (Continued)

The following schedule summarizes the debt service to maturity requirement for the Redevelopment Project Area 2 - 2014A Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,475,000	\$ 466,625	\$ 1,941,625
2021	1,550,000	391,000	1,941,000
2022	1,625,000	311,625	1,936,625
2023	1,705,000	228,375	1,933,375
2024	1,790,000	141,000	1,931,000
2025	1,925,000	48,125	1,973,125
Totals	<u>\$ 10,070,000</u>	<u>\$ 1,586,750</u>	<u>\$ 11,656,750</u>

Long-Term Liabilities - 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.

On February 27, 2018, the 2006 Tax Allocation Bonds were advanced refunded with proceeds from the Tax Allocation Refunding Bonds, Series 2018.

Tax Allocation Refunding Bonds, Series 2018

On February 27, 2018, the Successor Agency issued \$21,715,000 Successor Agency Tax Allocation Refunding Bonds, Series 2018 to advance refund the 2006 Tax Allocation Bonds. Principal installments are due annually in amounts ranging from \$595,000 to \$1,365,000 plus interest semiannually ranging from 2.00% to 3.5% through October 1, 2041. The principal and interest of the bonds are payable from pledged tax increment revenues of the Redevelopment Obligation Retirement Fund.

The 2006 Tax Allocation Bonds are now considered to be defeased, and the liability for these bonds has been removed from the statement of fiduciary net position in the accompanying fiduciary fund financial statements.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Redevelopment Project Area 4 (Continued)

Tax Allocation Refunding Bonds, Series 2018 (Continued)

The defeasance resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$80,446. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense through 2041. The remaining balance at June 30, 2019, is \$75,618.

The following schedule summarizes the debt service to maturity requirement for the Successor Agency Tax Allocation Refunding Bonds, Series 2018 as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 710,000	\$ 824,944	\$ 1,534,944
2021	595,000	808,919	1,403,919
2022	615,000	787,694	1,402,694
2023	635,000	759,519	1,394,519
2024	665,000	727,019	1,392,019
2025 - 2029	3,880,000	3,085,469	6,965,469
2030 - 2034	4,890,000	2,077,859	6,967,859
2035 - 2039	5,770,000	1,188,681	6,958,681
2040 - 2042	3,955,000	210,787	4,165,787
Totals	<u>\$ 21,715,000</u>	<u>\$ 10,470,891</u>	<u>\$ 32,185,891</u>

Long-Term Liabilities - 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% through October 1, 2021.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities - Low and Moderate Income Housing (Continued)

2010A-T Tax Allocation Housing Bonds (Continued)

The following schedule summarizes the debt service to maturity requirement for the Low and Moderate Income Housing - 2010A-T Tax Allocation Housing Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,750,000	\$ 179,850	\$ 1,929,850
2021	1,845,000	80,987	1,925,987
2022	550,000	15,125	565,125
Totals	<u>\$ 4,145,000</u>	<u>\$ 275,962</u>	<u>\$ 4,420,962</u>

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% through October 1, 2036.

The following schedule summarizes the debt service to maturity requirement for the Low and Moderate Income Housing - 2010A Tax Allocation Housing Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 1,294,063	\$ 1,294,063
2021	-	1,294,063	1,294,063
2022	1,395,000	1,264,419	2,659,419
2023	2,035,000	1,183,900	3,218,900
2024	2,135,000	1,079,650	3,214,650
2025 - 2029	8,070,000	3,990,125	12,060,125
2030 - 2034	6,955,000	2,263,450	9,218,450
2035 - 2037	5,030,000	401,362	5,431,362
Totals	<u>\$ 25,620,000</u>	<u>\$ 12,771,032</u>	<u>\$ 38,391,032</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities – Successor Agency

2010B Subordinate Tax Allocation Refunding Bonds

In August 2015, the Successor Agency to the Carson Redevelopment Agency issued \$52,920,000 of Tax Allocation Refunding Bonds Series, 2015B to refund certain outstanding indebtedness previously issued by the Successor Agency. Interest payments are due semi-annually beginning on February 1, 2016 with interest rates ranging from 2.26% to 5.41% through February 1, 2036. Principal installments are due annually beginning on February 1, 2020.

The following schedule summarizes the debt service to maturity requirement for the Successor Agency - 2015B Subordinate Tax Allocation Refunding Bonds as of June 30, 2019:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,205,000	\$ 2,126,979	\$ 5,331,979
2021	3,335,000	2,006,568	5,341,568
2022	3,470,000	1,872,134	5,342,134
2023	3,590,000	1,723,583	5,313,583
2024	3,390,000	1,562,787	4,952,787
2025 - 2029	16,075,000	4,972,482	21,047,482
2030 - 2034	7,405,000	2,236,935	9,641,935
2035 - 2037	3,625,000	289,978	3,914,978
Totals	<u>\$ 44,095,000</u>	<u>\$ 16,791,446</u>	<u>\$ 60,886,446</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities

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.

Commitments under Development Agreements

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 then 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 2002-2003 shall be credited towards the payment of the principal amount and any interest accrued. As of June 30, 2019, the balance of the loan from this developer is \$3,625,951.

BP West Coast Products, LLC/Tesoro Corporation

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

The Agency agreed to sell the 4.5 acre development parcel, located at 2254 E. 223rd Street, to the Developer for the sum of one dollar (\$1.00) and a note amount equal to \$2,960,000 (Note). Each year, seventy-five percent (75%) of the site tax increment is credited against any amounts outstanding under the Note. The term is for 15 years and simple interest accrues at two percent (2%) per annum. On June 1, 2013, the Developer sold the property and transferred all rights and responsibilities under the Note to Tesoro Corporation. As of June 30, 2019, the balance on the Note is \$1,494,912.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Commitments Under Development Agreements (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 a secured, 57.5 year, interest-free loan for the senior housing component (this note was transferred to the Carson Housing Authority as part of the Agency's dissolution). Payment of the principal balance is due upon maturity. In the event of default, principal plus 3% accrued interest is due immediately. 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.

As of June 30, 2019, there are two notes totaling \$1,667,702 associated with the commercial component of this project. The two notes are secured by deeds of trust and accrue interest at 3%. The notes and any accrued interest are due in full on January 1, 2039.

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

On April 21, 2009, the Agency approved the purchase of the C-P Land Company (Developer) property at 2201 E. 223rd Street (Property). The Agency then leased Property to the Cormier Chevrolet Company (Dealership) at the same address. In November 2011, after entering into a partnership with the Win Company (Win), with Win as majority interest partner, the Dealership exercised its repurchase rights of the Property under the DDA. The Agency sold the Property to the partnership, which renamed the new dealership Win Chevrolet. The Property was sold for \$12,000,000; there was a \$5,000,000 cash payment and a performance promissory note (Note) of \$7,000,000 which 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, the balance of the Note will become due and payable to the Agency. As of June 30, 2019, WIN Chevrolet has a loan balance of \$4,550,000.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Commitments Under Development Agreements (Continued)

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

On July 6, 2010, the Agency and Hilland Nissan (Owner) entered into a Disposition and Development Agreement (DDA) pursuant to which the Agency provided the Owner with \$3,000,000 of financial assistance to facilitate the Owner's long-term operation of a new Nissan dealership at the property located at 1505 E. 223rd St. (Site). 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. In mid-2017, Owner entered an Agreement to sell the site to Lithia Motors. Such sale was presented to the Oversight Board on August 28, 2017 and approved by the California Department of Finance on October 10, 2017. The Note has now been assigned to Lithia Motors. As of June 30, 2019, the loan balance is \$1,883,329.

NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS

CAM-CARSON, LLC

CAM-CARSON, LLC, a Delaware limited liability company (Developer), a joint venture of The Macerich Company of Santa Monica, California, and SI-Carson, an affiliate of Simon Property Group has proposed the development of a high end fashion outlet mall on a portion of a property currently owned by the Reclamation Authority and which will be conveyed to the Developer through the agreements described below.

The Developer has proposed developing a "Project" on a portion of the 157 Acre Site of a high-quality, state of the art, fashion outlet and retail center of not less than 450,000 GBA square feet (for Phase I only) and up to 711,500 GBA square feet (taking into account Phase I and Phase II, which may be Developed separately or concurrently), as described more specifically in the Scope of Development on a part of the Site called the Cell 2 Subsurface Lot.

City Role in the Project

The City has no real property interest in the 157 Acre Site, which is wholly owned by the Reclamation Authority. However, the City possesses the legal authority to regulate the zoning of the 157 Acre Site, to approve and modify the general plan designation and specific plans, to approve development agreements, all pursuant to state law, and to undertake environmental review and approve mitigation programs and development applications for specific projects including to the Project (the "Entitlement Obligations"). In addition to such regulatory authority, City provides public infrastructure and services to the 157 Acre Site, including streets, sidewalks, parkways, sewer, water, drainage, lighting, and other utilities, and must assure public accessibility to the 157 Acre Site including, without limitation, by assuring construction of the Offsite Improvements and installation and maintenance of all utilities required or reasonably necessary for the Project and compliance with the Conditions of Approval and SEIR Mitigation Measures applicable to the foregoing (the "Infrastructure Obligations").

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

***NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS
(CONTINUED)***

CAM-CARSON, LLC (CONTINUED)

Project Agreements

In September, 2018 (1) the Reclamation Authority separately entered into a “Conveyancing Agreement” with Developer whereby Reclamation Authority will convey and Developer will acquire the Developer Property through a ground lease; and (2) the City entered into a Cooperation Agreement with Reclamation Authority (Cooperation Agreement) whereby Reclamation Authority agreed to construct certain public infrastructure on behalf of City and City agreed to provide sales tax proceeds to Reclamation Authority to enable Reclamation Authority to meet its obligations to, among other things, remediate Cell 2 and construct the Offsite Improvements. The Development Agreement, the Cooperation Agreement and the Conveyancing Agreement are contingent upon one another. The Conveyancing Agreement provides Developer with a legal or equitable interest in the portion of the 157 Acre Site, described as the Developer Property.

Because the entire 157 Acre Site, including the Cell 2 Subsurface Lot, is a contaminated landfill, the cost to develop the Project on the Cell 2 Surface Lot could greatly exceed the cost to develop the Project on an uncontaminated parcel of native soil, and that therefore development of the Project on the Cell 2 Surface Lot may be financially infeasible without substantial financial participation by the Reclamation Authority. However, the City and Reclamation Authority believe the environmental benefits of legally closing the landfill and the benefits of economic development justify such investment.

The division of responsibility on the Site is driven in part by the environmental liability, as well as developing a manageable and equitable business deal for both sides. The Reclamation Authority will (i) construct the Remedial Systems and Building Protection Systems (BPS) in accordance with applicable governmental requirements, (ii) deliver foundation systems within the subsurface lot and a structural slab upon which Developer can construct, (iii) the Developer will not have to undertake construction or maintenance within the contaminated soils or groundwater of the Subsurface Lot, and (iv) these mechanisms in accordance with the insurance provided for in the Agreements will limit Developer’s exposure to environmental liability in the undertaking of the Project.

The Reclamation Authority has contracted with third parties to construct the Remedial Systems and perform its related obligations, to operate remedial systems, to manage the construction process and remedial systems, and provide various related expert services (the Horizontal Master Developer) for the entire 157 Acre Site. The Reclamation Authority and Developer have worked together to coordinate and share information with respect to plans and specifications, bidding materials, insurance, phasing, scheduling and consultants and contractors for the foregoing. Until the Reclamation Authority completes its work on the Cell 2 Subsurface Lot up to the regulatory sign-off by the Department of Toxic Substances Control (DTSC), the Reclamation Authority retains site control over Cell 2.

***NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS
(CONTINUED)***

CAM-CARSON, LLC (CONTINUED)

Project Agreements (Continued)

Working through its Horizontal Master Developer, the Reclamation Authority will undertake all of the work on the site that involves environmental liability. Some, such as installing the piles or the structural slab, will be reimbursed to the Reclamation Authority by the Developer. Work falls on a spectrum from clearly environmental (the remedial systems) to purely vertical (the vertical development and core and shell of the mall). Some work undertaken by the Reclamation Authority will be at the Developer's cost.

These obligations are documented in the Conveyancing Agreement and the Cooperation Agreement. In addition to the conveyance of the Developer Property pursuant to the Conveyancing Agreement, Reclamation Authority will agree to carry out the following work and to provide the following assurances to City and Developer:

1. Remedial Systems. The Remedial Action Plan (RAP) requires that the Remedial Systems be constructed and operated and maintained for many years to cap the landfill and remove gas and contaminants which would pollute groundwater or endanger human health. This work includes excavation and grading necessary to install such systems. Reclamation Authority will cause the construction and operation of (i) the Remedial Systems other than the Building Protection System (BPS) at its sole cost, and (ii) the BPS, which shall be funded by Reclamation Authority up to an agreed upon dollar cap.
2. Infrastructure. Under the terms of the Conveyance Agreement, the Reclamation Authority will construct required public offsite infrastructure and other improvements (the "Offsite Improvements"). Due to Reclamation Authority's shortage of resources to complete all of its necessary work, Developer will advance Ten Million Dollars (\$10,000,000) to the Reclamation Authority for this purpose.
3. Excess Development Costs. Due to the contaminated condition of the 157 Acre Site and uncompacted condition of the soils thereon, resulting in excessive development costs, the 157 Acre Site has been undevelopable despite the interest of numerous developers over decades. These costs include grading and site work, and installing structural sub-foundation systems including piles, all of which must be done in contaminated soils using special safeguards. More specifically, prior to conveyance of the Developer Property to Developer, Reclamation Authority shall carry out the work defined in the Conveyancing Agreement as the "Site Development Improvements," which includes the following: (i) site grading, the excavation of soil and relocation and mitigation of waste layers (Site Preparation Work); (ii) installation of piles and pile caps, grade beams, vaults, and under slab utilities (Sub-Foundation Work); (iii) establishing underground utility runs from the property lines to the building (Utility Work); (iv) constructing the structural slab for the foundation of the buildings.

***NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS
(CONTINUED)***

CAM-CARSON, LLC (CONTINUED)

Project Agreements (Continued)

3. Excess Development Costs. (Continued)

Developer shall advance certain funds to Reclamation Authority for purposes of performing the Site Development Improvements and Offsite Improvements (collectively referred to as the Reclamation Authority Work) which shall be advanced by Developer to Reclamation Authority and repaid by Reclamation Authority to Developer over a twenty-five (25) year period as further described in the Conveyancing Agreement. While the Reclamation Authority shall perform the maintenance of the Site Development Improvements, Developer shall be responsible for the cost of such maintenance as set forth in the Conveyancing Agreement.

4. Marketability of Property. To remediate contamination of the 157 Acre Site and to make the property marketable in order to create economic development opportunities for the benefit of City and its residents, City caused Reclamation Authority to be formed and is providing funding to Reclamation Authority in the form of a rebate of fifty percent (50%) of sales taxes generated by the Project and received by City upon the terms and conditions and for the term set forth in the Cooperation Agreement and Conveyancing Agreement. This assistance will allow Reclamation Authority to perform the Reclamation Authority Work. In the absence of performance of the Reclamation Authority Work by Reclamation Authority, the landfill would remain contaminated brownfields property and would not be marketable.
5. Annual Review. There is a requirement for annual review of Project performance and a five-year Major Review including public hearings as provided in Article 10.
6. Insurance. The Project contributes to a robust insurance program, for which Developer is required to make a fair share contribution as described in the Conveyancing Agreement.
7. Indemnity. Developer is covering a proportional share of the Carry Cost of the 157 Acre Site as set forth in the Conveyancing Agreement and pays for defense of any challenges to Project entitlements, as provided in Article 13.

Closure and Postclosure Landfill Remediation

In January 2017, the Reclamation Authority, in order to prepare for the commencement of the development of the 157-acre site it currently owns, entered into a series of agreements that ultimately transferred the responsibility for landfill closure and postclosure costs related to the former Cal Compact Landfill which had been operating on the 157-acre site. As a result, the Reclamation Authority has the commitments described below.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

***NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS
(CONTINUED)***

CAM-CARSON, LLC (CONTINUED)

Closure and Postclosure Landfill Remediation (Continued)

Pursuant to an enterprise fund administration agreement with the California Department of Toxic Substances Control (the DTSC), the Reclamation Authority established a separate investment account to receive contributions of \$31,367,397 that came from the termination of a trust that had held funds for the purpose of landfill closure and postclosure activity on the 157-acre site. The investment account is comprised of two subaccounts: one for funding designated to remediation work (closure activity) and one for funding designated to operating and maintenance work (postclosure activity). The Reclamation Authority must submit payment requests and detailed supporting documentation to the DTSC in order to utilize these funds for their intended purpose.

As a result of the compliance requirements established by the DTSC, the balance in this investment account at fiscal year-end is reported as restricted cash and investments on the statement of net position.

Pursuant to a release and commutation agreement, the Reclamation Authority also received contributions of \$7,180,811 for the purpose of landfill closure and postclosure activities from the commutation of an insurance policy that the former party responsible for the landfill closure and postclosure costs had established.

The landfill closure and postclosure activity for the former landfill site is regulated by the following documents:

1. State of California, Environmental Protection Agency, Department of Toxic Substances Control, Remedial Action Order and Consent Order pursuant to Health and Safety Code Sections 25355.5(a)(1)(B) and 25355.5(a)(1)(C), Docket No. HSA 94/95-035, issued to Respondent BKK Corporation, dated May 25, 1995.
2. Final Remedial Action Plan, Cal Compact Landfill (Upper Operable Unit), Carson, California, submitted by BKK Corporation, dated October 1995.
3. Consent Decree Resolving Claims Against BKK Corporation, in the case styled as *The California Department of Toxic Substances Control v. Commercial Realty Projects, Inc. et al.*, in the United States District Court for the Central District of California, dated February 4, 2004.
4. Final Remedial Action Plan for Lower Operable Unit, Cal Compact Landfill, Carson, California, prepared by URS Corporation, dated January 2005.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 17 - DISCRETELY PRESENTED RECLAMATION AUTHORITY COMMITMENTS (CONTINUED)

CAM-CARSON, LLC (CONTINUED)

Closure and Postclosure Landfill Remediation (Continued)

5. Compliance Framework Agreement by and between the California Department of Toxic Substances Control, the Hazardous Waste Control Account and the Hazardous Substances Account, on the one hand, and Carson Marketplace LLC on the other hand, dated September 28, 2006.
6. First Amendment to the Compliance Framework Agreement by and between the California Department of Toxic Substances Control, the Hazardous Waste Control Account and the Hazardous Substances Account, on the one hand, and Carson Marketplace LLC on the other hand, dated December 31, 2007.
7. Assignment and Assumption Agreement by and among the California Department of Toxic Substances Control, Carson Marketplace, LLC and Carson Reclamation Authority dated as of May 18, 2015.

Management of the Reclamation Authority has reevaluated the estimated total current costs of remaining landfill closure and postclosure activities as of fiscal year-end as follows:

Landfill Closure

Cell 1	\$ 10,650,000
Cell 2	42,200,000
Cell 3, 4, 5	<u>18,700,000</u>
Subtotal	71,550,000
Operation and Maintenance of Landfill Systems (2)	9,800,000
Other Soft Costs	<u>5,700,000</u>
Total Estimated Costs (3)	<u>\$ 87,050,000</u>

- (1) Estimated landfill closure costs include completion of the installation of a landfill cap and the construction of a landfill gas collection, control and treatment system.
- (2) Estimate is for only five years. Once properties have been developed, the existing Community Facilities Districts will be assessing the land owners to cover subsequent operating and maintenance costs of the landfill systems.
- (3) During the current year, the estimated costs for Cell 2 landfill closure, operations and maintenance of landfill systems, and other soft costs were increased by approximately \$11,000,000 as a result of new information obtained now that Cell 2 closure activities have begun.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2019

NOTE 18 - SUBSEQUENT EVENTS

Events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of March 12, 2020, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - MISCELLANEOUS PLAN

Last Ten Fiscal Years*

Fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service cost	\$ 4,901,075	\$ 4,806,568	\$ 4,558,044	\$ 4,326,829	\$ 4,634,164
Interest on total pension liability	19,821,114	19,276,794	18,605,765	17,550,999	16,199,814
Changes in benefits	-	-	-	-	-
Changes in assumptions	(1,676,966)	15,778,040	-	(4,237,527)	-
Differences between expected and actual experience	(1,748,992)	(923,400)	2,148,324	6,597,837	-
Benefit payments, including refunds of employee contributions	<u>(13,614,042)</u>	<u>(12,569,527)</u>	<u>(10,930,075)</u>	<u>(9,777,863)</u>	<u>(9,448,777)</u>
Net Change in Total Pension Liability	7,682,189	26,368,475	14,382,058	14,460,275	11,385,201
Total Pension Liability - Beginning of Year	<u>285,000,828</u>	<u>258,632,353</u>	<u>244,250,295</u>	<u>229,790,020</u>	<u>218,404,819</u>
Total Pension Liability - End of Year (a)	<u>\$292,683,017</u>	<u>\$285,000,828</u>	<u>\$258,632,353</u>	<u>\$244,250,295</u>	<u>\$229,790,020</u>
Plan Fiduciary Net Position:					
Plan to plan resource movement	\$ (447)	\$ -	\$ -	\$ (228,538)	\$ -
Contributions - employer	7,293,749	6,899,003	6,254,187	5,746,641	6,276,475
Contributions - employee	1,930,908	2,015,333	2,155,129	2,169,417	2,460,111
Net investment income	15,376,239	18,521,130	1,013,852	3,717,143	25,449,700
Benefit payments	(13,614,042)	(12,569,527)	(10,930,075)	(9,777,863)	(9,448,777)
Administrative expense	(284,877)	(248,333)	(103,489)	(191,232)	-
Other miscellaneous income/(expense)	<u>(540,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	10,160,543	14,617,606	(1,610,396)	1,435,568	24,737,509
Plan Fiduciary Net Position - Beginning of Year	<u>182,815,782</u>	<u>168,198,176</u>	<u>169,808,572</u>	<u>168,373,004</u>	<u>143,635,495</u>
Plan Fiduciary Net Position - End of Year (b)	<u>\$192,976,325</u>	<u>\$182,815,782</u>	<u>\$168,198,176</u>	<u>\$169,808,572</u>	<u>\$168,373,004</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 99,706,692</u>	<u>\$102,185,046</u>	<u>\$ 90,434,177</u>	<u>\$ 74,441,723</u>	<u>\$ 61,417,016</u>
Plan fiduciary net position as a percentage of the total pension liability	65.93%	64.15%	65.03%	69.52%	73.27%
Covered - employee payroll	\$ 25,068,155	\$ 24,225,433	\$ 25,529,537	\$ 23,784,241	\$ 23,683,572
Net pension liability as percentage of covered- employee payroll	397.74%	421.81%	354.23%	312.99%	259.32%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF CARSON

SCHEDULE OF CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - MISCELLANEOUS PLAN

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 8,354,811	\$ 7,293,749	\$ 6,899,003	\$ 6,254,187	\$ 5,746,641
Contributions in relation to the actuarially determined contributions	<u>(8,354,811)</u>	<u>(7,293,749)</u>	<u>(6,899,003)</u>	<u>(6,254,187)</u>	<u>(5,746,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered - employee payroll	\$ 23,237,828	\$ 25,068,155	\$ 24,225,433	\$ 25,529,537	\$ 23,784,241
Contributions as a percentage of covered - employee payroll	35.95%	29.10%	28.48%	24.50%	24.16%

Notes to Schedule:

Valuation Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Smoothed
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 with the exception of 52 for Miscellaneous PEPRA 2% @ 62
- (5) Mortality assumptions are based

* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF CARSON

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year end	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement date	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB Liability:		
Service cost	\$ 2,393,726	\$ 2,296,140
Interest on total OPEB liability	3,287,464	3,150,579
Changes of assumptions	(9,857,740)	-
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(2,572,106)</u>	<u>(2,074,858)</u>
Net Change in Total OPEB Liability	<u>(6,748,656)</u>	<u>3,371,861</u>
Total OPEB Liability - Beginning of Year	<u>76,244,424</u>	<u>72,872,563</u>
Total OPEB Liability - End of Year (a)	<u>69,495,768</u>	<u>76,244,424</u>
Plan Fiduciary Net Position:		
Contributions - employer	1,572,106	1,409,106
Net investment income	1,395,100	1,757,999
Administrative expenses	(9,260)	(8,868)
Other income/(expenses)	(23,399)	-
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(2,572,106)</u>	<u>(2,074,858)</u>
Net Change in Plan Fiduciary Net Position	<u>362,441</u>	<u>1,083,379</u>
Plan Fiduciary Net Position - Beginning of Year	<u>17,686,118</u>	<u>16,602,739</u>
Plan Fiduciary Net Position - End of Year (b)	<u>18,048,559</u>	<u>17,686,118</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 51,447,209</u>	<u>\$ 58,558,306</u>
Plan fiduciary net position as a percentage of the total OPEB liability	25.97%	23.20%
Covered-employee payroll	\$ 22,542,046	\$ 22,132,875
Net OPEB liability as percentage of covered - employee payroll	228.23%	264.58%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The discount rate increased from a blended rate of 4.25% to 5.15% during measurement period ended June 30, 2018

* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

CITY OF CARSON

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	(1)	\$ 4,572,804
Contributions in relation to the actuarially determined contribution	<u>2,564,759</u>	<u>1,572,106</u>
Contribution deficiency (excess)	<u>(1)</u>	<u>\$ 3,000,698</u>
Covered-employee payroll	\$ 22,542,046	\$ 22,542,046
Contributions as a percentage of covered-employee payroll	11.38%	6.97%

(1) - The actuarially determined contribution amount is not available to use in this presentation.

Notes to Schedule:

Valuation Date June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount Rate	4.25%
Inflation	2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Expected long-term Investment Rate of Return	7.00%
Medical Trend	6.0% HMO/6.5% PPO, decreasing to a half a percent per year to 5%
Mortality	Derived from CalPERS pension plan information
Mortality Improvement	Derived from CalPERS pension plan information

*Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

CITY OF CARSON
Major Governmental Funds

GENERAL FUND

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

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

City Council

Local legislative policy

City Attorney

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

City Clerk

Records management
Preparation of minutes
Codification of municipal code
Elections

City Treasurer

Investments
Cash management
Cashiering

Community Development

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

Administrative Services

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

Community Services

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

City Manager

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

Public Works

General engineering
Contract administration
Construction engineering
Public Works
Street and parkway maintenance
Vehicle and equipment maintenance
Median and tree maintenance
Waste management
Environmental
Building and landscape maintenance

Non-Departmental

Retiree health insurance
Program support

CARSON HOUSING AUTHORITY SPECIAL REVENUE FUND

The Carson Housing Authority Special Revenue Fund accounts for assets used for low/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.

COOPERATION AGREEMENT BOND PROCEEDS SPECIAL REVENUE FUND

The Cooperation Agreement Bond Proceeds Special Revenue Fund accounts for unspent bond proceeds transferred to the City from the Successor Agency to the Dissolved Carson Redevelopment Agency (Successor Agency) in accordance with the Cooperation Agreement entered into by and between the City and the Successor Agency. Expenditures of the bond proceeds pursuant to the original bond covenants are reported in this fund.

STATE CIP GRANTS SPECIAL REVENUE FUND

The State CIP Grants Special Revenue Fund accounts for all grants received from the State to fund the non-recurring CIP projects of the City.

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales and use tax	\$ 24,672,756	\$ 24,672,756	\$ 28,554,425	\$ 3,881,669
Franchise tax	9,948,750	9,948,750	9,810,903	(137,847)
Property tax	15,274,890	15,274,890	16,042,132	767,242
Transient occupancy tax	2,150,000	2,150,000	2,245,576	95,576
Utility users tax	7,000,000	7,000,000	7,892,486	892,486
Real property transfer tax	320,000	320,000	343,541	23,541
Oil industry business tax	4,700,000	4,700,000	4,030,725	(669,275)
Total Taxes	<u>64,066,396</u>	<u>64,066,396</u>	<u>68,919,788</u>	<u>4,853,392</u>
Licenses and Permits:				
Business licenses	2,933,300	2,933,300	2,922,141	(11,159)
Building permits	3,500,000	3,500,000	4,568,945	1,068,945
Other licenses and permits	1,471,250	1,471,250	1,974,314	503,064
Total Licenses and Permits	<u>7,904,550</u>	<u>7,904,550</u>	<u>9,465,400</u>	<u>1,560,850</u>
Fines and Forfeitures:				
Traffic and parking fines	2,160,000	2,160,000	1,271,440	(888,560)
Other fines, forfeitures and penalties	330,800	330,800	270,762	(60,038)
Total Fines and Forfeitures	<u>2,490,800</u>	<u>2,490,800</u>	<u>1,542,202</u>	<u>(948,598)</u>
Intergovernmental:				
Motor vehicle licenses	40,000	40,000	45,024	5,024
Other intergovernmental	-	-	59,830	59,830
Total Intergovernmental	<u>40,000</u>	<u>40,000</u>	<u>104,854</u>	<u>64,854</u>
Charges for Services:				
Planning and public works	2,746,250	2,746,250	554,369	(2,191,881)
Recreation	2,696,820	2,696,820	2,134,492	(562,328)
Other service charges	805,380	815,380	678,149	(137,231)
Total Charges for Services	<u>6,248,450</u>	<u>6,258,450</u>	<u>3,367,010</u>	<u>(2,891,440)</u>
Investment Income:				
Interest on investments	442,298	442,298	608,565	166,267
Rents and commissions	583,222	583,222	549,809	(33,413)
Community Center revenue	853,000	853,000	685,950	(167,050)
Total Investment Income	<u>1,878,520</u>	<u>1,878,520</u>	<u>1,844,324</u>	<u>(34,196)</u>
Miscellaneous	<u>4,541,100</u>	<u>5,040,400</u>	<u>7,564,937</u>	<u>2,524,537</u>
TOTAL REVENUES	<u>87,169,816</u>	<u>87,679,116</u>	<u>92,808,515</u>	<u>5,129,399</u>

(Continued)

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General Government:				
City Council	\$ 927,549	\$ 932,549	\$ 1,012,191	\$ (79,642)
City Attorney	2,920,000	2,671,500	3,591,936	(920,436)
Human Resources	2,597,878	2,627,603	2,297,917	329,686
Non-Departmental	10,751,482	10,753,927	11,236,426	(482,499)
City Clerk	1,112,769	1,199,769	998,125	201,644
City Treasurer	788,874	789,374	652,836	136,538
City Manager	4,351,108	4,672,884	3,832,020	840,864
Administrative services	4,085,696	4,136,810	3,909,246	227,564
Total General Government	<u>27,535,356</u>	<u>27,784,416</u>	<u>27,530,697</u>	<u>253,719</u>
Public Safety	<u>24,071,333</u>	<u>24,103,905</u>	<u>22,635,739</u>	<u>1,468,166</u>
Community Development	<u>7,496,257</u>	<u>6,725,534</u>	<u>4,109,743</u>	<u>2,615,791</u>
Public Works	<u>16,444,548</u>	<u>17,815,374</u>	<u>16,545,258</u>	<u>1,270,116</u>
Community Services	<u>13,234,521</u>	<u>13,459,095</u>	<u>11,921,448</u>	<u>1,537,647</u>
Capital Improvement Programs	<u>-</u>	<u>-</u>	<u>187,779</u>	<u>(187,779)</u>
TOTAL EXPENDITURES	<u>88,782,015</u>	<u>89,888,324</u>	<u>82,930,664</u>	<u>6,957,660</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,612,199)</u>	<u>(2,209,208)</u>	<u>9,877,851</u>	<u>12,087,059</u>
OTHER FINANCING SOURCES (USES):				
Sale of land	-	-	402,738	402,738
Transfers in	-	-	9,354	9,354
Transfers out	-	(333,500)	(338,500)	(5,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(333,500)</u>	<u>73,592</u>	<u>407,092</u>
NET CHANGE IN FUND BALANCE	<u>(1,612,199)</u>	<u>(2,542,708)</u>	<u>9,951,443</u>	<u>12,494,151</u>
FUND BALANCE - BEGINNING OF YEAR	<u>35,219,969</u>	<u>35,219,969</u>	<u>35,219,969</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 33,607,770</u>	<u>\$ 32,677,261</u>	<u>\$ 45,171,412</u>	<u>\$ 12,494,151</u>

See note to required supplementary information.

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

CARSON HOUSING AUTHORITY SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 233,844	\$ 233,844	\$ 444,521	\$ 210,677
Investment income	223,712	223,712	236,509	12,797
Miscellaneous	-	-	580,678	580,678
TOTAL REVENUES	<u>457,556</u>	<u>457,556</u>	<u>1,261,708</u>	<u>804,152</u>
EXPENDITURES:				
Current:				
Community development	<u>684,409</u>	<u>697,124</u>	<u>746,339</u>	<u>(49,215)</u>
TOTAL EXPENDITURES	<u>684,409</u>	<u>697,124</u>	<u>746,339</u>	<u>(49,215)</u>
NET CHANGE IN FUND BALANCE	(226,853)	(239,568)	515,369	754,937
FUND BALANCE - BEGINNING OF YEAR	<u>10,646,958</u>	<u>10,646,958</u>	<u>10,646,958</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,420,105</u>	<u>\$ 10,407,390</u>	<u>\$ 11,162,327</u>	<u>\$ 754,937</u>

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

COOPERATION AGREEMENT BOND PROCEEDS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 69,909	\$ 69,909	\$ 1,148	\$ (68,761)
TOTAL REVENUES	69,909	69,909	1,148	(68,761)
EXPENDITURES:				
Current:				
Capital improvement programs	175,699	1,045,837	330,589	715,248
TOTAL EXPENDITURES	175,699	1,045,837	330,589	715,248
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(105,790)	(975,928)	(329,441)	646,487
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	638,017	638,017
TOTAL OTHER FINANCING SOURCES (USES)	-	-	638,017	638,017
NET CHANGE IN FUND BALANCE	(105,790)	(975,928)	308,576	1,284,504
FUND BALANCE - BEGINNING OF YEAR	2,279,182	2,279,182	2,279,182	-
FUND BALANCE - END OF YEAR	<u>\$ 2,173,392</u>	<u>\$ 1,303,254</u>	<u>\$ 2,587,758</u>	<u>\$ 1,284,504</u>

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

STATE CIP GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 7,477,054	\$ 7,477,054
TOTAL REVENUES	-	-	7,477,054	7,477,054
EXPENDITURES:				
Current:				
Community development	-	-	67,920	(67,920)
Capital improvement programs	-	15,330,588	7,413,413	7,917,175
TOTAL EXPENDITURES	-	15,330,588	7,481,333	7,849,255
NET CHANGE IN FUND BALANCE	-	(15,330,588)	(4,279)	15,326,309
FUND BALANCE - BEGINNING OF YEAR	(1,491,505)	(1,491,505)	(1,491,505)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (1,491,505)</u>	<u>\$ (16,822,093)</u>	<u>\$ (1,495,784)</u>	<u>\$ 15,326,309</u>

CITY OF CARSON
Note to Required Supplementary Information
June 30, 2019

NOTE 1 - BUDGETARY CONTROL AND ACCOUNTING

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

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

Budgeted amounts are reported on the same basis of accounting as the fund types they relate to (modified-accrual) and adopted on a basis consistent with accounting principles generally accepted in the United States of America. 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. No budgets were adopted for the Asset Forfeiture Special Revenue Fund, the Proposition 1B Special Revenue Fund, the HOME Grant Special Revenue Fund, and the Development Impact Fees Special Revenue Fund.

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SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

The **City Special Events Fund** accounts for restricted donations received from the Community for various annual City events, as well as contributions from the General Fund.

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

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CITY OF CARSON

Nonmajor Governmental Funds (Continued)

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

The **Federal Grant Funds** account for six types of federal grant monies. The 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 HOME and Community Development Block Grant Funds account for funds used for a variety of projects, and programs primarily benefiting low-income residents. These funds were originally authorized under the Housing and Community Development Act of 1974 and their expenditure is approved by the Department of Housing and Urban Development (HUD). The Federal Highway Planning Grant Fund accounts for federal monies passed through the State of California Department of Transportation to local cities for the construction and repair of inter-connected Interstate highways and other public roads important to interstate commerce and travel. The Workforce Investment Act (WIA) Grant Fund provides assistance for youth employment, training efforts, and dislocated worker support services. The Neighborhood Stabilization Program Grant Fund accounts for monies received for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. This grant was authorized under the American Recovery and Reinvestment Act (ARRA).

The **Building Plan Retention Fund** accounts for building plan maintenance and retention fees imposed by the County. The fees must be used to maintain an official copy of plans for every building in the City, during the life of the building.

The **Facility Maintenance Fund** accounts for the 10% surcharge on the Community Center and Park Facility rental fees.

The **Load Shed Program Fund** accounts for revenues received by the City from Southern California Edison for participating on the Load Shed Program. As part of the Load Shed Program Southern California Edison will notify the City of peak usage times and the City will turn off lights for 1 hour during peak usage.

The **Public Education and Government Access (PEG) Fund** accounts for fees that are restricted to broadcasting.

The **Raised Median In-Lieu Fund** accounts for fees collected from development in-lieu and is restricted for construction of raised medians.

The **Development Impact Fees Fund** accounts for the revenues collected from the various development impact fees. Fees are levied against new development within the City in order to pay for construction or improvement of public facilities as a result of City growth.

CITY OF CARSON

Nonmajor Governmental Funds (Continued)

The Utility Underground In-Lieu Fund accounts for undergrounding of utility lines funded by a development in-lieu fee.

The SB1 Fund accounts for revenues and expenditures of the Road Maintenance and Rehabilitation Account under the SB1 Road Repair and accountability Act of 2017.

The State Local Transportation funded by federal and/or California Department of Transportation (CalTrans) accounts for revenues and expenditures of projects that provide safe, sustainable, and efficient transportation needs (carpools, bike lanes, etc.).

The Measure M Fund accounts for the half-cent sales tax and continued half-cent relief tax partially distributed to cities approved by the Los Angeles County voters in November 2017 to fund transportation needs.

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CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2019

	Special Revenue Funds				
	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund	Proposition A Local Return Fund	Proposition C Local Return Fund
ASSETS					
Cash and investments	\$ 78	\$ 1,604,606	\$ 84,520	\$ 465,767	\$ 966,607
Receivables:					
Accounts	-	80,392	-	-	-
Due from government agencies	-	-	-	192,701	-
Loans, net of allowance	-	-	-	-	-
TOTAL ASSETS	<u>\$ 78</u>	<u>\$ 1,684,998</u>	<u>\$ 84,520</u>	<u>\$ 658,468</u>	<u>\$ 966,607</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ 117,126	\$ 81,509	\$ 432,489	\$ 131,685
Accrued payroll	-	8,725	-	16,083	1,423
Due to other funds	-	-	-	-	-
Due to government agencies	-	-	-	-	-
Retentions payable	-	-	-	4,778	-
TOTAL LIABILITIES	<u>-</u>	<u>125,851</u>	<u>81,509</u>	<u>453,350</u>	<u>133,108</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	78	1,559,147	3,011	205,118	833,499
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	<u>78</u>	<u>1,559,147</u>	<u>3,011</u>	<u>205,118</u>	<u>833,499</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 78</u>	<u>\$ 1,684,998</u>	<u>\$ 84,520</u>	<u>\$ 658,468</u>	<u>\$ 966,607</u>

Special Revenue Funds (Continued)

Air Quality Improvement Fund	Capital Asset Replacement Fund	Measure R Fund	Restricted Administrative Tow Fee Fund	Youth Services Program Fund	City Special Events Fund	MTA Call for Projects Fund
\$ 632,649	\$ 933,224	\$ 3,159,318	\$ 111,325	\$ 51,232	\$ 311,288	\$ 1,383,560
-	-	-	-	-	542	-
31,541	-	-	4,736	-	-	224,734
-	-	-	-	-	-	-
<u>\$ 664,190</u>	<u>\$ 933,224</u>	<u>\$ 3,159,318</u>	<u>\$ 116,061</u>	<u>\$ 51,232</u>	<u>\$ 311,830</u>	<u>\$ 1,608,294</u>
\$ 120,000	\$ 238,201	\$ 293,505	\$ 1,052	\$ -	\$ 39,118	\$ 144,671
-	-	1,005	51	-	21,749	-
-	-	-	-	-	-	768,454
-	-	-	-	-	-	-
-	-	496	-	-	-	922
<u>120,000</u>	<u>238,201</u>	<u>295,006</u>	<u>1,103</u>	<u>-</u>	<u>60,867</u>	<u>914,047</u>
-	-	-	-	-	-	31,376
544,190	695,023	2,864,312	114,958	51,232	250,963	662,871
-	-	-	-	-	-	-
<u>544,190</u>	<u>695,023</u>	<u>2,864,312</u>	<u>114,958</u>	<u>51,232</u>	<u>250,963</u>	<u>662,871</u>
<u>\$ 664,190</u>	<u>\$ 933,224</u>	<u>\$ 3,159,318</u>	<u>\$ 116,061</u>	<u>\$ 51,232</u>	<u>\$ 311,830</u>	<u>\$ 1,608,294</u>

(Continued)

CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

June 30, 2019

	Special Revenue Funds (Continued)				
	Park Development Fund	Los Angeles County Park District Fund	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund
ASSETS					
Cash and investments	\$ 3,924,192	\$ -	\$ 60,527	\$ 240,154	\$ 42,444
Receivables:					
Accounts	-	-	-	-	-
Due from government agencies	-	514,719	-	-	-
Loans, net of allowance	-	-	-	-	-
TOTAL ASSETS	\$ 3,924,192	\$ 514,719	\$ 60,527	\$ 240,154	\$ 42,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 3,361	\$ 26,862	\$ -	\$ -	\$ 1,537
Accrued payroll	-	-	-	-	-
Due to other funds	-	448,936	-	-	-
Due to government agencies	-	-	-	-	-
Retentions payable	-	-	-	-	-
TOTAL LIABILITIES	3,361	475,798	-	-	1,537
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	514,719	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	3,920,831	-	60,527	240,154	40,907
Unassigned	-	(475,798)	-	-	-
TOTAL FUND BALANCES (DEFICIT)	3,920,831	(475,798)	60,527	240,154	40,907
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,924,192	\$ 514,719	\$ 60,527	\$ 240,154	\$ 42,444

Special Revenue Funds (Continued)

Proposition 1B Fund	Family Support Grant Fund	HOME Grant Fund	Community Development Block Grant Fund	Federal Highway Planning Grant Fund	Workforce Investment Act (WIA) Grant Fund	Neighborhood Stabilization Grant Fund
\$ -	\$ -	\$ 2,921	\$ -	\$ -	\$ 100	\$ 325,574
-	-	-	-	1,040	-	-
-	15,686	-	743,202	5,002	-	-
-	-	371,546	-	-	-	165,000
<u>\$ -</u>	<u>\$ 15,686</u>	<u>\$ 374,467</u>	<u>\$ 743,202</u>	<u>\$ 6,042</u>	<u>\$ 100</u>	<u>\$ 490,574</u>
\$ -	\$ 78	\$ 3,974	\$ 321,270	\$ -	\$ 140	\$ -
-	2,624	-	8,007	-	-	-
3,574	5,440	-	379,967	81,419	-	-
-	-	371,546	-	-	-	165,000
-	-	-	6,520	-	-	-
<u>3,574</u>	<u>8,142</u>	<u>375,520</u>	<u>715,764</u>	<u>81,419</u>	<u>140</u>	<u>165,000</u>
-	6,949	-	0	-	-	-
-	595	-	27,438	-	-	325,574
(3,574)	-	(1,053)	-	(75,377)	(40)	-
<u>(3,574)</u>	<u>595</u>	<u>(1,053)</u>	<u>27,438</u>	<u>(75,377)</u>	<u>(40)</u>	<u>325,574</u>
<u>\$ -</u>	<u>\$ 15,686</u>	<u>\$ 374,467</u>	<u>\$ 743,202</u>	<u>\$ 6,042</u>	<u>\$ 100</u>	<u>\$ 490,574</u>

(Continued)

CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

June 30, 2019

	Special Revenue Funds (Continued)				
	Building Plan Retention Fund	Facility Maintenance Fund	Load Shed Program Fund	Public Education and Government Access (PEG) Fund	Raised Median In-Lieu Fund
ASSETS					
Cash and investments	\$ -	\$ 84,831	\$ 473,250	\$ 509,825	\$ 233,114
Receivables:					
Accounts	-	-	-	-	-
Due from government agencies	-	-	-	-	-
Loans, net of allowance	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 84,831	\$ 473,250	\$ 509,825	\$ 233,114
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 58,260	\$ -	\$ -	\$ 20,496	\$ -
Accrued payroll	111,720	-	-	-	-
Due to other funds	94,615	-	-	-	-
Due to government agencies	-	-	-	-	-
Retentions payable	-	-	-	-	-
TOTAL LIABILITIES	264,595	-	-	20,496	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	-	84,831	473,250	489,329	233,114
Unassigned	(264,595)	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	(264,595)	84,831	473,250	489,329	233,114
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 84,831	\$ 473,250	\$ 509,825	\$ 233,114

Special Revenue Funds (Continued)

Development Impact Fees Fund	Utility Underground In-Lieu Fund	SB1 Fund	Measure M Fund	Total Nonmajor Governmental Funds
\$ 4,350,034	\$ 689,773	\$ 1,410,457	\$ 1,555,962	\$ 23,607,332
-	-	-	-	81,974
-	-	306,987	-	2,039,308
-	-	-	-	536,546
<u>\$ 4,350,034</u>	<u>\$ 689,773</u>	<u>\$ 1,717,444</u>	<u>\$ 1,555,962</u>	<u>\$ 26,265,160</u>
\$ -	\$ -	\$ -	\$ 507	\$ 2,035,841
-	-	-	1,256	172,643
-	-	-	-	1,782,405
-	-	-	-	536,546
-	-	-	-	12,716
-	-	-	1,763	4,540,151
-	-	-	-	553,044
4,350,034	689,773	1,717,444	1,554,199	21,992,402
-	-	-	-	(820,437)
<u>4,350,034</u>	<u>689,773</u>	<u>1,717,444</u>	<u>1,554,199</u>	<u>21,171,965</u>
<u>\$ 4,350,034</u>	<u>\$ 689,773</u>	<u>\$ 1,717,444</u>	<u>\$ 1,555,962</u>	<u>\$ 26,265,160</u>

CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2019

	Special Revenue Funds				
	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund	Proposition A Local Return Fund	Proposition C Local Return Fund
REVENUES:					
Taxes	\$ -	\$ 1,900,196	\$ -	\$ 1,880,608	\$ 1,559,912
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	83,000	-	-
Charges for services	-	-	-	-	-
Investment income	-	37,260	2,455	13,624	27,788
Developer impact fee	-	-	-	-	-
Miscellaneous	-	159,946	-	114,893	39,905
TOTAL REVENUES	-	2,097,402	85,455	2,009,125	1,627,605
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	1,922,449	1,216,603
Capital improvement programs	-	1,037,120	82,444	-	-
TOTAL EXPENDITURES	-	1,037,120	82,444	1,922,449	1,216,603
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,060,282	3,011	86,676	411,002
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	1,060,282	3,011	86,676	411,002
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	78	498,865	-	118,442	422,497
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 78</u>	<u>\$ 1,559,147</u>	<u>\$ 3,011</u>	<u>\$ 205,118</u>	<u>\$ 833,499</u>

Special Revenue Funds (Continued)

Air Quality Improvement Fund	Capital Asset Replacement Fund	Measure R Fund	Restricted Administrative Tow Fee Fund	Youth Services Program Fund	City Special Events Fund	MTA Call for Projects Fund
\$ -	\$ -	\$ 1,170,270	\$ -	\$ -	\$ -	\$ -
-	-	-	52,160	-	-	-
121,663	-	-	-	-	-	867
-	-	-	-	-	69,859	-
16,423	-	90,068	3,218	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,004	-
<u>138,086</u>	<u>-</u>	<u>1,260,338</u>	<u>55,378</u>	<u>-</u>	<u>77,863</u>	<u>867</u>
-	-	-	4,235	-	322,122	-
-	-	-	-	-	-	-
-	-	6,412	-	-	-	-
7,285	-	-	36,665	-	-	-
<u>120,000</u>	<u>238,201</u>	<u>321,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,705</u>
<u>127,285</u>	<u>238,201</u>	<u>327,741</u>	<u>40,900</u>	<u>-</u>	<u>322,122</u>	<u>150,705</u>
<u>10,801</u>	<u>(238,201)</u>	<u>932,597</u>	<u>14,478</u>	<u>-</u>	<u>(244,259)</u>	<u>(149,838)</u>
-	-	-	-	-	338,500	-
-	-	-	-	-	-	-
-	-	-	-	-	338,500	-
<u>10,801</u>	<u>(238,201)</u>	<u>932,597</u>	<u>14,478</u>	<u>-</u>	<u>94,241</u>	<u>(149,838)</u>
<u>533,389</u>	<u>933,224</u>	<u>1,931,715</u>	<u>100,480</u>	<u>51,232</u>	<u>156,722</u>	<u>812,709</u>
<u>\$ 544,190</u>	<u>\$ 695,023</u>	<u>\$ 2,864,312</u>	<u>\$ 114,958</u>	<u>\$ 51,232</u>	<u>\$ 250,963</u>	<u>\$ 662,871</u>

(Continued)

CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)

For the year ended June 30, 2019

	Special Revenue Funds (Continued)				
	Park Development Fund	Los Angeles County Park District Fund	Beverage Container Recycling Fund	State COPS Grant Fund	Used Oil State Grant Fund
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	201,808	46,789	269,832	25,749
Charges for services	3,098,857	-	-	-	-
Investment income	113,477	-	1,740	11,070	4,260
Developer impact fee	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	3,212,334	201,808	48,529	280,902	30,009
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	15,775	-	9,108
Community services	-	-	-	145,000	-
Capital improvement programs	40,633	15,888	-	-	-
TOTAL EXPENDITURES	40,633	15,888	15,775	145,000	9,108
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,171,701	185,920	32,754	135,902	20,901
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(9,354)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(9,354)
NET CHANGE IN FUND BALANCES	3,171,701	185,920	32,754	135,902	11,547
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	749,130	(661,718)	27,773	104,252	29,360
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 3,920,831</u>	<u>\$ (475,798)</u>	<u>\$ 60,527</u>	<u>\$ 240,154</u>	<u>\$ 40,907</u>

Special Revenue Funds (Continued)

Proposition 1B Fund	Family Support Grant Fund	HOME Grant Fund	Community Development Block Grant Fund	Federal Highway Planning Grant Fund	Workforce Investment Act (WIA) Grant Fund	Neighborhood Stabilization Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	59,235	-	1,443,130	4,134	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,358
-	-	-	-	-	-	-
-	-	-	238	-	-	-
-	59,235	-	1,443,368	4,134	-	9,358
-	-	-	-	-	-	-
-	-	-	1,008,646	-	-	-
-	-	-	-	-	-	-
-	63,736	-	-	-	139	-
-	-	-	-	26,406	-	-
-	63,736	-	1,008,646	26,406	139	-
-	(4,501)	-	434,722	(22,272)	(139)	9,358
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,501)	-	434,722	(22,272)	(139)	9,358
(3,574)	5,096	(1,053)	(407,284)	(53,105)	99	316,216
<u>\$ (3,574)</u>	<u>\$ 595</u>	<u>\$ (1,053)</u>	<u>\$ 27,438</u>	<u>\$ (75,377)</u>	<u>\$ (40)</u>	<u>\$ 325,574</u>

(Continued)

CITY OF CARSON

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)

For the year ended June 30, 2019

	Special Revenue Funds (Continued)				
	Building Plan Retention Fund	Facility Maintenance Fund	Load Shed Program Fund	Public Education and Government Access (PEG) Fund	Raised Median In-Lieu Fund
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 32,965	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	59,928	-	-	-
Investment income	-	-	-	-	-
Developer impact fee	-	-	-	-	-
Miscellaneous	172	-	193,726	-	-
TOTAL REVENUES	172	59,928	193,726	32,965	-
EXPENDITURES:					
Current:					
General government	-	-	-	25,197	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	-	-
Capital improvement programs	517,828	-	22,631	38,702	-
TOTAL EXPENDITURES	517,828	-	22,631	63,899	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(517,656)	59,928	171,095	(30,934)	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(517,656)	59,928	171,095	(30,934)	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	253,061	24,903	302,155	520,263	233,114
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (264,595)</u>	<u>\$ 84,831</u>	<u>\$ 473,250</u>	<u>\$ 489,329</u>	<u>\$ 233,114</u>

Special Revenue Funds (Continued)

Development Impact Fees Fund	Utility Underground In-Lieu Fund	SB1 Fund	Measure M Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,318,352	\$ 7,862,303
-	-	-	-	52,160
-	-	1,720,104	-	3,976,311
-	-	-	-	3,228,644
-	-	-	42,068	372,809
2,661,162	-	-	-	2,661,162
-	-	-	-	516,884
<u>2,661,162</u>	<u>-</u>	<u>1,720,104</u>	<u>1,360,420</u>	<u>18,670,273</u>
-	-	-	-	351,554
-	-	-	-	1,008,646
-	-	-	47,412	78,707
-	-	-	-	3,391,877
-	-	54,605	646,739	3,313,231
<u>-</u>	<u>-</u>	<u>54,605</u>	<u>694,151</u>	<u>8,144,015</u>
<u>2,661,162</u>	<u>-</u>	<u>1,665,499</u>	<u>666,269</u>	<u>10,526,258</u>
-	-	-	-	338,500
<u>-</u>	<u>(638,017)</u>	<u>-</u>	<u>-</u>	<u>(647,371)</u>
<u>-</u>	<u>(638,017)</u>	<u>-</u>	<u>-</u>	<u>(308,871)</u>
2,661,162	(638,017)	1,665,499	666,269	10,217,387
<u>1,688,872</u>	<u>1,327,790</u>	<u>51,945</u>	<u>887,930</u>	<u>10,954,578</u>
<u>\$ 4,350,034</u>	<u>\$ 689,773</u>	<u>\$ 1,717,444</u>	<u>\$ 1,554,199</u>	<u>\$ 21,171,965</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,023,614	\$ 2,023,614	\$ 1,900,196	\$ (123,418)
Investment income	7,732	7,732	37,260	29,528
Miscellaneous	-	-	159,946	159,946
TOTAL REVENUES	<u>2,031,346</u>	<u>2,031,346</u>	<u>2,097,402</u>	<u>66,056</u>
EXPENDITURES:				
Capital improvement programs	<u>2,271,113</u>	<u>2,391,113</u>	<u>1,037,120</u>	<u>1,353,993</u>
TOTAL EXPENDITURES	<u>2,271,113</u>	<u>2,391,113</u>	<u>1,037,120</u>	<u>1,353,993</u>
NET CHANGE IN FUND BALANCE	(239,767)	(359,767)	1,060,282	1,420,049
FUND BALANCE - BEGINNING OF YEAR	<u>498,865</u>	<u>498,865</u>	<u>498,865</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 259,098</u>	<u>\$ 139,098</u>	<u>\$ 1,559,147</u>	<u>\$ 1,420,049</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TDA ARTICLE 3 SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 63,499	\$ 115,088	\$ 83,000	\$ (32,088)
Use of money and property	-	-	2,455	2,455
TOTAL REVENUES	<u>63,499</u>	<u>115,088</u>	<u>85,455</u>	<u>(29,633)</u>
EXPENDITURES:				
Capital improvement programs	<u>60,000</u>	<u>263,589</u>	<u>82,444</u>	<u>181,145</u>
TOTAL EXPENDITURES	<u>60,000</u>	<u>263,589</u>	<u>82,444</u>	<u>181,145</u>
NET CHANGE IN FUND BALANCE	3,499	(148,501)	3,011	151,512
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,499</u>	<u>\$ (148,501)</u>	<u>\$ 3,011</u>	<u>\$ 151,512</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PROPOSITION A LOCAL RETURN SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,833,458	\$ 1,833,458	\$ 1,880,608	\$ 47,150
Intergovernmental	214,643	214,643	-	(214,643)
Investment income	-	-	13,624	13,624
Miscellaneous	130,429	130,429	114,893	(15,536)
TOTAL REVENUES	<u>2,178,530</u>	<u>2,178,530</u>	<u>2,009,125</u>	<u>(169,405)</u>
EXPENDITURES:				
Current:				
Community services	2,065,692	2,107,512	1,922,449	185,063
Capital improvement programs	-	30,000	-	30,000
TOTAL EXPENDITURES	<u>2,065,692</u>	<u>2,137,512</u>	<u>1,922,449</u>	<u>215,063</u>
NET CHANGE IN FUND BALANCE	112,838	41,018	86,676	45,658
FUND BALANCE - BEGINNING OF YEAR	<u>118,442</u>	<u>118,442</u>	<u>118,442</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 231,280</u>	<u>\$ 159,460</u>	<u>\$ 205,118</u>	<u>\$ 45,658</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION C LOCAL RETURN SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,520,805	\$ 1,520,805	\$ 1,559,912	\$ 39,107
Investment income	9,278	9,278	27,788	18,510
Miscellaneous	47,345	47,345	39,905	(7,440)
TOTAL REVENUES	<u>1,577,428</u>	<u>1,577,428</u>	<u>1,627,605</u>	<u>50,177</u>
EXPENDITURES:				
Current:				
Community services	1,428,389	1,605,721	1,216,603	389,118
Capital improvement programs	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,628,389</u>	<u>1,605,721</u>	<u>1,216,603</u>	<u>389,118</u>
NET CHANGE IN FUND BALANCE	(50,961)	(28,293)	411,002	439,295
FUND BALANCE - BEGINNING OF YEAR	<u>422,497</u>	<u>422,497</u>	<u>422,497</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 371,536</u>	<u>\$ 394,204</u>	<u>\$ 833,499</u>	<u>\$ 439,295</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 116,000	\$ 116,000	\$ 121,663	\$ 5,663
Investment income	5,422	5,422	16,423	11,001
TOTAL REVENUES	121,422	121,422	138,086	16,664
EXPENDITURES:				
Current:				
Community services	29,800	29,800	7,285	22,515
Capital improvement programs	210,000	362,975	120,000	242,975
TOTAL EXPENDITURES	239,800	392,775	127,285	265,490
NET CHANGE IN FUND BALANCE	(118,378)	(271,353)	10,801	282,154
FUND BALANCE - BEGINNING OF YEAR	533,389	533,389	533,389	-
FUND BALANCE - END OF YEAR	\$ 415,011	\$ 262,036	\$ 544,190	\$ 282,154

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL ASSET REPLACEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 12,325	\$ 12,325	\$ -	\$ (12,325)
Miscellaneous	5,000	5,000	-	(5,000)
TOTAL REVENUES	17,325	17,325	-	(17,325)
EXPENDITURES:				
Capital improvement programs	481,338	716,255	238,201	478,054
TOTAL EXPENDITURES	481,338	716,255	238,201	478,054
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(464,013)	(698,930)	(238,201)	460,729
OTHER FINANCING SOURCES:				
Transfers in	360,000	360,000	-	(360,000)
TOTAL OTHER FINANCING SOURCES	360,000	360,000	-	(360,000)
NET CHANGE IN FUND BALANCE	(104,013)	(338,930)	(238,201)	100,729
FUND BALANCE - BEGINNING OF YEAR	933,224	933,224	933,224	-
FUND BALANCE - END OF YEAR	\$ 829,211	\$ 594,294	\$ 695,023	\$ 100,729

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,140,628	\$ 1,140,628	\$ 1,170,270	\$ 29,642
Investment income	6,621	6,621	90,068	83,447
TOTAL REVENUES	<u>1,147,249</u>	<u>1,147,249</u>	<u>1,260,338</u>	<u>113,089</u>
EXPENDITURES:				
Current:				
Public works	165,473	165,473	6,412	159,061
Capital improvement programs	<u>1,000,000</u>	<u>2,977,879</u>	<u>321,329</u>	<u>2,656,550</u>
TOTAL EXPENDITURES	<u>1,165,473</u>	<u>3,143,352</u>	<u>327,741</u>	<u>2,815,611</u>
NET CHANGE IN FUND BALANCE	(18,224)	(1,996,103)	932,597	2,928,700
FUND BALANCE - BEGINNING OF YEAR	<u>1,931,715</u>	<u>1,931,715</u>	<u>1,931,715</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,913,491</u>	<u>\$ (64,388)</u>	<u>\$ 2,864,312</u>	<u>\$ 2,928,700</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RESTRICTED ADMINISTRATIVE TOW FEE SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 42,000	\$ 42,000	\$ 52,160	\$ 10,160
Investment income	699	699	3,218	2,519
TOTAL REVENUES	<u>42,699</u>	<u>42,699</u>	<u>55,378</u>	<u>12,679</u>
EXPENDITURES:				
Current:				
General government	-	-	4,235	(4,235)
Community services	67,500	76,000	36,665	39,335
Capital improvement programs	-	10,000	-	10,000
TOTAL EXPENDITURES	<u>67,500</u>	<u>86,000</u>	<u>40,900</u>	<u>45,100</u>
NET CHANGE IN FUND BALANCE	(24,801)	(43,301)	14,478	57,779
FUND BALANCE - BEGINNING OF YEAR	<u>100,480</u>	<u>100,480</u>	<u>100,480</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 75,679</u>	<u>\$ 57,179</u>	<u>\$ 114,958</u>	<u>\$ 57,779</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YOUTH SERVICES PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,237	\$ 1,237	\$ -	\$ (1,237)
TOTAL REVENUES	<u>1,237</u>	<u>1,237</u>	<u>-</u>	<u>(1,237)</u>
NET CHANGE IN FUND BALANCE	1,237	1,237	-	(1,237)
FUND BALANCE - BEGINNING OF YEAR	<u>51,232</u>	<u>51,232</u>	<u>51,232</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 52,469</u>	<u>\$ 52,469</u>	<u>\$ 51,232</u>	<u>\$ (1,237)</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CITY SPECIAL EVENTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 161,750	\$ 159,250	\$ 69,859	\$ (89,391)
Investment income	2,700	2,700	-	(2,700)
Miscellaneous	-	-	8,004	8,004
TOTAL REVENUES	<u>164,450</u>	<u>161,950</u>	<u>77,863</u>	<u>(84,087)</u>
EXPENDITURES:				
Current:				
General government	<u>261,750</u>	<u>376,750</u>	<u>322,122</u>	<u>54,628</u>
TOTAL EXPENDITURES	<u>261,750</u>	<u>376,750</u>	<u>322,122</u>	<u>54,628</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(97,300)</u>	<u>(214,800)</u>	<u>(244,259)</u>	<u>(29,459)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>(100,000)</u>	<u>(333,500)</u>	<u>338,500</u>	<u>672,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(100,000)</u>	<u>(333,500)</u>	<u>338,500</u>	<u>672,000</u>
NET CHANGE IN FUND BALANCE	(197,300)	(548,300)	94,241	642,541
FUND BALANCE - BEGINNING OF YEAR	<u>156,722</u>	<u>156,722</u>	<u>156,722</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (40,578)</u>	<u>\$ (391,578)</u>	<u>\$ 250,963</u>	<u>\$ 642,541</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MTA CALL FOR PROJECTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 867	\$ 867
TOTAL REVENUES	-	-	867	867
EXPENDITURES:				
Current:				
Capital improvement programs	-	1,453,787	150,705	1,303,082
TOTAL EXPENDITURES	-	1,453,787	150,705	1,303,082
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,453,787)	(149,838)	1,303,949
OTHER FINANCING SOURCES (USES):				
Transfers in			-	-
Transfers out			-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(1,453,787)	(149,838)	1,303,949
FUND BALANCE - BEGINNING OF YEAR	812,709	812,709	812,709	-
FUND BALANCE - END OF YEAR	\$ 812,709	\$ (641,078)	\$ 662,871	\$ 1,303,949

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,567,557	\$ 2,567,557	\$ 3,098,857	\$ 531,300
Investment income	5,766	5,766	113,477	107,711
TOTAL REVENUES	<u>2,573,323</u>	<u>2,573,323</u>	<u>3,212,334</u>	<u>639,011</u>
EXPENDITURES:				
Current:				
Capital improvement programs	<u>435,000</u>	<u>885,000</u>	<u>40,633</u>	<u>844,367</u>
TOTAL EXPENDITURES	<u>435,000</u>	<u>885,000</u>	<u>40,633</u>	<u>844,367</u>
NET CHANGE IN FUND BALANCE	2,138,323	1,688,323	3,171,701	1,483,378
FUND BALANCE - BEGINNING OF YEAR	<u>749,130</u>	<u>749,130</u>	<u>749,130</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,887,453</u>	<u>\$ 2,437,453</u>	<u>\$ 3,920,831</u>	<u>\$ 1,483,378</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LOS ANGELES COUNTY PARK DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 433,998	\$ 433,998	\$ 201,808	\$ (232,190)
TOTAL REVENUES	433,998	433,998	201,808	(232,190)
EXPENDITURES:				
Capital improvement programs	-	460,000	15,888	444,112
TOTAL EXPENDITURES	-	460,000	15,888	444,112
NET CHANGE IN FUND BALANCE	433,998	(26,002)	185,920	211,922
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(661,718)	(661,718)	(661,718)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (227,720)	\$ (687,720)	\$ (475,798)	\$ 211,922

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 BEVERAGE CONTAINER RECYCLING SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 23,736	\$ 23,736	\$ 46,789	\$ 23,053
Investment income	1,550	1,550	1,740	190
TOTAL REVENUES	<u>25,286</u>	<u>25,286</u>	<u>48,529</u>	<u>23,243</u>
EXPENDITURES:				
Current:				
Public works	4,069	4,069	15,775	(11,706)
Capital improvement programs	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
TOTAL EXPENDITURES	<u>14,069</u>	<u>14,069</u>	<u>15,775</u>	<u>(1,706)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,217</u>	<u>11,217</u>	<u>32,754</u>	<u>21,537</u>
OTHER FINANCING (USES):				
Transfers out	<u>(9,840)</u>	<u>(9,840)</u>	-	<u>9,840</u>
TOTAL OTHER FINANCING (USES)	<u>(9,840)</u>	<u>(9,840)</u>	-	<u>9,840</u>
NET CHANGE IN FUND BALANCE	1,377	1,377	32,754	31,377
FUND BALANCE - BEGINNING OF YEAR	<u>27,773</u>	<u>27,773</u>	<u>27,773</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 29,150</u>	<u>\$ 29,150</u>	<u>\$ 60,527</u>	<u>\$ 31,377</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE COPS GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 269,832	\$ 124,832
Investment income	2,512	2,512	11,070	8,558
TOTAL REVENUES	<u>147,512</u>	<u>147,512</u>	<u>280,902</u>	<u>133,390</u>
EXPENDITURES:				
Current:				
Community services	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,512	2,512	135,902	133,390
FUND BALANCE - BEGINNING OF YEAR	<u>104,252</u>	<u>104,252</u>	<u>104,252</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 106,764</u>	<u>\$ 106,764</u>	<u>\$ 240,154</u>	<u>\$ 133,390</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
USED OIL STATE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 25,749	\$ 25,749
Investment income	-	-	4,260	4,260
TOTAL REVENUES	-	-	30,009	30,009
EXPENDITURES:				
Current:				
Public works	-	7,887	9,108	(1,221)
TOTAL EXPENDITURES	-	7,887	9,108	(1,221)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(7,887)	20,901	28,788
OTHER FINANCING USES:				
Transfers out	-	(10,461)	(9,354)	1,107
TOTAL OTHER FINANCING USES	-	(10,461)	(9,354)	1,107
NET CHANGE IN FUND BALANCE	-	(18,348)	11,547	29,895
FUND BALANCE - BEGINNING OF YEAR	29,360	29,360	29,360	-
FUND BALANCE - END OF YEAR	\$ 29,360	\$ 11,012	\$ 40,907	\$ 29,895

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FAMILY SUPPORT GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 55,200	\$ 126,375	\$ 59,235	\$ (67,140)
TOTAL REVENUES	55,200	126,375	59,235	(67,140)
EXPENDITURES:				
Current:				
Community services	50,256	121,431	63,736	57,695
TOTAL EXPENDITURES	50,256	121,431	63,736	57,695
NET CHANGE IN FUND BALANCE	4,944	4,944	(4,501)	(9,445)
FUND BALANCE - BEGINNING OF YEAR	5,096	5,096	5,096	-
FUND BALANCE - END OF YEAR	\$ 10,040	\$ 10,040	\$ 595	\$ (9,445)

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,103,514	\$ 1,103,514	\$ 1,443,130	\$ 339,616
Miscellaneous	-	-	238	238
TOTAL REVENUES	<u>1,103,514</u>	<u>1,103,514</u>	<u>1,443,368</u>	<u>339,854</u>
EXPENDITURES:				
Current:				
Community development	<u>1,226,003</u>	<u>1,443,924</u>	<u>1,008,646</u>	<u>435,278</u>
TOTAL EXPENDITURES	<u>1,226,003</u>	<u>1,443,924</u>	<u>1,008,646</u>	<u>435,278</u>
NET CHANGE IN FUND BALANCE	(122,489)	(340,410)	434,722	775,132
FUND BALANCE - BEGINNING OF YEAR	<u>(407,284)</u>	<u>(407,284)</u>	<u>(407,284)</u>	-
FUND BALANCE - END OF YEAR	<u>\$ (529,773)</u>	<u>\$ (747,694)</u>	<u>\$ 27,438</u>	<u>\$ 775,132</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FEDERAL HIGHWAY PLANNING GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 4,134	\$ 4,134
TOTAL REVENUES	-	-	4,134	4,134
EXPENDITURES:				
Capital improvement programs	-	2,942,200	26,406	2,915,794
TOTAL EXPENDITURES	-	2,942,200	26,406	2,915,794
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,942,200)	(22,272)	2,919,928
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(53,105)	(53,105)	(53,105)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (53,105)</u>	<u>\$ (2,995,305)</u>	<u>\$ (75,377)</u>	<u>\$ 2,919,928</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 WORKFORCE INVESTMENT ACT (WIA) GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 2,016	\$ 2,016	\$ -	\$ (2,016)
TOTAL REVENUES	<u>2,016</u>	<u>2,016</u>	<u>-</u>	<u>(2,016)</u>
EXPENDITURES:				
Current:				
Community development	-	-	139	(139)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>139</u>	<u>(139)</u>
NET CHANGE IN FUND BALANCE	2,016	2,016	(139)	(2,155)
FUND BALANCE - BEGINNING OF YEAR	<u>99</u>	<u>99</u>	<u>99</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,115</u>	<u>\$ 2,115</u>	<u>\$ (40)</u>	<u>\$ (2,155)</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 NEIGHBORHOOD STABILIZATION GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 6,430	\$ 6,430	\$ 9,358	\$ 2,928
TOTAL REVENUES	<u>6,430</u>	<u>6,430</u>	<u>9,358</u>	<u>2,928</u>
NET CHANGE IN FUND BALANCE	6,430	6,430	9,358	2,928
FUND BALANCE - BEGINNING OF YEAR	<u>316,216</u>	<u>316,216</u>	<u>316,216</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 322,646</u>	<u>\$ 322,646</u>	<u>\$ 325,574</u>	<u>\$ 2,928</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING PLAN RETENTION SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,314	\$ 1,314	\$ -	\$ (1,314)
Miscellaneous	10,608	10,608	172	(10,436)
TOTAL REVENUES	11,922	11,922	172	(11,750)
EXPENDITURES:				
Current:				
Capital improvement programs	-	635,000	517,828	117,172
TOTAL EXPENDITURES	-	635,000	517,828	117,172
NET CHANGE IN FUND BALANCE	11,922	(623,078)	(517,656)	105,422
FUND BALANCE - BEGINNING OF YEAR	253,061	253,061	253,061	-
FUND BALANCE - END OF YEAR	\$ 264,983	\$ (370,017)	\$ (264,595)	\$ 105,422

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FACILITIES MAINTENANCE FEES SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 15,000	\$ 15,000	\$ 59,928	\$ 44,928
TOTAL REVENUES	15,000	15,000	59,928	44,928
NET CHANGE IN FUND BALANCE	15,000	15,000	59,928	44,928
FUND BALANCE - BEGINNING OF YEAR	24,903	24,903	24,903	-
FUND BALANCE - END OF YEAR	\$ 39,903	\$ 39,903	\$ 84,831	\$ 44,928

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOAD SHED PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 6,498	\$ 6,498	\$ -	\$ (6,498)
Miscellaneous	-	-	193,726	193,726
TOTAL REVENUES	6,498	6,498	193,726	187,228
EXPENDITURES:				
Capital improvement programs	85,000	148,999	22,631	126,368
TOTAL EXPENDITURES	85,000	148,999	22,631	126,368
NET CHANGE IN FUND BALANCE	(78,502)	(142,501)	171,095	313,596
FUND BALANCE - BEGINNING OF YEAR	302,155	302,155	302,155	-
FUND BALANCE - END OF YEAR	\$ 223,653	\$ 159,654	\$ 473,250	\$ 313,596

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PUBLIC EDUCATION AND GOVERNMENT ACCESS (PEG) SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 120,000	\$ 120,000	\$ 32,965	\$ (87,035)
Investment income	12,963	12,963	-	(12,963)
TOTAL REVENUES	132,963	132,963	32,965	(99,998)
EXPENDITURES:				
Current:				
General government	25,500	5,196	25,197	(20,001)
Capital improvement programs	100,000	120,304	38,702	81,602
TOTAL EXPENDITURES	125,500	125,500	63,899	61,601
NET CHANGE IN FUND BALANCE	7,463	7,463	(30,934)	(38,397)
FUND BALANCE - BEGINNING OF YEAR	520,263	520,263	520,263	-
FUND BALANCE - END OF YEAR	\$ 527,726	\$ 527,726	\$ 489,329	\$ (38,397)

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAISED MEDIAN IN-LIEU SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,595	\$ 5,595	\$ -	\$ (5,595)
TOTAL REVENUES	5,595	5,595	-	(5,595)
NET CHANGE IN FUND BALANCE	5,595	5,595	-	(5,595)
FUND BALANCE - BEGINNING OF YEAR	233,114	233,114	233,114	-
FUND BALANCE - END OF YEAR	<u>\$ 238,709</u>	<u>\$ 238,709</u>	<u>\$ 233,114</u>	<u>\$ (5,595)</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 UTILITY UNDERGROUND IN-LIEU SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 18,029	\$ 18,029	\$ -	\$ (18,029)
TOTAL REVENUES	18,029	18,029	-	(18,029)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(638,017)	(638,017)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(638,017)	(638,017)
NET CHANGE IN FUND BALANCE	18,029	18,029	(638,017)	(656,046)
FUND BALANCE - BEGINNING OF YEAR	1,327,790	1,327,790	1,327,790	-
FUND BALANCE - END OF YEAR	\$ 1,345,819	\$ 1,345,819	\$ 689,773	\$ (656,046)

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SB1 SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,567,354	\$ 1,567,354	\$ 1,720,104	\$ 152,750
TOTAL REVENUES	<u>1,567,354</u>	<u>1,567,354</u>	<u>1,720,104</u>	<u>152,750</u>
EXPENDITURES:				
Capital improvement programs	<u>1,572,302</u>	<u>1,768,150</u>	<u>54,605</u>	<u>1,713,545</u>
TOTAL EXPENDITURES	<u>1,572,302</u>	<u>1,768,150</u>	<u>54,605</u>	<u>1,713,545</u>
EXCESS OF REVENUES OVER (Under) EXPENDITURES	<u>(4,948)</u>	<u>(200,796)</u>	<u>1,665,499</u>	<u>1,866,295</u>
FUND BALANCE - BEGINNING OF YEAR	<u>51,945</u>	<u>51,945</u>	<u>51,945</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 46,997</u>	<u>\$ (148,851)</u>	<u>\$ 1,717,444</u>	<u>\$ 1,866,295</u>

CITY OF CARSON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,292,684	\$ 1,292,684	\$ 1,318,352	\$ 25,668
Investment income	-	-	42,068	42,068
TOTAL REVENUES	<u>1,292,684</u>	<u>1,292,684</u>	<u>1,360,420</u>	<u>67,736</u>
EXPENDITURES:				
Current:				
Public works	1,220,679	1,061,706	47,412	1,014,294
Capital improvement programs	<u>65,000</u>	<u>925,608</u>	<u>646,739</u>	<u>278,869</u>
TOTAL EXPENDITURES	<u>1,285,679</u>	<u>1,987,314</u>	<u>694,151</u>	<u>1,293,163</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,005</u>	<u>(694,630)</u>	<u>666,269</u>	<u>1,360,899</u>
FUND BALANCE - BEGINNING OF YEAR	<u>887,930</u>	<u>887,930</u>	<u>887,930</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 894,935</u>	<u>\$ 193,300</u>	<u>\$ 1,554,199</u>	<u>\$ 1,360,899</u>

CITY OF CARSON

Agency Funds

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

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

The **Trust and Agency Fund** is used to account for assets that are held in a custodial relationship for various individuals and private organizations.

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

The **Sepulveda Boulevard 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.

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CITY OF CARSON

FIDUCIARY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES

June 30, 2019

	Trust and Agency	Wilmington Avenue Assessment District	Sepulveda Boulevard Assessment District	Dominquez Tech Center Assessment District	Total Agency Funds
ASSETS:					
Cash and investments	\$ 2,469,466	\$ 772,889	\$ 819,526	\$ 2,248,361	\$ 6,310,242
Cash and investments with fiscal agents	-	-	-	2,603,864	2,603,864
Taxes receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
TOTAL ASSETS	\$ 2,469,466	\$ 772,889	\$ 819,526	\$ 4,852,225	\$ 8,914,106
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 68,518	\$ -	\$ -	\$ 1,790	\$ 70,308
Refundable deposits	2,400,948	-	-	-	2,400,948
Due to assessed parties	-	772,889	-	-	772,889
Due to bondholders	-	-	819,526	4,850,435	5,669,961
TOTAL LIABILITIES	\$ 2,469,466	\$ 772,889	\$ 819,526	\$ 4,852,225	\$ 8,914,106

CITY OF CARSON
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
TRUST AND AGENCY				
ASSETS:				
Cash and investments	\$ 2,404,259	\$ 1,645,225	\$ (1,580,018)	\$ 2,469,466
Due from other governments	24,056	-	(24,056)	-
	<u>\$ 2,428,315</u>	<u>\$ 1,645,225</u>	<u>\$ (1,604,074)</u>	<u>\$ 2,469,466</u>
TOTAL ASSETS	<u>\$ 2,428,315</u>	<u>\$ 1,645,225</u>	<u>\$ (1,604,074)</u>	<u>\$ 2,469,466</u>
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 46,205	\$ 1,182,875	\$ (1,160,562)	\$ 68,518
Refundable deposits	2,382,110	1,649,443	(1,630,605)	2,400,948
	<u>\$ 2,428,315</u>	<u>\$ 2,832,318</u>	<u>\$ (2,791,167)</u>	<u>\$ 2,469,466</u>
TOTAL LIABILITIES	<u>\$ 2,428,315</u>	<u>\$ 2,832,318</u>	<u>\$ (2,791,167)</u>	<u>\$ 2,469,466</u>
WILMINGTON AVENUE ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 750,673	\$ 44,431	\$ (22,215)	\$ 772,889
	<u>\$ 750,673</u>	<u>\$ 44,431</u>	<u>\$ (22,215)</u>	<u>\$ 772,889</u>
TOTAL ASSETS	<u>\$ 750,673</u>	<u>\$ 44,431</u>	<u>\$ (22,215)</u>	<u>\$ 772,889</u>
LIABILITIES:				
Due to assessed parties	\$ 750,673	\$ 44,431	\$ (22,215)	\$ 772,889
	<u>\$ 750,673</u>	<u>\$ 44,431</u>	<u>\$ (22,215)</u>	<u>\$ 772,889</u>
TOTAL LIABILITIES	<u>\$ 750,673</u>	<u>\$ 44,431</u>	<u>\$ (22,215)</u>	<u>\$ 772,889</u>
SEPULVEDA BOULEVARD ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 922,590	\$ 123,213	\$ (226,277)	\$ 819,526
	<u>\$ 922,590</u>	<u>\$ 123,213</u>	<u>\$ (226,277)</u>	<u>\$ 819,526</u>
TOTAL ASSETS	<u>\$ 922,590</u>	<u>\$ 123,213</u>	<u>\$ (226,277)</u>	<u>\$ 819,526</u>
LIABILITIES:				
Due to bondholders	\$ 922,590	\$ 123,213	\$ (226,277)	\$ 819,526
	<u>\$ 922,590</u>	<u>\$ 123,213</u>	<u>\$ (226,277)</u>	<u>\$ 819,526</u>
TOTAL LIABILITIES	<u>\$ 922,590</u>	<u>\$ 123,213</u>	<u>\$ (226,277)</u>	<u>\$ 819,526</u>

(Continued)

CITY OF CARSON
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 (CONTINUED)

For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
DOMINGUEZ TECH CENTER ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 1,136,700	\$ 3,445,860	\$ (2,334,199)	\$ 2,248,361
Cash and investments with fiscal agent	2,556,961	2,311,184	(2,264,281)	2,603,864
Taxes receivable	1,092,919	-	(1,092,919)	-
	<u>\$ 4,786,580</u>	<u>\$ 5,757,044</u>	<u>\$ (5,691,399)</u>	<u>\$ 4,852,225</u>
TOTAL ASSETS	<u>\$ 4,786,580</u>	<u>\$ 5,757,044</u>	<u>\$ (5,691,399)</u>	<u>\$ 4,852,225</u>
LIABILITIES:				
Accounts payable and accrued liabilities	\$ -	\$ 7,563	\$ (5,773)	\$ 1,790
Due to bondholders	4,786,580	63,855		4,850,435
	<u>\$ 4,786,580</u>	<u>\$ 71,418</u>	<u>\$ (5,773)</u>	<u>\$ 4,852,225</u>
TOTAL LIABILITIES	<u>\$ 4,786,580</u>	<u>\$ 71,418</u>	<u>\$ (5,773)</u>	<u>\$ 4,852,225</u>
TOTAL ALL FIDUCIARY FUNDS				
ASSETS:				
Cash and investments	\$ 5,214,222	\$ 5,258,729	\$ (4,162,709)	\$ 6,310,242
Cash and investments with fiscal agent	2,556,961	2,311,184	(2,264,281)	2,603,864
Taxes receivable	1,092,919	-	(1,092,919)	-
Due from other governments	24,056	-	(24,056)	-
	<u>\$ 8,888,158</u>	<u>\$ 7,569,913</u>	<u>\$ (7,543,965)</u>	<u>\$ 8,914,106</u>
TOTAL ASSETS	<u>\$ 8,888,158</u>	<u>\$ 7,569,913</u>	<u>\$ (7,543,965)</u>	<u>\$ 8,914,106</u>
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 46,205	\$ 1,190,438	\$ (1,166,335)	\$ 70,308
Refundable deposits	2,382,110	1,649,443	(1,630,605)	2,400,948
Due to assessed parties	750,673	44,431	(22,215)	772,889
Due to bondholders	5,709,170	187,068	(226,277)	5,669,961
	<u>\$ 8,888,158</u>	<u>\$ 3,071,380</u>	<u>\$ (3,045,432)</u>	<u>\$ 8,914,106</u>
TOTAL LIABILITIES	<u>\$ 8,888,158</u>	<u>\$ 3,071,380</u>	<u>\$ (3,045,432)</u>	<u>\$ 8,914,106</u>

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STATISTICAL SECTION

(Not covered by Independent Auditors' Report)

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

Description of Statistical Section

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.

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TABLE 1

CITY OF CARSON, CALIFORNIA
 Net Assets by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of accumulated depreciation and related debt	\$ 339,117,408	\$ 339,193,971	\$ 302,392,752	\$ 296,900,646	\$ 293,712,678	\$ 295,848,031	\$ 369,068,436	\$ 380,935,329	\$ 385,341,066	\$ 386,414,281
Restricted for:										
Economic development	58,194,306	21,030,464	207,323	-	-	-	-	758,063	460,782	353,012
Development services	6,218,413	5,462,293	4,606,521	3,379,453	4,396,352	2,021,219	2,397,487	7,273,415	11,822,412	21,399,782
Low and moderate income housing	56,547,299	33,212,090	47,104,277	56,811,390	52,696,178	51,058,195	33,115,931	23,595,980	10,646,958	11,162,327
Public services	437,501	1,351,533	6,228,534	1,874,973	3,259,542	42,495,631	28,535,274	11,096,410	3,698,916	4,664,319
Unrestricted	(41,228,567)	(20,605,772)	2,571,341	12,357,782	10,281,994	(64,190,834)	(75,486,338)	(82,118,193)	(111,097,624)	(106,831,996)
Total governmental activities net assets	<u>\$ 419,286,360</u>	<u>\$ 379,644,579</u>	<u>\$ 363,110,748</u>	<u>\$ 371,324,244</u>	<u>\$ 364,346,744</u>	<u>\$ 327,232,242</u>	<u>\$ 357,630,790</u>	<u>\$ 341,541,004</u>	<u>\$ 300,872,510</u>	<u>\$ 317,161,725</u>

Source: City of Carson

TABLE 2

CITY OF CARSON, CALIFORNIA
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 20,353,648	\$ 20,578,498	\$ 22,940,199	\$ 22,049,082	\$ 23,721,702	\$ 21,573,509	\$ 35,319,096	\$ 49,415,055	\$ 37,566,169	\$ 34,064,482
Public safety	-	-	-	-	-	-	-	-	21,265,535	22,635,739
Community services	42,720,043	36,479,106	41,684,670	35,247,843	37,689,223	38,696,281	42,477,759	19,633,718	23,131,014	17,524,467
Public works	16,439,029	11,742,451	14,060,876	15,799,718	18,736,498	22,492,218	19,819,103	20,204,915	19,520,884	18,843,054
Community development	56,847,899	53,957,318	14,469,115	32,878,975	19,125,990	11,951,040	12,330,080	21,436,486	17,823,301	10,254,671
Interest and other charges	7,858,690	15,535,108	5,350,108	-	-	-	-	-	-	-
Capital maintenance programs	-	2,921,050	-	2,031,237	-	301,315	-	-	-	-
Interfund reimbursement	-	8,615,980	-	-	-	-	-	-	-	-
Total governmental activities/ primary government expenses	<u>144,219,309</u>	<u>149,829,511</u>	<u>98,504,968</u>	<u>108,006,855</u>	<u>99,273,413</u>	<u>95,014,363</u>	<u>109,946,038</u>	<u>110,690,174</u>	<u>119,306,903</u>	<u>103,322,413</u>
Program Revenues:										
Governmental activities:										
Charges for services	12,061,204	15,100,971	14,690,950	12,137,769	13,040,956	13,876,288	13,725,032	14,425,776	19,617,597	21,244,520
Operating contributions and grants	12,193,258	10,963,981	13,483,809	12,895,134	13,096,789	13,457,894	11,159,230	13,900,254	12,939,593	11,115,977
Capital contributions and grants	4,067,208	5,322,016	3,148,874	489,800	1,871,566	2,733,035	1,335,164	255,576	1,199,345	8,632,654
Total governmental activities/primary government program revenues	<u>28,321,670</u>	<u>31,386,968</u>	<u>31,323,633</u>	<u>25,522,703</u>	<u>28,009,311</u>	<u>30,067,217</u>	<u>26,219,426</u>	<u>28,581,606</u>	<u>33,756,535</u>	<u>40,993,151</u>
Net (Expenses) Revenues										
Governmental activities/Primary government	<u>\$ (115,897,639)</u>	<u>\$ (118,442,543)</u>	<u>\$ (67,181,335)</u>	<u>\$ (82,484,152)</u>	<u>\$ (71,264,102)</u>	<u>\$ (64,947,146)</u>	<u>\$ (83,726,612)</u>	<u>\$ (82,108,568)</u>	<u>\$ (85,550,368)</u>	<u>\$ (62,329,262)</u>

(Continued)

TABLE 2

CITY OF CARSON, CALIFORNIA
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 32,874,557	\$ 32,977,590	\$ 28,206,102	\$ 19,247,084	\$ 17,381,673	\$ 14,720,272	\$ 15,128,210	\$ 15,026,130	\$ 15,702,099	\$ 16,385,673
Sales taxes	15,051,658	17,195,450	20,688,872	25,187,734	23,668,795	21,820,128	25,364,057	24,721,304	24,439,171	28,554,425
Transient occupancy taxes	1,121,092	1,197,800	1,307,732	1,462,174	1,598,037	1,812,310	2,138,378	2,225,416	2,242,192	2,245,815
Franchise taxes	6,876,484	7,483,227	7,746,907	7,090,887	7,933,064	8,274,908	8,587,698	8,094,969	9,094,861	9,817,355
Utility users tax	6,722,319	7,439,521	8,016,141	7,495,997	9,284,071	8,135,144	6,754,075	7,030,672	8,129,186	7,892,486
Oil industry business tax	-	-	-	-	-	-	-	-	2,331,338	3,256,127
Admissions Tax	362,105	266,446	390,600	463,116	315,511	458,117	256,343	-	-	-
Motor vehicle in lieu	2,153,876	7,104,861	-	-	-	-	-	-	-	-
Motor vehicle license fee, unrestricted	288,398	242,811	256,016	50,405	41,716	40,296	37,584	42,108	49,309	45,024
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-
Investment income	4,842,082	3,062,757	1,763,424	2,568,878	3,295,319	748,051	1,199,856	1,326,385	1,102,793	1,614,696
Developer constructed infrastructure	-	-	-	-	-	-	-	-	-	-
Other revenue	5,212,274	1,830,299	195,425	938,422	768,416	2,161,737	3,699,275	7,551,798	15,217,121	7,895,876
Total governmental activities/primary government	<u>75,504,845</u>	<u>78,800,762</u>	<u>68,571,219</u>	<u>64,504,697</u>	<u>64,286,602</u>	<u>98,441,980</u>	<u>63,165,476</u>	<u>66,018,782</u>	<u>78,308,070</u>	<u>77,707,477</u>
Change in Net Position										
Governmental activities/primary government	<u>\$ (40,392,794)</u>	<u>\$ (39,641,781)</u>	<u>\$ 1,389,884</u>	<u>\$ (17,979,455)</u>	<u>\$ (6,977,500)</u>	<u>\$ 33,494,834</u>	<u>\$ (20,561,136)</u>	<u>\$ (16,089,786)</u>	<u>\$ (7,242,298)</u>	<u>\$ 15,378,215</u>

Source: City of Carson

TABLE 3

CITY OF CARSON, CALIFORNIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ 944,838									
Unreserved, reported in:										
Designated for special purpose	1,245,972									
Undesignated	15,991,314									
Total general fund	<u>18,182,124</u>									
Special Revenue										
Reserved	17,526,281									
Unreserved, reported in:										
Designated	7,045,587									
Undesignated	-									
State local transportation fund										
Unreserved, reported in:										
Special revenue funds	-									
Total special revenue fund	<u>24,571,868</u>									
Capital projects										
Reserved	51,338,721									
Unreserved, reported in:										
Designated	109,182,006									
Undesignated	-									
Total capital projects	<u>160,520,727</u>									
Debt service*										
Reserved	-									
Total debt service	<u>-</u>									
Total governmental funds	<u>\$ 203,274,719</u>									

(Continued)

TABLE 3

CITY OF CARSON, CALIFORNIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Nonspendable		\$ 677,922	\$ 739,877	\$ 1,632,266	\$ 2,507,687	\$ 375,759	\$ 342,432	\$ 267,772	\$ 240,436	\$ 313,734
Restricted		2,321,416	2,410,033	2,484,398	1,760,551	1,760,710	1,431,403	250,000	250,000	683,361
Committed		6,198,067	6,705,685	20,409,123	20,957,808	18,583,716	16,710,504	15,324,165	15,324,165	15,324,165
Assigned		3,712,276	3,792,000	5,102,225	5,276,764	5,071,211	226,096	1,000,000	1,000,000	1,000,000
Unassigned		10,591,610	15,971,310	6,739,998	5,875,509	1,775,796	-	2,121,065	18,405,368	27,850,152
		<u>23,501,291</u>	<u>29,618,905</u>	<u>36,368,010</u>	<u>36,378,319</u>	<u>27,567,192</u>	<u>18,710,435</u>	<u>18,963,002</u>	<u>35,219,969</u>	<u>45,171,412</u>
Housing Authority										
Nonspendable		7,650,948	16,218,201	8,146,939	6,640,174	8,046,694	-	-	-	-
Restricted		51,868,370	8,832,728	28,598,803	25,928,500	22,665,356	33,115,931	23,595,980	10,646,958	11,162,327
		<u>59,519,318</u>	<u>25,050,929</u>	<u>36,745,742</u>	<u>32,568,674</u>	<u>30,712,050</u>	<u>33,115,931</u>	<u>23,595,980</u>	<u>10,646,958</u>	<u>11,162,327</u>
Cooperation Agreement Bond Proceeds Fund										
Restricted		-	-	-	-	40,092,461	24,870,947	9,400,111	2,279,182	2,587,758
Capital projects										
Nonspendable		24,660,162	-	-	-	-	-	-	-	-
Restricted		99,021,335	-	-	-	-	-	-	-	-
		<u>123,681,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Proposition C Local Return Fund										
Restricted		-	134,090	-	-	-	-	-	-	-
Federal Highway Planning Grant Fund										
Unassigned		-	(549,702)	-	-	-	-	-	-	-
State CIP Grants Special Revenue Fund										
Unassigned		-	-	-	-	-	-	(2,067,793)	(1,491,505)	(1,495,784)
Nonmajor government funds										
Restricted		28,208,276	6,221,890	5,206,026	7,655,894	4,424,361	6,403,356	9,048,634	12,081,312	21,992,402
Assigned		589,883	608,662	1,015,107	693,941	494,123	-	-	-	-
Unassigned		(3,363,044)	(540,012)	(81,767)	(343,282)	(204,620)	(611,104)	(987,537)	(1,126,734)	(820,437)
		<u>25,435,115</u>	<u>6,290,540</u>	<u>6,139,366</u>	<u>8,006,553</u>	<u>4,713,864</u>	<u>5,792,252</u>	<u>8,061,097</u>	<u>10,954,578</u>	<u>21,171,965</u>
Total government funds		<u>\$ 232,137,221</u>	<u>\$ 60,544,762</u>	<u>\$ 79,253,118</u>	<u>\$ 76,953,546</u>	<u>\$ 103,085,567</u>	<u>\$ 82,489,565</u>	<u>\$ 57,952,397</u>	<u>\$ 57,609,182</u>	<u>\$ 78,597,678</u>

Source: City of Carson

TABLE 4

CITY OF CARSON, CALIFORNIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 74,168,970	\$ 79,015,236	\$ 68,978,607	\$ 63,743,453	\$ 63,049,509	\$ 58,206,650	\$ 63,052,429	\$ 62,101,246	\$ 69,045,441	\$ 76,782,091
Licenses and permits	4,766,767	6,472,150	6,240,419	5,733,199	6,157,526	6,306,253	7,273,620	7,295,475	11,321,941	9,517,560
Fines and forfeitures	1,789,500	2,187,730	2,789,268	2,013,571	1,976,961	1,987,718	1,588,678	1,821,718	1,710,330	1,542,202
Intergovernmental	13,027,869	10,746,260	8,361,928	7,794,867	10,688,245	11,729,825	3,461,862	3,839,798	7,140,768	12,002,740
Charges for services	2,662,335	3,062,757	8,967,821	2,907,197	3,070,807	3,338,706	2,285,175	2,523,923	3,451,997	6,595,654
Investment income	4,604,809	3,184,744	1,763,424	2,259,942	2,950,912	3,043,620	7,397,268	5,649,775	2,182,063	2,454,790
Charges to other funds	145,057	-	-	567,509	646,647	6,600	-	-	-	-
Developer impact fee	-	-	-	-	-	-	-	-	1,688,872	2,661,162
Miscellaneous	6,450,369	2,180,221	2,729,580	4,698,626	3,755,306	3,618,808	4,341,491	7,749,126	15,845,145	8,662,499
Total revenues	107,615,676	106,849,098	99,831,047	89,718,364	92,295,913	88,238,180	89,400,523	90,981,061	112,386,557	120,218,698
Expenditures										
General government	20,686,885	18,136,954	20,690,955	20,120,174	22,042,126	21,922,895	29,956,664	40,582,675	24,702,999	27,882,251
Public safety	-	-	-	-	-	-	-	-	21,265,535	22,635,739
Community development	27,037,959	15,249,106	27,466,234	23,606,994	15,139,783	8,472,904	25,284,113	17,508,039	19,294,115	5,932,648
Public Works	13,695,643	14,145,645	16,711,058	14,294,060	16,701,191	21,126,233	15,626,079	15,435,447	14,957,321	16,623,965
Community services	36,679,991	34,477,002	36,366,232	33,994,074	35,461,405	37,126,200	37,723,099	17,640,065	15,621,462	15,313,325
Debt Service										
Bond principal	3,765,000	4,390,000	5,735,000	-	-	-	-	-	-	-
Bond interest	7,181,131	8,592,640	5,096,767	-	-	-	-	-	-	-
Other bond financing costs	334,120	577,740	-	-	-	-	-	-	-	-
Capital improvement programs	51,262,569	27,221,615	17,402,989	5,187,757	5,250,980	11,612,457	6,698,272	24,352,003	16,888,340	11,245,012
Interfund reimbursement	(3,770,394)	(3,464,606)	(5,198,738)	-	-	-	-	-	-	-
Total expenditures	156,872,904	119,326,096	124,270,497	97,203,059	94,595,485	100,260,689	115,288,227	115,518,229	112,729,772	99,632,940
Excess (deficiency) of revenues over (under) expenditures	(49,257,228)	(12,476,998)	(24,439,450)	(7,484,695)	(2,299,572)	(12,022,509)	(25,887,704)	(24,537,168)	(343,215)	20,585,758
Other financing sources (uses)										
Transfers in	18,589,935	22,838,526	25,766,146	1,566,581	1,063,673	43,249,253	145,757	3,554,443	896,866	985,871
Transfers out	(18,589,935)	(22,838,526)	(25,766,146)	(1,566,581)	(1,063,673)	(2,978,236)	(145,757)	(3,554,443)	(896,866)	(985,871)
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	12,165,000	40,560,000	-	-	-	-	-	-	-	-
Payment to escrow agent	(272,385)	-	-	-	-	-	-	-	-	-
Sale of land	-	779,500	-	-	-	-	-	-	-	402,738
Total other financing sources (uses)	11,892,615	41,339,500	-	-	-	40,271,017	-	-	-	402,738
Net change in fund balances	\$ (37,364,613)	\$ 28,862,502	\$ (24,439,450)	\$ (7,484,695)	\$ (2,299,572)	\$ 28,248,508	\$ (25,887,704)	\$ (24,537,168)	\$ (343,215)	\$ 20,988,496
Debt service as a percentage of noncapital expenditures	11.50%	16.54%	10.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Carson

TABLE 5

CITY OF CARSON, CALIFORNIA
 General Governmental Revenues by Source
 Last Ten Fiscal Years

Year Ended 30-Jun	Property Tax	Sales Tax	Franchise Tax	Investments Income	Building Construction Permits	Business License Fees	Federal Grants	Motor Vehicle License Fees	Utility Users Tax
2010	\$ 41,519,865 *	\$ 15,051,658 **	\$ 6,876,484	\$ 2,849,583	\$ 1,901,201	\$ 2,282,081	\$ 12,607,160	\$ 288,398	\$ 6,722,319
2011	\$ 42,753,339 *	\$ 17,195,450 **	\$ 7,483,227	\$ 1,808,934	\$ 3,053,450	\$ 2,650,060	\$ 5,769,445	\$ 242,811	\$ 7,439,521
2012	\$ 19,355,360	\$ 20,688,872 **	\$ 7,746,907	\$ 937,338	\$ 2,789,592	\$ 2,649,097	\$ 2,056,551	\$ 256,016	\$ 7,980,683
2013	\$ 15,611,394	\$ 25,187,734 **	\$ 7,090,887	\$ 341,557	\$ 2,379,027	\$ 2,628,905	\$ 3,043,040	\$ 50,405	\$ 7,495,997
2014	\$ 14,182,112	\$ 23,668,796	\$ 7,933,064	\$ 716,643	\$ 2,899,460	\$ 2,546,608	\$ 3,269,370	\$ 41,716	\$ 9,284,071
2015	\$ 14,720,272	\$ 21,820,128	\$ 8,274,908	\$ 748,051	\$ 2,903,621	\$ 2,698,782	\$ 3,944,432	\$ 40,296	\$ 8,135,144
2016	\$ 15,128,210	\$ 25,364,057	\$ 8,587,699	\$ 1,199,856	\$ 3,835,990	\$ 2,791,431	\$ 2,773,613	\$ 37,584	\$ 6,754,075
2017	\$ 15,026,130	\$ 24,721,304	\$ 8,094,969	\$ 1,326,385	\$ 3,399,219	\$ 2,765,967	\$ 1,651,906	\$ 42,108	\$ 7,030,672
2018	\$ 15,702,099	\$ 24,439,171	\$ 9,094,861	\$ 1,102,793	\$ 6,926,822	\$ 2,915,618	\$ 1,328,198	\$ 49,309	\$ 8,129,186
2019	\$ 16,385,673	\$ 28,554,425	\$ 9,817,355	\$ 1,614,696	\$ 4,568,945	\$ 471,607	\$ 1,447,264	\$ 45,024	\$ 7,892,486

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

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

^ - Utility Users tax is a new revenue source beginning in fiscal year 2009-10.

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

Source: City of Carson

TABLE 6

CITY OF CARSON, CALIFORNIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Entire City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2010	11,949,059	1,480,135	(95,424)	13,333,770	3,436,787	649,248	(16,065)	4,069,970	1.000%
2011	11,897,501	1,439,918	(95,196)	13,242,223	3,405,081	632,562	(16,197)	4,021,446	1.000%
2012	11,857,196	1,327,723	(93,911)	13,091,009	3,451,606	562,904	(16,037)	3,998,473	1.000%
2013	11,959,163	1,211,622	(92,535)	13,078,250	3,496,537	578,477	(16,017)	4,058,997	1.000%
2014	11,973,053	1,210,090	(91,719)	13,091,424	3,655,473	565,268	(15,913)	4,204,829	1.000%
2015	12,197,821	1,287,142	(90,395)	13,394,567	3,729,983	589,858	(15,825)	4,304,015	1.000%
2016	12,797,251	1,214,303	(89,369)	13,922,185	3,871,550	590,427	(15,651)	4,446,327	1.000%
2017	12,891,308	1,235,484	(87,813)	14,038,978	4,065,057	578,066	(15,351)	4,627,772	1.000%
2018	13,222,623	1,277,667	(86,807)	14,413,483	4,301,309	573,759	(15,254)	4,859,813	1.000%
2019	13,925,710	1,305,672	(85,831)	15,145,551	4,545,311	610,678	(15,276)	5,140,713	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

TABLE 7

CITY OF CARSON, CALIFORNIA
 Direct and Overlapping Property Tax Rates
 (Rate per \$100 of assessed value)
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rates:										
City basic rate	<u>1.0000</u>									
Total City Direct Rate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates:										
County of Los Angeles	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Community College	0.0231	0.0403	0.0353	0.0488	0.0445	0.0402	0.0358	0.0279	0.0460	0.0462
Unified Schools	0.1518	0.1870	0.1682	0.1756	0.1464	0.1469	0.1297	0.1310	0.1222	0.1232
Flood Control	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Metropolitan Water District	<u>0.0043</u>	<u>0.0037</u>	<u>0.0037</u>	<u>0.0035</u>						
Total Direct Rate	<u>1.1792</u>	<u>1.2310</u>	<u>1.2072</u>	<u>1.2279</u>	<u>1.1944</u>	<u>1.1906</u>	<u>1.1690</u>	<u>1.1624</u>	<u>1.1717</u>	<u>1.1729</u>

Note:

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

Source: Los Angeles County Assessor's Office

TABLE 8

CITY OF CARSON, CALIFORNIA

Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2019		2010	
	Taxable Assessed Value*	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Tesoro Refining and Marketing Co.	\$ 1,441,189,482	9.46%	\$ 95,460,322	0.71%
Phillips 66	614,274,400	4.03%	-	0.00%
Watson Land Co	545,941,259	3.58%	448,991,487	3.34%
Gatx Tank Storage Terminals Corp.	303,329,301	1.99%	188,871,637	1.41%
Prologis USLV NEWCA LLC	250,146,564	1.64%	-	0.00%
Watson Cogeneration Co.	247,842,659	1.63%	484,958,694	3.61%
Anschutz So. Cal. Sports Complex	141,844,423	0.93%	103,767,591	0.77%
Equilon Enterprises LLC	135,597,449	0.89%	-	0.00%
Ineos Polupropylene LLC	130,989,601	0.86%	116,298,608	0.87%
Carson Dominguez Properties LP	124,517,851	0.82%	122,579,884	0.91%
BP West Coast Products	-	0.00%	2,318,608,200	17.27%
ConocoPhillips Co	-	0.00%	464,804,765	3.46%
General Mills Operations Inc.	-	0.00%	112,478,908	0.84%
	<u>\$ 3,935,672,989</u>	<u>25.84%</u>	<u>\$ 4,456,820,096</u>	<u>33.19%</u>
Total City Taxable Assessed Value	<u>\$ 15,231,382,131</u>		\$ 13,429,193,886	

*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

Data from HdL Property Data Report

TABLE 9

CITY OF CARSON, CALIFORNIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	\$ 33,890,362	\$ 31,630,105	93.33%	\$ 2,260,257	\$ 33,890,362	100.00%
2011	\$ 33,155,535	\$ 30,977,690	93.43%	\$ 2,177,845	\$ 33,155,535	100.00%
2012	\$ 33,313,250	\$ 31,337,722	94.07%	\$ 1,975,528	\$ 33,313,250	100.00%
2013	\$ 33,825,963	\$ 32,062,885	94.79%	\$ 1,763,078	\$ 33,825,963	100.00%
2014	\$ 35,269,741	\$ 33,567,707	95.17%	\$ 1,702,032	\$ 35,269,740	100.00%
2015	\$ 36,104,610	\$ 35,622,156	98.66%	\$ 482,454	\$ 36,104,610	100.00%
2016	\$ 28,869,646	\$ 28,368,269	98.26%	\$ 501,377	\$ 28,869,646	100.00%
2017	\$ 41,886,952	\$ 41,297,617	98.59%	\$ 589,335	\$ 41,886,952	100.00%
2018	\$ 42,672,136	\$ 41,977,300	98.37%	\$ 694,836	\$ 42,672,136	100.00%
2019	\$ 46,915,395	\$ 46,483,736	99.08%	\$ 431,659	\$ 46,915,395	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

TABLE 10

CITY OF CARSON, CALIFORNIA
 Direct and Overlapping Government Activities Debt
 June 30, 2019

	Gross Bonded Debt	Exclusions	Net Bonded Debt City Share
Direct Debt			
City of Carson - 1915 Act Bonds	\$ 22,395,000	\$ 22,395,000	\$ -
Carson Redevelopment Agency	178,835,863	178,835,863	-
Total Direct Debt	<u>\$ 201,230,863</u>	<u>\$ 201,230,863</u>	<u>\$ -</u>
Overlapping Debt-Repaid with Property Taxes			
Tax and Assessment Debt			\$ 295,829,784
General Fund Debt (Net)			<u>29,439,926</u>
Total Overlapping Debt-Repaid with Property Taxes			<u>325,269,710</u>
Total Direct and Overlapping Debt			<u>\$ 325,269,710</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.

TABLE 11

CITY OF CARSON, CALIFORNIA
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit - 15% of Total Assessed Value	\$ 2,029,465,128	\$ 30,098,160	\$ 30,512,289	\$ 31,678,463	\$ 33,626,989	\$ 32,690,203	\$ 32,351,559	\$ 30,377,470	\$ 2,195,617,201	\$ 2,308,062,352
Amount of debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	2,029,465,128	30,098,160	30,512,289	31,678,463	33,626,989	32,690,203	32,351,559	30,377,470	2,195,617,201	2,308,062,352
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation										
Assessed value	13,333,770,032	-	-	-	-	-	-	-	14,413,482,816	15,145,550,687
Add back: exempt real property	195,997,487	200,654,403	203,415,257	211,189,755	224,179,924	217,934,686	215,677,060	202,516,469	223,965,192	241,531,658
Total assessed value	13,529,767,519	200,654,403	203,415,257	211,189,755	224,179,924	217,934,686	215,677,060	202,516,469	14,637,448,008	15,387,082,345
Debt limit (15% of total assessed value)	2,029,465,128	30,098,160	30,512,289	31,678,463	33,626,989	32,690,203	32,351,559	30,377,470	2,195,617,201	2,308,062,352
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	\$ 2,029,465,128	\$ 30,098,160	\$ 30,512,289	\$ 31,678,463	\$ 33,626,989	\$ 32,690,203	\$ 32,351,559	\$ 30,377,470	\$ 2,195,617,201	\$ 2,308,062,352

Note:

The City of Carson has no bonded debt.

The Carson Redevelopment Agency has bonded debt (Tax Allocation) \$ 156,170,863 \$ 192,340,863 \$ 186,605,863 \$ 180,870,863 \$ 172,352,100 \$ 165,799,234 \$ 211,804,234 \$ 204,552,229 \$ 193,647,229 \$ 183,829,972

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

TABLE 12

CITY OF CARSON, CALIFORNIA
Pledged-Revenue Coverage
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross tax increment	\$ 28,706,556	\$ 28,307,079	\$ 24,310,311	\$ 31,286,630	\$ 32,204,166	\$ 31,827,881	\$ 33,543,626	\$ 31,287,260	\$ 36,644,470	\$ 45,406,959
Less Mandatory Costs:										
Admin & Pass-Thru	1,989,657	1,715,027	6,023,672	10,961,661	14,721,942	21,699,942	10,897,192	9,966,670	16,626,144	25,443,062
20% Housing Set aside	5,741,311	5,661,416	-	-	-	-	-	-	-	-
Total	7,730,968	7,376,443	6,023,672	10,961,661	14,721,942	21,699,942	10,897,192	9,966,670	16,626,144	25,443,062
Net tax increment	\$ 20,975,588	\$ 20,930,635	\$ 18,286,639	\$ 20,324,969	\$ 17,482,224	\$ 10,127,939	\$ 22,646,434	\$ 21,320,590	\$ 20,018,326	\$ 19,963,897
Debt service										
Principal	\$ 3,765,000	\$ 4,390,000	\$ 5,735,000	\$ 5,735,000	\$ 6,405,000	\$ 7,090,000	\$ 6,915,000	\$ 10,500,000	\$ 10,905,000	\$ 10,575,000
Interest	7,175,236	8,394,118	9,320,356	9,083,631	8,813,997	8,119,584	7,909,443	8,900,444	8,077,198	8,119,276
	\$ 10,940,236	\$ 12,784,118	\$ 15,055,356	\$ 14,818,631	\$ 15,218,997	\$ 15,209,584	\$ 14,824,443	\$ 19,400,444	\$ 18,982,198	\$ 18,694,276
Coverage	<u>2.62</u>	<u>2.21</u>	<u>1.61</u>	<u>2.11</u>	<u>2.12</u>	<u>2.09</u>	<u>2.26</u>	<u>1.61</u>	<u>1.93</u>	<u>2.43</u>

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

Source: City of Carson

TABLE 13

CITY OF CARSON, CALIFORNIA
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2010	98,047	\$ 424,813,015	\$ 43,234	12.8%
2011	91,548	\$ 454,935,533	\$ 45,969	12.4%
2012	91,828	\$ 486,733,508	\$ 48,818	9.4%
2013	92,196	\$ 483,578,594	\$ 48,140	7.7%
2014	92,636	\$ 512,846,779	\$ 50,730	10.6%
2015	93,148	\$ 544,324,900	\$ 53,521	8.6%
2016	93,993	\$ 563,907,868	\$ 55,624	6.8%
2017	93,455	N/A	N/A	N/A
2018	93,453	N/A	N/A	N/A
2019	93,604	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

TABLE 14

CITY OF CARSON, CALIFORNIA

Principal Employers

Current Year and Ten Years Ago

Employer	2019			2010		
	Number of Employees (1)	Rank	Percent of Total City Employment	Number of Employees (1)	Rank	Percent of Total City Employment
Tesoro Refining & Marketing Company LLC	1,164	1	2.79%	1,256	1	3.09%
Marathon Refining Logistics Services	1,124	2	2.60%			
Lakeshore Learning	485	3	1.12%			
See's Candy Shops Inc.	442	4	1.02%	476	5	1.17%
Prime Wheel Corporation	433	5	1.04%			
Select Staffing	391	6	0.91%			
Mag Aerospace Industries	384	7	0.89%			
Los Angeles Chargers	375	8	0.87%			
Huck International Inc.	362	9	0.84%			
Yusen Logistics America Inc.	358	10	6.49%			
Northrup Grumman				861	2	2.12%
Lakeshore Equipment Co. Inc.				781	3	1.92%
Golden Wheel Corp.				493	4	1.21%
Leiner Health Products				440	6	1.08%
The Pepsi Bottling Group				376	7	0.92%
Target Corporation				366	8	0.90%
Pacific Bell				361	9	0.89%
Canon Business Solutions				350	10	0.86%
Total	<u>5,518</u>		<u>18.57%</u>	<u>5,760</u>		<u>14.16%</u>
Total City Employment ⁽¹⁾	43,189					

Sources: (1) City of Carson

(2) State of California Employment Development Department

TABLE 15

CITY OF CARSON, CALIFORNIA
 Full-time-Equivalent City Government Employees
 By Function/Workgroup
 Last Ten Fiscal Years

Function/Workgroup	Full-time-Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
City Council	4.00	4.00	4.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00
City Attorney	-	-	-	-	-	-	-	-	-	-
City Clerk	6.00	6.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00	6.00
City Treasurer	5.00	5.00	4.94	5.00	5.00	5.00	5.00	5.00	4.00	4.00
City Manager	47.00	47.00	45.65	20.00	20.00	21.00	26.00	26.00	38.00	41.00
Human Resources							11.00	11.00	11.00	11.00
Administrative services	52.00	52.00	50.24	46.00	44.00	44.00	34.00	33.00	31.00	32.00
Public Works	82.00	82.00	71.15	136.00	131.00	133.00	130.00	131.00	114.00	130.00
Community Development	41.00	41.00	12.03	32.00	31.00	30.00	31.00	29.00	27.00	22.00
Community Services	<u>158.00</u>	<u>158.00</u>	<u>154.00</u>	<u>84.00</u>	<u>88.00</u>	<u>88.00</u>	<u>88.00</u>	<u>82.00</u>	<u>63.00</u>	<u>65.00</u>
Total	<u><u>395.00</u></u>	<u><u>395.00</u></u>	<u><u>348.01</u></u>	<u><u>330.00</u></u>	<u><u>328.00</u></u>	<u><u>330.00</u></u>	<u><u>334.00</u></u>	<u><u>326.00</u></u>	<u><u>297.00</u></u>	<u><u>316.00</u></u>

Source: City of Carson

Prior to 2016 Human Resources was listed with Administrative Services

TABLE 16

CITY OF CARSON, CALIFORNIA

Operating Indicators
by Work Group
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Economic Development</u>										
Housing and Block Grant Division:										
Mobile home rehab grant applications received	38	55	21	35	23	30	29	24	30	25
Mobile home rehab grants (qualified)	24	32	18	23	20	21	20	11	9	11
Mobile home rehab grants (dollar value)	\$ 115,389	\$ 137,705	\$ 85,000	\$ 172,500	\$ 125,065	\$ 166,710	\$ 157,595	\$ 102,434	\$ 127,710	\$ 123,370
Single family rehab loan applications received	64	35	36	30	35	15	32	31	45	42
Single family rehab loans granted	2	22	13	20	23	8	24	18	37	11
Single family rehab loans granted (dollar value)	\$ 50,000	\$ 139,185	\$ 17,500	\$ 230,000	\$ 89,550	\$ 139,275	\$ 336,549	\$ 261,024	\$ 645,231	\$ 168,659
Mobile home rent control increases processed	11	13	9	11	7	6	7	0	12	0
Employment Development Division:										
Job applicants processed	1,274	16,810	18,442	25,232	35,035	35,261	5,883	N/A	N/A	N/A
Summer youth employees hired	100	27	11	13	125	120	95	N/A	N/A	N/A
Business Development Division:										
Business visitations conducted	60	280	140	12	30	25	12	N/A	N/A	N/A
Redevelopment Division:										
Development agreements negotiated	5	17	0	0	2	0	3	2	0	0
<u>Public Services</u>										
Graffiti Abatement Division:										
Service request completed	2,050	1,882	1,412	817	932	869	937	N/A	740	805
Square feet of graffiti removed by waterblast	43,013	49,996	14,343	26,156	23,243	19,862	21,256	N/A	17,540	19,079
Square feet of graffiti removed by painting over	646,754	291,507	85,768	153,734	178,017	179,445	206,895	N/A	163,396	204,145
Building and Landscape Maintenance Division:										
Service request completed	1,719	1,715	1,672	N/A	1,520	602	498	N/A	540	1101
Vouchers issued	18	0	1	N/A	N/A	1	2	N/A	0	0

Source: City of Carson

N/A - Not Available

TABLE 17

CITY OF CARSON, CALIFORNIA

Capital Asset Statistics

by Function

Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Services:										
City square miles	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2
Parks acreage	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8
Facilities square footage	320,004	320,004	320,004	320,004	320,004	320,004	320,004	320,004	320,004	320,004
Parks	12	12	12	12	12	12	12	12	12	12
Parks - mini	3	3	3	3	3	3	3	4	4	4
Sports Complex	1	1	1	1	1	1	1	1	1	1
Swimming pools	4	4	4	4	4	4	4	4	4	4
City Hall	1	1	1	1	1	1	1	1	1	1
Corporate yard	1	1	1	1	1	1	1	1	1	1
Public Safety Services Center	1	1	1	1	1	1	1	1	1	1
Gymnasiums	3	3	3	3	3	3	3	4	4	4
Tennis courts	18	18	18	18	18	18	18	18	18	18
Basketball courts	28	28	28	28	28	28	28	28	28	28
Racquetball courts	8	8	8	8	8	8	8	8	8	8
Volleyball courts	4	4	4	4	4	4	4	4	4	4
Snack bars	10	10	10	10	10	10	10	10	10	10
Ornamental fountains	3	3	3	3	3	3	3	3	3	3
Flagpoles	17	17	17	17	17	17	17	17	17	17
Wading pools	5	4	4	4	4	4	4	0	0	0
Splash pads	0	0	0	0	0	0	0	1	1	1
Parking lots	23	23	23	23	23	23	23	23	23	23

Source: City of Carson

N/A - Not Available.