

**City of  
Huntington Park**

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



*Fiscal Year Ended*

*June 30, 2011*

Prepared by: Finance Department

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
List of Elected Officials and Administrative Officials	v
Organizational Chart	vi
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	vii
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Report of Independent Auditors</b>	1
<b>Management's Discussion and Analysis</b>	5
<b>Government-wide Financial Statements</b>	
Statement of Net Assets	15
Statement of Activities	16
<b>Fund Financial Statements</b>	
Balance Sheet	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
<b>Proprietary Funds</b>	
Statement of Net Assets	21
Statement of Revenues, Expenses and Changes in Fund Net Assets	22
Statement of Cash Flows	23
<b>Notes to Financial Statements</b>	24
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress Safety and Miscellaneous Plans of the California Public Employees' Retirement System	67
Schedule of Funding Progress Other Post-Employment Benefit Plan	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	69
Community Development Commission – Special Revenue Fund	70
Expenditures in Excess of Appropriations	71
Notes to Required Supplementary Information	72

	<u>PAGE</u>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>Nonmajor Funds</b>	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Special Revenue Funds	
Special Events	93
Parks and Recreation	94
Employees' Retirement	95
State Gas Tax	96
Art in Public Places	97
Local Origination Program	98
Community Development	99
HUD Home Program	100
Sales Tax Transit Proposition A	101
Asset Forfeiture	102
Air Quality Improvement	103
Sales Tax Transit Proposition C	104
Business Improvement District	105
Supplemental Law Enforcement	106
Emergency Preparedness	107
Public Financing Authority	108
Public Safety	109
Parking System	110
Contingency	111
OPEB	112
PARS	113
HUD Section 108	114
Park Facility	115
Street Lighting Landscape Assessment	116
TDA / Bike Path	117
Measure R	118
Inmate Welfare	119
LBPHCP Lead Base	120
Neighborhood Lead Base	121
Homelessness Prevention	122
Energy Efficient	123
Federal Street Improvement	124
DNA ID	125
Capital Projects Funds	
Capital Improvement	126
Community Development Commission	127
Debt Service Fund	
Community Development Commission	128

	<u>PAGE</u>
<b>Internal Service Funds</b>	
Combining Statement of Net Assets	130
Combining Statement of Revenues, Expenses and Changes in Net Assets	131
Combining Statement of Cash Flows	132
<b>Nonmajor Other Enterprise Funds</b>	
Combining Statement of Net Assets	134
Combining Statement of Revenues, Expenses and Changes in Net Assets	135
Combining Statement of Cash Flows	136
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Net Assets by Component	138
Change in Net Assets	139
Fund Balances of Governmental Funds	141
Changes in Fund Balances of Governmental Funds	142
Assessed Value and Estimated Actual Value of Taxable Property	143
Direct and Overlapping Property Tax Rates	144
Ten Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Ratio of Net General Bonded Debt To Total	
Assessed Value and Net Bonded Debt Per Capita	147
Computation of Legal Debt Margin	148
Direct and Overlapping Bonded Debt	149
Pledged-Revenue Coverage	150
Demographic Statistics	151
Principal Employers - Los Angeles County	152
Full-time and Part-time City Employees by Function	153
Operating Indicators by Function	154
Capital Assets Statistics by Function	155

(This page intentionally left blank.)



City of  
**HUNTINGTON PARK**

6550 MILES AVE. #116, HUNTINGTON PARK CA 90255  
Phone • (323) 584-6201 Fax • (323) 588-2657

**FINANCE DEPARTMENT**

January 31, 2012

To the Members of the City Council and Citizens of the City of Huntington Park:

It is the policy of the City of Huntington Park to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Huntington Park ("the City") for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Vasquez & Company LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2011, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and regulations involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### Profile of the Government

The City was incorporated on September 1, 1906 under the general laws of the State of California. The City currently occupies a land area of 3.03 square miles and serves a population of 58,314. The City is empowered to levy property tax on both real and personal properties located within its boundaries. The City is also empowered by state statute to extend its corporate limits by annexation where deemed appropriate by the City Council.

The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and four other council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing all other department heads. The council is elected on a non-partisan basis. Council members serve four-year staggered terms. Council members are elected in March on odd-numbered years. The Mayor and Vice-Mayor are chosen by the Council to serve a one year term.

The City provides a full range of services, including police protection; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events. The City is financially accountable for a redevelopment agency and financing authority, both of which are reported separately within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager; these requests are the starting point for developing a proposed budget. The City manager then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by resolution.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Council and Manager charge department directors with the responsibility of controlling department budgets. Budgetary control is exercised through an on-line computerized system, which interfaces with the City's general ledger. The system maintains an on-going record of budget balances throughout the year based on actual expenditures and unfilled purchase orders.

City Council has the legal authority to amend the budget at any time during the fiscal year but policy amendments to the budget are limited to the mid-year budget review and following the end of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

It is the City's policy to maintain an un-obligated reserve of an amount equal to half of its most recent annual general fund revenues and the same for working capital balances in the water and sewer fund. This objective was not met because revenues were not enough to cover expenditures and no surplus was available.

### Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** The City has a variety of business activity and is not dependent on one large source tax revenue. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Although businesses come and go, in 2010-2011 the City's sales tax revenues, one of our key sources of revenues, increased by 14% compared to 2009-2010. The City's central business district is experiencing vacancies in a variety of stores, specialty shops and commercial businesses. Meanwhile, there continues to be a discernable trend toward steady residential growth.

**Key Revenue Sources.** Sales tax and Utility Users' Tax are the City's largest revenue source, accounting for about 42% of General Fund revenues. Utility Users' Tax receipts variance from estimated to actual was large, due to no budget adjustment, and was about \$640,000 more than budget but 25% higher than prior year due to voters approving the tax increase. City's voter approved Utility Users' Fee of 9.25% for communications and 9.75% for all other utilities.

**Future Outlook.** The City works on a year to year forecast but is in the process of implementing a procedure to present a five year forecast to its Council members. The City implements a fiscally responsible budget by presenting expenditures required to service the community and not more than its revenues.

The City is facing a very difficult budget decision in 2011-12. While revenues will increase at a steady pace the increases in the purchase of services are larger than the revenues generated. The City is still conservative in its spending but the shortfalls in revenues will force the City to use contingency funds. A budget committee was formed to develop a long-term strategy to deal with the economic reality the City is facing. The success of the City will depend upon engaging employees, the Council, and the community in addressing the fiscal challenges ahead of us. Ongoing challenges facing the City are:

- **Revenue Sources.** Trends and forecast seem to predict that the nation has reached a plateau and the road to recovery will begin but the growth will be moderate and it will take several years before the housing sector and consumer spending reaches a comfortable level. Although Sales taxes have increased by 14% from prior year, property taxes have decreased by 8%, both accounting for 24% of the general fund. Dependent on these revenues the challenge will be to find new sources of revenues for the general fund.
- **City Facilities and Infrastructure Maintenance.** In the past reserves in the General fund were used to finance a portion of costs recorded in the Capital Improvement project fund; this has not been possible in the past three years. The awards received for Grants such as ARRA and other Federal grants have made it possible to improve some of the roads and facilities. In the future it will be a challenge to find adequate funding to continue the maintenance and repairing of equipment and facilities.

- **Redevelopment Agency.** The proposal from the Governor to eliminate redevelopment agencies will be a challenge to the City's future in redeveloping blighted areas of the City and provide affordable housing. Without this revenue source the City will need to seek other venues to attract new development and provide housing affordable to low income citizens.

**Budget Actions.** During the budget preparation for 2011-12, the City prepared a lean budget and still provides quality services to the community. There is a gap of \$748,128 between general fund revenues and expenditures. In the budget for the general fund three vacant positions were included but if Council decides that the City can operate without these positions there will be a savings close to \$500,000. The remaining \$248,128 will be covered through increase in revenues or further decrease in expenditures.

**Award For Excellence in Financial Reporting.** The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huntington Park for its CAFR for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City is very proud of receiving its second Certificate of Achievement. We believe our current CAFR conforms to the Certificate of Achievement program requirements. Due to time constraints the City will not submit to GFOA the application to determine its eligibility for another certificate but is working to file for the award for Fiscal Year 2012.

#### Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, working in conjunction with the City's independent auditors. We would like to express our appreciation to all members of the department and independent auditors who assisted and contributed to the preparation of this report. Credit also must be given to City Council for its unflinching support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Elba Padilla

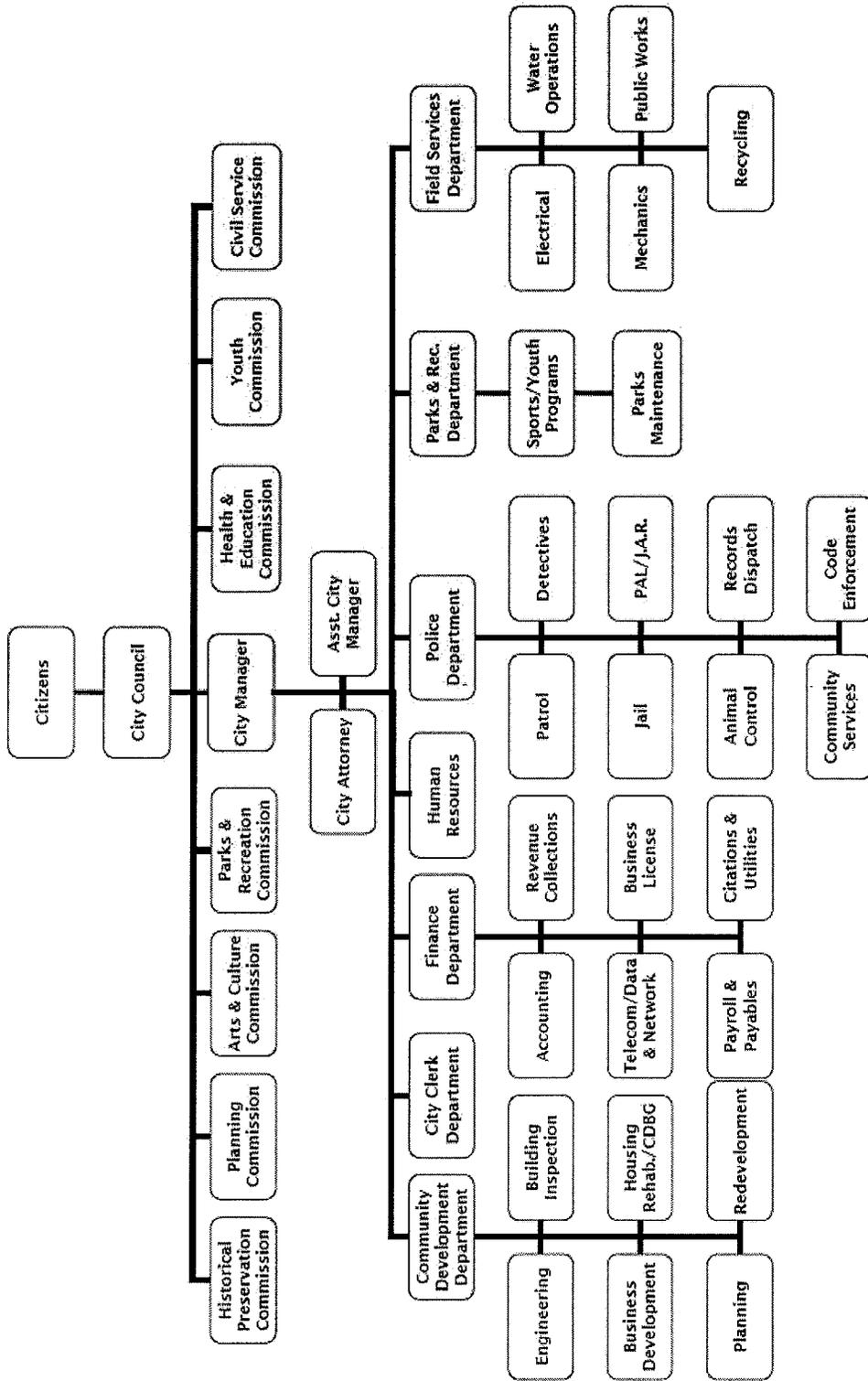
Director of Finance

# City of Huntington Park

## Elected Officials and Administrative Officials

Mayor	Ofelia Hernandez
Vice Mayor	Andy Molina
Council Member	Elba Guerrero
Council Member	Mario Gomez
Council Member	Rosa E. Perez
Interim City Manager	Raul T. Romero
City Clerk	Rosanna M. Ramirez
City Attorney	Leal-Trejo, LLP
Acting Public Works Superintendent	Claude Bilodeau
Director of Finance	Elba Padilla
Director of Parks and Recreation	Josette Espinosa
Chief of Police	Jorge A. Cisneros

# CITY OF HUNTINGTON PARK ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Huntington Park  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Danison*

President

*Jeffrey R. Egan*

Executive Director

(This page intentionally left blank).

## REPORT OF INDEPENDENT AUDITORS

### **The Honorable Mayor and the Members of the City Council City of Huntington Park, California**

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

As discussed in Note 23, the California Supreme Court has upheld legislative bill ABX 1 26 which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. The effect of this legislation on the Huntington Park Community Development Commission's financial position and operations is not yet determinable.

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

As discussed in Note 3 to the financial statements, the City had deficit unrestricted net assets in the amount of \$179,961,906 for governmental activities as of June 30, 2011. The City management doubts that economic conditions will allow for repayment of the Commission's advances from the City of Huntington Park and its debt to the County of Los Angeles for tax incremental deferral.

During the year, the City of Huntington Park implemented Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund-type Definitions*, as discussed in Note 2.

(BLANK)

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012, 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and the public employees' retirement system schedule of funding progress are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

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, the supplemental combining financial statements, supplemental schedules and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplemental combining financial statements and supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Varguez + Company LLP*

**Los Angeles, California**  
**January 17, 2012**

(BLANK)

The following discussion and analysis of the financial performance of the City of Huntington Park (the City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

## **FINANCIAL HIGHLIGHTS**

### Government-wide:

- As of June 30, 2011, the City's total net assets were negative \$93.1 million. This was a decline from the prior year by \$10.8 million.
- The City's general revenues increased by \$0.4 million. The increase was primarily caused by a combination of increases in Sales and Use taxes, Franchise fees and Utility revenues but a decrease in Property taxes and Motor Vehicle fees.
- The City's capital assets did not increase from prior year. The projects carried over are being completed from the grants that were awarded in prior years. There is new funding granted for improvements to Parks and Recreation. These projects will start in fiscal year 2012 and throughout fiscal year 2013. The City is currently maintaining current infrastructure and working to increase revenues to do improvements on the City's water utilities.

### Fund based:

- At June 30, 2011, the General Fund's fund balance was \$32.1 million, an increase of \$2.0 million from the previous fiscal year.
- The actual General Fund revenues increased by \$0.7 million from \$29.9 million in fiscal year 2010 to \$30.6 million in 2011 due to increases in sales taxes, permits, fines and forfeitures .
- The City's overall General Fund expenditures were \$1.1 million less than the adopted budget amount for fiscal 2011 due to a combination of less operational expenditures and savings in salaries for vacant positions.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements are composed of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. The report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements include the City and its component units. The City's component units are the Community Development Commission of the City of Huntington Park, Parking Authority of the City of Huntington Park and the Huntington Park Public Finance Authority. Although legally separate, these entities function for all practical purposes as departments of the City and therefore have been blended as part of the primary government.

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

**Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the *modified accrual* basis of accounting, which measures cash and all other *current* financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* are described in reconciliations accompanying the fund financial statements.

**Proprietary funds.** When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The *required supplementary information* provides a schedule of funding progress for the City's defined benefit retirement program and budget to actual comparisons for revenue and expenditures of the City's general fund and all major special revenue funds. The *required supplementary information* can be found immediately following the notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide statements report information about the City as a whole. The statement of net assets includes all of the City's assets and liabilities. All current year revenues and expenses are reported in the statement of activities regardless of when cash is received or paid.

**Condensed Statements of Net Assets  
(In \$ millions)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets \$	78.3	\$ 82.0	\$ 2.4	\$ 4.3	\$ 80.7	\$ 86.3
Capital assets	53.7	53.9	17.5	16.8	71.2	70.7
Total assets	132.0	135.9	19.9	21.1	151.9	157.0
Long-term debt outstanding	235.5	230.0	0.1	0.1	235.6	230.1
Other liabilities	8.1	8.4	1.2	0.9	9.3	9.3
Total liabilities	243.6	238.4	1.3	1.0	244.9	239.4
Net assets:						
Invested in capital assets, net of related debt	42.4	42.0	17.5	16.8	59.9	58.8
Restricted	26.0	23.0	-	-	26.0	23.0
Unrestricted	(180.0)	(167.5)	1.1	3.4	(178.9)	(164.1)
Total net assets \$	(111.6)	\$ (102.5)	\$ 18.6	\$ 20.2	\$ (93.0)	\$ (82.3)

Note: Due to rounding, the dollar details may not add up to corresponding totals.

The City's government-wide total net assets were negative \$93.0 million, with assets of \$151.9 million and liabilities of \$244.9 million. The net investment in capital assets was \$59.9 million. Investment in capital assets (e.g., land, construction in progress, buildings and improvements, infrastructure, vehicles and property and equipment) for this financial reporting purpose is reduced by any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Furthermore, since the capital assets themselves cannot be used to liquidate any related debt, it should be noted that the resources needed to repay the debt must be provided from other available resources, primarily the unrestricted net assets.

The City's restricted net assets of \$26.0 million, represents resources that are subject to external restrictions in how they may be used. The remaining balance of negative or a deficit of \$178.9 million represents the City's unrestricted net assets (deficits). Unrestricted net assets are supposed to be used to meet ongoing obligations to citizens and creditors.

**City of Huntington Park  
Management's Discussion and Analysis**

A summary of the government-wide *statement of activities* follows:

**Condensed Statements of Changes in Net Assets  
(In \$ millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$7.7	\$9.0	\$4.7	\$4.8	\$12.4	\$13.8
Operating contributions and grants	7.6	8.7	0.1	0.0	7.7	8.7
Capital contributions and grants	0.0	0.3	0.0	0.2	0.0	0.5
Sub-total program revenues	<u>15.3</u>	<u>18.0</u>	<u>4.8</u>	<u>5.0</u>	<u>20.1</u>	<u>23.0</u>
<b>General revenues:</b>						
Property taxes	14.6	15.4	-	-	14.6	15.4
Motor vehicle in-lieu taxes	4.8	5.0	-	-	4.8	5.0
Sales and use taxes	6.4	5.3	-	-	6.4	5.3
In-lieu sales taxes	1.3	1.0	-	-	1.3	1.0
Franchise taxes	0.6	0.6	-	-	0.6	0.6
Utility taxes	5.9	4.7	-	-	5.9	4.7
Other taxes	1.0	0.4	-	-	1.0	0.4
Supplemental subvention	0.0	0.3	-	-	0.0	0.3
Investment income	1.6	2.2	-	0.1	1.6	2.3
Other	2.1	3.0	0.1	-	2.2	3.0
Sub-total general revenues	<u>38.3</u>	<u>38.0</u>	<u>0.1</u>	<u>0.1</u>	<u>38.4</u>	<u>38.1</u>
<b>Total revenues</b>	<u>53.6</u>	<u>56.0</u>	<u>4.9</u>	<u>5.1</u>	<u>58.5</u>	<u>61.1</u>
<b>Expenses</b>						
General government	8.2	10.1	-	-	8.2	10.1
Public safety	16.3	16.9	-	-	16.3	16.9
Public works	9.4	9.0	-	-	9.4	9.0
Community services	3.2	3.3	-	-	3.2	3.3
Community development	11.9	17.2	-	-	11.9	17.2
Interest on long-term debt	13.7	18.0	-	-	13.7	18.0
Water	-	-	5.4	6.2	5.4	6.2
Sewer	-	-	0.9	0.4	0.9	0.4
Solid waste	-	-	0.2	0.2	0.2	0.2

**City of Huntington Park  
Management's Discussion and Analysis**

	Governmental Activities		Business type activities		Totals	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Total expenses	<u>62.7</u>	<u>74.6</u>	<u>6.5</u>	<u>6.8</u>	<u>69.2</u>	<u>71.4</u>
Increase (decrease) in net assets before transfers	(9.1)	(18.6)	(1.6)	(1.7)	(10.7)	(20.4)
Transfers	<u>-</u>	<u>0.2</u>	<u>-</u>	<u>(0.2)</u>	<u>-</u>	<u>-</u>
Change in net assets	(9.1)	(18.6)	(1.6)	(1.8)	(10.7)	(20.4)
Beginning net assets	<u>(102.5)</u>	<u>(83.8)</u>	<u>20.2</u>	<u>22.0</u>	<u>(82.3)</u>	<u>(61.8)</u>
Ending net assets	<u>\$(111.6)</u>	<u>\$(102.5)</u>	<u>\$18.6</u>	<u>\$20.2</u>	<u>\$(93.0)</u>	<u>\$(82.3)</u>

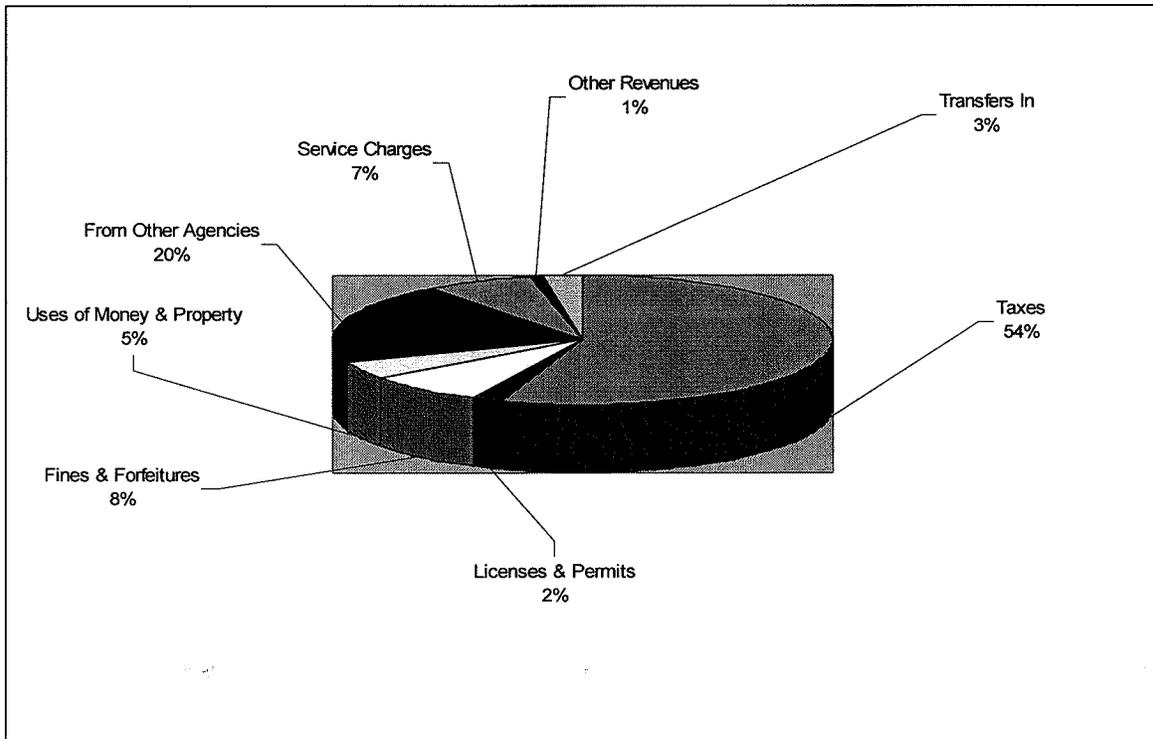
Note: Due to rounding, the dollar details may not add up to corresponding totals.

**Governmental Activities.** Governmental activities decreased the City's net assets by \$9.1 million. The factors attributable to this decline are as follows:

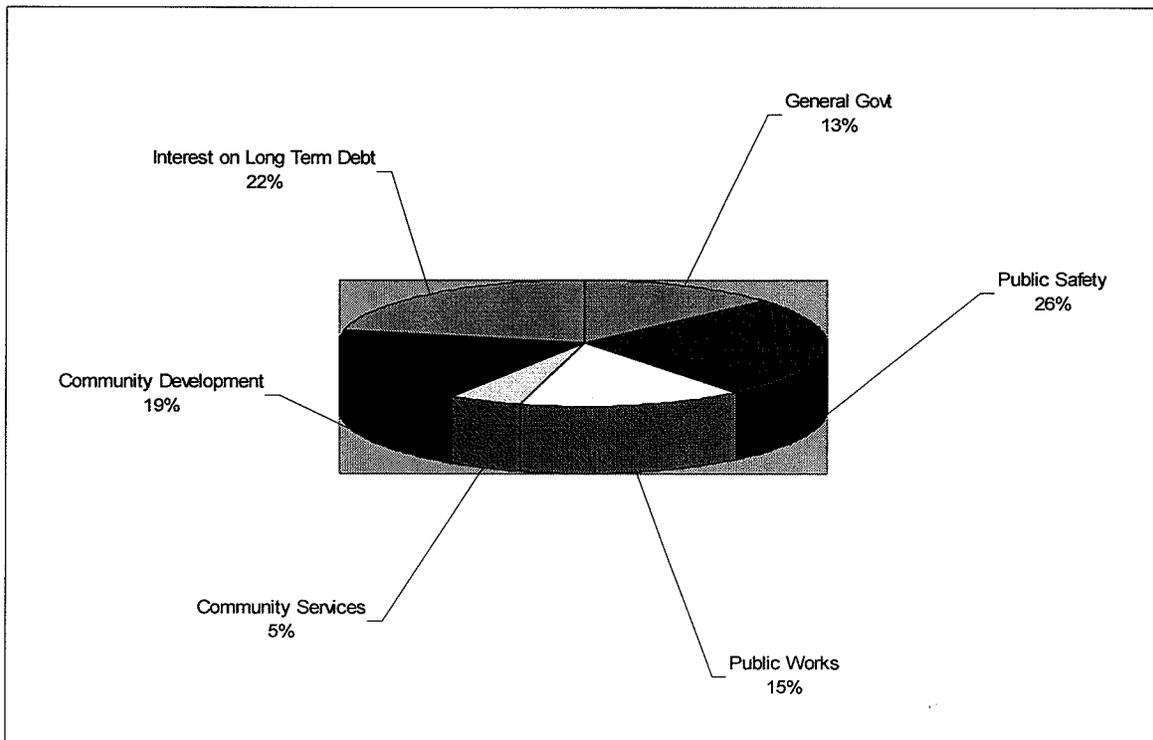
- The City's sales and use taxes increased from \$5.3 million for fiscal 2010 to \$6.4 million for fiscal 2011, a total increase of \$1.1 million. These taxes vary based on sales generated by businesses operated within the City and the analysis performed by the City's consultant has shown that there has been an increase in spending.
- The City's property taxes decreased from \$15.4 million for fiscal 2010 to \$14.6 million for fiscal 2011, a total decrease of \$0.8 million. The decrease is attributed to valuation assessment requested by homeowner and commercial property owners due to the decline in property values.
- Utility User's tax increased from \$4.7 million for fiscal 2010 to \$5.9 million for fiscal year 2011, a total increase of \$1.2 million. Fiscal year 2011 has captured the full amount of the 2.75% increase that was approved in November of 2009 compared to fiscal year 2010 that received half a fiscal year's worth.

The City's total governmental activity expenses decreased from \$74.6 million for fiscal year 2010 to \$62.7 million for fiscal year 2011, a total decrease of \$11.9 million.

Revenues by Source – Governmental Activities



Expenses by Function – Governmental Activities



**Business-type Activities.** Business-type activities remained relatively level for fiscal 2011 with a decrease in net assets of \$1.6 million in fiscal year 2011 compared to \$1.8 million in fiscal year 2010. Key elements of this year's decrease in relation to prior year's are as follow:

- The change in net assets from its water operations decreased by \$1.0 million due to less funding available for capital improvements.
- Water operation revenues decreased slightly in fiscal 2010 by about \$0.1 million.

**Financial Analysis of the City's Funds**

The City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows; and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$16.3 million, a decrease of \$2.8 million in comparison with the prior year. Of that amount, negative \$73.7 million constitutes *undesignated fund balance*, which, if positive, would be available for spending at the City's discretion. The remainder of fund balance totaling \$62.8 million is *nonspendable* because these are resources that are not of a spending form or are not currently available for spending. Restricted fund balance totaling \$27.1 million has already been committed

to: 1) for low and moderate income housing (\$2.4 million); 2) capital projects (\$1.3 million); and 3) for special revenue funds (\$23.4 million).

The General Fund is the chief operating fund of the City. As of the end of the fiscal year, the total combined fund balance was \$32 million, an increase of \$1 million in comparison with the prior year. The unreserved, undesignated fund balance totaled \$9.2 million. The increase in the General Fund was a result of increase in revenues, as operating costs decreased.

The Community Development Commission Special Revenue Fund is used to account for the 20% set aside of tax increment monies that are reserved for the benefit of low and moderate income housing. The reserve fund balance increased by \$1.8 million in comparison with the prior year. The increase in the reserved fund balance was a result of revenues exceeding expenditures as low and moderate income housing activities ran behind set aside revenues.

The Community Development Commission Debt Service Fund receives all tax increment revenues for the City's Redevelopment Agency and pays the debt service on the Agency's debt. The total fund balance of negative \$69.8 million reflects a decrease of \$2.6 million over the prior year due to current debt service expenditures exceeding tax increment and other revenues.

The other non-major governmental funds include several special revenue funds used exclusively to account for revenues that are restricted as to use by law and two capital projects funds used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Proprietary Fund.** The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. Unrestricted net assets of the Water fund at the end of the year amounted to \$0.6 million, \$1.8 million decrease from previous year. Other factors concerning the finances of the Water fund have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

In any fiscal year, the City Council and the City Manager (with limited authority) may revise the budget from time to time to accommodate certain changes to the community's needs and requirements for programs and activities and to take necessary measures to address significant changes to the fiscal condition of the City resulting from emergencies and other unforeseen events.

*Revenues and Transfers In* – The final budgeted revenues and transfers were \$26.9 million, an increase of \$0.5 million from the original budget. There were various budget adjustments with notable changes in the following line items: licenses and permits (increase of \$0.1 million), charges for service (increase of \$0.2 million) and intergovernmental (increase of \$0.2 million).

*Appropriations and Transfers Out* – The final appropriations and transfers were \$26.9 million, a decrease of \$0.1 million from the original allocation. No notable budget adjustments for the year but a combined total for adjustments for each division of the general fund to reflect savings in expenditures.

### Budget to Actual Variance

The actual total revenues of \$26.9 million were equal to the final budgeted revenues of \$26.9 million. The adjustments to the final budgeted was done at mid year review to reflect the estimated as closed to the actual based on data and information received from the State and other agencies.

**City of Huntington Park  
Management's Discussion and Analysis**

The actual total expenditures of \$26 million were lower than the final appropriations of \$26.9 million. Major portions of the difference are attributable to savings in salaries for vacant positions and reduction in overtime by public safety.

**Capital Asset and Debt Administration**

**Capital Assets**

The City's capital assets for its governmental and business-type activities as of June 30, 2011, totaled \$71.2 million, net of depreciation. These assets include land, construction in progress, buildings and improvements, vehicles, property and equipment and various infrastructures.

Capital Assets  
(Net of depreciation and in thousand dollars)

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 5,701	\$ 5,701	\$ 4,139	\$ 4,139	\$ 9,840	\$ 9,840
Buildings and improvements	10,883	10,679	-	-	10,883	10,679
Vehicles	1,085	1,370	-	-	1,085	1,370
Property and equipment	941	1,021	24	-	965	1,021
Infrastructure	32,557	32,647	11,831	11,907	44,388	44,554
Construction in progress	<u>2,517</u>	<u>2,442</u>	<u>1,491</u>	<u>751</u>	<u>4,008</u>	<u>3,193</u>
<b>Total</b>	<b>\$ <u>53,684</u></b>	<b>\$ <u>53,861</u></b>	<b>\$ <u>17,485</u></b>	<b>\$ <u>16,797</u></b>	<b>\$ <u>71,169</u></b>	<b>\$ <u>70,657</u></b>

The major additions to capital assets, which are still in progress, during the year ended June 30, 2011, include various street projects and water, sewer and storm drain improvements.

Additional information on the City's capital assets can be found in the notes (note 7) to the financial statements.

**Long-term Debt**

At the end of the current fiscal year, the City had \$235.5 million in outstanding long-term debt for Governmental Activities, an increase of \$6.2 million, or 3%, from the preceding fiscal year. The overall increase was due to the loans received from the Los Angeles County reduced by the City's scheduled repayment of the outstanding long-term debt. For additional information on long-term debt, please refer to Note 12 to the notes of the basic financial statements.

**City of Huntington Park  
Management's Discussion and Analysis**

Long-term Debt				
	2011	2010	Variance Increase/ (Decrease)	% Change
Pensions obligation bonds	\$ 21,700,000	\$ 22,200,000	\$ (500,000)	(2.25%)
Compensated absences	3,170,586	3,494,816	(324,230)	(9.28%)
Notes/Loans/Agreements	151,823,106	140,753,298	11,069,808	7.86%
Claims and judgments	4,864,035	4,984,262	(120,227)	(2.41%)
Lease/Revenue bonds	52,868,704	56,573,689	(3,704,985)	(6.55%)
Interest rate swap liability	1,077,204	1,273,955	(196,751)	15.44%
	<u>\$ 235,503,635</u>	<u>\$ 229,280,020</u>	<u>\$ 6,223,615</u>	<u>2.71%</u>

Under the California Government Code Section 43605, the City's legal bonded debt limit for this fiscal year was \$92.4 million based on the assessed value of all real and personal property of the City. The City had no new bonded indebtedness during the fiscal year.

**Economic Outlook – Fiscal 2011-2012**

When preparing the City's budget for fiscal 2012, the following factors were considered.

- September 2011 - the UCLA Anderson Forecast makes the case that the nation's economy is growing so slowly but remains steadfast in their assertion that the United States is not in a recession. Forecast calls for economic growth to gradually rebound in mid-2012 with the economy advancing at a modest 2.5% - 3% rate. Modest gains in exports, consumption and equipment and software investment will drive the growth. Employment growth will become more meaningful with gains averaging about 150 thousand jobs per month and the unemployment rate falling to (a still high) 8.6% by the end of 2013.
- The California economy is expected to grow at a slower pace and this slow growth is forecasted to end by 2012. The California forecast sees virtually no growth in employment, with employment growth of 0.7% and 2.1% expected in 2012 and 2013 respectively. Payrolls will grow more rapidly at 1.1%, .6% and 2.0% for the forecast years through 2013 and the unemployment rate will hover around 12% for the rest of this year and will average 11% through 2013.
- The City's unemployment rate decreased from 19.1% to 18%.

**Adopted Budget**

While the economic downturn continues to be a factor in the budget decisions of the City's finances, the adopted 2011/2012 operating budget continues to be both balanced and fiscally responsible. The spending plan maintains essential services to the community and continues to provide funding to stimulate local economy through development projects throughout the City.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Huntington Park, 6550 Miles Avenue #116, Huntington Park, CA 90255.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Huntington Park**  
**Statement of Net Assets**  
**June 30, 2011**

<b>ASSETS</b>	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 36,061,117	\$ 1,725,582	\$ 37,786,699
Receivables			
Taxes	2,814,877	-	2,814,877
Accounts	5,193,847	656,260	5,850,107
Notes	4,778,975	-	4,778,975
Cash and investments - restricted	902,441	-	902,441
Prepaid expenses	438,285	32,547	470,832
Land held for resale	7,001,949	-	7,001,949
Capital assets:			
Non-depreciable	8,217,486	5,630,742	13,848,228
Depreciable, net of depreciation	45,466,624	11,853,978	57,320,602
Deferred bond issue costs, net of amortization	2,141,894	-	2,141,894
OPEB asset, net of amortization	654,116	-	654,116
Pension asset, net of amortization	18,300,441	-	18,300,441
<b>Total assets</b>	<u>131,972,052</u>	<u>19,899,109</u>	<u>151,871,161</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	4,031,364	887,817	4,919,181
Interest payable	1,582,951	-	1,582,951
Deferred revenue	195,263	4,426	199,689
Deposits	277,576	394,357	671,933
Due to other governments	1,983,322	-	1,983,322
Noncurrent liabilities			
Due within one year	6,699,785	-	6,699,785
Due in more than one year	228,803,850	54,205	228,858,055
<b>Total liabilities</b>	<u>243,574,111</u>	<u>1,340,805</u>	<u>244,914,916</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	42,370,024	17,484,720	59,854,744
Restricted for:			
Debt service	16,466,750	-	16,466,750
Public safety	3,447,792	-	3,447,792
Public works	2,559,181	-	2,559,181
Community development	3,449,863	-	3,449,863
Retired employees	66,237	-	66,237
Unrestricted (deficit)	(179,961,906)	1,073,584	(178,888,322)
<b>Total net assets (deficit)</b>	<u>\$ (111,602,059)</u>	<u>\$ 18,558,304</u>	<u>\$ (93,043,755)</u>

*See notes to financial statements.*

**City of Huntington Park  
Statement of Activities  
Year ended June 30, 2011**

	Program Revenues					Total
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	
<b>Governmental Activities</b>						
General Government	\$ 8,195,158	\$ 3,355,886	\$ 591,216	\$ -	\$ (4,248,056)	\$ (4,248,056)
Public Safety	16,288,182	2,377,785	331,257	-	(13,579,140)	(13,579,140)
Public Works	9,381,142	123,882	3,572,187	-	(5,685,073)	(5,685,073)
Community Services	3,245,733	633,813	466,629	-	(2,145,291)	(2,145,291)
Community Development	11,872,378	1,182,626	2,672,932	-	(8,016,820)	(8,016,820)
Interest on long-term debt	13,745,107	-	-	-	(13,745,107)	(13,745,107)
<b>Total Governmental Activities</b>	<b>62,727,700</b>	<b>7,673,992</b>	<b>7,634,221</b>	<b>-</b>	<b>(47,419,487)</b>	<b>(47,419,487)</b>
<b>Business-type Activities:</b>						
Water	5,448,673	4,249,282	43,459	-	(1,155,932)	(1,155,932)
Sewer	867,534	325,163	-	-	(542,371)	(542,371)
Solid Waste	232,150	159,501	32,202	-	(40,447)	(40,447)
<b>Total Business-type Activities</b>	<b>6,548,357</b>	<b>4,733,946</b>	<b>75,661</b>	<b>-</b>	<b>(1,738,750)</b>	<b>(1,738,750)</b>
<b>Total</b>	<b>69,276,057</b>	<b>12,407,938</b>	<b>7,709,882</b>	<b>-</b>	<b>(47,419,487)</b>	<b>(49,158,237)</b>

**General revenues**

Taxes:	Property	Motor vehicle in-lieu	Sales and use	In-lieu sales	Franchise	Utility	Other	Investment income	Other	Total general revenues and transfers	Change in net assets	Net assets(deficit) - beginning	Net assets(deficit) - ending
	14,640,143	4,782,510	6,377,406	1,273,544	647,472	5,866,108	968,396	1,637,914	2,118,092	38,311,585	(9,107,902)	(102,494,157)	20,161,790
	-	-	-	-	-	-	-	14,483	120,781	135,264	(1,603,486)	20,161,790	(82,332,367)
												\$ (111,502,059)	\$ 18,558,304
													\$ (93,043,755)

See notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**City of Huntington Park  
Governmental Funds  
Balance Sheet  
June 30, 2011**

	General	Special Revenue	Debt Service	Other Governmental Funds	Total
		Community Development Commission	Community Development Commission		
<b>ASSETS</b>					
Cash and investments	\$ 2,620,758	\$ 2,432,339	\$ 5,556,882	\$ 25,079,895	\$ 35,689,874
Cash and investments with fiscal agent	-	-	902,441	-	902,441
Receivables:					
Taxes	788,985	-	453,208	1,572,684	2,814,877
Accounts and interest	4,625,203	1,744	6,606	559,987	5,193,540
Loans	-	49,750	-	4,729,225	4,778,975
Prepaid expenses	304,131	-	-	134,154	438,285
Due from other funds	7,714,088	-	-	-	7,714,088
Advances to other funds	46,818,325	28,474,555	-	203,383	75,496,263
Land held for resale	-	-	-	7,001,949	7,001,949
<b>Total assets</b>	<b>\$ 62,871,490</b>	<b>\$ 30,958,388</b>	<b>\$ 6,919,137</b>	<b>\$ 39,281,277</b>	<b>\$ 140,030,292</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,358,548	\$ 39,759	\$ 115,699	\$ 1,317,255	\$ 2,831,261
Accrued payroll	835,170	6,071	-	230,437	1,071,678
Accrued employee benefits payable, short-term	4,853	2,139	-	33,210	40,202
Deposits	152,576	-	-	125,000	277,576
Due to other funds	-	-	1,898,763	5,815,325	7,714,088
Due to other governments	11,310	-	1,972,102	(90)	1,983,322
Claims and judgments	815,000	-	-	-	815,000
Deferred revenue	27,619,953	49,750	-	5,871,388	33,541,091
Advances from other funds	-	-	72,685,191	2,811,072	75,496,263
<b>Total liabilities</b>	<b>30,797,410</b>	<b>97,719</b>	<b>76,671,755</b>	<b>16,203,597</b>	<b>123,770,481</b>
<b>FUND BALANCES</b>					
Nonspendable	22,920,179	28,474,555	-	7,136,103	62,777,499
Restricted for:					
Housing set-aside	-	2,386,114	-	-	2,435,864
Capital projects	-	-	-	1,262,640	1,262,640
Special revenue funds	-	-	-	23,439,266	23,439,266
Debt service	-	-	902,441	-	902,441
Unassigned	9,153,901	-	(70,655,059)	(8,760,329)	(73,655,458)
<b>Total fund balances</b>	<b>32,074,080</b>	<b>30,860,669</b>	<b>(69,752,618)</b>	<b>23,077,680</b>	<b>16,259,811</b>
<b>Total liabilities and fund balances</b>	<b>\$ 62,871,490</b>	<b>\$ 30,958,388</b>	<b>\$ 6,919,137</b>	<b>\$ 39,281,277</b>	<b>\$ 140,030,292</b>

*See notes to financial statements.*

**City of Huntington Park  
Governmental Funds**

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

---

Fund balance of governmental funds		\$ 16,259,811
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of governmental activities are not financial resources and are not reported in the governmental funds.		53,307,143
OPEB asset of governmental activities are not financial resources and therefore, are not reported in the governmental funds		654,116
Net pension asset of governmental activities are not financial resources and therefore, are not reported in the governmental funds.		18,300,441
Certain long-term assets are not available to pay for current period expenditures and deferred in the funds.		33,345,828
Interest expenditures are recognized when due and accrued interest payable is not recorded in the governmental funds.		(1,582,951)
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Compensated absences	\$ (3,170,586)	
Loans and notes payable	(19,766,774)	
Claims and judgments	(4,049,035)	
Bonds and premium on bonds	(82,287,804)	
County deferral	(126,230,994)	
Deferred loss on refunding	1,893,762	(233,611,431)
Long-term deferred charges from bond issuance are not a current financial resource and are not included in the governmental funds.		2,141,894
Fair value of swap agreements		(1,077,204)
Internal service funds are used by management to charge the costs of certain activities, including equipment and building replacement and employee benefits, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities statement of net assets.		660,294
Net assets of governmental activities		\$ (111,602,059)

*See notes to financial statements.*

**City of Huntington Park  
Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2011**

	General Fund	Special Revenue Community Development Commission	Debt Service Community Development Commission	Other Governmental Funds	Total
<b>Revenues</b>					
Taxes	\$ 17,923,739	\$ -	\$ 13,743,960	\$ 6,669,248	\$ 38,336,947
Licenses and permits	1,757,220	-	-	-	1,757,220
Fines and forfeitures	2,061,628	-	-	31,518	2,093,146
Use of money and property	105,744	12,392	34,870	166,442	319,448
Intergovernmental	66,593	-	-	7,117,698	7,184,291
Charges for services	2,579,193	-	-	1,317,874	3,897,067
Other revenues	843,549	-	-	1,316,879	2,160,428
Interfund charges	5,245,462	-	-	2,443,731	7,689,193
<b>Total revenues</b>	<b>30,583,128</b>	<b>12,392</b>	<b>13,778,830</b>	<b>19,063,390</b>	<b>63,437,740</b>
<b>Expenditures</b>					
Current:					
General government	7,481,695	-	-	6,862,962	14,344,657
Public safety	15,499,809	-	-	106,166	15,605,975
Public works	3,913,986	-	-	3,186,606	7,100,592
Community services	1,408,009	-	-	1,708,075	3,116,084
Community development	1,368,471	934,325	213,751	5,362,308	7,878,855
Pass-throughs to other agencies	-	-	3,391,334	-	3,391,334
Capital outlay	-	-	-	3,808,666	3,808,666
Debt service:					
Principal retirement	190,395	-	3,812,063	1,120,473	5,122,931
Interest and fiscal charges	-	-	4,114,895	1,793,775	5,908,670
<b>Total expenditures</b>	<b>29,862,365</b>	<b>934,325</b>	<b>11,532,043</b>	<b>23,949,031</b>	<b>66,277,764</b>
Excess (deficiency) of revenues over expenditures	720,763	(921,933)	2,246,787	(4,885,641)	(2,840,024)
<b>Other financing sources (uses)</b>					
Transfers in	361,510	2,748,792	-	2,044,056	5,154,358
Transfers out	-	-	(4,792,848)	(361,510)	(5,154,358)
<b>Net other financing sources (uses)</b>	<b>361,510</b>	<b>2,748,792</b>	<b>(4,792,848)</b>	<b>1,682,546</b>	<b>-</b>
Change in fund balance	1,082,273	1,826,859	(2,546,061)	(3,203,095)	(2,840,024)
<b>Fund balance, beginning of year,</b>	<b>30,991,807</b>	<b>29,033,810</b>	<b>(67,206,557)</b>	<b>26,280,775</b>	<b>19,099,835</b>
<b>Fund balance, end of year</b>	<b>\$ 32,074,080</b>	<b>\$ 30,860,669</b>	<b>\$ (69,752,618)</b>	<b>\$ 23,077,680</b>	<b>\$ 16,259,811</b>

See notes to financial statements.

**City of Huntington Park  
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year ended June 30, 2011**

---

Change in Fund Balances - Governmental Funds	\$ (2,840,024)
<p>Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p>	
<p>Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>	
Cost of assets capitalized	3,222,722
Depreciation expense	(3,204,310)
<p>Governmental funds report pension payments in excess of the annual required contributions as current pension expenditures. However, in the statement of activities, the excess payments are capitalized.</p>	
	580,120
<p>Governmental funds report pension payments in excess of the annual required contributions as current pension expenditures. However, in the statement of activities, the excess payments are capitalized and amortized over the period of benefit. This amount is the amortization in excess of the annual required contribution.</p>	
	(1,040,545)
<p>Repayment and issuance of notes receivable reported as revenues and expenditures respectively, in the funds are not reported in the statement of activities. This amount is the net effect of notes receivable activity.</p>	
	885,270
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on the statement of activities:</p>	
County deferral	(12,355,889)
Principal payments of long-term debt	4,572,145
Note issue	1,024,410
Claims and judgments	(47,773)
<p>Change in fair value of swap agreements</p>	
	196,751
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Change in bond premium	66,671
Change in deferred loss on refunding	(172,160)
Change in bond issuance costs	(214,190)
<p>Compensated absences 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>	
	324,230
<p>Expenditures for interest on long-term debt that do not require the use of current financial resources are not reported as expenditures in governmental funds. This is the net effect of these differences.</p>	
	70,969
<p>Internal service funds are used by management to charge the costs of certain activities, including equipment and building replacement and employee benefits, to individual funds. The net revenues/(expenses) of the internal service funds (excluding transfers and interest income) are reported with governmental activities.</p>	
	(176,299)
Change in net assets of governmental activities	<u>\$ (9,107,902)</u>

*See notes to financial statements.*

**City of Huntington Park  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Other Enterprise Funds	Total	
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 1,277,238	\$ 448,344	\$ 1,725,582	\$ 371,243
Accounts receivable	609,368	46,892	656,260	307
Prepaid expenses	32,547	-	32,547	-
Total current assets	<u>1,919,153</u>	<u>495,236</u>	<u>2,414,389</u>	<u>371,550</u>
Noncurrent assets				
Capital assets	23,469,792	8,998,545	32,468,337	2,427,246
Less accumulated depreciation	<u>(11,782,165)</u>	<u>(3,201,452)</u>	<u>(14,983,617)</u>	<u>(2,050,279)</u>
Net capital assets	<u>11,687,627</u>	<u>5,797,093</u>	<u>17,484,720</u>	<u>376,967</u>
Total noncurrent assets	<u>11,687,627</u>	<u>5,797,093</u>	<u>17,484,720</u>	<u>376,967</u>
<b>Total assets</b>	<u>13,606,780</u>	<u>6,292,329</u>	<u>19,899,109</u>	<u>748,517</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	846,804	15,865	862,669	74,318
Accrued payroll	2,955	6,830	9,785	9,820
Accrued leave payable	13,481	1,882	15,363	4,085
Deposits	388,420	5,937	394,357	-
Deferred revenue	-	4,426	4,426	-
Total current liabilities	<u>1,251,660</u>	<u>34,940</u>	<u>1,286,600</u>	<u>88,223</u>
Noncurrent liabilities				
Compensated absences payable	<u>35,162</u>	<u>19,043</u>	<u>54,205</u>	<u>-</u>
<b>Total liabilities</b>	<u>1,286,822</u>	<u>53,983</u>	<u>1,340,805</u>	<u>88,223</u>
<b>NET ASSETS</b>				
Invested in capital assets	11,687,627	5,797,093	17,484,720	376,967
Unrestricted	<u>632,331</u>	<u>441,253</u>	<u>1,073,584</u>	<u>283,327</u>
<b>Total net assets</b>	<u>\$ 12,319,958</u>	<u>\$ 6,238,346</u>	<u>\$ 18,558,304</u>	<u>\$ 660,294</u>

*See notes to financial statements.*

**City of Huntington Park**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**Year ended June 30, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Water Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	Activities Internal Service Funds
<b>Operating revenues</b>				
Charges for services	\$ 4,249,282	\$ 484,664	\$ 4,733,946	\$ 803,548
Other	<u>120,507</u>	<u>274</u>	<u>120,781</u>	<u>-</u>
<b>Total operating revenues</b>	<u>4,369,789</u>	<u>484,938</u>	<u>4,854,727</u>	<u>803,548</u>
<b>Operating expenses</b>				
Personnel services	399,540	207,430	606,970	201,175
Contractual services	436,078	-	436,078	-
General	210,941	8,722	219,663	-
Materials and supplies	3,830,082	789,660	4,619,742	568,676
Insurance	25,872	12,224	38,096	-
Depreciation	<u>546,160</u>	<u>81,648</u>	<u>627,808</u>	<u>210,444</u>
<b>Total operating expenses</b>	<u>5,448,673</u>	<u>1,099,684</u>	<u>6,548,357</u>	<u>980,295</u>
<b>Operating income (loss)</b>	(1,078,884)	(614,746)	(1,693,630)	(176,747)
<b>Nonoperating revenues (expenses)</b>				
Interest earnings on investments	11,441	3,042	14,483	448
Intergovernmental revenue	<u>43,459</u>	<u>32,202</u>	<u>75,661</u>	<u>-</u>
<b>Change in net assets</b>	(1,023,984)	(579,502)	(1,603,486)	(176,299)
<b>Total net assets - beginning</b>	<u>13,343,942</u>	<u>6,817,848</u>	<u>20,161,790</u>	<u>836,593</u>
<b>Total net assets - ending</b>	<u>\$ 12,319,958</u>	<u>\$ 6,238,346</u>	<u>\$ 18,558,304</u>	<u>\$ 660,294</u>

*See notes to financial statements.*

**City of Huntington Park  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Other Enterprise Funds	Total	
<b>Cash flows from operating activities</b>				
Receipts from tenants, customers and users	\$ 4,353,295	\$ 516,197	\$ 4,869,492	\$ 803,454
Payments to suppliers	(3,908,471)	(812,018)	(4,720,489)	(514,817)
Payments to employees	(637,968)	(219,281)	(857,249)	(199,366)
<b>Net cash provided by (used in) operating activities</b>	<u>(193,144)</u>	<u>(515,102)</u>	<u>(708,246)</u>	<u>89,271</u>
<b>Cash flows from capital and related financing activities</b>				
Purchases and construction of capital assets	(1,315,630)	-	(1,315,630)	(15,647)
<b>Net cash used in capital and related financing activities</b>	<u>(1,315,630)</u>	<u>-</u>	<u>(1,315,630)</u>	<u>(15,647)</u>
<b>Cash flows from non-capital financing activities</b>				
Cash contributions from other governments	43,459	32,202	75,661	-
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>43,459</u>	<u>32,202</u>	<u>75,661</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Interest received	11,441	3,042	14,483	448
<b>Change in cash and cash equivalents</b>	<u>(1,453,874)</u>	<u>(479,858)</u>	<u>(1,933,732)</u>	<u>74,072</u>
<b>Beginning cash and cash equivalents</b>	2,731,112	928,202	3,659,314	297,171
<b>Ending cash and cash equivalents</b>	<u>\$ 1,277,238</u>	<u>\$ 448,344</u>	<u>\$ 1,725,582</u>	<u>\$ 371,243</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (1,078,884)	\$ (614,746)	\$ (1,693,630)	\$ (176,747)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	546,160	81,648	627,808	210,444
(Increase) decrease in:				
Accounts receivable	(16,494)	31,259	14,765	(94)
Prepaid expenses	(31,764)	-	(31,764)	-
Increase (decrease):				
Accounts payable	382,737	(1,412)	381,325	53,859
Accrued payroll	(559)	758	199	623
Accrued leave payable	1,124	(1,434)	(310)	1,186
Deposits payable	23,529	-	23,529	-
Compensated absences payable	(18,993)	(11,175)	(30,168)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (193,144)</u>	<u>\$ (515,102)</u>	<u>\$ (708,246)</u>	<u>\$ 89,271</u>

There were no noncash capital financing and investing activities during the year ended June 30, 2011.

*See notes to financial statements.*

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1            GENERAL**

The City of Huntington Park is a community located approximately six and a half miles southeast of downtown Los Angeles, California. The City geographically encompasses approximately three square miles and has an approximate population of 64,617 residents. The City was incorporated as a general law city in 1906.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. The City provides the following services:

*Public Safety* - the City employs police officers and support staff to provide round-the-clock police services from a central station.

*Public Works (Field Services)* - The City contracts the construction and maintenance of its streets, curbs, gutters, and related public property.

*Community Services (Parks and Recreation)* - The City provides a variety of programs relating to public parks; street tree maintenance, graffiti removal and weed abatement on public right-of-way.

*Community Development* - The City provides review and plan check services to the public and others. City departments investigate traffic related issues and other various intergovernmental project coordination.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Huntington Park's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

**Reporting Entity**

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made applying the provisions of GASB Statement No. 14 (as amended by GASB No. 39). As required by generally accepted accounting principles (GAAP), these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component units' board or because the component unit will provide a financial benefit or impose a financial burden on the City.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Included within the City of Huntington Park (City) reporting entity are the Community Development Commission of the City of Huntington Park (Commission), the Parking Authority of the City of Huntington Park (Parking Authority), and the Huntington Park Public Financing Authority (Finance Authority). The City Council of the City of Huntington Park acts as the governing board for each of these entities. In addition, executive management activities are conducted by the City staff.

The Commission's separately issued financial statements can be obtained from the City of Huntington Park, Finance Department, 6550 Miles Avenue, Huntington Park, California 90255. Component unit financial statements are not issued for the Finance Authority or Parking Authority.

A description of the entities follows:

City of Huntington Park

The City was incorporated on September 1, 1906, under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected member council and operates under a city manager form of government.

Community Development Commission of the City of Huntington Park

The Commission was established on March 25, 1975, by the City under the authority of the California Health and Safety Code. The Commission's primary purpose is to eliminate blighted areas within the City by encouraging development of residential, commercial, industrial, recreational and public facilities. The City Council acts as the governing body of the Commission by serving as its board members. The Commission is funded by property tax increment revenue and the use of debt. (See Note 23)

Parking Authority of the City of Huntington Park

The Parking Authority was established on June 6, 1988, by the City, for the purpose of coordinating and financing public parking facilities. The City Council is the Board of Directors for the Parking Authority.

Huntington Park Public Financing Authority

The Financing Authority was organized on July 5, 1988 by the City, the Parking Authority and the Commission. The Financing Authority's primary purpose is to provide for the financing of public capital improvements to the City, Commission or Parking Authority. City Council members serve as the Directors of the Financing Authority and have full accountability of fiscal matters.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus**

*Government-wide Financial Statements*

The City's Government-wide Financial Statements include a Statement of Net Assets and a Statement of Activities (including changes in net assets). These statements present summaries of Governmental and Business-type Activities for the City.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and infrastructure, as well as long-term debt, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the City are reported in three categories: 1) charges for services, 2) operating contributions and grants, and 3) capital contributions and grants. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Contributions and grants include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. Internal balances and interfund charges in the Government-wide Financial Statements have been eliminated, except those between governmental and business-type activities.

**Fund Financial Statements**

To ensure the proper identification of individual revenue sources and expenditures made from those revenues, the City's accounts are organized on the basis of individual funds, each of which is considered a separate accounting entity. Each fund's operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The City's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

*Governmental Funds*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the Government-wide Financial Statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All governmental funds are accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the balance sheets. The reported fund balance is the net current assets, which is considered only to be a measure of available spendable resources. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they both become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. Those revenues susceptible to accrual are property taxes, sales taxes, transient occupancy taxes, utility user taxes, property transfer taxes, interest revenues, and charges for services. Fines, licenses, use of property and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations which are recognized when due. Because of their current financial resources focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Community Development Commission Special Revenue Fund* is used to account for the receipt of 20 percent of the gross tax increment allocation, which is restricted for use on projects that increase or preserve the supply of low and moderate income housing, in accordance with Health and Safety Code Section 33334.

The *Community Development Commission Debt Service Fund* is used to account for the accumulation of resources for and the payment of principal and interest on the Commission's debt service and other long-term obligations.

Description of other Governmental Funds can be found on pages 71 to 73.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary Funds

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows. All proprietary fund types are accounted for using the accrual basis of accounting, similar to the Government-wide Financial Statements. Revenues are recognized when earned, and expenses are recognized when incurred. Proprietary funds are accounted for on the economic resources measurement focus, which means that all assets and all liabilities associated with their activity are included in the Statement of Net Assets.

The City reports the following major enterprise fund:

The *Water Enterprise Fund* is used to account for the operations of the water utility system.

The City's internal service funds are presented in the Proprietary Funds Financial Statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the Government-wide Financial Statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other City departments or agencies on a cost-reimbursement basis. The City uses internal service funds to account for fleet maintenance and vehicle and equipment replacement activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

In accordance with GASB Statement No. 20, for proprietary fund accounting, the City applies all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget/actual comparisons in this report use the GAAP basis. The budgetary comparison schedules present both the original adopted budget and the final budget with all amendments.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the City considers cash and cash equivalents as short-term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Because the proprietary funds participate in City's investment pool, funds are available as needed. Accordingly all amounts are reported as cash and cash equivalents.

**Property Taxes**

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes, which are received from the County within sixty days after year-end.

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

**Investments**

The City follows GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. The fair value of instruments is determined annually and is based on current market prices.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City maintains investment accounting records on amortized cost and compares those records to "fair value" on an annual basis. The funds' investment custodian provides market values on each investment instrument on a monthly basis. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. The City has elected to report its money market investments (those investments with maturities of less than one year) at amortized cost adjusted to fair value on an annual basis. As of June 30, 2011, the carrying value of its investments is considered "fair value".

**Investment with Fiscal Agent**

The City has monies held by trustees or fiscal agents pledged for the security and repayment of various bonded indebtedness.

**Interest Rate Swap Liability**

Effective for the fiscal year ended June 30, 2010, the City adopted GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Under this new accounting standard, the City is required to measure derivative instruments such as the interest rate swap agreement at fair value in the statement of net assets.

**Claims and Judgments**

Claims and judgments are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Only the short-term liability is reflected as a current liability in all applicable governmental fund types. For presentation in the Statement of Net Assets, claims and judgments are included as noncurrent liabilities separated between the amounts due within one year and amounts due in more than one year. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement and needed reserves, but unpaid, related to claims and judgments entered.

**Compensated Absences**

The short-term portion of compensated absences is determined to be the amount due to employees for future absences, which is attributable to services already rendered, and which is expected to be paid during the next fiscal year. For employees chargeable to enterprise operations, both short-term and long-term portions of compensated absences are reflected in the Proprietary Funds. Compensated absences are funded by each fund based on the respective share of the liability. The liability for Governmental Activities is primarily liquidated from the general fund while the liability for Business-type Activities is liquidated from the enterprise funds.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. For infrastructure, the City capitalized those projects exceeding \$25,000 and having a useful life greater than one year. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Provision for depreciation on all assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Vehicles	5-10
Furniture, fixtures, and equipment	5-40
Pavement System	40
Sidewalk, curb, and gutters	40
Traffic signals	20
Street lights	20
Improvements	20-30
Sewer and storm drains	60

**Due From Other Governments**

The amounts recorded as due from other governments include sales taxes, property taxes, and grant revenues collected or provided by Federal, State, County and City Governments which are unremitted to the City as of June 30, 2011.

**Interfund Transactions**

With Council and/or management approval, resources may be transferred from one City fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, and then unrestricted resources as they are needed.

**Bond Issuance Costs**

Bond issuance costs of \$3,467,611, net of amortization of \$1,325,717 are reported as deferred charges. In the Statement of Net Assets bond issuance costs are amortized on a straight-line method over the life of the respective debt issue. As of June 30, 2011 the unamortized balance was \$2,141,894.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balances**

In fiscal year ended June 30, 2011, the City implemented Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund-type Definitions. This statement defines fund balance as the difference between the assets and liabilities reported in the City's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending upon their source. Consequently, the fund balance reported in the annual financial statements is categorized into five components whereby each component identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The five components of fund balance are as follows:

- Nonspendable: Resources that are 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.
- Restricted: Resources that are subject to externally enforceable legal and contractual restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.
- Committed: Resources that are constrained to specific purposes by a formal action of the City Council such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.
- Assigned: Resources that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, committed, or assigned.

**Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$26 million of restricted net assets, of which \$66 thousand is restricted by enabling legislation, which was derived from voter approved special tax levies to pay for retirement costs.

**NOTE 3      STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

As of June 30, 2011, the City had deficit unrestricted net assets in the amount of \$179,961,906 for governmental activities. This deficit was created by funding redevelopment projects through the use of long-term indebtedness to outside entities. As discussed in Note 12, the Commission owes the County of Los Angeles \$126,230,994 of deferred tax increment and accrued interest. This loan has been increasing at approximately \$12,000,000 per year, including accrued interest, and will not be repaid until tax increment revenues are sufficient to meet annual bonded debt service requirements. The City management doubts that economic conditions will allow for repayment of the City's debt to the County of Los Angeles for tax increment deferral (see Note 23).

The following funds have a deficit Fund Balance at June 30, 2011:

	Deficit
<i>Major Funds:</i>	
Community Development Commission Debt Service Fund	\$ <u><u>69,752,618</u></u>
 <i>NonMajor Funds:</i>	
<i>Special Revenue</i>	
Parks and Recreation	\$ <u>54,115</u>
Employees' Retirement	\$ <u>2,356,074</u>
HUD Home Program	\$ <u>135,868</u>
Public Safety	\$ <u>3,515</u>
Parking System	\$ <u>183,591</u>
Street Lighting Landscape Assessment	\$ <u>1,526,878</u>
LBPHCP Lead Base	\$ <u>39,675</u>
Neighborhood Lead Base	\$ <u>59,131</u>
Energy Efficient	\$ <u>35,495</u>
Federal Street Improvement	\$ <u>147,737</u>

Further information on the Community Development Commission Debt Service Fund is presented on Note 23.

**NOTE 3      STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

For the Parks and Recreation, Employees' Retirement, HUD Home Program, Public Safety, Parking System, Street Lighting Landscape Assessment, LBPHCP Lead Base, Neighborhood Lead Base, Energy Efficient and Federal Street Improvement Special Revenue Funds, management asserts that the deficits of \$54,115, \$2,356,074, \$135,868, \$3,515, \$183,591, \$1,526,878, \$39,675, \$59,131, \$35,495, and \$147,737, respectively, will be eliminated by revenues made available in subsequent periods. If revenues are not sufficient in subsequent periods, the impact on the General Fund could be material.

**NOTE 4      CASH AND INVESTMENTS**

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	\$	37,786,699
Cash and investments - restricted		902,441
	\$	38,689,140

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

Cash on hand	\$	13,510
Deposits with financial institutions		818,200
Investments		37,857,430
	\$	38,689,140

**NOTE 4 CASH AND INVESTMENTS (CONTINUED)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code or the City's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the City's investment policy, where 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 City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	N/A	N/A
U.S. Treasury Obligations	5 years	N/A	N/A
U.S. Agency Securities	5 years	N/A	N/A
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	N/A
Repurchase Agreements	1 year	N/A	N/A
Reverse Repurchase Agreements	92 days	20% of base value	N/A
Medium-Term Notes	5 years	30%	N/A
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	N/A
County Pooled Investment Funds	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt covenants rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investments allowed by the government code but also include defeasance obligations, investment agreements and pre-refunded municipal obligations. These provisions do not specify maximum maturities or concentration of risk limitations.

**NOTE 4 CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Related to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates 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. Funds held by fiscal agent are invested pursuant to the terms of debt covenants and cash flow is managed as necessary to meet debt service obligations.

Information about the sensitivity of fair values of the City's investments (including investments held by fiscal agent) to market interest rates fluctuations is provided by the following table that reflects the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity in Months		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 21,704,989	\$ 21,704,989	\$ -	\$ -
Federal Farm Credit Bank Note (FFCB)	4,000,000	-	-	4,000,000
Federal Home Loan Bank Note (FHLB)	7,250,000	-	-	7,250,000
Federal Home Loan Mortgage Corp. (Freddie Mac) Note	4,000,000	-	-	4,000,000
Held by fiscal agent:				
Federal Treasury Money Market Funds	902,441	902,441	-	-
	<u>\$ 37,857,430</u>	<u>\$ 22,607,430</u>	<u>\$ -</u>	<u>\$ 15,250,000</u>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, debt agreements and the City's investment policy and the actual rating as of year end for each investment type:

Investment Type	Amount	Minimum Legal Rating	Not Rated	Rating
				AAA
LAIF	\$ 21,704,989	NA	\$ 21,704,989	-
Federal Farm Credit Bank Note (FFCB)	4,000,000	AAA	-	4,000,000
Federal Home Loan Bank Note (FHLB)	7,250,000	AAA	-	7,250,000
Federal Home Loan Mortgage Corp. (Freddie Mac) Note	4,000,000	AAA	-	4,000,000
Held by fiscal agent:				
Federal Treasury Money Market Funds	902,441	AAA	-	902,441
	<u>\$ 37,857,430</u>		<u>\$ 21,704,989</u>	<u>\$ 16,152,441</u>

**NOTE 4 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

The City's investment policy 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 the City's total investments are as follows:

Investment Type	Investment Type	Reported Amount
Federal Farm Credit Bank Note (FFCB)	U.S. Government-Sponsored Enterprise Securities	\$ 4,000,000
Federal Home Loan Bank Note (FHLB)	U.S. Government-Sponsored Enterprise Securities	7,250,000
Federal Home Loan Mortgage Corporation (Freddie Mac) Note	U.S. Government-Sponsored Enterprise Securities	4,000,000
		<u>\$ 15,250,000</u>

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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, the City 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 the public agencies' deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Effective December 31, 2010 until January 1, 2013, all noninterest bearing transaction accounts are fully insured without limit by the Federal Deposit Insurance Corporation (FDIC). Interest bearing deposit accounts are insured by FDIC up to \$250,000. As of June 30, 2011, \$956,457 of the City's deposits (bank balances) with financial institutions in excess of federal depository insurance limits was collateralized with securities held by the pledging financial institution but not in the City's name.

**NOTE 4 CASH AND INVESTMENTS (CONTINUED)**

**Investment in State Investment Pool (LAIF)**

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. LAIF is not registered with the Securities and Exchange Commission. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2011, the City's investments in the State treasurer's investment pool (LAIF) were \$21.7 million. The management of LAIF has indicated to the City that as of June 30, 2011, the estimated fair value of the pool, including accrued interest, was approximately \$66 billion. LAIF's (and the City's) exposure to risk (credit, market or legal) is not currently available.

**Fair Value of Investments**

Accounting pronouncement GASB Statement No. 31 generally applies to investments in external investment pools, investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities need to report the fair value changes for these investments at year-end and record these gains or losses on their income statement.

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

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**NOTE 5 NOTES RECEIVABLE**

At June 30, 2011, the City had \$4,778,975 in various notes receivable. These amounts represent various loans under the Community Development Block Grant, HUD Social Security Grant, and HOME Federal Programs ranging from \$4,000 to \$50,000 each. The remaining loans are identified below:

**NOTE 5      NOTES RECEIVABLE (CONTINUED)**

**Rasa Note**

In October 2001, the City entered into an agreement with RASA limited partnership (Borrower) whereby the borrower received \$700,000 for development costs of certain housing projects associated with the HOME Federal Program. Pursuant to this agreement, the borrower shall remit payments in annual estimates commencing on January 1, 2004. Interest accrues at the rate of six percent per annum commencing January 1, 2003 with maturity at April 1, 2034. Repayment of the loan is secured by a deed of trust and net operating income generated by the Housing Project. The note to the City is subordinate to existing senior debt obligation of the borrower and not an available resource to the City. During fiscal year 2010-2011, there were no payments remitted by the borrower. Accordingly, no accrued interest was recorded. The principal balance outstanding at June 30, 2011 was \$700,000.

On October 18, 2001, the Commission entered into an agreement with Rasa Limited Partnership whereby in return for land disposition, the Commission received a \$100,000 note. The \$100,000 note is subordinate to existing obligations of the developer to the County of Los Angeles. The note bears simple interest at the rate of 8.0 percent per annum from January 31, 2003 until December 31, 2047. Interest is payable annually. Principal is due and payable on or before December 31, 2047. The principal and interest balances outstanding as of June 30, 2011, were \$100,000 and \$8,000, respectively.

**Oldtimers Housing Development Corporation IV, Note**

The City authorized the Community Development Commission of the City of Huntington Park (the Commission) to implement the HOME Community Housing Development Program, including authority to enter into agreements with community housing development organizations. With this authority, the Commission entered into various affordable housing agreements with Oldtimers Housing Development Corporation IV ("CHDO") to help the developer acquire, produce, rehabilitate, operate and manage affordable housing units within the City of Huntington Park. Under the terms of the agreements, the Commission provided funds equal to the principal amounts of the Note which bears interest at the rate of three percent per annum, compounded annually.

The Note amount shall be paid by the CHDO's annual payment to the Commission of an amount equal to fifty percent (50%) of the residual receipts of the property. Below is the summary of the terms of the loans and the outstanding balances as of June 30, 2011.

Loan	Date of Loan Agreement	Principal Amount	Interest Rate	Payment Period	Outstanding Balance, June 30, 2011
1	July 12, 2006	\$ 620,848	3%	April 1, 2015- April 1, 2061	\$ 592,389
2	August 6, 2007	223,700	3%	April 1, 2011- April 1, 2062	223,700
3	June 2, 2008	468,000	3%	April 1, 2011- April 1, 2062	468,000
4	December 10, 2007	1,038,525	3%	July 1, 2015- July 1, 2063	985,004
5	January 22, 2008	1,316,200	3%	July 1, 2015- July 1, 2063	1,316,200

**City of Huntington Park  
Notes to Financial Statements  
Year ended June 30, 2011**

**NOTE 6 LAND HELD FOR RESALE**

In March 2005, the City acquired 4.89 acres of land with improvements on South Alameda Street (the Alameda Property). The land was acquired by the City for the purchase price of \$6,321,641. Of the \$6,321,641, the City provided consideration in the amount of \$5,431,641 and the seller contributed \$890,000 as a donation. In August 2008, the City bought 22,619 square feet of land located in APN 6009-033-800, Huntington Park, CA for \$680,308.

Management estimates that the cost of the land held for resale approximates the market value.

**NOTE 7 CAPITAL ASSETS**

The City's capital assets activity for the year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 5,700,656	\$ -	\$ -	\$ -	\$ 5,700,656
Construction in progress	2,441,865	118,665	-	(43,700)	2,516,830
Total capital assets not being depreciated	<u>8,142,521</u>	<u>118,665</u>	<u>-</u>	<u>(43,700)</u>	<u>8,217,486</u>
Capital assets being depreciated:					
Buildings and improvements	16,201,306	611,694	-	-	16,813,000
Vehicles	5,449,659	185,311	(204,291)	-	5,430,679
Property and equipment	4,145,111	310,152	-	-	4,455,263
Infrastructure					
Pavement systems	29,427,916	965,708	-	79,496	30,473,120
Sidewalk, curb, and gutter system	17,744,161	957,644	-	(35,796)	18,666,009
Traffic signals	5,258,355	89,195	-	41,697	5,389,247
Street lights	14,903,926	-	-	(41,697)	14,862,229
Total capital assets being depreciated	<u>93,130,434</u>	<u>3,119,704</u>	<u>(204,291)</u>	<u>43,700</u>	<u>96,089,547</u>
Less accumulated depreciation for:					
Buildings and Improvements	(5,522,272)	(407,804)	-	-	(5,930,076)
Vehicles	(4,079,265)	(470,322)	204,291	-	(4,345,296)
Property and equipment	(3,123,494)	(390,784)	-	-	(3,514,278)
Infrastructure					
Pavement system	(13,258,182)	(751,386)	-	-	(14,009,568)
Sidewalk, curb and gutter system	(10,926,287)	(412,116)	-	-	(11,338,403)
Traffic signals	(3,854,002)	(232,716)	-	-	(4,086,718)
Street lights	(6,648,958)	(749,626)	-	-	(7,398,584)
Total accumulated depreciation	<u>(47,412,460)</u>	<u>(3,414,754)</u>	<u>204,291</u>	<u>-</u>	<u>(50,622,923)</u>
Total capital assets being depreciated, net	<u>45,717,974</u>	<u>(295,050)</u>	<u>-</u>	<u>43,700</u>	<u>45,466,624</u>
Governmental activities capital assets, net	<u>\$ 53,860,495</u>	<u>\$ (176,385)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,684,110</u>

Depreciation expense was charged to the following primary government's functions/programs:

General government	\$ 95,659
Public safety	682,207
Public works	2,490,994
Community services	129,649
Community development	16,245
	<u>\$ 3,414,754</u>

**City of Huntington Park**  
**Notes to Financial Statements**  
**Year ended June 30, 2011**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

See Note 12 regarding the Lease Revenue Bonds and Measure L (Street Improvement) Bonds issued relating to the above capital assets.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 4,139,404	\$ -	\$ -	\$ 4,139,404
Construction in progress	750,673	740,665	-	1,491,338
Total capital assets not being depreciated	<u>4,890,077</u>	<u>740,665</u>	<u>-</u>	<u>5,630,742</u>
Capital assets being depreciated:				
Buildings and improvements	27,266	-	-	27,266
Vehicles	55,377	-	-	55,377
Property and equipment	254,877	24,418	-	279,295
Infrastructure				
Water improvements	21,027,103	550,548	-	21,577,651
Sewer and storm drains	4,898,008	-	-	4,898,008
Total capital assets being depreciated	<u>26,262,631</u>	<u>574,966</u>	<u>-</u>	<u>26,837,597</u>
Less accumulated depreciation for:				
Buildings and improvements	(27,266)	-	-	(27,266)
Vehicles	(55,377)	-	-	(55,377)
Property and equipment	(254,877)	(610)	-	(255,487)
Infrastructure				
Water improvements	(10,920,569)	(545,549)	-	(11,466,118)
Sewer and storm drains	(3,097,721)	(81,648)	-	(3,179,369)
Total accumulated depreciation	<u>(14,355,810)</u>	<u>(627,807)</u>	<u>-</u>	<u>(14,983,617)</u>
Capital assets being depreciated, net	<u>11,906,821</u>	<u>(52,841)</u>	<u>-</u>	<u>11,853,980</u>
Business-type activities capital assets, net	<u>\$ 16,796,898</u>	<u>\$ 687,824</u>	<u>\$ -</u>	<u>\$ 17,484,722</u>

Depreciation expense was charged to the following activities:

Water improvements	\$ 545,549
Water operations	610
Sewer maintenance	81,648
	<u>\$ 627,807</u>

**NOTE 8 PENSION PLAN**

**Plan Description**

The City of Huntington Park contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefits pension plan (miscellaneous plan) and a cost sharing plan (safety plan). PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, CA 95814.

**Funding Policy**

The contribution requirements of active plan members (safety and miscellaneous classifications) and the City are established and may be amended by the PERS board. Safety and Miscellaneous Plan members are required to contribute 9.0 percent and 7.0 percent of their annual covered salary, respectively. The City funds the employee's contribution at 50 percent during the first year of employment. The City funds 100 percent of the employees required contribution after the first year of employment. For fiscal year 2010-11, the City was required to contribute at an actuarially determined rate; the rate was 20.880 percent and 5.754 percent of annual covered payroll for safety and miscellaneous members, respectively.

**PERS Plan Amendments**

During fiscal year 2002-03, PERS required mandatory pooling of plans with less than 100 active members. As a result, the accrued actuarial liability and actuarial value of assets for the City's safety plan have been pooled with other government agencies. As of the date of pooling, differences between the City's normal cost and the pool's normal cost will be amortized over a five year period, at which time, the City's normal cost will approximate the pool's normal cost.

**Annual Pension Cost**

The following table shows the components of the City's annual pension cost for the fiscal year ended June 30, 2011, the actual amounts contributed to the plans, and changes in the City's net pension asset:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>Total</u>
Annual Required Contribution	\$ 1,439,984	\$ 431,636	\$ 1,871,620
Interest on Pension Asset	(1,498,926)	-	(1,498,926)
Adjustments to Annual Required Contribution	<u>2,539,471</u>	<u>-</u>	<u>2,539,471</u>
Annual Pension Cost	2,480,529	431,636	2,912,165
Annual Contribution Made	<u>1,439,984</u>	<u>431,636</u>	<u>1,871,620</u>
Decrease in Pension Asset	(1,040,545)	-	(1,040,545)
Pension Asset, Beginning of Year	<u>19,340,986</u>	<u>-</u>	<u>19,340,986</u>
Pension Asset, End of Year	<u>\$ 18,300,441</u>	<u>\$ -</u>	<u>\$ 18,300,441</u>

The net pension asset is reported in the government-wide financial statements.

**NOTE 8 PENSION PLAN (CONTINUED)**

**Annual Pension Cost (Continued)**

The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The current actuarial assumptions for the miscellaneous plan included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service from 3.25 percent to 14.45 percent (c) 3.25 percent per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a three year period (smoothed market value). Effective July 1, 2003, the City's miscellaneous plan received a "fresh start" resulting in the PERS unfunded actuarial accrued liability being amortized as a level percentage of projected payroll on a closed basis over a new amortization period of 15 years.

Three-year trend information for PERS (In \$ thousands):

<b>Safety Plan</b>			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2009	\$ 2,198	56%	\$ (20,273)
6/30/2010	2,297	59%	(19,341)
6/30/2011	2,481	64%	(18,300)

<b>Miscellaneous Plan</b>			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2009	\$ 472	100%	\$ -
6/30/2010	491	100%	-
6/30/2011	432	100%	-

See Note 12 regarding Pension Obligation Bond issued relating to the above Pension Asset. The Schedule of Funding Progress for both the Safety and Miscellaneous Plans are part of the Required Supplementary Information.

**NOTE 9 DEFINED CONTRIBUTION PLAN**

Effective July 1, 2001, the City established the City of Huntington Park Alternative Retirement System, a Public Agency Retirement System (PARS). Under PARS, the City participates in the defined contribution plan to benefit employees not currently eligible for PERS. Pursuant to the PARS agreement, the PARS trust is administered by Phase II Systems with Union Bank of California acting as trustee. In accordance with the PARS trust agreement, the City does not manage the plan's assets or perform distributions to employees out of the plan. Phase II Systems and Union Bank of California perform these functions.

**NOTE 9      DEFINED CONTRIBUTION PLAN (CONTINUED)**

The PARS trust, authorized under the Internal Revenue Code Section 401(a) and Government Code Sections 53215-53224 and 2000, maintains the following general provisions:

- Eligible employees shall participate while not accruing a benefit under social security or PERS,
- Eligible employees contribute 7.5 percent of compensation on a pre-tax basis,
- The City is not required to contribute on behalf of the employee,
- Contributions and distributions of the plan are not obligations of the City, and
- Amendments to the plan are subject to the discretion of the City.

For the fiscal year ended June 30, 2011, employees participating in PARS contributed \$47,039.

**NOTE 10      OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

In addition to the retirement plan described in Note 9, the City of Huntington Park Retiree Healthcare Plan (CHPRHP) contributes to the California Employers' Retiree Benefit Trust Fund to fund the City's health and other post-employment benefit costs for its retirees and their spouses. CHPRHP provides a monthly contribution towards medical insurance premiums which costs up to a fixed dollar cap that varies based on coverage election and employment status. This fund is administered by the California Public Employees Retirement System (CalPERS). CalPERS issues a publicly available financial report through their website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Eligibility**

Employees of the City are eligible for retiree health benefits if they retire directly from the City under CalPERS, at least age 50 at the date of retirement and with 5 years of CalPERS service eligibility. Retiree benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.

The City provides a medical contribution of up to 100% of the Kaiser LA region non-Medicare-eligible premium for single, 2-party, and family coverage for non-Medicare and Medicare-eligible retirees. Effective January 1, 2011, the City contribution cap for current and future Medicare-eligible retirees will be the Kaiser LA Region Medicare-eligible premium.

**NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

Membership in the plan consisted of the following at January 1, 2009, the date of the latest actuarial valuation:

Eligible active employees:		
Miscellaneous	130	
Safety	68	
	198	Subtotal
Eligible retirees		
Miscellaneous	60	
Safety	81	
	141	Subtotal
	339	Total

**Funding Policy**

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan. The City has established a policy of contributing to the irrevocable trust 100% of the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC for fiscal year 2010-2011 was \$2,136,000, 14% of estimated covered payroll.

**Annual OPEB Cost**

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

	Amount
Annual required contribution	\$ 2,136,000
Interest on net <i>OPEB</i> asset	(6,000)
Amortization of net <i>OPEB</i> obligation	31,000
Annual <i>OPEB</i> cost	2,161,000
Contributions made:	
Benefit payments	\$ 1,241,120
Pre-funding	1,500,000
	2,741,120
Decrease in net <i>OPEB</i> obligation	580,120
Net <i>OPEB</i> asset - beginning of year	73,996
Net <i>OPEB</i> asset - end of year	\$ 654,116

The net OPEB asset is reported in the government-wide financial statements.

**NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% discount rate for portion of ARC funded with the irrevocable trust and 4.25% for portion of ARC not funded; (b) aggregate payroll increases of 3.25% per year; and (c) contribution of 14% of payroll for 2009-2010 increasing by 1% of payroll each year until the contribution equals 100% of the ARC. The actuarial value of the plan assets is equal to the fair value. The City's unfunded actuarial liability is being amortized as a level percentage of projected payroll over a fixed 30-year closed period.

Three-Year Trend Information:

(in thousands)

Fiscal Year	Annual OPEB Cost (AOC) (Employer Contribution)	Annual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$ 2,421	\$ 1,708	71%	\$ (331)
6/30/2010	2,069	1,812	88%	(74)
6/30/2011	2,161	2,741	127%	(654)

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

**NOTE 11 DEFERRED REVENUE**

Deferred revenue as shown in the Statement of Net Assets as of June 30, 2011, consisted of the following:

*Governmental Activities*

Grant funds received in advance pertaining to nonmajor funds:

Police supplemental law enforcement programs \$ 195,263

Deferred revenue as shown in the Governmental Fund Balance Sheet as of June 30, 2011 in the amount of \$33,541,091 consisted of the following:

General Fund:

- \$24,202,277 related to accrued interest for various operating loans to the Community Development Commission
- \$3,417,676 related to revenues not collected within the City's revenue recognition policy, and therefore are not available to liquidate liabilities of the current period.

**NOTE 11 DEFERRED REVENUE (CONTINUED)**

Other Governmental Funds:

- \$4,693,847 related to outstanding loans due to the City.
- \$803,874 related to grant receivables for which the revenue was not received within the City's revenue recognition policy or grant proceeds where the City has not satisfied certain grant terms and such resources were therefore not available to liquidate liabilities of the current period.
- \$423,417 related to certain outstanding receivables not collected within the City's revenue recognition policy and such revenues are therefore not available to liquidate liabilities of the current period.

**NOTE 12 LONG-TERM LIABILITIES**

Changes in the City's long-term debt for the fiscal year ended June 30, 2011 were as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
<b>Governmental Activities:</b>					
HUD Section 108 Loans	\$ 8,151,000	\$ -	\$ (633,000)	\$ 7,518,000	\$ 653,000
Developer Notes	3,808,200	-	(31,018)	3,777,182	-
Lease Revenue Bonds	2,472,813	-	(349,706)	2,123,107	366,035
Commission Pass Through Agreements	113,875,105	12,355,889	-	126,230,994	-
Commission Revenue Bonds	45,905,000	-	(3,190,000)	42,715,000	3,310,000
Premium on 2004 issuance	800,051	-	(66,671)	733,380	-
Deferred loss on 2004 Refunding Bonds	(2,065,922)	172,160	-	(1,893,762)	-
All Points Loan \$6,575,000 Santa Fe	6,087,009	-	(261,671)	5,825,338	274,211
Neighborhood Preservation Promissory Note	5,994,344	-	(254,041)	5,740,303	264,076
Santa Fe Promissory Note	2,837,640	-	(106,351)	2,731,289	111,063
Interest rate swap liability	1,273,955	-	(196,751)	1,077,204	-
2005 Pension Obligation Refunding Bonds	22,200,000	-	(500,000)	21,700,000	600,000
Measure L - Street Light Improvement Bonds	9,461,747	-	(270,768)	9,190,979	306,400
Compensated absences	3,494,816	-	(324,230)	3,170,586	-
Claims and judgments	4,984,262	101,082	(221,309)	4,864,035	815,000
Governmental activities					
Long-term liabilities	<u>\$ 229,280,020</u>	<u>\$ 12,629,131</u>	<u>\$ (6,405,516)</u>	<u>\$ 235,503,635</u>	<u>\$ 6,699,785</u>
<b>Business-type Activities:</b>					
Compensated absences	<u>\$ 84,374</u>	<u>\$ -</u>	<u>\$ (30,169)</u>	<u>\$ 54,205</u>	<u>\$ -</u>

A summary of individual debt issues, accounts outstanding and debt service requirements to maturity follow:

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**HUD Section 108 Loan - \$7,518,000**

On June 5, 1996, the City obtained a HUD Section 108 loan (Note No. B-94-MC-06-0566) Series 1996-A in the amount of \$2,970,000. Payments are due semi-annually on August 1 and February 1 with final maturity on August 1, 2014. The note bears interest at rates which approximate 6.98 percent to 7.63 percent. The balance outstanding at June 30, 2011 amounted to \$1,150,000.

Annual debt service requirements to maturity for the notes are as follows:

Year ending June 30,	Principal	Interest	Total
2012	\$ 255,000	\$ 77,277	\$ 332,277
2013	275,000	57,452	332,452
2014	300,000	35,771	335,771
2015	320,000	12,208	332,208
<b>Total</b>	<b>\$ 1,150,000</b>	<b>\$ 182,708</b>	<b>\$ 1,332,708</b>

On September 22, 2006, the City obtained a HUD Section 108 loan (Note No. B-03-MC-06-0566) in the amount of \$7,164,000. Payments are due annually on August 1 starting in 2008 with a final maturity date on August 1, 2026. The note bears interest at variable rates, which approximated 4.47 percent during fiscal year 2010-2011. The balance outstanding at June 30, 2011 amounted to \$6,368,000 (See Note 22).

Annual debt service requirements to maturity for the note are as follows:

Year ending June 30,	Principal	Interest	Total
2012	\$ 398,000	\$ 289,585	\$ 687,585
2013	398,000	275,137	673,137
2014	398,000	259,576	657,576
2015	398,000	243,377	641,377
2016	398,000	226,522	624,522
2017-2021	1,990,000	860,854	2,850,854
2022-2026	1,990,000	366,638	2,356,638
2027	398,000	10,626	408,626
<b>Total</b>	<b>\$ 6,368,000</b>	<b>\$ 2,532,315</b>	<b>\$ 8,900,315</b>

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Developer Notes - \$3,777,182**

In April 2001, the City entered into an agreement with Adir International Export, Ltd. ("La Curacao") to construct and operate La Curacao department store. As consideration for operating the store, the City agreed to provide La Curacao payments derived from sales tax revenues generated by the store. The payments range from 15 to 60 percent based on the level of sales taxes generated by the store. The consideration to be paid by the City is limited to \$1,800,000 and is subordinate to existing developer notes on the Pacific Shopping Center. The sales tax payments are due semi-annually on March 1 and September 1 commencing on September 1, 2003. As of June 30, 2011, the outstanding balance was \$1,514,608.

In February 2000, the City entered into an agreement with Home Depot U.S.A., Inc. for the development and operation of a Home Depot retail store. As consideration for operating the store, the City agreed to provide Home Depot installment payments on March 1 and September 1 each year, derived from an amount equal to 35 percent of the sales tax revenues generated by the store commencing upon opening. Under the terms of the agreement, the City's obligation accrues simple interest at the rate of 8 percent per annum on the principal balance outstanding. However, the interest is forgiven to the extent that the calculated interest payment exceeds the City's 35 percent sales tax installment. As of June 30, 2011, the outstanding balance was \$2,262,575.

**Lease Revenue Bonds Series 2006 - \$2,123,107**

Huntington Park Public Financing Authority, Lease Revenue Bonds Series 2006, (\$3,650,000) - These bonds were dated September 1, 2006 and were issued for the purpose of financing certain public capital projects, including 1) the construction of the community building, 2) remodeling the City Hall, 3) street improvements, 4) renovation of and improvements for Salt Lake Park and the Salt Lake Park recreation building, 5) median landscaping and improvements on Randolph Street, 6) improvements to the City's maintenance yard and 7) various beautification improvements throughout the City. The Authority and the City have entered into a Lease agreement whereby the 2006 Bonds will be secured by certain base rental payable by the City. The bonds bear interest at 4.59 percent per annum, with principal maturities ranging from \$334,000 to \$439,000 per annum payable on a quarterly basis December 5, March 5, June 5 and September 5 of each year beginning December 5, 2006.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 366,035	\$ 91,172	\$ 457,207
2013	383,128	74,079	457,207
2014	401,018	56,189	457,207
2015	419,744	37,463	457,207
2016	439,344	17,863	457,207
2017	113,838	1,297	115,135
<b>Total \$</b>	<b><u>2,123,107</u></b>	<b><u>278,063</u></b>	<b><u>2,401,170</u></b>

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Pass through Agreements with the County of Los Angeles - \$126,230,994**

On January 30, 1990, the Commission entered into an agreement with the County of Los Angeles whereby the County agreed to annually loan to the Commission a portion of the County's share of Tax Increment Revenues. The County Deferral Loans bear interest at a rate of 7 percent per year, compounded annually. The Commission shall commence repayment of the principal and interest amounts of the County Deferral beginning in the fiscal year immediately following the year in which the total of the Commission's share of Tax Increment, debt service override, unitary revenue, and State property tax subvention revenue is sufficient to meet annual Agency bonded debt service requirements. The County deferral to the Commission shall terminate that year. As of June 30, 2011, these deferrals amounted to \$126,230,994.

Huntington Park Public Financing Authority Refunding Revenue Bonds, Issue of 2004 Series A (\$55,875,000) - These bonds were dated May 25, 2004 and were issued to refund \$16,300,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Parity Revenue Bonds, Issue of 1994 Series A, \$16,305,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Taxable Parity Revenue Bonds, Issue of 1994 Series B, and \$23,990,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Taxable Parity Revenue Bonds, Issue of 1994 Series C. The bonds were issued with an original issue premium of \$1,483,309 and resulted in a deferred loss on refunding of \$3,100,678 which is being amortized over the life of the new debt. Under the terms of the bond indenture, on September 2 of each year, and so long as no amounts are due and owed to the bond insurer, all amounts on deposit in the revenue fund with the fiscal agent shall be made available to the City of Huntington Park Public Financing Authority for any lawful purpose of the Authority. The bonds bear varying rates of interest ranging from 3 percent to 5 percent payable September 1 and March 1 commencing September 1, 2004.

**NOTE 12 LONG-TERM LIABILITIES (CONTINUED)**

**Commission Revenue Bonds - \$42,715,000 (Continued)**

Annual debt service to maturity is as follows:

Year ending June 30,	Principal	Interest	Total
2012	\$ 3,310,000	\$ 2,015,632	\$ 5,325,632
2013	3,475,000	1,863,381	5,338,381
2014	3,615,000	1,719,322	5,334,322
2015	3,765,000	1,550,638	5,315,638
2016	3,950,000	1,357,762	5,307,762
2017-2021	18,560,000	3,679,306	22,239,306
2022-2023	6,040,000	305,750	6,345,750
<b>Total</b>	<b>\$ 42,715,000</b>	<b>\$ 12,491,791</b>	<b>\$ 55,206,791</b>

**All Points Loan - \$5,825,338**

On October 10, 2007, the Commission entered into an amended and restated lease agreement with the Huntington Park Public Financing Authority (All Points). The amended lease was financed by All Points Public Funding, LLC. Accordingly all lease payments under the lease agreement have been assigned by the Authority to All Points. The proceeds from All Points of \$6,575,000 were used to fund the prepayment of lease payments under the 1997 Lease Agreement and to redeem the 1997 Lease Revenue Bonds in full. The loan bears interest of 4.68% per annum payable June 1 and December 1 of each year beginning December 1, 2007, with principal maturities ranging from \$249,000 to \$528,000. The reduction in interest rate from 6.20% to 4.68% resulted in a lower debt service by about \$1.1 million.

Year ending June 30,	Principal	Interest	Total
2012	\$ 274,211	\$ 266,209	\$ 540,420
2013	287,351	253,069	540,420
2014	301,121	239,299	540,420
2015	315,552	224,868	540,420
2016	330,673	209,747	540,420
2017-2021	1,906,804	795,296	2,702,100
2022-2026	2,409,626	292,474	2,702,100
<b>Total</b>	<b>\$ 5,825,338</b>	<b>\$ 2,280,962</b>	<b>\$ 8,106,300</b>

**NOTE 12 LONG-TERM LIABILITIES (CONTINUED)**

**Neighborhood Preservation Promissory Note - \$5,740,303**

On February 1, 2007, the Commission issued a promissory note (the Note) in the amount of \$6,700,000 to finance the cost of development projects in the Neighborhood Preservation Project Area. The Note is secured by the net tax increment revenues, exclusive of amounts required to be deposited in the low/mod fund and pursuant to pass-through agreements, from the project area and all monies held or deposited with the counterparty. The Note accrues interest at the rate of 64.72% of 1-month LIBOR, plus 3/10 of one percent (.3%), commencing on March 1, 2007 and payable monthly in arrears. Principal is payable annually commencing on February 1, 2007 with a balloon payment at maturity on February 1, 2017 (the Stated Maturity Date). On or before the Stated Maturity Date, if no default has occurred, the counterparty has agreed to renew or refinance the loan on similar terms and conditions at the request of the Commission. Should the Commission renew the Note, principal payments beyond the Stated Maturity Date will be extended with final maturity on February 1, 2027 (the Absolute Maturity Date).

Annual debt service to the stated maturity date using variable rate of 3.48% as of June 30, 2011 is as follows:

Year ending June 30	Principal	Interest	Total
2012	\$ 264,076	\$ 202,690	\$ 466,766
2013	274,506	193,027	467,533
2014	285,350	182,982	468,332
2015	296,621	172,540	469,161
2016	308,337	161,686	470,023
2017-2021	1,734,287	630,006	2,364,293
2022-2026	2,104,959	286,619	2,391,578
2027	472,167	9,916	482,083
<b>Total \$</b>	<b>5,740,303</b>	<b>\$ 1,839,466</b>	<b>\$ 7,579,769</b>

**Neighborhood Preservation Interest Rate Swap**

*Objective of the Interest Rate Swap.* As a means to lower financing costs, and to reduce the risks to the Commission of Huntington Park associated with the fluctuations in market interest rates, the Commission entered into an interest rate swap in connection with the \$6.7 million note with Union Bank of California, N.A. The intention of the swap was to effectively change the variable interest rate on the Notes to a synthetic fixed-rate of 3.9%.

*Terms.* The Note and the related swap agreement mature on February 1, 2027, and the swap's notional amount of \$6,700,000 matches the \$6,700,000 variable-rate Note. The swap was effective at the same time the Note was issued on February 1, 2007. The notional value of the swap and the principal amount of the associated debt declined starting in fiscal year 2006-2007. Under the swap agreement, the Commission pays Union Bank of California, N.A. a fixed rate of 3.6% and receives from Union Bank of California, N.A. a variable payment equal to 64.72% of 1-month LIBOR on the outstanding Notes.

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Neighborhood Preservation Interest Rate Swap (Continued)**

In the Event of Default (as defined in the Loan Agreement) up through the Maturity Date, inclusive, and for so long as any Event of Default is continuing, interest shall accrue on the unpaid principal at a rate per annum equal to 64.72% times 1-month LIBOR, plus 5% per annum, based on a 360-day year for actual days elapsed

*Fair Value.* The swap had a negative fair value of \$728,925 as of June 30, 2011. Because the interest rates on the Note adjust to changing interest rates, the Note does not have a corresponding fair value increase. The fair value was the quoted market price from Union Bank of California at June 30, 2011.

*Credit Risk.* The swap counterparty was A2/Stable by Moody's and A+/Stable by Standard & Poor's as of June 30, 2011.

*Basis Risk.* The synthetic rate on the Notes of 3.9% is expected to be realized, absent an event of default, as the variable rate of the Notes and the variable rate payments to the counter party are calculated on 1 month LIBOR.

*Termination Risk.* The Commission has the right to terminate the Swap Agreement, and Union Bank of California may terminate the Swap Agreement in its sole and absolute discretion, if the Commission is in default, at which time the Commission shall pay the Bank all termination fees, breakage fees and other swap agreement charges payable pursuant to the terms of the Swap Agreement.

*Swap Payments and Associated Debt.* Using rates as of June 30, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remains the same for their term, were as follows. As rates vary, variable-rate note interest payments and net swap payments will vary.

Year ending June 30	Variable-Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2012	\$ 264,076	\$ 202,690	\$ (12,890)	\$ 453,876
2013	274,506	193,027	(12,276)	455,257
2014	285,350	182,982	(11,637)	456,695
2015	296,621	172,540	(10,973)	458,188
2016	308,337	161,686	(10,283)	459,740
2017-2021	1,734,287	630,006	(40,066)	2,324,227
2022-2026	2,104,959	286,619	(18,228)	2,373,350
2027	472,167	9,916	(631)	481,452
<b>Total</b>	<b>\$ 5,740,303</b>	<b>\$ 1,839,466</b>	<b>\$ (116,984)</b>	<b>\$ 7,462,785</b>

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Santa Fe Promissory Note - \$2,731,289**

On February 1, 2007, the Commission issued a promissory note (the Note) in the amount of \$3,037,000 to redeem the then outstanding amount of 1997 Tax Allocation Revenue and Refunding Bonds on October 1, 2007. The Note is secured by the net tax increment revenues, exclusive of amounts required to be deposited in the low/mod fund and pursuant to pass-through agreements, from the project area and all monies held or deposited with the counterparty. The Note accrues interest from February 1, 2007 through October 1, 2007 (the Fixed Interest Rate Period) at the rate of 6.285%, commencing March 1, 2007 and payable monthly in arrears. From October 1, 2007 until maturity, the Note accrues interest at 64.72% of 1-month LIBOR, plus 9/10 of one percent (.9%), commencing on November 1, 2007 and payable monthly in arrears. Principal is payable annually commencing on October 1, 2007 with a balloon payment at maturity on October 1, 2013 (the Stated Maturity Date).

On or before February 3, 2014, if no default has occurred, the counterparty has agreed to renew or refinance the Note on similar terms and conditions at the request of the Commission. Should the Commission renew the Note, principal payments beyond the Stated Maturity Date will be extended with final maturity on October 1, 2027 (the Absolute Maturity Date).

Annual debt service to the stated maturity date, based on the variable rate of 3.48% as of June 30, 2011 is as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 111,063	\$ 82,704	\$ 193,767
2013	115,983	79,058	195,041
2014	121,121	75,250	196,371
2015	126,486	71,274	197,760
2016	132,090	67,121	199,211
2017-2021	753,583	266,589	1,020,172
2022-2026	935,960	131,436	1,067,396
2027-2028	435,003	7,652	442,655
<b>Total \$</b>	<b><u>2,731,289</u></b>	<b><u>781,084</u></b>	<b><u>3,512,373</u></b>

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Santa Fe Interest Rate Swap**

*Objective of the Interest Rate Swap.* As a means to lower financing costs, and to reduce the risks to the Commission of Huntington Park associated with the fluctuation in market interest rates, the Commission entered into an interest rate swap in connection with the \$3.037 million note with Union Bank of California, N.A. The intention of the swap was to effectively change the variable interest rate on the Notes to a synthetic fixed-rate of 4.5%.

*Terms.* The Note and the related swap agreement mature on October 1, 2027, and the swap's notional amount of \$3,037,000 matches the \$3,037,000 variable-rate Note. The swap became effective on October 1, 2007 after the Note had been issued. The notional value of the swap and the principal amount of the associated debt declined starting in fiscal year 2006-2007. Under the swap agreement, the Commission pays Union Bank of California, N.A. a fixed rate of 3.6% and receives from Union Bank of California, N.A. a variable payment equal to 64.72% of 1-month LIBOR on the outstanding Notes.

In the Event of Default (as defined in the Loan Agreement) up through the Maturity Date, inclusive, and for so long as any Event of Default is continuing, interest shall accrue on the unpaid principal at a rate per annum equal to 64.72% times 1-month LIBOR, plus 5% per annum, based on a 360-day year for actual days elapsed.

*Fair Value.* The swap had a negative fair value of \$348,279 as of June 30, 2011. Because the interest rates on the Note adjust to changing interest rates, the Note does not have a corresponding fair value increase. The fair value was the quoted market price from Union Bank of California at June 30, 2011.

*Credit Risk.* The swap counterparty was A2/Stable by Moody's and A+/Stable by Standard & Poor's as of June 30, 2011.

*Basis Risk.* The synthetic rate on the Notes of 4.5% is expected to be realized, absent an event of default, as the variable rate of the Notes and the variable rate payments to the counter party are calculated on 1 month LIBOR.

*Termination Risk.* The Commission has the right to terminate the Swap Agreement, and Union Bank of California may terminate the Swap Agreement in its sole and absolute discretion, upon default of the Commission, at which time the Commission shall pay the Bank all termination fees, breakage fees and other swap agreement charges payable pursuant to the terms of the Swap Agreement.

**NOTE 12      LONG-TERM LIABILITIES (CONTINUED)**

**Santa Fe Interest Rate Swap (Continued)**

*Swap Payments and Associated Debt.* Using rates as of June 30, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remains the same for their term were as follows. As rates vary, variable-rate note interest payments and net swap payments will vary.

Year ending June 30	Principal	Interest	Net Swap Payments	Total
2012	\$ 111,063	\$ 82,704	\$ (6,041)	\$ 187,726
2013	115,983	79,058	(5,778)	189,263
2014	121,121	75,250	(5,502)	190,869
2015	126,486	71,274	(5,215)	192,545
2016	132,090	67,121	(4,914)	194,297
2017-2021	753,583	266,589	(19,582)	1,000,590
2022-2026	935,960	131,436	(9,808)	1,057,588
2027-2028	435,003	7,652	(675)	441,980
	<u>\$ 2,731,289</u>	<u>\$ 781,084</u>	<u>\$ (57,515)</u>	<u>\$ 3,454,858</u>

**Pension Obligation Refunding Bonds (POB's) - \$21,700,000**

City of Huntington Park, Taxable Pension Obligation Refunding Bonds, 2005 Series A (\$23,050,000) - The bonds were dated June 8, 2005, and were issued to make contributions to CalPERS to; a) fund pension benefits for the City's employees who are members of CalPERS and b) reduce the unfunded actuarial liability with respect to such pension benefits. The bonds mature August 1, 2025. The POB's are an absolute and unconditional obligation of the City and payable from any funds available.

The bonds initially bear interest at the rate of 3.32%, established by the underwriter, through July 27, 2005, (the Initial Interest Rate Period). Subsequent to the Initial Interest Rate Period, the bonds bear variable interest rate using a 28-day auction rate. On April 5, 2007, the interest rate on the Bonds was converted to a fixed rate equivalent to 5.196% to 5.75%.

Simultaneously with the delivery of the bonds, the City acquired a financial guaranty insurance policy which provides for payment of the principal of and interest on the POB's when due to the extent that the Trustee has not received payment.

See Note 8 regarding Pension Asset relating to these POB's.

**NOTE 12 LONG-TERM LIABILITIES (CONTINUED)**

**Pension Obligation Refunding Bonds (POB's) - \$21,700,000 (Continued)**

The bonds are subject to mandatory redemption requirements commencing each year on or after August 1, 2006 in amounts ranging from \$50,000 to \$2,450,000. Annual debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 600,000	\$ 1,197,216	\$ 1,797,216
2013	700,000	1,163,442	1,863,442
2014	800,000	1,124,472	1,924,472
2015	900,000	1,080,306	1,980,306
2016	1,050,000	1,029,645	2,079,645
2017-2021	7,100,000	4,122,239	11,222,239
2022-2026	10,550,000	1,610,521	12,160,521
<b>Total</b>	<b>\$ 21,700,000</b>	<b>\$ 11,327,841</b>	<b>\$ 33,027,841</b>

**Measure L - Street Improvement Bonds - \$9,190,979**

In March 2006, the Huntington Park Public Financing Authority entered into an Installment Sale Agreement (ISA) with the City of Huntington Park and an assignment agreement with All Points Public Funding, LLC (the assignee) to finance certain street light projects. Under the terms of the ISA, the City will purchase the street light project from the Authority and pay to the Authority principal in the amount of \$10,000,000, due semi-annually in advance, at the interest rate of 4.9%. Interest becomes due and payable commencing with February 1, 2007 with final maturity on August 1, 2025.

Under the terms of the assignment agreement, the Authority received \$10,000,000 from the assignee for the transfer of all rights to the principal and interest payments under the ISA. Repayment of the ISA is secured by street light assessment parcel taxes approved by the voters on November 2, 2004.

The installment sale agreement is subject to optional prepayment, with premiums, commencing August 1, 2026. Annual debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 306,400	\$ 446,785	\$ 753,185
2013	344,466	431,314	775,780
2014	385,105	413,948	799,053
2015	428,468	394,557	823,025
2016	474,709	373,007	847,716
2017-2021	3,179,937	1,455,721	4,635,658
2022-2026	4,071,894	505,780	4,577,674
<b>Total</b>	<b>\$ 9,190,979</b>	<b>\$ 4,021,112</b>	<b>\$ 13,212,091</b>

**NOTE 13      ADVANCE REFUNDING AND CONDUIT DEBT**

**Advance Refunding**

As of June 30, 2011, the Commission has previously advance refunded several outstanding bond issues described below:

\$35,515,000 Huntington Park Redevelopment Agency Merged Redevelopment Project Junior Lien Tax Allocation and Sales and Use Tax Revenue Bonds, Issue of 1990.	\$ <u>35,515,000</u>
--	----------------------

The proceeds from the Commission's refunding have been placed in irrevocable escrow accounts overseen by independent bank fiscal agents. Such proceeds are generally invested in U.S. Treasury Securities, which, together with interest earned thereon, are intended to provide amounts sufficient for future payments of interest, principal, and redemption premium on the refunded bonds. These refunded bonds have not been included as Commission outstanding long-term debt since establishing the irrevocable trust thereon satisfied the Commission's obligation.

As of June 30, 2011, the total amount of defeased debt outstanding but removed from the Commission's Statement of Net Assets aggregated \$35,515,000.

**Mortgage Revenue Bond Programs (Conduit Debt)**

The following issues of Residential Mortgage Revenue Bonds, Loans-to-Lenders Revenue Bonds and Industrial Development Revenue Bonds are not reflected in the Statement of Net Assets because these bonds are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Community Development Commission, the State of California or any political subdivision thereof, is pledged for the payment of these bonds.

The principal amounts outstanding at June 30, 2011, are as follows:

\$7,200,000 Huntington Park Redevelopment Agency Variable Rate Demand Multifamily Housing Revenue Bonds (Casa Rita Apartments) 1994 Series A	\$ 4,600,000
\$4,050,000 Huntington Park Redevelopment Agency Multifamily Housing Revenue Bonds (Concord Apartments) 1999 Series A	3,805,000
	\$ 8,405,000

**NOTE 14 INTERFUND BALANCES**

The individual fund interfund receivable and payable balances at June 30, 2011 are as follows:

Due To	Due From		
	Debt Service Fund		Total
	Community Development Commission	Other Governmental Funds	
General Fund	\$ 1,898,763	\$ 5,815,325	\$ 7,714,088

Amounts due to the General Fund represent short-term borrowings by the Community Development Commission Debt Service Fund and Other Governmental Funds to compensate for negative cash balances. These balances are expected to be repaid within the next fiscal year.

Advance From	Advance To		
	Debt Service Fund		Total
	Community Development Commission	Other Governmental Funds	
General Fund	\$ 44,210,636	\$ 2,811,072	\$ 47,021,708
Community Development Commission	28,474,555	-	28,474,555
	\$ 72,685,191	\$ 2,811,072	\$ 75,496,263

Advances to the Community Development Commission Debt Service Fund of \$28,474,555 represent borrowings from the Low and Moderate Income Housing Set Aside Fund. Pursuant to the California Health and Safety Code Section 33334.2, the Commission is required to use at least 20 percent of the tax increment generated by the redevelopment project areas to increase and improve the supply of low and moderate housing.

In previous years, the Commission has deferred the 20 percent tax set aside in order to provide sufficient revenue to payoff the Commission's indebtedness. However, these funds must be repaid to the low and moderate income housing set aside fund in future periods. This advance is between governmental funds and is therefore, not reflected in the Statement of Net Assets.

The remaining advances of \$44,210,636 to the Community Development Commission Debt Service Fund are for various operating loans from the City of Huntington Park as further described in Note 16. All amounts are eliminated in the Statement of Net Assets.

**City of Huntington Park  
Notes to Financial Statements  
Year ended June 30, 2011**

**NOTE 15      TRANSFERS**

		Transfer To		
		General Fund	Special Revenue Community Development Commission	Total
Transfer From	Debt Service			
	Community Development Commission	\$ -	\$ 4,792,848	\$ 4,792,848
	Other Governmental Funds	361,510	-	361,510
		\$ 361,510	\$ 4,792,848	\$ 5,154,358

The following transfers occurred from the Debt Service Community Development Commission Funds:

- In accordance with the California Low and Moderate Income Set Aside requirements, \$2,748,792 was transferred to the Community Development Commission Special Revenue Fund to reflect the 20 percent set aside for fiscal year 2010-11.
- \$2,044,056 was transferred to the Community Development Commission Fund (Capital Project Funds) to fund capital projects and service debt.

The following transfers occurred from the Other Governmental Funds:

- The Parks and Recreation, Parking System and Business Improvement District collectively transferred \$361,510 to the General fund for reimbursement costs.

**NOTE 16      OPERATING ADVANCES TO THE COMMISSION**

**Loan from the City of Huntington Park**

During the current and previous fiscal years, the City of Huntington Park has made loans to the Commission. These loans bear interest at a rate of 7 percent per annum and are payable when funds become available to the Commission. Also, during fiscal year 1985-86 through the current year, the City paid for costs on behalf of the Commission. These amounts are reflected as a loan from the City; no interest is charged on these amounts. As of June 30, 2011, unpaid loans to and costs paid on behalf of the Commission were as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
<u>Loans from the City - Principal</u>				
Merged Project Area	\$ 19,374,152	\$ -	\$ -	\$ 19,374,152
Santa Fe Project Area	3,532,700	-	-	3,532,700
Total loans from the City - Principal	22,906,852	-	-	22,906,852
<u>Loans from the City - Matured Interest</u>				
Merged Project Area	18,071,212	1,077,391	-	19,148,603
Santa Fe Project Area	4,816,495	240,628	-	5,057,123
Total loans from the City - Matured Interest	22,887,707	1,318,019	-	24,205,726
Total loans from the City	\$ 45,794,559	\$ 1,318,019	\$ -	\$ 47,112,578

Repayment from the Commission will only occur to the extent that the Commission has met its obligations for bonded indebtedness, the 20% set-aside requirement of the Health and Safety Code, and as determined by management. Accordingly, there are no formal repayment terms or final maturity.

**City of Huntington Park  
Notes to Financial Statements  
Year ended June 30, 2011**

**NOTE 17 FUND BALANCE**

Fund balances are composed of the following elements as of June 30, 2011:

	General	Special Revenue Community Development Commission	Debt Service Community Development Commission	Other Governmental Funds	Total
<b>Nonspendable</b>					
Prepaid items	\$ 304,131	\$ -	\$ -	\$ 134,154	\$ 438,285
Advances to other funds	22,616,048	28,474,555	-	-	51,090,603
Land held for resale	-	-	-	7,001,949	7,001,949
Subtotal	22,920,179	28,474,555	-	7,136,103	58,530,837
<b>Restricted</b>					
Special revenue funds	-	2,386,114	-	23,439,266	25,825,380
Debt service	-	-	902,441	-	902,441
Capital projects funds	-	-	-	1,262,640	1,262,640
Subtotal	-	2,386,114	902,441	24,701,906	27,990,461
<b>Unassigned</b>	9,153,901	-	(70,655,059)	(8,760,329)	(70,261,487)
Total fund balances	\$ 32,074,080	\$ 30,860,669	\$ (69,752,618)	\$ 23,077,680	\$ 16,259,811

**NOTE 18 RISK MANAGEMENT**

The City is self-insured for the first \$250,000 on each general liability claim and for the first \$500,000 on each workers' compensation claim. The insurance coverage in excess of the self-insured amount is provided by the Independent Cities Risk Management Authority (ICRMA) up to a limit of \$30,000,000 for general liability and \$100,000,000 for workers' compensation claims.

**NOTE 18 RISK MANAGEMENT (CONTINUED)**

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2011, the amount of these liabilities was \$4,864,035. The amount represents an estimate of \$2,010,945 for reported claims through June 30, 2011 and \$2,853,090 of estimates incurred but not reported claims. Changes in the reported liability resulted from the following:

Fiscal Year	Liability at Beginning	Current Year Claims and Changes in Estimates	Claim Payments	Liability at End
2009	\$ 4,764,487	\$ 193,863	\$ (485,662)	\$ 4,472,688
2010	4,472,688	1,175,013	(663,439)	4,984,262
2011	4,984,262	101,082	(221,309)	4,864,035

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 28 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for formation of the ICRMA provides that the pool will be self sustaining through member premiums.

The ICRMA has published its own financial report for the year ended June 30, 2011, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

**NOTE 19 RISKS AND UNCERTAINTIES**

**Local Agency Investment Fund**

The City invests in various investment securities, including the Local Agency Investment Fund (LAIF) which are exposed to various risks such as interest rate, market, and credit risks (See Note 4). Moreover, the City is subject to market risk associated with its swap agreements with Union Bank of California, N.A. (See Note 12). Due to the level of risks associated with certain investment securities and swap agreements, it is at least reasonably possible that changes in the values of investment securities and swap agreements will occur in the near term and that such change could materially affect the values of investments after June 30, 2011. The actual amount of exposure as of January 17, 2012 is not determinable.

**NOTE 20 LITIGATION**

The City of Huntington Park has been named as defendant in numerous lawsuits and claims arising in the course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the City; such loss has been accrued in the financial statements.

**NOTE 21      GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS  
ISSUED, NOT YET EFFECTIVE**

**GASB No. 60** - GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes guidance for accounting and financial reporting for SCAs. As used in this Statement, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in this Statement as a "facility") in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.
- c. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.
- d. The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

The provisions of this Statement should be applied in financial statements of state and local governments that are prepared using the economic resources measurement focus. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

**GASB No. 61** - GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. It applies to financial reporting by primary governments and other stand-alone governments, and to the separately issued financial statements of governmental component units. In addition, this Statement should be applied to nongovernmental component units when they are included in a governmental financial reporting entity. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

**GASB No. 62** - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement establishes accounting and financial reporting standards for the financial statements of state and local governments. The requirements of this Statement apply to accounting and financial reporting for governmental activities, business-type activities, and proprietary funds. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

**NOTE 21      GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS  
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

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

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

**NOTE 22      COMMITMENTS AND CONTINGENCIES**

The City recognizes as revenue, grant moneys received as reimbursement for costs incurred in certain Federal and State programs it administers. Although, the City's grant programs are being audited through June 30, 2011, in accordance with the provisions of the Single Audit Act of 1996, these programs are still subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disclosed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

During the fiscal year, management performed an analysis regarding a Disposition and Development Agreement ("DDA") with Rugby Associates LP ("Developer") dating back to April 1995 between the Developer and the Commission. Pursuant to the DDA, the developer was required to make "in-lieu property tax" payments ("PILOT Payments") to the Commission which have not been made. The note was originally issued to build a parking structure which was part of the Rugby Senior Housing Project ("Project"). The Project is currently under the purview of the Oldtimers Foundation. The City is currently working with the entity to enforce collection of the note receivable. As of June 30, 2011, the City asserts the amount owed is approximately \$3.3 million. Because of the uncertainty of collection on the note, the City has not reflected the outstanding receivable and related revenue in the financial statements. Such amounts will be recorded in the period when and if the note is realizable (See related discussions on Note 5).

In July 2006, the City entered into an exclusive negotiating agreement with a developer for a retail project. Under the terms of the agreement, the City intends to facilitate pre-acquisition activities and/or property acquisition. Proceeds from the Section 108 loan, more fully described in note 12, will be used to fund the project and/or subsequent development and disposition agreement (DDA).

**NOTE 22      COMMITMENTS AND CONTINGENCIES (Continued)**

As of June 30, 2011, the City has a variety of agreements with certain private contractors relating to various renovation projects and street improvements. The City has committed to \$3.5 million of open construction contracts as of June 30, 2011.

**NOTE 23      SUBSEQUENT EVENTS**

The California Legislature has approved and the Governor has signed bill ABX1 26 which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. The City will serve as the successor agency to the RDA.

(This page intentionally left blank.)

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Huntington Park**  
**Schedule of Funding Progress**  
**Safety and Miscellaneous Plans of the California Public Employees' Retirement System**  
**June 30, 2011**

The following tables show the City's Schedule of Funding Progress on its Pension Plans for employees.

(In thousands)

**Safety Plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2008	\$ 7,464,928	\$ 8,700,468	\$ 1,235,540	85.8%	\$ 914,841	135.1%
6/30/2009	8,027,159	9,721,675	1,694,517	82.6%	973,814	174.0%
6/30/2010	8,470,235	10,165,475	1,695,240	83.3%	955,981	177.3%

**Miscellaneous Plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2008	\$ 43,687	\$ 42,222	\$ (1,465)	103.5%	\$ 6,905	-21.2%
6/30/2009	45,456	45,346	(110)	100.2%	7,810	-1.4%
6/30/2010	47,438	48,583	1,145	97.6%	8,138	14.1%

**City of Huntington Park  
 Schedule of Funding Progress  
 Other Post Employment Benefit Plan  
 June 30, 2011**

---

(in thousands)

<u>Fiscal Year</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Status based on AVA</u>	<u>Annual Covered Payroll</u>	<u>UAAL as % of Payroll</u>
6/30/2008	\$ 29,685	\$ 2,422	\$ 27,263	8%	\$ 12,777	213%
6/30/2009*	23,357	2,712	20,645	13%	13,192	156%

\* latest available actuarial report

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**General Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 18,122,386	\$ 18,182,386	\$ 17,923,739	\$ (258,647)
Licenses and permits	1,817,500	1,893,500	1,757,220	(136,280)
Fines and forfeitures	1,685,000	1,810,000	2,061,628	251,628
Use of money and property	100,000	135,000	105,744	(29,256)
Intergovernmental	90,543	95,393	66,593	(28,800)
Charges for services	2,376,100	2,380,100	2,579,193	199,093
Other revenues	724,600	779,500	843,549	64,049
Interfund charges	5,136,021	5,241,121	5,245,462	4,341
<b>Total revenues</b>	<b>30,052,150</b>	<b>30,517,000</b>	<b>30,583,128</b>	<b>66,128</b>
<b>Current:</b>				
General government:				
City council	193,369	193,369	178,601	14,768
Planning commission	26,750	26,750	19,447	7,303
Health and education commission	7,250	7,250	3,377	3,873
Historical preservation commission	11,500	11,500	3,668	7,832
Parks and recreation commission	6,250	6,250	3,780	2,470
Civil service commission	3,250	3,250	1,650	1,600
City manager	515,315	439,615	418,414	21,201
City attorney	640,100	640,100	547,746	92,354
Human resources	317,773	297,773	264,018	33,755
Special events	142,570	142,570	119,724	22,846
City clerk	433,394	424,394	439,527	(15,133)
Risk management	175,372	175,372	(26,857)	202,229
Workers compensation	613,000	613,000	489,665	123,335
Liability	1,048,000	1,048,000	937,689	110,311
Employee benefits	2,347,000	2,414,000	2,435,601	(21,601)
Finance	781,138	793,588	740,469	53,119
Data processing	60,179	60,179	58,786	1,393
Revenue collection	361,756	352,056	348,756	3,300
Non-departmental	558,975	558,975	717,634	(158,659)
Total general government	<u>8,242,941</u>	<u>8,207,991</u>	<u>7,701,695</u>	<u>506,296</u>
Public safety:				
Administration	1,116,743	1,165,943	1,096,925	69,018
Operations	9,202,983	9,079,533	8,453,922	625,611
Investigations	2,815,808	2,814,808	3,069,117	(254,309)
Support services	2,971,050	2,916,050	2,613,133	302,917
Animal control	246,586	271,586	266,712	4,874
Total public safety	<u>16,353,170</u>	<u>16,247,920</u>	<u>15,499,809</u>	<u>748,111</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**General Fund (Continued)**  
**Year ended June 30, 2011**

Public works:				
Recreation buildings	\$ 229,201	\$ 229,201	\$ 219,224	\$ 9,977
Police buildings	223,703	299,703	270,374	29,329
Street operations	1,052,008	1,035,968	968,533	67,435
Mechanical admin	283,651	322,351	298,588	23,763
General government buildings	159,503	160,503	133,969	26,534
Waste collection and disposal	1,450,000	1,450,000	1,648,430	(198,430)
Community beautification	400,004	400,004	374,868	25,136
Total public works	<u>3,798,070</u>	<u>3,897,730</u>	<u>3,913,986</u>	<u>(16,256)</u>
Community services:				
Administration	640,953	620,953	591,804	29,149
Cultural arts	519,235	496,235	428,305	67,930
Youth sports programs	183,875	183,875	173,315	10,560
Adult sports programs	106,406	106,406	97,539	8,867
Lunch programs	61,543	61,543	36,053	25,490
Fee classes	55,000	55,000	80,993	(25,993)
Total community services	<u>1,567,012</u>	<u>1,524,012</u>	<u>1,408,009</u>	<u>116,003</u>
Community development:				
Engineering	192,471	207,070	210,474	(3,404)
Planning and building	1,100,373	1,100,373	1,054,820	45,553
Economic development	-	3,697	103,177	(99,480)
Total community development	<u>1,292,844</u>	<u>1,311,140</u>	<u>1,368,471</u>	<u>(57,331)</u>
Debt service:				
Principal retirement	<u>205,000</u>	<u>205,000</u>	<u>190,395</u>	<u>14,605</u>
<b>Total expenditures</b>	<u>31,254,037</u>	<u>31,393,793</u>	<u>30,082,365</u>	<u>1,296,823</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,201,887)</u>	<u>(876,793)</u>	<u>500,763</u>	<u>1,362,951</u>
<b>Other financing sources (uses)</b>				
Transfers in	<u>584,000</u>	<u>581,600</u>	<u>581,510</u>	<u>(90)</u>
<b>Net other financing sources (uses)</b>	<u>584,000</u>	<u>581,600</u>	<u>581,510</u>	<u>(90)</u>
Change in fund balance	(617,887)	(295,193)	1,082,273	1,362,861
<b>Fund balances, beginning of year</b>	<u>30,991,807</u>	<u>30,991,807</u>	<u>30,991,807</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 30,373,920</u>	<u>\$ 30,696,614</u>	<u>\$ 32,074,080</u>	<u>\$ 1,362,861</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Community Development Commission - Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 20,000	\$ 20,000	\$ 12,392	\$ (7,608)
<b>Total revenues</b>	<u>20,000</u>	<u>20,000</u>	<u>12,392</u>	<u>(7,608)</u>
<b>Expenditures</b>				
Current:				
General government	2,984,019	2,984,019	934,325	2,049,694
Capital outlay	2,500	2,500	-	2,500
<b>Total expenditures</b>	<u>2,986,519</u>	<u>2,986,519</u>	<u>934,325</u>	<u>2,052,194</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(2,966,519)	(2,966,519)	(921,933)	2,044,586
<b>Other financing sources</b>				
Transfers in	300,000	300,000	2,748,792	2,448,792
<b>Change in fund balance</b>	(2,666,519)	(2,666,519)	1,826,859	4,493,378
<b>Fund balances, beginning of year</b>	29,033,810	29,033,810	29,033,810	-
<b>Fund balances, end of year</b>	<u>\$ 26,367,291</u>	<u>\$ 26,367,291</u>	<u>\$ 30,860,669</u>	<u>\$ 4,493,378</u>

**City of Huntington Park  
Expenditures in Excess of Appropriations  
Year ended June 30, 2011**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Major funds:</b>			
General Fund			
Public works	\$ 3,897,730	\$ 3,913,986	\$ (16,256)
Community development	1,311,140	1,368,471	(57,331)
<b>Nonmajor funds:</b>			
Special revenue funds:			
Air Quality Improvement			
Public safety	3,197	3,339	(142)
Parking System			
Interest and fiscal charges	102,501	107,502	(5,001)
OPEB			
General government	1,877,000	2,765,519	(888,519)
Federal Street Improvements			
Capital outlay	784,000	833,604	(49,604)

### **Budgetary Information**

The City and its component units' fiscal year begins on July 1 of each year and ends June 30 the following year. On or before the fifteenth of June of each year, the City Manager submits to the City Council a proposed budget for the next ensuing fiscal year based on a detailed financial plan prepared by the heads of the various offices, agencies and departments of the City and its component units. Upon receipt of the proposed budget, the Council may make modifications with the affirmative vote of at least a majority of its members. Before adoption of the budget, the Council holds a public hearing wherein the public is given an opportunity to be heard, after which the Council may make any revisions deemed advisable. On or before July 1 annually, the City Council adopts the budget as amended through a budget resolution passed by the affirmative vote of at least a majority of its members. Upon final adoption, the budget is in effect for the ensuing fiscal year and becomes the authority for the various offices, agencies, and departments to expend subject to controls established by the City's Policy. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by affirmative vote of the majority of the Council members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level, subject to the authority granted to the City Manager to transfer appropriations from account to account as necessary to assure adequate and proper standards of service and to achieve the intent of the City Council in providing municipal services for the fiscal year. Management may overexpend appropriations within a department without the approval of City Council. City Council approval is required for any budget revisions that affect total appropriations of the City. Appropriations lapse at the end of the fiscal year unless they are reappropriated through the formal budget process. The City controls expenditures without the aid of encumbrances. Council action is necessary for transfers between departments/agencies or transfers between funds.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Certain Capital Projects Funds. Monthly budgetary reports are prepared to effect control through fiscal management. Although budgets are legally adopted for the City's Proprietary Funds, there is no legal requirement for the fiscal year results to be reported to City Council. Therefore, no budgetary reporting for the Proprietary Funds has been presented in the accompanying financial statements.

Budgets are prepared on a modified accrual basis. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. All annual appropriations lapse at fiscal year-end to the extent that they have not been expended or lawfully encumbered. Expenditures may not legally exceed appropriations at the departmental level in the governmental funds, except that certain Special Revenue Funds are maintained at the project level.

**OTHER SUPPLEMENTARY INFORMATION**

(This page intentionally left blank.)

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted for expenditures related to specific purposes. Funds included are:

<b><i>Special Events</i></b>	To account for the funds used for improvements and equipment purchases for the parks and recreation department and the revenues to fund those expenditures.
<b><i>Parks and Recreation</i></b>	To account for revenues received from fees collected for parks and recreation.
<b><i>Employees' Retirement</i></b>	To account for the receipt of property taxes allocated for retirement expenditures.
<b><i>State Gas Tax</i></b>	To account for the City's share of tax revenues collected by the State on the sale of fuel for motor vehicles. The use of these funds is restricted to the construction, improvement, or maintenance of public streets.
<b><i>Art in Public Places</i></b>	To account for funds used to purchase artworks with in-lieu contribution from contractors who do not elect to provide artwork for their projects.
<b><i>Local Origination Program</i></b>	To account for revenues from franchise fees that are used to record council meetings and other equipment expenditures.
<b><i>Community Development</i></b>	To account for housing and community development projects. Financing is provided by federal grants received from Department of Housing and Urban Development CDBG Program.
<b><i>HUD Home Program</i></b>	To account for housing and community development projects. Financing is provided by federal grants received from Department of Housing and Community Development HOME Grant Program.
<b><i>Sales Tax Transit Prop A</i></b>	To account for the City's share of an additional one-half percent sales tax that was approved by the electorate in November 1980 and is collected by the County of Los Angeles to finance certain transportation projects.
<b><i>Asset Forfeiture</i></b>	To account for monies received from State and Federal agencies in Asset Forfeiture cases. These monies are restricted solely for law enforcement purposes.
<b><i>Air Quality Improvement</i></b>	To account for monies received from the South Coast Air Quality Management District. These monies are to be used for programs that reduce air pollution from motor vehicles.
<b><i>Sales Tax Transit Prop C</i></b>	To account for the City's share of a sales tax increase approved by Los Angeles County voters in 1990 to fund transportation projects.
<b><i>Business Improvement District</i></b>	To account for the Business Improvement Area Law (AB-1693) revenue. The revenue is collected through a Citywide Business Improvement District and used to promote local business activities.

**City of Huntington Park  
Nonmajor Governmental Funds**

---

<b><i>Supplemental Law Enforcement</i></b>	To account for monies received from the State allocated by AB3229 of 1996 for the Citizen Option for Public Safety (COPS) Program.
<b><i>HUD Social Security Grant</i></b>	To account for funds received from HUD for the purpose of providing micro loans.
<b><i>Emergency Preparedness</i></b>	To account for resources that are used for expenditures relating to emergency preparedness activities.
<b><i>Public Financing Authority</i></b>	Component unit of the City used to facilitate financing of various improvements and economic development efforts.
<b><i>Public Safety</i></b>	To account for grant money passed through from the California Office of Traffic Safety.
<b><i>Parking System</i></b>	To account for funds received for parking meters and other parking related activities and to account for the expenditures related to the enforcement of parking regulations and other activities.
<b><i>Contingency</i></b>	To account for funds that are set aside to meet the City's reserve policy.
<b><i>OPEB</i></b>	To account for the funds and expenditures related to the City's other postemployment benefits.
<b><i>PARS</i></b>	To account for the funds and expenditures related to the City's Public Agency Retirement System.
<b><i>HUD Section 108</i></b>	To account for housing assistance programs under HUD Section 108 programs administered by the Department of Housing and Urban Development.
<b><i>Park Facility</i></b>	To account for revenues received from a City-wide Park Maintenance assessment district. The district is responsible for landscaping, tree trimming, irrigation and maintenance of parks within the City.
<b><i>Street Lighting Assessment</i></b> <b><i>Landscape</i></b>	To account for revenues received from a citywide Landscape Maintenance District. The District is responsible for the maintenance of streetlights and the landscaping of median islands, parkways, street trees, and city parks.
<b><i>TDA / Bike Path</i></b>	To account for the funds received and expenditures related to the Bicycle and Pedestrian Facilities Program under Article 3 of the Transportation Development Act.

<b><i>Measure R</i></b>	To account for revenues and monies spent on critical transit and highway projects.
<b><i>Inmate Welfare</i></b>	To account for the funds received and spent to provide services essential to the benefit, welfare, and educational needs of the inmates confined in the detention facilities.
<b><i>LBPHCP Lead Base</i></b>	To account for funds spent on programs to address lead poisoning in low-to-moderate income families.
<b><i>Neighborhood Lead Base</i></b>	To account for funds spent on programs to enhance the control of lead paint hazards and make housing safe from other health and safety concerns.
<b><i>Homelessness Prevention</i></b>	To account for revenues and expenditures incurred to help families who are either homeless or at risk of becoming homeless.
<b><i>Energy Efficient</i></b>	Funded by the American Recovery & Reinvestment Act, this fund accounts for revenues and expenditures spent by the City on energy efficiency programs.
<b><i>Federal Street Improvement</i></b>	To account for funds received to improve and maintain the City's streets and roads.
<b><i>DNA ID</i></b>	To account for revenues received and expenditures incurred to further the use of DNA in solving crime.

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

<b><i>Capital Improvement</i></b>	To account for various capital projects of the City. Financing is provided by various grants received by the City.
<b><i>Community Development Commission</i></b>	To account for the construction and rehabilitation of various redevelopment projects. Financing is provided by tax allocation bonds issued by the Commission.

	Special Revenue				
	Special Events	Parks and Recreation	Employees' Retirement	State Gas Tax	Art in Public Places
<b>ASSETS</b>					
Cash and investments	\$ 157,006	\$ 57,847	\$ -	\$ 946,326	\$ 184,019
Receivables:					
Taxes and intergovernmental	-	-	195,322	191,787	-
Accounts and interest	130	48	-	660	152
Loans	-	-	-	-	-
Prepaid expenses	-	-	7,646	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 157,136</b>	<b>\$ 57,895</b>	<b>\$ 202,968</b>	<b>\$ 1,138,773</b>	<b>\$ 184,171</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 8,941	\$ 67,754	\$ 210,447	\$ 35,634	\$ -
Accrued payroll	-	-	155,253	4,205	-
Accrued employee benefits payable - short term	-	-	1,739	16,020	-
Deposits	-	-	-	-	-
Due to other funds	-	-	2,191,603	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	44,256	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>8,941</b>	<b>112,010</b>	<b>2,559,042</b>	<b>55,859</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	7,646	-	-
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue funds	148,195	-	-	1,082,914	184,171
Unassigned	-	(54,115)	(2,363,720)	-	-
<b>Total fund balances</b>	<b>148,195</b>	<b>(54,115)</b>	<b>(2,356,074)</b>	<b>1,082,914</b>	<b>184,171</b>
<b>Total liabilities and fund balances</b>	<b>\$ 157,136</b>	<b>\$ 57,895</b>	<b>\$ 202,968</b>	<b>\$ 1,138,773</b>	<b>\$ 184,171</b>

**City of Huntington Park  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2011**

Special Revenue				
Local Origination Program	Community Development	HUD Home Program	Sales Tax Transit Proposition A	Asset Forfeiture
\$ 36,148	\$ 238	-	\$ 418,215	\$ 1,418,124
-	430,319	194,531	-	-
9,050	-	8,000	345	1,363
-	79,628	4,640,138	-	-
-	1,468	-	135	-
-	103,118	100,265	-	-
-	-	-	-	-
<u>\$ 45,198</u>	<u>\$ 614,771</u>	<u>\$ 4,942,934</u>	<u>\$ 418,695</u>	<u>\$ 1,419,487</u>
\$ 3,500	\$ 109,029	\$ 31,166	\$ 164,410	\$ 40,902
-	13,436	1,061	2,373	(93)
-	3,585	249	185	-
-	-	-	25,000	-
-	225,331	342,383	-	-
-	(90)	-	-	-
-	102,864	4,703,943	-	-
-	-	-	-	-
<u>3,500</u>	<u>454,155</u>	<u>5,078,802</u>	<u>191,968</u>	<u>40,809</u>
-	1,468	-	135	-
-	-	-	-	-
41,698	159,148	-	226,592	1,378,678
-	-	(135,868)	-	-
<u>41,698</u>	<u>160,616</u>	<u>(135,868)</u>	<u>226,727</u>	<u>1,378,678</u>
<u>\$ 45,198</u>	<u>\$ 614,771</u>	<u>\$ 4,942,934</u>	<u>\$ 418,695</u>	<u>\$ 1,419,487</u>

	Special Revenue			
	Air Quality Improvement	Sales Tax Transit Proposition C	Business Improvement District	Supplemental Law Enforcement
<b>ASSETS</b>				
Cash and investments	\$ 588,492	\$ 576,648	\$ 30,552	\$ 482,013
Receivables:				
Taxes and intergovernmental	-	-	-	12,706
Accounts and interest	15,920	476	25	397
Loans	-	-	-	-
Prepaid expenses	-	14,481	3,431	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 604,412</b>	<b>\$ 591,605</b>	<b>\$ 34,008</b>	<b>\$ 495,116</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 86,924	\$ 4,923	\$ 39,169
Accrued payroll	33	4,693	1,530	-
Accrued employee benefits payable - short term	-	297	763	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	195,263
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>33</b>	<b>91,914</b>	<b>7,216</b>	<b>234,432</b>
<b>FUND BALANCES</b>				
Nonspendable	-	14,481	3,431	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue funds	604,379	485,210	23,361	260,684
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>604,379</b>	<b>499,691</b>	<b>26,792</b>	<b>260,684</b>
<b>Total liabilities and fund balances</b>	<b>\$ 604,412</b>	<b>\$ 591,605</b>	<b>\$ 34,008</b>	<b>\$ 495,116</b>

**City of Huntington Park  
Nonmajor Governmental Funds  
Combining Balance Sheet (Continued)  
June 30, 2011**

Special Revenue				
HUD Social Security Grant	Emergency Preparedness	Public Financing Authority	Public Safety	Parking System
\$ 10,485	\$ 1,171,972	\$ 4,903	\$ 5,681	\$ -
-	-	-	10,824	-
-	968	-	5	-
9,459	-	-	-	-
-	-	-	-	10,757
-	-	-	-	-
<u>\$ 19,944</u>	<u>\$ 1,172,940</u>	<u>\$ 4,903</u>	<u>\$ 16,510</u>	<u>\$ 10,757</u>
\$ -	\$ -	\$ -	\$ -	\$ 23,904
-	-	-	9,201	9,856
-	-	-	-	2,810
-	-	-	-	-
-	-	-	-	157,778
-	-	-	-	-
9,459	-	-	10,824	-
-	-	-	-	-
<u>9,459</u>	<u>-</u>	<u>-</u>	<u>20,025</u>	<u>194,348</u>
-	-	-	-	10,757
-	-	-	-	-
10,485	1,172,940	4,903	-	-
-	-	-	(3,515)	(194,348)
<u>10,485</u>	<u>1,172,940</u>	<u>4,903</u>	<u>(3,515)</u>	<u>(183,591)</u>
<u>\$ 19,944</u>	<u>\$ 1,172,940</u>	<u>\$ 4,903</u>	<u>\$ 16,510</u>	<u>\$ 10,757</u>

Special Revenue

	<u>Contingency</u>	<u>OPEB</u>	<u>PARS</u>	<u>HUD Section 108</u>	<u>Park Facility</u>
<b>ASSETS</b>					
Cash and investments	\$ 9,994,131	\$ 72,179	\$ -	\$ 6,816,123	\$ 46,493
Receivables:					
Taxes and intergovernmental	-	-	-	-	-
Accounts and interest	91,494	58	-	5,629	39
Loans	-	-	-	-	-
Prepaid expenses	-	96,236	-	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 10,085,625</b>	<b>\$ 168,473</b>	<b>\$ -</b>	<b>\$ 6,821,752</b>	<b>\$ 46,532</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 102,236	\$ -	\$ 36	\$ 875
Accrued payroll	-	-	-	-	-
Accrued employee benefits payable - short term	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	78,198	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>78,198</b>	<b>102,236</b>	<b>-</b>	<b>36</b>	<b>875</b>
<b>FUND BALANCES</b>					
Nonspendable	-	96,236	-	-	-
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue funds	10,007,427	-	-	6,821,716	45,657
Unassigned	-	(29,999)	-	-	-
<b>Total fund balances</b>	<b>10,007,427</b>	<b>66,237</b>	<b>-</b>	<b>6,821,716</b>	<b>45,657</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,085,625</b>	<b>\$ 168,473</b>	<b>\$ -</b>	<b>\$ 6,821,752</b>	<b>\$ 46,532</b>

**City of Huntington Park**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2011**

Special Revenue				
Street Lighting Landscape Assessment	TDA / Bike Path	Measure R	Inmate Welfare	LBPHCP Lead Base
\$ -	\$ 472	\$ 749,230	\$ 22,327	\$ -
44,247	-	-	-	109,010
-	-	619	126	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 44,247</u>	<u>\$ 472</u>	<u>\$ 749,849</u>	<u>\$ 22,453</u>	<u>\$ 109,010</u>
\$ 68,403	\$ -	\$ -	\$ -	\$ 63,019
10,008	-	-	-	2,773
3,272	-	-	-	126
-	-	-	-	-
1,489,442	-	-	-	43,486
-	-	-	-	-
-	-	-	-	39,281
-	-	-	-	-
<u>1,571,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,685</u>
-	-	-	-	-
-	-	-	-	-
-	472	749,849	22,453	-
<u>(1,526,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,675)</u>
<u>(1,526,878)</u>	<u>472</u>	<u>749,849</u>	<u>22,453</u>	<u>(39,675)</u>
<u>\$ 44,247</u>	<u>\$ 472</u>	<u>\$ 749,849</u>	<u>\$ 22,453</u>	<u>\$ 109,010</u>

	Special Revenue				
	Neighborhood Lead Base	Homelessness Prevention	Energy Efficient	Federal Street Improvement	DNA ID
<b>ASSETS</b>					
Cash and investments	\$ 675	-	\$ -	\$ -	\$ 8,179
Receivables:					
Taxes and intergovernmental	1	120,054	-	98,133	-
Accounts and interest	-	-	-	-	7
Loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 676</b>	<b>\$ 120,054</b>	<b>\$ -</b>	<b>\$ 98,133</b>	<b>\$ 8,186</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 59,807	\$ 53,721	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Accrued employee benefits payable - short term	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	66,185	35,495	147,737	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	98,133	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>59,807</b>	<b>119,906</b>	<b>35,495</b>	<b>245,870</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue funds	-	148	-	-	8,186
Unassigned	(59,131)	-	(35,495)	(147,737)	-
<b>Total fund balances</b>	<b>(59,131)</b>	<b>148</b>	<b>(35,495)</b>	<b>(147,737)</b>	<b>8,186</b>
<b>Total liabilities and fund balances</b>	<b>\$ 676</b>	<b>\$ 120,054</b>	<b>\$ -</b>	<b>\$ 98,133</b>	<b>\$ 8,186</b>

**City of Huntington Park  
Nonmajor Governmental Funds  
Combining Balance Sheet (Continued)  
June 30, 2011**

<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Capital Improvement</u>	<u>Community Development Commission</u>	
\$ 1,281,417	\$ -	\$ 25,079,895
165,750	-	1,572,684
1,059	423,417	559,987
-	-	4,729,225
-	-	134,154
-	-	203,383
-	7,001,949	7,001,949
<u>\$ 1,448,226</u>	<u>\$ 7,425,366</u>	<u>\$ 39,281,277</u>
\$ 19,836	\$ 122,619	\$ 1,317,255
-	16,108	230,437
-	4,164	33,210
-	100,000	125,000
-	1,115,885	5,815,325
-	-	(90)
165,750	423,417	5,871,388
-	2,811,072	2,811,072
<u>185,586</u>	<u>4,593,265</u>	<u>16,203,597</u>
-	7,001,949	7,136,103
1,262,640	-	1,262,640
-	-	23,439,266
-	(4,169,848)	(8,760,329)
<u>1,262,640</u>	<u>2,832,101</u>	<u>23,077,680</u>
<u>\$ 1,448,226</u>	<u>\$ 7,425,366</u>	<u>\$ 39,281,277</u>

	Special Revenue				
	Special Events	Parks and Recreation	Employees' Retirement	State Gas Tax	Art in Public Places
<b>Revenues</b>					
Taxes	\$ -	\$ 36,510	\$ 2,610,527	\$ -	\$ 3,500
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,586	842	-	3,331	1,521
Intergovernmental	-	130,742	162,665	1,697,970	-
Charges for services	-	-	59,242	-	-
Other revenues	61,281	-	-	-	-
Interfund charges	-	-	83,726	-	-
<b>Total revenues</b>	<u>62,867</u>	<u>168,094</u>	<u>2,916,160</u>	<u>1,701,301</u>	<u>5,021</u>
<b>Expenditures</b>					
Current:					
General government	-	-	3,176,366	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	824,189	-
Community services	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	28,605	140,743	-	580,734	-
Principal retirement	-	-	500,000	-	-
Interest and fiscal charges	-	-	1,225,794	-	-
<b>Total expenditures</b>	<u>28,605</u>	<u>140,743</u>	<u>4,902,160</u>	<u>1,404,923</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>34,262</u>	<u>27,351</u>	<u>(1,986,000)</u>	<u>296,378</u>	<u>5,021</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(36,510)	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(36,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	34,262	(9,159)	(1,986,000)	296,378	5,021
<b>Fund balances, beginning of year</b>	<u>113,933</u>	<u>(44,956)</u>	<u>(370,074)</u>	<u>786,536</u>	<u>179,150</u>
<b>Fund balances, end of year</b>	<u>\$ 148,195</u>	<u>\$ (54,115)</u>	<u>\$ (2,356,074)</u>	<u>\$ 1,082,914</u>	<u>\$ 184,171</u>

**City of Huntington Park  
Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year ended June 30, 2011**

---

		Special Revenue			
Local Origination Program	Community Development	HUD Home Program	Sales Tax Transit Proposition A	Asset Forfeiture	
\$ 35,199	\$ -	\$ -	\$ 989,152	\$ -	
-	-	-	-	14,199	
211	-	-	1,560	11,207	
-	1,858,848	795,811	-	-	
-	-	-	280,002	-	
-	53,165	43,292	-	-	
-	-	-	-	-	
<u>35,410</u>	<u>1,912,013</u>	<u>839,103</u>	<u>1,270,714</u>	<u>25,406</u>	
-	-	-	-	-	
-	-	-	-	27,499	
55,300	-	-	-	-	
-	-	396,700	1,311,375	-	
-	1,707,854	-	-	-	
-	-	105,816	-	108,846	
-	-	-	-	-	
-	-	-	-	-	
<u>55,300</u>	<u>1,707,854</u>	<u>502,516</u>	<u>1,311,375</u>	<u>136,345</u>	
<u>(19,890)</u>	<u>204,159</u>	<u>336,587</u>	<u>(40,661)</u>	<u>(110,939)</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>(19,890)</u>	<u>204,159</u>	<u>336,587</u>	<u>(40,661)</u>	<u>(110,939)</u>	
61,588	(43,543)	(472,455)	267,388	1,489,617	
<u>\$ 41,698</u>	<u>\$ 160,616</u>	<u>\$ (135,868)</u>	<u>\$ 226,727</u>	<u>\$ 1,378,678</u>	

	Special Revenue			
	Air Quality	Sales Tax	Business	Supplemental
	Improvement	Transit Proposition C	Improvement District	Law Enforcement
<b>Revenues</b>				
Taxes	\$ -	\$ 726,511	\$ 322,639	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	4,471	3,562	1,790	4,749
Intergovernmental	70,539	-	-	(114,387)
Charges for services	-	-	-	-
Other revenues	-	-	500	383,451
Interfund charges	-	-	-	-
<b>Total revenues</b>	<u>75,010</u>	<u>730,073</u>	<u>324,929</u>	<u>273,813</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	3,339	-	-	30,500
Public works	-	1,176,883	-	-
Community services	-	-	-	-
Community development	-	-	153,640	-
Capital outlay	66,680	-	-	237,165
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>70,019</u>	<u>1,176,883</u>	<u>153,640</u>	<u>267,665</u>
Excess (deficiency) of revenues over expenditures	<u>4,991</u>	<u>(446,810)</u>	<u>171,289</u>	<u>6,148</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(175,000)	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>-</u>
Change in fund balance	4,991	(446,810)	(3,711)	6,148
<b>Fund balances, beginning of year</b>	<u>599,388</u>	<u>946,501</u>	<u>30,503</u>	<u>254,536</u>
<b>Fund balances, end of year</b>	<u>\$ 604,379</u>	<u>\$ 499,691</u>	<u>\$ 26,792</u>	<u>\$ 260,684</u>

**City of Huntington Park**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**(Continued)**  
**Year ended June 30, 2011**

Special Revenue				
HUD Social Security Grant	Emergency Preparedness	Public Financing Authority	Public Safety	Parking System
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	17,319	-
-	9,229	-	12	1,191
-	-	-	46,149	-
-	-	-	-	978,630
-	-	-	-	18,000
-	-	-	-	-
<u>-</u>	<u>9,229</u>	<u>-</u>	<u>63,480</u>	<u>997,821</u>
-	-	3,209	-	588,714
-	-	-	39,913	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	349,705
-	-	-	-	107,502
<u>-</u>	<u>-</u>	<u>3,209</u>	<u>39,913</u>	<u>1,045,921</u>
<u>-</u>	<u>9,229</u>	<u>(3,209)</u>	<u>23,567</u>	<u>(48,100)</u>
-	-	-	-	-
-	-	-	-	(150,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
-	9,229	(3,209)	23,567	(198,100)
<u>10,485</u>	<u>1,163,711</u>	<u>8,112</u>	<u>(27,082)</u>	<u>14,509</u>
<u>\$ 10,485</u>	<u>\$ 1,172,940</u>	<u>\$ 4,903</u>	<u>\$ (3,515)</u>	<u>\$ (183,591)</u>

Special Revenue					
	Contingency	OPEB	PARS	HUD Section 108	Park Facility
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	50,000	6,777	-	48,822	381
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenues	5,033	-	-	-	-
Interfund charges	-	2,033,073	326,932	-	-
<b>Total revenues</b>	<u>55,033</u>	<u>2,039,850</u>	<u>326,932</u>	<u>48,822</u>	<u>381</u>
<b>Expenditures</b>					
Current:					
General government	-	2,765,519	326,932	-	2,222
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	-	-
Community development	-	-	-	700,619	-
Capital outlay	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>2,765,519</u>	<u>326,932</u>	<u>700,619</u>	<u>2,222</u>
Excess (deficiency) of revenues over expenditures	<u>55,033</u>	<u>(725,669)</u>	<u>-</u>	<u>(651,797)</u>	<u>(1,841)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	55,033	(725,669)	-	(651,797)	(1,841)
<b>Fund balances, beginning of year</b>	<u>9,952,394</u>	<u>791,906</u>	<u>-</u>	<u>7,473,513</u>	<u>47,498</u>
<b>Fund balances, end of year</b>	<u>\$ 10,007,427</u>	<u>\$ 66,237</u>	<u>\$ -</u>	<u>\$ 6,821,716</u>	<u>\$ 45,657</u>

**City of Huntington Park  
Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
(Continued)**

**Year ended June 30, 2011**

---

Special Revenue				
Street Lighting Landscape Assessment	TDA / Bike Path	Measure R	Inmate Welfare	LBPHCP Lead Base
\$ 1,403,367	\$ -	\$ 541,843	\$ -	\$ -
-	-	-	-	-
-	273	7,174	116	-
-	-	-	27,252	194,289
-	-	-	-	-
43,197	-	-	-	-
-	-	-	-	-
<u>1,446,564</u>	<u>273</u>	<u>549,017</u>	<u>27,368</u>	<u>194,289</u>
-	-	-	-	-
-	-	-	4,915	-
1,114,642	-	15,411	-	-
-	-	-	-	-
-	-	-	-	157,903
-	-	33,716	-	75,666
270,768	-	-	-	-
460,479	-	-	-	-
<u>1,845,889</u>	<u>-</u>	<u>49,127</u>	<u>4,915</u>	<u>233,569</u>
<u>(399,325)</u>	<u>273</u>	<u>499,890</u>	<u>22,453</u>	<u>(39,280)</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>(399,325)</u>	<u>273</u>	<u>499,890</u>	<u>22,453</u>	<u>(39,280)</u>
(1,127,553)	199	249,959	-	(395)
<u>\$ (1,526,878)</u>	<u>\$ 472</u>	<u>\$ 749,849</u>	<u>\$ 22,453</u>	<u>\$ (39,675)</u>

	Special Revenue				
	Neighborhood Lead Base	Homelessness Prevention	Energy Efficient	Federal Street Improvement	DNA ID
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	676	148	-	-	56
Intergovernmental	225,000	393,273	533,303	685,867	8,130
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Interfund charges	-	-	-	-	-
<b>Total revenues</b>	<u>225,676</u>	<u>393,421</u>	<u>533,303</u>	<u>685,867</u>	<u>8,186</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	114	-	-
Community services	-	-	-	-	-
Community development	59,807	393,273	-	-	-
Capital outlay	-	-	568,655	833,604	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>59,807</u>	<u>393,273</u>	<u>568,769</u>	<u>833,604</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>165,869</u>	<u>148</u>	<u>(35,466)</u>	<u>(147,737)</u>	<u>8,186</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	165,869	148	(35,466)	(147,737)	8,186
Fund balances, beginning of year	(225,000)	-	(29)	-	-
Fund balances, end of year	\$ <u>(59,131)</u>	\$ <u>148</u>	\$ <u>(35,495)</u>	\$ <u>(147,737)</u>	\$ <u>8,186</u>

**City of Huntington Park**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**(Continued)**  
**Year ended June 30, 2011**

---

Capital Projects Fund		Total
Capital Improvement	Community Development Commission	Nonmajor Governmental Funds
\$ -	\$ -	\$ 6,669,248
-	-	31,518
6,757	-	166,442
402,247	-	7,117,698
-	-	1,317,874
-	708,960	1,316,879
-	-	2,443,731
<u>409,004</u>	<u>708,960</u>	<u>19,063,390</u>
-	-	6,862,962
-	-	106,166
67	-	3,186,606
-	-	1,708,075
-	2,189,212	5,362,308
95,255	933,181	3,808,666
-	-	1,120,473
-	-	1,793,775
<u>95,322</u>	<u>3,122,393</u>	<u>23,949,031</u>
<u>313,682</u>	<u>(2,413,433)</u>	<u>(4,885,641)</u>
-	2,044,056	2,044,056
-	-	(361,510)
<u>-</u>	<u>2,044,056</u>	<u>1,682,546</u>
313,682	(369,377)	(3,203,095)
<u>948,958</u>	<u>3,201,478</u>	<u>26,280,775</u>
<u>\$ 1,262,640</u>	<u>\$ 2,832,101</u>	<u>\$ 23,077,680</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance –**  
**Budget and Actual**  
**Special Events Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,586	\$ 586
Other revenues	<u>38,000</u>	<u>38,000</u>	<u>61,281</u>	<u>23,281</u>
<b>Total revenues</b>	<u>39,000</u>	<u>39,000</u>	<u>62,867</u>	<u>23,867</u>
<b>Expenditures</b>				
Capital outlay	<u>59,000</u>	<u>59,000</u>	<u>28,605</u>	<u>30,395</u>
<b>Total expenditures</b>	<u>59,000</u>	<u>59,000</u>	<u>28,605</u>	<u>30,395</u>
<b>Change in fund balance</b>	(20,000)	(20,000)	34,262	54,262
<b>Fund balances, beginning of year</b>	<u>113,933</u>	<u>113,933</u>	<u>113,933</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 93,933</u>	<u>\$ 93,933</u>	<u>\$ 148,195</u>	<u>\$ 54,262</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Parks and Recreation Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 38,000	\$ 36,600	\$ 36,510	\$ (90)
Use of money and property	-	-	842	842
Intergovernmental	74,000	288,772	130,742	(158,030)
<b>Total revenues</b>	<u>112,000</u>	<u>325,372</u>	<u>168,094</u>	<u>(157,278)</u>
<b>Expenditures</b>				
Capital outlay	74,000	231,368	140,743	90,625
<b>Excess (deficiency) of revenues</b> <b>over expenditures</b>	38,000	94,004	27,351	(66,653)
<b>Other financing sources (uses)</b>				
Transfers out	<u>(38,000)</u>	<u>(36,600)</u>	<u>(36,510)</u>	<u>90</u>
<b>Change in fund balance</b>	-	57,404	(9,159)	(66,563)
<b>Fund balances, beginning of year</b>	<u>(44,956)</u>	<u>(44,956)</u>	<u>(44,956)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (44,956)</u>	<u>\$ 12,448</u>	<u>\$ (54,115)</u>	<u>\$ (66,563)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Employees' Retirement Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,668,000	\$ 2,668,000	\$ 2,610,527	\$ (57,473)
Charges for services	80,748	80,748	59,242	(21,506)
Intergovernmental	244,962	244,962	162,665	(82,297)
Interfund charges	-	-	83,726	83,726
<b>Total revenues</b>	<u>2,993,710</u>	<u>2,993,710</u>	<u>2,916,160</u>	<u>(77,550)</u>
<b>Expenditures</b>				
Current:				
General government	3,493,705	3,499,055	3,176,366	322,689
Debt service:				
Principal retirement	500,000	500,000	500,000	-
Interest and fiscal charges	1,225,795	1,225,795	1,225,794	1
<b>Total expenditures</b>	<u>5,219,500</u>	<u>5,224,850</u>	<u>4,902,160</u>	<u>322,690</u>
<b>Change in fund balance</b>	(2,225,790)	(2,231,140)	(1,986,000)	245,140
<b>Fund balances, beginning of year</b>	(370,074)	(370,074)	(370,074)	-
<b>Fund balances, end of year</b>	<u>\$ (2,595,864)</u>	<u>\$ (2,601,214)</u>	<u>\$ (2,356,074)</u>	<u>\$ 245,140</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**State Gas Tax Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 3,331	\$ (6,669)
Intergovernmental	1,663,298	1,663,298	1,697,970	34,672
<b>Total revenues</b>	<u>1,673,298</u>	<u>1,673,298</u>	<u>1,701,301</u>	<u>28,003</u>
<b>Expenditures</b>				
Current:				
Public works	923,667	929,712	824,189	105,523
Capital outlay	1,449,000	1,428,889	580,734	848,155
<b>Total expenditures</b>	<u>2,372,667</u>	<u>2,358,601</u>	<u>1,404,923</u>	<u>953,678</u>
<b>Change in fund balance</b>	(699,369)	(685,303)	296,378	981,681
<b>Fund balances, beginning of year</b>	786,536	786,536	786,536	-
<b>Fund balances, end of year</b>	<u>\$ 87,167</u>	<u>\$ 101,233</u>	<u>\$ 1,082,914</u>	<u>\$ 981,681</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Art in Public Places Special Revenue Fund**  
**Year ended June 30, 2011**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,521	\$ 521
Taxes	-	-	3,500	3,500
<b>Total revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>5,021</u>	<u>4,021</u>
<b>Fund balances, beginning of year</b>	<u>179,150</u>	<u>179,150</u>	<u>179,150</u>	-
<b>Fund balances, end of year</b>	<u>\$ 180,150</u>	<u>\$ 180,150</u>	<u>\$ 184,171</u>	<u>\$ 4,021</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Local Origination Program Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 30,000	\$ 30,000	\$ 35,199	\$ 5,199
Use of money and property	2,000	2,000	211	(1,789)
<b>Total revenues</b>	<u>32,000</u>	<u>32,000</u>	<u>35,410</u>	<u>3,410</u>
<b>Expenditures</b>				
Current:				
Public works	44,800	55,800	55,300	500
<b>Total expenditures</b>	<u>44,800</u>	<u>55,800</u>	<u>55,300</u>	<u>500</u>
<b>Change in fund balance</b>	(12,800)	(23,800)	(19,890)	3,910
<b>Fund balances, beginning of year</b>	61,588	61,588	61,588	-
<b>Fund balances, end of year</b>	<u>\$ 48,788</u>	<u>\$ 37,788</u>	<u>\$ 41,698</u>	<u>\$ 3,910</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Community Development Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 2,741,693	\$ 2,761,693	\$ 1,858,848	\$ (902,845)
Other revenues	-	-	53,165	53,165
<b>Total revenues</b>	<u>2,741,693</u>	<u>2,761,693</u>	<u>1,912,013</u>	<u>(849,680)</u>
<b>Expenditures</b>				
Current:				
Community development	<u>1,940,428</u>	<u>2,140,428</u>	<u>1,707,854</u>	<u>432,574</u>
<b>Change in fund balance</b>	801,265	621,265	204,159	(417,106)
<b>Fund balances, beginning of year</b>	<u>(43,543)</u>	<u>(43,543)</u>	<u>(43,543)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 757,722</u>	<u>\$ 577,722</u>	<u>\$ 160,616</u>	<u>\$ (417,106)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**HUD Home Program Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 2,715,311	\$ 2,723,311	\$ 795,811	\$ (1,927,500)
Other revenue	-	-	43,292	43,292
	<u>2,715,311</u>	<u>2,723,311</u>	<u>839,103</u>	<u>(1,884,208)</u>
<b>Expenditures</b>				
Current:				
Community services	524,561	524,561	396,700	127,861
Capital outlay	2,188,187	2,188,187	105,816	2,082,371
<b>Total expenditures</b>	<u>2,712,748</u>	<u>2,712,748</u>	<u>502,516</u>	<u>2,210,232</u>
<b>Change in fund balance</b>	2,563	10,563	336,587	326,024
<b>Fund balances, beginning of year</b>	<u>(472,455)</u>	<u>(472,455)</u>	<u>(472,455)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (469,892)</u>	<u>\$ (461,892)</u>	<u>\$ (135,868)</u>	<u>\$ 326,024</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Sales Tax Transit Proposition A Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,100,901	\$ 1,100,901	\$ 989,152	\$ (111,749)
Use of money and property	5,000	5,000	1,560	(3,440)
Charges for services	233,000	233,000	280,002	47,002
<b>Total revenues</b>	<u>1,338,901</u>	<u>1,338,901</u>	<u>1,270,714</u>	<u>(68,187)</u>
<b>Expenditures</b>				
Current:				
Community services	1,508,135	1,515,435	1,311,375	204,060
<b>Total expenditures</b>	<u>1,508,135</u>	<u>1,515,435</u>	<u>1,311,375</u>	<u>204,060</u>
<b>Change in fund balance</b>	(169,234)	(176,534)	(40,661)	135,873
<b>Fund balances, beginning of year</b>	267,388	267,388	267,388	-
<b>Fund balances, end of year</b>	<u>\$ 98,154</u>	<u>\$ 90,854</u>	<u>\$ 226,727</u>	<u>\$ 135,873</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Asset Forfeiture Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 14,199	\$ (35,801)
Use of money and property	15,000	15,000	11,207	(3,793)
<b>Total revenues</b>	<u>65,000</u>	<u>65,000</u>	<u>25,406</u>	<u>(39,594)</u>
<b>Expenditures</b>				
Current:				
Public safety	150,000	150,000	27,499	122,501
Capital outlay	204,000	204,000	108,846	95,154
<b>Total expenditures</b>	<u>354,000</u>	<u>354,000</u>	<u>136,345</u>	<u>217,655</u>
<b>Change in fund balance</b>	(289,000)	(289,000)	(110,939)	178,061
<b>Fund balances, beginning of year</b>	1,489,617	1,489,617	1,489,617	-
<b>Fund balances, end of year</b>	<u>\$ 1,200,617</u>	<u>\$ 1,200,617</u>	<u>\$ 1,378,678</u>	<u>\$ 178,061</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Air Quality Improvement Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 4,471	\$ (529)
Intergovernmental	<u>70,000</u>	<u>70,000</u>	<u>70,539</u>	<u>539</u>
<b>Total revenues</b>	<u>75,000</u>	<u>75,000</u>	<u>75,010</u>	<u>10</u>
<b>Expenditures</b>				
Current:				
Public safety	1,500	3,197	3,339	(142)
Capital outlay	<u>620,000</u>	<u>620,000</u>	<u>66,680</u>	<u>553,320</u>
<b>Total expenditures</b>	<u>621,500</u>	<u>623,197</u>	<u>70,019</u>	<u>553,178</u>
<b>Change in fund balance</b>	(546,500)	(548,197)	4,991	553,188
<b>Fund balances, beginning of year</b>	<u>599,388</u>	<u>599,388</u>	<u>599,388</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 52,888</u>	<u>\$ 51,191</u>	<u>\$ 604,379</u>	<u>\$ 553,188</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Sales Tax Transit Proposition C Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 722,389	\$ 722,389	\$ 726,511	\$ 4,122
Use of money and property	10,000	10,000	3,562	(6,438)
<b>Total revenues</b>	<u>732,389</u>	<u>732,389</u>	<u>730,073</u>	<u>(2,316)</u>
<b>Expenditures</b>				
Current:				
Public works	1,212,799	1,212,799	1,176,883	35,916
Capital outlay	405,000	405,000	-	405,000
<b>Total expenditures</b>	<u>1,617,799</u>	<u>1,617,799</u>	<u>1,176,883</u>	<u>440,916</u>
<b>Change in fund balance</b>	(885,410)	(885,410)	(446,810)	438,600
<b>Fund balances, beginning of year</b>	946,501	946,501	946,501	-
<b>Fund balances, end of year</b>	<u>\$ 61,091</u>	<u>\$ 61,091</u>	<u>\$ 499,691</u>	<u>\$ 438,600</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Business Improvement District Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 325,000	\$ 325,000	\$ 322,639	\$ (2,361)
Use of money and property	2,500	2,500	1,790	(710)
Other revenues	-	500	500	-
<b>Total revenues</b>	<u>327,500</u>	<u>328,000</u>	<u>324,929</u>	<u>(3,071)</u>
<b>Expenditures</b>				
Current:				
Community development	184,789	184,789	153,640	31,149
<b>Total expenditures</b>	<u>184,789</u>	<u>184,789</u>	<u>153,640</u>	<u>31,149</u>
<b>Excess (deficiency) of revenues over expenditures</b>	142,711	143,211	171,289	28,078
<b>Other financing sources (uses)</b>				
Transfers out	(175,000)	(175,000)	(175,000)	-
<b>Change in fund balance</b>	(32,289)	(31,789)	(3,711)	28,078
<b>Fund balances, beginning of year</b>	30,503	30,503	30,503	-
<b>Fund balances, end of year</b>	<u>\$ (1,786)</u>	<u>\$ (1,286)</u>	<u>\$ 26,792</u>	<u>\$ 28,078</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Supplemental Law Enforcement Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ 3,000	\$ 4,300	\$ 4,749	\$ 449
Intergovernmental	303,811	310,311	(114,387)	(424,698)
Other revenues	100,000	100,000	383,451	283,451
<b>Total revenues</b>	<u>406,811</u>	<u>414,611</u>	<u>273,813</u>	<u>(140,798)</u>
<b>Expenditures</b>				
Current:				
Public safety	64,032	64,032	30,500	33,532
Capital outlay	427,127	454,788	237,165	217,623
<b>Total expenditures</b>	<u>491,159</u>	<u>518,820</u>	<u>267,665</u>	<u>251,155</u>
<b>Change in fund balance</b>	(84,348)	(104,209)	6,148	110,357
<b>Fund balances, beginning of year</b>	<u>254,536</u>	<u>254,536</u>	<u>254,536</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 170,188</u>	<u>\$ 150,327</u>	<u>\$ 260,684</u>	<u>\$ 110,357</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Emergency Preparedness Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 9,229	\$ (771)
<b>Expenditures</b>				
Current:				
General government	30,000	30,000	-	30,000
<b>Total expenditures</b>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
<b>Change in fund balance</b>	(20,000)	(20,000)	9,229	29,229
<b>Fund balances, beginning of year</b>	<u>1,163,711</u>	<u>1,163,711</u>	<u>1,163,711</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,143,711</u>	<u>\$ 1,143,711</u>	<u>\$ 1,172,940</u>	<u>\$ 29,229</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Public Financing Authority Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ 8,000	\$ 3,209	\$ 4,791
<b>Fund balances, beginning of year</b>	<u>8,112</u>	<u>8,112</u>	<u>8,112</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 8,112</u>	<u>\$ 112</u>	<u>\$ 4,903</u>	<u>\$ 4,791</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Public Safety Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 15,000	\$ 20,000	\$ 17,319	\$ (2,681)
Intergovernmental	-	73,000	46,149	(26,851)
Use of money and property	-	-	12	12
<b>Total revenues</b>	<u>15,000</u>	<u>93,000</u>	<u>63,480</u>	<u>(29,520)</u>
<b>Expenditures</b>				
Current:				
Public safety	-	62,780	39,913	22,867
<b>Change in fund balance</b>	15,000	30,220	23,567	(6,653)
<b>Fund balances, beginning of year</b>	<u>(27,082)</u>	<u>(27,082)</u>	<u>(27,082)</u>	-
<b>Fund balances, end of year</b>	<u>\$ (12,082)</u>	<u>\$ 3,138</u>	<u>\$ (3,515)</u>	<u>\$ (6,653)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Parking System Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 1,209,000	\$ 1,209,000	\$ 978,630	\$ (230,370)
Other revenues	18,000	18,000	18,000	-
Use of money and property	-	-	1,191	1,191
<b>Total revenues</b>	<u>1,227,000</u>	<u>1,227,000</u>	<u>997,821</u>	<u>(229,179)</u>
<b>Expenditures</b>				
Current:				
General government	631,812	631,812	588,714	43,098
Debt service:				
Principal retirement	349,705	349,705	349,705	-
Interest and fiscal charges	102,501	102,501	107,502	(5,001)
<b>Total expenditures</b>	<u>1,084,018</u>	<u>1,084,018</u>	<u>1,045,921</u>	<u>38,097</u>
<b>Excess (deficiency) of revenues over expenditures</b>	142,982	142,982	(48,100)	(191,082)
<b>Other financing sources (uses)</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
<b>Change in fund balance</b>	(7,018)	(7,018)	(198,100)	(191,082)
<b>Fund balances, beginning of year</b>	14,509	14,509	14,509	-
<b>Fund balances, end of year</b>	<u>\$ 7,491</u>	<u>\$ 7,491</u>	<u>\$ (183,591)</u>	<u>\$ (191,082)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Contingency Special Revenue Fund**  
**Year ended June 30, 2011**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ 50,000	\$ 50,000	\$ -
Other revenues	-	-	5,033	5,033
<b>Total revenues</b>	<u>-</u>	<u>50,000</u>	<u>55,033</u>	<u>5,033</u>
Fund balances, beginning of year	9,952,394	9,952,394	9,952,394	-
Fund balances, end of year	<u>\$ 9,952,394</u>	<u>\$ 10,002,394</u>	<u>\$ 10,007,427</u>	<u>\$ 5,033</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**OPEB Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 6,777	\$ 1,777
Interfund charges	<u>1,987,230</u>	<u>1,987,230</u>	<u>2,033,073</u>	<u>45,843</u>
	1,992,230	1,992,230	2,039,850	47,620
<b>Expenditures</b>				
Current:				
General government	<u>1,877,000</u>	<u>1,877,000</u>	<u>2,765,519</u>	<u>(888,519)</u>
<b>Change in fund balance</b>	115,230	115,230	(725,669)	(840,899)
<b>Fund balances, beginning of year</b>	<u>791,906</u>	<u>791,906</u>	<u>791,906</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 907,136</u>	<u>\$ 907,136</u>	<u>\$ 66,237</u>	<u>\$ (840,899)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**PARS Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interfund charges	\$ -	\$ -	\$ 326,932	\$ 326,932
	-	-	326,932	326,932
<b>Expenditures</b>				
Current:				
General government	-	-	326,932	(326,932)
<b>Change in fund balance</b>	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**HUD Section 108 Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ -	\$ 60,000	\$ 48,822	\$ (11,178)
<b>Expenditures</b>				
Current:				
Community development	<u>701,000</u>	<u>701,000</u>	<u>700,619</u>	<u>381</u>
<b>Change in fund balance</b>	(701,000)	(641,000)	(651,797)	(10,797)
<b>Fund balances, beginning of year</b>	<u>7,473,513</u>	<u>7,473,513</u>	<u>7,473,513</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 6,772,513</u>	<u>\$ 6,832,513</u>	<u>\$ 6,821,716</u>	<u>\$ (10,797)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Park Facility Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ (300)	\$ (300)	381 \$	681
<b>Expenditures</b>				
Current:				
General government	-	2,223	2,222	1
<b>Change in fund balance</b>	(300)	(2,523)	(1,841)	682
<b>Fund balances, beginning of year</b>	47,498	47,498	47,498	-
<b>Fund balances, end of year</b>	\$ 47,198	\$ 44,975	\$ 45,657	\$ 682

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Street Lighting Landscape Assessment Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,353,650	\$ 1,358,650	\$ 1,403,367	\$ 44,717
Other revenues	-	5,000	43,197	38,197
<b>Total revenues</b>	<u>1,353,650</u>	<u>1,363,650</u>	<u>1,446,564</u>	<u>82,914</u>
<b>Expenditures</b>				
Current:				
Public works	1,197,292	1,150,845	1,114,642	36,203
Debt service:				
Principal retirement	270,768	270,768	270,768	-
Interest and fiscal charges	460,880	460,880	460,479	401
Bond issuance costs	3,000	3,000	-	3,000
<b>Total expenditures</b>	<u>1,931,940</u>	<u>1,885,493</u>	<u>1,845,889</u>	<u>39,604</u>
<b>Change in fund balance</b>	(578,290)	(521,843)	(399,325)	122,518
<b>Fund balances, beginning of year</b>	<u>(1,127,553)</u>	<u>(1,127,553)</u>	<u>(1,127,553)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (1,705,843)</u>	<u>\$ (1,649,396)</u>	<u>\$ (1,526,878)</u>	<u>\$ 122,518</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**TDA / Bike Path Special Revenue Fund**  
**Year ended June 30, 2011**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 25,982	\$ 25,982	\$ -	\$ (25,982)
Use of money and property	-	-	273	273
<b>Total revenues</b>	<u>25,982</u>	<u>25,982</u>	<u>273</u>	<u>(25,709)</u>
<b>Fund balances, beginning of year</b>	199	199	199	-
<b>Fund balances, end of year</b>	<u>\$ 26,181</u>	<u>\$ 26,181</u>	<u>\$ 472</u>	<u>\$ (25,709)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Measure R Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 541,792	\$ 541,792	\$ 541,843	\$ 51
Use of money and property	-	1,500	7,174	5,674
<b>Total revenues</b>	<u>541,792</u>	<u>543,292</u>	<u>549,017</u>	<u>5,725</u>
<b>Expenditures</b>				
Current:				
Public works	-	15,411	15,411	-
Capital outlay	541,792	541,792	33,716	508,076
<b>Total expenditures</b>	<u>541,792</u>	<u>557,203</u>	<u>49,127</u>	<u>508,076</u>
<b>Change in fund balance</b>	-	(13,911)	499,890	513,801
<b>Fund balances, beginning of year</b>	249,959	249,959	249,959	-
<b>Fund balances, end of year</b>	<u>\$ 249,959</u>	<u>\$ 236,048</u>	<u>\$ 749,849</u>	<u>\$ 513,801</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Inmate Welfare Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 116	\$ 116
Intergovernmental	-	25,000	27,252	2,252
<b>Total revenues</b>	-	25,000	27,368	2,368
<b>Expenditures</b>				
Current:				
Public safety	-	25,000	4,915	20,085
<b>Change in fund balance</b>	-	-	22,453	22,453
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ 22,453	\$ 22,453

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**LBPHCP Lead Base Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 435,416	\$ 435,416	\$ 194,289	\$ (241,127)
<b>Expenditures</b>				
Current:				
Community development	(195,992)	195,992	157,903	38,089
Capital outlay	(221,000)	221,000	75,666	145,334
<b>Total expenditures</b>	<u>(416,992)</u>	<u>416,992</u>	<u>233,569</u>	<u>183,423</u>
<b>Change in fund balance</b>	852,408	18,424	(39,280)	(57,704)
<b>Fund balances, beginning of year</b>	<u>(395)</u>	<u>(395)</u>	<u>(395)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 852,013</u>	<u>\$ 18,029</u>	<u>\$ (39,675)</u>	<u>\$ (57,704)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Neighborhood Lead Base Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 676	\$ 676
Intergovernmental	-	234,400	225,000	(9,400)
<b>Total revenues</b>	<u>-</u>	<u>234,400</u>	<u>225,676</u>	<u>(8,724)</u>
<b>Expenditures</b>				
Current:				
Community development	<u>234,313</u>	<u>234,313</u>	<u>59,807</u>	<u>174,506</u>
<b>Change in fund balance</b>	(234,313)	87	165,869	165,106
<b>Fund balances, beginning of year</b>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (459,313)</u>	<u>\$ (224,913)</u>	<u>\$ (59,131)</u>	<u>\$ 165,106</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Homelessness Prevention Special Revenue Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ 500	\$ 148	\$ (352)
Intergovernmental	261,670	352,000	393,273	41,273
<b>Total revenues</b>	<u>261,670</u>	<u>352,500</u>	<u>393,421</u>	<u>40,921</u>
<b>Expenditures</b>				
Current:				
Community development	<u>261,670</u>	<u>351,715</u>	<u>393,273</u>	<u>(41,558)</u>
<b>Change in fund balance</b>	-	785	148	(637)
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 785</u>	<u>\$ 148</u>	<u>\$ (637)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Energy Efficient Special Revenue Fund**  
**Year ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 597,818	\$ 597,818	\$ 533,303	\$ (64,515)
<b>Expenditures</b>				
Current:				
Public works	-	-	114	(114)
Capital outlay	597,818	597,818	568,655	29,163
<b>Total expenditures</b>	<u>597,818</u>	<u>597,818</u>	<u>568,769</u>	<u>29,049</u>
<b>Change in fund balance</b>	-	-	(35,466)	(35,466)
<b>Fund balances, beginning of year</b>	<u>(29)</u>	<u>(29)</u>	<u>(29)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (29)</u>	<u>\$ (29)</u>	<u>\$ (35,495)</u>	<u>\$ (35,466)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Federal Street Improvement Special Revenue Fund**  
**Year ended June 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 784,000	\$ 784,000	\$ 685,867	\$ (98,133)
<b>Expenditures</b>				
Current:				
Capital outlay	<u>784,000</u>	<u>784,000</u>	<u>833,604</u>	<u>(49,604)</u>
<b>Change in fund balance</b>	-	-	(147,737)	(147,737)
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (147,737)</u>	<u>\$ (147,737)</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**DNA ID Special Revenue Fund**  
**Year ended June 30, 2011**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 56	\$ 56
Intergovernmental	-	16,000	8,130	(7,870)
<b>Total revenues</b>	<u>-</u>	<u>16,000</u>	<u>8,186</u>	<u>(7,814)</u>
<b>Expenditures</b>				
Current:				
Public safety	-	16,000	-	16,000
<b>Change in fund balance</b>	-	-	8,186	8,186
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ 8,186</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Capital Improvement Capital Projects Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 6,757	\$ 1,757
Intergovernmental	-	-	402,247	402,247
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>409,004</u>	<u>404,004</u>
<b>Expenditures</b>				
Current:				
Public works	-	67	67	-
Capital outlay	310,000	309,933	95,255	214,678
<b>Total expenditures</b>	<u>310,000</u>	<u>310,000</u>	<u>95,322</u>	<u>214,678</u>
<b>Change in fund balance</b>	(305,000)	(305,000)	313,682	618,682
<b>Fund balances, beginning of year</b>	948,958	948,958	948,958	-
<b>Fund balances, end of year</b>	<u>\$ 643,958</u>	<u>\$ 643,958</u>	<u>\$ 1,262,640</u>	<u>\$ 618,682</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Community Development Commission Capital Projects Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ -	\$ 100	\$ -	\$ (100)
Other revenues	180,959	180,959	708,960	528,001
<b>Total revenues</b>	<u>180,959</u>	<u>181,059</u>	<u>708,960</u>	<u>527,901</u>
<b>Expenditures</b>				
Current:				
Community development	2,661,810	2,661,994	2,189,212	472,782
Capital outlay	1,200,000	1,254,816	933,181	321,635
<b>Total expenditures</b>	<u>3,861,810</u>	<u>3,916,810</u>	<u>3,122,393</u>	<u>794,417</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(3,680,851)	(3,735,751)	(2,413,433)	1,322,318
<b>Other financing sources (uses)</b>				
Transfers in	1,386,000	1,386,000	2,044,056	658,056
<b>Change in fund balance</b>	(2,294,851)	(2,349,751)	(369,377)	1,980,374
<b>Fund balances, beginning of year</b>	<u>3,201,478</u>	<u>3,201,478</u>	<u>3,201,478</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 906,627</u>	<u>\$ 851,727</u>	<u>\$ 2,832,101</u>	<u>\$ 1,980,374</u>

**City of Huntington Park**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Community Development Commission Debt Service Fund**  
**Year ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,446,000	\$ 13,446,000	\$ 13,743,960	\$ 297,960
Use of money and property intergovernmental	40,000	40,000	34,870	(5,130)
	150,000	150,000	-	(150,000)
<b>Total revenues</b>	<u>13,636,000</u>	<u>13,636,000</u>	<u>13,778,830</u>	<u>142,830</u>
<b>Expenditures</b>				
Current:				
Community development	240,000	240,300	213,751	26,549
Pass-throughs to other agencies	1,260,000	3,715,000	3,391,334	323,666
Debt service:				
Principal retirement	3,471,775	3,816,775	3,812,063	4,712
Interest and fiscal charges	6,618,412	6,618,412	4,114,895	2,503,517
<b>Total expenditures</b>	<u>11,590,187</u>	<u>14,390,487</u>	<u>11,532,043</u>	<u>2,858,444</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,045,813</u>	<u>(754,487)</u>	<u>2,246,787</u>	<u>3,001,274</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(2,625,000)	(3,575,000)	(4,792,848)	(1,217,848)
<b>Net other financing sources (uses)</b>	<u>(2,625,000)</u>	<u>(3,575,000)</u>	<u>(4,792,848)</u>	<u>(1,217,848)</u>
<b>Change in fund balance</b>	(579,187)	(4,329,487)	(2,546,061)	1,783,426
<b>Fund balances, beginning of year</b>	<u>(67,206,557)</u>	<u>(67,206,557)</u>	<u>(67,206,557)</u>	-
<b>Fund balances, end of year</b>	<u>\$ (67,785,744)</u>	<u>\$ (71,536,044)</u>	<u>\$ (69,752,618)</u>	<u>\$ 1,783,426</u>

Internal service funds are used to account for financing of goods and services provided by one department to other departments of the City.

Fleet Maintenance – To account for the costs of maintenance of City vehicles used by various City departments.

Vehicle and Equipment Replacement Fund – This fund accounts for the costs of replacement of City vehicles and equipment used by the various City departments. Such costs are based upon actual usage.

**City of Huntington Park**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2011**

	<u>Fleet Maintenance</u>	<u>Vehicle and Equipment Replacement</u>	<u>Governmental Activities Internal Service Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 304,775	\$ 66,468	\$ 371,243
Accounts receivable	<u>252</u>	<u>55</u>	<u>307</u>
Total current assets	<u>305,027</u>	<u>66,523</u>	<u>371,550</u>
Capital assets			
Capital assets	411,640	2,015,606	2,427,246
Accumulated depreciation	<u>(396,580)</u>	<u>(1,653,699)</u>	<u>(2,050,279)</u>
Net capital assets	<u>15,060</u>	<u>361,907</u>	<u>376,967</u>
<b>Total assets</b>	<u>320,087</u>	<u>428,430</u>	<u>748,517</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	48,251	26,067	74,318
Accrued payroll	9,820	-	9,820
Accrued leave payable	<u>4,085</u>	<u>-</u>	<u>4,085</u>
<b>Total liabilities</b>	<u>62,156</u>	<u>26,067</u>	<u>88,223</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	15,060	361,907	376,967
Unrestricted	<u>242,871</u>	<u>40,456</u>	<u>283,327</u>
<b>Total net assets (deficit) \$</b>	<u>257,931</u>	<u>402,363</u>	<u>660,294</u>

**City of Huntington Park**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Internal Service Funds**  
**Year ended June 30, 2011**

	<u>Fleet Maintenance</u>	<u>Vehicle and Equipment Replacement</u>	<u>Governmental Activities Internal Service Funds</u>
<b>Operating revenues</b>			
Charges for services	\$ 803,548	\$ -	\$ 803,548
<b>Total operating revenues</b>	<u>803,548</u>	<u>-</u>	<u>803,548</u>
<b>Operating expenses</b>			
Personnel services	201,175	-	201,175
Materials and supplies	471,455	97,221	568,676
Depreciation	<u>7,171</u>	<u>203,273</u>	<u>210,444</u>
<b>Total operating expenses</b>	<u>679,801</u>	<u>300,494</u>	<u>980,295</u>
<b>Operating income (loss)</b>	123,747	(300,494)	(176,747)
<b>Nonoperating income</b>			
Interest earnings on investments	<u>187</u>	<u>261</u>	<u>448</u>
<b>Change in net assets</b>	123,934	(300,233)	(176,299)
<b>Total net assets - beginning</b>	<u>133,997</u>	<u>702,596</u>	<u>836,593</u>
<b>Total net assets - ending</b>	<u>\$ 257,931</u>	<u>\$ 402,363</u>	<u>\$ 660,294</u>

**City of Huntington Park  
Combining Statement of Cash Flows  
Internal Service Funds  
Year ended June 30, 2011**

	Internal Service Funds		
	Fleet Maintenance	Vehicle and Equipment Replacement	Total
<b>Cash flows from operating activities</b>			
Receipts from tenants, customers and users	\$ 803,296	\$ 158	\$ 803,454
Payments to suppliers	(442,658)	(72,159)	(514,817)
Payments to employees	(199,366)	-	(199,366)
<b>Net cash provided by (used in) operating activities</b>	<u>161,272</u>	<u>(72,001)</u>	<u>89,271</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases and construction of capital assets	(13,880)	(1,767)	(15,647)
<b>Net cash used in capital and related financing activities</b>	<u>(13,880)</u>	<u>(1,767)</u>	<u>(15,647)</u>
<b>Cash flows from investing activities</b>			
Interest received	187	261	448
<b>Change in cash and cash equivalents</b>	147,579	(73,507)	74,072
<b>Beginning cash and cash equivalents</b>	157,196	139,975	297,171
<b>Ending cash and cash equivalents</b>	<u>\$ 304,775</u>	<u>\$ 66,468</u>	<u>\$ 371,243</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 123,747	\$ (300,494)	\$ (176,747)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	7,171	203,273	210,444
(Increase) decrease in:			
Accounts receivable	(252)	158	(94)
Increase (decrease) in:			
Accounts payable	28,797	25,062	53,859
Accrued payroll	623	-	623
Accrued leave payable	1,186	-	1,186
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 161,272</u>	<u>\$ (72,001)</u>	<u>\$ 89,271</u>

The Enterprise Fund accounts for the financing of self-supporting activities which render services to the general public on a user charge basis or a fixed payment schedule. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, operations, maintenance, financing and related debt service, and billings and collections.

- |                                      |  |
|--------------------------------------|--|
| <b><i>Sewer Maintenance</i></b>      | To account for the activities of sewer utility services provided to the residents of the City. |
| <b><i>Solid Waste Management</i></b> | To account for the activities of solid waste management services to the residents of the City. |

**City of Huntington Park**  
**Combining Statement of Net Assets**  
**Nonmajor Other Enterprise Funds**  
**June 30, 2011**

	<u>Sewer Maintenance</u>	<u>Solid Waste Management</u>	<u>Total Other Enterprise Funds</u>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 470,303	\$ (21,959)	\$ 448,344
Accounts receivable	39,821	7,071	46,892
Total current assets	<u>510,124</u>	<u>(14,888)</u>	<u>495,236</u>
Capital assets			
Capital assets	8,998,545	-	8,998,545
Accumulated depreciation	<u>(3,201,452)</u>	<u>-</u>	<u>(3,201,452)</u>
Net capital assets	<u>5,797,093</u>	<u>-</u>	<u>5,797,093</u>
<b>Total assets</b>	<u>6,307,217</u>	<u>(14,888)</u>	<u>6,292,329</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	14,354	1,511	15,865
Accrued payroll	883	5,947	6,830
Accrued leave payable	72	1,810	1,882
Deposits	-	5,937	5,937
Deferred revenue	<u>-</u>	<u>4,426</u>	<u>4,426</u>
Total current liabilities	<u>15,309</u>	<u>19,631</u>	<u>34,940</u>
Noncurrent liabilities			
Compensated absences payable, long-term portion	<u>2,293</u>	<u>16,750</u>	<u>19,043</u>
Total noncurrent liabilities	<u>2,293</u>	<u>16,750</u>	<u>19,043</u>
<b>Total liabilities</b>	<u>17,602</u>	<u>36,381</u>	<u>53,983</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,797,093	-	5,797,093
Unrestricted	<u>492,522</u>	<u>(51,269)</u>	<u>441,253</u>
<b>Total net assets (deficit)</b>	<u>\$ 6,289,615</u>	<u>\$ (51,269)</u>	<u>\$ 6,238,346</u>

**City of Huntington Park**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Nonmajor Other Enterprise Funds**  
**Year ended June 30, 2011**

	<u>Sewer Maintenance</u>	<u>Solid Waste Management</u>	<u>Total Other Enterprise Funds</u>
<b>Operating revenues</b>			
Charges for services	\$ 325,163	\$ 159,501	\$ 484,664
Other	-	274	274
<b>Total operating revenues</b>	<u>325,163</u>	<u>159,775</u>	<u>484,938</u>
<b>Operating expenses</b>			
Personnel services	29,789	177,641	207,430
General	7,302	1,420	8,722
Materials and supplies	746,387	43,273	789,660
Insurance	2,408	9,816	12,224
Depreciation	81,648	-	81,648
<b>Total operating expenses</b>	<u>867,534</u>	<u>232,150</u>	<u>1,099,684</u>
<b>Operating income (loss)</b>	(542,371)	(72,375)	(614,746)
<b>Nonoperating income</b>			
Interest earnings on investments	3,005	37	3,042
Intergovernmental revenue	-	32,202	32,202
<b>Change in net assets</b>	(539,366)	(40,136)	(579,502)
<b>Total net assets - beginning</b>	<u>6,828,981</u>	<u>(11,133)</u>	<u>6,817,848</u>
<b>Total net assets - ending</b>	<u>\$ 6,289,615</u>	<u>\$ (51,269)</u>	<u>\$ 6,238,346</u>

**City of Huntington Park**  
**Combining Statement of Cash Flows**  
**Nonmajor Other Enterprise Funds**  
**Year ended June 30, 2011**

	<u>Sewer Maintenance</u>	<u>Solid Waste Management</u>	<u>Total Other Enterprise Funds</u>
<b>Cash flows from operating activities</b>			
Receipts from tenants, customers and users	\$ 339,304	\$ 176,893	\$ 516,197
Payments to suppliers	(756,732)	(55,286)	(812,018)
Payments to employees	(41,875)	(177,406)	(219,281)
<b>Net cash provided by (used in) operating activities</b>	<u>(459,303)</u>	<u>(55,799)</u>	<u>(515,102)</u>
<b>Cash flows from non-capital financing activities</b>			
Cash contributions from other governments	-	32,202	32,202
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>-</u>	<u>32,202</u>	<u>32,202</u>
<b>Cash flows from investing activities</b>			
Interest received	3,005	37	3,042
<b>Change in cash and cash equivalents</b>	(456,298)	(23,560)	(479,858)
<b>Beginning cash and cash equivalents</b>	926,601	1,601	928,202
<b>Ending cash and cash equivalents</b>	<u>\$ 470,303</u>	<u>\$ (21,959)</u>	<u>\$ 448,344</u>
 <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (542,371)	\$ (72,375)	\$ (614,746)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	81,648	-	81,648
(Increase) decrease in:			-
Accounts receivable	14,141	17,118	31,259
Increase (decrease):			
Accounts payable	(635)	(777)	(1,412)
Accrued payroll	437	321	758
Accrued leave payable	(1,557)	123	(1,434)
Compensated absences	(10,966)	(209)	(11,175)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (459,303)</u>	<u>\$ (55,799)</u>	<u>\$ (515,102)</u>

(This page intentionally left blank.)

This part of the City of Huntington Park'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.

<b>Contents</b>	<b>Page</b>
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.	138
Revenue Capacity These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	143
Debt Capacity These schedules present information to help the reader assess the affordability of the of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	147
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.	151
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.	152

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Huntington Park  
Net Assets by Component  
Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 29,658,273	31,377,364	33,071,291	33,752,080	48,360,018	50,504,711	39,429,070	41,925,935	42,370,024
Restricted	11,915,766	10,610,129	12,055,500	23,131,021	24,139,614	38,723,137	26,635,747	23,065,886	25,989,823
Unrestricted	<u>(118,440,171)</u>	<u>(121,322,650)</u>	<u>(125,060,515)</u>	<u>(137,711,033)</u>	<u>(152,496,772)</u>	<u>(169,715,872)</u>	<u>(148,938,364)</u>	<u>(167,485,978)</u>	<u>(179,961,906)</u>
<b>Total governmental activities net assets</b>	<b><u>\$ (76,866,132)</u></b>	<b><u>(79,335,157)</u></b>	<b><u>(79,933,724)</u></b>	<b><u>(80,827,932)</u></b>	<b><u>(79,997,140)</u></b>	<b><u>(80,488,024)</u></b>	<b><u>(82,873,547)</u></b>	<b><u>(102,494,157)</u></b>	<b><u>(111,602,059)</u></b>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	\$ 11,937,431	14,092,016	14,798,112	14,924,640	16,181,737	16,433,099	16,540,709	16,796,898	17,484,720
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	<u>6,733,363</u>	<u>4,985,646</u>	<u>4,697,331</u>	<u>5,585,405</u>	<u>5,611,257</u>	<u>5,437,161</u>	<u>5,447,372</u>	<u>3,364,892</u>	<u>1,073,584</u>
<b>Total business-type activities net assets</b>	<b><u>\$ 18,670,794</u></b>	<b><u>19,077,662</u></b>	<b><u>19,495,443</u></b>	<b><u>20,510,045</u></b>	<b><u>21,792,994</u></b>	<b><u>21,870,260</u></b>	<b><u>21,988,081</u></b>	<b><u>20,161,790</u></b>	<b><u>18,558,304</u></b>
<b>Primary government:</b>									
Invested in capital assets, net of related debt	\$ 41,595,704	45,469,380	47,869,403	48,676,720	64,541,755	66,937,810	55,969,779	58,722,833	59,854,744
Restricted	11,915,766	10,610,129	12,055,500	23,131,021	24,139,614	38,723,137	26,635,747	23,065,886	25,989,823
Unrestricted	<u>(111,706,808)</u>	<u>(116,337,004)</u>	<u>(120,363,184)</u>	<u>(132,125,628)</u>	<u>(146,885,515)</u>	<u>(164,278,711)</u>	<u>(143,490,992)</u>	<u>(164,121,086)</u>	<u>(178,888,322)</u>
<b>Total primary government net assets</b>	<b><u>\$ (58,195,338)</u></b>	<b><u>(60,257,495)</u></b>	<b><u>(60,438,281)</u></b>	<b><u>(60,317,887)</u></b>	<b><u>(58,204,146)</u></b>	<b><u>(58,617,764)</u></b>	<b><u>(60,885,466)</u></b>	<b><u>(82,332,367)</u></b>	<b><u>(93,043,755)</u></b>

The City of Huntington Park implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source: City Finance Department

**City of Huntington Park  
Change in Net Assets  
Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>									
<b>Governmental activities:</b>									
General government	\$ 7,631,014	6,018,744	8,477,615	7,569,344	7,566,171	14,903,038	7,921,074	10,131,265	8,195,158
Public safety	12,613,238	12,904,452	13,622,058	13,771,989	15,731,625	15,946,700	16,333,354	16,942,017	16,288,182
Public works	5,747,685	5,046,870	6,891,876	8,689,165	8,493,393	9,690,430	9,023,648	9,007,145	9,381,142
Community services	1,101,939	2,721,760	2,408,847	1,701,046	2,809,850	3,427,821	2,979,348	3,301,805	3,245,733
Community development	8,604,457	9,235,080	7,014,636	6,892,678	6,820,647	10,236,104	6,953,506	17,201,159	11,872,378
Interest on long-term debt	11,822,150	8,202,539	7,434,798	9,792,357	11,256,296	8,179,476	13,020,990	18,062,079	13,745,107
<b>Total governmental activities expenses</b>	<b>47,520,483</b>	<b>44,129,445</b>	<b>45,849,830</b>	<b>48,416,579</b>	<b>52,677,982</b>	<b>62,383,569</b>	<b>56,231,920</b>	<b>74,645,470</b>	<b>62,727,700</b>
<b>Business-type activities:</b>									
Water	4,228,437	4,253,103	4,165,747	4,087,940	3,452,374	4,522,007	5,032,129	6,187,272	5,448,673
Sewer	196,733	189,127	271,800	233,282	283,578	322,940	349,607	354,626	867,534
Solid Waste	141,199	181,873	205,041	197,629	295,841	287,332	294,189	196,563	232,150
<b>Total business-type activities expenses</b>	<b>4,566,369</b>	<b>4,624,103</b>	<b>4,642,588</b>	<b>4,518,851</b>	<b>4,031,793</b>	<b>5,132,279</b>	<b>5,675,925</b>	<b>6,738,461</b>	<b>6,548,357</b>
<b>Total primary government expenses</b>	<b>52,086,852</b>	<b>48,753,548</b>	<b>50,492,418</b>	<b>52,935,430</b>	<b>56,709,775</b>	<b>67,515,848</b>	<b>61,907,845</b>	<b>81,383,931</b>	<b>69,276,057</b>
<b>Program revenues:</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	959,324	1,330,209	1,695,616	1,246,860	1,642,557	2,297,092	2,363,712	4,242,351	3,355,886
Public safety	2,640,805	2,656,272	2,426,093	2,105,952	1,858,610	2,804,384	2,588,983	2,325,230	2,377,785
Public works	799,303	1,212,668	1,242,599	1,337,594	1,396,146	747,050	156,719	255,895	123,882
Community services	179,674	191,529	379,295	393,355	408,728	509,136	734,891	847,982	633,813
Community development	552,725	576,299	765,508	544,720	618,831	1,248,185	1,295,097	1,283,804	1,182,626
Operating grants and contributions	5,652,545	7,671,605	4,795,621	5,199,227	6,378,628	5,804,978	7,167,500	8,666,335	7,634,221
Capital grants and contributions	911,275	649,806	3,999,639	3,686,738	3,187,473	3,044,238	334,963	259,939	-
<b>Total governmental activities program revenues</b>	<b>11,695,651</b>	<b>14,288,388</b>	<b>15,304,371</b>	<b>14,514,446</b>	<b>15,490,973</b>	<b>16,455,063</b>	<b>14,641,865</b>	<b>17,881,536</b>	<b>15,308,213</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Water	4,894,926	4,635,504	4,479,898	4,740,441	4,813,066	4,686,335	4,883,300	4,318,781	4,249,282
Sewer	278,033	366,418	380,498	379,006	383,512	367,477	336,186	341,158	325,163
Solid Waste	81,682	98,783	106,918	118,751	125,261	128,080	132,565	151,403	159,501
Operating grants and contributions	-	-	31,728	35,797	30,993	41,739	453,092	14,936	75,661
Capital grants and contributions	-	-	-	-	-	-	-	191,897	-
<b>Total business-type activities program revenues</b>	<b>5,254,641</b>	<b>5,100,705</b>	<b>4,999,042</b>	<b>5,273,995</b>	<b>5,352,832</b>	<b>5,223,631</b>	<b>5,805,143</b>	<b>5,018,175</b>	<b>4,809,607</b>
<b>Total primary government program revenues</b>	<b>16,950,292</b>	<b>19,389,093</b>	<b>20,303,413</b>	<b>19,788,441</b>	<b>20,843,805</b>	<b>21,678,694</b>	<b>20,447,008</b>	<b>22,899,711</b>	<b>20,117,820</b>
<b>Net revenues (expenses):</b>									
Governmental activities	(35,824,832)	(29,841,057)	(30,545,459)	(33,902,133)	(37,187,009)	(45,928,506)	(41,590,055)	(56,763,934)	(47,419,487)
Business-type activities	688,272	476,602	356,454	755,144	1,321,039	91,352	129,218	(1,720,286)	(1,738,750)
<b>Total net revenues (expenses)</b>	<b>\$(35,136,560)</b>	<b>(29,364,455)</b>	<b>(30,189,005)</b>	<b>(33,146,989)</b>	<b>(35,865,970)</b>	<b>(45,837,154)</b>	<b>(41,460,837)</b>	<b>(58,484,220)</b>	<b>(49,158,237)</b>

**City of Huntington Park**  
**Change in Net Assets (Continued)**  
**Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General revenues and other changes in net assets:									
Governmental activities:									
Taxes:									
Property taxes	\$ 11,206,312	11,359,621	11,873,610	13,798,209	15,584,471	19,745,557	13,517,895	15,373,839	14,640,143
Sales tax	5,024,219	5,530,661	4,724,900	5,102,823	5,051,694	7,258,290	5,679,730	5,325,737	6,377,406
In lieu sales tax	-	-	1,452,319	1,414,721	2,425,768	1,444,374	1,697,425	1,036,404	1,273,544
Franchise	520,712	558,820	708,580	616,012	643,875	648,097	659,540	617,944	647,472
Utility	3,442,500	3,508,536	3,725,982	4,047,951	4,437,893	4,433,574	4,636,735	4,716,341	5,866,108
Motor vehicle in lieu tax	3,656,644	2,924,607	5,162,676	4,584,517	4,833,395	4,746,791	5,022,115	4,991,089	4,782,510
Other taxes	30,522	26,782	26,279	57,320	122,822	72,042	386,784	389,703	968,396
Parking meter	1,155,099	1,205,078	1,193,648	1,354,440	1,339,029	2,230,484	2,085,363	2,085,363	-
Supplemental subvention	724,937	634,441	199,949	105,493	117,024	518,489	500,000	275,652	-
Investment income	978,545	406,909	594,630	1,061,075	2,962,108	2,561,394	2,910,403	2,175,887	1,637,914
Other	382,887	602,078	124,851	680,364	299,722	1,568,531	998,542	907,504	2,118,092
Sale of assets	-	439,500	(25,531)	-	-	-	-	-	-
Transfers	150,000	175,000	185,000	185,000	200,000	210,000	220,000	220,000	-
Total governmental activities	<u>27,272,377</u>	<u>27,372,033</u>	<u>29,946,893</u>	<u>33,007,925</u>	<u>38,017,801</u>	<u>45,437,623</u>	<u>38,314,532</u>	<u>38,115,463</u>	<u>38,311,585</u>
Business-type activities:									
Investment income	179,944	105,266	246,327	442,514	10,169	174,583	188,245	94,274	14,483
Other	-	-	-	1,944	151,741	21,331	20,358	19,721	120,781
Transfers	(150,000)	(175,000)	(185,000)	(185,000)	(200,000)	(210,000)	(220,000)	(220,000)	-
Total business-type activities	<u>29,944</u>	<u>(69,734)</u>	<u>61,327</u>	<u>259,458</u>	<u>(38,090)</u>	<u>(14,086)</u>	<u>(11,397)</u>	<u>(106,005)</u>	<u>135,264</u>
Total primary government	<u>27,302,321</u>	<u>27,302,299</u>	<u>30,008,220</u>	<u>33,267,383</u>	<u>37,979,711</u>	<u>45,423,537</u>	<u>38,303,135</u>	<u>38,009,458</u>	<u>38,446,849</u>
Changes in net assets									
Governmental activities	(8,552,455)	(2,469,024)	(598,566)	(894,208)	830,792	(490,883)	(3,275,523)	(18,648,471)	(9,107,902)
Business-type activities	718,216	406,868	417,781	1,014,602	1,282,949	77,266	117,821	(1,826,291)	(1,603,486)
Total primary government	<u>\$ (7,834,239)</u>	<u>(2,062,156)</u>	<u>(180,785)</u>	<u>120,394</u>	<u>2,113,741</u>	<u>(413,617)</u>	<u>(3,157,702)</u>	<u>(20,474,762)</u>	<u>(10,711,388)</u>

*The City of Huntington Park implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.*

Source: City Finance Department

**City of Huntington Park  
Fund Balances of Governmental Funds  
Fiscal Year 2011**

---

		<u>2011</u>
<b>General Fund</b>		
Nonspendable	\$	22,920,179
Restricted		-
Committed		-
Assigned		-
Unassigned		<u>9,153,901</u>
Total General Fund	\$	<u><u>32,074,080</u></u>
 <b>All Other Governmental Funds</b>		
Nonspendable	\$	35,610,658
Restricted		27,990,461
Committed		-
Assigned		-
Unassigned		<u>(79,415,388)</u>
Total All Other Governmental Funds	\$	<u><u>(15,814,269)</u></u>

Note: The City of Huntington Park elected to present fund balance information under GASB#54 prospectively in the Statistical Section; refer to page 142 for reporting of the previous years under the old guidelines.

**City of Huntington Park**  
**Changes in Fund Balances of Governmental Funds**  
**Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>									
Taxes	\$ 23,146,243	23,094,178	22,379,276	25,037,036	28,266,523	33,601,936	30,985,995	32,271,559	38,336,947
Licenses and permits	1,457,663	1,881,831	2,057,217	1,941,962	1,922,670	1,818,592	1,969,768	2,005,327	1,757,220
Fines and forfeitures	2,271,588	2,276,431	2,138,280	1,894,223	1,750,229	2,386,254	2,246,561	1,987,494	2,093,146
Use of money and property	2,679,224	1,864,078	803,568	1,209,451	3,144,299	2,518,555	1,572,667	853,250	319,448
Intergovernmental	7,640,099	10,306,525	11,777,620	13,185,593	14,454,974	12,509,369	11,229,777	11,596,106	7,184,291
Charges for services	2,558,312	3,140,491	3,111,045	3,388,742	3,476,787	4,261,736	4,406,830	4,215,952	3,897,067
Interfund charges	-	-	825,389	684,174	1,363,798	6,098,629	6,232,316	1,284,039	2,160,428
Other	503,715	455,077	587,605	1,999,076	722,011	2,687,716	2,098,330	7,341,289	7,689,193
<b>Total revenues</b>	<b>40,256,844</b>	<b>43,018,611</b>	<b>43,680,000</b>	<b>49,340,257</b>	<b>55,101,291</b>	<b>65,882,787</b>	<b>60,742,244</b>	<b>61,555,016</b>	<b>63,437,740</b>
<b>Expenditures</b>									
<b>Current:</b>									
General government	6,228,578	5,999,972	30,150,830	7,646,065	7,933,501	14,360,372	12,976,827	14,174,935	14,564,657
Public safety	11,989,595	12,533,370	13,140,243	13,293,068	15,067,682	15,104,932	15,679,695	16,264,466	15,605,975
Public works	3,498,962	3,616,546	5,213,037	6,659,033	6,879,908	7,455,249	6,636,892	6,859,393	7,100,592
Community services	1,018,996	2,647,316	2,304,302	1,610,030	2,682,181	3,311,487	2,855,125	3,173,041	3,116,084
Community development	4,716,003	6,249,288	7,202,870	6,835,708	8,477,421	7,679,446	6,516,548	16,328,082	7,878,855
Pass through to other agencies	3,174,076	3,071,641	-	45,566	90,278	570,973	399,097	375,593	3,391,334
Capital outlay	3,873,940	3,209,057	2,714,384	2,607,119	13,337,662	7,282,239	4,822,188	5,586,603	3,808,666
<b>Debt service:</b>									
Principal retirement	1,935,730	1,831,427	1,015,002	3,440,532	10,576,895	15,585,667	4,386,382	6,262,841	5,122,931
Interest and fiscal charges	10,073,108	10,049,484	8,560,132	11,192,321	6,677,436	7,454,938	6,437,978	10,559,333	5,908,670
Bond issue costs	-	2,482,040	846,291	17,315	140,000	7,000	-	-	-
Payment to escrow agent	-	5,246,513	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>46,508,988</b>	<b>56,936,654</b>	<b>71,147,091</b>	<b>53,346,757</b>	<b>71,862,964</b>	<b>78,812,303</b>	<b>60,710,732</b>	<b>79,584,287</b>	<b>66,497,764</b>
Excess (deficiency) of revenues over (under) expenditures	(6,252,144)	(13,918,043)	(27,467,091)	(4,006,500)	(16,761,673)	(12,929,516)	31,512	(18,029,271)	(3,060,024)
<b>Other financing sources (uses):</b>									
Transfers in	9,935,426	7,989,726	10,286,478	11,436,176	12,263,450	4,874,003	11,720,756	7,420,949	5,374,358
Transfers out	(10,028,062)	(7,971,091)	(10,332,114)	(11,465,031)	(12,313,449)	(4,664,003)	(11,500,756)	(7,200,949)	(5,154,358)
Proceeds from debt	6,381,258	64,281,935	33,857,730	17,904,956	24,653,129	6,575,000	-	-	-
Proceeds from sale of assets	-	439,500	-	-	-	-	-	-	-
Payment to escrow agent	-	(54,449,166)	-	-	-	-	-	-	-
Repayment of notes	250,000	143,928	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,538,622</b>	<b>10,434,832</b>	<b>33,812,094</b>	<b>17,876,101</b>	<b>24,603,130</b>	<b>6,785,000</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>
<b>Net change in fund balances</b>	<b>\$ 286,478</b>	<b>(3,483,211)</b>	<b>6,345,003</b>	<b>13,869,601</b>	<b>7,841,457</b>	<b>(6,144,516)</b>	<b>251,512</b>	<b>(17,809,271)</b>	<b>(2,840,024)</b>
Debt service as a percentage of noncapital expenditures	27.5%	36.5%	15.2%	28.7%	30.0%	31.2%	19.3%	22.5%	17.9%

Source: City Finance Department

**City of Huntington Park**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Residential	Commerical	Industrial	Institutional	Recreational	Vacant Land	Other Secured	Unsecured	Exemptions	Assessed Value	Taxable Assessed Value (1)	Total Direct Tax Rate
2002	911,809	323,288	189,032	32,537	11,339	11,849	22,930	91,914	15,240	1,609,938	1,594,698	0.2835%
2003	956,398	347,910	200,261	33,139	6,624	10,665	25,947	95,973	14,823	1,691,740	1,676,917	0.2835%
2004	1,004,943	363,615	210,006	13,382	6,115	13,166	20,755	104,730	20,256	1,756,968	1,736,712	0.2835%
2005	1,085,615	391,280	179,311	11,706	7,310	15,458	8,722	88,675	21,392	1,809,469	1,788,077	0.2835%
2006	1,175,103	442,183	187,758	12,483	12,952	18,696	8,318	97,817	20,398	1,975,708	1,955,310	0.2835%
2007	1,297,799	467,176	199,473	12,572	17,605	16,574	8,568	113,366	21,511	2,154,644	2,133,133	0.2835%
2008	1,427,170	490,808	215,450	28,335	19,866	16,950	3,361	114,199	21,315	2,337,454	2,316,139	0.2835%
2009	1,495,042	530,927	230,221	36,697	20,280	16,406	3,631	117,237	21,003	2,471,444	2,450,441	0.2835%
2010	1,433,846	552,360	239,580	36,302	20,686	12,807	3,291	136,319	30,194	2,465,385	2,435,191	0.2835%
2011	1,359,615	550,717	243,284	23,248	14,088	11,996	3,510	126,905	29,891	2,363,254	2,333,363	0.2835%

(1) - Taxable assessed value equals the assessed value less exemption amounts.

**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 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 reassessed at the purchase price of the property sold. The assessed 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 limitations described above.

Source: Los Angeles County Assessor's Office

**City of Huntington Park**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>City Direct Rates:</b>										
City's share of 1% levy per prop 13	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0735	0.0735
General obligation debt rate	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
<b>Overlapping Rates:</b>										
Detention Facilities 1987 Debt	0.0011	0.0010	0.0010	0.0009	0.0008	0.0007	-	-	-	-
L.A. Co. Fl. Con. Storm Dr. D.S. #4	0.0007	0.0006	0.0004	0.0002	-	-	-	-	-	-
Flood Con. Ref. Bonds 1993 Ds	0.0004	0.0003	-	-	-	-	-	-	-	-
L.A. County Flood Control	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Central Basin MWD	0.0077	0.0067	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043	0.0430	0.0037
L.A. County Comm. College District	0.0426	0.0412	0.0465	0.0446	0.0409	0.0482	0.0353	0.0488	0.0231	0.0403
Los Angeles Unified School District	0.2443	0.2330	0.2734	0.2849	0.2804	0.3028	0.3193	0.3221	0.3478	0.1960
Los Angeles County General	0.2585	0.2585	0.2585	0.2585	0.2585	0.2585	0.2585	0.2585	0.2585	0.2585
Educational Augmentation Fund	0.2334	0.2334	0.2334	0.2334	0.2334	0.2334	0.2334	0.2334	0.2334	0.2334
Los Angeles Consolidated Fire Distri	0.1547	0.1547	0.1547	0.1547	0.1547	0.1547	0.1547	0.1547	0.1547	0.1547
L.A. County Library	0.0199	0.0199	0.0199	0.0199	0.0199	0.0199	0.0199	0.0199	0.0199	0.0199
County Sanitation District #1	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130
L.A. County Ffw	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059	0.0059
Los Angeles Childrens Center Fd	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032	0.0032
Childrens Instil Tuition Fund	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025
L.A. Co. Fl. Con. Imp. Dist.	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014
County School Services	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013
Dev. Ctr. Hdcpd Minor - IA Unif.	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
Greater L.A. Co. Vector Control	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
L.A. Comm. Coll. Childrens Ctr Fd	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Wtr Replenishment Dist of So Cal	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002
L.A. County Accum Cap Outlay	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Co. Sch. Serv. Fd. - Los Angeles	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
<b>Total Direct Rate &amp; Overlapping Rate</b>	<u>1.2872</u>	<u>1.2732</u>	<u>1.3178</u>	<u>1.3267</u>	<u>1.3177</u>	<u>1.3467</u>	<u>1.3495</u>	<u>1.3656</u>	<u>1.4013</u>	

**NOTE:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: Los Angeles County Assessor's Office

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

Taxpayer	2011			2003		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Lonza Inc.	32,441,931	1	2.16%	41,080,467	1	
City Housing Rugby Associates	14,055,988	2	0.94%	14,337,106	3	
Imedra No 5900 Family LP	12,475,922	3	0.83%	12,340,664	4	
RHA Partners Limited	12,050,000	4	0.80%	12,040,000	5	
Margarita Plaza Associates	10,369,348	5	0.69%	10,576,732	7	
Rita Partners	9,528,814	6	0.63%	9,712,931	8	
Joseph M. and Leona Fallas Trust	8,616,499	7	0.57%	8,755,327	10	
Home Depot USA Inc	8,499,084	8	0.57%	15,053,241	2	
Lopez Family Partners LP	7,640,950	9	0.51%			
Katina Torino	7,433,380	10	0.49%	9,085,950	9	
Los Angeles Unified School District				10,714,474	6	

\*\*\*\*FY 2001-2002 not available

**City of Huntington Park  
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*
2001	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	13,375,271	12,575,027	94.02%	1,223,182	13,798,209	103.16%
2007	15,274,437	14,896,843	97.53%	687,628	15,584,471	102.03%
2008	17,053,964	18,841,249	110.48%	904,308	19,745,557	115.78%
2009	18,496,794	18,004,516	97.34%	950,615	18,955,131	102.48%
2010	18,107,004	17,179,824	94.88%	955,585	18,135,409	100.16%
2011	17,404,739	16,384,223	94.14%	819,710	17,203,933	98.85%

**NOTE:**

The amounts presented include City property taxes and Community Development Commission tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

\* Total collection may include such items as supplemental assessments, prior year delinquencies, penalties, and tax payer refunds, which may cause the percent of levy to exceed 100%.

N/A - The information was not available.

Source:  
Los Angeles County Auditor Controller's Office  
City Finance Department

**City of Huntington Park  
Ratio of Net General Bonded Debt to Total  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities							Total Governmental Activities	Percentage of Personal Income	Debt Per Capita <sup>1</sup>
	Lease Revenue Bonds	Tax Allocation Bonds	Notes , Loans and Agreements	Section 108 Loan	Installment Sale Agreement	Pension Obligation Bonds	Capital Leases			
2001	78,610,000	3,250,000	40,895,458	3,465,000	-	-	700,343	126,920,801	21.69%	2,044
2002	77,550,000	3,250,000	46,392,385	3,115,000	-	-	891,588	131,198,973	22.10%	2,087
2003	76,315,000	3,250,000	56,205,249	2,780,000	-	-	720,680	139,270,929	22.71%	2,182
2004	74,170,000	3,250,000	63,336,854	2,475,000	-	-	470,271	143,702,125	22.50%	2,236
2005	73,415,000	3,250,000	74,034,609	2,325,000	-	23,050,000	254,507	176,329,116	26.66%	2,735
2006	70,370,000	3,250,000	81,904,182	2,165,000	10,000,000	23,050,000	54,360	190,793,542	27.61%	2,964
2007	67,031,074	3,250,000	98,044,787	9,159,000	10,000,000	23,000,000	1,098	210,485,959	29.63%	3,274
2008	55,166,116	-	114,457,692	8,974,000	9,905,458	22,850,000	-	211,353,266	N/A	3,289
2009	51,806,917	-	124,943,855	8,769,000	9,699,182	22,600,000	-	217,818,954	N/A	3,384
2010	48,377,813	-	132,602,298	8,151,000	9,461,747	22,200,000	-	220,792,858	N/A	3,438
2011	44,838,107	-	144,305,106	7,518,000	9,190,979	21,700,000	-	227,552,192	N/A	#DIV/0!

<sup>1</sup> - Where available, these ratios are calculated using the official demographic estimate as of January 1st of each calendar year.

N/A - Not available

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements  
No debt was issued in the business-type activities

Source: City Finance Department

**City of Huntington Park  
Computation of Legal Debt Margin  
Last Ten Years**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed valuation <sup>1</sup>	1,609,938	1,691,740	1,758,968	1,809,469	1,975,708	2,154,644	2,337,454	2,471,444	2,465,385	2,363,254
Conversion percentage	<u>25%</u>									
Adjusted assessed valuation	402,485	422,935	439,242	452,367	493,927	538,661	584,364	617,861	616,346	590,814
Debt limit percentage	<u>15%</u>									
Debt limit	60,373	63,440	65,886	67,855	74,089	80,799	87,655	92,679	92,452	88,622
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>60,373</u>	<u>63,440</u>	<u>65,886</u>	<u>67,855</u>	<u>74,089</u>	<u>80,799</u>	<u>87,655</u>	<u>92,679</u>	<u>92,452</u>	<u>88,622</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department  
Los Angeles County Tax Assessor's Office

**City of Huntington Park**  
**Direct and Overlapping Bonded Debt**

City Assessed Valuation	\$ 2,439,937,712	
Redevelopment Agency Incremental Valuation	(1,149,550,794)	
Adjusted Assessed Valuation	<u>\$ 1,290,386,918</u>	
	<u>Percentage</u>	<u>Outstanding</u>
	<u>Applicable</u> <sup>1</sup>	<u>Debt 6/30/11</u>
		<u>Estimated</u>
		<u>Share of</u>
		<u>Overlapping</u>
		<u>Debt</u>
Overlapping Debt Repaid with Property Taxes:		
Metropolitan Water District	0.139%	107,259,876
Los Angeles Community College District	0.406%	3,536,745,000
Los Angeles Unified School District	0.535%	<u>11,596,250,000</u>
		<u>61,991,733</u>
Total overlapping debt		<u>15,240,254,876</u>
City direct debt		<u>217,818,954</u>
	\$	-
Total direct and overlapping debt <sup>2</sup>		<u>\$ 294,305,009</u>

Notes:

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Overlapping other debt was not available.

Source: HdL Coren and Cone, Los Angeles County Assessor and Auditor

**City of Huntington Park  
Pledged-Revenue Coverage  
Tax Allocation Bonds  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2002	6,711,581	-	201,500	-
2003	7,246,738	-	201,500	35.96
2004	7,266,809	-	201,500	36.06
2005	7,412,095		201,500	36.78
2006	8,607,664		201,500	42.72
2007	10,183,611	-	201,500	50.54
2008	4,055,494	75,000	199,175	14.79
2009	*	*	*	*
2010	*	*	*	*
2011	*	*	*	*

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City Finance Department

\* - For these fiscal years, the City did not have any revenue backed debt.

**City of Huntington Park  
Demographic Statistics  
Last Ten Fiscal Years**

Calendar Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	62,080	585,024.00	9,424	8.7%
2002	62,850	593,779.00	9,448	10.3%
2003	63,840	613,314.00	9,607	10.6%
2004	64,265	638,746.00	9,939	9.9%
2005	64,466	661,397.00	10,260	8.2%
2006	64,362	690,967.00	10,736	7.4%
2007	64,285	710,478.00	11,052	7.8%
2008	64,270	715,012.00	11,125	11.3%
2009	64,376	701,431.00	10,896	17.2%
2010	64,219	755,215.00	11,760	18.7%

N/A      Per Capita Personal Income was not available for calendar 2011

Source: HdL Coren and Cone

**City of Huntington Park  
Principal Employers - Los Angeles County (1)  
Current Year and Four Years Ago (2)**

Employer	2009	2006	Percent of Total Employment
	Number of Employees	Number of Employees	
Kroger Co.	140,000	14,000	0.29%
County of Los Angeles	109,500	93,200	1.92%
Los Angeles Unified School District	104,900	74,632	1.54%
City of Los Angeles	56,200	53,471	1.10%
Federal Government (3)	48,100	53,200	1.10%
Kaiser Permanente	34,100	32,180	0.66%
State of California (non-education)	30,500	30,200	0.62%
University of California, Los Angeles	28,400	35,543	0.73%
Northrop Grumman Corp.	19,100	21,000	0.43%
Boeing Company	14,400	15,825	0.33%

(1) - Principal employer information for the City of Huntington Park was not available; therefore we used Los Angeles County information.

(2) - Information for 2010 & 2011 not available. The information presented is the latest available.

(3) - Includes U.S. Postal Service

Source:

Los Angeles Almanac website address: [www.laalmanac.com/employment](http://www.laalmanac.com/employment)

**City of Huntington Park**  
**Full-Time and Part-Time City Employees by Function**  
**Last Ten Fiscal Years**

Function	Full-time and Part-time Employees as of June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
Full-time	27	29	31	31	31	27	26	28	29	29
Part-time	1	2	2	1	2	6	3	4	5	5
Total	<u>28</u>	<u>31</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>29</u>	<u>32</u>	<u>34</u>	<u>34</u>
<b>Community Development</b>										
Full-time	12	14	15	13	13	8	10	12	14	21
Part-time	5	8	6	3	6	4	2	3	6	5
Total	<u>17</u>	<u>22</u>	<u>21</u>	<u>16</u>	<u>19</u>	<u>12</u>	<u>12</u>	<u>15</u>	<u>20</u>	<u>26</u>
<b>Community services</b>										
Full-time	7	10	10	9	9	9	8	8	10	11
Part-time	25	32	31	27	20	19	19	19	22	16
Total	<u>32</u>	<u>42</u>	<u>41</u>	<u>36</u>	<u>29</u>	<u>28</u>	<u>27</u>	<u>27</u>	<u>32</u>	<u>27</u>
<b>Public safety</b>										
Full-time	108	117	113	108	101	102	105	99	108	106
Part-time	20	20	21	18	24	27	27	22	22	15
Total	<u>128</u>	<u>137</u>	<u>134</u>	<u>126</u>	<u>125</u>	<u>129</u>	<u>132</u>	<u>121</u>	<u>130</u>	<u>121</u>
<b>Public works</b>										
Full-time	25	28	27	26	27	26	26	25	23	21
Part-time	1	2	2	2	2	0	0	0	0	0
Total	<u>26</u>	<u>30</u>	<u>29</u>	<u>28</u>	<u>29</u>	<u>26</u>	<u>26</u>	<u>25</u>	<u>23</u>	<u>21</u>
Full-time total	179	198	196	187	181	172	175	172	184	188
Part-time total	52	64	62	51	54	56	51	48	55	41
Grand Total	<u>231</u>	<u>262</u>	<u>258</u>	<u>238</u>	<u>235</u>	<u>228</u>	<u>226</u>	<u>220</u>	<u>239</u>	<u>229</u>

Source: City of Huntington Park Finance Department

**City of Huntington Park  
Operating Indicators by Function  
Last Ten Fiscal Years**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police:</b>										
Arrests	2,952	3,160	2,872	2,924	2,729	2,902	2,346 <sup>2</sup>	2,366	2,624	2,183
Calls for service	46,018	47,438	44,736	44,289	41,539	42,112	33,589 <sup>2</sup>	41,430	26,101	37,940
Traffic violations	13,271	11,123	8,803	6,467	5,256	4,961	4,129 <sup>2</sup>	7,124	7,910	4,790
Code enforcement inspections	N/A <sup>5</sup>	N/A <sup>5</sup>	2,101	2,409	618 <sup>3</sup>	506	906 <sup>4</sup>	972	1,112	2,729
<b>Public works:</b>										
Pounds of trash recycled	N/A	N/A	N/A	N/A	7,746	11,973	10,461 <sup>6</sup>	N/A	N/A	N/A
Pounds of trash recycled per resident	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.1	N/A	N/A
<b>Parks and recreation:</b>										
Recreation classes	113	122	125	99	107	125	149	187	206	301
Recreation class participants	2,143	1,906	1,871	1,550	1,491	1,705	2,125	3,295	4,254	3,483
Facility rentals	24	64	126	121	371	575	365	419	231	191
Youth sport participants	N/A	N/A	N/A	N/A	823	883	797	920	896	1,081
Adult sport participants	N/A	N/A	N/A	N/A	534	746	392	852	905	875
<b>Water:</b>										
Average daily consumption (thousands of gallons)	5,140	5,185	5,051	5,047	4,899	4,762	4,751	4,542	5,374	5,452
<b>Community Development</b>										
<b>Planning permits:</b>										
Entitlements	N/A	N/A	N/A	17	18	22	26	7*	8*	13
Legislative Action	N/A	N/A	N/A	4	4	5	6	9*	6*	6
<b>Building permits:</b>										
New construction	N/A	N/A	N/A	13	12	6	11	6	5	N/A
Alteration/repair	N/A	N/A	N/A	451	515	376	267	259	199	N/A
Plan checks	N/A	N/A	N/A	175	186	157	145	100	124	N/A
Business license inspections	N/A	N/A	N/A	451	417	450	397	396	305	N/A

<sup>2</sup> - The information is activity from 1/1/08 - 10/19/08

<sup>3</sup> - Down 1 code enforcement officers during period

<sup>4</sup> - Down 3 code enforcement officers during period

<sup>5</sup> - Supervisor on military leave during period

<sup>6</sup> - As of November 31, 2007 and does not include buy back center data or C & D material.

\* Only includes cases reviewed by the Planning Commission and/or the City Council

Source: City of Huntington Park

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	3	3	3	3
<b>Field services:</b>										
Residential streets (miles)	38	38	38	38	38	38	38	38	38	38
Traffic signals	53	53	53	53	53	53	53	53	53	53
<b>Parks and recreation:</b>										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	31	31	31	31	31	31	31	31	31	31
Athletic Fields	8	8	8	8	8	8	8	8	8	8
Community centers	5	5	5	5	5	5	5	5	5	5
<b>Water:</b>										
Water mains (miles)	61	61	61	61	61	61	61	61	61	61
Wells	7	7	7	7	7	7	7	7	7	7
Plants	21	21	21	21	21	21	21	21	21	21
<b>Wastewater:</b>										
Sanitary sewers (miles)	51	51	51	51	51	51	51	51	51	51
Storm sewers (miles)	4	4	4	4	4	4	4	4	4	4

Note: A complete valuation of the City's capital assets including infrastructure was completed for fiscal 2002.

Source: City of Huntington Park Finance Department