

**Comprehensive Annual Financial Report
City of Huntington Park, California
Year ended June 30, 2012
with Report of Independent Auditors**

Prepared by: Finance Department

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City of
HUNTINGTON PARK

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FINANCE DEPARTMENT

July 2, 2013

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, 2012.

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, 2012, 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, 2012, 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 2011-2012 the City's sales tax revenues, one of our key sources of revenues, increased by only 4% compared to 2010-2011. 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 discernible trend toward steady residential growth.

Key Revenue Sources. Sales Tax and Utility Users' Tax are the City's largest revenue sources, accounting for about 52% of General Fund revenues. Actual Utility Users' Tax revenues were slight less than the estimated amount approximately \$25,000. Actual Sales Tax revenues were approximately \$115,000 more than budget.

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 that do not exceed its revenues.

The City is facing a very difficult budget decision in 2012-13. While revenues will increase at a steady pace the increases in the purchases of services will be larger than the revenues generated. Although the City remains conservative in its spending, the shortfalls in revenues will force the City to use contingency funds. The Council has formed a budget committee 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:

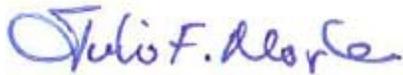
- **Revenue Sources.** Trends and forecast seem to predict that the nation has reached a plateau and the road to recovery will begin but the growth will be moderate. It is expected to take several years before housing sector growth and consumer spending reach a comfortable level. Although Sales Taxes have increased by 2% from the prior year, property taxes have increased by 8%, which, on a combined basis account for 24% of the General fund. Depending on the future growth of 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. Grant awards such as ARRA and other Federal programs 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.

Budget Actions. During the budget preparation for 2012-13, the City prepared a budget that provides quality services to the community. There is a gap of \$4,282,600 between General fund revenues and expenditures. In developing the budget for the General fund, each department submitted a budget reduction of supplies and services of 15%. The savings of this reduction is close to \$1,250,000. The remaining \$3,032,600 must be covered through increases in revenues or further decreases in expenditures.

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 unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



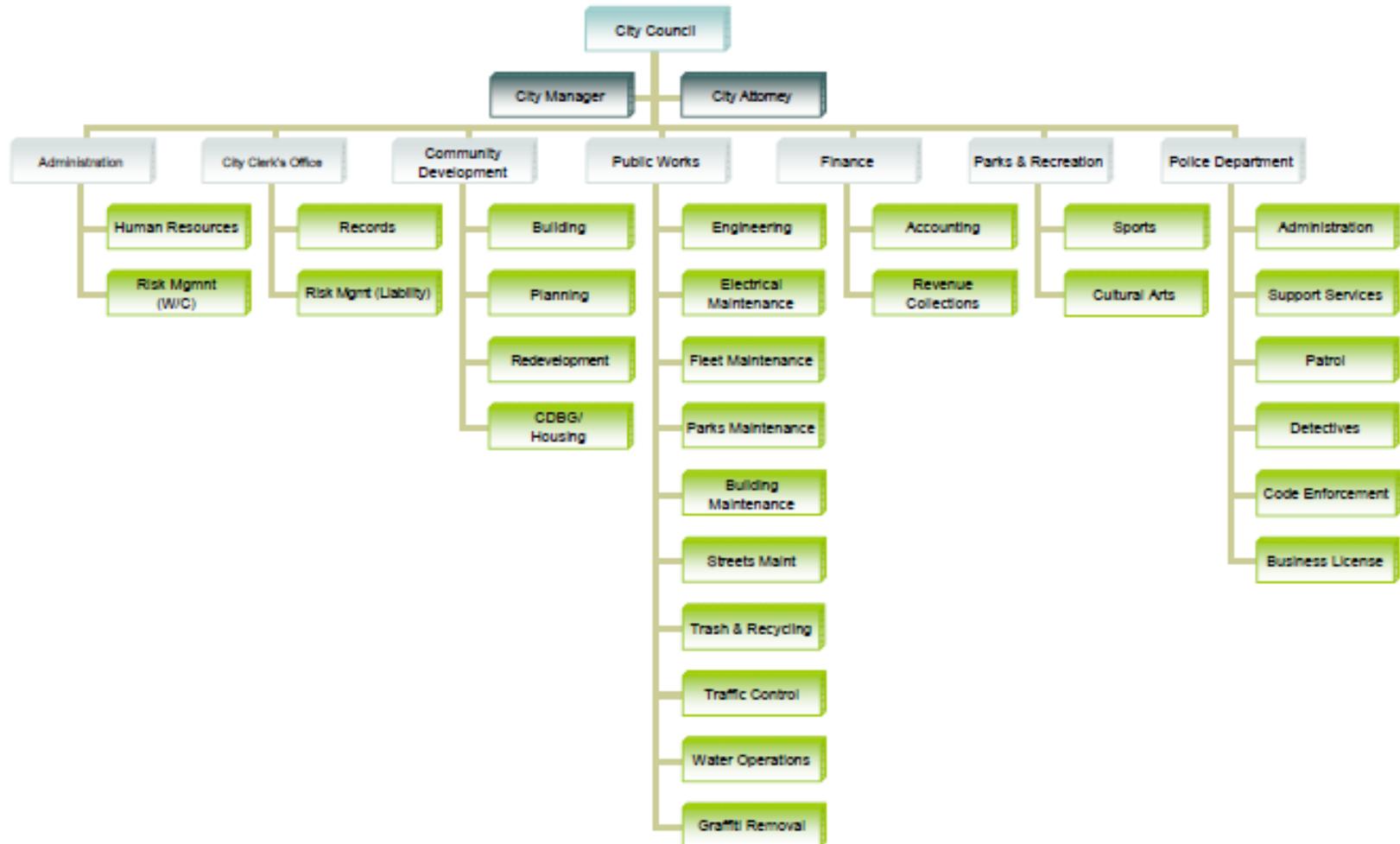
Julio Morales
Director of Finance

City of Huntington Park

Elected Officials and Administrative Officials

Council Member	Valentin Palos Amezquita
Council Member	Karina Macias
Council Member	Mario Gomez
Council Member	Ofelia Hernandez
Council Member	Rosa Perez
City Manager	Rene Bobadilla
City Clerk	Rosanna M. Ramirez
Public Works Director/Engineering	James Enriquez
Interim City Attorney	Rutan & Tucker, LLP
Director of Finance/City Treasurer	Julio Morales
Director of Parks and Recreation	Josette Espinosa
Chief of Police	Jorge A. Cisneros

City of Huntington Park



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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Park, California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Huntington Park'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 statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Park, California, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 24 to the financial statements, the City of Huntington Park Redevelopment Commission, a blended component unit of the City, was dissolved effective February 1, 2012 as a result of legislation enacted by the State of California.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013 on our consideration of the City of Huntington Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, and the required supplementary information on pages 69 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Huntington Park's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Vargay + Company LLP

Los Angeles, California
July 2, 2013

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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, 2012. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

FINANCIAL HIGHLIGHTS

Government-wide:

- As of June 30, 2012, the City's total net assets were \$74.1 million. This was an increase from the prior year by \$167.2 million. The increase was primarily due to the elimination of the Los Angeles County Loan Deferral, as a result of the dissolution of the Redevelopment Commission.
- The City's total (general) revenues decreased by \$4.2 million. The decline was caused by decreases in revenues stemming from the dissolution of the Redevelopment Commission.
- The City's governmental activities capital assets decreased by \$1.7 million. This decrease was related to the dissolution of the Redevelopment Commission.

Fund based:

- The City's General Fund revenues decreased by \$5.7 million from \$30.6 million in fiscal 2011 to \$24.9 million in 2012, due to the removal of \$5.2 million in (risk management) interfund charges. Actual General Fund balance declined by \$488,000 after this adjustment.
- The City's actual General fund expenditures were \$24.6 million, which was \$4.6 million less than the Adopted Budgeted amount of \$29.2 million for fiscal 2012.
- The City's General Fund generated net income (revenues over expenses) before one-time adjustments of \$227,000. The City wrote off \$22.9 million in loans that it had advanced to the Redevelopment Commission. The General Fund's fund balance was \$16.0 million, as of June 30, 2012, a decrease of \$22.7 million from the prior fiscal year.

Fund Balance Adjustments:

On May 2, 2013 the City Council approved a transfer (from General Fund reserves) and adjustment of the negative equity fund balances in the following funds:

○ Employee Retirement Fund	\$3,098,213
○ Landscape & Lighting Fund	\$1,804,465
○ Water Fund	\$ 732,576
○ Waste Management Fund	\$ 40,121
○ Parking System Fund	\$ 38,032

As a result, these funds will have zero (\$0) ending fund equity position at the beginning of the fiscal year, while the General Funds equity fund position will be adjusted downward by \$5.7 million from \$16.0 million to \$10.3 million.

These adjustments were approved after the submittal of the FY 11-12 financial statements to the State Auditor-Controller. Consequently, they have not been reflected in this year's audited financial statements, but will be incorporated in next year's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Huntington Park's finances and to show the City's accountability for the money it receives.

This discussion and analysis is intended as an introduction to the City's basic financial statements. The introductory section includes the letter of transmittal, a management discussion and analysis (MD&A), and organizational chart of the City and its elected officials. The basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Finally the statistical section provides financial trend information based on the information presented in this and prior years' annual reports as well as demographic information about the City.

The City reports its financial statements using Government Accounting Standards Board Statement No. 34 (GASB 34). The intent of GASB 34 is to move government accounting and reporting closer to that of the private sector and to present such information in a format which readers can more easily assess the financial health of the City and whether its financial condition is improving or deteriorating over time.

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 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 other State and 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.

All of the City's funds can be divided into three categories: governmental funds, proprietary funds (enterprise and internal service funds), and fiduciary funds:

Governmental Funds

- General Fund
- Employee Retirement Fund
- HUD / HOME Program
- Other Governmental Funds

Proprietary Funds

Enterprise Funds

- Water Authority
- Sewer and Storm Water Fund

Internal Service Funds

- Fleet Maintenance Fund
- Vehicle and Equipment Replacement Fund
- Workers Compensation Fund
- Employee Benefit Fund

Fiduciary Funds

- Successor Agency Private Purpose Trust Fund

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* method 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 reconciliation 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.

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

Internal Service 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.

Fiduciary Funds. The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities have been excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Pursuant to the provisions of ABX126, the Community Development Commission of the City of Huntington Park was dissolved and the Successor Agency to the Dissolved Community Development Commission (Successor Agency) was created, and all of the assets, liabilities and obligations of the former Agency were transferred to the Successor Agency on February 1, 2012. The Successor Agency is now reported as a Fiduciary Fund and is no longer considered a part of the Government-wide 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 retire 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 Statement of Net Assets

	Governmental Activities		Business type activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 61.6	\$ 78.3	\$ 0.8	\$ 2.4	\$ 62.5	\$ 80.7
Capital assets	52.0	53.7	17.6	17.5	69.6	71.2
Total assets	<u>113.7</u>	<u>132.0</u>	<u>18.4</u>	<u>19.9</u>	<u>132.1</u>	<u>151.9</u>
Long-term debt outstanding	52.2	235.5	0.1	0.1	52.3	235.6
Other liabilities	4.7	8.1	0.9	1.2	5.7	9.3
Total liabilities	<u>57.0</u>	<u>243.6</u>	<u>1.0</u>	<u>1.3</u>	<u>57.9</u>	<u>244.9</u>
Net assets:						
Invested in capital assets, net of related debt	40.9	42.4	17.6	17.5	58.5	59.9
Restricted	12.0	26.0	-	-	12.0	26.0
Unrestricted	3.9	(180.0)	(0.2)	1.1	3.7	(178.9)
Total net assets	<u>\$ 56.7</u>	<u>\$ (111.6)</u>	<u>\$ 17.4</u>	<u>\$ 18.6</u>	<u>\$ 74.1</u>	<u>\$ (93.0)</u>

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

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

The City's government-wide total net assets were \$56.7 million, with assets of \$113.7 million and liabilities of \$57.0 million. The net investment in capital assets was \$40.9 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 outstanding debt used to acquire those assets. 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 \$12 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3.9 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.

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

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

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

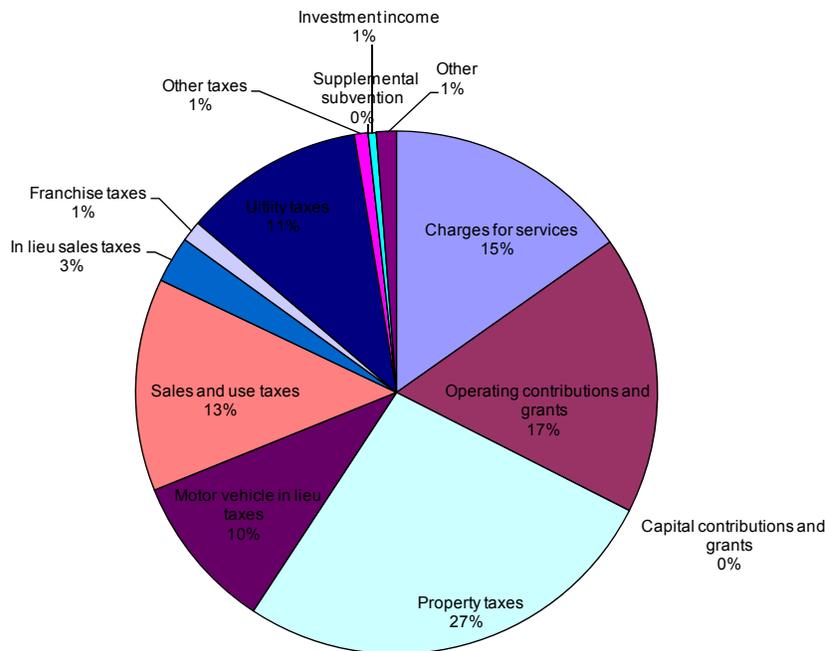
	Governmental Activities		Business type activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 7.5	\$ 7.7	\$ 4.5	\$ 4.7	\$ 12.1	\$ 12.4
Operating contributions and grants	8.5	7.6	0.3	0.1	8.8	7.7
Capital contributions and grants	-	-	-	-	-	-
Sub-total program revenues	<u>16.1</u>	<u>15.3</u>	<u>4.8</u>	<u>4.8</u>	<u>20.9</u>	<u>20.1</u>
General revenues:						
Property taxes	13.2	14.6	-	-	13.2	14.6
Motor vehicle in lieu taxes	4.8	4.8	-	-	4.8	4.8
Sales and use taxes	6.5	6.4	-	-	6.5	6.4
In lieu sales taxes	1.4	1.3	-	-	1.4	1.3
Franchise taxes	0.6	0.6	-	-	0.6	0.6
Utility taxes	5.5	5.9	-	-	5.5	5.9
Other taxes	0.4	1.0	-	-	0.4	1.0
Parking meter	-	-	-	-	-	-
Supplemental subvention	-	-	-	-	-	-
Investment income	0.2	1.6	0.0	-	0.3	1.6
Other	0.6	2.1	0.0	0.1	0.6	2.2
Sub-total general revenues	<u>33.4</u>	<u>38.3</u>	<u>0.0</u>	<u>0.1</u>	<u>33.4</u>	<u>38.4</u>
Total revenues	<u>49.4</u>	<u>53.6</u>	<u>4.9</u>	<u>4.9</u>	<u>54.3</u>	<u>58.5</u>
Expenses						
General government	7.4	8.2	-	-	7.4	8.2
Public safety	17.5	16.3	-	-	17.5	16.3
Public works	9.5	9.4	-	-	9.5	9.4
Community services	3.0	3.2	-	-	3.0	3.2
Community development	9.4	11.9	-	-	9.4	11.9
Interest on long-term debt	4.2	13.7	-	-	4.2	13.7
Water	-	-	5.6	5.4	5.6	5.4
Sewer	-	-	0.2	0.9	0.2	0.9
Solid waste	-	-	0.1	0.2	0.1	0.2
Total expenses	<u>51.0</u>	<u>62.7</u>	<u>6.0</u>	<u>6.5</u>	<u>57.0</u>	<u>69.2</u>
Increase/(Decrease) in net assets, before extraordinary items	(1.5)	(9.1)	(1.1)	(1.6)	(2.7)	(10.7)
Extraordinary item:						
RDA dissolution transactions	<u>169.8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169.8</u>	<u>-</u>
Increase/(Decrease) in net assets, after extraordinary items	168.3	(9.1)	(1.1)	(1.6)	167.2	(10.7)
Beginning net assets, as restated	<u>(111.6)</u>	<u>(102.5)</u>	<u>18.6</u>	<u>20.2</u>	<u>(93.0)</u>	<u>(82.3)</u>
Ending net assets	<u>\$ 56.7</u>	<u>\$ (111.6)</u>	<u>\$ 17.4</u>	<u>\$ 18.6</u>	<u>\$ 74.1</u>	<u>\$ (93.0)</u>

Governmental Activities. Governmental activities increased the City's net assets by \$168.3 million. The factors attributable to this increase are as follows:

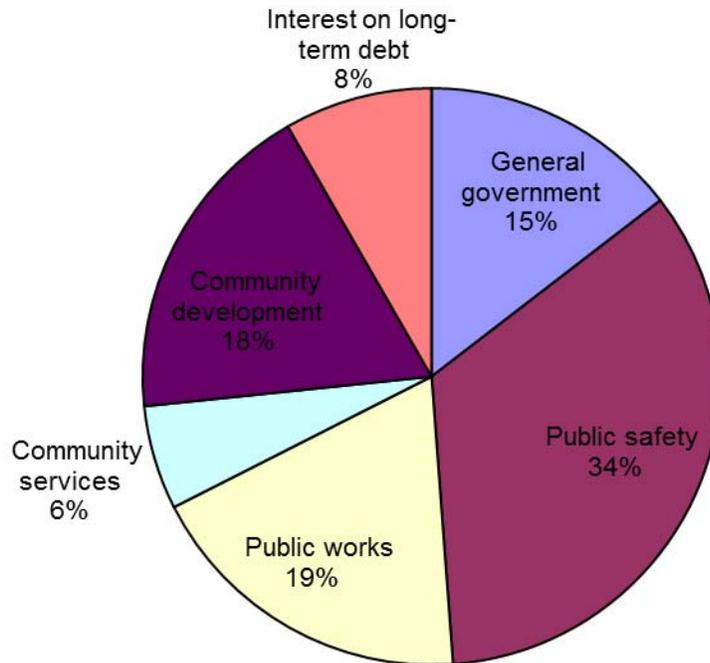
- The majority of this increase was due to the elimination of the Los Angeles County Loan Deferral (Note 24), as a result of the dissolution of the Redevelopment Commission, which decrease liabilities by \$169.8 million.
- The City's sales and use taxes increased from \$6.4 million for fiscal 2011 to \$6.5 million for fiscal 2012, a total increase of \$0.1 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 \$14.6 million for fiscal 2011 to \$13.2 million for fiscal 2012, a total decrease of \$1.4 million. The decrease is attributed to valuation assessments requested by homeowners and commercial property owners due to the decline in property values. Also the dissolution of the Redevelopment Agency will further reduce property taxes received by the City.
- Utility User's tax decreased from \$5.9 million for fiscal 2011 to \$5.5 million for fiscal year 2012, a total decrease of \$0.4 million. Fiscal year 2012 was a result of a decrease in the demand for utilities.

The City's total governmental activity expenses decreased from \$62.7 million for fiscal year 2011 to \$51.0 million for fiscal year 2012, a total decrease of \$11.7 million. The reduction was due to the Redevelopment Commission's debt service being transferred to the Successor Agency.

Revenues by Source – Governmental Activities



Expenses by Function – Governmental Activities



Business-type Activities. Business-type activities remained relatively level for fiscal 2012 with a decrease in net assets of \$1.1 million in fiscal year 2012 compared to \$1.6 million in fiscal year 2011. Key elements of this year's decrease in relation to prior year are as follow:

- The change in net assets from its water operations decreased by \$1.0 million due to increase in expenditures for contractual services during the year.
- Water operation revenues decreased slightly in fiscal 2012 by about \$0.17 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, 2012, the City's governmental funds reported combined ending fund balances of \$24.9 million, an increase of \$13.2 million in comparison with the prior year. Of that amount, \$10.6 million constitutes *unassigned fund balance* which is available for spending at the City's discretion. Fund balance totaling \$55 thousand is *nonspendable* because these are resources that are not of a spending form or are not currently available for spending. The remaining Restricted fund balance totaling approximately \$14.0 million has already been committed to: 1) capital projects (\$1.0 million); and 2) for special revenue funds (\$13 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 \$16 million, a decrease of \$22.7 million in comparison with the prior year. The unrestricted, unassigned fund balance totaled \$16 million. The increase in the unrestricted General fund balance was a result of increases in revenues, as operating costs decreased. The overall decrease in fund balance was due to the loans to the Redevelopment Commission being written-off.

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 fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water fund at the end of the year amounted to a deficit of \$0.7 million, \$1.4 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 \$26.5 million (the original budget matched the final budget).

Appropriations and Transfers Out – The final appropriations and transfers were \$29.3 million, a decrease of \$0.1 million from the original allocation. There were no notable budget adjustments for the year, however, a combined total for adjustments for each division of the General fund reflected an overall reduction in expenditures.

Budget to Actual Variance

The actual total revenues and transfers in of \$25.4 million were lower than the final budgeted amounts by \$1.6 million. No adjustments to the final budgeted were made during the year to revise estimated amounts to approximate the updated expected actual results based on data and information received from the State and other agencies.

The actual total expenditures of \$24.6 million were lower than the final appropriations of \$30.0 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, 2012, totaled \$69.6 million, net of depreciation. These assets include land, construction in progress, buildings and improvements, vehicles, property and equipment and various infrastructures.

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

Capital Assets
(Net of depreciation and in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 5,701	\$ 5,701	\$ 4,139	\$ 4,139	\$ 9,840	\$ 9,840
Buildings and improvements	11,236	10,883	931	-	12,167	10,883
Vehicles	825	1,085	-	-	825	1,085
Property and equipment	933	941	39	24	972	965
Infrastructure	32,950	32,557	12,471	11,831	45,421	44,388
Construction in progress	388	2,517	-	1,491	388	4,008
Total \$	<u>52,033</u>	<u>\$ 53,684</u>	<u>\$ 17,580</u>	<u>\$ 17,485</u>	<u>\$ 69,613</u>	<u>\$ 71,169</u>

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

The major additions to capital assets, which are still in progress, during the year ended June 30, 2012, 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 6) to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had \$52.2 million in outstanding long-term debt for Governmental Activities, a decrease of \$183.7 million, or 614%, from the preceding fiscal year. The overall decrease was due to the dissolution of the Redevelopment Commission and by the City's scheduled repayment of the related outstanding long-term debt. For additional information on long-term debt, please refer to Note 11 to the notes of the basic financial statements.

Long-Term Debt
(In thousands)

	2012	2011	Variance Increase/ (Decrease)	% Change
Pensions obligation bonds	\$ 21,100	\$ 21,700	\$ (600)	-2.76%
Street light improvement bonds	8,885	9,191	(306)	0.00%
Compensated absences	3,489	3,171	318	10.04%
Notes/Loans/Agreements	10,611	151,823	(141,212)	-93.01%
Claims and judgements	4,878	4,864	14	0.00%
Lease/Revenue bonds	1,757	44,838	(43,081)	-96.08%
OPEB liability	1,520	(654)	2,174	-332.43%
Interest rate swap liability	-	1,077	(1,077)	-100.00%
Total \$	<u>52,240</u>	<u>\$ 236,010</u>	<u>\$ (183,770)</u>	<u>-614%</u>

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

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 2012-2013

When preparing the City's budget for fiscal 2013, the following factors were considered.

- September 2012 - 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-2013 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 2013. The California forecast sees virtually no growth in employment, with employment growth of 0.7% and 2.1% expected in 2013 and 2014 respectively. Payrolls will grow more rapidly at 1.1%, .6% and 2.0% for the forecast years through 2014 and the unemployment rate will hover around 12% for the rest of this year and will average 11% through 2014.
- 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 2012/2013 operating budget includes an approximately a \$4 million structural deficit. 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, 2012

ASSETS	Governmental Activities	Business-type Activities	Total
	\$	\$	\$
Cash and investments	29,328,886	596,111	29,924,997
Receivables			
Taxes	2,703,964	-	2,703,964
Accounts	4,960,187	718,426	5,678,613
Notes	6,312,350	-	6,312,350
Prepaid expenses	55,383	-	55,383
Internal balances	479,183	(479,183)	-
Capital assets:			
Non-depreciable	6,089,075	4,139,404	10,228,479
Depreciable, net of depreciation	45,944,049	13,440,237	59,384,286
Deferred bond issue costs, net of amortization	468,804	-	468,804
Pension asset, net of amortization	17,315,877	-	17,315,877
Total assets	113,657,758	18,414,995	132,072,753
LIABILITIES			
Accounts payable and accrued liabilities	2,917,856	528,766	3,446,622
Interest payable	826,505	-	826,505
Unearned revenue	218,647	4,426	223,073
Deposits	167,716	405,202	572,918
Due to other governments	584,947	-	584,947
Noncurrent liabilities			
Due within one year	2,998,594	-	2,998,594
Due in more than one year	49,241,211	54,904	49,296,115
Total liabilities	56,955,476	993,298	57,948,774
NET ASSETS			
Invested in capital assets, net of related debt	40,872,320	17,579,641	58,451,961
Restricted for:			
Public safety	2,449,658	-	2,449,658
Public works	3,664,354	-	3,664,354
Community development	5,576,970	-	5,576,970
Retired employees	268,605	-	268,605
Unrestricted (deficit)	3,870,375	(157,944)	3,712,431
Total net assets (deficit)	\$ 56,702,282	\$ 17,421,697	\$ 74,123,979

See notes to financial statements.

**City of Huntington Park
Statement of Activities
Year ended June 30, 2012**

	Program Revenues						
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net Governmental Activities	Net Business-type Activities	Total
Governmental Activities							
General Government	\$ 7,408,478	\$ 3,480,292	\$ 433,699	\$ -	\$ (3,494,487)	\$ -	\$ (3,494,487)
Public Safety	17,470,158	2,042,596	530,105	-	(14,897,457)	-	(14,897,457)
Public Works	9,531,593	119,038	2,937,707	-	(6,474,848)	-	(6,474,848)
Community Services	2,974,883	645,245	334,411	-	(1,995,227)	-	(1,995,227)
Community Development	9,351,165	1,236,244	4,305,123	-	(3,809,798)	-	(3,809,798)
Interest on long-term debt	4,226,594	-	-	-	(4,226,594)	-	(4,226,594)
Total Governmental Activities	50,962,871	7,523,415	8,541,045	-	(34,898,411)	-	(34,898,411)
Business-type Activities;							
Water	5,633,636	4,070,052	292,214	-	-	(1,271,370)	(1,271,370)
Sewer	239,677	326,470	-	-	-	86,793	86,793
Solid Waste	129,012	139,978	-	-	-	10,966	10,966
Total Business-type Activities	6,002,325	4,536,500	292,214	-	-	(1,173,611)	(1,173,611)
Total \$	56,965,196	\$ 12,059,915	\$ 8,833,259	\$ -	(34,898,411)	(1,173,611)	(36,072,022)
General revenues							
Taxes:							
					13,223,844	-	13,223,844
					4,780,123	-	4,780,123
					6,518,106	-	6,518,106
					1,424,304	-	1,424,304
					636,094	-	636,094
					5,523,882	-	5,523,882
					421,016	-	421,016
					245,456	5,087	250,543
					611,693	31,917	643,610
					33,384,518	37,004	33,421,522
					(1,513,893)	(1,136,607)	(2,650,500)
Extraordinary item							
					169,818,234	-	169,818,234
					168,304,341	(1,136,607)	167,167,734
					(111,602,059)	18,558,304	(93,043,755)
					\$ 56,702,282	\$ 17,421,697	\$ 74,123,979

See notes to financial statements.

FUND FINANCIAL STATEMENTS

**City of Huntington Park
Governmental Funds
Balance Sheet
June 30, 2012**

	Special Revenue Funds					Total
	General	Employees' Retirement	HUD Home Program	HUD Section 108 Loan	Other Governmental Funds	
ASSETS						
Cash and investments	\$ 8,352,355	\$ -	\$ -	\$ 6,310,115	\$ 8,811,322	\$ 23,473,792
Receivables:						
Taxes	1,110,578	517,984	-	-	1,075,402	2,703,964
Accounts and interest	3,622,677	-	795,597	4,747	532,897	4,955,918
Loans	-	-	6,137,145	-	175,205	6,312,350
Prepaid expenses	45,373	-	-	-	10,010	55,383
Due from other funds	7,137,890	-	-	-	-	7,137,890
Total assets	\$ 20,268,873	\$ 517,984	\$ 6,932,742	\$ 6,314,862	\$ 10,604,836	\$ 44,639,297
LIABILITIES						
Accounts payable	\$ 985,297	\$ 2,150	\$ 288,993	-	\$ 872,408	\$ 2,148,848
Accrued payroll	549,998	52,238	3,545	-	25,969	631,750
Accrued employee benefits payable - short term	-	-	2,907	-	23,029	25,936
Deposits	140,977	1,739	-	-	25,000	167,716
Due to other funds	-	3,560,169	735,888	-	2,254,154	6,550,211
Due to other governments	11,778	-	-	-	573,169	584,947
Deferred revenue	2,558,000	-	6,233,824	-	786,212	9,578,036
Total liabilities	4,246,050	3,616,296	7,265,157	-	4,559,941	19,687,444
FUND BALANCES						
Nonspendable	45,373	-	-	-	10,010	55,383
Restricted for:						
Capital projects	-	-	-	-	1,066,419	1,066,419
Special revenue funds	-	-	-	6,314,862	6,909,003	13,223,865
Unassigned	15,977,450	(3,098,312)	(332,415)	-	(1,940,537)	10,606,186
Total fund balances (deficit)	16,022,823	(3,098,312)	(332,415)	6,314,862	6,044,895	24,951,853
Total liabilities and fund balances	\$ 20,268,873	\$ 517,984	\$ 6,932,742	\$ 6,314,862	\$ 10,604,836	\$ 44,639,297

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, 2012**

Fund balance of governmental funds		\$ 24,951,853
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.		51,871,672
Net pension asset of governmental activities are not financial resources and therefore, are not reported in the governmental funds.		17,315,877
Certain long-term assets are not available to pay for current period expenditures and are deferred in the funds.		9,359,389
Interest expenditures are recognized when due and accrued interest payable is not recorded in the governmental funds.		(826,504)
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
OPEB liability	\$ (1,520,339)	
Compensated absences	(3,488,848)	
Loans and notes payable	(10,611,060)	
Claims and judgments	(4,062,907)	
Bonds and premium on bonds	<u>(31,741,651)</u>	
		(51,424,805)
Long-term deferred charges from bond issuance are not a current financial resource and are not included in the governmental funds.		468,804
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.		4,985,996
Net assets of governmental activities		<u>\$ 56,702,282</u>

See notes to financial statements.

**City of Huntington Park
Governmental Funds**

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

	Special Revenue Funds					Total
	General Fund	Employees' Retirement	HUD Home Program	HUD Section 108 Loan	Other Governmental Funds	
Revenues						
Taxes	\$ 17,758,052	\$ 3,928,720	\$ -	\$ -	\$ 10,840,597	\$ 32,527,369
Licenses and permits	1,794,342	-	-	-	-	1,794,342
Fines and forfeitures	1,737,348	-	-	-	61,744	1,799,092
Use of money and property	94,375	-	-	39,361	80,982	214,718
Intergovernmental	85,203	42,568	1,381,170	-	6,685,538	8,194,479
Charges for services	2,567,357	-	-	-	1,421,188	3,988,545
Other revenues	536,609	-	-	-	238,395	775,004
Interfund charges	276,719	262,634	-	-	1,371,118	1,910,471
Total revenues	24,850,005	4,233,922	1,381,170	39,361	20,699,562	51,204,020
Expenditures						
Current:						
General government	2,933,763	3,178,944	-	-	1,350,165	7,462,872
Public safety	15,213,773	-	-	-	63,051	15,276,824
Public works	3,807,827	-	-	-	2,975,580	6,783,407
Community services	1,290,636	-	-	-	1,465,300	2,755,936
Community development	1,175,375	-	673,440	-	5,982,889	7,831,704
Capital outlay	2,983	-	904,277	-	2,558,606	3,465,866
Debt service:						
Principal retirement	198,569	600,000	-	546,215	4,631,784	5,976,568
Interest and fiscal charges	-	1,197,216	-	-	2,950,893	4,148,109
Total expenditures	24,622,926	4,976,160	1,577,717	546,215	21,978,268	53,701,286
Excess (deficiency) of revenues over expenditures	227,079	(742,238)	(196,547)	(506,854)	(1,278,706)	(2,497,266)
Other financing sources (uses)						
Transfers in	30,975	-	-	-	34,246	65,221
Transfers out	-	-	-	-	(65,221)	(65,221)
Net other financing sources (uses)	30,975	-	-	-	(30,975)	-
Change in fund balance, before extraordinary item	258,054	(742,238)	(196,547)	(506,854)	(1,309,681)	(2,497,266)
Extraordinary item						
Adjustment for loans receivable from dissolved redevelopment agency	(22,910,302)	-	-	-	47,112,579	24,202,277
RDA dissolution transactions	-	-	-	-	(8,433,593)	(8,433,593)
	(22,910,302)	-	-	-	38,678,986	15,768,684
Change in fund balance after extraordinary item	(22,652,248)	(742,238)	(196,547)	(506,854)	37,369,305	13,271,418
Fund balance, beginning of year, as restated	38,675,071	(2,356,074)	(135,868)	6,821,716	(31,324,410)	11,680,435
Fund balance, end of year	\$ 16,022,823	\$ (3,098,312)	\$ (332,415)	\$ 6,314,862	\$ 6,044,895	\$ 24,951,853

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, 2012

Net Change in fund balances before extraordinary items - governmental funds	\$	(2,497,266)
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:		
Governmental 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:		
Cost of assets capitalized		1,911,257
Depreciation expense		(3,346,729)
Governmental funds report other postemployment benefits payments in excess of the annual required contributions as current expenditures. However, in the statement of activities, the excess payments are capitalized.		
		(2,174,456)
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.		
		(984,564)
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.		
		265,588
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:		
Principal payments of long-term debt		4,856,646
Note payments		1,059,260
Claims and judgments		(13,872)
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:		
Change in bond issuance costs		(52,090)
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.		
		(318,262)
Expenses 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.		
		34,266
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.		
		(253,671)
Change in net assets of governmental activities before extraordinary items	\$	<u><u>(1,513,893)</u></u>

See notes to financial statements.

**City of Huntington Park
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Other Enterprise Funds	Total	
ASSETS				
Current assets				
Cash and investments	\$ -	\$ 596,111	\$ 596,111	\$ 5,855,094
Accounts receivable	663,775	54,651	718,426	4,269
Total current assets	<u>663,775</u>	<u>650,762</u>	<u>1,314,537</u>	<u>5,859,363</u>
Noncurrent assets				
Capital assets	24,003,914	8,998,545	33,002,459	2,385,573
Less accumulated depreciation	<u>(12,189,210)</u>	<u>(3,233,606)</u>	<u>(15,422,816)</u>	<u>(2,224,121)</u>
Net capital assets	<u>11,814,704</u>	<u>5,764,939</u>	<u>17,579,643</u>	<u>161,452</u>
Total noncurrent assets	<u>11,814,704</u>	<u>5,764,939</u>	<u>17,579,643</u>	<u>161,452</u>
Total assets	<u><u>12,478,479</u></u>	<u><u>6,415,701</u></u>	<u><u>18,894,180</u></u>	<u><u>6,020,815</u></u>
LIABILITIES				
Current liabilities				
Accounts payable	498,178	19,839	518,017	95,117
Accrued payroll	3,090	1,433	4,523	11,865
Accrued leave payable	4,905	1,323	6,228	4,341
Deposits payable	399,265	5,937	405,202	-
Due to other funds	445,231	33,952	479,183	108,496
Deferred revenue	-	4,426	4,426	-
Total current liabilities	<u>1,350,669</u>	<u>66,910</u>	<u>1,417,579</u>	<u>219,819</u>
Noncurrent liabilities				
Claims payable	-	-	-	815,000
Compensated absences payable	<u>45,682</u>	<u>9,222</u>	<u>54,904</u>	<u>-</u>
Total liabilities	<u><u>1,396,351</u></u>	<u><u>76,132</u></u>	<u><u>1,472,483</u></u>	<u><u>1,034,819</u></u>
NET ASSETS				
Invested in capital assets	11,814,704	5,764,939	17,579,643	161,452
Unrestricted	<u>(732,576)</u>	<u>574,630</u>	<u>(157,946)</u>	<u>4,824,544</u>
Total net assets	<u><u>\$ 11,082,128</u></u>	<u><u>\$ 6,339,569</u></u>	<u><u>\$ 17,421,697</u></u>	<u><u>\$ 4,985,996</u></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, 2012

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Fund</u>	<u>Enterprise</u>		<u>Internal</u>
		<u>Funds</u>		<u>Service Funds</u>
Operating revenues				
Charges for services	\$ 4,070,052	\$ 466,448	\$ 4,536,500	\$ 5,086,831
Other	31,763	155	31,918	-
Total operating revenues	<u>4,101,815</u>	<u>466,603</u>	<u>4,568,418</u>	<u>5,086,831</u>
Operating expenses				
Personnel services	447,630	137,430	585,060	480,939
Contractual services	1,047,087	-	1,047,087	448,292
General	12,411	2,201	14,612	-
Materials and supplies	3,694,162	187,919	3,882,081	484,561
Insurance	25,300	8,985	34,285	3,773,767
Depreciation	407,046	32,154	439,200	183,254
Total operating expenses	<u>5,633,636</u>	<u>368,689</u>	<u>6,002,325</u>	<u>5,370,813</u>
Operating income (loss)	(1,531,821)	97,914	(1,433,907)	(283,982)
Nonoperating revenues (expenses)				
Interest earnings on investments	1,777	3,309	5,086	30,311
Intergovernmental revenue	292,214	-	292,214	-
Change in net assets	(1,237,830)	101,223	(1,136,607)	(253,671)
Total net assets - beginning	<u>12,319,958</u>	<u>6,238,346</u>	<u>18,558,304</u>	<u>5,239,667</u>
Total net assets - ending	<u>\$ 11,082,128</u>	<u>\$ 6,339,569</u>	<u>\$ 17,421,697</u>	<u>\$ 4,985,996</u>

See notes to financial statements.

**City of Huntington Park
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from tenants, customers and users	\$ 4,492,639	\$ 466,943	\$ 4,959,582	\$ 5,010,970
Payments to suppliers	(5,084,193)	(195,128)	(5,279,321)	(4,797,070)
Payments to employees	(445,551)	(127,357)	(572,908)	(500,575)
Net cash provided by (used in) operating activities	<u>(1,037,105)</u>	<u>144,458</u>	<u>(892,647)</u>	<u>(286,675)</u>
Cash flows from capital and related financing activities				
Purchases and construction of capital assets	(534,122)	-	(534,122)	32,261
Net cash provided by (used in) capital and related financing activities	<u>(534,122)</u>	<u>-</u>	<u>(534,122)</u>	<u>32,261</u>
Cash flows from non-capital financing activities				
Cash contributions from other governments	292,213	-	292,213	-
Net cash provided by non-capital financing activities	<u>292,213</u>	<u>-</u>	<u>292,213</u>	<u>-</u>
Cash flows from investing activities				
Interest received	1,776	3,309	5,085	30,311
Change in cash and cash equivalents	(1,277,238)	147,767	(1,129,471)	(224,103)
Beginning cash and cash equivalents	1,277,238	448,344	1,725,582	6,079,197
Ending cash and cash equivalents	<u>\$ -</u>	<u>\$ 596,111</u>	<u>\$ 596,111</u>	<u>\$ 5,855,094</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,531,821)	\$ 97,914	\$ (1,433,907)	\$ (283,982)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	407,046	32,154	439,200	183,254
(Increase) decrease in:				
Accounts receivable	(54,407)	(7,760)	(62,167)	720
Prepaid	32,547	-	32,547	163,754
Increase (decrease):				
Accounts payable	(348,625)	3,976	(344,649)	(254,204)
Accrued payroll	135	(4,588)	(4,453)	(19,892)
Accrued leave payable	(8,576)	(1,369)	(9,945)	256
Due to other funds	445,231	33,952	479,183	(76,581)
Deposits payable	10,845	-	10,845	-
Compensated absences payable	10,520	(9,821)	699	-
Net cash provided by (used in) operating activities	<u>\$ (1,037,105)</u>	<u>\$ 144,458</u>	<u>\$ (892,647)</u>	<u>\$ (286,675)</u>

There were no noncash capital financing and investing activities during the year ended June 30, 2012.

See notes to financial statements.

City of Huntington Park
Statement of Fiduciary Assets and Liabilities
Year ended June 30, 2012

		Successor Agency to the Dissolved Redevelopment Commission Private Purpose Trust Fund
ASSETS		
Cash and investments	\$	6,330,245
Cash and investments with fiscal agent		857,197
Receivables:		
Accounts and interest		49,750
Bond issue costs		1,458,900
Land held for resale		7,001,949
Total assets	\$	<u><u>15,698,041</u></u>

LIABILITIES AND FUND BALANCE		
Accounts payable		2,607,345
Accrued interest payable		655,943
Deposits		61,222
Due to other governments		3,227,564
Deferred revenue		49,750
Long-term liabilities:		
Due within one year		4,152,840
Due in more than one year		188,973,781
Total liabilities		<u><u>199,728,445</u></u>

Private Purpose Trust Fund Net Assets (Deficit)	\$	<u><u>(184,030,404)</u></u>
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See notes to financial statements.

City of Huntington Park
Statement of Changes in Fiduciary Net Assets
Year ended June 30, 2012

	Successor Agency to the Dissolved Redevelopment Commission Private Purpose Trust Fund
Additions:	
Taxes	\$ 1,622,661
Other revenues	31,072
Total revenues	1,653,733
 Deductions:	
Current:	
Community development	373,744
Debt service:	
Interest and fiscal charges	15,492,159
Total expenditures	15,865,903
Excess (deficiency) of revenues over expenditures	(14,212,170)
 Extraordinary items	
Redevelopment Commission dissolution transactions	(169,818,234)
Change in net assets	(184,030,404)
Private purpose trust fund net assets at beginning of the year	-
Private purpose trust fund net assets (deficit) at end of the year	\$ (184,030,404)

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 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.

Component unit financial statements are not issued for the Finance Authority or Parking Authority.

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

Since its formation in 1975 up to its dissolution on February 1, 2012, the Community Development Commission of the City of Huntington Park (Commission) financial activity was reported as a component unit of the City. The Commission's primary purpose was to prepare and carry out plans for the improvement, rehabilitation, and development of blighted areas within territorial limits of the City of Huntington Park. The City Council appointed the Commission director and had full accountability for the Commission's fiscal matters. The Commission's financial data and transactions were included with the special revenue fund type, debt service fund type, and capital projects fund type. Commission revenues consisted primarily of property tax allocations on the incremental increase of property values in the redevelopment area, and investment income. Pursuant to the provisions of ABX126, the Commission was dissolved and the Successor Agency to the Dissolved Community Development Commission of the City of Huntington Park (Successor Agency) was created, and all of the assets, liabilities and obligations of the former Agency were transferred to the Successor Agency on February 1, 2012.

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

Financial information for the Successor Agency is presented as a Private Purpose Trust Fund in the accompanying financial statements. See also Note 24.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 *Employees' Retirement* is used to account for the receipt of property taxes allocated for retirement expenditures.

The *HUD Home Program* is used 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.

The *HUD Section 108* is used to account for housing assistance programs under HUD Section 108 programs administered by the Department of Housing and Urban Development.

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 reports the following nonmajor enterprise funds:

The *Sewer Maintenance fund* is used to account for the activities of sewer utility services provided to the residents of the City.

The *Solid Waste Management fund* is used to account for the activities of solid waste management services provided to the residents of the City.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fiduciary Funds

Successor Agency Private Purpose Trust Fund - This is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Huntington Park Community Development Commission. Unlike the limited reporting typically utilized for Agency Fund, the Private Purpose Trust Fund reports a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2012, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is expensed as incurred.

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, 2012.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$468,804, net of amortization of \$52,090, 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, 2012 the unamortized balance was \$468,804.

Fund Balances

In fiscal year ended June 30, 2012, 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. All special revenue funds are considered restricted.
- 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 approximately \$12 million of restricted net assets, of which approximately \$267 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

The following funds have a deficit Fund Balance at June 30, 2012:

	Deficit
<i>Major Funds:</i>	
Employees' Retirement	\$ (3,098,312)
HUD Home Program	\$ (332,415)
 <i>NonMajor Funds:</i>	
Special Revenue	
Parks and Recreation	\$ (19,766)
Public Financing Authority	\$ (1,850)
Parking System	\$ (38,032)
Street Lighting Landscape Assessment	\$ (1,804,465)
Federal Street Improvement	\$ (96,337)

Management asserts that the deficits 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, 2012 are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Assets	Fiduciary Fund Statement of Net Assets	Total
Statement of net assets:			
Cash and investments	\$ 29,924,997	\$ 6,330,245	\$ 36,255,242
Restricted cash and investments			
Cash and investments with fiscal agents	-	857,197	857,197
	\$ 29,924,997	\$ 7,187,442	\$ 37,112,439

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

Cash on hand		\$ 13,510
Deposits with financial institutions		8,347,648
Investments		28,751,281
		\$ 37,112,439

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.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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.

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.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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	25-60 Months
LAIF	\$ 18,741,625	\$ 18,741,625	\$ -	\$ -
Certificates of deposits	1,003,652	-	752,734	250,918
Federal Farm Credit Bank Note (FFCB)	3,000,558	-	-	3,000,558
Federal Home Loan Bank Note (FHLB)	3,995,628	-	-	3,995,628
Federal Home Loan Mortgage Corp. (Freddie Mac) Note	2,009,818	-	-	2,009,818
	<u>\$ 28,751,281</u>	<u>\$ 18,741,625</u>	<u>\$ 752,734</u>	<u>\$ 9,256,922</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	\$ 18,741,625	N/A	\$ 18,741,625	-
Certificates of deposits	1,003,652	N/A	1,003,652	-
Federal Farm Credit Bank Note (FFCB)	3,000,558	A	-	3,000,558
Federal Home Loan Bank Note (FHLB)	3,995,628	A	-	3,995,628
Federal Home Loan Mortgage Corp. (Freddie Mac) Note	2,009,818	A	-	2,009,818
	<u>\$ 28,751,281</u>		<u>\$ 19,745,277</u>	<u>\$ 9,006,004</u>

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	\$ 3,000,558
Federal Home Loan Bank Note (FHLB)	U.S. Government-Sponsored Enterprise Securities	3,995,628
Federal Home Loan Mortgage Corporation (Freddie Mac) Note	U.S. Government-Sponsored Enterprise Securities	2,009,818
		<u>\$ 9,006,004</u>

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, 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). As of June 30, 2012, the City's deposits (bank balances) were fully insured by FDIC.

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, 2012, the City's investments in the State treasurer's investment pool (LAIF) were approximately \$18.7 million. The management of LAIF has indicated to the City that as of June 30, 2012, the estimated fair value of the pool, including accrued interest, was approximately \$61 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.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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, 2012, the City had \$6,312,350 in various notes receivable. These amounts represent 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:

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 2011-2012, there were no payments remitted by the borrower. Accordingly, no accrued interest was recorded. The principal balance outstanding at June 30, 2012 was \$700,000.

On October 18, 2001, the City entered into an agreement with Rasa Limited Partnership whereby in return for land disposition, the it 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, 2012, were \$100,000 and \$8,000, respectively.

NOTE 5 NOTES RECEIVABLE (CONTINUED)

Oldtimers Housing Development Corporation IV, Note

In prior years the City through the former Community Development Commission of the City of Huntington Park (the Commission) implemented 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 is to be paid by the CHDO's annual payment to the City 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, 2012.

Loan	Date of Loan Agreement	Principal Amount	Interest Rate	Payment Period	Outstanding Balance, June 30, 2012
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
6	January 22, 2008	2,040,715	3%	July 1, 2015- July 1, 2063	1,875,248

City of Huntington Park
Notes to Financial Statements
Year ended June 30, 2012

NOTE 6 CAPITAL ASSETS

The City's capital assets activity for the year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 5,700,656	\$ -	\$ -	\$ -	\$ 5,700,656
Construction in progress	2,516,830	-	(2,128,411)	-	388,419
Total capital assets not being depreciated	<u>8,217,486</u>	<u>-</u>	<u>(2,128,411)</u>	<u>-</u>	<u>6,089,075</u>
Capital assets being depreciated:					
Buildings and improvements	16,813,000	640,288	-	-	17,453,288
Vehicles	5,430,679	-	(64,621)	-	5,366,058
Property and equipment	4,455,263	156,040	(70,593)	-	4,540,710
Infrastructure					
Pavement systems	30,473,120	342,828	-	-	30,815,948
Sidewalk, curb, & gutter system	18,666,009	1,583,318	-	-	20,249,327
Traffic signals	5,389,247	298,614	-	-	5,687,861
Street lights	14,862,229	-	-	-	14,862,229
Total capital assets, being depreciated	<u>96,089,547</u>	<u>3,021,088</u>	<u>(135,214)</u>	<u>-</u>	<u>98,975,421</u>
Less accumulated depreciation for:					
Buildings and Improvements	(5,930,076)	(287,211)	-	-	(6,217,287)
Vehicles	(4,345,296)	(254,562)	58,450	-	(4,541,408)
Property and equipment	(3,514,278)	(141,988)	48,379	-	(3,607,887)
Infrastructure					
Pavement system	(14,009,568)	(910,599)	-	-	(14,920,167)
Sidewalk, curb and gutter system	(11,338,403)	(178,103)	-	-	(11,516,506)
Traffic signals	(4,086,718)	(164,678)	-	-	(4,251,396)
Street lights	(7,398,584)	(578,137)	-	-	(7,976,721)
Total accumulated depreciation	<u>(50,622,923)</u>	<u>(2,515,278)</u>	<u>106,829</u>	<u>-</u>	<u>(53,031,372)</u>
Total capital assets, being depreciated, net	<u>45,466,624</u>	<u>505,810</u>	<u>(28,385)</u>	<u>-</u>	<u>45,944,049</u>
Governmental activities capital assets, net	<u>\$ 53,684,110</u>	<u>\$ 505,810</u>	<u>\$ (2,156,796)</u>	<u>\$ -</u>	<u>\$ 52,033,124</u>

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

General government	\$ 70,461
Public safety	502,508
Public works	1,834,845
Community services	95,498
Community development	11,966
	<u>\$ 2,515,278</u>

See Note 11 regarding the Lease Revenue Bonds and Measure L (Street Improvement) Bonds issued relating to the above capital assets.

NOTE 6 CAPITAL ASSETS (CONTINUED)

The City's capital assets activity for the year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 4,139,404	\$ -	\$ -	\$ 4,139,404
Construction in progress	1,491,338	-	(1,491,338)	-
Total capital assets not being depreciated	<u>5,630,742</u>	<u>-</u>	<u>(1,491,338)</u>	<u>4,139,404</u>
Capital assets being depreciated:				
Buildings and improvements	27,266	936,722	-	963,988
Vehicles	55,377	-	-	55,377
Property and equipment	279,295	-	-	279,295
Infrastructure				
Water improvements	21,577,651	1,088,735	-	22,666,386
Sewer & storm drain	4,898,008	-	-	4,898,008
Total capital assets being depreciated	<u>26,837,597</u>	<u>2,025,457</u>	<u>-</u>	<u>28,863,054</u>
Less accumulated depreciation for:				
Buildings and improvements	(27,266)	(6,784)	-	(34,050)
Vehicles	(55,377)	-	-	(55,377)
Property and equipment	(255,487)	15,473	-	(240,014)
Infrastructure				
Water improvements	(11,466,118)	(415,735)	-	(11,881,853)
Sewer & storm drain	(3,179,369)	(32,154)	-	(3,211,523)
Total accumulated depreciation	<u>(14,983,617)</u>	<u>(439,200)</u>	<u>-</u>	<u>(15,422,817)</u>
Capital assets, being depreciated, net	<u>11,853,980</u>	<u>1,586,257</u>	<u>-</u>	<u>13,440,237</u>
Business-type activities capital assets, net	<u>\$ 17,484,722</u>	<u>\$ 1,586,257</u>	<u>\$ (1,491,338)</u>	<u>\$ 17,579,641</u>

Depreciation expense was charged to the following activities:

Water improvements	\$ 407,046
Sewer maintenance	32,154
	<u>\$ 439,200</u>

NOTE 7 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 2011-12, 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, 2012, 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	\$ 1,743,743	\$ 457,529	\$ 2,201,272
Interest on Pension Asset	(1,418,284)	-	(1,418,284)
Adjustments to Annual Required Contribution	<u>2,402,848</u>	<u>-</u>	<u>2,402,848</u>
Annual Pension Cost	2,728,307	457,529	3,185,836
Annual Contribution Made	<u>1,743,743</u>	<u>457,529</u>	<u>2,201,272</u>
Decrease in Pension Asset	(984,564)	-	(984,564)
Pension Asset, Beginning of Year	<u>18,300,441</u>	<u>-</u>	<u>18,300,441</u>
Pension Asset, End of Year	<u>\$ 17,315,877</u>	<u>\$ -</u>	<u>\$ 17,315,877</u>

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

NOTE 7 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):

Safety Plan			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2010	\$ 2,297	59%	\$ (19,341)
6/30/2011	2,481	64%	(18,300)
6/30/2012	2,728	69%	(17,316)

Miscellaneous Plan			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2010	\$ 491	100%	-
6/30/2011	432	100%	-
6/30/2012	458	100%	-

See Note 11 regarding Pension Obligation Bonds 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 8 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 8 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, 2012, employees participating in PARS contributed \$41,215.

NOTE 9 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.

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 9 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Membership in the plan consisted of the following at January 1, 2011, the date of the latest actuarial valuation:

Eligible active employees:		
Miscellaneous	114	
Safety	66	
Subtotal	180	
Eligible retirees		
Miscellaneous	74	
Safety	88	
Subtotal	162	
Total	342	

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 increasing contributions over a period of years to reach 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 2011-2012 was \$3,672,000, 26.8% 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	\$ 3,672,000
Interest on net <i>OPEB</i> asset	(29,000)
Amortization of net <i>OPEB</i> obligation	28,000
Annual <i>OPEB</i> cost	3,671,000
Contributions made:	
Benefit payments	\$ 1,496,545
Pre-funding	-
	1,496,545
Increase in net <i>OPEB</i> obligation	2,174,455
Net <i>OPEB</i> asset - beginning of year	654,116
Net <i>OPEB</i> liability - end of year	\$ 1,520,339
Normal cost	\$ 1,945,000

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

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 4.5% 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)
6/30/2012	3,671	1,497	41%	1,520

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

NOTE 10 UNEARNED/DEFERRED REVENUE

Unearned revenue as shown in the Statement of Net Assets as of June 30, 2012, consisted of the following:

Governmental Activities

Grant funds received in advance pertaining to nonmajor funds:

Police supplemental law enforcement programs	\$ 179,775
Recycle grant	<u>38,872</u>
Total	<u>\$ 218,647</u>

Deferred revenue as shown in the Governmental Funds Balance Sheet as of June 30, 2012 in the amount of \$9,578,036 consisted of the following:

General Fund:

- \$2,558,000 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 10 DEFERRED REVENUE (CONTINUED)

HUD Home Program:

- \$6,233,559 related to outstanding loans due to the City.

Other Governmental Funds:

- \$558,016 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.
- \$9,549 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.
- \$218,647 represents grants received in advance.

NOTE 11 LONG-TERM LIABILITIES

Changes in the City's long-term debt for the fiscal year ended June 30, 2012 were as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
Governmental Activities:					
HUD Section 108 Loans	\$ 7,518,000	\$ -	\$ (653,000)	\$ 6,865,000	\$ 673,000
Developer Notes	3,777,182	-	(31,122)	3,746,060	-
Lease Revenue Bonds	2,123,107	-	(366,035)	1,757,072	383,128
2005 Pension Obligation Refunding Bonds	21,700,000	-	(600,000)	21,100,000	700,000
Measure L - Street Light Improvement Bonds	9,190,979	-	(306,400)	8,884,579	344,466
OPEB Liability	(654,116)	3,671,000	(1,496,545)	1,520,339	-
Compensated absences	3,170,586	370,643	(52,381)	3,488,848	-
Claims and judgements	4,864,035	88,825	(74,953)	4,877,907	898,000
	<u>\$ 51,689,773</u>	<u>\$ 4,130,468</u>	<u>\$ (3,580,436)</u>	<u>\$ 52,239,805</u>	<u>\$ 2,998,594</u>
Governmental activities					
Long-term liabilities	<u>\$ 51,689,773</u>	<u>\$ 4,130,468</u>	<u>\$ (3,580,436)</u>	<u>\$ 52,239,805</u>	<u>\$ 2,998,594</u>
Business-type Activities:					
Compensated absences	<u>\$ 54,205</u>	<u>\$ 10,521</u>	<u>\$ (9,822)</u>	<u>\$ 54,904</u>	<u>\$ -</u>

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

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

HUD Section 108 Loan - \$6,865,000

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, 2012 amounted to \$895,000.

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

Year ending June 30,	Principal	Interest	Total
2013	\$ 275,000	\$ 57,452	\$ 332,452
2014	300,000	35,771	335,771
2015	320,000	12,208	332,208
Total	\$ 895,000	\$ 105,431	\$ 1,000,431

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, 2012 amounted to \$5,970,000.

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

Year ending June 30,	Principal	Interest	Total
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	398,000	208,990	606,990
2018-2022	1,990,000	766,229	2,756,229
2023-2027	1,990,000	262,900	2,252,900
Total	\$ 5,970,000	\$ 2,242,731	\$ 8,212,731

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

Developer Notes - \$3,746,060

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, 2012, the outstanding balance was \$1,483,485.

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, 2012, the outstanding balance was \$2,262,575.

Lease Revenue Bonds Series 2006 - \$1,757,072

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.

Year ending June 30,	Principal	Interest	Total
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
Total	\$ 1,757,072	\$ 186,891	\$ 1,943,963

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

Pension Obligation Refunding Bonds (POB's) - \$21,100,000

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.

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>
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	1,150,000	972,489	2,122,489
2018-2022	7,750,000	3,705,301	11,455,301
2023-2026	8,750,000	1,054,970	9,804,970
Total	\$ 21,100,000	\$ 10,130,625	\$ 31,230,625

Measure L - Street Improvement Bonds - \$8,884,579

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.

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

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:

Year ending June 30,	Principal	Interest	Total
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	523,993	349,155	873,148
2018-2023	3,478,410	1,296,316	4,774,726
2024-2026	3,249,428	316,030	3,565,458
Total	\$ 8,884,579	\$ 3,574,327	\$ 12,458,906

NOTE 12 INTERFUND BALANCES

The individual fund interfund receivable and payable balances at June 30, 2012 are as follows:

Due To	Due From						Total
	Employees' Retirement	HUD Home	Other Governmental Funds	Governmental Activities Internal Service Funds	Total Governmental Funds	Business-Type Activities-Enterprise	
General Fund	\$ 3,560,169	\$ 735,888	\$ 2,254,154	\$ 108,496	\$ 6,658,707	\$ 479,183	\$ 7,137,890

Amounts due to the General Fund represent short-term borrowings by the Employees' Retirement, HUD Home, Other Governmental Funds and Internal Service funds to compensate for negative cash balances. These balances are expected to be repaid within the next fiscal year.

NOTE 13 TRANSFERS

Funds	Transfer in	Transfer out
Major Governmental Funds:		
General	\$ 30,975	\$ -
Nonmajor Governmental Funds:		
Capital Improvement	-	34,246
Parks and Recreation	-	30,975
Energy Efficient	34,246	-
Total	\$ 65,221	\$ 65,221

The Parks and Recreation fund transferred \$30,975 to the General fund and Capital Improvement transferred \$34,246 to the Energy Efficient fund for reimbursement costs.

City of Huntington Park
Notes to Financial Statements
Year ended June 30, 2012

NOTE 14 ADVANCES TO THE SUCCESSOR AGENCY

During the previous fiscal years, the City of Huntington Park made loans to the Community Development Commission of the City of Huntington Park (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, 2012, the City decided to write-off all of the unpaid principal of \$22,906,852 and unpaid interest of \$24,205,727 for a total amount of \$47,112,579.

	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	19,148,604	-	(19,148,604)	-
Santa Fe Project Area	5,057,123	-	(5,057,123)	-
Total loans from the City - Matured Interest	24,205,727	-	(24,205,727)	-
Total loans from the City	\$ 47,112,579	\$ -	\$ (47,112,579)	\$ -

NOTE 15 FUND BALANCE

Fund balances are composed of the following elements as of June 30, 2012:

	Special Revenue Funds				Other Governmental Funds	Total
	General	Employees' Retirement	HUD Home Program	HUD Section 108 Loan		
Nonspendable						
Prepaid items	\$ 45,373	\$ -	\$ -	\$ -	\$ 10,010	\$ 55,383
Subtotal	45,373	-	-	-	10,010	55,383
Restricted						
Special revenue funds	-	-	-	6,314,862	6,909,003	13,223,865
Capital projects funds	-	-	-	-	1,066,419	1,066,419
Subtotal	-	-	-	6,314,862	7,975,422	14,290,284
Unassigned	15,977,450	(3,098,312)	(332,415)	-	(1,940,537)	10,606,186
Total fund balances	\$ 16,022,823	\$ (3,098,312)	\$ (332,415)	\$ 6,314,862	\$ 6,044,895	\$ 24,951,853

NOTE 16 FUND BALANCE (RESTATEMENT)

The beginning fund balance of the general fund at June 30, 2012 has been restated to reflect the following reclassifications of funds:

Fund balance, beginning of the year, before restatement	\$	32,074,080
Less: Fund balances reclassified to Internal Service Funds		
Employee Benefits Fund	\$	246,186
Worker's Compensation Fund		<u>(4,825,559)</u> (4,579,373)
Add: Fund balances of special revenue funds reclassified to general fund		
Contingency Fund		10,007,425
Emergency Preparedness Fund		<u>1,172,939</u> <u>11,180,364</u>
Fund balance, beginning of the year, after restatement	\$	<u><u>38,675,071</u></u>

NOTE 17 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.

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, 2012, the amount of these liabilities was \$4,977,455. The amount represents an estimate of \$2,080,397 for reported claims through June 30, 2012 and \$2,797,510 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
2010	\$ 4,472,688	\$ 1,175,013	\$ (663,439)	\$ 4,984,262
2011	4,984,262	101,082	(221,309)	4,864,035
2012	4,864,035	88,825	(74,953)	4,877,907

NOTE 17 RISK MANAGEMENT (CONTINUED)

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, 2012, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 18 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 11). 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, 2012. The actual amount of exposure as of July 2, 2013 is not determinable.

NOTE 19 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 20 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS ISSUED, NOT YET EFFECTIVE

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

**NOTE 20 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. 65 - *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

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

NOTE 21 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, 2012, 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.

NOTE 21 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2012, 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 11, will be used to fund the project and/or subsequent development and disposition agreement (DDA).

NOTE 22 CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT

After spending close to a year exploring and debating reforms to public pension systems in California, lawmakers in Sacramento passed Assembly Bill 340 (AB 34) on August 31, 2012. AB 340, known as the California Public Employees' Pension Reform Act of 2013 (PEPRA), which amends various provisions of the Public Employees' Retirement Law (PERL) and County Employee's Retirement Law of 1937 (CERL), was signed into law by the Governor on September 12, 2012. PEPRA will take effect on January 1, 2013. Management asserts that PEPRA will not have a significant impact on the City's June 30, 2012 financial statements.

NOTE 23 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 2, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION

Pursuant to AB X1 26, which become effective in late June 2011, as upheld by the California Supreme Court in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), redevelopment agencies throughout the State of California were dissolved as of February 1, 2012. AB 1484, which became effective June 27, 2012, amended and supplemented provisions of AB X1 26. AB X1 26 and AB 1484, together, are referred to below as the “RDA Dissolution Act.”

A successor agency is constituted concurrently with the dissolution of each redevelopment agency. Each successor agency is charged with the wind-down of the operations of its former redevelopment agency. A successor agency is not authorized to engage in new redevelopment activities, except for work related to existing enforceable obligations, subject to provisions of the RDA Dissolution Act. The RDA Dissolution Act also provides for the establishment of an oversight board for each successor agency. Certain successor agency actions are subject to the prior approval of the oversight board. The oversight board is also empowered to direct certain successor agency actions. Each successor agency is required to prepare a Recognized Obligation Payment Schedule (“ROPS”) for each six month period (from January 1 through June 30 and from July 1 through December 31). Each ROPS must be approved by the oversight board and the State Department of Finance. A successor agency is not permitted to make payments except pursuant to an approved ROPS.

Under the RDA Dissolution Act, the portion of property tax collected by the county auditor-controller that would have been tax increment of the former redevelopment agency is deposited in a Redevelopment Property Tax Trust Fund (“RPTTF”). Every six months, the county auditor-controller makes disbursements from the RPTTF to the successor agency in accordance with the RDA Dissolution Act, in amounts approved for payment of enforceable obligations and administrative costs allowance as shown on the approved ROPS. To the extent that there are residual moneys remaining in the RPTTF after the deduction for administrative expenses of the county auditor-controller, pass-through payments and disbursement to the successor agency based on the ROPS, the residual moneys are disbursed to various taxing entities.

Pursuant to the RDA Dissolution Act, the City of Huntington Park elected to serve as the Successor Agency for the Community Development Commission of the City of Huntington Park (Commission) upon the Commission’s dissolution. By operation of law, the assets and liabilities of the former Redevelopment Agency transferred to the Successor Agency. The RDA Dissolution expressly clarifies that the Successor Agency is a separate legal entity from the City. The assets and liabilities of the Successor Agency are not assets and liabilities of the City.

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

The RDA Dissolution Act directs the State Controller to review the transfers of assets between each redevelopment agency and other public agencies that occurred after January 1, 2011. If the State Controller determines that an asset transfer did occur during that period and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of such asset, then the Controller must order the available assets to be returned to the successor agency, if not prohibited by state and federal law.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (Private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment commission as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the Private-purpose trust fund as an extraordinary gain.

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

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

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Total extraordinary loss reported in governmental funds - increase to net assets of the Successor Agency Trust Fund	\$	8,433,593
Loans receivable not expected to be collected in the current period are offset by unearned revenue in the funds. They have been recognized and are in net assets in the government-wide financial statements.		49,750
Bond issue costs represent costs associated with the issuance of long-term debt, which are deferred and amortized over the life of the debt. The costs are reported as expenditures of current financial resources in the governmental funds		1,621,000
Deferred charges represent costs associated with the issuance of long-term debt, which are deferred and amortized over the life of the debt. The costs are reported as expenditures of current financial resources in the governmental funds		1,893,762
Accrued bond interest reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund		(722,181)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund		
Tax allocation bonds	\$	(44,956,127)
Notes payable		(8,096,453)
County deferral		(126,230,994)
Swap agreements		(1,077,204)
Bond premium		<u>(733,380)</u>
		(181,094,158)
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	\$	<u>(169,818,234)</u>

Disclosure of Successor Agency Assets and Liabilities

Land Held For Resale

In March 2005, the Former Redevelopment Commission (Commission) 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. The value of the land at June 30, 2012 was \$7,001,949.

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Disclosure of Successor Agency Debts

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
Governmental Activities:					
Commission Pass Through Agreements	\$ 126,230,994	\$ 13,239,924	\$ -	\$ 139,470,918	\$ -
Commission Revenue Bonds	42,715,000	-	(3,310,000)	39,405,000	3,475,000
Premium on 2004 issuance	733,380	-	(66,671)	666,709	-
Deferred loss on 2004 Refunding Bonds	(1,893,762)	186,507	-	(1,707,255)	-
All Points Loan \$6,575,000 Santa Fe	5,825,338	-	(274,211)	5,551,127	287,351
Neighborhood Preservation Promissory Note	5,740,303	-	(264,076)	5,476,227	274,506
Santa Fe Promissory Note	2,731,289	-	(111,063)	2,620,226	115,983
Interest rate swap liability	1,077,204	566,465	-	1,643,669	-
	<u>\$ 183,159,746</u>	<u>\$ 13,992,896</u>	<u>\$ (4,026,021)</u>	<u>\$ 193,126,621</u>	<u>\$ 4,152,840</u>
Long-term liabilities	\$ 183,159,746	\$ 13,992,896	\$ (4,026,021)	\$ 193,126,621	\$ 4,152,840

Pass through Agreements with the County of Los Angeles - \$139,470,918

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, 2012, these deferrals amounted to \$139,470,918.

Huntington Park Public Financing Authority Refunding Revenue Bonds, Issue of 2004 Series A (\$39,405,000)

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 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Commission Revenue Bonds - \$39,405,000

Annual debt service to maturity is as follows:

Year ending June 30,	Principal	Interest	Total
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	4,150,000	1,155,262	5,305,262
2018-2022	17,355,000	2,752,419	20,107,419
2023	3,095,000	77,375	3,172,375
Total	\$ 39,405,000	\$ 10,476,159	\$ 49,881,159

All Points Loan - \$5,551,127

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
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	346,520	193,900	540,420
2018-2022	1,998,180	703,919	2,702,099
2023-2026	1,971,730	189,951	2,161,681
Total	\$ 5,551,127	\$ 2,014,753	\$ 7,565,880

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Neighborhood Preservation Promissory Note - \$5,476,227

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, 2012 is as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	320,517	150,403	470,920
2018-2022	1,802,792	566,544	2,369,336
2023-2026	2,188,104	209,593	2,397,697
Total	\$ 5,476,227	\$ 1,636,775	\$ 7,113,002

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%.

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

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.

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 \$1,103,779 as of June 30, 2012. 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, 2012.

Credit Risk. The swap counterparty was A2/Stable by Moody's and A+/Stable by Standard & Poor's as of June 30, 2012.

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, 2012, 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 Payments	Total
	Principal	Interest		
2013	\$ 274,506	\$ 193,027	\$ (8,285)	\$ 459,248
2014	285,350	182,982	(7,854)	460,478
2015	296,621	172,540	(7,406)	461,755
2016	308,337	161,686	(6,940)	463,083
2017	320,517	150,403	(6,456)	464,464
2018-2022	1,802,792	566,544	(24,317)	2,345,019
2023-2026	2,188,104	209,593	(8,996)	2,388,701
Total	\$ 5,476,227	\$ 1,636,775	\$ (70,254)	\$ 7,042,748

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Santa Fe Promissory Note - \$2,620,226

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, 2012 is as follows:

Year ending June 30	Principal	Interest	Total
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	137,941	62,785	200,726
2018-2022	786,967	241,850	1,028,817
2023-2027	977,423	100,710	1,078,133
2028	222,215	333	222,548
Total	\$ 2,620,226	\$ 698,381	\$ 3,318,607

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%.

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

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 \$539,890 as of June 30, 2012. 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, 2012.

Credit Risk. The swap counterparty was A2/Stable by Moody's and A+/Stable by Standard & Poor's as of June 30, 2012.

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.

Swap Payments and Associated Debt. Using rates as of June 30, 2012, 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
2013	\$ 115,983	\$ 79,058	\$ (3,899)	\$ 191,142
2014	121,121	75,250	(3,714)	192,657
2015	126,486	71,274	(3,520)	194,240
2016	132,090	67,121	(3,317)	195,894
2017	137,941	62,785	(3,195)	197,531
2018-2022	786,967	241,850	(12,008)	1,016,809
2023-2027	977,423	100,710	(5,120)	1,073,013
2028	222,215	333	(57)	222,491
	<u>\$ 2,620,226</u>	<u>\$ 698,381</u>	<u>\$ (34,830)</u>	<u>\$ 3,283,777</u>

NOTE 24 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT COMMISSION (CONTINUED)

Advance Refunding and Conduit Debt

Advance Refunding

The Commission has previously advance refunded several outstanding bond issues described below:

Huntington Park Redevelopment Agency Merged Redevelopment Project Junior Lien Tax Allocation and Sales and Use Tax Revenue Bonds, Issue of 1990, of which \$35,515,000 remain Outstanding as of June 30, 2012.	\$ <u> 35,515,000</u>
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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, 2012, 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, 2012, 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	<u>3,805,000</u>
	\$ <u> 8,405,000</u>

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REQUIRED SUPPLEMENTARY INFORMATION

City of Huntington Park
Schedule of Funding Progress
Safety and Miscellaneous Plans of the California Public Employees' Retirement System
June 30, 2012

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
6/30/2009	\$ 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%
6/30/2011	9,135,654	10,951,745	1,816,091	83.4%	949,833	191.2%

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
6/30/2009	\$ 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%
6/30/2011	49,517	52,462	2,945	94.4%	6,845	43.0%

**City of Huntington Park
Schedule of Funding Progress
Other Post Employment Benefit Plan
June 30, 2012**

(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	12%	13,192	156%
6/30/2011*	45,080	5,559	39,521	12%	13,675	289%

* 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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 17,455,681	\$ 17,455,681	\$ 17,758,052	\$ 302,371
Licenses and permits	1,882,500	1,882,500	1,794,342	(88,158)
Fines and forfeitures	1,715,000	1,715,000	1,737,348	22,348
Use of money and property	106,000	106,000	94,375	(11,625)
Intergovernmental	82,543	82,543	85,203	2,660
Charges for services	2,374,000	2,374,000	2,567,357	193,357
Other revenues	390,600	390,600	536,609	146,009
Interfund charges	1,939,998	1,939,998	276,719	(1,663,279)
Total revenues	25,946,322	25,946,322	24,850,005	(1,096,317)
Current:				
General government:				
City council	201,170	201,170	202,889	(1,719)
Planning commission	22,250	22,250	14,287	7,963
Health and education commission	5,000	5,000	1,282	3,718
Historical preservation commission	7,250	7,250	2,181	5,069
Parks and recreation commission	3,700	3,700	2,941	759
Civil service commission	2,500	2,500	609	1,891
City manager	440,131	440,131	285,086	155,045
City attorney	604,000	604,000	526,387	77,613
Human resources	334,818	334,818	265,584	69,234
Special events	67,570	67,570	53,906	13,664
City clerk	404,756	404,756	381,076	23,680
Emergency preparedness	30,000	30,000	5,003	24,997
Finance	766,784	766,784	418,085	348,699
Data processing	62,719	62,719	59,997	2,722
Revenue collection	248,533	248,533	251,318	(2,785)
Non-departmental	481,744	481,744	463,132	18,612
Total general government	<u>3,682,925</u>	<u>3,682,925</u>	<u>2,933,763</u>	<u>749,162</u>
Public safety:				
Administration	2,173,171	2,173,171	1,728,978	444,193
Operations	7,826,204	7,826,204	7,419,308	406,896
Investigations	3,764,000	3,764,000	3,688,687	75,313
Support services	2,169,208	2,169,208	2,097,889	71,319
Animal control	283,291	283,291	281,894	1,397
Total public safety	<u>16,215,874</u>	<u>16,215,874</u>	<u>15,216,756</u>	<u>999,118</u>
Public works:				
Recreation buildings	251,203	251,203	198,675	52,528
Police buildings	264,238	264,238	200,021	64,217
Street operations	1,062,653	1,062,653	919,824	142,829
Mechanical admin	288,467	288,467	298,774	(10,307)
General government buildings	160,259	160,259	114,310	45,949
Waste collection and disposal	1,450,000	1,450,000	1,663,681	(213,681)
Community beautification	423,901	423,901	412,542	11,359
Total public works	<u>3,900,721</u>	<u>3,900,721</u>	<u>3,807,827</u>	<u>92,894</u>

City of Huntington Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
General Fund (Continued)
Year ended June 30, 2012

Community services:				
Administration	633,172	633,172	581,040	52,132
Cultural arts	451,563	451,563	387,596	63,967
Youth sports programs	212,801	212,801	179,626	33,175
Adult sports programs	37,661	37,661	26,985	10,676
Lunch programs	61,543	61,543	42,349	19,194
Fee classes	55,000	55,000	73,040	(18,040)
Total community services	<u>1,451,740</u>	<u>1,451,740</u>	<u>1,290,636</u>	<u>161,104</u>
Community development:				
Engineering	270,545	270,545	122,175	148,370
Planning and building	1,021,517	1,021,517	1,051,500	(29,983)
Economic development	1,700.00	1,700	1,700	-
Total community development	<u>1,293,762</u>	<u>1,293,762</u>	<u>1,175,375</u>	<u>118,387</u>
Debt service:				
Principal retirement	2,705,000	2,705,000	198,569	2,506,431
Total expenditures	<u>29,250,022</u>	<u>29,250,022</u>	<u>24,622,926</u>	<u>4,627,096</u>
Excess (deficiency) of revenues over expenditures	<u>(3,303,700)</u>	<u>(3,303,700)</u>	<u>227,079</u>	<u>3,530,779</u>
Other financing sources (uses)				
Gain/(loss) on advances write-off	-	-	(22,910,302)	(22,910,302)
Transfers in	583,000	583,000	30,975	(552,025)
Transfers out	(761,628)	(761,628)	-	761,628
Net other financing sources (uses)	<u>(178,628)</u>	<u>(178,628)</u>	<u>(22,879,327)</u>	<u>(22,700,699)</u>
Change in fund balance	(3,482,328)	(3,482,328)	(22,652,248)	(19,169,920)
Fund balances, beginning of year as restated	<u>38,675,071</u>	<u>38,675,071</u>	<u>38,675,071</u>	<u>-</u>
Fund balances, end of year	<u>\$ 35,192,743</u>	<u>\$ 35,192,743</u>	<u>\$ 16,022,823</u>	<u>\$ (19,169,920)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,668,000	\$ 2,668,000	\$ 3,928,720	\$ 1,260,720
Intergovernmental	97,534	97,534	42,568	(54,966)
Total revenues	<u>3,036,852</u>	<u>3,036,852</u>	<u>4,233,922</u>	<u>1,197,070</u>
Expenditures				
Current:				
General government	3,362,262	3,362,262	3,178,944	183,318
Debt service:				
Principal retirement	600,000	600,000	600,000	-
Interest and fiscal charges	1,197,216	1,197,216	1,197,216	-
Total expenditures	<u>5,159,478</u>	<u>5,159,478</u>	<u>4,976,160</u>	<u>183,318</u>
Excess (deficiency) of revenues over expenditures	(2,122,626)	(2,122,626)	(742,238)	1,380,388
Change in fund balance	(2,122,626)	(2,122,626)	(742,238)	1,380,388
Fund balances, beginning of year	<u>(2,356,074)</u>	<u>(2,356,074)</u>	<u>(2,356,074)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (4,478,700)</u>	<u>\$ (4,478,700)</u>	<u>\$ (3,098,312)</u>	<u>\$ 1,380,388</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, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 3,108,821	\$ 3,108,821	\$ 1,381,170	\$ (1,727,651)
Total revenue	3,108,821	3,108,821	1,381,170	(1,727,651)
Expenditures				
Current:				
Community services	802,643	806,393	673,440	132,953
Capital outlay	2,306,178	2,306,178	904,277	1,401,901
Total expenditures	3,108,821	3,112,571	1,577,717	1,534,854
Change in fund balance	-	(3,750)	(196,547)	(192,797)
Fund balances, beginning of year	<u>(135,868)</u>	<u>(135,868)</u>	<u>(135,868)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (135,868)</u>	<u>\$ (139,618)</u>	<u>\$ (332,415)</u>	<u>\$ (192,797)</u>

City of Huntington Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
HUD Section 108 Loan - Special Revenue Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 20,000	\$ 20,000	\$ 39,361	\$ 19,361
Expenditures				
Current:				
Community development	552,000	552,000	546,215	5,785
Change in fund balance	(532,000)	(532,000)	(506,854)	25,146
Fund balances, beginning of year	<u>6,821,716</u>	<u>6,821,716</u>	<u>6,821,716</u>	-
Fund balances, end of year	<u>\$ 6,289,716</u>	<u>\$ 6,289,716</u>	<u>\$ 6,314,862</u>	<u>\$ 25,146</u>

City of Huntington Park
Expenditures in Excess of Appropriations
Year ended June 30, 2012

	<u>Excess of Expenditures over Appropriations</u>
<i>Major Funds:</i>	
General Fund	
General government:	
City council	\$ (1,719)
Revenue collection	(2,785)
Public Works:	
Mechanical admin	(10,307)
Waste collection and disposal	(213,681)
Community services:	
Fee classes	(18,040)
Community development:	
Planning and building	(29,983)
 <i>Non Major Funds:</i>	
Special Revenue Funds	
Local Origination Program	
Public works	(1,471)
Public Financing Authority	
General government	(6,753)
Special Events	
Capital outlay	(25,000)
Air Quality Improvement	
Public safety	(2,854)
LBPHCP Lead Base	
Capital outlay	(48,747)

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

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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:

<i>Special Events</i>	To account for the funds used for improvements and equipment purchases for the parks and recreation department and the revenues to fund those expenditures.
<i>Parks and Recreation</i>	To account for revenues received from fees collected for parks and recreation.
<i>State Gas Tax</i>	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.
<i>Art in Public Places</i>	To account for funds used to purchase artworks with in-lieu contribution from contractors who do not elect to provide artwork for their projects.
<i>Local Origination Program</i>	To account for revenues from franchise fees that are used to record council meetings and other equipment expenditures.
<i>Community Development</i>	To account for housing and community development projects. Financing is provided by federal grants received from Department of Housing and Urban Development CDBG Program.
<i>Sales Tax Transit Prop A</i>	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.
<i>Asset Forfeiture</i>	To account for monies received from State and Federal agencies in Asset Forfeiture cases. These monies are restricted solely for law enforcement purposes.
<i>Air Quality Improvement</i>	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.
<i>Sales Tax Transit Prop C</i>	To account for the City's share of a sales tax increase approved by Los Angeles County voters in 1990 to fund transportation projects.
<i>Business Improvement District</i>	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.

<i>Supplemental Law Enforcement</i>	To account for monies received from the State allocated by AB3229 of 1996 for the Citizen Option for Public Safety (COPS) Program.
<i>HUD Social Security Grant</i>	To account for funds received from HUD for the purpose of providing micro loans.
<i>Illegal Disposal Abatement</i>	To account for resources that are used for expenditures relating to illegal disposal abatement.
<i>Public Financing Authority</i>	Component unit of the City used to facilitate financing of various improvements and economic development efforts.
<i>Public Safety</i>	To account for grant money passed through from the California Office of Traffic Safety.
<i>Parking System</i>	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.
<i>Solid Waste Recycle Grant</i>	To account for funds received under the waste recycling grant.
<i>OPEB</i>	To account for the funds and expenditures related to the City's other postemployment benefits.
<i>EPA Brownfield Grant</i>	To account for revenues and expenditures related to the Brownfield Grant.
<i>Park Facility</i>	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.
<i>Street Lighting Assessment</i> <i>Landscape</i>	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.
<i>TDA / Bike Path</i>	To account for the funds received and expenditures related to the Bicycle and Pedestrian Facilities Program under Article 3 of the Transportation Development Act.

<i>Measure R</i>	To account for revenues and monies spent on critical transit and highway projects.
<i>Inmate Welfare</i>	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.
<i>LBPHCP Lead Base</i>	To account for funds spent on programs to address lead poisoning in low-to-moderate income families.
<i>Neighborhood Lead Base</i>	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.
<i>Homelessness Prevention</i>	To account for revenues and expenditures incurred to help families who are either homeless or at risk of becoming homeless.
<i>Energy Efficient</i>	Funded by the American Recovery & Reinvestment Act, this fund accounts for revenues and expenditures spent by the City on energy efficiency programs.
<i>Federal Street Improvement</i>	To account for funds received to improve and maintain the City's streets and roads.
<i>DNA ID</i>	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.

<i>Capital Improvement</i>	To account for various capital projects of the City. Financing is provided by various grants received by the City.
<i>Community Development Commission</i>	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	State Gas Tax	Art in Public Places
ASSETS				
Cash and investments	\$ 144,482	\$ -	\$ 2,245,759	\$ 191,966
Receivables:				
Taxes and intergovernmental	-	-	181,340	-
Accounts and interest	109	283,981	1,652	141
Loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 144,591	\$ 283,981	\$ 2,428,751	\$ 192,107
LIABILITIES				
Accounts payable	\$ 1,871	\$ 50,595	\$ 64,164	\$ -
Accrued payroll	-	-	5,068	-
Accrued employee benefits payable - short term	-	-	7,243	-
Deposits	-	-	-	-
Due to other funds	-	253,152	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	1,871	303,747	76,475	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue funds	142,720	-	2,352,276	192,107
Unassigned	-	(19,766)	-	-
Total fund balances	142,720	(19,766)	2,352,276	192,107
Total liabilities and fund balances	\$ 144,591	\$ 283,981	\$ 2,428,751	\$ 192,107

**City of Huntington Park
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012**

Special Revenue				
Local Origination Program	Community Development	Sales Tax Transit Proposition A	Asset Forfeiture	
\$ 12,385	\$ 468,573	\$ 454,752	\$ 1,410,206	
-	356,567	-	-	
9,481	235	168,605	7,404	
-	165,746	-	-	
-	528	-	-	
-	-	-	-	
-	-	-	-	
<u>\$ 21,866</u>	<u>\$ 991,649</u>	<u>\$ 623,357</u>	<u>\$ 1,417,610</u>	
\$ -	\$ 73,174	\$ 317,193	\$ 660	
-	6,332	1,999	-	
-	4,935	809	-	
-	-	25,000	-	
-	-	-	-	
-	573,169	-	-	
-	296,019	-	-	
-	-	-	-	
<u>-</u>	<u>953,629</u>	<u>345,001</u>	<u>660</u>	
-	528	-	-	
-	-	-	-	
21,866	37,492	278,356	1,416,950	
-	-	-	-	
<u>21,866</u>	<u>38,020</u>	<u>278,356</u>	<u>1,416,950</u>	
<u>\$ 21,866</u>	<u>\$ 991,649</u>	<u>\$ 623,357</u>	<u>\$ 1,417,610</u>	

	Special Revenue			
	Air Quality Improvement	Sales Tax Transit Proposition C	Business Improvement District	Supplemental Law Enforcement
ASSETS				
Cash and investments	\$ 627,454	\$ 231,343	\$ 55,733	\$ 468,050
Receivables:				
Taxes and intergovernmental	-	-	-	24,090
Accounts and interest	18,509	170	41	352
Loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 645,963	\$ 231,513	\$ 55,774	\$ 492,492
LIABILITIES				
Accounts payable	\$ -	\$ 104,335	\$ 4,643	\$ 3,815
Accrued payroll	42	1,252	809	-
Accrued employee benefits payable - short term	-	1,593	266	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	179,775
Advances from other funds	-	-	-	-
Total liabilities	42	107,180	5,718	183,590
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue funds	645,921	124,333	50,056	308,902
Unassigned	-	-	-	-
Total fund balances	645,921	124,333	50,056	308,902
Total liabilities and fund balances	\$ 645,963	\$ 231,513	\$ 55,774	\$ 492,492

**City of Huntington Park
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2012**

Special Revenue					
HUD Social Security Grant	Illegal Disposal Abatement	Public Financing Authority	Public Safety	Parking System	
\$ 10,485	\$ -	\$ -	\$ 19,194	\$ -	
-	-	-	-	-	
-	7,637	-	14	32,777	
9,459	-	-	-	-	
-	-	-	-	1,200	
-	-	-	-	-	
<u>\$ 19,944</u>	<u>\$ 7,637</u>	<u>\$ -</u>	<u>\$ 19,208</u>	<u>\$ 33,977</u>	
\$ -	\$ 207	\$ 1,850	\$ -	\$ 15,638	
-	261	-	-	3,836	
-	-	-	-	3,033	
-	-	-	-	-	
-	2,703	-	-	49,502	
-	-	-	-	-	
9,459	-	-	-	-	
<u>9,459</u>	<u>3,171</u>	<u>1,850</u>	<u>-</u>	<u>72,009</u>	
-	-	-	-	1,200	
-	-	-	-	-	
10,485	4,466	(1,850)	-	-	
<u>10,485</u>	<u>4,466</u>	<u>(1,850)</u>	<u>19,208</u>	<u>(39,232)</u>	
<u>\$ 19,944</u>	<u>\$ 7,637</u>	<u>\$ -</u>	<u>\$ 19,208</u>	<u>\$ 33,977</u>	

	Special Revenue		
	Solid Waste Recycle Grant	OPEB	Park Facility
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 53,478	\$ 278,679	\$ 46,589
Receivables:			
Taxes and intergovernmental	-	-	-
Accounts and interest	39	206	34
Loans	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Land held for resale	-	-	-
Total assets	<u>\$ 53,517</u>	<u>\$ 278,885</u>	<u>\$ 46,623</u>
LIABILITIES			
Accounts payable	\$ 3,753	\$ 10,280	\$ -
Accrued payroll	-	-	-
Accrued employee benefits payable - short term	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Advances from other funds	-	-	-
Total liabilities	<u>3,753</u>	<u>10,280</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Capital projects	-	-	-
Special revenue funds	49,764	268,605	46,623
Unassigned	-	-	-
Total fund balances	<u>49,764</u>	<u>268,605</u>	<u>46,623</u>
Total liabilities and fund balances	<u>\$ 53,517</u>	<u>\$ 278,885</u>	<u>\$ 46,623</u>

City of Huntington Park
 Nonmajor Governmental Funds
 Combining Balance Sheet (Continued)
 June 30, 2012

Special Revenue				
Street Lighting Landscape Assessment	TDA / Bike Path	Measure R	Inmate Welfare	LBPHCP Lead Base
\$ -	\$ 475	\$ 843,539	\$ 42,827	\$ -
80,038	-	56,948	-	114,303
-	-	620	32	-
-	-	-	-	-
-	-	8,282	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 80,038</u>	<u>\$ 475</u>	<u>\$ 909,389</u>	<u>\$ 42,859</u>	<u>\$ 114,303</u>
\$ 83,763	\$ -	\$ -	\$ -	\$ 51,018
4,363	-	-	-	2,007
3,341	-	-	-	1,809
-	-	-	-	-
1,793,036	-	-	-	59,424
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,884,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,258</u>
-	-	8,282	-	-
-	-	-	-	-
-	475	901,107	42,859	-
(1,804,465)	-	-	-	45
<u>(1,804,465)</u>	<u>475</u>	<u>909,389</u>	<u>42,859</u>	<u>45</u>
<u>\$ 80,038</u>	<u>\$ 475</u>	<u>\$ 909,389</u>	<u>\$ 42,859</u>	<u>\$ 114,303</u>

	Special Revenue		
	Neighborhood Lead Base	Homelessness Prevention	Energy Efficient
ASSETS			
Cash and investments	\$ 38,853	\$ 148	\$ -
Receivables:			
Taxes and intergovernmental	29	-	-
Accounts and interest	-	-	-
Loans	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Land held for resale	-	-	-
Total assets	\$ 38,882	\$ 148	\$ -
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Accrued employee benefits payable - short term	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	38,872	-	-
Advances from other funds	-	-	-
Total liabilities	38,872	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Capital projects	-	-	-
Special revenue funds	-	148	-
Unassigned	10	-	-
Total fund balances	10	148	-
Total liabilities and fund balances	\$ 38,882	\$ 148	\$ -

**City of Huntington Park
Nonmajor Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2012**

Special Revenue		Capital Projects Fund	Community Development Commission	Total Nonmajor Governmental Funds
Federal Street Improvement	DNA ID	Capital Improvement		
\$ -	\$ 15,330	\$ 1,151,022	\$ -	8,811,322
96,337	-	165,750	-	1,075,402
-	12	846	-	532,897
-	-	-	-	175,205
-	-	-	-	10,010
-	-	-	-	-
-	-	-	-	-
<u>\$ 96,337</u>	<u>\$ 15,342</u>	<u>\$ 1,317,618</u>	<u>\$ -</u>	<u>\$ 10,604,836</u>
\$ -	\$ -	\$ 85,449	\$ -	\$ 872,408
-	-	-	-	25,969
-	-	-	-	23,029
-	-	-	-	25,000
96,337	-	-	-	2,254,154
-	-	-	-	573,169
96,337	-	165,750	-	786,212
-	-	-	-	-
<u>192,674</u>	<u>-</u>	<u>251,199</u>	<u>-</u>	<u>4,559,941</u>
-	-	-	-	10,010
-	-	1,066,419	-	1,066,419
-	15,342	-	-	6,909,003
(96,337)	-	-	-	(1,940,537)
<u>(96,337)</u>	<u>15,342</u>	<u>1,066,419</u>	<u>-</u>	<u>6,044,895</u>
<u>\$ 96,337</u>	<u>\$ 15,342</u>	<u>\$ 1,317,618</u>	<u>\$ -</u>	<u>\$ 10,604,836</u>

	Special Revenue			
	Special Events	Parks and Recreation	State Gas Tax	Art in Public Places
Revenues				
Taxes	\$ -	\$ 30,975	\$ -	\$ 6,822
Fines and forfeitures	-	-	-	-
Use of money and property	876	-	6,658	1,114
Intergovernmental	-	377,421	2,761,191	-
Charges for services	-	-	-	-
Other revenues	25,615	-	-	-
Interfund charges	-	-	-	-
Total revenues	<u>26,491</u>	<u>408,396</u>	<u>2,767,849</u>	<u>7,936</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	786,071	-
Community services	25,000	-	-	-
Community development	-	-	-	-
Capital outlay	6,966	343,072	712,416	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>31,966</u>	<u>343,072</u>	<u>1,498,487</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(5,475)</u>	<u>65,324</u>	<u>1,269,362</u>	<u>7,936</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(30,975)	-	-
Net other financing sources (uses)	<u>-</u>	<u>(30,975)</u>	<u>-</u>	<u>-</u>
Change in fund balance, before extraordinary item	(5,475)	34,349	1,269,362	7,936
Extraordinary item				
Adjustment for loans receivable from dissolved redevelopment agency	-	-	-	-
RDA dissolution transactions	-	-	-	-
Total extraordinary item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, after extraordinary item	(5,475)	34,349	1,269,362	7,936
Fund balances, beginning of year	148,195	(54,115)	1,082,914	184,171
Fund balances, end of year	<u>\$ 142,720</u>	<u>\$ (19,766)</u>	<u>\$ 2,352,276</u>	<u>\$ 192,107</u>

**City of Huntington Park
Nonmajor Governmental Funds**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2012

Special Revenue			
Local Origination Program	Community Development	Sales Tax Transit Proposition A	Asset Forfeiture
\$ 36,150	\$ -	\$ 1,207,872	\$ -
-	-	-	50,751
89	54	2,381	8,005
-	1,927,488	-	-
-	-	281,676	-
-	-	-	-
-	-	-	-
<u>36,239</u>	<u>1,927,542</u>	<u>1,491,929</u>	<u>58,756</u>
-	-	-	-
-	-	-	9,222
56,071	-	-	-
-	-	1,440,300	-
-	2,050,138	-	-
-	-	-	11,262
-	-	-	-
-	-	-	-
<u>56,071</u>	<u>2,050,138</u>	<u>1,440,300</u>	<u>20,484</u>
<u>(19,832)</u>	<u>(122,596)</u>	<u>51,629</u>	<u>38,272</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(19,832)	(122,596)	51,629	38,272
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(19,832)	(122,596)	51,629	38,272
41,698	160,616	226,727	1,378,678
<u>\$ 21,866</u>	<u>\$ 38,020</u>	<u>\$ 278,356</u>	<u>\$ 1,416,950</u>

	Special Revenue			
	Air Quality Improvement	Sales Tax Transit Proposition C	Business Improvement District	Supplemental Law Enforcement
Revenues				
Taxes	\$ -	\$ 780,697	\$ 332,826	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	3,582	2,027	648	2,684
Intergovernmental	73,114	-	-	44,697
Charges for services	-	-	-	-
Other revenues	-	-	250	90,817
Interfund charges	-	-	-	-
Total revenues	<u>76,696</u>	<u>782,724</u>	<u>333,724</u>	<u>138,198</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	6,554	-	-	24,977
Public works	-	1,158,082	-	-
Community services	-	-	-	-
Community development	-	-	310,460	-
Capital outlay	28,600	-	-	65,003
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>35,154</u>	<u>1,158,082</u>	<u>310,460</u>	<u>89,980</u>
Excess (deficiency) of revenues over expenditures	<u>41,542</u>	<u>(375,358)</u>	<u>23,264</u>	<u>48,218</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, before extraordinary item	41,542	(375,358)	23,264	48,218
Extraordinary item				
Adjustment for loans receivable from dissolved redevelopment agency	-	-	-	-
RDA dissolution transactions	-	-	-	-
Total extraordinary item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, after extraordinary item	41,542	(375,358)	23,264	48,218
Fund balances, beginning of year	<u>604,379</u>	<u>499,691</u>	<u>26,792</u>	<u>260,684</u>
Fund balances, end of year	<u>\$ 645,921</u>	<u>\$ 124,333</u>	<u>\$ 50,056</u>	<u>\$ 308,902</u>

City of Huntington Park
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Year ended June 30, 2012

Special Revenue				
HUD Social Security Grant	Illegal Disposal Abatement	Public Financing Authority	Public Safety	Parking System
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	10,993	-
-	17	-	54	-
-	26,566	-	33,826	-
-	-	-	-	1,138,596
-	-	-	-	18,000
-	-	-	-	-
<u>-</u>	<u>26,583</u>	<u>-</u>	<u>44,873</u>	<u>1,156,596</u>
-	-	6,753	-	-
-	-	-	22,150	-
-	-	-	-	-
-	-	-	-	-
-	22,117	-	-	553,830
-	-	-	-	-
-	-	-	-	366,035
-	-	-	-	91,172
-	-	-	-	-
<u>-</u>	<u>22,117</u>	<u>6,753</u>	<u>22,150</u>	<u>1,011,037</u>
-	4,466	(6,753)	22,723	145,559
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,466	(6,753)	22,723	145,559
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,466	(6,753)	22,723	145,559
10,485	-	4,903	(3,515)	(183,591)
<u>\$ 10,485</u>	<u>\$ 4,466</u>	<u>\$ (1,850)</u>	<u>\$ 19,208</u>	<u>\$ (38,032)</u>

	Special Revenue			
	Solid Waste Recycle Grant	OPEB	EPA Brownfield Grant	Park Facility
	Grant	OPEB	Grant	Facility
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	177	1,666	-	270
Intergovernmental	88,139	172,776	1,000	-
Charges for services	-	-	-	916
Other revenues	-	-	-	-
Interfund charges	-	1,371,118	-	-
Total revenues	<u>88,316</u>	<u>1,545,560</u>	<u>1,000</u>	<u>1,186</u>
Expenditures				
Current:				
General government	-	1,343,192	-	220
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Community development	38,552	-	1,000	-
Capital outlay	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>38,552</u>	<u>1,343,192</u>	<u>1,000</u>	<u>220</u>
Excess (deficiency) of revenues over expenditures	<u>49,764</u>	<u>202,368</u>	<u>-</u>	<u>966</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, before extraordinary item	49,764	202,368	-	966
Extraordinary item				
Adjustment for loans receivable from dissolved redevelopment agency	-	-	-	-
RDA dissolution transactions	-	-	-	-
Total extraordinary item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, after extraordinary item	49,764	202,368	-	966
Fund balances, beginning of year	<u>-</u>	<u>66,237</u>	<u>-</u>	<u>45,657</u>
Fund balances, end of year	<u>\$ 49,764</u>	<u>\$ 268,605</u>	<u>\$ -</u>	<u>\$ 46,623</u>

City of Huntington Park
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Year ended June 30, 2012

Special Revenue					
Street Lighting	TDA / Bike	Measure R	Inmate	LBPHCP	
Landscape	Path		Welfare	Lead Base	
Assessment					
\$ 1,442,672	\$ -	\$ 580,025	\$ -	\$ -	
-	-	-	-	-	
-	3	4,166	198	43	
-	-	-	20,356	697,929	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>1,442,672</u>	<u>3</u>	<u>584,191</u>	<u>20,554</u>	<u>697,972</u>	
-	-	-	-	-	
-	-	-	148	-	
967,074	-	8,282	-	-	
-	-	-	-	-	
-	-	-	-	153,993	
-	-	416,369	-	504,259	
306,400	-	-	-	-	
446,785	-	-	-	-	
-	-	-	-	-	
<u>1,720,259</u>	<u>-</u>	<u>424,651</u>	<u>148</u>	<u>658,252</u>	
<u>(277,587)</u>	<u>3</u>	<u>159,540</u>	<u>20,406</u>	<u>39,720</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>(277,587)</u>	<u>3</u>	<u>159,540</u>	<u>20,406</u>	<u>39,720</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>(277,587)</u>	<u>3</u>	<u>159,540</u>	<u>20,406</u>	<u>39,720</u>	
<u>(1,526,878)</u>	<u>472</u>	<u>749,849</u>	<u>22,453</u>	<u>(39,675)</u>	
<u>\$ (1,804,465)</u>	<u>\$ 475</u>	<u>\$ 909,389</u>	<u>\$ 42,859</u>	<u>\$ 45</u>	

	Special Revenue			
	Neighborhood Lead Base	Homelessness Prevention	Energy Efficient	Federal Street Improvement
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	146	-	-	-
Intergovernmental	173,769	227,537	1,249	51,400
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Interfund charges	-	-	-	-
Total revenues	<u>173,915</u>	<u>227,537</u>	<u>1,249</u>	<u>51,400</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Community development	114,774	227,537	-	-
Capital outlay	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>114,774</u>	<u>227,537</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>59,141</u>	<u>-</u>	<u>1,249</u>	<u>51,400</u>
Other financing sources (uses)				
Transfers in	-	-	34,246	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>34,246</u>	<u>-</u>
Change in fund balance, before extraordinary item	59,141	-	35,495	51,400
Extraordinary item				
Adjustment for loans receivable from dissolved redevelopment agency	-	-	-	-
RDA dissolution transactions	-	-	-	-
Total extraordinary item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance, after extraordinary item	59,141	-	35,495	51,400
Fund balances, beginning of year, as restated	<u>(59,131)</u>	<u>148</u>	<u>(35,495)</u>	<u>(147,737)</u>
Fund balances, end of year	<u>\$ 10</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ (96,337)</u>

City of Huntington Park
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Year ended June 30, 2012

Special Revenue	Capital Projects Fund	Community Development Commission	Total Nonmajor Governmental Funds
DNA ID	Capital Improvement		
\$ -	\$ -	\$ 6,422,558	\$ 10,840,597
-	-	-	61,744
76	7,207	38,841	80,982
7,080	-	-	6,685,538
-	-	-	1,421,188
-	-	103,713	238,395
-	-	-	1,371,118
<u>7,156</u>	<u>7,207</u>	<u>6,565,112</u>	<u>20,699,562</u>
-	-	-	1,350,165
-	-	-	63,051
-	-	-	2,975,580
-	-	-	1,465,300
-	-	2,510,488	5,982,889
-	169,182	301,477	2,558,606
-	-	3,959,349	4,631,784
-	-	2,412,936	2,950,893
-	-	-	-
<u>-</u>	<u>169,182</u>	<u>9,184,250</u>	<u>21,978,268</u>
<u>7,156</u>	<u>(161,975)</u>	<u>(2,619,138)</u>	<u>(1,278,706)</u>
-	-	-	34,246
<u>-</u>	<u>(34,246)</u>	<u>-</u>	<u>(65,221)</u>
<u>-</u>	<u>(34,246)</u>	<u>-</u>	<u>(30,975)</u>
7,156	(196,221)	(2,619,138)	(1,309,681)
-	-	47,112,579	47,112,579
<u>-</u>	<u>-</u>	<u>(8,433,593)</u>	<u>(8,433,593)</u>
<u>-</u>	<u>-</u>	<u>38,678,986</u>	<u>38,678,986</u>
7,156	(196,221)	36,059,848	37,369,305
8,186	1,262,640	(36,059,848)	(31,324,410)
<u>\$ 15,342</u>	<u>\$ 1,066,419</u>	<u>\$ -</u>	<u>\$ 6,044,895</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 876	\$ (124)
Other revenues	<u>28,000</u>	<u>28,000</u>	<u>25,615</u>	<u>(2,385)</u>
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>26,491</u>	<u>(2,509)</u>
Expenditures				
Current:				
Community services	-	-	25,000	(25,000)
Capital outlay	<u>62,000</u>	<u>62,000</u>	<u>6,966</u>	<u>55,034</u>
Total expenditures	<u>62,000</u>	<u>62,000</u>	<u>31,966</u>	<u>30,034</u>
Excess (deficiency) of revenues over expenditures	<u>(33,000)</u>	<u>(33,000)</u>	<u>(5,475)</u>	<u>27,525</u>
Other financing sources (uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Change in fund balance	(58,000)	(58,000)	(5,475)	52,525
Fund balances, beginning of year	<u>148,195</u>	<u>148,195</u>	<u>148,195</u>	<u>-</u>
Fund balances, end of year	<u>\$ 90,195</u>	<u>\$ 90,195</u>	<u>\$ 142,720</u>	<u>\$ 52,525</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 38,000	\$ 38,000	\$ 30,975	\$ (7,025)
Use of money and property	-	-	-	-
Intergovernmental	<u>1,085,000</u>	<u>1,085,000</u>	<u>377,421</u>	<u>(707,579)</u>
Total revenues	<u>1,123,000</u>	<u>1,123,000</u>	<u>408,396</u>	<u>(714,604)</u>
Expenditures				
Capital outlay	<u>1,085,000</u>	<u>1,085,000</u>	<u>343,072</u>	<u>741,928</u>
Excess (deficiency) of revenues over expenditures	<u>38,000</u>	<u>38,000</u>	<u>65,324</u>	<u>27,324</u>
Other financing sources (uses)				
Transfers out	<u>(38,000)</u>	<u>(38,000)</u>	<u>(30,975)</u>	<u>7,025</u>
Change in fund balance	-	-	34,349	34,349
Fund balances, beginning of year	<u>(54,115)</u>	<u>(54,115)</u>	<u>(54,115)</u>	-
Fund balances, end of year	<u><u>\$ (54,115)</u></u>	<u><u>\$ (54,115)</u></u>	<u><u>\$ (19,766)</u></u>	<u><u>\$ 34,349</u></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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 2,000	\$ 2,000	\$ 6,658	\$ 4,658
Intergovernmental	1,730,934	1,730,934	2,761,191	1,030,257
Total revenues	<u>1,732,934</u>	<u>1,732,934</u>	<u>2,767,849</u>	<u>1,034,915</u>
Expenditures				
Current:				
Public works	842,018	883,063	786,071	96,992
Capital outlay	1,422,000	1,380,955	712,416	668,539
Total expenditures	<u>2,264,018</u>	<u>2,264,018</u>	<u>1,498,487</u>	<u>765,531</u>
Change in fund balance	(531,084)	(531,084)	1,269,362	1,800,446
Fund balances, beginning of year	<u>1,082,914</u>	<u>1,082,914</u>	<u>1,082,914</u>	<u>-</u>
Fund balances, end of year	<u>\$ 551,830</u>	<u>\$ 551,830</u>	<u>\$ 2,352,276</u>	<u>\$ 1,800,446</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 6,822	\$ 6,822
Use of money and property	500	500	1,114	614
Total revenues	<u>500</u>	<u>500</u>	<u>7,936</u>	<u>7,436</u>
Expenditures				
Current:				
Community development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	500	500	7,936	7,436
Fund balances, beginning of year	<u>184,171</u>	<u>184,171</u>	<u>184,171</u>	<u>-</u>
Fund balances, end of year	<u>\$ 184,671</u>	<u>\$ 184,671</u>	<u>\$ 192,107</u>	<u>\$ 7,436</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 30,000	\$ 30,000	\$ 36,150	\$ 6,150
Use of money and property	500	500	89	(411)
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>36,239</u>	<u>5,739</u>
Expenditures				
Current:				
Public works	49,600	54,600	56,071	(1,471)
Total expenditures	<u>49,600</u>	<u>54,600</u>	<u>56,071</u>	<u>(1,471)</u>
Change in fund balance	(19,100)	(24,100)	(19,832)	4,268
Fund balances, beginning of year	41,698	41,698	41,698	-
Fund balances, end of year	<u>\$ 22,598</u>	<u>\$ 17,598</u>	<u>\$ 21,866</u>	<u>\$ 4,268</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 54	\$ 54
Intergovernmental	2,166,237	2,166,237	1,927,488	(238,749)
Total revenues	<u>2,166,237</u>	<u>2,166,237</u>	<u>1,927,542</u>	<u>(238,695)</u>
Expenditures				
Current:				
Community development	<u>2,143,148</u>	<u>2,153,027</u>	<u>2,050,138</u>	<u>102,889</u>
Change in fund balance	23,089	13,210	(122,596)	(135,806)
Fund balances, beginning of year	<u>160,616</u>	<u>160,616</u>	<u>160,616</u>	<u>-</u>
Fund balances, end of year	<u>\$ 183,705</u>	<u>\$ 173,826</u>	<u>\$ 38,020</u>	<u>\$ (135,806)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,117,912	\$ 1,117,912	\$ 1,207,872	\$ 89,960
Use of money and property	3,000	3,000	2,381	(619)
Charges for services	269,800	269,800	281,676	11,876
Total revenues	<u>1,390,712</u>	<u>1,390,712</u>	<u>1,491,929</u>	<u>101,217</u>
Expenditures				
Current:				
Community services	1,429,532	1,460,044	1,440,300	19,744
Total expenditures	<u>1,429,532</u>	<u>1,460,044</u>	<u>1,440,300</u>	<u>19,744</u>
Change in fund balance	(38,820)	(69,332)	51,629	120,961
Fund balances, beginning of year	<u>226,727</u>	<u>226,727</u>	<u>226,727</u>	-
Fund balances, end of year	<u>\$ 187,907</u>	<u>\$ 157,395</u>	<u>\$ 278,356</u>	<u>\$ 120,961</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 50,751	\$ 50,751
Use of money and property	5,000	5,000	8,005	3,005
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>58,756</u>	<u>53,756</u>
Expenditures				
Current:				
Public safety	250,000	253,750	9,222	244,528
Capital outlay	100,000	100,000	11,262	88,738
Total expenditures	<u>350,000</u>	<u>353,750</u>	<u>20,484</u>	<u>333,266</u>
Change in fund balance	(345,000)	(348,750)	38,272	387,022
Fund balances, beginning of year	<u>1,378,678</u>	<u>1,378,678</u>	<u>1,378,678</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,033,678</u>	<u>\$ 1,029,928</u>	<u>\$ 1,416,950</u>	<u>\$ 387,022</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 2,000	\$ 2,000	\$ 3,582	\$ 1,582
Intergovernmental	70,000	70,000	73,114	3,114
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>76,696</u>	<u>4,696</u>
Expenditures				
Current:				
Public safety	3,700	3,700	6,554	(2,854)
Capital outlay	5,000	32,067	28,600	3,467
Total expenditures	<u>8,700</u>	<u>35,767</u>	<u>35,154</u>	<u>613</u>
Change in fund balance	63,300	36,233	41,542	5,309
Fund balances, beginning of year	604,379	604,379	604,379	-
Fund balances, end of year	<u>\$ 667,679</u>	<u>\$ 640,612</u>	<u>\$ 645,921</u>	<u>\$ 5,309</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 733,181	\$ 733,181	\$ 780,697	\$ 47,516
Use of money and property	4,000	4,000	2,027	(1,973)
Total revenues	<u>739,181</u>	<u>739,181</u>	<u>782,724</u>	<u>43,543</u>
Expenditures				
Current:				
Public works	1,096,873	1,159,947	1,158,082	1,865
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>1,101,873</u>	<u>1,164,947</u>	<u>1,158,082</u>	<u>6,865</u>
Change in fund balance	(362,692)	(425,766)	(375,358)	50,408
Fund balances, beginning of year	<u>499,691</u>	<u>499,691</u>	<u>499,691</u>	-
Fund balances, end of year	<u>\$ 136,999</u>	<u>\$ 73,925</u>	<u>\$ 124,333</u>	<u>\$ 50,408</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 335,000	\$ 335,000	\$ 332,826	\$ (2,174)
Use of money and property	1,000	1,000	648	(352)
Other revenues	-	500	250	(250)
Total revenues	<u>336,000</u>	<u>336,500</u>	<u>333,724</u>	<u>(2,776)</u>
Expenditures				
Current:				
Community development	336,734	336,734	310,460	26,274
Total expenditures	<u>336,734</u>	<u>336,734</u>	<u>310,460</u>	<u>26,274</u>
Change in fund balance	(734)	(234)	23,264	23,498
Fund balances, beginning of year	<u>26,792</u>	<u>26,792</u>	<u>26,792</u>	<u>-</u>
Fund balances, end of year	<u>\$ 26,058</u>	<u>\$ 26,558</u>	<u>\$ 50,056</u>	<u>\$ 23,498</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 1,300	\$ 1,200	\$ 2,684	\$ 1,484
Intergovernmental	16,316	325,822	44,697	(281,125)
Other revenues	100,000	100,000	90,817	(9,183)
Total revenues	<u>117,616</u>	<u>427,022</u>	<u>138,198</u>	<u>(288,824)</u>
Expenditures				
Current:				
Public safety	91,272	107,832	24,977	82,855
Capital outlay	332,009	411,886	65,003	346,883
Total expenditures	<u>423,281</u>	<u>519,718</u>	<u>89,980</u>	<u>429,738</u>
Change in fund balance	(305,665)	(92,696)	48,218	140,914
Fund balances, beginning of year	<u>260,684</u>	<u>260,684</u>	<u>260,684</u>	<u>-</u>
Fund balances, end of year	<u>\$ (44,981)</u>	<u>\$ 167,988</u>	<u>\$ 308,902</u>	<u>\$ 140,914</u>

City of Huntington Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Illegal Disposal Abatement Fund Special Revenue Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental	456,500	456,500	26,566	(429,934)
Total revenues	<u>456,500</u>	<u>456,500</u>	<u>26,583</u>	<u>(429,917)</u>
Expenditures				
Community development	333,000	333,000	22,117	310,883
Capital outlay	123,500	123,500	-	123,500
	<u>456,500</u>	<u>456,500</u>	<u>22,117</u>	<u>434,383</u>
Change in fund balance	-	-	4,466	4,466
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,466</u>	<u>\$ 4,466</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, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
General government	-	-	6,753	(6,753)
Total expenditures	-	-	6,753	(6,753)
Change in fund balance	-	-	(6,753)	(6,753)
Fund balances, beginning of year	4,903	4,903	4,903	-
Fund balances, end of year	\$ 4,903	\$ 4,903	\$ (1,850)	\$ (6,753)

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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 10,993	\$ (1,007)
Intergovernmental	-	-	33,826	33,826
Use of money and property	-	-	54	54
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>44,873</u>	<u>32,873</u>
Expenditures				
Current:				
Public safety	<u>27,000</u>	<u>27,000</u>	<u>22,150</u>	<u>4,850</u>
Change in fund balance	(15,000)	(15,000)	22,723	37,723
Fund balances, beginning of year	<u>(3,515)</u>	<u>(3,515)</u>	<u>(3,515)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (18,515)</u>	<u>\$ (18,515)</u>	<u>\$ 19,208</u>	<u>\$ 37,723</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,205,000	\$ 1,205,000	\$ 1,138,596	\$ (66,404)
Other revenues	18,000	18,000	18,000	-
Total revenues	<u>1,223,000</u>	<u>1,223,000</u>	<u>1,156,596</u>	<u>(66,404)</u>
Expenditures				
Current:				
Community development	583,317	587,067	553,830	33,237
Debt service:				
Principal retirement	366,036	366,035	366,035	-
Interest and fiscal charges	91,172	91,172	91,172	-
Total expenditures	<u>1,040,525</u>	<u>1,044,274</u>	<u>1,011,037</u>	<u>33,237</u>
Excess (deficiency) of revenues over expenditures	182,475	178,726	145,559	(33,167)
Other financing sources (uses)				
Transfers out	(150,000)	(150,000)	-	150,000
Change in fund balance	32,475	28,726	145,559	116,833
Fund balances, beginning of year	(183,591)	(183,591)	(183,591)	
Fund balances, end of year	<u>\$ (151,116)</u>	<u>\$ (154,865)</u>	<u>\$ (38,032)</u>	<u>\$ 116,833</u>

City of Huntington Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Solid Waste Recycle Grant Special Revenue Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 177	\$ 177
Intergovernmental	39,523	39,523	88,139	48,616
	<u>39,523</u>	<u>39,523</u>	88,316	48,793
Expenditures				
Current:				
Community development	39,523	39,523	38,552	971
Total expenditures	<u>39,523</u>	<u>39,523</u>	<u>38,552</u>	<u>971</u>
Change in fund balance	-	-	49,764	49,764
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,764</u>	<u>\$ 49,764</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Use of money and property	\$ 4,000	\$ 4,000	\$ 1,666	\$ (2,334)
Intergovernmental	199,173	199,173	172,776	(26,397)
Interfund charges	<u>1,917,087</u>	<u>1,917,087</u>	<u>1,371,118</u>	<u>(545,969)</u>
	2,120,260	2,120,260	1,545,560	(574,700)
Expenditures				
Current:				
General government	<u>1,739,000</u>	<u>1,739,000</u>	<u>1,343,192</u>	<u>395,808</u>
Change in fund balance	381,260	381,260	202,368	(178,892)
Fund balances, beginning of year	<u>66,237</u>	<u>66,237</u>	<u>66,237</u>	-
Fund balances, end of year	<u>\$ 447,497</u>	<u>\$ 447,497</u>	<u>\$ 268,605</u>	<u>\$ (178,892)</u>

City of Huntington Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
EPA Brownfield Grant
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 188,625	\$ 188,625	\$ 1,000	\$ (187,625)
	<u>188,625</u>	<u>188,625</u>	<u>1,000</u>	<u>(187,625)</u>
Expenditures				
Current:				
Community services	<u>188,625</u>	<u>188,625</u>	<u>1,000</u>	<u>187,625</u>
Change in fund balance	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 270	\$ 270
Charges for services	-	-	916	916
Use of money and property	-	-	1,186	1,186
Expenditures				
Current:				
General government	-	220	220	-
Change in fund balance	-	(220)	966	1,186
Fund balances, beginning of year	45,657	45,657	45,657	-
Fund balances, end of year	\$ 45,657	\$ 45,437	\$ 46,623	\$ 1,186

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,406,800	\$ 1,406,800	\$ 1,442,672	\$ 35,872
Other revenues	5,000.00	5,000	-	(5,000)
Total revenues	<u>1,411,800</u>	<u>1,411,800</u>	<u>1,442,672</u>	<u>30,872</u>
Expenditures				
Current:				
Public works	1,113,733	1,113,733	967,074	146,659
Debt service:				
Principal retirement	306,400	306,400	306,400	-
Interest and fiscal charges	447,185	447,185	446,785	400
Bond issuance costs	3,000	3,000	-	3,000
Total expenditures	<u>1,870,318</u>	<u>1,870,318</u>	<u>1,720,259</u>	<u>150,059</u>
Change in fund balance	(458,518)	(458,518)	(277,587)	180,931
Fund balances, beginning of year	<u>(1,526,878)</u>	<u>(1,526,878)</u>	<u>(1,526,878)</u>	-
Fund balances, end of year	<u>\$ (1,985,396)</u>	<u>\$ (1,985,396)</u>	<u>\$ (1,804,465)</u>	<u>\$ 180,931</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 30,944	\$ 30,944	\$ -	\$ (30,944)
Use of money and property	-	-	3	3
Total revenues	<u>30,944</u>	<u>30,944</u>	<u>3</u>	<u>(30,941)</u>
Expenditures				
Current:				
Community development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	30,944	30,944	3	(30,941)
Fund balances, beginning of year	<u>472</u>	<u>472</u>	<u>472</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,416</u>	<u>\$ 31,416</u>	<u>\$ 475</u>	<u>\$ (30,941)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 549,891	\$ 549,891	\$ 580,025	\$ 30,134
Use of money and property	1,000	1,000	4,166	3,166
Total revenues	<u>550,891</u>	<u>550,891</u>	<u>584,191</u>	<u>33,300</u>
Expenditures				
Current:				
Public works	20,000.00	20,000	8,282	11,718
Capital outlay	941,792	941,792	416,369	525,423
Total expenditures	<u>961,792</u>	<u>961,792</u>	<u>424,651</u>	<u>537,141</u>
Change in fund balance	(410,901)	(410,901)	159,540	570,441
Fund balances, beginning of year	749,849	749,849	749,849	-
Fund balances, end of year	<u>\$ 338,948</u>	<u>\$ 338,948</u>	<u>\$ 909,389</u>	<u>\$ 570,441</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 198	\$ 198
Intergovernmental	15,000	15,000	20,356	5,356
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>20,554</u>	<u>5,554</u>
Expenditures				
Current:				
Public safety	10,000	10,000	148	9,852
Change in fund balance	5,000	5,000	20,406	15,406
Fund balances, beginning of year	<u>22,453</u>	<u>22,453</u>	<u>22,453</u>	<u>-</u>
Fund balances, end of year	<u>\$ 27,453</u>	<u>\$ 27,453</u>	<u>\$ 42,859</u>	<u>\$ 15,406</u>

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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 475,000	\$ 600,768	\$ 697,929	\$ 97,161
Use of money and property	-	-	43	43
	<u>475,000</u>	<u>600,768</u>	<u>697,972</u>	<u>97,204</u>
Expenditures				
Current:				
Community development	176,894	215,444	153,993	61,451
Capital outlay	250,000	455,512	504,259	(48,747)
Total expenditures	<u>426,894</u>	<u>670,956</u>	<u>658,252</u>	<u>12,704</u>
Change in fund balance	48,106	(70,188)	39,720	109,908
Fund balances, beginning of year	<u>(39,675)</u>	<u>(39,675)</u>	<u>(39,675)</u>	-
Fund balances, end of year	<u>\$ 8,431</u>	<u>\$ (109,863)</u>	<u>\$ 45</u>	<u>\$ 109,908</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 146	\$ 146
Intergovernmental	234,400	234,400	173,769	(60,631)
Total revenues	<u>234,400</u>	<u>234,400</u>	<u>173,915</u>	<u>(60,485)</u>
Expenditures				
Current:				
Community development	<u>244,313</u>	<u>244,313</u>	<u>114,774</u>	<u>129,539</u>
Change in fund balance	(9,913)	(9,913)	59,141	68,908
Fund balances, beginning of year	<u>(59,131)</u>	<u>(59,131)</u>	<u>(59,131)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (69,044)</u>	<u>\$ (69,044)</u>	<u>\$ 10</u>	<u>\$ 68,908</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	352,000	352,000	227,537	(124,463)
Total revenues	<u>352,000</u>	<u>352,000</u>	<u>227,537</u>	<u>(124,463)</u>
Expenditures				
Current:				
Community development	363,000	363,000	227,537	135,463
Change in fund balance	(11,000)	(11,000)	-	11,000
Fund balances, beginning of year	148	148	148	-
Fund balances, end of year	<u>\$ (10,852)</u>	<u>\$ (10,852)</u>	<u>\$ 148</u>	<u>\$ 11,000</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,249	\$ 1,249
Transfers in	-	-	34,246	34,246
Change in fund balance	-	-	35,495	35,495
Fund balances, beginning of year	<u>(35,495)</u>	<u>(35,495)</u>	<u>(35,495)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (35,495)</u>	<u>\$ (35,495)</u>	<u>\$ -</u>	<u>\$ 35,495</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	\$ 94,000	\$ 94,000	\$ 51,400	\$ (42,600)
Expenditures				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Change in fund balance	94,000	94,000	51,400	(42,600)
Fund balances, beginning of year	(147,737)	(147,737)	(147,737)	-
Fund balances, end of year	\$ (53,737)	\$ (53,737)	\$ (96,337)	\$ (42,600)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 76	\$ 76
Intergovernmental	10,000	10,000	7,080	(2,920)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,156</u>	<u>(2,844)</u>
Expenditures				
Current:				
Public safety	4,000	4,000	-	4,000
Change in fund balance	6,000	6,000	7,156	1,156
Fund balances, beginning of year	8,186	8,186	8,186	-
Fund balances, end of year	<u>\$ 14,186</u>	<u>\$ 14,186</u>	<u>\$ 15,342</u>	<u>\$ 1,156</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 7,207	\$ 6,207
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>7,207</u>	<u>6,207</u>
Expenditures				
Current:				
Capital outlay	265,000	265,000	169,182	95,818
Total expenditures	<u>265,000</u>	<u>265,000</u>	<u>169,182</u>	<u>95,818</u>
Excess (deficiency) of revenues over expenditures	(264,000)	(264,000)	(161,975)	102,025
Other financing uses				
Transfers out	-	-	(34,246)	(34,246)
Change in fund balance	(264,000)	(264,000)	(196,221)	67,779
Fund balances, beginning of year	1,262,640	1,262,640	1,262,640	-
Fund balances, end of year	<u>\$ 998,640</u>	<u>\$ 998,640</u>	<u>\$ 1,066,419</u>	<u>\$ 67,779</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.

Workers Compensation Fund – This fund accounts for the workers compensation costs to the City. Such costs are based upon actual claims paid.

Employee Benefit Fund – This fund accounts for the costs of benefits paid to City employees.

City of Huntington Park
Combining Statement of Net Assets
Internal Service Funds
June 30, 2012

	Fleet Maintenance	Vehicle and Equipment Replacement	Workers' Compensation Fund	Employee Benefit Fund	Governmental Activities - Internal Service Funds
ASSETS					
Current assets					
Cash and investments	\$ 319,993	\$ 40,642	\$ 5,494,459	\$ -	\$ 5,855,094
Accounts receivable	236	30	4,003	-	4,269
Total current assets	<u>320,229</u>	<u>40,672</u>	<u>5,498,462</u>	<u>-</u>	<u>5,859,363</u>
Noncurrent assets					
Capital assets	484,562	1,901,011	-	-	2,385,573
Less accumulated depreciation	(415,120)	(1,809,001)	-	-	(2,224,121)
Net capital assets	<u>69,442</u>	<u>92,010</u>	<u>-</u>	<u>-</u>	<u>161,452</u>
Total noncurrent assets	<u>69,442</u>	<u>92,010</u>	<u>-</u>	<u>-</u>	<u>161,452</u>
Total assets	<u>389,671</u>	<u>132,682</u>	<u>5,498,462</u>	<u>-</u>	<u>6,020,815</u>
LIABILITIES					
Current liabilities					
Accounts payable	62,505	-	9,293	23,319	95,117
Accrued payroll	3,530	-	5,741	2,594	11,865
Accrued leave payable	4,341	-	-	-	4,341
Due to other funds	-	-	-	108,496	108,496
Total current liabilities	<u>70,376</u>	<u>-</u>	<u>15,034</u>	<u>134,409</u>	<u>219,819</u>
Noncurrent liabilities					
Claims payable	-	-	815,000	-	815,000
Total liabilities	<u>70,376</u>	<u>-</u>	<u>830,034</u>	<u>134,409</u>	<u>1,034,819</u>
NET ASSETS					
Invested in capital assets	69,442	92,010	-	-	161,452
Unrestricted	<u>249,853</u>	<u>40,672</u>	<u>4,668,428</u>	<u>(134,409)</u>	<u>4,824,544</u>
Total net assets	<u>\$ 319,295</u>	<u>\$ 132,682</u>	<u>\$ 4,668,428</u>	<u>\$ (134,409)</u>	<u>\$ 4,985,996</u>

City of Huntington Park
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
Year ended June 30, 2012

	<u>Fleet Maintenance</u>	<u>Vehicle and Equipment Replacement</u>	<u>Workers' Compensation Fund</u>	<u>Employee Benefit Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating revenues					
Charges for services	\$ 765,380	\$ -	\$ 1,895,673	\$ 2,425,778	\$ 5,086,831
Total operating revenues	<u>765,380</u>	<u>-</u>	<u>1,895,673</u>	<u>2,425,778</u>	<u>5,086,831</u>
Operating expenses					
Personnel services	307,006	-	173,933	-	480,939
Materials and supplies	379,377	105,184	-	-	484,561
Contractual services	-	-	448,292	-	448,292
Insurance	-	-	1,459,766	2,314,001	3,773,767
Depreciation	18,541	164,713	-	-	183,254
Total operating expenses	<u>704,924</u>	<u>269,897</u>	<u>2,081,991</u>	<u>2,314,001</u>	<u>5,370,813</u>
Operating income (loss)	<u>60,456</u>	<u>(269,897)</u>	<u>(186,318)</u>	<u>111,777</u>	<u>(283,982)</u>
Nonoperating revenues					
Interest earnings on investments	907	217	29,187	-	30,311
Total nonoperating revenues	<u>907</u>	<u>217</u>	<u>29,187</u>	<u>-</u>	<u>30,311</u>
Change in net assets	61,363	(269,680)	(157,131)	111,777	(253,671)
Total net assets - beginning	<u>257,932</u>	<u>402,362</u>	<u>4,825,559</u>	<u>(246,186)</u>	<u>5,239,667</u>
Total net assets - ending	<u>\$ 319,295</u>	<u>\$ 132,682</u>	<u>\$ 4,668,428</u>	<u>\$ (134,409)</u>	<u>\$ 4,985,996</u>

City of Huntington Park
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2012

	Fleet Maintenance	Vehicle and Equipment Replacement	Workers' Compensation Fund	Employee Benefit Fund	Governmental Activities- Internal Service Funds
Cash flows from operating activities					
Receipts from tenants, customers and users \$	765,396	25	1,896,352	2,349,197	5,010,970
Payments to suppliers	(365,123)	(131,250)	(1,961,345)	(2,339,352)	(4,797,070)
Payments to employees	(313,040)	-	(177,690)	(9,845)	(500,575)
Net cash provided by (used in) operating activities	<u>87,233</u>	<u>(131,225)</u>	<u>(242,683)</u>	<u>-</u>	<u>(286,675)</u>
Cash flows from capital and related financing activities					
Purchases and construction of capital assets	(72,922)	105,183	-	-	32,261
Net cash used in capital and related financing activities	<u>(72,922)</u>	<u>105,183</u>	<u>-</u>	<u>-</u>	<u>32,261</u>
Cash flows from investing activities					
Interest received	907	217	29,187	-	30,311
Change in cash and cash equivalents	15,218	(25,825)	(213,496)	-	(224,103)
Beginning cash and cash equivalents	304,775	66,467	5,707,955	-	6,079,197
Ending cash and cash equivalents	<u>\$ 319,993</u>	<u>\$ 40,642</u>	<u>5,494,459</u>	<u>-</u>	<u>\$ 5,855,094</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 60,456	\$ (269,897)	\$ (186,318)	111,777	\$ (283,982)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Depreciation	18,541	164,713	-	-	183,254
(Increase) decrease in:					
Accounts receivable	16	25	679	-	720
Prepaid expenses	-	-	7,215	156,539	163,754
Increase (decrease):					
Accounts payable	14,254	(26,066)	(60,502)	(181,890)	(254,204)
Accrued payroll	(6,290)	-	(3,757)	(9,845)	(19,892)
Due to other funds	-	-	-	(76,581)	(76,581)
Accrued leave payable	256	-	-	-	256
Net cash provided by (used in) operati	<u>\$ 87,233</u>	<u>\$ (131,225)</u>	<u>\$ (242,683)</u>	<u>-</u>	<u>\$ (286,675)</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.

Sewer Maintenance To account for the activities of sewer utility services provided to the residents of the City.

Solid Waste Management 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, 2012

	Sewer Maintenance	Solid Waste Management	Total Other Enterprise Funds
ASSETS			
Current assets			
Cash and investments	\$ 596,111	\$ -	\$ 596,111
Accounts receivable	39,326	15,325	54,651
Total current assets	635,437	15,325	650,762
Noncurrent assets			
Capital assets	8,998,545	-	8,998,545
Less accumulated depreciation	(3,233,606)	-	(3,233,606)
Net capital assets	5,764,939	-	5,764,939
Total noncurrent assets	5,764,939	-	5,764,939
Total assets	6,400,376	15,325	6,415,701
LIABILITIES			
Current liabilities			
Accounts payable	19,141	697	19,838
Accrued payroll	59	1,317	1,376
Accrued leave payable	116	1,264	1,380
Deposits	-	5,937	5,937
Due to other funds	-	33,952	33,952
Deferred revenue	-	4,426	4,426
Total current liabilities	19,316	47,593	66,909
Noncurrent liabilities			
Compensated absences payable	1,370	7,852	9,222
Total liabilities	20,686	55,445	76,131
NET ASSETS			
Invested in capital assets, net of related debt	5,764,939	-	5,764,939
Unrestricted	614,750	(40,120)	574,630
Total net assets	\$ 6,379,689	\$ (40,120)	\$ 6,339,569

City of Huntington Park
Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Other Enterprise Funds
Year ended June 30, 2012

	<u>Sewer Maintenance</u>	<u>Solid Waste Management</u>	<u>Total Other Enterprise Funds</u>
Operating revenues			
Charges for services	\$ 326,470	\$ 139,978	\$ 466,448
Other	-	155	155
Total operating revenues	<u>326,470</u>	<u>140,133</u>	<u>466,603</u>
Operating expenses			
Personnel services	28,293	109,137	137,430
General	1,841	360	2,201
Materials and supplies	175,620	12,299	187,919
Insurance	1,769	7,216	8,985
Depreciation	32,154	-	32,154
Total operating expenses	<u>239,677</u>	<u>129,012</u>	<u>368,689</u>
Operating income (loss)	86,793	11,121	97,914
Nonoperating revenues			
Interest earnings on investments	<u>3,281</u>	<u>28</u>	<u>3,309</u>
Change in net assets	90,074	11,149	101,223
Total net assets - beginning	<u>6,289,615</u>	<u>(51,269)</u>	<u>6,238,346</u>
Total net assets - ending	<u>\$ 6,379,689</u>	<u>\$ (40,120)</u>	<u>\$ 6,339,569</u>

**City of Huntington Park
Combining Statement of Cash Flows
Nonmajor Other Enterprise Funds
Year ended June 30, 2012**

	<u>Sewer Maintenance</u>	<u>Solid Waste Management</u>	<u>Total Other Enterprise Funds</u>
Cash flows from operating activities			
Receipts from tenants, customers and users	\$ 326,964	\$ 139,978	\$ 466,942
Payments to suppliers	(174,441)	(20,687)	(195,128)
Payments to employees	(29,997)	(97,360)	(127,357)
Net cash provided by (used in) operating activities	<u>122,526</u>	<u>21,931</u>	<u>144,457</u>
Cash flows from investing activities			
Interest received	<u>3,282</u>	<u>28</u>	<u>3,310</u>
Change in cash and cash equivalents	125,808	21,959	147,767
Beginning cash and cash equivalents	<u>470,303</u>	<u>(21,959)</u>	<u>448,344</u>
Ending cash and cash equivalents	<u>\$ 596,111</u>	<u>\$ -</u>	<u>\$ 596,111</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 86,793	\$ 11,121	\$ 97,914
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	32,154	-	32,154
(Increase) decrease in:			
Accounts receivable	494	(8,254)	(7,760)
Increase (decrease):			
Accounts payable	4,788	(812)	3,976
Accrued payroll	43	(4,631)	(4,588)
Accrued leave payable	(823)	(546)	(1,369)
Due to other funds	-	33,952	33,952
Compensated absences	(923)	(8,898)	(9,821)
Net cash provided by (used in) operating activities	<u>\$ 122,526</u>	<u>\$ 21,932</u>	<u>\$ 144,458</u>

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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.

Contents	Page
<p>Financial Trends</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</p>	136
<p>Revenue Capacity</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.</p>	142
<p>Debt Capacity</p> <p style="padding-left: 40px;">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.</p>	145
<p>Demographic and Economic Information</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</p>	149
<p>Operating Information</p> <p style="padding-left: 40px;">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.</p>	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 Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
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	40,872,320
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	11,959,587
Unrestricted	(118,440,171)	(121,322,650)	(125,060,515)	(137,711,033)	(152,496,772)	(169,715,872)	(148,938,364)	(167,485,978)	(179,961,906)	3,870,375
Total governmental activities net assets	<u>\$ (76,866,132)</u>	<u>(79,335,157)</u>	<u>(79,933,724)</u>	<u>(80,827,932)</u>	<u>(79,997,140)</u>	<u>(80,488,024)</u>	<u>(82,873,547)</u>	<u>(102,494,157)</u>	<u>(111,602,059)</u>	<u>56,702,282</u>
Business-type activities:										
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	17,579,641
Unrestricted	6,733,363	4,985,646	4,697,331	5,585,405	5,611,257	5,437,161	5,447,372	3,364,892	1,073,584	(157,944)
Total business-type activities net assets	<u>\$ 18,670,794</u>	<u>19,077,662</u>	<u>19,495,443</u>	<u>20,510,045</u>	<u>21,792,994</u>	<u>21,870,260</u>	<u>21,988,081</u>	<u>20,161,790</u>	<u>18,558,304</u>	<u>17,421,697</u>
Primary government:										
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	58,451,961
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	11,959,587
Unrestricted	(111,706,808)	(116,337,004)	(120,363,184)	(132,125,628)	(146,885,515)	(164,278,711)	(143,490,992)	(164,121,086)	(178,888,322)	3,712,431
Total primary government net assets	<u>\$ (58,195,338)</u>	<u>(60,257,495)</u>	<u>(60,438,281)</u>	<u>(60,317,887)</u>	<u>(58,204,146)</u>	<u>(58,617,764)</u>	<u>(60,885,466)</u>	<u>(82,332,367)</u>	<u>(93,043,755)</u>	<u>74,123,979</u>

The Redvelopment Commission of the City of Huntington Park was dissolved on 1/31/2012. The Successor Agency is reported as a fiduciary fund. GASB 34 was implemented for the fiscal year ended June 30, 2003.

Source: City Finance Department

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
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	7,408,478
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	17,470,158
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	9,531,593
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	2,974,883
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	9,351,165
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	4,226,594
Total governmental activities expenses	47,520,483	44,129,445	45,849,830	48,416,579	52,677,982	62,383,569	56,231,920	74,645,470	62,727,700	50,962,871
Business-type activities:										
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	5,633,636
Sewer	196,733	189,127	271,800	233,282	283,578	322,940	349,607	354,626	867,534	239,677
Solid Waste	141,199	181,873	205,041	197,629	295,841	287,332	294,189	196,563	232,150	129,012
Total business-type activities expenses	4,566,369	4,624,103	4,642,588	4,518,851	4,031,793	5,132,279	5,675,925	6,738,461	6,548,357	6,002,325
Total primary government expenses	52,086,852	48,753,548	50,492,418	52,935,430	56,709,775	67,515,848	61,907,845	81,383,931	69,276,057	56,965,196
Program revenues:										
Governmental activities:										
Charges for services:										
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	3,480,292
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	2,042,596
Public works	799,303	1,212,668	1,242,599	1,337,594	1,396,146	747,050	156,719	255,895	123,882	119,038
Community services	179,674	191,529	379,295	393,355	408,728	509,136	734,891	847,982	633,813	645,245
Community development	552,725	576,299	765,508	544,720	618,831	1,248,185	1,295,097	1,283,804	1,182,626	1,236,244
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	8,541,045
Capital grants and contributions	911,275	649,806	3,999,639	3,686,738	3,187,473	3,044,238	334,963	259,939	-	-
Total governmental activities program revenues	11,695,651	14,288,388	15,304,371	14,514,446	15,490,973	16,455,063	14,641,865	17,881,536	15,308,213	16,064,460
Business-type activities:										
Charges for services:										
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	4,070,052
Sewer	278,033	366,418	380,498	379,006	383,512	367,477	336,186	341,158	325,163	326,470
Solid Waste	81,682	98,783	106,918	118,751	125,261	128,080	132,565	151,403	159,501	139,978
Operating grants and contributions	-	-	31,728	35,797	30,993	41,739	453,092	14,936	75,661	292,214
Capital grants and contributions	-	-	-	-	-	-	-	191,897	-	-
Total business-type activities program revenues	5,254,641	5,100,705	4,999,042	5,273,995	5,352,832	5,223,631	5,805,143	5,018,175	4,809,607	4,828,714
Total primary government program revenues	16,950,292	19,389,093	20,303,413	19,788,441	20,843,805	21,678,694	20,447,008	22,899,711	20,117,820	20,893,174
Net revenues (expenses):										
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)	(34,898,411)
Business-type activities	688,272	476,602	356,454	755,144	1,321,039	91,352	129,218	(1,720,286)	(1,738,750)	(1,173,611)
Total net revenues (expenses)	\$(35,136,560)	(29,364,455)	(30,189,005)	(33,146,989)	(35,865,970)	(45,837,154)	(41,460,837)	(58,484,220)	(49,158,237)	(36,072,022)

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	13,223,844
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	6,518,106
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	1,424,304
Franchise	520,712	558,820	708,580	616,012	643,875	648,097	659,540	617,944	647,472	636,094
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	5,523,882
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	4,780,123
Other taxes	30,522	26,782	26,279	57,320	122,822	72,042	386,784	389,703	968,396	421,016
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	245,456
Other	382,887	602,078	124,851	680,364	299,722	1,568,531	998,542	907,504	2,118,092	611,693
Sale of assets	-	439,500	(25,531)	-	-	-	-	-	-	-
Transfers	150,000	175,000	185,000	185,000	200,000	210,000	220,000	220,000	-	-
Extraordinary item	-	-	-	-	-	-	-	-	-	169,818,234
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>	<u>203,202,752</u>
Business-type activities:										
Investment income	179,944	105,266	246,327	442,514	10,169	174,583	188,245	94,274	14,483	5,087
Other	-	-	-	1,944	151,741	21,331	20,358	19,721	120,781	31,917
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>	<u>37,004</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>	<u>203,239,756</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)	168,304,341
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)	(1,136,607)
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>	<u>167,167,734</u>

The Redevelopment Commission of the City of Huntington Park was dissolved on 1/31/2012. The Successor Agency is reported as a fiduciary fund. GASB 34 was implemented for the fiscal year ended June 30, 2003. The dissolution of the Redevelopment Commission was reported as an extraordinary item in fiscal year 2012.

Source: City Finance Department

City of Huntington Park
Fund Balances of Governmental Funds
Fiscal Year 2012 and 2011

	<u>2011</u>	<u>2012</u>
General Fund		
Nonspendable	\$ 22,920,179	45,373
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	9,153,901	15,977,450
Total General Fund	<u>\$ 32,074,080</u>	<u>16,022,823</u>
 All Other Governmental Funds		
Nonspendable	\$ 35,610,658	10,010
Restricted	27,990,461	7,706,817
Committed	-	-
Assigned	-	-
Unassigned	(79,415,388)	(1,671,932)
Total All Other Governmental Funds	<u>\$ (15,814,269)</u>	<u>6,044,895</u>

Note: The City of Huntington Park elected to present fund balance information under GASB#54 prospectively in the Statistical Section; refer to page 140 for reporting of the previous years under the old guidelines.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
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	32,527,369
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	1,794,342
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	1,799,092
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	214,718
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	8,194,479
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	3,988,545
Interfund charges	-	-	825,389	684,174	1,363,798	6,098,629	6,232,316	1,284,039	2,160,428	775,004
Other	503,715	455,077	587,605	1,999,076	722,011	2,687,716	2,098,330	7,341,289	7,689,193	1,910,471
Total revenues	40,256,844	43,018,611	43,680,000	49,340,257	55,101,291	65,882,787	60,742,244	61,555,016	63,437,740	51,204,020
Expenditures										
Current:										
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	14,344,657	7,462,872
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	15,276,824
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	6,783,407
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	2,755,936
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	7,831,704
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	3,465,866
Debt service:										
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	5,976,568
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	4,148,109
Bond issue costs	-	2,482,040	846,291	17,315	140,000	7,000	-	-	-	-
Payment to escrow agent	-	5,246,513	-	-	-	-	-	-	-	-
Total expenditures	46,508,988	56,936,654	71,147,091	53,346,757	71,862,964	78,812,303	60,710,732	79,584,287	66,277,764	53,701,286
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)	(2,840,024)	(2,497,266)
Other financing sources (uses):										
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	5,154,358	65,221
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)	(65,221)
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	-	-	-	-	-	-	-	-
Adjustment for CDC Loans	-	-	-	-	-	-	-	-	-	24,202,277
CDC Dissolution	-	-	-	-	-	-	-	-	-	(8,433,593)
Total other financing sources (uses)	6,538,622	10,434,832	33,812,094	17,876,101	24,603,130	6,785,000	220,000	220,000	-	15,768,684
Net change in fund balances	\$ 286,478	(3,483,211)	6,345,003	13,869,601	7,841,457	(6,144,516)	251,512	(17,809,271)	(2,840,024)	13,271,418
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%	20.7%

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
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%
2012	1,356,052	548,295	237,675	31,505	12,547	14,676	3,466	127,982	28,941	2,361,139	2,332,198	0.7398%

(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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City Direct Rates:										
City's share of 1% levy per prop 13	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0735	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
Overlapping Rates:										
Detention Facilities 1987 Debt	0.0010	0.0010	0.0009	0.0008	0.0007	-	-	-	-	-
L.A. Co. Fl. Con. Storm Dr. D.S. #4	0.0006	0.0004	0.0002	-	-	-	-	-	-	-
Flood Con. Ref. Bonds 1993 Ds	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	0.0067	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043	0.0430	0.0037	0.0037
L.A. County Comm. College District	0.0412	0.0465	0.0446	0.0409	0.0482	0.0353	0.0488	0.0231	0.0403	0.0403
Los Angeles Unified School District	0.2330	0.2734	0.2849	0.2804	0.3028	0.3193	0.3221	0.3478	0.1960	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 District	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
Total Direct Rate & Overlapping Rates	<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>	<u>1.2274</u>	<u>1.2274</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.

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Crown Poly Inc	29,435,853	1	1.25%	41,080,467	1	
RHA Partners Limited	20,370,072	2	0.86%	14,337,106	3	
Imedra No 5900 Family LP	19,191,428	3	0.81%	12,340,664	4	
MP Investors	16,522,833	4	0.70%	12,040,000	5	
Home Depot USA Inc	16,172,833	5	0.69%	10,576,732	7	
Nicholas B Alexander Trust	11,804,440	6	0.50%	9,712,931	8	
Primestor Las Palmas LLC	11,662,172	7	0.50%	8,755,327	10	
Rita Partners	11,423,829	8	0.48%	15,053,241	2	
6700 Alameda HPCA LLC	11,124,041	9	0.47%			
Saville Gardens LLC	10,684,939	10	0.45%	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*
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%
2012	1,223,609	1,155,220	94.41%	218,220	1,373,440	112.25%

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 from 2003-2011. 2012 reflects just the City of Huntington Park.

* 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 ¹
	Lease Revenue Bonds	Tax Allocation Bonds	Notes , Loans and Agreements	Section 108 Loan	Installment Sale Agreement	Pension Obligation Bonds	Capital Leases			
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	3,543
2012	1,757,072	-	3,746,060	6,865,000	8,884,579	21,100,000	-	42,352,711	N/A	726

¹ - 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

Fiscal year 2012 reflects the removal of Redevelopment Commission debt due to dissolution of the Commission

Source: City Finance Department

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed valuation ¹	1,691,740	1,756,968	1,809,469	1,975,708	2,154,644	2,337,454	2,465,385	2,363,254	2,332,198	2,361,139
Conversion percentage	<u>25%</u>									
Adjusted assessed valuation	422,935	439,242	452,367	493,927	538,661	584,364	616,346	590,814	583,050	590,285
Debt limit percentage	<u>15%</u>									
Debt limit	63,440	65,886	67,855	74,089	80,799	87,655	92,452	88,622	87,457	88,543
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>92,452</u>	<u>88,622</u>	<u>87,457</u>	<u>88,543</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	\$ 2,361,139,000	
Redevelopment Agency Incremental Valuation	(1,760,671,161)	
Adjusted Assessed Valuation	<u>\$ 600,467,839</u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/11
Overlapping Debt Repaid with Property Taxes:		Estimated Share of Overlapping Debt
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 ²		<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**

Tax Allocation Bonds				
Debt Service				
Fiscal Year Ended June 30	Tax Increment	Principal	Interest	Coverage
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	*	*	*	*
2012	*	*	*	*

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)
2003	63,840	613,314	9,607	10.6%
2004	64,265	638,746	9,939	9.9%
2005	64,466	661,397	10,260	8.2%
2006	64,362	690,967	10,736	7.4%
2007	64,285	710,478	11,052	7.8%
2008	64,270	715,012	11,125	11.3%
2009	64,376	701,431	10,896	17.2%
2010	64,219	755,215	11,760	18.7%
2011	64,219	755,215	11,760	18.7%
2012	58,329	726,799	12,160	16.3%

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 2011 & 2012 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

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

<u>Function</u>	<u>Full-time and Part-time Employees as of June 30</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government										
Full-time	27	27	29	31	31	31	27	26	28	29
Part-time	1	1	2	2	1	2	6	3	4	5
Total	<u>28</u>	<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>
Community Development										
Full-time	8	12	14	15	13	13	8	10	12	14
Part-time	1	5	8	6	3	6	4	2	3	6
Total	<u>9</u>	<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>
Community services										
Full-time	7	7	10	10	9	9	9	8	8	10
Part-time	25	25	32	31	27	20	19	19	19	22
Total	<u>32</u>	<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>
Public safety										
Full-time	106	108	117	113	108	101	102	105	99	108
Part-time	19	20	20	21	18	24	27	27	22	22
Total	<u>125</u>	<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>
Public works										
Full-time	25	28	27	26	27	26	26	25	23	21
Part-time	0	2	2	2	2	0	0	0	0	0
Total	<u>25</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	173	182	197	195	188	180	172	174	170	182
Part-time total	46	53	64	62	51	52	56	51	48	55
Grand Total	<u>219</u>	<u>235</u>	<u>261</u>	<u>257</u>	<u>239</u>	<u>232</u>	<u>228</u>	<u>225</u>	<u>218</u>	<u>237</u>

Source: City of Huntington Park Finance Department

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Arrests	3,160	2,872	2,924	2,729	2,902	2,346 ²	2,366	2,624	2,183	2,112
Calls for service	47,438	44,736	44,289	41,539	42,112	33,589 ²	41,430	26,101	37,940	36,272
Traffic violations	11,123	8,803	6,467	5,256	4,961	4,129 ²	7,124	7,910	4,790	3,863
Code enforcement inspections	N/A ⁵	2,101	2,409	618 ³	506	906 ⁴	972	1,112	2,729	1,206
Public works:										
Pounds of trash recycled	N/A	N/A	N/A	7,746	11,973	10,461 ⁶	N/A	N/A	N/A	N/A
Pounds of trash recycled per resident	N/A	N/A	N/A	N/A	N/A	N/A	4.1	N/A	N/A	N/A
Parks and recreation:										
Recreation classes	122	125	99	107	125	149	187	206	301	256
Recreation class participants	1,906	1,871	1,550	1,491	1,705	2,125	3,295	4,254	3,483	3,283
Facility rentals	64	126	121	371	575	365	419	231	191	295
Youth sport participants	N/A	N/A	N/A	823	883	797	920	896	1,081	1,057
Adult sport participants	N/A	N/A	N/A	534	746	392	852	905	875	926
Water:										
Average daily consumption (thousands of gallons)	5,185	5,051	5,047	4,899	4,762	4,751	4,542	5,374	5,452	5,545
Community Development										
Planning permits:										
Entitlements	N/A	N/A	17	18	22	26	7*	8*	13	7
Legislative Action	N/A	N/A	4	4	5	6	9*	6*	6	5
Building permits:										
New construction	N/A	N/A	13	12	6	11	6	5	N/A	N/A
Alteration/repair	N/A	N/A	451	515	376	267	259	199	N/A	N/A
Plan checks	N/A	N/A	175	186	157	145	100	124	N/A	N/A
Business license inspections	N/A	N/A	451	417	450	397	396	305	N/A	N/A

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

³ - Down 1 code enforcement officers during period

⁴ - Down 3 code enforcement officers during period

⁵ - Supervisor on military leave during period

⁶ - 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	3	3	3	3	1
Field services:										
Residential streets (miles)	38	38	38	38	38	38	38	38	38	38
Traffic signals	53	53	53	53	53	53	53	53	53	60
Parks and recreation:										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	31	31	31	31	31	31	31	31	31	32
Athletic Fields	8	8	8	8	8	8	8	8	8	8
Community centers	5	5	5	5	5	5	5	5	5	5
Water:										
Water mains (miles)	61	61	61	61	61	61	61	61	61	61
Wells	7	7	7	7	7	7	7	7	7	6
Plants	21	21	21	21	21	21	21	21	21	21
Wastewater:										
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