



HUNTINGTON PARK
THE CITY OF PERFECT BALANCE *California*

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2023



City of Huntington Park

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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
City of Huntington Park
Huntington Park, California

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Huntington Park, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Huntington Park's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Park, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Huntington Park and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Huntington Park's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Huntington Park's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Huntington Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – Pension Plans, the Schedule of Changes in Net Other Postemployment Benefits Plan Liability and Related Ratios, and the Schedules of Contributions Other Postemployment Benefits Plan on pages 82 to 96 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Huntington Park's basic financial statements. The combining and individual nonmajor governmental funds and internal service funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor governmental funds and internal service funds 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 basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental funds and internal service funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue our report 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 solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Huntington Park's internal control over financial reporting and compliance.

Eadie and Payne, LLP

Riverside, California
July 1, 2024

City of Huntington Park
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 67,078,236	\$ 2,016,426	\$ 69,094,662
Receivables			
Taxes and intergovernmental	612,234	-	612,234
Accounts	8,661,006	1,850,566	10,511,572
Notes	10,233,337	-	10,233,337
Leases	1,680,623	-	1,680,623
Internal balances	200,000	(200,000)	-
Capital Assets:			
Nondepreciable	25,756,400	6,125,242	31,881,642
Depreciable, net of depreciation	57,471,403	11,965,261	69,436,664
Total capital assets	<u>83,227,803</u>	<u>18,090,503</u>	<u>101,318,306</u>
Total assets	<u>171,693,239</u>	<u>21,757,495</u>	<u>193,450,734</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	28,633,167	314,696	28,947,863
OPEB related deferred outflows of resources	8,945,015	283,238	9,228,253
Total deferred outflows of resources	<u>37,578,182</u>	<u>597,934</u>	<u>38,176,116</u>
LIABILITIES			
Accounts payable and accrued expenses	4,380,818	439,326	4,820,144
Interest payable	249,490	-	249,490
Deposits payable	31,451	902,568	934,019
Unearned revenue	22,043,832	-	22,043,832
Noncurrent liabilities:			
Due within one year	7,291,050	12,402	7,303,452
Due in more than one year	13,721,797	41,835	13,763,632
Aggregate net pension liabilities (Note 12)	73,790,806	1,020,273	74,811,079
Net OPEB liabilities (Note 14)	25,638,561	811,829	26,450,390
Total liabilities	<u>147,147,805</u>	<u>3,228,233</u>	<u>150,376,038</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	5,645,889	80,671	5,726,560
OPEB related deferred inflows of resources	18,288,761	579,102	18,867,863
Leases related deferred inflows of resources	1,463,452	-	1,463,452
Total deferred inflows of resources	<u>25,398,102</u>	<u>659,773</u>	<u>26,057,875</u>
NET POSITION			
Net investment in capital assets	80,763,467	18,090,503	98,853,970
Restricted for:			
Retirement	14,020,035	-	14,020,035
Community development	1,666,169	-	1,666,169
Public works	5,562,467	-	5,562,467
Debt Service	5,730,765	-	5,730,765
Total restricted	26,979,436	-	26,979,436
Unrestricted	(71,017,389)	376,920	(70,640,469)
Total net position	<u>\$ 36,725,514</u>	<u>\$ 18,467,423</u>	<u>\$ 55,192,937</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

Statement of Activities

June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	\$ 8,019,833	\$ 3,530,582	\$ 126,937	\$ -
Public safety	15,777,182	3,070,335	305,686	-
Public works	10,550,346	178,552	3,811,093	-
Community services	4,254,561	59,660	201,195	-
Community development	4,217,803	1,415,783	9,648,833	-
Interest on long-term debt	605,394	-	-	-
Total governmental activities	<u>43,425,119</u>	<u>8,254,912</u>	<u>14,093,744</u>	<u>-</u>
Business-type activities				
Water	5,663,307	5,038,012	-	-
Sewer	213,541	271,141	-	-
Solid waste	54,527	114,233	-	-
Total business-type activities	<u>5,931,375</u>	<u>5,423,386</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 49,356,494</u>	<u>\$ 13,678,298</u>	<u>\$ 14,093,744</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes
Sales and use
Franchise taxes
Utility user taxes

Total taxes

Miscellaneous
Transfers

Total general revenues, special items, and transfers

Change in net position

Net position - beginning of year, originally stated

Prior period adjustment

Net position - beginning of year, restated

Net position - end of year

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Statement of Activities (Continued)
June 30, 2023

Net (Expense) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-type Activities	Total
\$ (4,362,314)	-	\$ (4,362,314)
(12,401,161)	-	(12,401,161)
(6,560,701)	-	(6,560,701)
(3,993,706)	-	(3,993,706)
6,846,813	-	6,846,813
(605,394)	-	(605,394)
<u>(21,076,463)</u>	<u>-</u>	<u>(21,076,463)</u>

-	(625,295)	(625,295)
-	57,600	57,600
-	59,706	59,706
-	<u>(507,989)</u>	<u>(507,989)</u>
<u>\$ (21,076,463)</u>	<u>\$ (507,989)</u>	<u>\$ (21,584,452)</u>

17,976,303	-	17,976,303
23,993,369	-	23,993,369
2,596,333	-	2,596,333
6,020,774	-	6,020,774
50,586,779	-	50,586,779
2,425,777	100,119	2,525,896
(557,378)	-	(557,378)
52,455,178	100,119	52,555,297
31,378,715	(407,870)	30,970,845
7,025,544	18,875,293	25,900,837
(1,678,745)	-	(1,678,745)
5,346,799	18,875,293	24,222,092
<u>\$ 36,725,514</u>	<u>\$ 18,467,423</u>	<u>\$ 55,192,937</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

Balance Sheet

Governmental Funds

June 30, 2023

General Fund – As the City's primary operating fund, it accounts for and reports all financial resources of the City, except those required to be accounted for and reported in another fund.

HUD Home Program Special Revenue Fund – 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.

Employees' Retirement Fund – To account for the receipt of property taxes allocated for pension obligations.

American Rescue Plan Act (ARPA) Fund – This fund is used to account for ARPA activities and projects.

City Wide Construction in Progress Fund – To account for City's CIP projects and activities.

City of Huntington Park

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	HUD Home Program Special Revenue	Employees' Retirement Fund
ASSETS			
Cash and investments	\$ 14,408,712	\$ 1,647,376	\$ 13,780,887
Receivables			
Taxes and intergovernmental	91,841	-	176,885
Acccounts and interest	5,283,225	10,793	74,126
Loans and interest on loans	-	10,072,269	-
Lease	1,680,623	-	-
Due from other funds	663,169	-	-
Total assets	<u>\$ 22,127,570</u>	<u>\$ 11,730,438</u>	<u>\$ 14,031,898</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,919,503	\$ -	\$ 11,761
Accrued liabilities	445,160	-	102
Deposits	31,451	-	-
Due to other funds	-	-	-
Deferred revenue	72,876	10,064,269	-
Total liabilities	<u>2,468,990</u>	<u>10,064,269</u>	<u>11,863</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow on leases	1,463,452	-	-
Total Deferred Inflow of Resources	<u>1,463,452</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	-	1,666,169	14,020,035
Assigned	3,100,000	-	-
Unassigned	15,095,128	-	-
Total fund balances	<u>18,195,128</u>	<u>1,666,169</u>	<u>14,020,035</u>
Total liabilities and fund balances	<u>\$ 22,127,570</u>	<u>\$ 11,730,438</u>	<u>\$ 14,031,898</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	American Rescue Plan Act	City Wide Construction in Progress	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 20,350,905	\$ -	\$ 15,169,310	\$ 65,357,190
Receivables				
Taxes and intergovernmental	-	-	343,508	612,234
Acccounts and interest	-	-	3,278,713	8,646,857
Loans and interest on loans	-	-	161,068	10,233,337
Lease	-	-	-	1,680,623
Due from other funds	-	-	-	663,169
Total assets	<u>\$ 20,350,905</u>	<u>\$ -</u>	<u>\$ 18,952,599</u>	<u>\$ 87,193,410</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 105,368	\$ 689,569	\$ 1,094,457	\$ 3,820,658
Accrued liabilities	-	-	11,525	456,787
Deposits	-	-	-	31,451
Due to other funds	-	-	463,169	463,169
Deferred revenue	<u>20,245,537</u>	<u>-</u>	<u>1,825,419</u>	<u>32,208,101</u>
Total liabilities	<u>20,350,905</u>	<u>689,569</u>	<u>3,394,570</u>	<u>36,980,166</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow on leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,452</u>
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,452</u>
Fund balances:				
Restricted	-	-	11,293,232	26,979,436
Assigned	-	-	4,652,005	7,752,005
Unassigned	<u>-</u>	<u>(689,569)</u>	<u>(387,208)</u>	<u>14,018,351</u>
Total fund balances	<u>-</u>	<u>(689,569)</u>	<u>15,558,029</u>	<u>48,749,792</u>
Total liabilities and fund balances	<u>\$ 20,350,905</u>	<u>\$ -</u>	<u>\$ 18,952,599</u>	<u>\$ 87,193,410</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position**

June 30, 2023

Total fund balance, governmental funds	\$ 48,749,792
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Capital assets, not being depreciated	25,756,400
Depreciable assets, net of accumulated depreciation	57,158,240

Interest expenses are recognized when due, and therefore, interest payable is not recorded in the governmental funds.

(249,490)

Deferred revenue related to long-term loans receivable are reported in governmental funds but not in the governmental activities

10,164,269

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.

Compensated absences	(1,255,082)
Long-term debt	(10,218,288)
Lease liabilities	(108,903)

Net pension liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds.

Net pension liabilities	(73,257,476)
Pension related deferred outflows of resources	28,505,077
Pension related deferred inflows of resources	(5,616,328)

Net OPEB liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds.

Net OPEB liabilities	(25,548,811)
OPEB related deferred outflows of resources	8,913,701
OPEB related deferred inflows of resources	(18,224,739)

Internal service funds are used by management to charge the costs of general liability, workers' compensation and equipment replacement to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the

Government-Wide Statement of Net Position

(8,042,848)

Net Position of Governmental Activities

\$ 36,725,514

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

June 30, 2023

	<u>General Fund</u>	<u>Program Revenue</u>	<u>Special</u>	<u>Employees'</u>
				<u>Retirement Fund</u>
REVENUES				
Taxes	\$ 35,247,545	\$ -		\$ 8,281,053
Licenses and permits	3,363,980	-		-
Fines and forfeitures	2,393,979	-		17,849
Use of money and property	631,141	19,481		133,481
Intergovernmental	2,233,043	-		-
Charges for services	1,267,882	-		-
Other revenues	(98,912)	-		-
Total revenues	<u>45,038,658</u>	<u>19,481</u>		<u>8,432,383</u>
EXPENDITURES				
Current:				
General government	6,489,478	-		3,020,496
Public safety	21,037,971	-		-
Public works	3,998,929	-		-
Community services	1,813,143	-		-
Community development	3,411,751	-		-
Debt Service:				
Principal retirement	49,496	-		1,950,000
Interest and fiscal charges	2,649	-		447,323
Capital Outlay	<u>122,865</u>	<u>-</u>		<u>-</u>
Total expenditures	<u>36,926,282</u>	<u>-</u>		<u>5,417,819</u>
Excess (deficiency) of revenues over expenditures	<u>8,112,376</u>	<u>19,481</u>		<u>3,014,564</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-			-
Transfers out	(3,489,776)	-		-
Transfers out to fiduciary fund	-			-
Total other financing sources and uses	<u>(3,489,776)</u>	<u>-</u>		<u>-</u>
Net change in fund balances	<u>4,622,600</u>	<u>19,481</u>		<u>3,014,564</u>
Fund balances - beginning, as previously reported	13,572,528	1,646,688		11,005,471
Prior-period adjustment	-	-		-
Fund balances - beginning, as restated	<u>13,572,528</u>	<u>1,646,688</u>		<u>11,005,471</u>
Fund balances - ending	<u>\$ 18,195,128</u>	<u>\$ 1,666,169</u>		<u>\$ 14,020,035</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

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

Governmental Funds

June 30, 2023

	American Rescue Plan Act	City Wide Construction in Progress	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 7,058,181	50,586,779
Licenses and permits	-	-	-	3,363,980
Fines and forfeitures	-	-	4,095	2,415,923
Use of money and property	-	-	190,050	974,153
Intergovernmental	6,591,286	-	5,003,434	13,827,763
Charges for services	-	-	232,974	1,500,856
Other revenues	-	-	2,498,831	2,399,919
Total revenues	<u>6,591,286</u>	<u>-</u>	<u>14,987,565</u>	<u>75,069,373</u>
EXPENDITURES				
Current:				
General government	3,548,631	-	258,001	13,316,606
Public safety	-	-	275,066	21,313,037
Public works	-	-	4,311,898	8,310,827
Community services	-	88,375	2,209,905	4,111,423
Community development	-	-	800,220	4,211,971
Debt Service:				
Principal retirement	-	-	893,994	2,893,490
Interest and fiscal charges	-	-	109,168	559,140
Capital Outlay	-	12,887,124	172,596	13,182,585
Total expenditures	<u>3,548,631</u>	<u>12,975,499</u>	<u>9,030,848</u>	<u>67,899,079</u>
Excess (deficiency) of revenues over expenditures	<u>3,042,655</u>	<u>(12,975,499)</u>	<u>5,956,717</u>	<u>7,170,294</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12,285,930	327,486	12,613,416
Transfers out	(3,042,655)	-	(6,080,985)	(12,613,416)
Transfers out to fiduciary fund	-	-	(557,378)	(557,378)
Total other financing sources and uses	<u>(3,042,655)</u>	<u>12,285,930</u>	<u>(6,310,877)</u>	<u>(557,378)</u>
Net change in fund balances	-	(689,569)	(354,160)	6,612,916
Fund balances - beginning, as previously reported	-	-	17,590,934	43,815,621
Prior-period adjustment	-	-	(1,678,745)	(1,678,745)
Fund balances - beginning, as restated	-	-	15,912,189	42,136,876
Fund balances - ending	<u>\$ -</u>	<u>\$ (689,569)</u>	<u>\$ 15,558,029</u>	<u>\$ 48,749,792</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position

June 30, 2023

Net change in fund balances - total governmental funds:	\$ 6,612,916
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. An exchange of property is only recorded in the Statement of Activities.

Capital outlay	13,448,735
Depreciation expense	(3,751,976)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in loans and interest receivable was: 265,981

OPEB expenses were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the increase in net OPEB liabilities was not reported as expenditures in the governmental funds. 3,147,862

Pension expenses were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the increase in net pension liabilities was not reported as expenditures in the governmental funds. 11,229,944

The fund financial statements record interest expenditures on the current financial resources measurement focus whereas the Government-Wide financial statements recognize interest expense on the accrual basis. The reconciling amount was the change in accrued interest from the prior year. (46,254)

Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the decrease in long-term compensated absences was not reported as an expenditure in the governmental funds. 20,333

Repayment of debt principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. 2,893,490

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The net income of the internal service funds was reported with governmental activities. (2,442,316)

Change in Net Position of Governmental Activities \$ 31,378,715

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
PROPRIETARY FUND FINANCIAL STATEMENTS
June 30, 2023

Enterprise Funds are used to account and report activities for which fees are charged to external users for goods and/or services.

Enterprise Funds include:

Water Enterprise Fund – To account for the operations of the water utility system.

Sewer Enterprise Fund – To account for the activities of sewer utility services provided to the residents of the City.

Nonmajor Enterprise Funds include:

Solid Waste Management Fund – To account for the activities of solid waste management services to the residents of the City.

Internal Service Funds account for financing of goods and services provided by one department to other departments of the City.

City of Huntington Park
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Nonmajor Enterprise Fund (Solid Waste)	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 89,962	\$ 810,080	\$ 1,116,384	\$ 2,016,426	\$ 1,721,046
Accounts receivable	1,724,805	116,826	8,935	1,850,566	14,149
Total current assets	<u>1,814,767</u>	<u>926,906</u>	<u>1,125,319</u>	<u>3,866,992</u>	<u>1,735,195</u>
Non-current assets:					
Capital Assets:					
Nondepreciable	1,796,788	4,328,454	-	6,125,242	-
Depreciable	10,482,439	1,482,822	-	11,965,261	313,163
Total non-current assets	<u>12,279,227</u>	<u>5,811,276</u>	<u>-</u>	<u>18,090,503</u>	<u>313,163</u>
Total assets	<u>14,093,994</u>	<u>6,738,182</u>	<u>1,125,319</u>	<u>21,957,495</u>	<u>2,048,358</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferred outflows of resources	294,376	1,799	18,521	314,696	128,090
OPEB related deferred outflows of resources	252,437	14,292	16,509	283,238	31,314
Total deferred outflows of resources	<u>546,813</u>	<u>16,091</u>	<u>35,030</u>	<u>597,934</u>	<u>159,404</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	401,816	9,226	25,573	436,615	99,777
Accrued payroll	2,711	-	-	2,711	3,596
Deposits payable	875,714	-	26,854	902,568	-
Due to other funds	200,000	-	-	200,000	-
Compensated absences payable, due in one year	9,160	200	1,099	10,459	510
Claims payable, due in one year	-	-	-	-	3,894,100
Lease liabilities, due in one year	1,943	-	-	1,943	-
Total current liabilities	<u>1,491,344</u>	<u>9,426</u>	<u>53,526</u>	<u>1,554,296</u>	<u>3,997,983</u>
Non-current liabilities:					
Compensated absences, due in more than one year	36,641	799	4,395	41,835	2,040
Claims payable, due in more than one year	-	-	-	-	5,533,924
Aggregate net pension liabilities	945,884	22,459	51,930	1,020,273	533,330
Net OPEB liabilities	723,545	40,964	47,320	811,829	89,750
Total non-current liabilities	<u>1,706,070</u>	<u>64,222</u>	<u>103,645</u>	<u>1,873,937</u>	<u>6,159,044</u>
Total liabilities	<u>3,197,414</u>	<u>73,648</u>	<u>157,171</u>	<u>3,428,233</u>	<u>10,157,027</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows of resources	75,698	-	4,973	80,671	29,561
OPEB related deferred inflows of resources	516,126	29,221	33,755	579,102	64,022
Total deferred inflows of resources	<u>591,824</u>	<u>29,221</u>	<u>38,728</u>	<u>659,773</u>	<u>93,583</u>
NET POSITION					
Net investment in capital assets	12,279,227	5,811,276	-	18,090,503	313,163
Unrestricted	(1,427,658)	840,128	964,450	376,920	(8,356,011)
Total net position	<u>\$ 10,851,569</u>	<u>\$ 6,651,404</u>	<u>\$ 964,450</u>	<u>\$ 18,467,423</u>	<u>\$ (8,042,848)</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Nonmajor Enterprise Fund (Solid Waste)	Total	Internal Service Funds
REVENUES					
Charges for services	\$ 5,038,012	\$ 271,141	\$ 114,233	\$ 5,423,386	\$ 7,219,166
Miscellaneous operating revenue	65,052	-	-	65,052	-
Total operating revenues	<u>5,103,064</u>	<u>271,141</u>	<u>114,233</u>	<u>5,488,438</u>	<u>7,219,166</u>
OPERATING EXPENSES					
Personal services	130,887	(1,094)	50,823	180,616	337,718
Contractual services	1,499,124	176,874	-	1,675,998	1,339,845
Purchased water, materials and supplies	3,528,200	-	3,044	3,531,244	729,040
Insurance	61,587	667	660	62,914	7,264,479
Depreciation	443,509	37,094	-	480,603	16,258
Total Operating Expenses	<u>5,663,307</u>	<u>213,541</u>	<u>54,527</u>	<u>5,931,375</u>	<u>9,687,340</u>
Operating income (loss)	<u>(560,243)</u>	<u>57,600</u>	<u>59,706</u>	<u>(442,937)</u>	<u>(2,468,174)</u>
NON-OPERATING REVENUES					
Interest income	13,304	9,010	12,753	35,067	25,858
Total non-operating revenue	<u>13,304</u>	<u>9,010</u>	<u>12,753</u>	<u>35,067</u>	<u>25,858</u>
Income (loss) before contributions and transfers	<u>(546,939)</u>	<u>66,610</u>	<u>72,459</u>	<u>(407,870)</u>	<u>(2,442,316)</u>
Change in net position	<u>(546,939)</u>	<u>66,610</u>	<u>72,459</u>	<u>(407,870)</u>	<u>(2,442,316)</u>
NET POSITION					
Beginning of year	11,398,508	6,584,794	891,991	18,875,293	(5,600,532)
End of year	<u>\$ 10,851,569</u>	<u>\$ 6,651,404</u>	<u>\$ 964,450</u>	<u>\$ 18,467,423</u>	<u>\$ (8,042,848)</u>

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Statement of Cash Flows
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental Activities
	Water Enterprise Fund	Sewer Enterprise Fund	Nonmajor	Total	Internal Service Funds
			Enterprise Fund (Solid Waste)		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from tenants, customers and users	\$ 5,238,404	\$ 310,661	\$ 129,052	\$ 5,678,117	\$ 7,205,326
Payments to suppliers	(5,314,753)	(234,917)	4,220	(5,545,450)	(6,931,898)
Payments to employees	(360,777)	(4,559)	(62,754)	(428,090)	(419,684)
Net cash provided by (used in) operating activities	(437,126)	71,185	70,518	(295,423)	(146,256)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment to other funds	200,000	-	-	200,000	-
Net cash provided by (used in) noncapital financing activities	200,000	-	-	200,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(764,675)	-	-	(764,675)	(277,274)
Net cash (used in) capital and related financing activities	(764,675)	-	-	(764,675)	(277,274)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13,304	9,010	12,753	35,067	25,858
Net cash provided by investing activities	13,304	9,010	12,753	35,067	25,858
Net increase (decrease) in cash and investments	(988,497)	80,195	83,271	(825,031)	(397,672)
CASH AND INVESTMENTS					
Beginning of year	1,078,459	729,885	1,033,113	2,841,457	2,118,718
End of year	\$ 89,962	\$ 810,080	\$ 1,116,384	\$ 2,016,426	\$ 1,721,046

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Statement of Cash Flows (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental Activities	
	Water Enterprise Fund	Sewer Enterprise Fund	Nonmajor Enterprise Fund (Solid Waste)	Total	Internal Service Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (560,243)	\$ 57,600	\$ 59,706	\$ (442,937)	\$ (2,468,174)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation expense	443,509	37,094	-	480,603	16,258	
(Increase) decrease in						
Accounts receivable	135,340	2,426	14,819	152,585	(13,840)	
Deferred outflows of resources - pension and OPEB	(105,385)	3,629	(7,235)	(108,991)	(50,406)	
Increase (decrease) in						
Accounts payable	(225,842)	(20,282)	7,924	(238,200)	(29,558)	
Accrued payroll	(115)	(72)	(72)	(259)	501	
Compensated absences payable	381,571	2,716	28,552	412,839	(7,367)	
Claims payable	-	-	-	-	2,431,024	
Aggregate net pension liability	-	-	-	-	108,207	
Net OPEB liability	-	-	-	-	8,550	
Deferred inflows of resources - pension and OPEB	(505,961)	(11,926)	(33,176)	(551,063)	(141,451)	
Total adjustments	123,117	13,585	10,812	147,514	2,321,918	
Net cash provided by (used in) operating activities	<u>\$ (437,126)</u>	<u>\$ 71,185</u>	<u>\$ 70,518</u>	<u>\$ (295,423)</u>	<u>\$ (146,256)</u>	

The accompanying notes are an integral part of these financial statements.

City of Huntington Park
Fiduciary Fund Financial Statements
June 30, 2023

Successor Agency Private-Purpose Trust Fund – To account for the balances and transactions of the Successor Agency to the Community Development Commission of the City of Huntington Park.

City of Huntington Park
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Successor Agency
	Private - Purpose
	Trust Fund
ASSETS	
Current assets	
Cash and investments	\$ 1,196,324
Interest receivable	32
Total assets	<u>1,196,356</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	40,693
Bonds payable - due within one year	<u>4,078,811</u>
Total current liabilities	<u>4,119,504</u>
Noncurrent liabilities	
Compensated absences	1,073
Bonds payable - due in more than one year	<u>301,918,449</u>
Total noncurrent liabilities	<u>301,919,522</u>
Total liabilities	<u>306,039,026</u>
NET POSITION	
Held in trust	<u>\$ (304,842,670)</u>

City of Huntington Park
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Successor Agency Private - Purpose Trust Fund
ADDITIONS	
Redevelopment Property Tax Trust Fund	\$ 1,124,546
Other revenue	95
Total additions	<u>1,124,641</u>
DEDUCTIONS	
Personnel expenses	62,230
Other expenses	2,451
Interest and fiscal charges	<u>19,752,613</u>
Total deductions	<u>19,817,294</u>
Change in net position	(18,692,653)
NET POSITION	
Beginning of year	<u>(286,150,017)</u>
End of year	<u>\$ (304,842,670)</u>

City of Huntington Park
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June 30, 2023

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City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

1. REPORTING ENTITY

The City of Huntington Park (the "City") is a community located approximately six and one-half miles southeast of downtown Los Angeles, California. The City geographically encompasses approximately three square miles and has an approximate population of 55,000 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.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

1. REPORTING ENTITY (Continued)

Blended Component Unit

Management determined that the following component units should be blended based on the criteria above. Although the following are legally separate from the City, they have been "blended" as though they are part of the City, because the component units' governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit. Management of the City has operational responsibilities for the component units and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though they do not provide services directly to it.

Included within the City's reporting entity are the Parking Authority of the City of Huntington Park (the "Parking Authority") and the Huntington Park Public Financing Authority (the "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 Parking Authority or the Finance Authority.

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 former Community Development Commission (the "Commission"). The Financing Authority's primary purpose is to provide financing for public capital improvements to the City, Commission or Parking Authority. City Council members serve as the Board of Directors of the Financing Authority and have full accountability of fiscal matters.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The City's financial statement presentation follows accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting principles.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund 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. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities (changes in net position). 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 Position. The Statement of Activities presents changes in net position. 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 grants and contributions, and 3) capital grants and contributions. 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. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenue are reported as general revenues.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Certain eliminations have been made in regards to interfund activities, payables, and receivables. Internal balances and interfund charges in the Government-wide Financial Statements have been eliminated, except those between governmental and business-type activities.

Fund Financial Statements

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

Governmental Fund Financial Statements

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 governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the criteria under 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, deferred outflows of resources, current liabilities and deferred inflows of resources, 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 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.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Those revenues susceptible to accrual are property taxes, sales taxes, transient occupancy taxes, utility user taxes, property transfer taxes, interest revenues, and intergovernmental revenues. Fines, licenses, use of property and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

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

The City reports the following major governmental funds:

- General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- HUD Home Program Special Revenue Fund – This fund 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 Program.
- Employees' Retirement Fund – To account for the receipt of property taxes allocated for pension obligations.
- American Rescue Plan Act (ARPA) Fund – This fund is used to account for ARPA activities and projects.
- City Wide Construction in Progress Fund – To account for City's CIP projects and activities.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position 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, deferred outflows of resources and all liabilities and deferred inflows of resources associated with their activity are included in the Statement of Net Position.

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.

The City reports the following major enterprise funds:

Water Enterprise Fund – This fund is used to account for the operations of the water utility system.

Sewer Enterprise Fund – This fund is used to account for the activities of sewer utility services provided to the residents and businesses 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.

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, vehicle and equipment replacement, self-insurance, employee benefits and other post-employment benefits activities.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements

- Successor Agency Private Purpose Trust Fund - This is a fiduciary fund type used by the City by using "economic resources" measurement focus and accrual basis of accounting. This fund reports the assets, deferred outflows of resources, liabilities and activities of the Successor Agency to the Community Development Commission. Unlike the limited reporting typically utilized for Agency Funds, the Private Purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The City, as the Successor Agency to the City's former Community Development Commission (the "Successor Agency"), serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Community Development Commission. Its assets are held in trust for the benefit of the taxing entities within the former Community Development Commission's boundaries and as such, are not available for the use of the City.

C. New Accounting Pronouncement

Adopted

Adopted Statement No. 91, *Conduit Debt Obligations*. GASB Statement No. 91 clarifies the definition of conduit debt and establishes new recognition, measurement, and disclosure requirements. The implementation of this statement had no material impact to the City's financial statements.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards for public-private and public-public partnerships (PPPs) and availability payment arrangements. A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An availability payment arrangement is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City determined that they have no PPPs or availability payment arrangements at this time.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. New Accounting Pronouncement (Continued)

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. GASB Statement No. 96 defines such arrangements as contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. With the implementation of this statement, the City determined that they have no SBITA to report at this time.

D. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the City considers cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Because the proprietary funds participate in the City's investment pool, funds are available as needed. Accordingly, all amounts are reported as cash and cash equivalents.

E. Investments

The City reports investments at fair value.

F. Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Property Held for Resale

Property held for resale is carried at the lower of cost or market, but no greater than the estimated net realizable value.

J. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. As a lessor, the City recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset.

K. 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 acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

Provision for depreciation on all capital 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
Water mains and pumps	60

L. 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, 2023.

M. Deferred Outflows and Inflows of Resources

The financial statement reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources that apply to future periods and that, therefore, are not recognized as revenue until that time.

N. 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. Claims and judgements are reported under the Liability Insurance/Workers' Compensation Internal Service Fund. For presentation in the Statement of Net Position, 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.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, the City assesses whether it has both of the following: a. The right to obtain the present service capacity from the use of the underlying IT assets as specified in the contract, and b. The right to determine the nature and manner of use of the underlying IT assets as specified in the contract.

The City recognizes a subscription liability and an intangible right-to-use asset (subscription asset), except short-term SBITAs. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is measured as the sum of the following, a. The amount of the initial measurement of the subscription liability, b. Payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable, and c. Capitalizable initial implementation costs less any SBITA vendor incentives.

P. 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.

Q. Pension

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

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Pension (Continued)

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

PARS

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

R. Other Postemployment Benefits (“OPEB”) Plan

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plans (Note 14). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

OPEB

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Other Postemployment Benefits (“OPEB”) Plan (Continued)

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

S. Fund Balances / Net Position

The fund balance reported in the 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, prepaid items, 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 when they have positive fund balances.

Committed: Resources that are constrained to specific purposes by a formal action of the City Council, such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned: Resources that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed. The City Council designates to the Finance Director/Treasurer the responsibility and accountability for ensuring the adequacy and sufficiency of Assigned Fund Balances.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balances / Net Position (Continued)

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 are reported as unassigned. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, committed, or assigned are reported as unassigned.

In the Government-Wide Financial Statements, net position of the City includes the following categories:

Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This resulting category presents the remaining City net position, and this measure of equity is unrestricted, legally or otherwise.

T. 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. Further, when the components of unrestricted fund balance can be used for the same purpose, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

U. Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$26,979,436 of restricted net position, of which \$14,020,035 is restricted by voter approval, which was derived from voter approved special tax levies to pay for retirement costs.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. 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 the County of Los Angeles 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

W. Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. OTHER REQUIRED DISCLOSURES

A. Deficit Fund Balances and Net Positions

The following funds had a deficit Fund Balance/Net Position at June 30, 2023:

Major Funds		
City Wide Contrctruction in Progress	\$	(689,569)
Non-major Funds		
Asset Forfeiture Fund		(87,123)
Art in Public Places Fund		(7,268)
Homeland Security Fund		(164,912)
Development Block Grant		(82,974)
Home ARP Grant		(44,931)
Internal Service Funds		
Liability Insurance/Workers' Compensation		(8,532,169)
Fiduciary Fund		
Successor Agency Private-Purpose Trust Fund		(304,842,670)

In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2023 in governmental activities in the amount of \$(71,017,389), of which \$50,803,528 and \$34,982,307 were attributed to aggregate net pension liabilities and net OPEB liabilities, and related deferred outflow and inflows of resources. The deficits will be eliminated by revenues made available in subsequent periods.

The Successor Agency Private-Purpose Trust fund deficit will be eliminated by the California Department of Finance (the "DOF") Recognized Obligation Payments Schedule (the "ROPS") payments.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

3. OTHER REQUIRED DISCLOSURES (Continued)

B. Expenditures in Excess of Appropriations

The following funds had expenditures in excess of appropriations for the year ended June 30, 2023:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
Major Funds:			
General Fund:			
Public Safety	\$ 16,843,000	\$ 21,037,971	\$ (4,194,971)
Community development	2,045,200	3,411,751	(1,366,551)
Principal retirement	-	49,496	(49,496)
Interest and fiscal charges	-	2,649	(2,649)
Transfers Out	-	3,489,776	(3,489,776)
Employees Retirement Fund:			
Principal retirement	-	1,950,000	(1,950,000)
Interest and fiscal charges	-	447,323	(447,323)
American Rescue Plan Act:			
General government	-	3,548,631	(3,548,631)
Transfers Out	-	3,042,655	(3,042,655)
City Wide CIP:			
Community services	-	88,375	(88,375)
Capital Outlay	-	12,887,124	(12,887,124)

4. CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position			Fiduciary Fund Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Fund Statement of Net Position	
				Total	Total
Cash and investments	\$ 67,078,236	\$ 2,016,426	\$ 69,094,662	\$ 1,196,324	\$ 70,290,986

Cash and investments consisted of the following at June 30, 2023:

CASH	
Petty cash	\$ 1,500
Demand deposits	15,666,909
Total cash	15,668,409
INVESTMENTS	
Local Agency Investment Fund	54,622,577
Total cash and investments	\$ 70,290,986

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

4. CASH AND INVESTMENTS (Continued)

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$15,666,909 at June 30, 2023. Bank balances at that date were \$18,349,396, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below. The difference between the carrying amount and bank balances represents outstanding checks, deposits in transit, and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC").

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

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

The City's investment policy only allows investments in the Local Agency Investment Fund ("LAIF").

C. Risk Disclosures

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.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

4. CASH AND INVESTMENTS (Continued)
C. Risk Disclosures (Continued)

Disclosures Related to Interest Rate Risk (Continued)

It is the City's policy to manage its exposure to interest rate risk 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.

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	Value	Minimum Legal Rating	Not Rated
Local Agency Investment Fund (LAIF)	\$ 54,622,577	N/A	\$ 54,622,577

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. At June 30, 2023, there were no 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.

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 provision for deposits.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

4. CASH AND INVESTMENTS (Continued)
C. Risk Disclosures (Continued)

Investment in State Investment Pool (“LAIF”)

The City is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 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 value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available (Level 2). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The City's investments with LAIF at June 30, 2023, included a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. As of June 30, 2023, LAIF had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities.

Structured Notes: Debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and /or that have embedded forwards or options.

Asset-Backed Securities: Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

5. NOTES RECEIVABLE

At June 30, 2023, the City had \$7,641,163 in various notes receivable as follows:

	<u>Notes Receivable</u>	<u>Allowance</u>	<u>Notes Receivables, net</u>
GOVERNMENTAL ACTIVITIES			
General Fund:			
Huntington Park 607, L.P.	\$ 1,900,000	\$ (1,900,000)	\$ -
RASA	100,000	(100,000)	-
Total General Fund	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>
HUD Home Program Special Revenue Fund:			
First Time Home Buyer Program	152,750	-	152,750
RASA	700,380	-	700,380
Residential Rehab	6,626,965	-	6,626,965
Total HUD Home Program	<u>7,480,095</u>	<u>-</u>	<u>7,480,095</u>
Community Development Block Grant: (CDBG)			
Special Revenue Fund:			
First Time Home Buyer	35,000	-	35,000
Residential Rehab	16,609	-	16,609
Total CDBG	<u>51,609</u>	<u>-</u>	<u>51,609</u>
HUD Social Security Grant Special Revenue Fund			
Macro Loan Program	9,459	-	9,459
CalHome Fund			
CalHome Loan Program	100,000	-	100,000
Total Governmental Activities	\$ 9,641,163	\$ (2,000,000)	\$ 7,641,163

Interest receivable on the above loans amounted to \$2,592,174.

A. Huntington Park 607, L.P. \$1,900,000

On May 1, 2013, the City entered into an Affordable Housing Agreement with Huntington Park 607, L.P., a California limited partnership (the "Owner") in the amount of \$1,900,000 in order to assist the owner to acquire and rehabilitate that certain property located in the City to provide affordable housing to the residents. The principal outstanding as of June 30, 2023 was \$1,900,000 with an offset of allowance for uncollectible notes in the fund financial statements and in the Government-Wide financial statements.

B. First Time Home Buyer Program (the "Program"):

The Program is a second silent mortgage loan program designed to assist qualified low-income individuals with the purchase of their first home. Program assistance is limited to \$500,000 (inclusive of applicable program fees) or the lesser amount (with zero percent interest) necessary to provide the "gap" assistance required to meet the Program's front-end ratio requirements of 25% to 35%, whichever is lower. The Program is no longer offered by the City. The principal balance outstanding at June 30, 2023 was \$187,750.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

5. NOTES RECEIVABLE (Continued)

C. RASA Note

In October 2001, the City entered into an agreement with RASA limited partnership ("RASA") whereby the RASA received \$700,000 for development costs of certain housing projects associated with the HOME Federal Program. Pursuant to this agreement, the RASA shall remit payments in annual installments commencing on January 1, 2004. Interest accrues at the rate of six percent per annum commencing January 1, 2003 until 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 RASA and not an available resource to the City. The principal balance outstanding at June 30, 2023 was \$700,380.

On October 18, 2001, the City entered into another agreement with RASA whereby in return for land disposition, 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 outstanding as of June 30, 2023 was \$100,000 with an offset of allowance for uncollectible notes in the fund financial statements and in the Government-Wide financial statements.

D. Residential Rehab Loans

This program provides financial assistance to owners of single-family homes (one to four units) for rehabilitation improvements. Loans and/or grants are provided to qualified low and moderate income households to bring assisted properties into compliance with the City's property standard.

A summary of residential rehab loans is as follows:

Oldtimers Housing Development Corporation Notes	\$ 2,600,289
Huntington Park Pacific Associates	1,944,934
LINC Community Development Corporation	1,500,000
All others under \$100,000 individually	598,351
Total	\$ 6,643,574

Oldtimers Housing Development Corporation Notes:

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

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

5. NOTES RECEIVABLE (Continued)

D. Residential Rehab Loans (Continued)

Oldtimers Housing Development Corporation Notes (Continued):

Commission entered into various affordable housing agreements with Oldtimers Housing Development Corporation IV ("OHDC") to help the developer acquire, produce, rehabilitate, operate and manage affordable housing units within the City. Under the terms of the agreements, the Commission provided funds equal to the principal amounts of the Note which bears interest at the rate of three percent per annum, compounded annually.

The Note amount shall be paid by the OHDC'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, 2023.

Loan	Date of Loan Agreement	Principal Amount	Interest Rate	Payment Period	Outstanding Balance,
					June 30, 2023
1	July 12, 2006	\$ 620,848	3%	April 1, 2015 - April 1, 2061	\$ 592,389
2	August 6, 2007	223,700	3%	April 1, 2015 - April 1, 2061	223,700
3	June 2, 2008	468,000	3%	April 1, 2015 - April 1, 2061	468,000
4	January 22, 2008	1,348,000	3%	July 1, 2011 - July 1, 2063	<u>1,316,200</u>
					\$ 2,600,289

Huntington Park Pacific Associates Note:

On December 12, 2016, OHDC transferred the loan entered on January 22, 2008 with the original principal amount of \$2,040,715 and interest rate of 3% to Huntington Park Pacific Associates. At June 30, 2023, the outstanding balance of the loan was in the amount of \$1,944,934.

LINC Community Development Note:

In 2012, the City entered into a Home Investment Partnership Affordable Housing Agreement (Mosaic Gardens at Huntington Park) with LINC Community Development Corporation ("LINC CDC"). The City provided financial assistance to LINC CDC in the form of a loan of Home Program funds in the amount of \$1,500,000 with interest rate of 3% to assist LINC CDC to acquire, rehabilitate, and operate the property as a long-term affordable housing project for persons and families of extremely low and very low income at an affordable rent. At June 30, 2023, the outstanding balance of the loan was in the amount of \$1,500,000.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

6. Lease Receivable

As of June 30, 2023, Huntington Park, CA had 5 active leases. The leases have receipts that range from \$24,000 to \$540,420 and interest rates that range from 0.6447% to 4.6800%. As of June 30, 2023, the total combined value of the lease receivable is \$1,666,644, and the combined value of the deferred inflow of resources is \$1,463,452.

The future minimum lease payments receivable are as follows:

Fiscal Year	Governmental Activities			Total Payments
	Principal Payments	Interest Payments		
2024	\$ 569,523	\$ 61,338		\$ 630,861
2025	566,940	37,269		604,209
2026	530,181	12,358		542,539
TOTALS	\$ 1,666,644	\$ 110,965		\$ 1,777,609

Interest receivable on the above leases amounted to \$13,981.

7. INTERFUND BALANCES

A. Due to/from Other Funds

At June 30, 2023, the following funds owed \$663,170 to the General Fund:

DUE TO OTHER FUNDS	DUE FROM OTHER FUNDS	
		<u>General Fund</u>
Special Revenue Funds	\$ 458,154	
Projects Special Revenue Fund	932	
Water Enterprise Fund	200,000	
Public Safety Grants	4,083	
		<u>\$ 663,169</u>

Amounts due to the General Fund are used to compensate for negative cash balances. These balances are expected to be repaid within the next fiscal year.

At June 30, 2023, the interfund balance reported in the Government-Wide Financial Statements was \$200,000 from business-type activities to governmental activities.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

7. INTERFUND BALANCES

B. Transfers In/Out

At June 30, 2023, the City had the following transfers reported in the fund financial statements:

Transfers Out	Transfers In		
	City Wide CIP Fund	Nonmajor Governmental Fund	Total
Major Governmental Funds:			
General Fund	\$ 3,162,290	\$ 327,486	\$ 3,489,776
American Rescue Plan Act	3,042,655	-	3,042,655
Nonmajor Governmental Funds			
State Gasoline Tax Fund	1,495,347	-	1,495,347
Measure R Fund	223,845	-	223,845
CFP Crosswalks Fund	1,400,297	-	1,400,297
Federal CDBG Fund	2,961,496	-	2,961,496
Total	\$ 12,285,930	\$ 327,486	\$ 12,613,416

The transfer from the General Fund to Nonmajor Governmental Funds was made to fund construction projects for crosswalks and art in public places in the Nonmajor Governmental Funds. The transfers to City- Wide CIP Fund were for the purpose of transferring CIP projects to the new fund that tracks the City's CIP projects beginning in fiscal year 2023.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

8. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the capital assets for the governmental activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
NON DEPRECIABLE ASSETS:					
Land	\$ 5,959,656	\$ -	\$ -	\$ -	\$ 5,959,656
Intangible asset-easement	-	-	-	-	-
Construction in progress	17,143,159	12,819,395	-	(10,165,810)	19,796,744
Total nondepreciable assets	23,102,815	12,819,395	-	(10,165,810)	25,756,400
DEPRECIABLE ASSETS:					
Building and improvements	26,758,257	89,318	-	765,440	27,613,015
Vehicles	6,246,828	481,628	-	-	6,728,456
Property and equipment	8,995,865	335,668	-	-	9,331,533
Infrastructure			-	-	-
Pavement systems	41,949,306	-	-	8,182,302	50,131,608
Sidewalk, curb, and gutter system	24,518,458	-	-	1,218,068	25,736,526
Traffic signals	7,286,630	-	-	-	7,286,630
Street lights	17,310,602				17,310,602
Right-to-use assets					
Lease right-to-use assets	192,680	-	-	-	192,680
Total capital assets, being depreciated	133,258,626	906,614	-	10,165,810	144,331,050
LESS ACCUMULATED DEPRECIATION:					
Building and improvements	(12,825,787)	-	(777,735)	-	(13,603,522)
Vehicles	(5,872,343)	-	(140,977)	-	(6,013,320)
Property and equipment	(6,940,651)	-	(564,304)	-	(7,504,955)
Infrastructure					
Pavement systems	(22,614,769)	-	(936,378)	-	(23,551,147)
Sidewalk, curb, and gutter system	(16,144,155)	-	(533,718)	-	(16,677,873)
Traffic signals	(5,351,583)	-	(163,311)	-	(5,514,894)
Street lights	(13,307,845)		(602,658)	-	(13,910,503)
Right-to-use assets					
Lease right-to-use assets	(34,280)	-	(49,153)	-	(83,433)
Total accumulated depreciation	(83,091,413)	-	(3,768,234)	-	(86,859,647)
Total depreciable assets, net	50,167,213	906,614	(3,768,234)	10,165,810	57,471,403
Governmental activities capital assets, net	\$ 73,270,028	\$ 13,726,009	\$ (3,768,234)	\$ -	\$ 83,227,803

Depreciation expense was charged to functions and programs of governmental activities for the fiscal year ended June 30, 2023 as follows:

General Government	\$ 1,159,284
Public Safety	2,239,519
Public Works	220,461
Community Services	143,138
Community Development	5,832
	\$ 3,768,234

See Note 9 regarding the Measure L (Street Improvement) Bonds and lease liabilities related to the above capital assets.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

8. CAPITAL ASSETS (Continued)

B. Business-Type Activities

A summary of changes in the capital assets for the business-type activities for the year ended June 30, 2023 is as follows:

	Business-Type Activities				
	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
NONDEPRECIABLE ASSETS:					
Land	\$ 4,139,404	\$ -	\$ -	\$ -	\$ 4,139,404
Construction in progress	1,266,526	764,676	-	(45,364)	1,985,838
Total nondepreciable assets	5,405,930	764,676	-	(45,364)	6,125,242
DEPRECIABLE ASSETS:					
Building and improvements	2,880,596	-	-	45,364	2,925,960
Vehicles	55,378	-	-	-	55,378
Property and equipment	294,240	-	-	-	294,240
Infrastructure					
Water improvements	23,944,716	-	-	-	23,944,716
Sewer & storm drain	5,029,258	-	-	-	5,029,258
Right-to-use assets	3,857	-	-	-	3,857
Total depreciable assets	32,208,045	-	-	45,364	32,253,409
LESS ACCUMULATED DEPRECIATION:					
Building and improvements	(417,797)	-	(97,532)	-	(515,329)
Vehicles	(55,378)	-	-	-	(55,378)
Property and equipment	(265,316)	-	(3,104)	-	(268,420)
Infrastructure					
Water improvements	(15,548,366)	-	(344,217)	-	(15,892,583)
Sewer & storm drain	(3,519,732)	-	(34,785)	-	(3,554,517)
Right-to-use assets	(954)	-	(967)	-	(1,921)
Total accumulated depreciation	(19,807,543)	-	(480,605)	-	(20,288,148)
Total depreciable assets, net	12,400,502	-	(480,605)	45,364	11,965,261
Business-type activities capital assets, net	\$ 17,806,432	\$ 764,676	\$ (480,605)	\$ -	\$ 18,090,503

Depreciation expense charged to business-type activities is as follows:

Water Improvements	\$ 443,511
Sewer Maintenance	37,094
	<u>\$ 480,605</u>

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the City for the year ended June 30, 2023 is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>One Year</u>	<u>Due in more</u> <u>than One Year</u>
GOVERNMENTAL ACTIVITIES:						
Developer Notes	\$ 1,062,855	\$ -	\$ -	\$ 1,062,855	\$ 31,886	\$ 1,030,969
2005 Pension Obligation Refunding Bonds	8,750,000	-	(1,950,000)	6,800,000	2,100,000	4,700,000
Measure L Street Light Improvement Bonds	3,249,426	-	(893,993)	2,355,433	969,992	1,385,441
Lease Liability	158,400	-	(49,497)	108,903	43,546	65,357
Governmental Activities						
Long-term Liabilities	13,220,681		(2,893,490)	10,327,191	3,145,424	7,181,767
BUSINESS-TYPE ACTIVITIES						
Lease Liability	2,903	-	(960)	1,943	1,943	-
Business-type activities						
Long-term Liabilities	2,903		(960)	1,943	1,943	-
Total Long Term Liabilities	\$ 13,223,584		\$ (2,894,450)	\$ 10,329,134	\$ 3,147,367	\$ 7,181,767

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

Developer Notes - Original Issue \$4,150,000

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, 2023, the outstanding balance was \$1,062,855.

Pension Obligation Refunding Bonds (POB's) - Original Issue \$23,050,000

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 PERS to a) fund pension benefits for the City's employees who are members of PERS 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.

On April 5, 2007, the interest rate on the Bonds was converted to a fixed rate equivalent to 5.196% to 5.75%.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

9. LONG-TERM LIABILITIES (Continued)

The bonds are subject to mandatory redemption requirements commencing each year on or after August 1, 2006 in amounts ranging from \$50,000 to \$2,450,000. At June 30, 2023, the outstanding balance of the POB was \$6,800,000. Annual debt service requirements to maturity are as follows:

Pension Obligation Refunding Bonds

Year Ending	Principal	Interest	Total
June 30			
2024	\$ 2,100,000	\$ 331,028	\$ 2,431,028
2025	2,250,000	205,813	2,455,813
2026	2,450,000	70,523	2,520,523
Total	<u>\$ 6,800,000</u>	<u>\$ 607,364</u>	<u>\$ 7,407,364</u>

Measure L - Street Improvement Bonds - Original Issue \$10,000,000

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

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

The installment sale agreement is subject to optional prepayment, with premiums, commencing August 1, 2026. At June 30, 2023, the outstanding balance of the Certificates was \$2,355,433. Annual debt service requirements to maturity are as follows:

Measure L - Street Improvement Bonds

Year Ending	Principal	Interest	Total
June 30			
2024	\$ 969,992	\$ 76,313	\$ 1,046,305
2025	1,050,708	40,679	1,091,387
2026	334,733	6,025	340,758
Total	<u>\$ 2,355,433</u>	<u>\$ 123,017</u>	<u>\$ 2,478,450</u>

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

9. LONG-TERM LIABILITIES (Continued)

Lease Liabilities

As of June 30, 2023, Huntington Park, CA had 6 active leases. The leases have payments that range from \$1,369 to \$22,771 and interest rates that range from 0.6447% to 2.5367%. As of June 30, 2023, the total combined value of the lease liability is \$108,903. The combined value of the right to use asset, as of June 30, 2023, was \$196,537 with accumulated amortization of \$85,354.

The future minimum lease payments payable as of June 30, 2023 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 45,489	\$ 1,943	\$ 47,432
2025	26,496	1,297	27,793
2026	21,924	729	22,653
2027	14,994	178	15,172
TOTALS	\$ 108,903	\$ 4,147	\$ 113,050

10. SUCCESSOR AGENCY LONG-TERM LIABILITIES

The summary of changes in the Successor Agency's long-term liabilities is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in more than One Year
Pass Through Agreements	\$282,922,503	\$ 19,581,644	\$ -	\$ 302,504,147	\$ 3,187,803	\$ 299,316,344
Revenue Refunding, 2004A Series A Bonds	3,095,000	-	(3,095,000)	-	-	-
All Points Loan	1,971,729	-	(458,880)	1,512,849	480,871	1,031,978
2018 Taxable Tax Allocation Refunding Note	2,376,287	-	(396,023)	1,980,264	410,137	1,570,127
Total long-term liabilities	\$ 290,365,519	\$ 19,581,644	\$ (3,949,903)	\$ 305,997,260	\$ 4,078,811	\$ 301,918,449

Pass through Agreements with the County of Los Angeles - \$302,504,147

On January 30, 1990, the Community Development Commission ("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 Successor Agency bonded debt service requirements. The County deferral to the Commission shall terminate that year. During the year ended June 30, 2023, \$19,581,644 accrued interest was added to the outstanding balance. As of June 30, 2023, these deferrals amounted to \$302,504,147.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

10. SUCCESSOR AGENCY LONG-TERM LIABILITIES (Continued)

**Huntington Park Public Financing Authority Refunding Revenue Bonds, 2004
Series A - Original Issuance \$55,875,000**

These bonds were dated May 25, 2004 and were issued to refund \$16,300,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Parity Revenue Bonds, Issue of 1994 Series A, \$16,305,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Taxable Parity Revenue Bonds, Issue of 1994 Series B, and \$23,990,000 of the Huntington Park Financing Authority, Merged Redevelopment Project, Local Agency Taxable Parity Revenue Bonds, Issue of 1994 Series C. The bonds bear varying rates of interest ranging from 3 percent to 5 percent payable September 1 and March 1 commencing September 1, 2004.

At June 30, 2023, the bonds are fully paid off.

All Points Loan - Original Issuance \$6,575,000

On October 10, 2007, the Commission entered into an amended and restated lease agreement with the Huntington Park Public Financing Authority ("All Points Loan"). 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 Loan 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 (Wastewater System Project) 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 \$238,286 to \$528,063. The reduction in interest rate from 6.20% to 4.68% resulted in lower future debt service of approximately \$1.1 million.

At June 30, 2023, the outstanding balance of the bonds was \$1,512,849. The annual debt service requirements on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 480,871	\$ 58,380	\$ 539,251
2025	503,915	35,921	539,836
2026	528,063	12,357	540,420
Total	\$ 1,512,849	\$ 106,658	\$ 1,619,507

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

10. SUCCESSOR AGENCY LONG-TERM LIABILITIES (Continued)

2018 Taxable Tax Allocation Refunding Note- Original Issuance \$3,900,430

The 2018 Taxable Tax Allocation Refunding Note was issued in August 2018 in the amount of \$3,900,430. This note carries a net interest cost of 4.15% and matures on February 1, 2028. The proceeds on the bonds were used to pay for the principal and interest on the Neighborhood Preservation Promissory Note and the Santa Fe Promissory Note. This refunding resulted in an economic gain of \$2,331,495 and an estimated cash flow savings of \$2,682,846. The Note is secured by a pledge of property tax revenues.

At June 30, 2023, the outstanding balance is \$ 1,980,264. The annual debt service requirements on the Bonds are as follows:

2018 Taxable Tax Allocation

Year Ending	June 30,	Principal	Interest	Total
2024	\$ 410,137	\$ 77,926	\$ 488,063	
2025	424,742	60,754	485,496	
2026	439,856	42,970	482,826	
2027	455,496	24,554	480,050	
2028	250,033	5,188	255,221	
Total	\$ 1,980,264	\$ 211,392	\$ 2,191,656	

Advance Refunding

The Community Development Commission, former redevelopment agency, has previously advance refunded Huntington Park Redevelopment Agency Merged Redevelopment Project Junior Lien Tax Allocation and Sales and Use Tax Revenue Bonds, Issue of 1990.

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.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

11. COMPENSATED ABSENCES

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities and business-type activities has been accrued and amounted to \$1,257,632 and \$52,294, respectively at June 30, 2023. The General Fund, Water Enterprise Fund, Sewer Enterprise Fund, and Solid Waste Fund have been used to liquidate the majority of the liability for compensated absences.

12. PENSION PLANS

At June 30, 2023, net pension liabilities and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
NET PENSION LIABILITIES:			
CalPERS Miscellaneous	\$ 23,602,715	\$ 709,929	\$ 24,312,644
CalPERS Safety	46,414,963	-	46,414,963
PARS	3,773,128	310,344	4,083,472
Total net pension liabilities	73,790,806	1,020,273	74,811,079
DEFERRED OUTFLOWS OF RESOURCES:			
CalPERS Miscellaneous	\$ 9,636,054	\$ 289,836	\$ 9,925,890
CalPERS Safety	18,694,865	-	18,694,865
PARS	302,248	24,860	327,108
Total deferred outflows of resources	\$ 28,633,167	\$ 314,696	\$ 28,947,863
DEFERRED INFLOWS OF RESOURCES:			
CalPERS Miscellaneous	\$ 2,682,036	\$ 80,671	\$ 2,762,707
CalPERS Safety	2,963,853	-	2,963,853
PARS	-	-	-
Total deferred inflows of resources	\$ 5,645,889	\$ 80,671	\$ 5,726,560

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System
General Information about the Pension Plan

Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer defined benefit pension plan, for its' miscellaneous and safety employees. The miscellaneous plan became part of the cost-sharing plan effective July 1, 2014. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefits provisions and all other requirements are from its executive office at 400 "P" Street, Sacramento, California, 95814.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

	Plans					
	Miscellaneous			Safety		
	Tier I	Tier II	PEPRA	Tier I	Tier II	PEPRA
Active Employees	39	6	46	33	3	19
Transferred and terminated employees	104	1	32	36	-	10
Retired Employees and Beneficiaries	210	-	2	156	-	-
Total	<u>353</u>	<u>7</u>	<u>80</u>	<u>225</u>	<u>3</u>	<u>29</u>

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS or PEPRA safety member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act ("PEPRA") went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of the average final 12 months compensation. Retirement benefit for classic safety employees are calculated as 3% of the average final 12 months compensation.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)
General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation, and PEPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

Participant is eligible for non-industrial disability retirement if he/she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 or 36 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2023, the employee and employer contribution rates were as follows:

	Plans					
	Miscellaneous			Safety		
	Tier I	Tier II	PEPRA	Tier I	Tier II	PEPRA
Employee contribution rate	7.000%	7.000%	7.250%	9.000%	9.000%	13.750%
Employer contribution rate	11.610%	9.790%	7.760%	25.640%	23.680%	13.660%

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund ("PERF").

The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund ("PERF") cash flows. Taking into account historical returns of all the PERF's asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C fund), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Discount Rate (Continued)

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset class	Assumed Asset Allocation	Real Return Years
Global equity - cap-weighted	30%	4.45%
Global equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

1 An expected inflation of 2.30% used for this period.

2 Figures are based on the 2021-22 Asset Liability Management study.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

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

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	5.90%	6.90%	7.90%
Miscellaneous Plan	\$ 35,694,929	\$ 24,312,643	\$ 14,947,847
Safety Plan	\$ 65,504,664	\$ 46,414,963	\$ 30,813,446

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's proportionate share of the risk pool collective net pension liability over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 78,722,391	\$ 65,595,082	\$ 13,127,309
Balance at June 30, 2022 (Measurement Date)	\$ 83,498,019	\$ 59,185,376	\$ 24,312,643
Net Changes during 2021-2022	\$ 4,775,628	\$ (6,409,706)	\$ 11,185,334

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

	Safety Plan		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 130,089,821	\$ 101,679,433	\$ 28,410,388
Balance at June 30, 2022 (Measurement Date)	138,232,563	91,817,600	46,414,963
Net Changes during 2021-2022	\$ 8,142,742	\$ (9,861,833)	\$ 18,004,575

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2021). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2022). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-2022).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the City's share of contribution.

The City's proportionate share of the net pension liability was as follows:

<u>Measurement Date</u>	<u>Plans</u>	
	<u>Miscellaneous</u>	<u>Safety</u>
June 30, 2021	0.69135%	0.80953%
June 30, 2022	0.51959%	0.67546%
Change - Increase (Decrease)	-0.17176%	-0.13407%

For the year ending June 30, 2023, the City recognized pension expense in the amounts of \$3,254,207 and \$1,362,345 for the miscellaneous plan and safety plan, respectively.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and the safety risk pool for the 2021-2022 measurement period is 3.7 years.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

As of June 30, 2022, the measurement date, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Contribution made after the measurement date	\$ 2,399,577	\$ -	
Differences between expected and actual experience	488,246	(327,006)	
Change of assumptions	2,491,338	-	
Differences between City contributions and proportionate share of contributions	-	(1,090,157)	
Change in employer's proportion	93,299	(1,345,544)	
Differences between projected and actual investment earnings	4,453,430	-	
Total	\$ 9,925,890	\$ (2,762,707)	

Safety Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Contribution made after the measurement date	\$ 4,393,970	\$ -	
Difference between expected and actual experience	1,920,947	(504,030)	
Change of assumptions	4,680,034	-	
Change in employer's proportion	370,342	(111,576)	
Difference between City contributions and proportionate share of contributions	-	(2,348,247)	
Differences between projected and actual investment earnings	7,329,572	-	
Total	\$ 18,694,865	\$ (2,963,853)	

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)

A. California Public Employees' Retirement System (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows (Inflows) of Resources	
	Miscellaneous	Safety
2024	\$ 852,520	\$ 3,068,237
2025	762,025	2,426,872
2026	425,191	1,370,800
2027	2,723,870	4,471,133
	<u>\$ 4,763,606</u>	<u>\$ 11,337,042</u>

B. Retirement Enhancement Plan

General Information about the Pension Plan

Plan Description

The City established a 401(a) defined benefit retirement enhancement plan via resolution on June 15, 2009. The Plan covers the employees of General Employees Association ("GEA"), non-represented employees, and the non-sworn members of the Police Officers Association ("POA"). The Plan is part of an agent multiple employer plan administered by the Public Agency Retirement Service (the "PARS"). A separate audited GAAP-basis post-employment benefit plan report is not available for the Plan. Due to PEPRA legislation, the Plan is closed to employees hired by the City after December 31, 2012.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided

The Plan provides a benefit equal to 0.5% of final average compensation multiplied by years of benefit service. Benefit service includes City of Huntington Park credited CalPERS service and any purchases of additional service credit (airtime, military, or other forms of additional service). Purchased service credit under the Plan must have been purchased prior to January 1, 2013 in order to be counted as benefit service. Eligibility for the supplemental benefit is defined as reaching age 55, completing 5 years of full-time continuous service, and retiring concurrently from both CalPERS and the PARS plan after leaving City employment. Employees who terminate employment with the City prior to meeting the eligibility requirements for a supplemental benefit will receive a refund of their employee contributions with 4% interest per annum.

Final Average Compensation ("FAC") is equal to the highest twelve consecutive months of compensation with the City, subject to CalPERS deductions and not including Employer Paid Member Contributions (EPMC). Compensation includes "longevity" and "Spanish" pay. FAC is subject to IRC 401(a) (17) limitations.

There is no disability benefit under this plan, other than the return of employee contributions with 4% interest per annum.

The plan provides a pre-retirement death benefit to spouses or registered domestic partners of employees who met the age and service eligibility conditions for retirement (but failed to meet the concurrent retirement provision with CalPERS) under the plan on the date of their death prior to retirement. The benefit shall be equal to the employee's supplemental retirement benefit assuming the employee had retired on the date of death and elected a 100% joint- and-survivor annuity.

The normal form of benefit for the Retirement Enhancement Plan is a life-only annuity. In lieu of a life-only annuity, a participant may elect an actuarial equivalent optional form of payment. The optional form is a joint and survivor annuity.

Any benefit in payment status will increase by 2% (or the cost of living, whichever is less) per annum on each participant's anniversary date of retirement.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

Active Employees	28
Terminated Employees	35
Retired Employees and Beneficiaries	41
Total	104

Contributions

Eligible employees employed on the commencement date of the plan (July 1, 2009 for non-safety non-represented management employees and City Council members; July 1, 2010 for GEA employees, POA non-safety employees and non-safety, non-represented, non-management employees) are required to make employee contributions equal to 1.5% of compensation. Eligible employees hired after the effective dates are required to make employee contributions equal to 2.0% of compensation for five years of continuous employment, at which time the contribution rate will be reduced to 1.5% of compensation. The City picks up 100% of the employee's contributions.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement date June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2022	8 years
Amortization growth rate	0.00%
Actuarial Assumptions:	
Inflation	2.30%
Salary Increases	Increases are based on years of service, ranges from 10.40% to 3.50% for 0 to 30 or more years of service, respectively.
Investment return	6.50%
Payroll growth	2.80%
Cost of living adjustment	2.00%
Withdrawal	Consistent with the Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2021.
Mortality	Pre-retirement: Consistent with the Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2021.
	Post-retirement: Consistent with the Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2021.
Retirement	The retirement rates are consistent with those used to value CalPERS Miscellaneous Public Agency Pension Plans "2.5% at 55" for ages 55-58, and the "2.7% at age 55" for ages 59 or older. Ranges from 10.9% at age 55 to 100% at age 75+.
Maximum benefits and salary	Salary used in the calculation of final average compensation is subject to the limitations of IRC 401(a)(17). The limit is assumed to increase 2.30% per annum.
Family composition	70% of active members are assumed to have a qualified spouse or registered domestic partner. Females are assumed to be three years younger than their males spouses.
Form of Payment	Single Life Annuity

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The table below reflects long-term expected real return adjusted for inflation by asset classes:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Month T-Bills	10.24%	0.51%	0.49%
US Core Fixed Income	Bloomberg Barclays Aggregate	44.48%	2.07%	1.93%
US Broad Equity Market	Russell 3000 TR	34.74%	5.56%	3.90%
Foreign Developed Equity	MSCI EAFE NR	5.61%	6.89%	5.07%
Emerging Market Equities	MSCI EM NR	3.43%	9.58%	6.18%
US REITs	FTSE Nareit All Equity REIT	1.50%	6.96%	4.74%
		<u>100.00%</u>		
Assumed Inflation - Mean			2.32%	2.35%
Assumed Inflation - Standard Deviation			1.42%	1.42%
Portfolio Real Mean Return			3.72%	3.32%
Portfolio Nominal Mean Return			6.04%	5.73%
Portfolio Standard Deviation				8.34%
Long-Term Expected Rate of Return				6.50%

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Net Pension Liability (Continued)

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance as of June 30, 2022	\$ 8,100,945	\$ 3,845,918	\$ 4,255,027
Changes for the year:			
Service cost	73,636	-	73,636
Interest on the total pension liability	517,957	-	517,957
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(418,608)	(418,608)	-
Employer contributions	-	505,628	(505,628)
Member contributions	-	32,946	(32,946)
Net investment income	-	235,896	(235,896)
Administrative expense	-	(11,322)	11,322
Balance as of June 30, 2023	<u>\$ 8,273,930</u>	<u>\$ 4,190,458</u>	<u>\$ 4,083,472</u>

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Total pension liability	\$ 9,382,568	\$ 8,273,930	\$ 7,357,617
Fiduciary net position	4,190,458	4,190,458	4,190,458
Net pension liability	<u>\$ 5,192,110</u>	<u>\$ 4,083,472</u>	<u>\$ 3,167,159</u>

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

12. PENSION PLANS (Continued)
B. Retirement Enhancement Plan (Continued)

General Information about the Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available upon request.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2023, the City incurred pension expense in the amount of \$ 452,623. As of measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 775	\$ -
Changes of assumptions	3,582	-
Net difference between projected and actual earning	322,751	-
Total	<u>\$ 327,108</u>	<u>\$ -</u>

The amounts above are net of outflows and inflows recognized in the 2022-2023 measurement period expense.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 93,748
2025	73,299
2026	156,549
2027	<u>3,512</u>
	<u>\$ 327,108</u>

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

13. DEFINED CONTRIBUTION PLAN - ALTERNATIVE RETIREMENT PLAN

Effective July 1, 2001, the City established the City of Huntington Park Alternative Retirement System with 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 complete distributions to employees out of the plan. Phase II Systems and Union Bank of California perform these functions.

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:

- Eligibility- Part-time employees who work less than 1,000 hours per fiscal year;
- 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.

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN

General Information about the OPEB Plan

Plan Description

In addition to the retirement plan described in Note 12, the City of Huntington Park Retiree Healthcare Plan ("CHPRHP") contributes to the California Employers' Retiree Benefit Trust Fund (" CERBTF") to fund the City's health and other post-employment benefit costs for its retirees, their spouses, and their qualified dependents. 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 CalPERS. CalPERS issues a publicly available financial report through their website at www.calpers.ca.gov.

Employees Covered by Benefit Terms

At June 30, 2021, the valuation date, the following employees were covered by the benefit terms:

Active employees selecting coverage	112
Active employees waiving coverage	22
Retirees electing coverage	178
Total	<u>312</u>

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

Benefit Provided

Employees of the City are eligible for retiree health benefits if they retire directly from the City under PERS are at least age 50 at the date of retirement, and have 5 years of PERS service eligibility. Retiree benefit continues to surviving spouse if retiree elects PERS 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. The City contribution cap for current and future Medicare-eligible retirees is the Kaiser LA Region Medicare-eligible premium.

Contributions

The City's funding practice has been to pay each year's benefits from City assets and not fund the OPEB trust after FY2011-12.

Net OPEB Liability

The City's net OPEB liability, measured as of June 30, 2022, was \$26,450,390. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	6.25%
Long-term investment return	6.25%
Inflation rate	2.25%
Payroll growth	3.00%
Mortality	Based on assumptions for Public Agency Miscellaneous and Police members published in the 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2020, 6.7% for FY2022, 6.8% for FY2023, and 7.6% for FY2024, then gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
Healthcare trend rates	

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

Change of Assumptions

The following economic assumptions changed between measurement dates June 30, 2021 and June 30, 2022:

	Measurement Date	
	June 30, 2022	June 30, 2021
Discount Rate	6.25%	6.25%
Expected long-term rate of return on assets (CERBT Strategy 1)	6.25%	6.25%
Index rate for 20-year, tax-exempt municipal bonds ¹ (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination	3.69%	1.92%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a)The long-term expected rate of return on OPEB plan investments - to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b)A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher - to the extent that the conditions in (a) are not met.

The discount rate remained 6.25% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

Discount Rate (Continued)

The expected plan asset return is based on a blended rate of the Plan's expected asset class returns and target asset allocation, which was based on CERBT investment strategy 1 as the table shown below:

<u>Asset Class</u> <u>(CERBT Strategy1)</u>	<u>Target Allocation at</u> <u>Measurement Date</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Long-Term Expected</u> <u>Nominal Rate of Return</u> ¹
Global public equity	49.00%	4.50%	6.80%
Long US fixed income	23.00%	1.40%	3.70%
Global REITs	20.00%	3.70%	6.00%
TIPS	5.00%	0.50%	2.80%
Commodities	3.00%	1.10%	3.40%
 Total ²	100.00%		6.00%
Adjustment for inflation assumption ³			0.20%
Adjusted total expected return			6.20%
Reduction for assumed investment expense ⁴			0.00%
Net long-term expected investment return (rounded to nearest 1/4%)			6.25%

¹ Nominal rates of return are equal to real rates of return plus the assumed inflation rate of 2.30% and are net of investment expenses.

² Portfolio total expected return is not equal to the weighted average of asset class geometric returns shown above.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

Discount Rate (Continued)

The following table shows the changes in the net OPEB liability recognized over the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance for fiscal year ending 6/30/2022 (Measured at 6/30/2021)	\$ 36,839,867	\$ 12,909,250	\$ 23,930,617
Changes for the year:			
Service cost	699,463	-	699,463
Interest	2,254,254	-	2,254,254
Differences between expected and actual experience ²	777,734	-	777,734
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Employee contributions	-	-	-
Employer contributions ³	-	2,942,524	(2,942,524)
Net loss	-	(1,727,577)	1,727,577
Other additions	-	-	-
Benefit payments ³	(2,942,524)	(2,942,524)	-
Administrative expense	-	(3,269)	3,269
Other deductions	-	-	-
Net changes	788,927	(1,730,846)	2,519,773
Balance for fiscal year ending 6/30/2023 (Measured at 6/30/2022)	\$ 37,628,794	\$ 11,178,404	\$ 26,450,390

¹ The City has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

² Due to the difference between expected and actual benefit payments during the measurement period ending 6/30/2022.

³ Benefit payments equal \$2,015,356 explicit subsidy payments to retirees and \$927,168 implicit subsidy costs incurred during the measurement period ending 6/30/2022.

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

The following table presents the net OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current discount rate:

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Plan's Net OPEB Liability	\$ 30,859,355	\$ 26,450,390	\$ 22,767,671

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Plan's Net OPEB Liability	\$ 22,137,446	\$ 26,450,390	\$ 31,703,587

OPEB Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB income in the amount of \$190,360. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 690,830	\$ 11,399,442
Change of assumptions	4,614,925	7,468,421
Net difference between projected and actual investment earnings ¹	853,912	-
Contributions between measurement date and reporting date ²	3,068,586	NA
Total	\$ 9,228,253	\$ 18,867,863

¹ Per GASB 75 paragraph 43.b., deferred inflows/outflows arising from differences between projected and actual OPEB plan investment earnings in different measurement periods should be aggregated and reported as a net deferred inflow or outflow of resources.

² Under GASB75 paragraph 44, employer contributions made after the June 30, 2022 Measurement Date and on or before the June 30, 2023 Reporting Date must be disclosed as Deferred Outflows of Resources. If the contribution amount is not available at the time of this report, "TBD" is shown temporarily. The final amount should include employer trust contributions plus any unreimbursed benefits paid from general assets (both explicit and implicit subsidies). \$3,068,586 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending June 30, 2023.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

14. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") PLAN (Continued)

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The \$3,068,586 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2023 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime for the measurement period 4.7 years as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ (3,227,340)
2025	(3,637,976)
2026	(4,587,609)
2027	(1,304,790)
2028	49,519
Thereafter	-
	<u>\$ (12,708,196)</u>

15. RISK MANAGEMENT AND SELF INSURANCE PROGRAM

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 statutory limits 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, 2023, the amount of these liabilities was \$9,428,024. The amount represents an estimate of \$6,025,945 for reported claims through June 30, 2023 and \$3,402,079 of estimates incurred but not reported claims.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

15. RISK MANAGEMENT AND SELF INSURANCE PROGRAM (Continued)

The result of activities in the reported liability is as follows:

Year Ending June 30,	Claims Payable July 1	Claims Incurred during the Fiscal Year	Claims Payments	Year Ended June 30
2016	\$ 3,890,344	\$ 1,165,018	\$ (553,499)	\$ 4,501,863
2017	4,501,863	4,131,739	(759,998)	7,873,604
2018	7,873,604	1,487,758	(3,413,852)	5,947,510
2019	5,947,510	1,044,881	(1,381,075)	5,611,316
2020	5,611,316	743,134	(2,619,699)	3,734,751
2021	3,734,750	1,947,558	(866,851)	4,815,457
2022	4,815,457	2,858,680	(677,137)	6,997,000
2023	6,997,000	12,081,875	(9,650,851)	9,428,024

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 15 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, 2023, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

16. Litigation

The City 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 the estimated loss has been accrued in the financial statements.

17. 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 federal grant programs are being audited through June 30, 2023 in accordance with Uniform Guidance, 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 disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Huntington Park
Notes to the Basic Financial Statements
June 30, 2023

18. Fund Balance Classifications

The detail information of the fund balances at June 30, 2023 is as follows:

	Major Funds					Nonmajor Governmental Funds	Total		
	General	HUD Home Program Special Revenue	Employees' Retirement Fund	City Wide Construction in Progress					
Restricted for:									
Community development	\$ -	\$ 1,666,169	\$ -	\$ -	\$ -	\$ 1,666,169			
Retirement	-	-	14,020,035	-	-	14,020,035			
Public works	-	-	-	-	-	5,562,467	5,562,467		
Debt service	-	-	-	-	-	5,730,765	5,730,765		
Construction in progress	-	-	-	-	-	-			
Total restricted	-	1,666,169	14,020,035	-	-	11,293,232	26,979,436		
Assigned to:									
Self insurance	500,000	-	-	-	-	-	500,000		
Working capital	2,600,000	-	-	-	-	-	2,600,000		
Grants	-	-	-	-	-	644,352	644,352		
Measure M	-	-	-	-	-	3,821,465	3,821,465		
All Other Special Revenue Funds	-	-	-	-	-	186,188	186,188		
Total assigned	3,100,000	-	-	-	-	4,652,005	7,752,005		
Unassigned:									
Total	\$ 18,195,128	\$ 1,666,169	\$ 14,020,035	\$ (689,569)	\$ (387,208)	\$ 15,558,029	\$ 48,749,792		

19. Prior Period Adjustment

Effective July 1, 2022, the City restated the fund balance of the Successor Agency and the Public Financing Authority in the amount of \$1,678,745, primarily to correct the transfers made in prior years.

20. Subsequent Events

The City considered subsequent events through July 1, 2024, which is the date these financial statements were available to be issued.

City of Huntington Park
Required Supplementary Information
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 29,867,600	\$ 29,867,600	\$ 35,247,545	\$ 5,379,945
Licenses and permits	2,926,200	2,926,200	3,363,980	437,780
Fines and forfeitures	2,031,800	2,031,800	2,393,979	362,179
Use of money and property	210,100	210,100	631,141	421,041
Intergovernmental	452,100	452,100	2,233,043	1,780,943
Charges for services	1,173,700	1,173,700	1,267,882	94,182
Other revenues	10,500	10,500	(98,912)	(109,412)
Total revenues	36,672,000	36,672,000	45,038,658	8,366,658
EXPENDITURES				
Current:				
General government	15,110,000	15,110,000	6,489,478	8,620,522
Public safety	16,843,000	16,843,000	21,037,971	(4,194,971)
Public works	4,466,000	4,466,000	3,998,929	467,071
Community services	1,997,300	1,997,300	1,813,143	184,157
Community development	2,045,200	2,045,200	3,411,751	(1,366,551)
Debt Service:				
Principal retirement	-	-	49,496	(49,496)
Interest and fiscal charges	-	-	2,649	(2,649)
Capital Outlay	2,297,700	2,297,700	122,865	2,174,835
Total expenditures	42,759,200	42,759,200	36,926,282	5,832,918
Excess (deficiency) of revenues over expenditures	(6,087,200)	(6,087,200)	8,112,376	14,199,576
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(3,489,776)	(3,489,776)
Total other financing sources and uses	-	-	(3,489,776)	(3,489,776)
Net change in fund balances	\$ (6,087,200)	\$ (6,087,200)	4,622,600	\$ 10,709,800
Fund balances - beginning			13,572,528	
Fund balances - ending			\$ 18,195,128	

City of Huntington Park

Required Supplementary Information

Budgetary Comparison Schedule – HUD Home Program Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with	
				Final	Budget
REVENUES					
Use of money and property	\$ -	\$ -	\$ 19,481	\$ 19,481	
Intergovernmental	63,200	63,200	-	(63,200)	
Total revenues	63,200	63,200	19,481	(43,719)	
EXPENDITURES					
Current:					
Community development	61,400	61,400	-	61,400	
Total expenditures	61,400	61,400	-	61,400	
Excess (deficiency) of revenues over expenditures	1,800	1,800	19,481	17,681	
Net change in fund balances	\$ 1,800	\$ 1,800	19,481	\$ 17,681	
Fund balances - beginning			1,646,688		
Fund balances - ending			\$ 1,666,169		

City of Huntington Park

Required Supplementary Information

Budgetary Comparison Schedule – Employees’ Retirement Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 8,924,600	\$ 8,924,600	\$ 8,281,053	\$ (643,547)
Fines and forfeitures	12,900	12,900	17,849	4,949
Use of money and property	10,500	10,500	133,481	122,981
Total revenues	<u>8,948,000</u>	<u>8,948,000</u>	<u>8,432,383</u>	<u>(515,617)</u>
EXPENDITURES				
Current:				
General government	9,224,100	9,224,100	3,020,496	6,203,604
Debt Service:				
Principal retirement	-	-	1,950,000	(1,950,000)
Interest and fiscal charges	-	-	447,323	(447,323)
Total expenditures	<u>9,224,100</u>	<u>9,224,100</u>	<u>5,417,819</u>	<u>3,806,281</u>
Excess (deficiency) of revenues over expenditures	<u>(276,100)</u>	<u>(276,100)</u>	<u>3,014,564</u>	<u>3,290,664</u>
Net change in fund balances	<u><u>\$ (276,100)</u></u>	<u><u>\$ (276,100)</u></u>	<u><u>3,014,564</u></u>	<u><u>\$ 3,290,664</u></u>
Fund balances - beginning			11,005,471	
Fund balances - ending			<u><u>\$ 14,020,035</u></u>	

**City of Huntington Park
Required Supplementary Information
Budgetary Comparison Schedule – American Rescue Plan Act
For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ _____ -	\$ _____ -	\$ 6,591,286	\$ 6,591,286
Total revenues	_____ -	_____ -	6,591,286	6,591,286
EXPENDITURES				
Current:				
General government	_____ -	_____ -	3,548,631	(3,548,631)
Total expenditures	_____ -	_____ -	3,548,631	(3,548,631)
Excess (deficiency) of revenues over expenditures	_____ -	_____ -	3,042,655	3,042,655
OTHER FINANCING SOURCES (USES)				
Transfers out	_____ -	_____ -	(3,042,655)	(3,042,655)
Total other financing sources and uses	_____ -	_____ -	(3,042,655)	(3,042,655)
Net change in fund balances	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Fund balances - beginning				-
Fund balances - ending			\$ _____ -	

City of Huntington Park

Required Supplementary Information

Budgetary Comparison Schedule – City-wide Construction in Progress

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES				
Current:				
Community services	\$ -	\$ -	\$ 88,375	\$ (88,375)
Capital Outlay	-	-	12,887,124	(12,887,124)
Total expenditures	-	-	12,975,499	(12,975,499)
Excess (deficiency) of revenues over expenditures	-	-	(12,975,499)	(12,975,499)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,285,930	12,285,930
Total other financing sources and uses	-	-	12,285,930	12,285,930
Net change in fund balances	\$ -	\$ -	\$ (689,569)	\$ (689,569)
Fund balances - beginning				-
Fund balances - ending			\$ (689,569)	

City of Huntington Park
Required Supplementary Information
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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 meeting 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 fund level, subject to the authority granted to the City Manager to transfer appropriations from account to account as necessary to ensure 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 a City Fund. Appropriations lapse at the end of the fiscal year unless they are reappropriated through the formal budget process. The City controls expenditures with the aid of encumbrances. Council action is necessary for transfers between funds.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, and Debt Service 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.

City of Huntington Park

Required Supplementary Information

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2023

Budgetary Information (Continued)

Budgets are prepared on a modified accrual basis. Encumbrances are used for purchase orders or contracts. 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 fund level in the governmental funds, except that certain Special Revenue Funds are maintained at the project level.

City of Huntington Park

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios

For the Year Ended June 30, 2023

	Last Ten Fiscal Years							
	California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan							
Measurement Period	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
City Proportion of the Net Pension Liability	0.51959%	0.69135%	0.49602%	0.48418%	0.60954%	0.45560%	0.44155%	0.40526%
City's Proportionate Share of the Net Pension Liability	\$ 24,312,644	\$ 13,127,309	\$ 20,922,271	\$ 19,388,784	\$ 22,971,863	\$ 17,959,853	\$ 15,339,011	\$ 11,117,930
City's Covered Payroll	5,687,858	5,929,067	6,071,524	5,784,218	6,113,880	5,905,880	5,437,667	5,437,667
City's Proportionate Share of the Net Pension Liability as a percentage of Its Covered Payroll	427.45%	221.41%	344.60%	335.20%	375.73%	304.10%	282.09%	204.46%
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	72.64%	83.32%	72.64%	73.98%	75.49%	74.47%	76.30%	82.06%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Plan change: The Miscellaneous Plan went from an Agent-Multiple plan to the cost-sharing pool from June 30, 2014 measurement, therefore no cost-sharing information applies to the 2013-14 measurement period.

Notes to Schedules:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of two years additional service credit to members retiring during a specified time period (aka Golden Handshakes).

Changes of Assumptions: In 2014, the reported amounts were based on 7.5% discount rate. In 2015, the discount rate was increased to 7.65%. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. There was no change in the accounting discount rate from 2018 to 2021. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

City of Huntington Park

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios

For the Year Ended June 30, 2023

Measurement Period	Last Ten Fiscal Years								
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
City Proportion of the Net Pension Liability	0.67546%	0.80953%	0.61279%	0.60410%	0.46312%	0.57799%	0.58357%	0.56568%	0.31815%
City's Proportionate Share of the Net Pension Liability	\$ 46,414,963	\$ 28,410,388	\$ 40,826,221	\$ 37,711,189	\$ 27,173,968	\$ 34,535,894	\$ 30,224,530	\$ 23,308,704	\$ 19,796,754
City's Covered Payroll	5,384,993	5,661,857	5,727,557	5,315,442	5,076,151	5,359,059	5,714,480	6,264,361	6,954,779
City's Proportionate Share of the Net Pension Liability as a percentage of Its Covered Payroll	861.93%	501.79%	712.80%	709.46%	535.33%	644.44%	528.91%	372.08%	284.65%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	75.53%	78.16%	68.38%	70.04%	71.35%	71.16%	72.76%	78.37%	81.35%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

Notes to Schedules:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of two years.

Changes of Assumptions: In 2014, the reported amounts were based on 7.5% discount rate. In 2015, the discount rate was increased to 7.65%. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. There was no change in the accounting discount rate from 2018 to 2021. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

City of Huntington Park
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Measurement period	Last Ten Fiscal Years Public Agency Retirement System ("PARS")								
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15 ¹
Total pension liability									
Service cost	\$ 73,636	\$ 71,630	\$ 106,150	\$ 103,309	\$ 136,232	\$ 120,623	\$ 117,110	\$ 165,935	\$ 161,102
Interest on total pension liability	517,957	500,647	487,456	471,252	470,724	453,226	443,997	421,802	395,879
Effect of economic/demographic gains or losses	-	16,282	-	-	(173,437)	-	(190,690)	-	-
Effect of assumption changes or inputs	-	75,216	-	-	(65,557)	471,966	-	-	-
Benefit payments, including refunds of employee contributions	(418,608)	(380,941)	(332,109)	(324,243)	(329,493)	(259,670)	(225,066)	(218,726)	(165,163)
Net change in total pension liability	172,985	282,834	261,497	250,318	38,469	786,145	145,351	369,011	391,818
Total pension liability - beginning	<u>8,100,945</u>	<u>7,818,111</u>	<u>7,556,614</u>	<u>7,306,296</u>	<u>7,267,827</u>	<u>6,481,682</u>	<u>6,336,331</u>	<u>5,967,320</u>	<u>5,575,502</u>
Total pension liability - ending (a)	<u>\$ 8,273,930</u>	<u>\$ 8,100,945</u>	<u>\$ 7,818,111</u>	<u>\$ 7,556,614</u>	<u>\$ 7,306,296</u>	<u>\$ 7,267,827</u>	<u>\$ 6,481,682</u>	<u>\$ 6,336,331</u>	<u>\$ 5,967,320</u>
Pension fiduciary net position									
Employer contributions	\$ 505,628	\$ 508,988	\$ 567,547	\$ 352,965	\$ 370,896	\$ 447,685	\$ 375,491	\$ 293,737	\$ 349,850
Member contributions	32,946	33,166	37,660	42,423	44,579	53,809	60,951	64,896	77,658
Net investment income	235,896	(488,398)	638,128	123,022	172,073	129,343	176,680	32,866	33,452
Benefit payments	(418,608)	(380,941)	(332,109)	(324,243)	(329,493)	(259,670)	(225,066)	(218,726)	(165,163)
Administrative expenses	(11,322)	(11,555)	(10,998)	(10,232)	(9,946)	(9,763)	(9,246)	(12,074)	(8,556)
Net change in plan fiduciary net position	344,540	(338,740)	900,228	183,935	248,109	361,404	378,810	160,699	287,241
Plan fiduciary net position - beginning	<u>3,845,918</u>	<u>4,184,658</u>	<u>3,284,430</u>	<u>3,100,495</u>	<u>2,852,386</u>	<u>2,490,982</u>	<u>2,112,172</u>	<u>1,951,473</u>	<u>1,664,232</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,190,458</u>	<u>\$ 3,845,918</u>	<u>\$ 4,184,658</u>	<u>\$ 3,284,430</u>	<u>\$ 3,100,495</u>	<u>\$ 2,852,386</u>	<u>\$ 2,490,982</u>	<u>\$ 2,112,172</u>	<u>\$ 1,951,473</u>
Plan net pension liability ending (a) - (b)	<u>\$ 4,083,472</u>	<u>\$ 4,255,027</u>	<u>\$ 3,633,453</u>	<u>\$ 4,272,184</u>	<u>\$ 4,205,801</u>	<u>\$ 4,415,441</u>	<u>\$ 3,990,700</u>	<u>\$ 4,224,159</u>	<u>\$ 4,015,847</u>
Plan fiduciary net position as a percentage of the total pension liability	50.65%	47.47%	53.53%	43.46%	42.44%	39.25%	38.43%	33.33%	32.70%
Covered payroll	<u>\$ 2,196,868</u>	<u>\$ 2,137,031</u>	<u>\$ 3,096,625</u>	<u>\$ 3,013,747</u>	<u>\$ 2,933,087</u>	<u>\$ 3,910,805</u>	<u>\$ 3,796,898</u>	<u>\$ 3,686,309</u>	<u>\$ 4,727,908</u>
Plan net pension liability as a percentage of covered payroll	185.88%	199.11%	117.34%	141.76%	143.39%	112.90%	105.10%	114.59%	84.94%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

Notes to Schedule:

Changes of Assumptions: The long-term expected return reduced from 7.00% to 6.5% for measurement period 2017-18.

City of Huntington Park
Required Supplementary Information
Schedule of Contributions - Pension
For the Year Ended June 30, 2023

	Last Ten Fiscal Years California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	\$ 2,412,246	\$ 2,314,566	\$ 2,049,852	\$ 1,864,188	\$ 1,561,031	\$ 1,246,525	\$ 985,737	\$ 766,341	\$ 538,833	\$ 587,786
Actual employer contribution	(2,399,577)	(2,182,464)	(1,957,565)	(1,738,334)	(1,488,026)	(1,250,985)	(985,737)	(766,341)	(538,833)	(587,786)
Contribution deficiency (excess)	<u>\$ 12,669</u>	<u>\$ 132,102</u>	<u>\$ 92,287</u>	<u>\$ 125,854</u>	<u>\$ 73,005</u>	<u>\$ (4,460)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,687,858	\$ 5,929,067	\$ 6,071,524	\$ 5,784,218	\$ 6,113,880	\$ 5,905,880	\$ 5,437,667	\$ 5,437,667	N/A	N/A
Contributions as a percentage of covered payroll	42.19%	36.81%	32.24%	30.05%	24.34%	21.18%	18.13%	14.09%	N/A	N/A

Notes to Schedule:

Valuation date:

June 30, 2021

Change in Benefit Terms:

There were no changes in benefit terms.

Changes of Assumptions:

In 2014, the reported amounts were based on 7.5% discount rate. In 2015, the discount rate was increased to 7.65%.

In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

City of Huntington Park
Required Supplementary Information
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2023

	Last Ten Fiscal Years California Public Employees' Retirement System ("CalPERS") - Safety Plan									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	\$ 4,811,001	\$ 4,538,623	\$ 4,023,569	\$ 3,605,667	\$ 3,220,193	\$ 2,881,126	\$ 1,051,257	\$ 1,181,181	\$ 1,702,903	\$ 1,890,283
Actual employer contribution	(4,393,970)	(4,195,452)	(3,877,134)	(3,499,955)	(3,073,335)	(2,624,452)	(2,253,388)	(2,188,341)	(1,702,903)	(1,890,283)
Contribution deficiency (excess)	\$ 417,031	\$ 343,171	\$ 146,435	\$ 105,712	\$ 146,858	\$ 256,674	\$ (1,202,131)	\$ (1,007,160)	\$ -	\$ -
Covered payroll	\$ 5,384,993	\$ 5,661,857	\$ 5,727,557	\$ 5,315,442	\$ 5,076,151	\$ 5,359,059	\$ 5,714,480	\$ 6,264,361	\$ 6,752,212	\$ 6,816,188
Contributions as a percentage of covered payroll	81.60%	74.10%	67.69%	65.85%	60.54%	48.97%	39.43%	34.93%	25.22%	27.73%

Notes to Schedule:

Valuation date:

June 30, 2021

Change in Benefit Terms:

There were no changes in benefit terms.

Changes of Assumptions:

In 2014, the reported amounts were based on 7.5% discount rate. In 2015, the discount rate was increased to 7.65%.

In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%.

City of Huntington Park
Required Supplementary Information
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2023

	Last Ten Fiscal Years Public Agency Retirement System ("PARS")									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially determined contribution	\$ 505,628	\$ 508,988	\$ 693,910	\$ 410,046	\$ 515,308	\$ 515,308	\$ 515,308	\$ 507,777	\$ 492,788	\$ 547,518
Actual employer contribution	(505,628)	(508,988)	(567,547)	(352,965)	(370,896)	(447,685)	(375,491)	(293,737)	349,850	(406,288)
Contribution deficiency (excess)	\$ -	\$ -	\$ 126,363	\$ 57,081	\$ 144,412	\$ 67,623	\$ 139,817	\$ 214,040	\$ 842,638	\$ 141,230
Covered payroll ^{1,2,3}	\$ 2,196,868	\$ 2,137,031	\$ 3,096,625	\$ 3,013,747	\$ 2,933,087	\$ 3,910,805	\$ 3,796,898	\$ 3,686,309	\$ 4,727,908	\$ 4,590,202
Contributions as a percentage of covered payroll	23.02%	23.82%	18.33%	11.71%	12.65%	11.45%	9.89%	7.97%	7.40%	8.85%

¹ Covered payroll revised based on compensation reports provided for the June 30, 2016 funding actuarial valuation.

² Covered payroll based on compensation reports provided for the June 30, 2019 funding actuarial valuation.

³ Covered payroll based on compensation reports provided for the June 30, 2022 funding actuarial valuation.

City of Huntington Park
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

	Fiscal Year Ended ¹					
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability						
Service cost	\$ 699,463	\$ 1,994,301	\$ 1,581,615	\$ 978,189	\$ 723,417	\$ 777,583
Interest	2,254,254	2,488,824	2,620,194	3,029,867	3,040,969	2,910,846
Difference between expected and actual experience	777,734	(16,506,458)	133,093	(4,079,010)	-	-
Changes of assumptions	-	(11,900,717)	6,834,115	5,226,744	6,581,904	(2,470,150)
Changes of benefit terms	-	-	-	-	-	-
Benefit payments	(2,942,524)	(2,773,479)	(2,656,705)	(2,603,368)	(2,316,884)	(2,113,948)
Net change in total OPEB liability	788,927	(26,697,529)	8,512,312	2,552,422	8,029,406	(895,669)
Total OPEB Liability - beginning of year	36,839,867	63,537,396	55,025,084	52,472,662	44,443,256	45,338,925
Total OPEB Liability - end of year	\$ 37,628,794	\$ 36,839,867	\$ 63,537,396	\$ 55,025,084	\$ 52,472,662	\$ 44,443,256
Plan Fiduciary Net Position (FNP)						
Employee contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions	2,942,524	2,773,479	2,656,705	2,603,368	2,316,884	2,113,948
Net investment income (loss)	(1,727,577)	2,783,889	345,751	568,949	680,772	817,256
Other additions	-	-	-	-	8,815	-
Benefit payments	(2,942,524)	(2,773,479)	(2,656,705)	(2,603,368)	(2,316,884)	(2,113,948)
Administrative expense	(3,269)	(3,832)	(4,782)	(1,975)	(4,559)	(3,973)
Other deductions	-	-	-	-	(11,316)	-
Net change in plan fiduciary net position	(1,730,846)	2,780,057	340,969	566,974	673,712	813,283
Plan Fiduciary Net Position - beginning of year	12,909,250	10,129,193	9,788,224	9,221,250	8,547,538	7,734,255
Plan Fiduciary Net Position - end of year	\$ 11,178,404	\$ 12,909,250	\$ 10,129,193	\$ 9,788,224	\$ 9,221,250	\$ 8,547,538
Net OPEB Liability - end of year	\$ 26,450,390	\$ 23,930,617	\$ 53,408,203	\$ 45,236,860	\$ 43,251,412	\$ 35,895,718
FNP as a percentage of Total OPEB Liability	29.7%	35.0%	15.9%	17.8%	17.6%	19.2%
OPEB-eligible payroll for the measurement period	\$ 12,415,307	\$ 11,342,558	\$ 11,028,309	\$ 11,387,092	\$ 11,275,910	\$ 10,272,874
Net OPEB Liability as a % of eligible payroll	213.0%	211.0%	484.3%	397.3%	383.6%	349.4%

¹ The City has elected to use the GASB 75 "lookback" method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year.

Historical information is presented only for measurement periods for which GASB 75 is applicable.

City of Huntington Park
Required Supplementary Information
Schedule of Contributions – OPEB Plan
For the Year Ended June 30, 2023

	Last Ten Fiscal Years Other Postemployment Benefits Plan						
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17¹
Actuarially determined contribution	\$ 2,859,281	\$ 2,557,597	\$ 3,983,798	\$ 3,773,119	\$ 3,496,772	\$ 3,172,404	\$ 5,245,000
Actual employer contribution	(3,068,586)	(2,942,524)	(2,773,481)	(2,656,705)	(2,603,368)	(1,925,170)	(2,113,948)
Contribution deficiency (excess)	\$ (209,305)	\$ (384,927)	\$ 1,210,317	\$ 1,116,414	\$ 893,404	\$ 1,247,234	\$ 3,131,052
Covered payroll	TBD	\$ 12,415,307	\$ 11,342,558	\$ 11,028,309	\$ 11,491,533	\$ 10,581,060	N/A
Contributions as a percentage of covered payroll	TBD	23.70%	24.45%	24.09%	22.65%	18.19%	N/A

¹ Historical information is presented only for measurement periods for which GASB 75 is applicable.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Asset valuation method	Varies
Investment rate of return	6.25%
Inflation	2.50%
Payroll growth	3.00%
Retirement age	Based on assumptions for Public Agency Miscellaneous and Police Members published in the December 2017 CalPERS Experience Study.
Mortality	Based on assumptions for Public Agency Miscellaneous and Police Members published in the 2021 CalPERS Experimental Study. These tables include generational mortality improvement using 80% of scale MP-2020.

**City of Huntington Park
Supplementary Information
Nonmajor Governmental Funds**

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:

Projects Special Revenue Fund – To account for various grants received for different projects.

Public Safety Grants – To account for grant money passed through from the California Office of Traffic Safety.

Park Grants – To account for revenues received from fees collected for parks and recreation and revenues received from a Citywide Park Maintenance assessment district. The district is responsible for landscaping, tree trimming, irrigation and maintenance of parks within the City.

Recycle Grants – To account for funds received under the waste recycling grant.

Special Events – To account for the funds used for improvements and equipment purchases for the parks and recreation department and the revenues to fund those expenditures.

Measure M – To account for an additional 0.5% sales tax for transportation improvements from Los Angeles county voters approved Measure M in November 2016.

Sales Tax Transit Proposition A – To account for the City's share of 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.

Sales Tax Transit Proposition C – To account for the City's share of a sales tax increase approved by Los Angeles County voters in 1990 to fund transportation projects.

State Gasoline Tax Fund – 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.

Measure R – To account for revenues and monies spent on critical transit and highway projects.

**City of Huntington Park
Supplementary Information
Nonmajor Governmental Funds (Continued)**

Special Revenue Funds (Continued):

Office of Traffic & Safety – To account for grant monies passed through from the California Office of Traffic Safety.

Air Quality Improvement Trust – 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.

Asset Forfeiture Fund – To account for monies received from State and Federal agencies in Asset Forfeiture cases. These monies are restricted solely for law enforcement purposes.

Homeland Security Fund – To account for reimbursable grant funding provided by Los Angeles County.

Parking System Fund – 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.

Art in Public Places Fund – To account for funds used to purchase artworks with in-lieu contributions from contractors who do not elect to provide artwork for their projects.

Community Development Block Grant – To account for housing and community development projects. Financing is provided by federal grants received from Department of Housing and Community Development CDBG Program.

HUD Social Security Block Grant – To account for funds received from HUD for the purpose of providing micro loans.

Street Lighting Landscape Assessments – To account for revenues received from a Citywide Landscape Maintenance District. The District is responsible for the maintenance of street lights and the landscaping of median islands, parkways, street trees, and city parks.

Public Financing Authority – Component unit of the City used to facilitate financing of various improvements and economic development projects.

Greenway Linear Park Project – To account for grant monies received from the California Natural Resources Agency and the related expenditures to develop the City's Greenway Linear Park Project utilizing Los Angeles Department of Water and Power lots for a 0.5 mile linear greenway.

Home ARP Fund – Funds to finance a non-congregate shelter for the 4 qualifying populations.

CalHome Fund – To account for the owner-occupied rehabilitation program and first time homebuyer program.

City of Huntington Park
Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Projects Special Revenue Fund	Public Safety Grants	Park Grants	Recycle Grants
ASSETS				
Cash and investments	\$ 226,003	\$ 440,796	\$ -	\$ 205,125
Receivables				
Taxes and intergovernmental	192,775	-	-	-
Accounts and interest	1,642	2,090	-	1,411
Loans	-	-	-	-
Total assets	<u>\$ 420,420</u>	<u>\$ 442,886</u>	<u>\$ -</u>	<u>\$ 206,536</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 414,827	\$ 987	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	932	4,083	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>415,759</u>	<u>5,070</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	-	-
Assigned	4,661	437,816	-	206,536
Unassigned	-	-	-	-
Total fund balances	<u>4,661</u>	<u>437,816</u>	<u>-</u>	<u>206,536</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 420,420</u>	<u>\$ 442,886</u>	<u>\$ -</u>	<u>\$ 206,536</u>

City of Huntington Park
Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Special Events	Measure M	Sales Tax Transit Proposition A	Sales Tax Transit Proposition C	
ASSETS					
Cash and investments	\$ 160,358	\$ 3,720,229	\$ 892,714	\$ 1,627,772	
Receivables					
Taxes and intergovernmental	-	-	-	97,005	
Accounts and interest	749	101,236	5,113	8,503	
Loans	-	-	-	-	
Total assets	<u>\$ 161,107</u>	<u>\$ 3,821,465</u>	<u>\$ 897,827</u>	<u>\$ 1,733,280</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 38,496	\$ 53,481	
Accrued liabilities	-	-	367	665	
Due to other funds	-	-	-	-	
Unearned revenue	-	-	-	-	
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,863</u>	<u>\$ 54,146</u>	
Fund balances:					
Restricted	-	-	858,964	1,679,134	
Assigned	161,107	3,821,465	-	-	
Unassigned	-	-	-	-	
Total fund balances	<u>161,107</u>	<u>3,821,465</u>	<u>858,964</u>	<u>1,679,134</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 161,107</u>	<u>\$ 3,821,465</u>	<u>\$ 897,827</u>	<u>\$ 1,733,280</u>	

City of Huntington Park
Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds						
	State Gasoline Tax Fund	Measure R	Office of Traffic & Safety	Air Quality Improvement Trust		
ASSETS						
Cash and investments	\$ 997,691	\$ 2,659,826	\$ 109,331	\$ 375,457		
Receivables						
Taxes and intergovernmental	-	-	-	-		
Accounts and interest	351,493	106,329	1,141	10,991		
Loans	-	-	-	-		
Total assets	<u>\$ 1,349,184</u>	<u>\$ 2,766,155</u>	<u>\$ 110,472</u>	<u>\$ 386,448</u>		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 142,194	\$ 68,189	\$ -	\$ -		
Accrued liabilities	7,240	102	779	-		
Due to other funds	-	-	-	-		
Unearned revenue	-	1,725,419	-	-		
Total liabilities	<u>149,434</u>	<u>1,793,710</u>	<u>779</u>	<u>-</u>		
Fund balances:						
Restricted	1,199,750	972,445	109,693	386,448		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total fund balances	<u>1,199,750</u>	<u>972,445</u>	<u>109,693</u>	<u>386,448</u>		
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,349,184</u>	<u>\$ 2,766,155</u>	<u>\$ 110,472</u>	<u>\$ 386,448</u>		

City of Huntington Park
Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Asset Forfeiture Fund	Homeland Security Fund	Parking System Fund	Art in Public Places Fund
ASSETS				
Cash and investments	\$ 12,000	\$ -	\$ -	\$ -
Receivables				
Taxes and intergovernmental	- -	- -	- -	- -
Accounts and interest	- -	- -	- -	732
Loans	- -	- -	- -	- -
Total assets	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ - -	\$ - -	\$ - -	\$ 2,035
Accrued liabilities	- -	- -	- -	- -
Due to other funds	99,123	164,912	- -	5,965
Unearned revenue	- -	- -	- -	- -
Total liabilities	<u>99,123</u>	<u>164,912</u>	<u>- -</u>	<u>8,000</u>
Fund balances:				
Restricted	- -	- -	- -	- -
Assigned	- -	- -	- -	- -
Unassigned	(87,123)	(164,912)	- -	(7,268)
Total fund balances	<u>(87,123)</u>	<u>(164,912)</u>	<u>- -</u>	<u>(7,268)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732</u>

City of Huntington Park
Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Community Development Block Grant	HUD Social Security Block Grant	Special Revenue Funds Street Lighting Landscape Assessments	Public Financing Authority
ASSETS				
Cash and investments	\$ 132,675	\$ 10,887	\$ 27,492	\$ 3,245,424
Receivables				
Taxes and intergovernmental	-	-	53,728	-
Accounts and interest	-	74	3,308	2,485,341
Loans	51,609	9,459	-	-
Total assets	<u>\$ 184,284</u>	<u>\$ 20,420</u>	<u>\$ 84,528</u>	<u>\$ 5,730,765</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 265,804	\$ -	\$ 53,107	\$ -
Accrued liabilities	1,454	-	918	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>267,258</u>	<u>-</u>	<u>54,025</u>	<u>-</u>
Fund balances:				
Restricted	-	-	30,503	5,730,765
Assigned	-	20,420	-	-
Unassigned	(82,974)	-	-	-
Total fund balances	<u>(82,974)</u>	<u>20,420</u>	<u>30,503</u>	<u>5,730,765</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 184,284</u>	<u>\$ 20,420</u>	<u>\$ 84,528</u>	<u>\$ 5,730,765</u>

City of Huntington Park
Supplementary Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Greenway Linear Park Project	Home ARP Grant	CalHome	
ASSETS				
Cash and investments	\$ 325,530	\$ -	\$ -	\$ 15,169,310
Receivables				
Taxes and intergovernmental	-	-	-	343,508
Accounts and interest	-	-	198,560	3,278,713
Loans	-	-	100,000	161,068
Total assets	<u>\$ 325,530</u>	<u>\$ -</u>	<u>\$ 298,560</u>	<u>\$ 18,952,599</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 44,931	\$ 10,406	\$ 1,094,457
Accrued liabilities	-	-	-	11,525
Due to other funds	-	-	188,154	463,169
Unearned revenue	-	-	100,000	1,825,419
Total liabilities	<u>\$ -</u>	<u>44,931</u>	<u>298,560</u>	<u>3,394,570</u>
Fund balances:				
Restricted	325,530	-	-	11,293,232
Assigned	-	-	-	4,652,005
Unassigned	-	(44,931)	-	(387,208)
Total fund balances	<u>325,530</u>	<u>(44,931)</u>	<u>-</u>	<u>15,558,029</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 325,530</u>	<u>\$ -</u>	<u>\$ 298,560</u>	<u>\$ 18,952,599</u>

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds				
	Projects Special Revenue Fund	Public Safety Grants	Park Grants	Recycle Grants
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	2,482	3,773	-	2,545
Intergovernmental	1,252,589	169,981	-	22,270
Charges for services	-	-	-	-
Other revenues	513	-	-	-
Total revenues	<u>1,255,584</u>	<u>173,754</u>	<u>-</u>	<u>24,815</u>
EXPENDITURES				
Current:				
General government	88	53	304	-
Public safety	-	-	-	-
Public works	-	-	-	7,000
Community services	-	-	-	-
Community development	192,775	-	-	17,347
Debt Service				
Principal Retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay	-	38,553	-	-
Total expenditures	<u>192,863</u>	<u>38,606</u>	<u>304</u>	<u>24,347</u>
Excess (deficiency) of revenues over expenditures	<u>1,062,721</u>	<u>135,148</u>	<u>(304)</u>	<u>468</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	152,424	6,316	-	-
Transfers out	(1,400,297)	-	-	-
Total other financing sources and uses	<u>(1,247,873)</u>	<u>6,316</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(185,152)	141,464	(304)	468
FUND BALANCES				
Beginning of year	189,813	296,352	304	206,068
Prior period adjustment	-	-	-	-
End of year	<u>\$ 4,661</u>	<u>\$ 437,816</u>	<u>\$ -</u>	<u>\$ 206,536</u>

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Special Events	Measure M	Sales Tax		Sales Tax
			Transit	Proposition A	
REVENUES					
Taxes	\$ -	\$ 1,089,866	\$ 1,549,141	\$ 1,284,968	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,351	34,174	9,229	15,345	-
Intergovernmental	-	-	65,792	-	-
Charges for services	-	-	27,852	-	-
Other revenues	50,257	-	-	-	-
Total revenues	51,608	1,124,040	1,652,014	1,300,313	
EXPENDITURES					
Current:					
General government	-	46,800	3,759	63,193	-
Public safety	-	-	-	-	-
Public works	-	-	762	256,226	-
Community services	-	-	1,422,571	473,597	-
Community development	-	-	-	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay					
Total expenditures	-	20,636	-	-	-
Excess (deficiency) of revenues over expenditures	51,608	67,436	1,427,092	793,016	507,297
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	51,608	1,056,604	224,922	507,297	
FUND BALANCES					
Beginning of year	109,499	2,764,861	634,042	1,171,837	-
Prior period adjustment	-	-	-	-	-
End of year	\$ 161,107	\$ 3,821,465	\$ 858,964	\$ 1,679,134	

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023

	Special Revenue Funds			
	State Gasoline Tax Fund	Measure R	Office of Traffic & Safety	Air Quality Improvement Trust
REVENUES				
Taxes	\$ -	\$ 1,119,473	\$ -	\$ -
Fines and forfeitures	-	-	4,095	-
Use of money and property	31,408	8,894	1,180	4,640
Intergovernmental	2,594,295	-	35,103	8,420
Charges for services	-	205,122	-	-
Other revenues	-	-	-	-
Total revenues	<u>2,625,703</u>	<u>1,333,489</u>	<u>40,378</u>	<u>13,060</u>
EXPENDITURES				
Current:				
General government	532	2,625	-	-
Public safety	-	-	25,819	-
Public works	1,962,864	773,995	-	-
Community services	-	-	-	-
Community development	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>1,963,396</u>	<u>776,620</u>	<u>25,819</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>662,307</u>	<u>556,869</u>	<u>14,559</u>	<u>13,060</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,495,347)	(223,845)	-	-
Total other financing sources and uses	<u>(1,495,347)</u>	<u>(223,845)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(833,040)</u>	<u>333,024</u>	<u>14,559</u>	<u>13,060</u>
FUND BALANCES				
Beginning of year	2,032,790	639,421	95,134	373,388
Prior period adjustment	-	-	-	-
End of year	<u>\$ 1,199,750</u>	<u>\$ 972,445</u>	<u>\$ 109,693</u>	<u>\$ 386,448</u>

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023

Special Revenue Funds					
	Asset Forfeiture Fund	Homeland Security Fund	Parking System Fund	Art in Public Places Fund	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 20,252	
Fines and forfeitures	-	-	-	-	
Use of money and property	-	-	-	1,322	
Intergovernmental	-	19,185	-	-	
Charges for services	-	-	-	-	
Other revenues	-	-	-	-	
Total revenues	<u>-</u>	<u>19,185</u>	<u>-</u>	<u>21,574</u>	
EXPENDITURES					
Current:					
General government	-	-	-	-	
Public safety	65,150	184,097	-	-	
Public works	-	-	-	-	
Community services	-	-	-	31,022	
Community development	-	-	8	40,528	
Debt Service					
Principal Retirement	-	-	-	-	
Interest and fiscal charges	-	-	-	-	
Capital Outlay	-	-	-	80,730	
Total expenditures	<u>65,150</u>	<u>184,097</u>	<u>8</u>	<u>152,280</u>	
Excess (deficiency) of revenues over expenditures	<u>(65,150)</u>	<u>(164,912)</u>	<u>(8)</u>	<u>(130,706)</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	168,746	
Transfers out	-	-	-	-	
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,746</u>	
Net change in fund balances	(65,150)	(164,912)	(8)	38,040	
FUND BALANCES					
Beginning of year	(21,973)	-	8	(45,308)	
Prior period adjustment	-	-	-	-	
End of year	<u>\$ (87,123)</u>	<u>\$ (164,912)</u>	<u>\$ -</u>	<u>\$ (7,268)</u>	

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Community Development Block Grant	HUD Social Security Block Grant	Street Lighting Landscape Assessments	Public Financing Authority
REVENUES				
Taxes	\$ -	\$ -	\$ 1,994,481	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	-	133	6,117	67,457
Intergovernmental	220,397	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	2,448,061
Total revenues	<u>220,397</u>	<u>133</u>	<u>2,000,598</u>	<u>2,515,518</u>
EXPENDITURES				
Current:				
General government	40,000	-	1,293	794
Public safety	-	-	-	-
Public works	-	-	1,311,051	-
Community services	281,930	-	785	-
Community development	404,631	-	-	-
Debt Service				
Principal Retirement	-	-	893,994	-
Interest and fiscal charges	-	-	109,168	-
Capital Outlay				
Total expenditures	<u>726,561</u>	<u>-</u>	<u>2,348,968</u>	<u>794</u>
Excess (deficiency) of revenues over expenditures	<u>(506,164)</u>	<u>133</u>	<u>(348,370)</u>	<u>2,514,724</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(2,961,496)</u>	<u>-</u>	<u>-</u>	<u>(557,378)</u>
Total other financing sources and uses	<u>(2,961,496)</u>	<u>-</u>	<u>-</u>	<u>(557,378)</u>
Net change in fund balances	(3,467,660)	133	(348,370)	1,957,346
FUND BALANCES				
Beginning of year	3,384,686	20,287	378,873	5,452,164
Prior period adjustment	0	-	-	(1,678,745)
End of year	<u>\$ (82,974)</u>	<u>\$ 20,420</u>	<u>\$ 30,503</u>	<u>\$ 5,730,765</u>

City of Huntington Park
Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Greenway Linear Park Project	Home ARP Grant	CalHome	Total-Other Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 7,058,181
Fines and forfeitures	-	-	-	4,095
Use of money and property	-	-	-	190,050
Intergovernmental	416,842	-	198,560	5,003,434
Charges for services	-	-	-	232,974
Other revenues	-	-	-	2,498,831
Total revenues	416,842	-	198,560	14,987,565
EXPENDITURES				
Current:				
General government	-	-	98,560	258,001
Public safety	-	-	-	275,066
Public works	-	-	-	4,311,898
Community services	-	-	-	2,209,905
Community development	-	44,931	100,000	800,220
Debt Service				
Principal Retirement	-	-	-	893,994
Interest and fiscal charges	-	-	-	109,168
Capital Outlay	-	-	-	172,596
Total expenditures	-	44,931	198,560	9,030,848
Excess (deficiency) of revenues over expenditures	416,842	(44,931)	-	5,956,717
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	327,486
Transfers out	-	-	-	(6,638,363)
Total other financing sources and uses	-	-	-	(6,310,877)
Net change in fund balances	416,842	(44,931)	-	(354,160)
FUND BALANCES				
Beginning of year	(91,312)	-	-	17,590,934
Prior period adjustment	-	-	-	(1,678,745)
End of year	\$ 325,530	\$ (44,931)	\$ -	\$ 15,558,029

**City of Huntington Park
Supplementary Information
Internal Service Funds**

The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City.

Internal Service Funds include:

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

Liability, Insurance/Workers' Compensation Fund – To account for the City's general liability claims program and the workers compensation costs of the City.

Other Post Employment Benefits (OPEB) Fund – To account for the funds and expenses related to the City's other post employment benefits.

City of Huntington Park
Supplementary Information
Combining Statement of Net Position
All Internal Service Funds
June 30, 2023

	Fleet Maintenance	Liability, Insurance/Workers' Compensation	OPEB	Total
ASSETS				
Current assets:				
Cash and investments	\$ 489,709	\$ 1,040,325	\$ 191,012	\$ 1,721,046
Accounts receivable	3,354	8,345	2,450	14,149
Total current assets	<u>493,063</u>	<u>1,048,670</u>	<u>193,462</u>	<u>1,735,195</u>
Non-current assets:				
Capital Assets:				
Depreciable	313,163	-	-	313,163
Total non-current assets	<u>313,163</u>	<u>-</u>	<u>-</u>	<u>313,163</u>
Total assets	<u>806,226</u>	<u>1,048,670</u>	<u>193,462</u>	<u>2,048,358</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows of resources	94,223	33,867	-	128,090
OPEB related deferred outflows of resources	<u>15,657</u>	<u>15,657</u>	<u>-</u>	<u>31,314</u>
Total deferred outflows of resources	<u>109,880</u>	<u>49,524</u>	<u>-</u>	<u>159,404</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	79,545	20,232	-	99,777
Accrued payroll	2,829	767	-	3,596
Compensated absences payable, due in one year	266	244	-	510
Claims payable, due in one year	-	3,894,100	-	3,894,100
Total current liabilities	<u>82,640</u>	<u>3,915,343</u>	<u>-</u>	<u>3,997,983</u>
Non-current liabilities:				
Compensated absences, due in more than one year	1,063	977	-	2,040
Claims payable, due in more than one year	-	5,533,924	-	5,533,924
Aggregate net pension liabilities	439,214	94,116	-	533,330
Net OPEB liabilities	<u>44,875</u>	<u>44,875</u>	<u>-</u>	<u>89,750</u>
Total non-current liabilities	<u>485,152</u>	<u>5,673,892</u>	<u>-</u>	<u>6,159,044</u>
Total liabilities	<u>567,792</u>	<u>9,589,235</u>	<u>-</u>	<u>10,157,027</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	20,444	9,117	-	29,561
OPEB related deferred inflows of resources	<u>32,011</u>	<u>32,011</u>	<u>-</u>	<u>64,022</u>
Total deferred inflows of resources	<u>52,455</u>	<u>41,128</u>	<u>-</u>	<u>93,583</u>
NET POSITION				
Invested in capital assets	313,163	-	-	313,163
Unrestricted	(17,304)	(8,532,169)	193,462	(8,356,011)
Total net position	<u>\$ 295,859</u>	<u>\$ (8,532,169)</u>	<u>\$ 193,462</u>	<u>\$ (8,042,848)</u>

City of Huntington Park

Supplementary Information

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

All Internal Service Funds

For the Year Ended June 30, 2023

			Liability, Insurance/Workers' Compensation		
	Fleet Maintenance			OPEB	Total
REVENUES					
Charges for services	\$ 1,352,339		\$ 4,077,033	\$ 1,789,794	\$ 7,219,166
Miscellaneous operating revenue	-		-	-	-
Total operating revenues	<u>1,352,339</u>		<u>4,077,033</u>	<u>1,789,794</u>	<u>7,219,166</u>
OPERATING EXPENSES					
Personal services	268,943		68,775	-	337,718
Contractual services	24,339		1,308,118	7,388	1,339,845
Purchased water, materials and supplies	729,040		-	-	729,040
Insurance	-		5,312,727	1,951,752	7,264,479
Depreciation	16,258		-	-	16,258
Total Operating Expenses	<u>1,038,580</u>		<u>6,689,620</u>	<u>1,959,140</u>	<u>9,687,340</u>
Operating income (loss)	<u>313,759</u>		<u>(2,612,587)</u>	<u>(169,346)</u>	<u>(2,468,174)</u>
NON-OPERATING REVENUES					
Interest income	6,192		15,134	4,532	25,858
Total non-operating revenue	<u>6,192</u>		<u>15,134</u>	<u>4,532</u>	<u>25,858</u>
Income (loss) before contributions and transfers	<u>319,951</u>		<u>(2,597,453)</u>	<u>(164,814)</u>	<u>(2,442,316)</u>
Change in net position	<u>319,951</u>		<u>(2,597,453)</u>	<u>(164,814)</u>	<u>(2,442,316)</u>
NET POSITION					
Beginning of year	(24,092)		(5,934,716)	358,276	(5,600,532)
End of year	<u>\$ 295,859</u>		<u>\$ (8,532,169)</u>	<u>\$ 193,462</u>	<u>\$ (8,042,848)</u>