

CITY OF CARSON

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2018



CITY OF CARSON, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY:
FINANCE DEPARTMENT

TARIK RAHMANI
DIRECTOR OF FINANCE
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
Directory of City Officials	v
Organization Chart	vii
GFOA Certificate	viii
FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Fiduciary Funds:	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Basic Financial Statements	27
REQUIRED SUPPLEMENTARY INFORMATION:	
California Public Employees' Retirement System - Miscellaneous Plan:	
Schedule of Changes in the Net Pension Liability and Related Ratios	95
Schedule of Contributions	96
Schedule of Changes in the Net OPEB Liability and Related Ratios	97
Schedule of Contributions - OPEB	98

CITY OF CARSON
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Page
Number

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED):

Major Governmental Funds:	
Fund Descriptions	99
Budgetary Comparison Schedules:	
General Fund	100
Carson Housing Authority Special Revenue Fund	102
Cooperation Agreement Bond Proceeds Special Revenue Fund	103
State CIP Grants Special Revenue Fund	104
Note to Required Supplementary Information	105

SUPPLEMENTARY INFORMATION:

Nonmajor Special Revenue Funds:	
Fund Descriptions	107
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	118
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
State Gas Tax Special Revenue Fund	124
TDA Article 3 Special Revenue Fund	125
Proposition A Local Return Special Revenue Fund	126
Proposition C Local Return Special Revenue Fund	127
Air Quality Improvement Special Revenue Fund	128
Capital Asset Replacement Special Revenue Fund	129
Measure R Special Revenue Fund	130
Restricted Administrative Tow Fee Special Revenue Fund	131
Youth Services Program Special Revenue Fund	132
City Special Events Special Revenue Fund	133
MTA Call for Projects Special Revenue Fund	134
Park Development Special Revenue Fund	135
Los Angeles County Park District Special Revenue Fund	136
Beverage Container Recycling Special Revenue Fund	137
State COPS Grant Special Revenue Fund	138

CITY OF CARSON
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Page
Number

SUPPLEMENTARY INFORMATION (CONTINUED):

Nonmajor Special Revenue Funds (Continued):

Schedules of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual (Continued):

Used Oil State Grant Special Revenue Fund	139
Family Support Grant Special Revenue Fund	140
Community Development Block Grant Special Revenue Fund	141
Federal Highway Planning Grant Special Revenue Fund	142
Workforce Investment Act (WIA) Grant Special Revenue Fund	143
Neighborhood Stabilization Program Special Revenue Fund	144
Building Plan Retention Special Revenue Fund	145
Facilities Maintenance Fees Special Revenue Fund	146
Load Shed Program Special Revenue Fund	147
Public Education and Government Access (PEG) Special Revenue Fund	148
Raise Medium In-Lieu Special Revenue Fund	149
Utility Underground In-Lieu Special Revenue Fund	150
State Local Transportation Special Revenue Fund	151
Measure M Special Revenue Fund	152

Agency Funds:

Fund Descriptions	153
Combining Statement of Assets and Liabilities	155
Statement of Changes in Assets and Liabilities	156

STATISTICAL SECTION (UNAUDITED):

Description of Statistical Section Contents	159
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	160
Changes in Net Position - Last Ten Fiscal Years	161
Fund Balances of Governmental Funds - Last Ten Fiscal Years	163
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	165
General Governmental Revenues by Source - Last Ten Fiscal Years	166
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	167
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	168
Principal Property Taxpayers - Current Year and Nine Years Ago	169
Property Tax Levies and Collections - Last Ten Fiscal Years	170

CITY OF CARSON
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
Table of Contents

Page
Number

STATISTICAL SECTION (UNAUDITED) (CONTINUED):

Debt Capacity:

Direct and Overlapping Governmental Activities Debt	171
Legal Debt Margin Information - Last Ten Fiscal Years	172
Pledged Revenue Coverage	173
Pledged-Revenue Coverage - Last Ten Fiscal Years	174

Demographic and Economic Information:

Demographic and Economic Statistics - Last Ten Calendar Years	175
Principal Employers - Current Year and Nine Years Ago	176

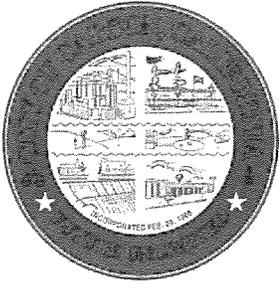
Operating Information:

Full-Time Equivalent City Government Employees	
by Function/Workgroup - Last Ten Fiscal Years	177
Operating Indicators by Workgroup - Last Ten Fiscal Years	178
Capital Asset Statistics by Function - Last Ten Fiscal Years	179

INTRODUCTORY SECTION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT





CITY OF CARSON

June 27, 2019

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, 2018, 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 2018, the

City of Carson is ranked 14th highest in assessed value of all Los Angeles County cities, recording a total of \$14.5 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 this report was published, complete data was not available to estimate the annual revenue to the City. 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.

In July 2017, the City entered into a Community Benefits Agreement with Tesoro Refining & Marketing Company (now called Andeavor). The agreement requires Andeavor to make payments to the City totaling \$28,759,800 over the next 15 years; including \$15,000,000 of payments that are a credit towards the new tax noted above.

The Public Works Department completed the following construction projects during FY 2017/18.

- Community Center renovation
- Citywide Integrated Fire Alarm System upgrade

The City secured numerous grants, including a \$13 million grant from the state for the Carriage Crest Park storm water improvement project. This project is currently in progress.

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

- Veteran’s Village, a 51-unit affordable housing project with a leasing preference for veterans, which started construction in January, 2018. The Carson Housing Authority financially participated in the project in an amount of approximately \$8,500,000.
- Carson Arts Colony, a 46-unit affordable housing project with a leasing preference for working artists, which started construction in March, 2018. The Carson Housing Authority financially participated in the project in an amount of approximately \$7,000,000.
- The Union at South Bay, a major mixed-use project at Carson Street and Avalon, commenced construction in early 2018. The Union will have 357 market-rate multi-family residential units, ground floor commercial activity, and a 10,000 square foot landscaped public plaza. The new development is expected to open in the Spring of 2020.

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, 2018, \$2,155,614 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 Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carson for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principle and applicable legal requirements.

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

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 Hrant Manuelian, the Senior Accountant Daniel Zepeda, and the Accountants Phat Nguyen, Susan Delirio, and Claudia Buenrostro. 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,



Tarik Rahmani
Director of Finance

City of Carson Elected Officials



Albert Robles
Mayor



Jawane Hilton
Mayor Pro Tem



Elito M. Santarina
Councilmember



Lula Davis-Holmes
Councilmember



Cedric L. Hicks, Sr.
Councilmember



Donesia L. Gause
City Clerk



Monica Cooper
City Treasurer

City Management

Kenneth C. Farfsing
City Manager

John Raymond
Assistant City Manager

Kathryn Downs
Director of Finance

Idris Al-Oboudi
Director of Community Services

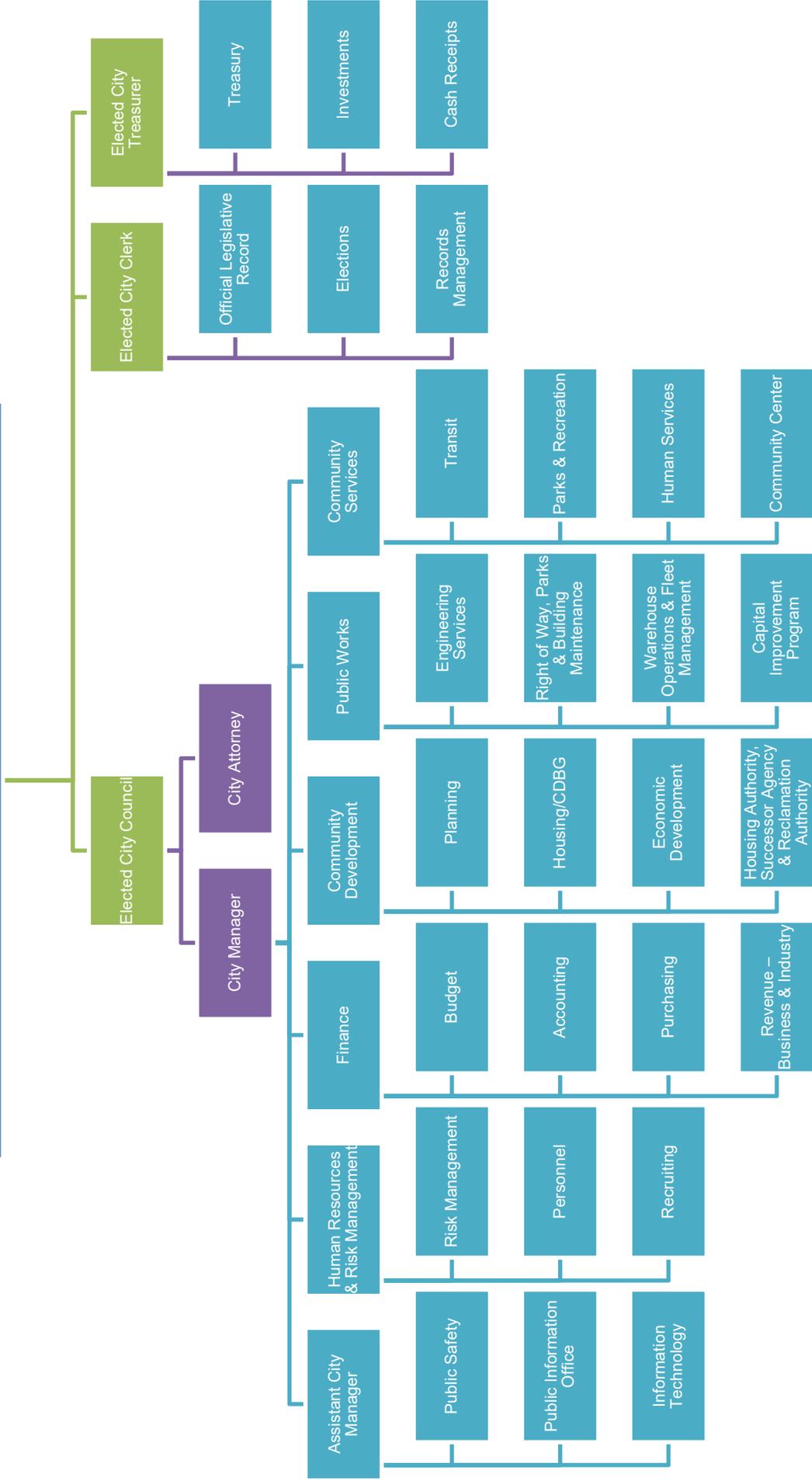
John Raymond
Director of Community Development

Maria Williams-Slaughter
Director of Public Works

Faye Moseley
Director of Human Resources & Risk Management

(This page intentionally left blank.)

City of Carson Electorate





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Carson
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Notes 1d and 18 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which required retrospective application resulting in a reduction of previously reported net position. Our opinions are not modified with respect to this matter.

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.

Other Matters (Continued)

Other Information (Continued)

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.

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 June 27, 2019, 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
June 27, 2019

(This page intentionally left blank.)

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, 2018. 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, 2018 by \$300.8 million. This amount is referred to as the net position of the City. Of this amount, \$385.3 million represents net investment in capital assets, \$26.6 million is restricted, and -\$111.1 million is unrestricted net position.
- The City's net position decreased by approximately \$7.2 million during the fiscal year.
- The City's total long-term liabilities increased by \$47.7 million for the fiscal year ended June 30, 2018, from \$119.7 million to \$167.4 million due mainly to increases in the pension and Other Post-Employment Benefits (OPEB) liabilities.

Fund Financial Statements

- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$57.6 million, a decrease of \$0.3 million over the prior fiscal year's fund balance. Approximately \$15.7 million is unassigned.
- As of June 30, 2018, the total fund balance of the City's General Fund was \$35.2 million, an increase of \$16.3 million from the prior year level of \$18.9 million. Increase is mainly due to the one-time increases of revenue from the reversal of a \$7.9 million settlement against the City, additional revenues of \$1.5 million collected from the Oil Industry Tax, \$2.6 million community benefit received, and increases in franchise fees and Utility Users Tax collected of approximately \$1million each. Approximately \$18.4 million of the \$35.2 million general fund balance is unassigned and is available for spending at the government's discretion.
- In the General Fund, revenues exceeded expenditures by \$17 million, before other financing sources/uses. This is an increase of approximately \$13.6 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 taken into account, 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 three types of funds are governmental, proprietary 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, internal service funds 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 decreased by \$7.2 million, from \$308.1 million in the prior period to \$300.8 million in the current fiscal year.

Table 1
City of Carson's Net Position
June 30, 2018 and 2017

	Governmental Activities	
	2018	2017 Restated
ASSETS		
Cash and other assets	\$ 77,761,720	\$ 89,664,349
Capital assets net of accumulated depreciation	385,341,066	380,935,329
Total assets	463,102,786	470,599,678
Deferred outflows of resources	24,291,313	20,585,879
Total deferred outflows of resources	24,291,313	20,585,879
LIABILITIES		
Current and other liabilities	16,585,601	27,823,063
Long-term liabilities	167,437,822	153,183,249
Total liabilities	184,023,423	181,006,312
Deferred inflows of resources	2,498,166	2,064,437
Total deferred inflows of resources	2,498,166	2,064,437
NET POSITION		
Net investment in capital assets	385,341,066	380,935,329
Restricted	26,629,068	42,723,868
Unrestricted	(111,097,624)	(115,544,389)
Total net position	300,872,510	308,114,808

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 \$385.3 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 \$112.1 million and total expenses of \$119.3 million resulting in a \$7.2 million decrease to net position. Revenues from governmental activities increased by \$17.4 million, or 18.4%. Expenses increased by \$24.8 million, or 17.2%, over the prior year.

Table 2
City of Carson's Changes in Net Position
For the Year Ended June 30, 2018 and 2017

	Governmental Activities	
	2018	2017 Restated
Program Revenues		
Charges for services	\$ 19,617,597	\$ 14,425,776
Grants and contributions	12,939,593	13,900,254
Capital grants and contributions	1,199,345	255,576
General Revenues		
Taxes		
Sales taxes	24,439,171	24,721,304
Property taxes	15,702,099	15,026,130
Utility user taxes	8,129,186	7,030,672
Transient occupancy taxes	2,242,192	2,225,416
Franchise taxes	9,094,861	8,094,969
Oil Industry business tax	2,331,338	-
Motor vehicle license fee, unrestricted	49,309	42,108
Investment income	1,102,793	1,326,385
Other revenue	15,217,121	7,551,798
Total revenues	112,064,605	94,600,388
Expenses		
Governmental Activities		
General government	37,566,169	49,415,055
Community development	23,131,014	19,633,718
Public works	19,520,884	20,204,915
Community services	17,823,301	21,436,486
Public safety	21,265,535	-
Total expenses	119,306,903	110,690,174
Change in net position	(7,242,298)	(16,089,786)
Net position, beginning, as restated	308,114,808	324,204,594
Net position, ending	300,872,510	308,114,808

Governmental Funds Financial Analysis

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$57.6 million, a decrease of \$0.3 million over the prior year. Approximately \$41.8 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 \$35.2 million, an increase of \$16.3 million over the prior period. This increase is mainly due to the one-time increase of revenue from the reversal of a \$7.9 million settlement against the City, additional revenues of \$1.5 million collected from the Oil Industry Tax that was recently approved by Carson voters, \$2.6 million community benefit received from developers, and increases in franchise fees and Utility Users Tax collected of approximately \$1million each. The General Fund is the primary operating fund of the City. Of the \$35.2 million fund balance approximately \$18.4 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 decreased \$12.9 million from the prior year mainly due to increased spending in community development programs.

Cooperation Agreement Bond Proceeds Fund – The Cooperation Agreement Bond Proceeds fund balance decreased by \$7.1 million from the prior year, primarily due to construction of Carson Street Master Plan improvements.

State CIP Grants Special Revenue Fund – The State CIP Grants Special Revenue fund balance increased by \$0.5 million from the prior year.

In addition to the major funds, the fund balances for the other governmental funds had an aggregate increase of \$2.9 million.

General Fund Budgetary Highlights

In the General Fund, the difference between the original budget and the final amended budget was only \$0.5 million.

Capital Asset and Debt Administration

Capital Assets - The City’s investment in capital assets for its governmental activities totals \$385.3 million (net of accumulated depreciation of \$244.0 million) as of June 30, 2018. 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, 2018 and 2017**

	Governmental Activities	
	2018	2017
Land, land rights, land improvements	\$ 92,936,028	\$ 92,936,028
Infrastructure - street trees	16,271,731	9,367,887
Buildings and improvements	60,802,757	60,183,492
Machinery and equipment	2,711,682	3,181,421
Infrastructure	166,800,581	157,535,032
Construction in Progress	45,818,287	57,731,469
	<u>385,341,066</u>	<u>380,935,329</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 \$58.5 million and net pension liability of \$102.1 million as of June 30, 2018.

**Outstanding Debt
June 30, 2018 and 2017**

	2018	2017
Other long-term debt:		
Other post-employment benefits	\$ 58,558,306	\$ 21,434,522
Self-insurance claims payable	2,253,843	3,070,871
Compensated absences	4,440,627	4,817,483
Net pension liability	102,185,046	90,434,177
Total	\$ 167,437,822	\$ 119,757,053

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 2018/19 General Fund revenues are projected to be \$86.9 million, which is \$7.6 million less than the FY 2017/18 year-end actual revenues of \$94.5 million.

FY 2018/19 General Fund expenditures are projected to be \$90.2 million, which is \$12.8 million more than the year-end actual expenditures for FY 2017/18 of \$77.4 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 FY18-19 is approximately \$7.7 million, including a \$4.9 million contribution to the unfunded liability and a normal cost of \$2.8 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.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

STATEMENT OF NET POSITION

June 30, 2018

	Primary Government Governmental Activities	Component Unit Reclamation Authority
ASSETS:		
Cash and investments	\$ 54,361,659	\$ 61,617,513
Restricted cash and investments	-	17,797,010
Cash and investments with fiscal agents	3,737,940	-
Receivables:		
Taxes	4,509,870	-
Accounts	3,363,779	71,342
Accrued interest	39,613	32,645
Loans, net of allowance for uncollectible accounts	1,256,575	-
Due from Successor Agency	438,329	-
Due from governmental agencies	3,685,831	11,530
Due from component unit	55,750	-
Due from primary government	-	110,254
Inventory	240,436	6,597,440
Prepaid and other assets	-	4,656,798
Land held for resale	571,938	-
Capital assets, not being depreciated	155,026,046	36,000,000
Capital assets, net of accumulated depreciation	230,315,020	-
TOTAL ASSETS	457,602,786	126,894,532
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts from pension	23,735,401	-
Deferred amounts from OPEB	555,912	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	24,291,313	-
LIABILITIES:		
Accounts payable and accrued liabilities	14,104,176	1,579,161
Accrued payroll	1,530,832	-
Due to other governmental agencies	537,678	24,056
Due to component unit	110,254	-
Due to primary government	-	55,750
Retention payable	61,800	-
Refundable deposits	-	-
Unearned revenues	240,861	-
Long-term liabilities:		
Due within one year	4,064,931	-
Due in more than one year	2,629,539	-
Net pension liability - due in more than one year	102,185,046	-
Net OPEB liability - due in more than one year	58,558,306	-
Landfill remediation liability - due in more than one year	-	84,281,253
TOTAL LIABILITIES	184,023,423	85,940,220
DEFERRED INFLOWS OF RESOURCES:		
Deferred amounts from pension	1,644,792	-
Deferred amounts from OPEB	853,374	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,498,166	-
NET POSITION:		
Investment in capital assets	385,341,066	36,000,000
Restricted for:		
Economic development	460,782	-
Public works	11,822,412	-
Housing projects	10,646,958	-
Community services	3,698,916	-
Unrestricted	(111,097,624)	4,954,312
TOTAL NET POSITION	\$ 300,872,510	\$ 40,954,312

See accompanying notes to basic financial statements.

CITY OF CARSON

STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 37,566,169	\$ 5,691,142	\$ 167,004	\$ -
Public safety	21,265,535	1,447,149	143,322	-
Community development	23,131,014	1,106,466	738,346	-
Public works	19,520,884	7,324,451	11,690,125	974,174
Community services	17,823,301	4,048,389	200,796	225,171
Total governmental activities	119,306,903	19,617,597	12,939,593	1,199,345
Component unit:				
Reclamation Authority	25,462,073	979,312	5,329,326	-
Total primary government	<u>\$ 144,768,976</u>	<u>\$ 20,596,909</u>	<u>\$ 13,918,905</u>	<u>\$ 1,199,345</u>

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
\$ (31,708,023)	\$ -
(19,675,064)	-
(21,286,202)	-
467,866	-
(13,348,945)	-
<u>(85,550,368)</u>	<u>-</u>
-	(19,153,435)
<u>(85,550,368)</u>	<u>(19,153,435)</u>
15,702,099	-
24,439,171	-
2,242,192	-
9,094,861	-
8,129,186	-
2,331,338	-
49,309	-
1,102,793	575,115
15,217,121	-
<u>78,308,070</u>	<u>575,115</u>
(7,242,298)	(18,578,320)
<u>308,114,808</u>	<u>59,532,632</u>
<u>\$ 300,872,510</u>	<u>\$ 40,954,312</u>

See accompanying notes to basic financial statements.

CITY OF CARSON
GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2018

	<u>General Fund</u>	<u>Carson Housing Authority Special Revenue Fund</u>
ASSETS		
Cash and investments	\$ 37,289,747	\$ 819,832
Cash and investments with fiscal agents	-	3,737,940
Receivables:		
Taxes	4,509,870	-
Accounts	3,363,779	-
Accrued interest	39,613	-
Due from government agencies	246,689	-
Loans, net of allowance	23,701	6,196,328
Due from other funds	2,700,793	465
Due from Carson Reclamation Authority	55,750	-
Due from Successor Agency	438,309	-
Inventory	240,436	-
Land held for resale	-	571,938
	<u> -</u>	<u> -</u>
TOTAL ASSETS	<u><u>\$ 48,908,687</u></u>	<u><u>\$ 11,326,503</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 9,739,285	\$ 203,334
Accrued payroll	1,471,027	5,275
Due to other funds	1,461,815	360,682
Due to Carson Reclamation Authority	-	110,254
Due to government agencies	1,132	-
Retentions payable	-	-
Unearned revenue	240,861	-
	<u> -</u>	<u> -</u>
TOTAL LIABILITIES	<u>12,914,120</u>	<u>679,545</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenues	774,598	-
	<u> -</u>	<u> -</u>
FUND BALANCES:		
Nonspendable	240,436	-
Restricted	250,000	10,646,958
Committed	15,324,165	-
Assigned	1,000,000	-
Unassigned	18,405,368	-
	<u> -</u>	<u> -</u>
TOTAL FUND BALANCES	<u>35,219,969</u>	<u>10,646,958</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 48,908,687</u></u>	<u><u>\$ 11,326,503</u></u>

Cooperation Agreement Bond Proceeds Special Revenue Fund	State CIP Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,083,329	\$ -	\$ 15,168,751	\$ 54,361,659
-	-	-	3,737,940
-	-	-	4,509,870
-	-	-	3,363,779
-	-	-	39,613
-	1,491,533	1,947,609	3,685,831
-	-	536,546	6,756,575
3,081,943	-	5,996	5,789,197
-	-	-	55,750
20	-	-	438,329
-	-	-	240,436
-	-	-	571,938
<u>\$ 4,165,292</u>	<u>\$ 1,491,533</u>	<u>\$ 17,658,902</u>	<u>\$ 83,550,917</u>
\$ 1,521,551	\$ 87,377	\$ 2,552,629	\$ 14,104,176
3,940	-	50,590	1,530,832
360,619	1,347,413	2,258,668	5,789,197
-	-	-	110,254
-	-	536,546	537,678
-	56,715	5,085	61,800
-	-	-	240,861
<u>1,886,110</u>	<u>1,491,505</u>	<u>5,403,518</u>	<u>22,374,798</u>
-	1,491,533	1,300,806	3,566,937
-	-	-	240,436
2,279,182	-	12,081,312	25,257,452
-	-	-	15,324,165
-	-	-	1,000,000
-	(1,491,505)	(1,126,734)	15,787,129
<u>2,279,182</u>	<u>(1,491,505)</u>	<u>10,954,578</u>	<u>57,609,182</u>
<u>\$ 4,165,292</u>	<u>\$ 1,491,533</u>	<u>\$ 17,658,902</u>	<u>\$ 83,550,917</u>

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

CITY OF CARSON

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

June 30, 2018

Fund balances - total governmental funds \$ 57,609,182

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	\$ 629,364,932	
Accumulated depreciation	<u>(244,023,866)</u>	385,341,066

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Self-insurance claims	(2,253,843)	
Compensated absences	(4,440,627)	
Net pension liability	(102,185,046)	
Net OPEB liability	<u>(58,558,306)</u>	(167,437,822)

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.

3,566,937

Deferred outflows of resources related to pensions are not considered financial resources and are not reported in the governmental funds.

23,735,401

Deferred outflows of resources related to OPEB are not considered financial resources and are not reported in the governmental funds.

555,912

Deferred inflows of resources related to pensions are not available to pay for current period expenses and are not reported in the governmental funds.

(1,644,792)

Deferred inflows of resources related to OPEB are not available to pay for current period expenses and are not reported in the governmental funds.

(853,374)

Net position of governmental activities

\$ 300,872,510

CITY OF CARSON

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

For the year ended June 30, 2018

	General Fund	Carson Housing Authority Special Revenue Fund
REVENUES:		
Taxes	\$ 61,164,249	\$ -
Licenses and permits	11,277,101	1,000
Fines and forfeitures	1,710,330	-
Intergovernmental	122,550	-
Charges for services	3,127,469	-
Investment income	1,890,644	228,661
Developer impact fee	-	-
Miscellaneous	15,209,674	121,383
TOTAL REVENUES	94,502,017	351,044
EXPENDITURES:		
Current:		
General government	24,204,302	-
Public safety	21,265,535	-
Community development	4,773,761	13,300,066
Public works	14,788,704	-
Community services	11,938,353	-
Capital improvement programs	527,150	-
TOTAL EXPENDITURES	77,497,805	13,300,066
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,004,212	(12,949,022)
OTHER FINANCING SOURCES (USES):		
Transfers in	4,222	-
Transfers out	(751,467)	-
TOTAL OTHER FINANCING SOURCES (USES)	(747,245)	-
NET CHANGE IN FUND BALANCES	16,256,967	(12,949,022)
FUND BALANCES - BEGINNING OF YEAR	18,963,002	23,595,980
FUND BALANCES - END OF YEAR	\$ 35,219,969	\$ 10,646,958

Cooperation Agreement Bond Proceeds Special Revenue Fund	State CIP Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,881,192	\$ 69,045,441
-	-	43,840	11,321,941
-	-	-	1,710,330
-	3,302,430	3,715,788	7,140,768
-	-	324,528	3,451,997
29,645	-	33,113	2,182,063
-	-	1,688,872	1,688,872
-	-	514,088	15,845,145
<u>29,645</u>	<u>3,302,430</u>	<u>14,201,421</u>	<u>112,386,557</u>
-	-	498,697	24,702,999
-	-	-	21,265,535
-	21,629	1,198,659	19,294,115
-	-	168,617	14,957,321
-	-	3,683,109	15,621,462
<u>7,291,751</u>	<u>2,704,513</u>	<u>6,364,926</u>	<u>16,888,340</u>
<u>7,291,751</u>	<u>2,726,142</u>	<u>11,914,008</u>	<u>112,729,772</u>
<u>(7,262,106)</u>	<u>576,288</u>	<u>2,287,413</u>	<u>(343,215)</u>
141,177	-	751,467	896,866
<u>-</u>	<u>-</u>	<u>(145,399)</u>	<u>(896,866)</u>
<u>141,177</u>	<u>-</u>	<u>606,068</u>	<u>-</u>
(7,120,929)	576,288	2,893,481	(343,215)
<u>9,400,111</u>	<u>(2,067,793)</u>	<u>8,061,097</u>	<u>57,952,397</u>
<u>\$ 2,279,182</u>	<u>\$ (1,491,505)</u>	<u>\$ 10,954,578</u>	<u>\$ 57,609,182</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, 2018

Net change in fund balances - total governmental funds		\$ (343,215)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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:</p>		
Capital outlay	\$ 14,038,420	
Depreciation expense	<u>(9,632,683)</u>	4,405,737
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences	376,856	
Claims and judgments	817,028	
Other post-employment benefits	(3,995,050)	
Pension benefits	<u>(8,181,702)</u>	(10,982,868)
<p>Revenues that are measurable but not available are recorded as unavailable revenue under the modified accrual basis of accounting.</p>		
		<u>(321,952)</u>
Change in net position of governmental activities		<u><u>\$ (7,242,298)</u></u>

CITY OF CARSON
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION

June 30, 2018

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
ASSETS:		
Cash and investments	\$ 13,627,789	\$ 5,214,222
Cash and investments with fiscal agents	18,453,510	2,556,961
Receivables:		
Taxes	-	1,092,919
Interest	33,783	-
Due from other governments	-	24,056
Land held for resale	3,599,999	-
	<u>35,715,081</u>	<u>\$ 8,888,158</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts on refundings	3,940,102	
	<u>3,940,102</u>	
LIABILITIES:		
Accounts payable and accrued liabilities	24,183	\$ 46,205
Accrued interest payable	2,821,737	-
Retention and refundable deposits	236,172	2,382,110
Due to City of Carson	438,329	-
Due to assessed parties	-	750,673
Due to bondholders	-	5,709,170
Noncurrent liabilities:		
Due within one year	10,575,000	-
Due in more than one year	183,839,972	-
	<u>197,935,393</u>	<u>\$ 8,888,158</u>
NET POSITION:		
Held in trust for private purpose	<u>\$ (158,280,210)</u>	

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, 2018

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund
	Trust Fund
ADDITIONS:	
Property taxes	\$ 20,698,231
Investment income	277,257
Gain on sale of property	229,771
Other income	60,511
TOTAL ADDITIONS	21,265,770
DEDUCTIONS:	
General government	519,636
Property tax administration costs	679,905
Distributions to Carson Reclamation Authority	5,329,326
Debt issuance costs	589,865
Interest and fiscal charges	9,260,163
TOTAL DEDUCTIONS	16,378,895
CHANGE IN NET POSITION	4,886,875
NET POSITION - BEGINNING OF YEAR	(163,167,085)
NET POSITION - END OF YEAR	\$ (158,280,210)

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, 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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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."

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018

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, 2018

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

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pension. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this statement decreased the net position at July 1, 2017 of the governmental activities by \$33,426,196.

GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement did not impact the City.

GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017. This statement did not impact the City.

GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017. This statement did not impact the City.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements (Continued)

Pending Accounting Standards

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

- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, 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.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Taxes (Continued)

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 \$7,606,795 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

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. 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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$5,000 are capitalized if they have an expected useful life of one year or more.

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

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Employee Compensated Absences (Continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

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 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 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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balances and Flow Assumptions (Continued)

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, 2018, the City had no outstanding debt related to its capital assets.

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018, 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	\$ 115,941,361	\$ 13,627,789	\$ 5,214,222	\$ 134,783,372
Restricted assets:				
Cash and investments	17,797,010	-	-	17,797,010
Cash and investments with fiscal agents	3,737,940	18,453,510	2,556,961	24,748,411
Total cash and investments	\$ 137,476,311	\$ 32,081,299	\$ 7,771,183	\$ 177,328,793

Cash and investments at June 30, 2018, consist of the following:

Cash on hand	\$ 4,050
Deposits with financial institutions	63,903,219
Investments	113,421,524
Total cash and investments	\$ 177,328,793

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

The following table identifies the investment types that are authorized for the City 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.

<u>Authorized Investment Type</u>	<u>Authorized</u>	<u>Maximum</u>	<u>Maximum</u>	<u>Maximum</u>
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, 2018

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, 2018

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)	\$ 28,926,343	\$ -	\$ -	\$ 28,926,343
Money Market Funds	6,452,578	-	-	6,452,578
U.S. Treasury Obligation	248,115	-	-	248,115
U.S. Agency Securities	20,055,783	14,920,789	14,792,493	49,769,065
Medium-Term Corporate Notes	1,242,323	1,733,445	742,145	3,717,913
State/Municipal Bonds	-	-	581,324	581,324
Held by Fiscal Agent:				
Money Market Funds	22,379,959	-	-	22,379,959
U.S. Agency Securities	1,346,227	-	-	1,346,227
Total	\$ 80,651,328	\$ 16,654,234	\$ 16,115,962	\$ 113,421,524

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, 2018	Minimum Legal Rating	Minimum		Not Rated
			AAA	Other	
Local Agency Investment Fund (LAIF)	\$ 28,926,343	N/A	\$ -	\$ -	\$ 28,926,343
Money Market Funds	6,452,578	AA+	6,452,578	-	-
U.S. Treasury Obligation	248,115	N/A	-	248,115	-
U.S. Agency Securities	49,769,065	N/A	-	49,769,065	-
Medium-Term Corporate Notes	3,717,913	N/A	989,740	2,728,173	-
State/Municipal Bonds	581,324	AAAm	-	581,324	-
Held by Fiscal Agent:					
Money Market Funds	22,379,959	N/A	22,379,959	-	-
U.S. Agency Securities	1,346,227	N/A	-	1,346,227	-
Total	\$ 113,421,524		\$ 29,822,277	\$ 54,672,904	\$ 28,926,343

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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. Treasury Obligation	\$ 248,115	\$ -	\$ -	\$ -	\$ -	\$ 248,115
U.S. Agency Securities	49,769,065	-	-	-	-	49,769,065
Medium-Term						
Corporate Notes	494,715	-	1,240,568	742,880	250,010	2,728,173
State/Municipal Bonds	-	93,309	488,015	-	-	581,324
Held by Fiscal Agent:						
U.S. Agency Securities	1,346,227	-	-	-	-	1,346,227
Total	\$ 51,858,122	\$ 93,309	\$ 1,728,583	\$ 742,880	\$ 250,010	\$ 54,672,904

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	\$ 8,642,793
Federal Home Loan Bank Notes	U.S. Agency Securities	24,709,893
Federal Home Loan Mortgage Corp. Notes	U.S. Agency Securities	6,650,861

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, 2018

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. Treasury Obligation	\$ -	\$ 248,115	\$ -	\$ 248,115
U.S. Agency Securities	-	49,769,065	-	49,769,065
Medium-Term Corporate Notes	-	3,717,913	-	3,717,913
State/Municipal Bonds	-	581,324	-	581,324
Held by Fiscal Agent:				
U.S. Agency Securities	-	1,346,227	-	1,346,227
 Total Leveled Investments	 <u>\$ -</u>	 <u>\$ 55,662,644</u>	 <u>\$ -</u>	 55,662,644
 Local Agency Investment Fund (LAIF)*				 28,926,343
Money Market Funds*				6,452,578
Held by Fiscal Agent:				
Money Market Funds*				<u>22,379,959</u>
 Total Investment Portfolio				 <u>\$ 113,421,524</u>

* Not subject to fair value measurement hierarchy.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 3 - LOANS RECEIVABLE

Details of the City's loans receivable as of June 30, 2018 are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 51,113,049
First Time Homebuyer Loan Program	6,196,328
Computer Loan Program	23,701
HOME Loan Program	371,546
Neighborhood Stabilization Program Loans	<u>165,000</u>
Total Loans Receivable	57,869,624
Less: Allowance for uncollectible accounts	<u>(51,113,049)</u>
Loans Receivable, Net	<u>\$ 6,756,575</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, 2018

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, 2018:

	Balance at July 1, 2017	Additions	Deletions/ Transfers	Balance at June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 15,344,218	\$ -	\$ -	\$ 15,344,218
Land rights	75,285,334	-	-	75,285,334
Land improvements	2,306,476	-	-	2,306,476
Infrastructure - street trees	9,367,887	6,903,844	-	16,271,731
Construction-in-progress	57,731,469	13,273,758	(25,186,940)	45,818,287
Total capital assets, not being depreciated	<u>160,035,384</u>	<u>20,177,602</u>	<u>(25,186,940)</u>	<u>155,026,046</u>
Capital assets, being depreciated:				
Buildings and improvements	97,147,631	2,557,945	-	99,705,576
Machinery and equipment	15,064,782	346,253	(417,637)	14,993,398
Infrastructure:				
Roadways	316,991,387	16,079,364	-	333,070,751
Sewer	20,123,476	64,196	-	20,187,672
Storm drain	6,381,489	-	-	6,381,489
Total capital assets, being depreciated	<u>455,708,765</u>	<u>19,047,758</u>	<u>(417,637)</u>	<u>474,338,886</u>
Less accumulated depreciation for:				
Buildings and improvements	(36,964,139)	(1,938,680)	-	(38,902,819)
Machinery and equipment	(11,883,361)	(815,992)	417,637	(12,281,716)
Infrastructure:				
Roadways	(165,397,556)	(6,409,467)	-	(171,807,023)
Sewer	(16,768,019)	(349,242)	-	(17,117,261)
Storm drain	(3,795,745)	(119,302)	-	(3,915,047)
Total accumulated depreciation	<u>(234,808,820)</u>	<u>(9,632,683)</u>	<u>417,637</u>	<u>(244,023,866)</u>
Total capital assets, being depreciated, net	<u>220,899,945</u>	<u>9,415,075</u>	<u>-</u>	<u>230,315,020</u>
Total governmental activities capital assets, net	<u>\$ 380,935,329</u>	<u>\$ 29,592,677</u>	<u>\$ (25,186,940)</u>	<u>\$ 385,341,066</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018:

General government	\$ 1,880,302
Community services	3,836,899
Public works	1,713,643
Community development	<u>2,201,839</u>
 Total depreciation expense	 <u><u>\$ 9,632,683</u></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, 2018:

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at June 30, 2018</u>
Capital assets, not being depreciated:				
Land	<u>\$ 36,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,000,000</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 5 - INTERFUND TRANSACTIONS

Due From/To Other Funds

Due from/due to other funds as of June 30, 2018, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Carson Housing Authority Special Revenue Fund	\$ 360,439
	Cooperation Agreement Bond Proceeds Special Revenue Fund	354,866
	State CIP Grants Special Revenue Fund	1,347,279
	Nonmajor Governmental Funds	638,209
Carson Housing Authority Special Revenue Fund	General Fund	465
Cooperation Agreement Bond Proceeds Special Revenue Fund	General Fund State CIP Grants Special Revenue Fund	1,461,350 134
	Nonmajor Governmental Funds	1,620,459
Nonmajor Governmental Funds	Carson Housing Authority Special Revenue Fund	243
	Cooperation Agreement Bond Proceeds Special Revenue Fund	5,753
		\$ 5,789,197

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, 2018

NOTE 5 - INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Transfers in and out for the year ended June 30, 2018, were as follows:

Transfer In to Fund	Transfer Out of Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 4,222
Cooperation Agreement Bond		
Proceeds Special Revenue Fund	Nonmajor Governmental Funds	141,177
Nonmajor Governmental Funds	General Fund	751,467
		<u>\$ 896,866</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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 4,817,483	\$ 2,800,345	\$ (3,177,201)	\$ 4,440,627	\$ 2,915,785	\$ 1,524,842
Self-insurance claims payable	3,070,871	748,689	(1,565,717)	2,253,843	1,149,146	1,104,697
Total	<u>\$ 7,888,354</u>	<u>\$ 3,549,034</u>	<u>\$ (4,742,918)</u>	<u>\$ 6,694,470</u>	<u>\$ 4,064,931</u>	<u>\$ 2,629,539</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, 2018

NOTE 7 - SELF-INSURANCE PROGRAMS (CONTINUED)

At June 30, 2018, \$2,253,843 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, 2018, 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, 2018, is as follows:

	Workers' Compensation Claims	General Liability Claims	Totals
Balance at June 30, 2016	\$ 2,142,187	\$ 1,790,476	\$ 3,932,663
Additions	640,439	336,702	977,141
Payments	(397,947)	(1,440,986)	(1,838,933)
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	<u>\$ 2,083,823</u>	<u>\$ 170,020</u>	<u>\$ 2,253,843</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, 2018

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 are summarized as follows:

Hire date	Prior to May 6, 2011	Miscellaneous On or after May 6, 2011 and Prior to January 1, 2013	On or After January 1, 2013
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

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

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2017, using an annual actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	<u>Miscellaneous</u> June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Income	(3)

(1) Various by entry age and service

(2) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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 (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

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, 2018

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, 2017, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016	<u>\$ 258,632,353</u>	<u>\$ 168,198,176</u>	<u>\$ 90,434,177</u>
Changes in the Year:			
Service cost	4,806,568	-	4,806,568
Interest on the total pension liability	19,276,794	-	19,276,794
Changes of assumptions	15,778,040	-	15,778,040
Differences between expected and actual experience	(923,400)	-	(923,400)
Plan to plan resource movement	-	-	-
Contribution - employer	-	6,899,003	(6,899,003)
Contribution - employee	-	2,015,333	(2,015,333)
Net investment income	-	18,521,130	(18,521,130)
Benefit payments, including refunds of employee contributions	(12,569,527)	(12,569,527)	-
Administrative expenses	-	(248,333)	248,333
Net Changes	<u>26,368,475</u>	<u>14,617,606</u>	<u>11,750,869</u>
Balance at June 30, 2017 (Measurement Date)	<u><u>\$ 285,000,828</u></u>	<u><u>\$ 182,815,782</u></u>	<u><u>\$ 102,185,046</u></u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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	\$ 140,130,254
Current Discount Rate	7.15%
Net Pension Liability	\$ 102,185,046
1% Increase	8.15%
Net Pension Liability	\$ 70,743,036

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, 2018, the City recognized pension expense of \$15,668,233. At June 30, 2018, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made after the measurement date	\$ 7,471,529	\$ -
Differences between actual and expected experience	2,540,206	(666,900)
Change of assumptions	11,395,251	(977,892)
Net differences between projected and actual earnings on plan investments	<u>2,328,415</u>	<u>-</u>
Total	<u>\$ 23,735,401</u>	<u>\$ (1,644,792)</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

\$7,471,529 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, 2019. 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
2018	\$ 5,088,005
2019	7,388,432
2020	3,487,538
2021	(1,344,895)
2022	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2018, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

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, 2018

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 \$1,203,062 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 during the fiscal year 2017-2018 amounted to \$555,912.

Plan Membership

As of the June 30, 2017 actuarial valuation, 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, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017. 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, 2018

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, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
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%
Healthcare Cost Trend Rates	6.0% HMO/6.5% PPO, decreasing to 5%
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, 2018

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 are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CEBRT		
US Equity	30.00%	4.85%
International Equity	27.00%	5.85%
REITs	8.00%	3.65%
US Fixed Income	27.00%	2.35%
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 4.25%. 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 5.75% as compared to the June 30, 2017 valuation discount rate of 4.25%. The discount rate was changed due to capital market assumptions.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2016	\$ 72,872,563	\$ 16,602,739	\$ 56,269,824
Changes in the Year:			
Service cost	2,296,140	-	2,296,140
Interest on the total OPEB liability	3,150,579	-	3,150,579
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	1,409,106	(1,409,106)
Net investment income	-	1,757,999	(1,757,999)
Administrative expenses	-	(8,868)	8,868
Benefit payments	(2,074,858)	(2,074,858)	-
Net Changes	3,371,861	1,083,379	2,288,482
Balance at June 30, 2017 (Measurement Date)	\$ 76,244,424	\$ 17,686,118	\$ 58,558,306

Change of Assumptions

There were no changes of assumptions.

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, 2018

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 (3.25%)	Discount Rate (4.25%)	1% Increase (5.25%)
Net OPEB Liability	\$ 71,759,277	\$ 58,558,306	\$ 48,051,892

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	\$ 47,181,058	\$ 58,558,306	\$ 73,043,283

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, the District recognized OPEB expense of \$ 4,550,962. At June 30, 2018, 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	\$ 555,912	\$ -
Differences between projected and actual earnings on plan investments	-	(853,374)
Total	<u>\$ 555,912</u>	<u>\$ (853,374)</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 2017-18 measurement period is 4 years.

\$555,912 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, 2019. 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
2019	\$ (213,344)
2020	(213,344)
2021	(213,344)
2022	(213,342)
2023	-
Thereafter	-

E. Payable to the OPEB Plan

At June 30, 2018, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2018.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 10 - GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The various fund balance classifications established as of June 30, 2018, were as follows:

	General Fund	Carson Housing Authority	Special Revenue Funds			Total
			Cooperation Agreement Bond Proceeds	State CIP Grants	Nonmajor Governmental Funds	
Nonspendable:						
Inventory	\$ 240,436	\$ -	\$ -	\$ -	\$ -	\$ 240,436
Total Nonspendable	240,436	-	-	-	-	240,436
Restricted for:						
Housing projects	-	10,646,958	-	-	-	10,646,958
Special revenue funds	-	-	-	-	12,076,216	12,076,216
Restricted donations	250,000	-	-	-	-	250,000
Capital projects	-	-	2,279,182	-	-	2,279,182
Total Restricted	250,000	10,646,958	2,279,182	-	12,076,216	25,252,356
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	18,405,368	-	-	(1,491,505)	(1,121,638)	15,792,225
Total Fund Balances	\$ 35,219,969	\$ 10,646,958	\$ 2,279,182	\$ (1,491,505)	\$ 10,954,578	\$ 57,609,182

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 11 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2018:

	<u>Accumulated Deficit</u>
Major Fund:	
State CIP Grants Special Revenue Fund	\$ (1,491,505)
Nonmajor Special Revenue Funds:	
Los Angeles County Park District Fund	(661,718)
Proposition 1B Fund	(3,574)
HOME Grant Fund	(1,053)
Community Development Block Grant Fund	(407,284)
Federal Highway Planning Grant Fund	(53,105)

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, 2018, 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:			
Non-Departmental	\$ 9,105,898	\$ 9,254,059	\$ (148,161)
City Manager	3,826,186	3,861,771	(35,585)
Capital Improvement Programs	322,083	527,150	(205,067)
Housing Authority Fund:			
Community development	11,121,326	13,300,066	(2,178,740)
Nonmajor Special Revenue Funds:			
TDA Article 3 Fund:			
Capital improvement programs	-	6,915	(6,915)
Prop C Local Return Fund:			
Community services	1,142,724	1,320,219	(177,495)
Capital improvement programs	-	546,570	(546,570)
Air Quality Improvement Fund:			
Community services	28,500	29,132	(632)

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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):			
Restricted Administrative Tow Fee Fund:			
General government	\$ -	\$ 1,901	\$ (1,901)
Community services	18,100	42,359	(24,259)
City Special Events Fund:			
General government	422,080	478,017	(55,937)
Park Development Fund:			
Capital improvement programs	81,507	106,945	(25,438)
Los Angeles County Park District Fund:			
Capital improvement programs	-	77,464	(77,464)
Beverage Container Recycling Fund:			
Public works	8,000	31,488	(23,488)
Used Oil State Grant Fund:			
Public works	-	14,194	(14,194)
Community Development Block Grant Fund:			
Community development	1,088,781	1,197,606	(108,825)

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, 2018, are \$17,330,000 and \$5,635,000, for Series A and Subordinate Series B, respectively.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018 is \$780,000.

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, 2018

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, 2018, 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, 2018, 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, 2018, the balance on the Note is \$4,200,000.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, the outstanding loans receivable from the Developer is \$2,681,000. Pursuant to the DDA, as amended, the Agency is also required to provide the Developer a rent subsidy in the amount of \$160,524 per year for 30 years following the date of the certificate of occupancy for the Project (or until August 1, 2025).

Carson Terrace, L.P.

In June 1999, the Agency entered into an Owner Participation Agreement (OPA) with Carson Terrace, L.P. (Developer) for development and operation of an affordable senior citizen housing project (Project). Pursuant to the OPA, the Developer executed a promissory note for a short-term construction loan in the amount of \$2,205,000 with a simple interest rate of 3%. Subsequently, the Developer executed a promissory note for a long-term loan with a 5% simple interest rate for the purpose of retiring the construction loan. An amendment dated December 15, 2000, increased the amount of the long-term loan to \$2,296,988. The amount of Developer loan repayments are equal to 50% of the positive cash flow generated by the Project. At June 30, 2018, the balance on the note is \$2,296,988. Pursuant to the OPA, the Agency is also required to provide the Developer a rent subsidy in the amount of \$73,320 per year for 30 years following the date of the certificate of occupancy issued in 2001 (or until December 26, 2030). In late 2017, the 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. At June 30, 2018, the balance on the Note remains at \$2,296,988.

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.

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

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, 2018, 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. The project will be complete at the end of August 2019.

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 will be complete in late August 2019.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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.

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, 2018, are as follows:

Loans relative to development projects under various disposition and development agreements	\$ 13,690,513
Less: Allowance for uncollectible accounts	<u>(13,690,513)</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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year	Due in More Than One Year
Redevelopment Project Area 1:						
2003B Tax Allocation Bonds	\$ 11,221,700	\$ 633,394	\$ -	\$ 11,855,094	\$ -	\$ 11,855,094
2014A Tax Allocation Refunding Bonds	25,505,000	-	(2,830,000)	22,675,000	2,950,000	19,725,000
2016A Tax Allocation Refunding Bonds	20,775,000	-	(805,000)	19,970,000	820,000	19,150,000
2017A Tax Allocation Refunding Bonds	12,315,000	-	(620,000)	11,695,000	490,000	11,205,000
Less: Bond Discounts	(458,930)	-	23,808	(435,122)	-	(435,122)
Redevelopment Project Area 2:						
2007A Tax Allocation Refunding Bonds	15,995,000	-	(145,000)	15,850,000	150,000	15,700,000
2014A Tax Allocation Refunding Bonds	12,825,000	-	(1,350,000)	11,475,000	1,405,000	10,070,000
Redevelopment Project Area 4:						
2006 Tax Allocation Bonds	23,290,000	-	(23,290,000)	-	-	-
Redevelopment Project Area 4:						
2018 Tax Allocation Bonds	-	21,715,000	-	21,715,000	-	21,715,000
Add: Bond Premium	-	1,009,264	(14,264)	995,000	-	995,000
Low and Moderate Income Housing:						
2010A-T Tax Allocation Housing Bonds	7,370,000	-	(1,570,000)	5,800,000	1,655,000	4,145,000
2010A Tax Allocation Housing Bonds	25,620,000	-	-	25,620,000	-	25,620,000
Successor Agency:						
2015B Subordinate Tax Allocation Refunding Bonds	50,235,000	-	(3,035,000)	47,200,000	3,105,000	44,095,000
County deferred loans	-	-	-	-	-	-
Total	\$ 204,692,770	\$ 23,357,658	\$ (33,635,456)	\$ 194,414,972	\$ 10,575,000	\$ 183,839,972

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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 16 - SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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 \$6,444,231 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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ -	\$ -
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024 - 2028	2,779,565	6,170,435	8,950,000
2029 - 2033	2,631,298	8,968,702	11,600,000
2034	-	-	-
Subtotals	\$ 5,410,863	\$ 15,139,137	\$ 20,550,000
Accreted Interest	6,444,231	-	6,444,231
Totals	<u>\$ 11,855,094</u>	<u>\$ 15,139,137</u>	<u>\$ 26,994,231</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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 \$2,225,000 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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 2,950,000	\$ 1,027,338	\$ 3,977,338
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 - 2028	2,025,000	1,279,813	3,304,813
2029 - 2033	-	925,438	925,438
2034 - 2037	4,355,000	187,106	4,542,106
Totals	<u>\$ 22,675,000</u>	<u>\$ 5,941,420</u>	<u>\$ 28,616,420</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, 2018

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, 2018, the outstanding balance of the defeased debt was \$19,385,000. 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, 2018, is \$2,634,543.

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 820,000	\$ 738,442	\$ 1,558,442
2020	845,000	719,992	1,564,992
2021	865,000	698,645	1,563,645
2022	895,000	674,116	1,569,116
2023	915,000	649,504	1,564,504
2024 - 2028	6,795,000	2,384,202	9,179,202
2029 - 2033	1,840,000	1,776,199	3,616,199
2034 - 2037	6,995,000	1,000,000	7,995,000
Totals	<u>\$ 19,970,000</u>	<u>\$ 8,641,100</u>	<u>\$ 28,611,100</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, the outstanding balance of the defeased debt was \$10,745,000. 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 \$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, 2018, is \$1,226,533.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 490,000	\$ 423,336	\$ 913,336
2020	500,000	412,351	912,351
2021	515,000	399,836	914,836
2022	525,000	385,714	910,714
2023	540,000	370,006	910,006
2024 - 2028	2,995,000	1,579,131	4,574,131
2029 - 2033	3,600,000	969,456	4,569,456
2034 - 2037	2,530,000	211,406	2,741,406
Totals	<u>\$ 11,695,000</u>	<u>\$ 4,751,236</u>	<u>\$ 16,446,236</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, 2018

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 150,000	\$ 725,300	\$ 875,300
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 - 2028	3,695,000	3,258,781	6,953,781
2029 - 2033	6,610,000	2,063,388	8,673,388
2034 - 2037	4,745,000	457,663	5,202,663
Totals	<u>\$ 15,850,000</u>	<u>\$ 9,344,319</u>	<u>\$ 25,194,319</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, 2018

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,405,000	\$ 538,625	\$ 1,943,625
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 - 2025	3,715,000	189,125	3,904,125
Totals	<u>\$ 11,475,000</u>	<u>\$ 2,125,375</u>	<u>\$ 13,600,375</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 advance refunding resulted in the Successor Agency reducing its debt service requirements by \$3,009,875, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,001,179. 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, 2018

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, 2018, is \$79,206.

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 869,023	\$ 869,023
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 - 2028	3,695,000	3,274,844	6,969,844
2029 - 2033	4,690,000	2,268,684	6,958,684
2034 - 2037	5,590,000	1,376,319	6,966,319
2039 - 2042	5,185,000	369,968	5,554,968
Totals	<u>\$ 21,715,000</u>	<u>\$ 11,339,914</u>	<u>\$ 33,054,914</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, 2018

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,655,000	\$ 273,488	\$ 1,928,488
2020	1,750,000	179,850	1,929,850
2021	1,845,000	80,987	1,925,987
2022	550,000	1,512	551,512
Totals	<u>\$ 5,800,000</u>	<u>\$ 535,837</u>	<u>\$ 6,335,837</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, 2017:

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 1,294,063	\$ 1,294,063
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 - 2028	9,005,000	4,417,000	13,422,000
2029 - 2033	6,620,000	2,611,856	9,231,856
2034 - 2037	6,565,000	705,731	7,270,731
Totals	<u>\$ 25,620,000</u>	<u>\$ 14,065,095</u>	<u>\$ 39,685,095</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 3,105,000	\$ 2,229,662	\$ 5,334,662
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 - 2028	18,225,000	5,879,848	24,104,848
2029 - 2033	6,855,000	2,599,675	9,454,675
2034 - 2037	5,415,000	582,659	5,997,659
Totals	<u>\$ 47,200,000</u>	<u>\$ 19,021,108</u>	<u>\$ 66,221,108</u>

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, 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, 2018, the balance on the Note is \$1,613,531.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, 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, 2018, WIN Chevrolet has a loan balance of \$4,900,000.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

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, 2018, 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), an affiliate of The Macerich Company of Santa Monica, California, 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, 2018

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

CAM-CARSON, LLC (CONTINUED)

Project Agreements

It is anticipated that (1) Reclamation Authority will separately enter into a purchase and sale agreement with Developer, the “Conveyancing Agreement,” whereby Reclamation Authority will convey and Developer will acquire the Developer Property and (2) the City will enter into a Cooperation Agreement with Reclamation Authority (Cooperation Agreement) whereby Reclamation Authority would agree to construct certain public infrastructure on behalf of City and City would agree 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 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, the Reclamation Authority retains site control over Cell 2.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

***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 paid for 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. 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 trash layers (Site Preparation Work); (ii) installation of piles and pile caps, vaults, under slab utilities (Sub-Foundation Work); (iii) establishing underground utility runs from the property lines (Utility Work); (iv) constructing the structural slab for the foundation of the buildings.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

***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, 2018

***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 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, 2018

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)	7,270,000
Other Soft Costs	<u>5,480,000</u>
Total Estimated Costs	<u><u>\$ 84,300,000</u></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.

CITY OF CARSON
Notes to Basic Financial Statements
June 30, 2018

NOTE 18 - PRIOR PERIOD ADJUSTMENT

Restatement of Government-Wide financial statements' net position as of July 1, 2017 is as follows:

	<u>Governmental Activities</u>
Net position at July 1, 2017, as originally reported	\$ 341,541,004
Implementation of GASB Statement 75 to record the net OPEB liability as of the beginning of the year	<u>(33,426,196)</u>
Net position at July 1, 2017, as restated	<u>\$ 308,114,808</u>

NOTE 19 - SUBSEQUENT EVENTS

Events occurring after June 30, 2018, have been evaluated for possible adjustments to the financial statements or disclosure as of June 27, 2019, which is the date these financial statements were available to be issued.

(This page intentionally left blank.)

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, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:				
Service cost	\$ 4,806,568	\$ 4,558,044	\$ 4,326,829	\$ 4,634,164
Interest on total pension liability	19,276,794	18,605,765	17,550,999	16,199,814
Changes in benefits	-	-	-	-
Changes in assumptions	15,778,040	-	(4,237,527)	-
Differences between expected and actual experience	(923,400)	2,148,324	6,597,837	-
Benefit payments, including refunds of employee contributions	<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	26,368,475	14,382,058	14,460,275	11,385,201
Total Pension Liability - Beginning of Year	<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>\$ 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	\$ -	\$ -	\$ (228,538)	\$ -
Contributions - employer	6,899,003	6,254,187	5,746,641	6,276,475
Contributions - employee	2,015,333	2,155,129	2,169,417	2,460,111
Net investment income	18,521,130	1,013,852	3,717,143	25,449,700
Benefit payments	(12,569,527)	(10,930,075)	(9,777,863)	(9,448,777)
Administrative expense	<u>(248,333)</u>	<u>(103,489)</u>	<u>(191,232)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	14,617,606	(1,610,396)	1,435,568	24,737,509
Plan Fiduciary Net Position - Beginning of Year	<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>\$ 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>\$ 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	64.15%	65.03%	69.52%	73.27%
Covered - employee payroll	\$ 24,600,653	\$ 23,931,419	\$ 23,784,241	\$ 23,683,572
Net pension liability as percentage of covered- employee payroll	415.38%	377.89%	312.99%	259.32%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

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%.

* - Fiscal year 2015 was the 1st year of implementation, therefore only four 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, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 7,471,529	\$ 6,884,001	\$ 6,258,247	\$ 5,746,641
Contributions in relation to the actuarially determined contributions	<u>(7,471,529)</u>	<u>(6,884,001)</u>	<u>(6,258,247)</u>	<u>(5,746,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 22,809,163	\$ 24,600,653	\$ 23,931,419	\$ 23,784,241
Contributions as a percentage of covered - employee payroll	32.76%	27.98%	26.15%	24.16%

Notes to Schedule:

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
----------------	---------------	---------------	---------------	---------------

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market Value***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years (2.7% @55), 52 years (2.0% @62)**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.**

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

** - The valuation for June 30, 2012, 2013, and 2014 (applicable to fiscal years ended June 30, 2015, 2016, and 2017 respectively) included the same actuarial assumptions.

*** - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015 valuations (applicable to fiscal years ended June 30, 2016, 2017, and 2018 respectively).

CITY OF CARSON

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year end	<u>6/30/2018</u>
Measurement date	<u>6/30/2017</u>
Total OPEB Liability:	
Service cost	\$ 2,296,140
Interest on total OPEB liability	3,150,579
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(2,074,858)</u>
Net Change in Total OPEB Liability	3,371,861
Total OPEB Liability - Beginning of Year	<u>72,872,563</u>
Total OPEB Liability - End of Year (a)	<u>76,244,424</u>
Plan Fiduciary Net Position:	
Contributions - employer	1,409,106
Net investment income	1,757,999
Administrative expenses	(8,868)
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(2,074,858)</u>
Net Change in Plan Fiduciary Net Position	1,083,379
Plan Fiduciary Net Position - Beginning of Year	<u>16,602,739</u>
Plan Fiduciary Net Position - End of Year (b)	<u>17,686,118</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 58,558,306</u>
Plan fiduciary net position as a percentage of the total OPEB liability	23.20%
Covered-employee payroll	\$ 22,132,875
Net OPEB liability as percentage of covered - employee payroll	264.58%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The fiscal year ended June 30, 2018 is the first year of implementation; therefore, there are no previous GASB 75 actuarial reports for comparison.

* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.

CITY OF CARSON

SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years*

	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 5,128,216
Contributions in relation to the actuarially determined contribution	<u>555,912</u>
Contribution deficiency (excess)	<u>\$ 4,572,304</u>
Covered-employee payroll	\$ 22,542,046
Contributions as a percentage of covered-employee payroll	2.47%

Notes to Schedule:

Valuation Date 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 one year is 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.

<p>City Council Local legislative policy</p> <p>City Attorney Legal advisor to City Council and departments Preparations of resolutions and ordinances Contract review Litigation</p> <p>City Clerk Records management Preparation of minutes Codification of municipal code Elections</p> <p>City Treasurer Investments Cash management Cashiering</p> <p>Community Development Employment development Business development Successor Agency Housing Authority Housing and neighborhood development Planning Building and safety</p>	<p>Administrative Services Revenue collection Business license Budget preparation Financial reporting Grants accounting Accounts payable Payroll Purchasing Reproduction and mail services Warehouse operations Information technology</p> <p>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</p>	<p>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</p> <p>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</p> <p>Non-Departmental Retiree health insurance Program support</p>
--	---	--

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales and use tax	\$ 24,397,018	\$ 24,397,018	\$ 24,439,171	\$ 42,153
Franchise tax	8,522,750	8,522,750	9,094,861	572,111
Property tax allocation from state	15,668,000	15,668,000	15,331,160	(336,840)
Transient occupancy tax	2,200,000	2,200,000	2,242,192	42,192
Utility users tax	7,650,000	7,650,000	8,129,186	479,186
Real property transfer tax	330,000	330,000	370,939	40,939
Oil industry business tax	-	-	1,556,740	1,556,740
Total Taxes	<u>58,767,768</u>	<u>58,767,768</u>	<u>61,164,249</u>	<u>2,396,481</u>
Licenses and Permits:				
Business licenses	2,705,400	2,705,400	2,915,618	210,218
Building permits	3,500,000	3,500,000	6,926,822	3,426,822
Other licenses and permits	1,236,685	1,236,685	1,434,661	197,976
Total Licenses and Permits	<u>7,442,085</u>	<u>7,442,085</u>	<u>11,277,101</u>	<u>3,835,016</u>
Fines and Forfeitures:				
Traffic and parking fines	1,384,000	1,384,000	1,286,845	(97,155)
Other fines, forfeitures and penalties	360,193	360,193	423,485	63,292
Total Fines and Forfeitures	<u>1,744,193</u>	<u>1,744,193</u>	<u>1,710,330</u>	<u>(33,863)</u>
Intergovernmental:				
Motor vehicle licenses	40,000	40,000	49,309	9,309
Other intergovernmental	300,800	300,800	73,241	(227,559)
Total Intergovernmental	<u>340,800</u>	<u>340,800</u>	<u>122,550</u>	<u>(218,250)</u>
Charges for Services:				
Planning and public works	1,276,280	1,276,280	860,735	(415,545)
Recreation	2,696,820	2,696,820	2,134,492	(562,328)
Other service charges	638,483	638,483	132,242	(506,241)
Total Charges for Services	<u>4,611,583</u>	<u>4,611,583</u>	<u>3,127,469</u>	<u>(1,484,114)</u>
Investment Income:				
Interest on investments	199,123	199,123	190,310	(8,813)
Rents and commissions	514,368	514,368	672,701	158,333
Community Center revenue	912,780	912,780	1,027,633	114,853
Total Investment Income	<u>1,626,271</u>	<u>1,626,271</u>	<u>1,890,644</u>	<u>264,373</u>
Miscellaneous	<u>1,776,009</u>	<u>1,776,009</u>	<u>15,209,674</u>	<u>13,433,665</u>
TOTAL REVENUES	<u>76,308,709</u>	<u>76,308,709</u>	<u>94,502,017</u>	<u>18,193,308</u>

(Continued)

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General Government:				
City Council	\$ 900,035	\$ 900,035	\$ 864,260	\$ 35,775
City Attorney	3,070,000	3,070,000	2,859,343	210,657
Human Resources	2,622,049	2,589,819	2,299,125	290,694
Non-Departmental	9,105,898	9,105,898	9,254,059	(148,161)
City Clerk	1,015,032	953,032	885,590	67,442
City Treasurer	751,372	750,872	739,833	11,039
City Manager	4,094,036	3,826,186	3,861,771	(35,585)
Administrative services	3,744,829	3,649,829	3,440,321	209,508
Total General Government	25,303,251	24,845,671	24,204,302	641,369
Community Development	6,210,413	6,110,413	4,773,761	1,336,652
Public Safety	22,160,047	21,953,116	21,265,535	687,581
Public Works	16,069,266	15,936,879	14,788,704	1,148,175
Community Services	12,859,464	12,725,125	11,938,353	786,772
Capital Improvement Programs	322,083	322,083	527,150	(205,067)
TOTAL EXPENDITURES	60,764,477	59,940,171	77,497,805	3,707,901
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,544,232	16,368,538	17,004,212	21,901,209
OTHER FINANCING SOURCES (USES):				
Transfers in	20,301	20,301	4,222	(16,079)
Transfers out	(487,000)	(487,000)	(751,467)	(264,467)
TOTAL OTHER FINANCING SOURCES (USES)	(466,699)	(466,699)	(747,245)	(280,546)
NET CHANGE IN FUND BALANCE	15,077,533	15,901,839	16,256,967	21,620,663
FUND BALANCE - BEGINNING OF YEAR	18,963,002	18,963,002	18,963,002	-
FUND BALANCE - END OF YEAR	\$ 34,040,535	\$ 34,864,841	\$ 35,219,969	\$ 21,620,663

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

CARSON HOUSING AUTHORITY SPECIAL REVENUE FUND

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ -	\$ -	\$ 1,000	\$ 1,000
Investment income	178,255	178,255	228,661	50,406
Miscellaneous	-	-	121,383	121,383
TOTAL REVENUES	<u>178,255</u>	<u>178,255</u>	<u>351,044</u>	<u>172,789</u>
EXPENDITURES:				
Current:				
Community development	<u>10,562,103</u>	<u>11,121,326</u>	<u>13,300,066</u>	<u>(2,178,740)</u>
TOTAL EXPENDITURES	<u>10,562,103</u>	<u>11,121,326</u>	<u>13,300,066</u>	<u>(2,178,740)</u>
NET CHANGE IN FUND BALANCE	(10,383,848)	(10,943,071)	(12,949,022)	(2,005,951)
FUND BALANCE - BEGINNING OF YEAR	<u>23,595,980</u>	<u>23,595,980</u>	<u>23,595,980</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 13,212,132</u>	<u>\$ 12,652,909</u>	<u>\$ 10,646,958</u>	<u>\$ (2,005,951)</u>

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

COOPERATION AGREEMENT BOND PROCEEDS SPECIAL REVENUE FUND

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 77,188	\$ 77,188	\$ 29,645	\$ (47,543)
TOTAL REVENUES	<u>77,188</u>	<u>77,188</u>	<u>29,645</u>	<u>(47,543)</u>
EXPENDITURES:				
Current:				
Capital improvement programs	<u>7,114,294</u>	<u>7,915,042</u>	<u>7,291,751</u>	<u>623,291</u>
TOTAL EXPENDITURES	<u>7,114,294</u>	<u>7,915,042</u>	<u>7,291,751</u>	<u>623,291</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,037,106)</u>	<u>(7,837,854)</u>	<u>(7,262,106)</u>	<u>575,748</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>-</u>	<u>-</u>	<u>141,177</u>	<u>141,177</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>141,177</u>	<u>141,177</u>
NET CHANGE IN FUND BALANCE	(7,037,106)	(7,837,854)	(7,120,929)	716,925
FUND BALANCE - BEGINNING OF YEAR	<u>9,400,111</u>	<u>9,400,111</u>	<u>9,400,111</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,363,005</u>	<u>\$ 1,562,257</u>	<u>\$ 2,279,182</u>	<u>\$ 716,925</u>

CITY OF CARSON

BUDGETARY COMPARISON SCHEDULE

STATE CIP GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 342,915	\$ 342,915	\$ 3,302,430	\$ 2,959,515
TOTAL REVENUES	<u>342,915</u>	<u>342,915</u>	<u>3,302,430</u>	<u>2,959,515</u>
EXPENDITURES:				
Current:				
Capital improvement programs	<u>12,499,706</u>	<u>3,056,927</u>	<u>2,704,513</u>	<u>352,414</u>
TOTAL EXPENDITURES	<u>12,499,706</u>	<u>3,056,927</u>	<u>2,726,142</u>	<u>330,785</u>
NET CHANGE IN FUND BALANCE	(12,156,791)	(2,714,012)	576,288	3,290,300
FUND BALANCE - BEGINNING OF YEAR	<u>(2,067,793)</u>	<u>(2,067,793)</u>	<u>(2,067,793)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (14,224,584)</u>	<u>\$ (4,781,805)</u>	<u>\$ (1,491,505)</u>	<u>\$ 3,290,300</u>

CITY OF CARSON
Note to Required Supplementary Information
June 30, 2018

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, the Development Impact Fees Special Revenue Fund, and the SB1 Special Revenue Fund.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CARSON

Nonmajor Government Funds: Special Revenue Funds

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

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

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

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

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

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

The **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.

(This page intentionally left blank.)

CITY OF CARSON

Nonmajor Governmental Funds: Special Revenue 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: Special Revenue 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.

(This page intentionally left blank.)

CITY OF CARSON

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2018

	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	\$ 812,812	\$ -	\$ 153,620	\$ 1,228,193
Receivables:					
Loans, net of allowance	-	-	-	-	-
Due from other funds	-	5,050	-	-	-
Due from government agencies	-	-	-	201,251	-
TOTAL ASSETS	\$ 78	\$ 817,862	\$ -	\$ 354,871	\$ 1,228,193
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ 310,978	\$ -	\$ 215,803	\$ 804,400
Accrued payroll	-	8,019	-	16,484	1,296
Due to other funds	-	-	-	-	-
Due to government agencies	-	-	-	-	-
Retentions payable	-	-	-	4,142	-
TOTAL LIABILITIES	-	318,997	-	236,429	805,696
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	78	498,865	-	118,442	422,497
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	78	498,865	-	118,442	422,497
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 78	\$ 817,862	\$ -	\$ 354,871	\$ 1,228,193

Air Quality Improvement Fund	Capital Asset Replacement Fund	Measure R Fund	Restricted Administrative Tow Fee Fund	Youth Services Program Fund	City Special Events Fund
\$ 502,666	\$ 939,185	\$ 2,123,096	\$ 118,008	\$ 51,232	\$ 176,262
-	-	-	-	-	-
-	-	-	-	-	-
30,840	-	-	3,200	-	-
<u>\$ 533,506</u>	<u>\$ 939,185</u>	<u>\$ 2,123,096</u>	<u>\$ 121,208</u>	<u>\$ 51,232</u>	<u>\$ 176,262</u>
\$ 117	\$ 5,961	\$ 1,484	\$ 20,728	\$ -	\$ 7,148
-	-	218	-	-	12,392
-	-	189,349	-	-	-
-	-	-	-	-	-
-	-	330	-	-	-
<u>117</u>	<u>5,961</u>	<u>191,381</u>	<u>20,728</u>	<u>-</u>	<u>19,540</u>
-	-	-	-	-	-
533,389	933,224	1,931,715	100,480	51,232	156,722
-	-	-	-	-	-
<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>\$ 533,506</u>	<u>\$ 939,185</u>	<u>\$ 2,123,096</u>	<u>\$ 121,208</u>	<u>\$ 51,232</u>	<u>\$ 176,262</u>

(Continued)

CITY OF CARSON

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)

June 30, 2018

	MTA Call for Projects Fund	Park Development Fund	Los Angeles County Park District Fund	Beverage Container Recycling Fund	State COPS Grant Fund
ASSETS					
Cash and investments	\$ 1,388,417	\$ 841,012	\$ -	\$ 42,609	\$ 104,252
Receivables:					
Loans, net of allowance	-	-	-	-	-
Due from other funds	-	703	-	-	-
Due from government agencies	224,734	-	716,527	-	-
TOTAL ASSETS	<u>\$ 1,613,151</u>	<u>\$ 841,715</u>	<u>\$ 716,527</u>	<u>\$ 42,609</u>	<u>\$ 104,252</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ 92,585	\$ 77,465	\$ 14,836	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	768,454	-	584,252	-	-
Due to government agencies	-	-	-	-	-
Retentions payable	612	-	1	-	-
TOTAL LIABILITIES	<u>769,066</u>	<u>92,585</u>	<u>661,718</u>	<u>14,836</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	31,376	-	716,527	-	-
FUND BALANCES (DEFICIT):					
Restricted	812,709	749,130	-	27,773	104,252
Unassigned	-	-	(661,718)	-	-
TOTAL FUND BALANCES (DEFICIT)	<u>812,709</u>	<u>749,130</u>	<u>(661,718)</u>	<u>27,773</u>	<u>104,252</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,613,151</u>	<u>\$ 841,715</u>	<u>\$ 716,527</u>	<u>\$ 42,609</u>	<u>\$ 104,252</u>

Used Oil State Grant Fund	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
\$ 32,460	\$ -	\$ -	\$ -	\$ -	\$ 603,509	\$ 954
-	-	-	371,546	-	-	-
-	-	-	-	243	-	-
-	-	13,541	-	552,903	6,042	-
<u>\$ 32,460</u>	<u>\$ -</u>	<u>\$ 13,541</u>	<u>\$ 371,546</u>	<u>\$ 553,146</u>	<u>\$ 609,551</u>	<u>\$ 954</u>
\$ 3,100	\$ -	\$ -	\$ -	\$ 358,500	\$ -	\$ -
-	-	2,448	-	6,411	-	138
-	3,574	5,997	1,053	42,616	662,656	717
-	-	-	371,546	-	-	-
-	-	-	-	-	-	-
<u>3,100</u>	<u>3,574</u>	<u>8,445</u>	<u>372,599</u>	<u>407,527</u>	<u>662,656</u>	<u>855</u>
-	-	-	-	552,903	-	-
29,360	-	5,096	-	-	-	99
-	(3,574)	-	(1,053)	(407,284)	(53,105)	-
<u>29,360</u>	<u>(3,574)</u>	<u>5,096</u>	<u>(1,053)</u>	<u>(407,284)</u>	<u>(53,105)</u>	<u>99</u>
<u>\$ 32,460</u>	<u>\$ -</u>	<u>\$ 13,541</u>	<u>\$ 371,546</u>	<u>\$ 553,146</u>	<u>\$ 609,551</u>	<u>\$ 954</u>

(Continued)

CITY OF CARSON

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)

June 30, 2018

	Neighborhood Stabilization Grant Fund	Building Plan Retention Fund	Facility Maintenance Fund	Load Shed Program Fund	Public Education and Government Access (PEG) Fund
ASSETS					
Cash and investments	\$ 316,216	\$ 253,061	\$ 24,907	\$ 302,155	\$ 610,489
Receivables:					
Loans, net of allowance	165,000	-	-	-	-
Due from other funds	-	-	-	-	-
Due from government agencies	-	-	-	-	-
TOTAL ASSETS	\$ 481,216	\$ 253,061	\$ 24,907	\$ 302,155	\$ 610,489
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4	\$ -	\$ 90,226
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to government agencies	165,000	-	-	-	-
Retentions payable	-	-	-	-	-
TOTAL LIABILITIES	165,000	-	4	-	90,226
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	316,216	253,061	24,903	302,155	520,263
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	316,216	253,061	24,903	302,155	520,263
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 481,216	\$ 253,061	\$ 24,907	\$ 302,155	\$ 610,489

Raised Median In-Lieu Fund	Development Impact Fees Fund	Utility Underground In-Lieu Fund	SB1 Fund	State Local Transportation Fund	Measure M Fund	Total Nonmajor Governmental Funds
\$ 233,114	\$ 1,688,872	\$ 1,327,790	\$ 350,347	\$ -	\$ 943,435	\$ 15,168,751
-	-	-	-	-	-	536,546
-	-	-	-	-	-	5,996
-	-	-	198,571	-	-	1,947,609
<u>\$ 233,114</u>	<u>\$ 1,688,872</u>	<u>\$ 1,327,790</u>	<u>\$ 548,918</u>	<u>\$ -</u>	<u>\$ 943,435</u>	<u>\$ 17,658,902</u>
\$ -	\$ -	\$ -	\$ 496,973	\$ -	\$ 52,321	\$ 2,552,629
-	-	-	-	-	3,184	50,590
-	-	-	-	-	-	2,258,668
-	-	-	-	-	-	536,546
-	-	-	-	-	-	5,085
-	-	-	496,973	-	55,505	5,403,518
-	-	-	-	-	-	1,300,806
233,114	1,688,872	1,327,790	51,945	-	887,930	12,081,312
-	-	-	-	-	-	(1,126,734)
<u>233,114</u>	<u>1,688,872</u>	<u>1,327,790</u>	<u>51,945</u>	<u>-</u>	<u>887,930</u>	<u>10,954,578</u>
<u>\$ 233,114</u>	<u>\$ 1,688,872</u>	<u>\$ 1,327,790</u>	<u>\$ 548,918</u>	<u>\$ -</u>	<u>\$ 943,435</u>	<u>\$ 17,658,902</u>

CITY OF CARSON

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

For the year ended June 30, 2018

	Asset Forfeiture Fund	State Gas Tax Fund	TDA Article 3 Fund	Proposition A Local Return Fund	Proposition C Local Return Fund
REVENUES:					
Taxes	\$ -	\$ 1,958,778	\$ -	\$ 1,753,276	\$ 1,451,160
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	22,749	200,796	-
Charges for services	-	-	-	-	-
Investment income	-	3,239	-	667	4,846
Developer impact fee	-	-	-	-	-
Miscellaneous	-	117,082	-	119,512	57,880
TOTAL REVENUES	-	2,079,099	22,749	2,074,251	1,513,886
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	2,016,088	1,320,219
Capital improvement programs	-	2,077,089	6,915	-	546,570
TOTAL EXPENDITURES	-	2,077,089	6,915	2,016,088	1,866,789
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,010	15,834	58,163	(352,903)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	2,010	15,834	58,163	(352,903)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	78	496,855	(15,834)	60,279	775,400
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 78</u>	<u>\$ 498,865</u>	<u>\$ -</u>	<u>\$ 118,442</u>	<u>\$ 422,497</u>

Air Quality Improvement Fund	Capital Asset Replacement Fund	Measure R Fund	Restricted Administrative Tow Fee Fund	Youth Services Program Fund	City Special Events Fund
\$ -	\$ -	\$ 1,089,253	\$ -	\$ -	\$ -
-	-	-	43,840	-	-
120,356	-	-	-	-	-
-	-	-	-	-	241,285
1,982	-	12,875	465	-	-
-	-	-	-	-	-
-	-	-	-	-	15,719
<u>122,338</u>	<u>-</u>	<u>1,102,128</u>	<u>44,305</u>	<u>-</u>	<u>257,004</u>
-	-	-	1,901	-	478,017
-	-	-	-	-	-
-	-	14,310	-	-	-
29,132	-	-	42,359	-	-
-	248,762	1,142,719	-	-	-
<u>29,132</u>	<u>248,762</u>	<u>1,157,029</u>	<u>44,260</u>	<u>-</u>	<u>478,017</u>
<u>93,206</u>	<u>(248,762)</u>	<u>(54,901)</u>	<u>45</u>	<u>-</u>	<u>(221,013)</u>
-	-	-	-	-	503,029
-	-	-	-	-	-
-	-	-	-	-	503,029
93,206	(248,762)	(54,901)	45	-	282,016
<u>440,183</u>	<u>1,181,986</u>	<u>1,986,616</u>	<u>100,435</u>	<u>51,232</u>	<u>(125,294)</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>

(Continued)

CITY OF CARSON

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

For the year ended June 30, 2018

	MTA Call for Projects Fund	Park Development Fund	Los Angeles County Park District Fund	Beverage Container Recycling Fund
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,853,492	-	-	-
Charges for services	-	-	-	-
Investment income	-	3,315	-	168
Developer impact fee	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,853,492	3,315	-	168
EXPENDITURES:				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	31,488
Community services	-	-	-	-
Capital improvement programs	705,743	106,945	77,464	-
TOTAL EXPENDITURES	705,743	106,945	77,464	31,488
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,147,749	(103,630)	(77,464)	(31,320)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	1,147,749	(103,630)	(77,464)	(31,320)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	(335,040)	852,760	(584,254)	59,093
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 812,709</u>	<u>\$ 749,130</u>	<u>\$ (661,718)</u>	<u>\$ 27,773</u>

State COPS Grant Fund	Used Oil State Grant Fund	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
143,322	25,239	21,636	63,888	-	225,171	974,174	64,965
-	-	-	-	-	-	-	-
411	128	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	122,057	-	-
<u>143,733</u>	<u>25,367</u>	<u>21,636</u>	<u>63,888</u>	<u>-</u>	<u>347,228</u>	<u>974,174</u>	<u>64,965</u>
-	-	-	-	-	-	-	-
-	-	-	-	1,053	1,197,606	-	-
-	14,194	-	-	-	-	-	-
144,999	-	-	65,345	-	-	-	64,967
-	-	75	-	-	-	685,468	-
<u>144,999</u>	<u>14,194</u>	<u>75</u>	<u>65,345</u>	<u>1,053</u>	<u>1,197,606</u>	<u>685,468</u>	<u>64,967</u>
<u>(1,266)</u>	<u>11,173</u>	<u>21,561</u>	<u>(1,457)</u>	<u>(1,053)</u>	<u>(850,378)</u>	<u>288,706</u>	<u>(2)</u>
-	372	-	-	-	-	36,386	-
-	(4,222)	-	-	-	-	(141,177)	-
-	(3,850)	-	-	-	-	(104,791)	-
(1,266)	7,323	21,561	(1,457)	(1,053)	(850,378)	183,915	(2)
<u>105,518</u>	<u>22,037</u>	<u>(25,135)</u>	<u>6,553</u>	<u>-</u>	<u>443,094</u>	<u>(237,020)</u>	<u>101</u>
<u>\$ 104,252</u>	<u>\$ 29,360</u>	<u>\$ (3,574)</u>	<u>\$ 5,096</u>	<u>\$ (1,053)</u>	<u>\$ (407,284)</u>	<u>\$ (53,105)</u>	<u>\$ 99</u>

(Continued)

CITY OF CARSON

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

For the year ended June 30, 2018

	Neighborhood Stabilization Grant Fund	Building Plan Retention Fund	Facility Maintenance Fund	Load Shed Program Fund
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	24,903	-
Investment income	1,247	-	-	-
Developer impact fee	-	-	-	-
Miscellaneous	-	11,203	-	70,635
TOTAL REVENUES	1,247	11,203	24,903	70,635
EXPENDITURES:				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Capital improvement programs	-	-	-	122,047
TOTAL EXPENDITURES	-	-	-	122,047
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,247	11,203	24,903	(51,412)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	1,247	11,203	24,903	(51,412)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	314,969	241,858	-	353,567
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 316,216</u>	<u>\$ 253,061</u>	<u>\$ 24,903</u>	<u>\$ 302,155</u>

Public Education and Government Access (PEG) Fund	Raised Median In-Lieu Fund	Development Impact Fees Fund	Utility Underground In-Lieu Fund	SB1 Fund	State Local Transportation Fund	Measure M Fund	Total Nonmajor Governmental Funds
\$ 92,695	\$ -	\$ -	\$ -	\$ 548,918	\$ -	\$ 987,112	\$ 7,881,192
-	-	-	-	-	-	-	43,840
-	-	-	-	-	-	-	3,715,788
-	-	-	-	-	58,340	-	324,528
-	-	-	-	-	-	3,770	33,113
-	-	1,688,872	-	-	-	-	1,688,872
-	-	-	-	-	-	-	514,088
<u>92,695</u>	<u>-</u>	<u>1,688,872</u>	<u>-</u>	<u>548,918</u>	<u>58,340</u>	<u>990,882</u>	<u>14,201,421</u>
18,779	-	-	-	-	-	-	498,697
-	-	-	-	-	-	-	1,198,659
-	-	-	-	-	58,340	50,285	168,617
-	-	-	-	-	-	-	3,683,109
<u>95,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,973</u>	<u>-</u>	<u>52,667</u>	<u>6,364,926</u>
<u>114,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,973</u>	<u>58,340</u>	<u>102,952</u>	<u>11,914,008</u>
<u>(21,573)</u>	<u>-</u>	<u>1,688,872</u>	<u>-</u>	<u>51,945</u>	<u>-</u>	<u>887,930</u>	<u>2,287,413</u>
-	-	-	211,680	-	-	-	751,467
-	-	-	-	-	-	-	(145,399)
-	-	-	<u>211,680</u>	-	-	-	<u>606,068</u>
(21,573)	-	1,688,872	211,680	51,945	-	887,930	2,893,481
<u>541,836</u>	<u>233,114</u>	<u>-</u>	<u>1,116,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,061,097</u>
<u>\$ 520,263</u>	<u>\$ 233,114</u>	<u>\$ 1,688,872</u>	<u>\$ 1,327,790</u>	<u>\$ 51,945</u>	<u>\$ -</u>	<u>\$ 887,930</u>	<u>\$ 10,954,578</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,620,226	\$ 1,970,648	\$ 1,958,778	\$ (11,870)
Investment income	-	-	3,239	3,239
Miscellaneous	-	-	117,082	117,082
TOTAL REVENUES	<u>2,620,226</u>	<u>1,970,648</u>	<u>2,079,099</u>	<u>108,451</u>
EXPENDITURES:				
Capital improvement programs	<u>2,558,903</u>	<u>2,438,903</u>	<u>2,077,089</u>	<u>361,814</u>
TOTAL EXPENDITURES	<u>2,558,903</u>	<u>2,438,903</u>	<u>2,077,089</u>	<u>361,814</u>
NET CHANGE IN FUND BALANCE	61,323	(468,255)	2,010	470,265
FUND BALANCE - BEGINNING OF YEAR	<u>496,855</u>	<u>496,855</u>	<u>496,855</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 558,178</u>	<u>\$ 28,600</u>	<u>\$ 498,865</u>	<u>\$ 470,265</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 61,054	\$ 61,054	\$ 22,749	\$ (38,305)
TOTAL REVENUES	61,054	61,054	22,749	(38,305)
EXPENDITURES:				
Capital improvement programs	-	-	6,915	(6,915)
TOTAL EXPENDITURES	-	-	6,915	(6,915)
NET CHANGE IN FUND BALANCE	61,054	61,054	15,834	(45,220)
FUND BALANCE - BEGINNING OF YEAR	(15,834)	(15,834)	(15,834)	-
FUND BALANCE - END OF YEAR	\$ 45,220	\$ 45,220	\$ -	\$ (45,220)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,743,783	\$ 1,743,783	\$ 1,753,276	\$ 9,493
Intergovernmental	209,398	209,398	200,796	(8,602)
Investment income	1,677	1,677	667	(1,010)
Miscellaneous	128,719	128,719	119,512	(9,207)
TOTAL REVENUES	<u>2,083,577</u>	<u>2,083,577</u>	<u>2,074,251</u>	<u>(9,326)</u>
EXPENDITURES:				
Current:				
Community services	2,198,427	2,173,427	2,016,088	157,339
Capital improvement programs	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,228,427</u>	<u>2,173,427</u>	<u>2,016,088</u>	<u>157,339</u>
NET CHANGE IN FUND BALANCE	(144,850)	(89,850)	58,163	148,013
FUND BALANCE - BEGINNING OF YEAR	<u>60,279</u>	<u>60,279</u>	<u>60,279</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (84,571)</u>	<u>\$ (29,571)</u>	<u>\$ 118,442</u>	<u>\$ 148,013</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,446,422	\$ 1,446,422	\$ 1,451,160	\$ 4,738
Investment income	5,189	5,189	4,846	(343)
Miscellaneous	46,100	46,100	57,880	11,780
TOTAL REVENUES	<u>1,497,711</u>	<u>1,497,711</u>	<u>1,513,886</u>	<u>16,175</u>
EXPENDITURES:				
Current:				
Community services	1,292,724	1,142,724	1,320,219	(177,495)
Capital improvement programs	590,000	-	546,570	(546,570)
TOTAL EXPENDITURES	<u>1,882,724</u>	<u>1,142,724</u>	<u>1,866,789</u>	<u>(724,065)</u>
NET CHANGE IN FUND BALANCE	(385,013)	354,987	(352,903)	(707,890)
FUND BALANCE - BEGINNING OF YEAR	<u>775,400</u>	<u>775,400</u>	<u>775,400</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 390,387</u>	<u>\$ 1,130,387</u>	<u>\$ 422,497</u>	<u>\$ (707,890)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 116,000	\$ 116,000	\$ 120,356	\$ 4,356
Investment income	477	477	1,982	1,505
TOTAL REVENUES	<u>116,477</u>	<u>116,477</u>	<u>122,338</u>	<u>5,861</u>
EXPENDITURES:				
Current:				
Community services	28,500	28,500	29,132	(632)
Capital improvement programs	<u>302,975</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
TOTAL EXPENDITURES	<u>331,475</u>	<u>178,500</u>	<u>29,132</u>	<u>149,368</u>
NET CHANGE IN FUND BALANCE	(214,998)	(62,023)	93,206	155,229
FUND BALANCE - BEGINNING OF YEAR	<u>440,183</u>	<u>440,183</u>	<u>440,183</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 225,185</u>	<u>\$ 378,160</u>	<u>\$ 533,389</u>	<u>\$ 155,229</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 8,820	\$ 8,820	\$ -	\$ (8,820)
Miscellaneous	17,000	17,000	-	(17,000)
TOTAL REVENUES	<u>25,820</u>	<u>25,820</u>	<u>-</u>	<u>(25,820)</u>
EXPENDITURES:				
Capital improvement programs	<u>1,017,026</u>	<u>662,109</u>	<u>248,762</u>	<u>413,347</u>
TOTAL EXPENDITURES	<u>1,017,026</u>	<u>662,109</u>	<u>248,762</u>	<u>413,347</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(991,206)</u>	<u>(636,289)</u>	<u>(248,762)</u>	<u>387,527</u>
NET CHANGE IN FUND BALANCE	(991,206)	(636,289)	(248,762)	387,527
FUND BALANCE - BEGINNING OF YEAR	<u>1,181,986</u>	<u>1,181,986</u>	<u>1,181,986</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 190,780</u>	<u>\$ 545,697</u>	<u>\$ 933,224</u>	<u>\$ 387,527</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,084,839	\$ 1,084,839	\$ 1,089,253	\$ 4,414
Investment income	1,144	1,144	12,875	11,731
TOTAL REVENUES	<u>1,085,983</u>	<u>1,085,983</u>	<u>1,102,128</u>	<u>16,145</u>
EXPENDITURES:				
Current:				
Public works	164,010	164,010	14,310	149,700
Capital improvement programs	<u>2,633,112</u>	<u>1,155,233</u>	<u>1,142,719</u>	<u>12,514</u>
TOTAL EXPENDITURES	<u>2,797,122</u>	<u>1,319,243</u>	<u>1,157,029</u>	<u>162,214</u>
NET CHANGE IN FUND BALANCE	(1,711,139)	(233,260)	(54,901)	178,359
FUND BALANCE - BEGINNING OF YEAR	<u>1,986,616</u>	<u>1,986,616</u>	<u>1,986,616</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 275,477</u>	<u>\$ 1,753,356</u>	<u>\$ 1,931,715</u>	<u>\$ 178,359</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 39,132	\$ 39,132	\$ 43,840	\$ 4,708
Investment income	580	580	465	(115)
TOTAL REVENUES	<u>39,712</u>	<u>39,712</u>	<u>44,305</u>	<u>4,593</u>
EXPENDITURES:				
Current:				
General government	-	-	1,901	(1,901)
Community services	26,600	18,100	42,359	(24,259)
Capital improvement programs	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>36,600</u>	<u>18,100</u>	<u>44,260</u>	<u>(26,160)</u>
NET CHANGE IN FUND BALANCE	3,112	21,612	45	(21,567)
FUND BALANCE - BEGINNING OF YEAR	<u>100,435</u>	<u>100,435</u>	<u>100,435</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 103,547</u>	<u>\$ 122,047</u>	<u>\$ 100,480</u>	<u>\$ (21,567)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 300	\$ 300	\$ -	\$ (300)
TOTAL REVENUES	300	300	-	(300)
NET CHANGE IN FUND BALANCE	300	300	-	(300)
FUND BALANCE - BEGINNING OF YEAR	51,232	51,232	51,232	-
FUND BALANCE - END OF YEAR	<u>\$ 51,532</u>	<u>\$ 51,532</u>	<u>\$ 51,232</u>	<u>\$ (300)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 125,000	\$ 125,000	\$ 241,285	\$ 116,285
Investment income	414	414	-	(414)
Miscellaneous	7,000	7,000	15,719	8,719
TOTAL REVENUES	<u>132,414</u>	<u>132,414</u>	<u>257,004</u>	<u>124,590</u>
EXPENDITURES:				
Current:				
General government	427,080	422,080	478,017	(55,937)
Capital improvement programs	<u>1,017,026</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,444,106</u>	<u>422,080</u>	<u>478,017</u>	<u>(55,937)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,311,692)</u>	<u>(289,666)</u>	<u>(221,013)</u>	<u>68,653</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>-</u>	<u>-</u>	<u>503,029</u>	<u>503,029</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>503,029</u>	<u>503,029</u>
NET CHANGE IN FUND BALANCE	(1,311,692)	(289,666)	282,016	571,682
FUND BALANCE - BEGINNING OF YEAR	<u>(125,294)</u>	<u>(125,294)</u>	<u>(125,294)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,436,986)</u>	<u>\$ (414,960)</u>	<u>\$ 156,722</u>	<u>\$ 571,682</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,853,492	\$ 1,853,492
Investment income	14	14	-	(14)
TOTAL REVENUES	14	14	1,853,492	1,853,478
EXPENDITURES:				
Capital improvement programs	2,832,426	1,378,639	705,743	672,896
TOTAL EXPENDITURES	2,832,426	1,378,639	705,743	672,896
NET CHANGE IN FUND BALANCE	(2,832,412)	(1,378,625)	1,147,749	2,526,374
FUND BALANCE - BEGINNING OF YEAR	(335,040)	(335,040)	(335,040)	-
FUND BALANCE - END OF YEAR	<u>\$ (3,167,452)</u>	<u>\$ (1,713,665)</u>	<u>\$ 812,709</u>	<u>\$ 2,526,374</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 1,466	\$ 1,466	\$ 3,315	\$ 1,849
TOTAL REVENUES	<u>1,466</u>	<u>1,466</u>	<u>3,315</u>	<u>1,849</u>
EXPENDITURES:				
Capital improvement programs	<u>531,507</u>	<u>81,507</u>	<u>106,945</u>	<u>(25,438)</u>
TOTAL EXPENDITURES	<u>531,507</u>	<u>81,507</u>	<u>106,945</u>	<u>(25,438)</u>
NET CHANGE IN FUND BALANCE	(530,041)	(80,041)	(103,630)	(23,589)
FUND BALANCE - BEGINNING OF YEAR	<u>852,760</u>	<u>852,760</u>	<u>852,760</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 322,719</u>	<u>\$ 772,719</u>	<u>\$ 749,130</u>	<u>\$ (23,589)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 430,000	\$ 430,000	\$ -	\$ (430,000)
Investment income	246	246	-	(246)
TOTAL REVENUES	430,246	430,246	-	(430,246)
EXPENDITURES:				
Capital improvement programs	460,000	-	77,464	(77,464)
TOTAL EXPENDITURES	460,000	-	77,464	(77,464)
NET CHANGE IN FUND BALANCE	(29,754)	430,246	(77,464)	(507,710)
FUND BALANCE (DEFICIT) - BEGINNING OF YI	(584,254)	(584,254)	(584,254)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (614,008)	\$ (154,008)	\$ (661,718)	\$ (507,710)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 241	\$ 241	\$ 168	\$ (73)
TOTAL REVENUES	241	241	168	(73)
EXPENDITURES:				
Current:				
Public works	8,000	8,000	31,488	(23,488)
TOTAL EXPENDITURES	8,000	8,000	31,488	(23,488)
NET CHANGE IN FUND BALANCE	(7,759)	(7,759)	(31,320)	(23,561)
FUND BALANCE - BEGINNING OF YEAR	59,093	59,093	59,093	-
FUND BALANCE - END OF YEAR	\$ 51,334	\$ 51,334	\$ 27,773	\$ (23,561)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 143,322	\$ (1,678)
Investment income	172	172	411	239
TOTAL REVENUES	<u>145,172</u>	<u>145,172</u>	<u>143,733</u>	<u>(1,439)</u>
EXPENDITURES:				
Current:				
Community services	<u>145,000</u>	<u>145,000</u>	<u>144,999</u>	<u>1</u>
TOTAL EXPENDITURES	<u>145,000</u>	<u>145,000</u>	<u>144,999</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	172	172	(1,266)	(1,438)
FUND BALANCE - BEGINNING OF YEAR	<u>105,518</u>	<u>105,518</u>	<u>105,518</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 105,690</u>	<u>\$ 105,690</u>	<u>\$ 104,252</u>	<u>\$ (1,438)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 26,105	\$ 26,105	\$ 25,239	\$ (866)
Investment income	123	123	128	5
TOTAL REVENUES	<u>26,228</u>	<u>26,228</u>	<u>25,367</u>	<u>(861)</u>
EXPENDITURES:				
Current:				
Public works	-	-	14,194	(14,194)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>14,194</u>	<u>(14,194)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,228</u>	<u>26,228</u>	<u>11,173</u>	<u>(15,055)</u>
OTHER FINANCING USES:				
Transfers in	-	-	372	372
Transfers out	(10,461)	(10,461)	(4,222)	6,239
TOTAL OTHER FINANCING USES	<u>(10,461)</u>	<u>(10,461)</u>	<u>(3,850)</u>	<u>6,611</u>
NET CHANGE IN FUND BALANCE	15,767	15,767	7,323	(8,444)
FUND BALANCE - BEGINNING OF YEAR	<u>22,037</u>	<u>22,037</u>	<u>22,037</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,804</u>	<u>\$ 37,804</u>	<u>\$ 29,360</u>	<u>\$ (8,444)</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 55,200	\$ 63,888	\$ 8,688
Investment income	-	194	-	(194)
TOTAL REVENUES	-	55,394	63,888	8,494
EXPENDITURES:				
Current:				
Community services	66,501	66,501	65,345	1,156
TOTAL EXPENDITURES	66,501	66,501	65,345	1,156
NET CHANGE IN FUND BALANCE	(66,501)	(11,107)	(1,457)	9,650
FUND BALANCE - BEGINNING OF YEAR	6,553	6,553	6,553	-
FUND BALANCE - END OF YEAR	<u>\$ (59,948)</u>	<u>\$ (4,554)</u>	<u>\$ 5,096</u>	<u>\$ 9,650</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 781,656	\$ 781,656	\$ 225,171	\$ (556,485)
Investment income	4,787	4,787	-	(4,787)
Miscellaneous	-	-	122,057	122,057
TOTAL REVENUES	<u>786,443</u>	<u>786,443</u>	<u>347,228</u>	<u>(439,215)</u>
EXPENDITURES:				
Current:				
Community development	1,281,702	1,088,781	1,197,606	(108,825)
Capital improvement programs	<u>159,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,440,702</u>	<u>1,088,781</u>	<u>1,197,606</u>	<u>(108,825)</u>
NET CHANGE IN FUND BALANCE	(654,259)	(302,338)	(850,378)	(548,040)
FUND BALANCE - BEGINNING OF YEAR	<u>443,094</u>	<u>443,094</u>	<u>443,094</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (211,165)</u>	<u>\$ 140,756</u>	<u>\$ (407,284)</u>	<u>\$ (548,040)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,592,000	\$ 1,592,000	\$ 974,174	\$ (617,826)
TOTAL REVENUES	<u>1,592,000</u>	<u>1,592,000</u>	<u>974,174</u>	<u>(617,826)</u>
EXPENDITURES:				
Capital improvement programs	<u>7,757,179</u>	<u>4,814,979</u>	<u>685,468</u>	<u>4,129,511</u>
TOTAL EXPENDITURES	<u>7,757,179</u>	<u>4,814,979</u>	<u>685,468</u>	<u>4,129,511</u>
EXCESS OF REVENUES OVER (UUNDER) EXPENDITURES	<u>(6,165,179)</u>	<u>(3,222,979)</u>	<u>288,706</u>	<u>3,511,685</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	36,386	36,386
Transfers out	<u>-</u>	<u>-</u>	<u>(141,177)</u>	<u>(141,177)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(104,791)</u>	<u>(104,791)</u>
NET CHANGE IN FUND BALANCE	(6,165,179)	(3,222,979)	183,915	3,406,894
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(237,020)</u>	<u>(237,020)</u>	<u>(237,020)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (6,402,199)</u>	<u>\$ (3,459,999)</u>	<u>\$ (53,105)</u>	<u>\$ 3,406,894</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 627,000	\$ 627,000	\$ 64,965	\$ (562,035)
TOTAL REVENUES	627,000	627,000	64,965	(562,035)
EXPENDITURES:				
Current:				
Community development	542,323	542,323	64,967	477,356
TOTAL EXPENDITURES	542,323	542,323	64,967	477,356
NET CHANGE IN FUND BALANCE	84,677	84,677	(2)	(84,679)
FUND BALANCE - BEGINNING OF YEAR	101	101	101	-
FUND BALANCE - END OF YEAR	\$ 84,778	\$ 84,778	\$ 99	\$ (84,679)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,128	\$ 2,128	\$ 1,247	\$ (881)
TOTAL REVENUES	<u>2,128</u>	<u>2,128</u>	<u>1,247</u>	<u>(881)</u>
EXPENDITURES:				
Current:				
Community development	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>23,000</u>
TOTAL EXPENDITURES	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>23,000</u>
NET CHANGE IN FUND BALANCE	(20,872)	(20,872)	1,247	22,119
FUND BALANCE - BEGINNING OF YEAR	<u>314,969</u>	<u>314,969</u>	<u>314,969</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 294,097</u>	<u>\$ 294,097</u>	<u>\$ 316,216</u>	<u>\$ 22,119</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 391	\$ 391	\$ -	\$ (391)
TOTAL REVENUES	391	391	11,203	10,812
EXPENDITURES:				
Current:				
Capital improvement programs	199,222	199,222	-	199,222
TOTAL EXPENDITURES	199,222	199,222	-	199,222
NET CHANGE IN FUND BALANCE	(198,831)	(198,831)	11,203	210,034
FUND BALANCE - BEGINNING OF YEAR	241,858	241,858	241,858	-
FUND BALANCE - END OF YEAR	\$ 43,027	\$ 43,027	\$ 253,061	\$ 210,034

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 55,000	\$ 55,000	\$ 24,903	\$ (30,097)
TOTAL REVENUES	55,000	55,000	24,903	(30,097)
EXPENDITURES:				
Capital improvement programs	55,000	55,000	-	55,000
TOTAL EXPENDITURES	55,000	55,000	-	55,000
NET CHANGE IN FUND BALANCE	-	-	24,903	24,903
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 24,903	\$ 24,903

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,249	\$ 2,249	\$ -	\$ (2,249)
Miscellaneous	285,642	285,642	70,635	(215,007)
TOTAL REVENUES	287,891	287,891	70,635	(217,256)
EXPENDITURES:				
Capital improvement programs	259,000	194,000	122,047	71,953
TOTAL EXPENDITURES	259,000	194,000	122,047	71,953
NET CHANGE IN FUND BALANCE	28,891	93,891	(51,412)	(145,303)
FUND BALANCE - BEGINNING OF YEAR	353,567	353,567	353,567	-
FUND BALANCE - END OF YEAR	\$ 382,458	\$ 447,458	\$ 302,155	\$ (145,303)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 122,123	\$ 122,123	\$ 92,695	\$ (29,428)
Investment income	3,474	3,474	-	(3,474)
TOTAL REVENUES	<u>125,597</u>	<u>125,597</u>	<u>92,695</u>	<u>(32,902)</u>
EXPENDITURES:				
Current:				
General government	22,000	22,000	18,779	3,221
Public works	22,000	22,000	-	22,000
Capital improvement programs	<u>100,000</u>	<u>100,000</u>	<u>95,489</u>	<u>4,511</u>
TOTAL EXPENDITURES	<u>144,000</u>	<u>144,000</u>	<u>114,268</u>	<u>29,732</u>
NET CHANGE IN FUND BALANCE	(18,403)	(18,403)	(21,573)	(3,170)
FUND BALANCE - BEGINNING OF YEAR	<u>541,836</u>	<u>541,836</u>	<u>541,836</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 523,433</u>	<u>\$ 523,433</u>	<u>\$ 520,263</u>	<u>\$ (3,170)</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 2,321	\$ 2,321	\$ -	\$ (2,321)
TOTAL REVENUES	<u>2,321</u>	<u>2,321</u>	<u>-</u>	<u>(2,321)</u>
NET CHANGE IN FUND BALANCE	2,321	2,321	-	(2,321)
FUND BALANCE - BEGINNING OF YEAR	<u>233,114</u>	<u>233,114</u>	<u>233,114</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 235,435</u>	<u>\$ 235,435</u>	<u>\$ 233,114</u>	<u>\$ (2,321)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,337	\$ 5,337	\$ -	\$ (5,337)
TOTAL REVENUES	5,337	5,337	-	(5,337)
EXPENDITURES:				
Capital improvement programs	1,017,026	-	-	-
TOTAL EXPENDITURES	1,017,026	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,011,689)	5,337	-	(5,337)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	211,680	211,680
TOTAL OTHER FINANCING SOURCES (USES)	-	-	211,680	211,680
NET CHANGE IN FUND BALANCE	(1,011,689)	5,337	211,680	206,343
FUND BALANCE - BEGINNING OF YEAR	1,116,110	1,116,110	1,116,110	-
FUND BALANCE - END OF YEAR	\$ 104,421	\$ 1,121,447	\$ 1,327,790	\$ 206,343

CITY OF CARSON

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

For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 150,000	\$ 150,000	\$ 58,340	\$ (91,660)
TOTAL REVENUES	150,000	150,000	58,340	(91,660)
EXPENDITURES:				
Current:				
Public works	-	-	58,340	(58,340)
TOTAL EXPENDITURES	-	-	58,340	(58,340)
NET CHANGE IN FUND BALANCE	150,000	150,000	-	(150,000)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,107,504	\$ 1,107,504	\$ 987,112	\$ (120,392)
Investment income	-	-	3,770	3,770
TOTAL REVENUES	<u>1,107,504</u>	<u>1,107,504</u>	<u>990,882</u>	<u>(116,622)</u>
EXPENDITURES:				
Current:				
Public works	614,711	130,684	50,285	80,399
Capital improvement programs	<u>502,929</u>	<u>142,321</u>	<u>52,667</u>	<u>89,654</u>
TOTAL EXPENDITURES	<u>1,117,640</u>	<u>273,005</u>	<u>102,952</u>	<u>170,053</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,136)</u>	<u>834,499</u>	<u>887,930</u>	<u>53,431</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (10,136)</u>	<u>\$ 834,499</u>	<u>\$ 887,930</u>	<u>\$ 53,431</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.

(This page intentionally left blank.)

CITY OF CARSON

FIDUCIARY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES

June 30, 2018

	Trust and Agency	Wilmington Avenue Assessment District	Sepulveda Boulevard Assessment District	Dominquez Tech Center Assessment District	Total Agency Funds
ASSETS:					
Cash and investments	\$ 2,404,259	\$ 750,673	\$ 922,590	\$ 1,136,700	\$ 5,214,222
Cash and investments with fiscal agents	-	-	-	2,556,961	2,556,961
Taxes receivable	-	-	-	1,092,919	1,092,919
Due from other governments	24,056	-	-	-	24,056
TOTAL ASSETS	\$ 2,428,315	\$ 750,673	\$ 922,590	\$ 4,786,580	\$ 8,888,158
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 46,205	\$ -	\$ -	\$ -	\$ 46,205
Refundable deposits	2,382,110	-	-	-	2,382,110
Due to assessed parties	-	750,673	-	-	750,673
Due to bondholders	-	-	922,590	4,786,580	5,709,170
TOTAL LIABILITIES	\$ 2,428,315	\$ 750,673	\$ 922,590	\$ 4,786,580	\$ 8,888,158

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

For the year ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
TRUST AND AGENCY				
ASSETS:				
Cash and investments	\$ 3,514,749	\$ 946,539	\$ (2,057,029)	\$ 2,404,259
Due from other governments	-	48,112	(24,056)	24,056
	<u>\$ 3,514,749</u>	<u>\$ 994,651</u>	<u>\$ (2,081,085)</u>	<u>\$ 2,428,315</u>
TOTAL ASSETS	<u>\$ 3,514,749</u>	<u>\$ 994,651</u>	<u>\$ (2,081,085)</u>	<u>\$ 2,428,315</u>
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 372,517	\$ 418,722	\$ (745,034)	\$ 46,205
Refundable deposits	3,142,232	2,395,458	(3,155,580)	2,382,110
	<u>\$ 3,514,749</u>	<u>\$ 2,814,180</u>	<u>\$ (3,900,614)</u>	<u>\$ 2,428,315</u>
TOTAL LIABILITIES	<u>\$ 3,514,749</u>	<u>\$ 2,814,180</u>	<u>\$ (3,900,614)</u>	<u>\$ 2,428,315</u>
WILMINGTON AVENUE ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 747,714	\$ 2,959	\$ -	\$ 750,673
	<u>\$ 747,714</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ 750,673</u>
TOTAL ASSETS	<u>\$ 747,714</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ 750,673</u>
LIABILITIES:				
Due to assessed parties	\$ 747,714	\$ 2,959	\$ -	\$ 750,673
	<u>\$ 747,714</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ 750,673</u>
TOTAL LIABILITIES	<u>\$ 747,714</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ 750,673</u>
SEPULVEDA BOULEVARD ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 1,047,465	\$ 132,149	\$ (257,024)	\$ 922,590
	<u>\$ 1,047,465</u>	<u>\$ 132,149</u>	<u>\$ (257,024)</u>	<u>\$ 922,590</u>
TOTAL ASSETS	<u>\$ 1,047,465</u>	<u>\$ 132,149</u>	<u>\$ (257,024)</u>	<u>\$ 922,590</u>
LIABILITIES:				
Due to bondholders	\$ 1,047,465	\$ 132,149	\$ (257,024)	\$ 922,590
	<u>\$ 1,047,465</u>	<u>\$ 132,149</u>	<u>\$ (257,024)</u>	<u>\$ 922,590</u>
TOTAL LIABILITIES	<u>\$ 1,047,465</u>	<u>\$ 132,149</u>	<u>\$ (257,024)</u>	<u>\$ 922,590</u>

(Continued)

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

For the year ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
DOMINGUEZ TECH CENTER ASSESSMENT DISTRICT				
ASSETS:				
Cash and investments	\$ 2,196,696	\$ 1,068,959	\$ (2,128,955)	\$ 1,136,700
Cash and investments with fiscal agent	2,536,472	35,429	(14,940)	2,556,961
Taxes receivable	-	1,092,919	-	1,092,919
	<u>\$ 4,733,168</u>	<u>\$ 2,197,307</u>	<u>\$ (2,143,895)</u>	<u>\$ 4,786,580</u>
TOTAL ASSETS	<u>\$ 4,733,168</u>	<u>\$ 2,197,307</u>	<u>\$ (2,143,895)</u>	<u>\$ 4,786,580</u>
LIABILITIES:				
Due to bondholders	\$ 4,733,168	\$ 2,149,778	\$ (2,096,366)	\$ 4,786,580
	<u>\$ 4,733,168</u>	<u>\$ 2,149,778</u>	<u>\$ (2,096,366)</u>	<u>\$ 4,786,580</u>
TOTAL LIABILITIES	<u>\$ 4,733,168</u>	<u>\$ 2,149,778</u>	<u>\$ (2,096,366)</u>	<u>\$ 4,786,580</u>
TOTAL ALL FIDUCIARY FUNDS				
ASSETS:				
Cash and investments	\$ 7,506,624	\$ 2,150,606	\$ (4,443,008)	\$ 5,214,222
Cash and investments with fiscal agent	2,536,472	35,429	(14,940)	2,556,961
Taxes receivable	-	1,092,919	-	1,092,919
Due from other governments	-	48,112	(24,056)	24,056
	<u>\$ 10,043,096</u>	<u>\$ 3,327,066</u>	<u>\$ (4,482,004)</u>	<u>\$ 8,888,158</u>
TOTAL ASSETS	<u>\$ 10,043,096</u>	<u>\$ 3,327,066</u>	<u>\$ (4,482,004)</u>	<u>\$ 8,888,158</u>
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 372,517	\$ 418,722	\$ (745,034)	\$ 46,205
Refundable deposits	3,142,232	2,395,458	(3,155,580)	2,382,110
Due to assessed parties	747,714	2,959	-	750,673
Due to bondholders	5,780,633	2,281,927	(2,353,390)	5,709,170
	<u>\$ 10,043,096</u>	<u>\$ 5,099,066</u>	<u>\$ (6,254,004)</u>	<u>\$ 8,888,158</u>
TOTAL LIABILITIES	<u>\$ 10,043,096</u>	<u>\$ 5,099,066</u>	<u>\$ (6,254,004)</u>	<u>\$ 8,888,158</u>

(This page intentionally left blank.)

STATISTICAL SECTION

(Not covered by Independent Auditors' Report)

CITY OF CARSON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT



(This page intentionally left blank.)

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.

TABLE 1

CITY OF CARSON, CALIFORNIA

Net Assets by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of accumulated depreciation and related debt	\$ 343,401,921	\$ 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
Restricted for:										
Economic development	66,747,912	58,194,306	21,030,464	207,323	-	-	-	-	758,063	460,782
Development services	5,163,559	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
Low and moderate income housing	57,703,840	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
Public services	365,563	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
Unrestricted	(13,874,931)	(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)
Total governmental activities net assets	<u>\$ 459,507,864</u>	<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>

Source: City of Carson

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

TABLE 2

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 27,028,260	\$ 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
Public safety	-	-	-	-	-	-	-	-	-	-
Community services	40,435,251	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
Public works	13,221,772	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
Community development	70,810,907	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
Interest and other charges	6,429,807	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	157,925,997	144,219,309	149,829,511	98,504,968	108,006,855	99,273,413	95,014,363	109,946,038	110,690,174	119,306,903
Program Revenues:										
Governmental activities:										
Charges for services	11,976,952	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
Operating contributions and grants	7,767,632	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
Capital contributions and grants	1,890,354	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
Total governmental activities/primary government program revenues	21,634,938	28,321,670	31,386,968	31,323,633	25,522,703	28,009,311	30,067,217	26,219,426	28,581,606	33,756,535
Net (Expenses) Revenues										
Governmental activities/Primary government	\$ (136,291,059)	\$ (115,897,639)	\$ (118,442,543)	\$ (67,181,335)	\$ (82,484,152)	\$ (71,264,102)	\$ (64,947,146)	\$ (83,726,612)	\$ (82,108,568)	\$ (85,550,368)

(Continued)

TABLE 2

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 34,892,648	\$ 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
Sales taxes	19,262,212	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
Transient occupancy taxes	1,244,543	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
Franchise taxes	9,686,804	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
Utility users tax	1,028	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
Oil industry business tax	-	-	-	-	-	-	-	-	-	2,331,338
Admissions Tax	105,019	362,105	266,446	390,600	463,116	315,511	458,117	256,343	-	-
Motor vehicle in lieu	7,235,463	2,153,876	7,104,861	-	-	-	-	-	-	-
Motor vehicle license fee, unrestricted	334,137	288,398	242,811	256,016	50,405	41,716	40,296	37,584	42,108	49,309
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	-	-
Investment income	8,488,288	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
Transfer from Successor Agency	-	-	-	-	-	-	40,271,017	-	-	-
Other revenue	638,428	5,212,274	1,830,299	195,425	938,422	768,416	2,161,737	3,699,275	7,551,798	15,217,121
Total governmental activities/primary government	81,888,570	75,504,845	78,800,762	68,571,219	64,504,697	64,286,602	98,441,980	63,165,476	66,018,782	78,308,070
Change in Net Position										
Governmental activities/primary government	\$ (54,402,489)	\$ (40,392,794)	\$ (39,641,781)	\$ 1,389,884	\$ (17,979,455)	\$ (6,977,500)	\$ 33,494,834	\$ (20,561,136)	\$ (16,089,786)	\$ (7,242,298)

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 3,114,747	\$ 944,838								
Unreserved, reported in:										
Designated for special purpose	1,269,181	1,245,972								
Undesignated	16,405,465	15,991,314								
Total general fund	20,789,393	18,182,124								
Special Revenue										
Reserved	17,073,294	17,526,281								
Unreserved, reported in:										
Designated	6,724,222	7,045,587								
Undesignated	-	-								
State local transportation fund										
Unreserved, reported in:										
Special revenue funds	-	-								
Total special revenue fund	23,797,516	24,571,868								
Capital projects										
Reserved	79,754,221	51,338,721								
Unreserved, reported in:										
Designated	116,298,202	109,182,006								
Undesignated	-	-								
Total capital projects	196,052,423	160,520,727								
Debt service*										
Reserved	-	-								
Total debt service	-	-								
Total governmental funds	\$ 240,639,332	\$ 203,274,719								

(Continued)

TABLE 3

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ 677,922	\$ 739,877	\$ 1,632,266	\$ 2,507,687	\$ 375,759	\$ 342,432	\$ 267,772	\$ 240,436		
Restricted	2,321,416	2,410,033	2,484,398	1,760,551	1,760,710	1,431,403	250,000	250,000		
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		
Assigned	3,712,276	3,792,000	5,102,225	5,276,764	5,071,211	226,096	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		
	<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>		
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		
	<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>		
Cooperation Agreement Bond Proceeds Fund										
Restricted	-	-	-	-	-	-	40,092,461	24,870,947	9,400,111	2,279,182
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>	<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)
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		
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)		
	<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>		
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>		

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 80,907,303	\$ 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
Licenses and permits	5,643,875	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
Fines and forfeitures	1,701,748	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
Intergovernmental	5,443,708	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
Charges for services	2,559,121	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
Investment income	10,557,318	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
Charges to other funds	32,697	145,057	-	-	567,509	646,647	6,600	-	-	-
Developer impact fee	-	-	-	-	-	-	-	-	-	1,688,872
Miscellaneous	1,304,603	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
Total revenues	108,150,373	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
Expenditures										
General government	20,139,083	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
Public safety	-	-	-	-	-	-	-	-	-	21,265,535
Community development	67,156,790	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
Public Works	12,786,280	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
Community services	36,577,270	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
Debt Service	-	-	-	-	-	-	-	-	-	-
Bond principal	3,610,000	3,765,000	4,390,000	5,735,000	-	-	-	-	-	-
Bond interest	5,985,058	7,181,131	8,592,640	5,096,767	-	-	-	-	-	-
Other bond financing costs	234,980	334,120	577,740	-	-	-	-	-	-	-
Capital improvement programs	32,557,557	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
Interfund reimbursement	(3,995,295)	(3,770,394)	(3,464,606)	(5,198,738)	-	-	-	-	-	-
Total expenditures	175,051,723	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
Excess (deficiency) of revenues over (under) expenditures	(66,901,350)	(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)
Other financing sources (uses)										
Transfers in	26,673,638	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
Transfers out	(26,673,638)	(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)
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	22,810,000	12,165,000	40,560,000	-	-	-	-	-	-	-
Payment to escrow agent	(390,683)	(272,385)	-	-	-	-	-	-	-	-
Loss on sale of land	-	-	779,500	-	-	-	-	-	-	-
Total other financing sources (uses)	22,419,317	11,892,615	41,339,500	-	-	-	40,271,017	-	-	-
Net change in fund balances	\$ (44,482,033)	\$ (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)
Debt service as a percentage of noncapital expenditures	7.19%	11.50%	16.54%	10.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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
	2009	\$ 47,831,937 *	\$ 19,262,212 **	\$ 9,686,804	\$ 8,347,727	\$ 2,422,053	\$ 2,681,222	\$ 1,597,640	\$ 334,137
2010	\$ 41,519,865 *	\$ 15,051,658 **	\$ 6,876,484	\$ 2,849,583	\$ 1,901,201	\$ 2,282,081	\$ 12,607,160	\$ 288,398	\$ 6,722,319
2011	\$ 42,753,339 *	\$ 17,195,450 **	\$ 7,483,227	\$ 1,808,934	\$ 3,053,450	\$ 2,650,060	\$ 5,769,445	\$ 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

* - 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 (RPPTF) 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
2009	12,037,843	1,544,502	(95,059)	13,487,286	3,386,534	642,531	(15,853)	4,013,211	1.000%
2010	11,949,059	1,480,135	(95,424)	13,333,770	3,436,787	649,248	(16,065)	4,069,970	1.000%
2011	11,897,501	1,439,918	(95,196)	13,242,223	3,405,081	632,562	(16,197)	4,021,446	1.000%
2012	11,857,196	1,327,723	(93,911)	13,091,009	3,451,606	562,904	(16,037)	3,998,473	1.000%
2013	11,959,163	1,211,622	(92,535)	13,078,250	3,496,537	578,477	(16,017)	4,058,997	1.000%
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%

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Direct Rates:										
City basic rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Total City Direct Rate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates:										
County of Los Angeles	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Community College	0.0221	0.0231	0.0403	0.0353	0.0488	0.0445	0.0402	0.0358	0.0279	0.0460
Unified Schools	0.1248	0.1518	0.1870	0.1682	0.1756	0.1464	0.1469	0.1297	0.1310	0.1222
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	0.0043	0.0043	0.0037	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Total Direct Rate	1.1512	1.1792	1.2310	1.2072	1.2279	1.1944	1.1906	1.1690	1.1624	1.1717

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	2018		2009	
	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.	\$ 1,322,322,740	9.12%	\$ 98,851,130	0.73%
Phillips 66	593,717,776	4.09%	-	0.00%
Watson Land Co	536,687,852	3.70%	317,271,583	2.34%
Gax Tank Storage Terminals Corp.	302,255,153	2.08%	168,117,701	1.24%
Watson Cogeneration Co.	247,842,659	1.71%	561,065,726	4.13%
Equilon Enterprises LLC	138,253,008	0.95%	-	0.00%
Home Depot Center Anschutz So. Cal. Sports	133,230,994	0.92%	127,136,686	0.94%
General Mills Operations Inc.	116,772,389	0.81%	94,750,294	0.70%
Carson Dominguez Properties LP	122,076,343	0.84%	113,877,678	0.84%
Prologis USLV NEWCA LLC	128,512,372	0.89%	-	0.00%
BP West Coast Products	-	0.00%	2,341,410,206	17.24%
ConocoPhillips Co	-	0.00%	437,680,943	3.22%
Ineos Polupropylene LLC	-	0.00%	182,179,288	1.34%
Total City Taxable Assessed Value	\$ 3,641,671,286	25.11%	\$ 4,442,341,235	32.71%
	\$ 14,500,289,372		\$ 13,582,345,107	

*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
2009	\$ 34,030,650	\$ 31,368,244	92.18%	\$ 2,662,406	\$ 34,030,650	100.00%
2010	\$ 33,890,362	\$ 31,630,105	93.33%	\$ 2,260,257	\$ 33,890,362	100.00%
2011	\$ 33,155,535	\$ 30,977,690	93.43%	\$ 2,177,845	\$ 33,155,535	100.00%
2012	\$ 33,313,250	\$ 31,337,722	94.07%	\$ 1,975,528	\$ 33,313,250	100.00%
2013	\$ 33,825,963	\$ 32,062,885	94.79%	\$ 1,763,078	\$ 33,825,963	100.00%
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%

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, 2018

	Gross Bonded Debt	Exclusions	Net Bonded Debt City Share
Direct Debt			
City of Carson - 1915 Act Bonds	\$ 23,745,000	\$ 23,745,000	\$ -
Carson Redevelopment Agency	187,410,863	187,410,863	-
Total Direct Debt	<u>\$ 211,155,863</u>	<u>\$ 211,155,863</u>	<u>\$ -</u>
Overlapping Debt-Repaid with Property Taxes Tax and Assessment Debt			
General Fund Debt (Net)			\$ 313,752,818
			<u>28,848,789</u>
Total Overlapping Debt-Repaid with Property Taxes			<u>342,601,607</u>
Total Direct and Overlapping Debt			<u>\$ 342,601,607</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit - 15% of Total Assessed Value	\$ 2,052,719,396	\$ 2,029,465,128	\$ 30,098,162	\$ 30,512,290	\$ 31,678,465	\$ 33,626,990	\$ 32,690,204	\$ 32,351,561	\$ 30,377,472	\$ 2,195,617,201
Amount of debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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	13,487,285,911	13,333,770,032	10	10	10	10	10	10	10	14,413,482,816
Add back: exempt real property	197,510,065	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
Total assessed value	13,684,795,976	13,529,767,519	200,654,413	203,415,267	211,189,765	224,179,934	217,934,696	215,677,070	202,516,479	14,637,448,008
Debt limit (15% of total assessed value)	2,052,719,396	2,029,465,128	30,098,162	30,512,290	31,678,465	33,626,990	32,690,204	32,351,561	30,377,472	2,195,617,201
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	\$ 2,052,719,396	\$ 2,029,465,128	\$ 30,098,162	\$ 30,512,290	\$ 31,678,465	\$ 33,626,990	\$ 32,690,204	\$ 32,351,561	\$ 30,377,472	\$ 2,195,617,201

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

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

	Fiscal Year									
	<u>2009</u>	<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>
Gross tax increment	\$ 33,249,076	\$ 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
Less Mandatory Costs:										
Admin & Pass-Thru	2,761,636	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
20% Housing Set aside	6,649,815	5,741,311	5,661,416	-	-	-	-	-	-	-
Total	9,411,451	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
Net tax increment	\$ 23,837,625	\$ 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
Debt service										
Principal	\$ 3,610,000	\$ 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
Interest	5,848,966	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
	\$ 9,458,966	\$ 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
Coverage	<u>3.52</u>	<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>

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)
2009	98,159	\$ 411,492,352	\$ 42,043	11.7%
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

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	2018			2009		
	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	1,158	1	2.78%	1,207	1	2.77%
Cedarlane Natural Foods Inc.	465	2	1.20%			
Select Staffing	448	3	1.15%			
Prime Wheel Corporation	433	4	1.04%			
See's Candy Shops Inc.	426	5	1.10%	522	5	1.20%
Lakeshore Learning	420	6	1.08%			
Monogram Systems	395	7	1.02%			
Huck International Inc.	353	8	0.91%			
Mag Aerospace Industries	-		0.00%			
Pacific Bell	288	9	0.74%	388	9	0.89%
The Pepsi Bottling Group	284	10	0.73%	408	8	0.94%
Northrup Grumman				1,126	2	2.59%
Golden Wheel Corp.				899	3	2.07%
Lakeshore Equipment Co. Inc.	-			765	4	1.76%
Target Corporation				518	6	1.19%
Leiner Health Products				440	7	1.01%
Canon Business Solutions				355	10	0.82%
Total	4,670		11.75%	6,628		15.24%
Total City Employment⁽¹⁾	38,861					

Sources: (1) City of Carson

(2) State of California Employment Development Department
(data shown is not seasonally adjusted - 38,270)

N/A - Not Available. Data on city employment for 2007 is not available.

TABLE 15

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Full-time-Equivalent Employees as of June 30										
Function/Workgroup										
General government										
City Council	4.00	4.00	4.00	4.00	3.00	5.00	5.00	5.00	5.00	5.00
City Attorney	-	-	-	-	-	-	-	-	-	-
City Clerk	6.00	6.00	6.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00
City Treasurer	5.00	5.00	5.00	4.94	5.00	5.00	5.00	5.00	5.00	4.00
City Manager	47.00	47.00	47.00	45.65	20.00	20.00	21.00	26.00	26.00	38.00
Human Resources										
Administrative services	52.00	52.00	52.00	50.24	46.00	44.00	44.00	34.00	33.00	31.00
Public Works	95.80	82.00	82.00	71.15	136.00	131.00	133.00	130.00	131.00	114.00
Community Development	30.20	41.00	41.00	12.03	32.00	31.00	30.00	31.00	29.00	27.00
Community Services	158.00	158.00	158.00	154.00	84.00	88.00	88.00	88.00	82.00	63.00
Total	<u>398.00</u>	<u>395.00</u>	<u>395.00</u>	<u>348.01</u>	<u>330.00</u>	<u>328.00</u>	<u>330.00</u>	<u>334.00</u>	<u>326.00</u>	<u>297.00</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Economic Development</u>										
Housing and Block Grant Division:										
Mobile home rehab grant applications received	49	38	55	21	35	23	30	29	24	30
Mobile home rehab grants (qualified)	17	24	32	18	23	20	21	20	11	9
Mobile home rehab grants (dollar value)	\$85,000	\$115,389	\$137,705	\$85,000	\$172,500	\$125,065	\$166,710	\$157,595	\$102,434	\$127,710
Single family rehab loan applications received	63	64	35	36	30	35	15	32	31	45
Single family rehab loans granted	16	2	22	13	20	23	8	24	18	37
Single family rehab loans granted (dollar value)	\$125,000	\$50,000	\$139,185	\$17,500	\$230,000	\$89,550	\$139,275	\$336,549	\$261,024	\$645,231
Mobile home rent control increases processed	11	11	13	9	11	7	6	7	-	12
Employment Development Division:										
Job applicants processed	1,545	1,274	16,810	18,442	25,232	35,035	35,261	5,883	N/A	N/A
Summer youth employees hired	181	100	27	11	13	125	120	95	N/A	N/A
Business Development Division:										
Business visitations conducted	25	60	280	140	12	30	25	12	N/A	N/A
Redevelopment Division:										
Development agreements negotiated	4	5	17	0	0	2	0	3	2	-
<u>Public Services</u>										
Graffiti Abatement Division:										
Service request completed	2,321	2,050	1,882	1,412	817	932	869	937	N/A	740
Square feet of graffiti removed by waterblast	69,293	43,013	49,996	14,343	26,156	23,243	19,862	21,256	N/A	17,540
Square feet of graffiti removed by painting over	553,654	646,754	291,507	85,768	153,734	178,017	179,445	206,895	N/A	163,396
Building and Landscape Maintenance Division:										
Service request completed	1,712	1,719	1,715	1,672	N/A	1,520	602	498	N/A	540
Vouchers issued	27	18	0	1	N/A	N/A	1	2	N/A	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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	3	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	3	4	4
Tennis courts	18	18	18	18	18	18	18	18	18	18
Basketball courts	18	28	28	28	28	28	28	28	28	28
Racquetball courts	8	8	8	8	8	8	8	8	8	8
Volleyball courts	2	4	4	4	4	4	4	4	4	4
Snack bars	14	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	7	5	4	4	4	4	4	4	0	0
Splash pads									1	1
Parking lots	23	23	23	23	23	23	23	23	23	23

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