

# **City of Huntington Park, California**

## **Comprehensive Annual Financial Report**

*For the Year Ended June 30, 2016*

**With Report of  
Independent Auditors**

*Prepared by: Finance Department*





**City of Huntington Park  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2016**

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February 16, 2017

The Honorable Mayor, Members of the City Council and  
Citizens of the City of Huntington Park  
Huntington Park, California 90255

Dear Mayor, Members of the City Council and Citizens of the City of Huntington Park:

We are pleased to submit the Comprehensive Annual Financial Report for the City of Huntington Park (the “City”) for the fiscal year ended June 30, 2016. The City of Huntington Park annually publishes a complete set of financial statements that are presented in conformity with generally accepted accounting principles (“GAAP”) and audited by an independent, certified public accounting firm.

Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of City staff’s knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of the operations of the various entities of the City of Huntington Park. All disclosures necessary to facilitate the reader’s ability to gain an understanding of the City’s financial activities are including. GAAP requires that management provide a narrative introduction and overview and analysis to accompany the basic financial statements in the form of management discussion and analysis (“MD&A”). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.

### **Internal Controls**

Accounting for the City’s activities is centralized within the Finance Department which has been delegated the responsibility for maintaining the integrity of the City’s recorded financial data. Along City management, the department also establishes and maintains a structure of internal controls designed to ensure that the City’s assets are safeguarded from loss, theft or misuse.

Internal controls are designed to provide reasonable assurance that these objectives are met while recognizing that this assurance is not absolute. The reasonable assurance concept recognizes that: 1) the cost of control should not exceed the benefits likely to be gained; and 2) the valuation of costs and benefits relies upon estimates and judgments by management. Management believes the City’s comprehensive framework of internal controls are indeed adequate to provide reasonable rather than absolute assurance that the City’s assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets as further supported by the unqualified opinion.



### **Independent Audit**

The City Council is responsible for assuring that City management fulfills its responsibilities in the preparation of the financial statements and engaging certified public accountants. Accordingly, the City's financial statements have been audited by The Pun Group LLP, a firm of certified public accountants ("Independent Auditor"). To ensure complete independence, the Pun Group presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting to the City Council. Conducted in accordance with auditing standards generally accepted in the United States, those standards require that the Independent Auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements. The Independent Auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.

Accordingly, the Independent Auditor has concluded that there is a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2016, are fairly presented in all material aspects and in conformity with GAAP. The Independent Auditor's report is presented as the first component of the financial section of the CAFR.

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

### **Profile of Huntington Park**

The City was incorporated on September 1, 1906 under the general laws of the State of California. The City is empowered to levy property tax on both real and personal properties located within its boundaries. The City is also empowered by state statute to extend its corporate limits by annexation where deemed appropriate by the City Council.

The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and four other council members.



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

The City provides a full range of services, including police protection, the construction and maintenance of streets and other infrastructure, and recreational activities and cultural events. The City is financially accountable for a Successor Agency, the Parking Authority of the City of Huntington Park and the Huntington Park Public Financing Authority, which are reported separately within the City's financial statements. Additional information regarding all of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The annual budget process begins with a review of the current year's budget performance by the City Manager, Finance Director and respective Department heads. This review is the basis for proposed budget for the upcoming fiscal year. The City Manager then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by resolution.

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

City Council has the legal authority to amend the budget at any time during the fiscal year but by policy amendments to the budget are limited to the mid-year budget review and following the end of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements. It is the City's policy to maintain an unobligated reserve of an amount equal to half of its most recent annual general fund revenues and the same for working capital balances in the water and sewer fund. This objective was met because revenues were enough to cover expenditures and thus surplus was available.



### **Factors Affecting Financial Condition**

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

**Demographics.** The City is characterized by a high density, working class population, with over 59,000 people in three square miles, approximately six miles south of downtown Los Angeles. The City serves as a major regional shopping and entertainment destination, known for its historic shopping venue, Pacific Blvd. The southeast region has a predominantly Hispanic population, according to the US Census the City of Huntington Park is comprised of 97% Latinos. Huntington Park draws upon a steady influx of new and recent immigrant population (primarily from Mexico and Central America), which accounts for the high renter-occupied population of 75%, but also provides a continual vitality to the area. This strong renter market served to stabilize property values during the recent housing downturn. However, these factors also inhibit the City's full participation in the region's robust recovery after the "great recession".

**Local Economy.** The City is characterized by a downtown retail area and dense residential development encircled by large-scale industrial development in neighboring cities. Surrounded by several freeways, the City's location provides convenient, centrally located access to employment opportunities in Los Angeles, as well as the greater Los Angeles, Riverside, Orange, and San Bernardino counties. The City participates in the broad and diversified economy of the Los Angeles-Long Beach-Anaheim metropolitan statistical area. The County's unemployment rate in December 2016 was 4.7%, an improvement from the unemployment rate of 5.7% in December 2015.

**Revenue Trends.** The City's revenue of \$27.2 million in FY 2015-2016 increased by 2.3% or \$688,269 from the previous fiscal year amount of \$26.6 million.

**Key Revenue Sources.** Sales Tax, Property Tax and Utility User's Tax are the City's three largest revenues sources, accounting for approximately 75% of General Fund revenues. Sales Tax revenues grew by 10.2%, Property Tax levels increased over this one-year period by 1.1% and Utility User's Tax decreased by 3.0% from prior year.

**Expenditure Trends.** FY 2014-2015 ended with a reduction in General Fund balance of \$2.1 million, bringing down the General Fund balance from \$11.2 million to \$9.1 million. FY 2015-2016 ended with an increase of \$2.5 million, increasing the General Fund Balance from \$9.1 million to \$11.6 million. During the fiscal year, management closely monitored overtime and expenditures thus increasing fund balance. The City's cost structure was brought in-line with current revenues.



**Primary Expenditures.** Salaries and benefits comprised nearly 56% of the City’s General Fund budget, which is comprised of approximately 148 full-time employees. Over the last several years, the City has had a stable workforce.

Rising cost concerns center around costs over which the City does not have direct control. These costs include medical inflation/OPEB, i.e., rising medical insurance premiums, retirement costs of CalPERS and PARS, and potential litigation claims and the uncertainty of workers’ compensation costs.

The cost of medical insurance premiums continues to increase at an alarming rate. Medical inflation has out-paced the Consumer Price Index (CPI) substantially over the past 5 years. For example, the Kaiser Family Rate in Los Angeles County was \$1,306 for 2013 and increased to \$1,492 for 2017 an increase of 14.2% over the past 5 years. Retiree medical costs are similarly impacted by medical inflation. Although the City belongs to a joint risk insurance pool, the Independent Cities Risk Management Authority (ICRMA), the unpredictability of general liability and workers compensation claims is of great concern for the City.

**City Facilities and Infrastructure Maintenance.** In the past, the City used a combination of various grant funds and reserves in the Capital Improvement Program fund to fund capital projects. However, the City has not made any significant capital investment over the past three years due to our structural deficits. The City has a combined \$50 million annual budget, of which nearly 45% is comprised of a variety of federal and state grant awards and local return funds. Given our structural deficit, these grant programs provide the only viable source of funding for capital infrastructure investment. The City has been closely evaluating these grant programs in order to ensure that we are best leveraging our resources to fund city projects and meet policy objectives. However, in a majority of cases, grant monies are only available to fund the construction of new projects. In the future, the challenge will be to find additional revenue sources to adequately fund the on-going maintenance and repair of the City’s equipment, infrastructure, and facilities.

**Budget Actions.** FY 2015-2016 (second year) and FY 2014-2015 (first year) saw a return to a formal budgeting process which had been absent for two years albeit that the City had adopted a “Continuation Budget” as in the one adopted for FY 2012-2013 which was continued into FY 2013-2014.

In FY 2015-2016, financial performance was aided by overall revenue performance and by reduced expenditures in the way of budgeted, unfilled positions that provided salary savings of \$ 751,283 and the “operating cost” from which the City realized over \$728,934 for a total of \$1.4 million in savings. That said, the City ended the year with revenues exceeding expenditures by \$1.5 million and ending general fund balance of \$11.6 million.

**Reserves.** Although the City has faced deficit spending over the past few years, its strong level of reserves has provided staff and City Council time to take measured actions. The General Fund ended the fiscal year with \$11.6 million in unrestricted reserves. *The City adopted a balance budget in the FY2016-2017 budget year, expects to end the fiscal year with more than \$11.6*



*million in unrestricted reserves, which is sufficient to provide internal working capital. Please note additional appropriations will effect internal working capital.*

**Future Outlook.** The City has demonstrated the flexibility to bring expenditures in line with current revenues, with less drawdowns of reserves to support an expensive cost structure. We will need to continue making decisions within the near term if a healthy and financially sustainable City is to be the reality. The City's future financial stability will depend upon strong leadership from the City Council, City management and the community in implementing the changes necessary to tackle our fiscal challenges.

### **Acknowledgements**

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Edgar P. Cisneros".

Edgar P. Cisneros  
City Manager



## **LIST OF PRINCIPAL OFFICIALS**

### **City Officials**

Graciela Ortiz, Mayor

Marilyn Sanabria, Vice Mayor

Valentin Palos Amezquita, Council Member

Jhonny Pineda, Council Member

Karina Macias, Council Member

### **Executive Team**

Edgar P. Cisneros, City Manager

Michael Ackerman, Chief Engineer

Manny Acosta, Economic Development Manager

Josette Espinosa, Director of Parks and Recreation

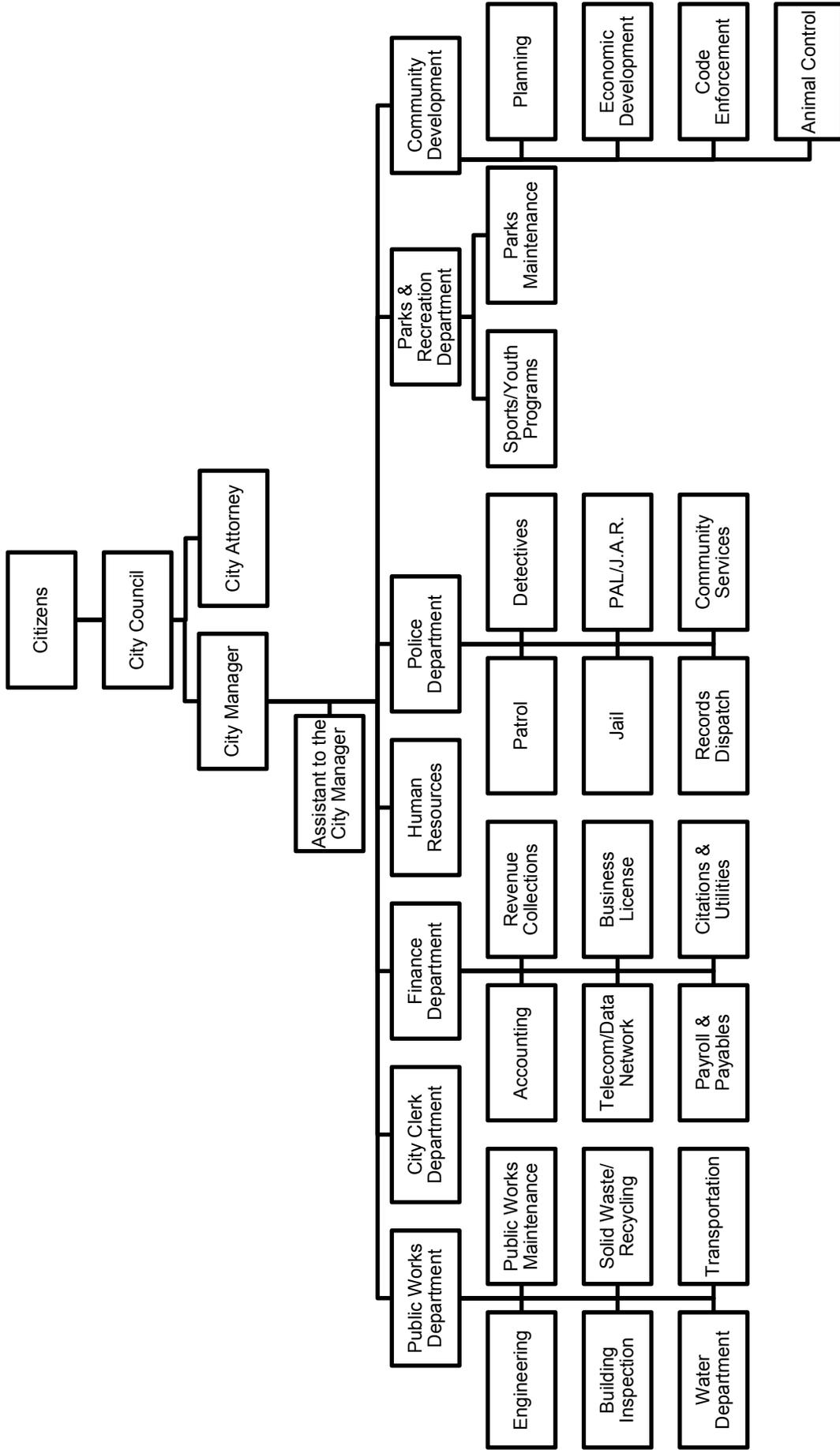
Cosme Lozano, Chief of Police

Jan Mazyck, Interim Finance Director/City Treasurer

Donna Schwartz, City Clerk

# CITY OF HUNTINGTON PARK

## Organizational Chart





## INDEPENDENT AUDITORS' REPORT

To Honorable City Council  
of the City of Huntington Park  
Huntington Park, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Huntington Park, California (the "City") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, 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.

***Emphasis of Matter***

*Arbitrage Rebate Liability*

During the year ended June 30, 2016, the Successor Agency transferred the arbitrage rebate liability related to the 2004 Revenue Refunding Bonds issued by the Financing Authority for the former RDA to the Public Financing Authority as a result of California Department of Finance (“DOF”) disallowing the repayment of 2004 Revenue Refunding Bonds as recognized obligation payments for the Successor Agency. Instead, DOF approved the repayment of 1994 Revenue Bonds, which were defeased by the 2004 Revenue Refunding Bonds, as recognized obligation payment for the Successor Agency. In addition, the arbitrage liability was written down from \$2,405,898 to \$1,733,840 during the year ended June 30, 2016 due to decline in interest rate. The arbitrage rebate liability was in the amount of \$1,733,840 reported under Public Financing Authority Debt Service Fund and the transfer was reported as a special item in the accompanying basic financial statements and disclosed in the Note 16. Our opinion is not modified with respect to this matter.

*Net Pension Liability*

As discussed in Note 3A, the governmental activities unrestricted net position deficit is in the amount of \$(63,625,411). It is mainly due to the recording net pension liability as required under GASB Statement No. 68 (Note 10). Aggregate net pension liabilities for governmental activities are in the amount of \$37,895,962. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Budgetary Comparison Schedule, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of the City’s Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions and the Schedules of Funding Progress on pages 5 to 15 and 109 to 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To Honorable City Council  
of the City of Huntington Park  
Huntington Park, California  
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The combining and individual nonmajor fund financial statements and the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 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 fund financial statements and the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2017, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
February 16, 2017

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The following discussion and analysis of the financial performance of the City of Huntington Park (the “City”) provides an overview of the City’s financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

### **FINANCIAL HIGHLIGHTS**

- The City’s total assets and deferred outflows of resources as of June 30, 2016 were \$114.0 million and total liabilities and deferred inflows of resources were \$101.1 million. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12.9 million (net position).
- Total revenues from all sources were \$49.3 million and total expenditures were \$48.3 million compared with prior year totals of \$44.4 million and \$47.9 million respectively. Of the total revenues, program revenues were approximately \$22.4 million and general revenues were \$26.9 million.
- As of June 30, 2016, the City’s total net position was \$12.9 million which was a decrease from the prior year of approximately \$(0.7) million. The decrease was primarily due to the arbitrage liability transferred to the Huntington Park Public Finance Authority.

### **Fund-Based**

- The City’s General Fund revenues and other financing sources decreased by \$0.3 million from \$28.6 million in fiscal 2015 to \$28.3 million in 2016.
- The City’s actual General Fund Fiscal Year 2016 expenditures and Other Financing Uses were \$25.7 million, which were \$5.0 million less than the expenditures of \$30.7 million for fiscal year 2015.
- The General Fund’s fund balance was \$11.7 million, as of June 30, 2016, an increase of \$2.6 million from the prior fiscal year. The change in fund balance for Fiscal Year 2015 was a decrease of \$2.1 million. This is a net turnaround of \$4.7 million

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report is designed to provide all stakeholders a general overview of the City of Huntington Park’s finances and to show the City’s accountability for the money it receives.

This discussion and analysis is intended as an introduction to the City’s basic financial statements. The introductory section includes the letter of transmittal, management discussion and analysis (MD&A), and organizational chart of the City and its elected officials. The basic financial statements are comprised of three components: 1) Government-wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements. Finally, the statistical section provides financial trend information based on the information presented in this and prior years’ annual reports as well as demographic information about the City. The City reports its financial statements using Government Accounting Standards Board Statement No. 34 (GASB 34). The intent of GASB 34 is to move government accounting and

reporting closer to that of the private sector and to present such information in a format which readers can more easily assess the financial health of the City and whether its financial condition is improving or deteriorating over time.

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

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

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

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

**Fund financial statements:** A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

**Governmental Funds**

- General Fund
- HUD HOME Program Special Revenue Fund
- Community Development Block Grant Special Revenue Fund
- Public Finance Authority Debt Service
- Other Governmental Funds

**Proprietary Funds**

Enterprise Funds

- Water Authority
- Sewer and Storm Water Fund
- Solid Waste-Non-Major Enterprise Fund

**Internal Service Funds**

- Fleet Maintenance Fund
- Vehicle and Equipment Replacement Fund
- Workers Compensation Fund
- Employee Benefit Fund
- Other Post-Employment Benefits Fund (OPEB)

## **Fiduciary Funds**

- Successor Agency Private Purpose Trust Fund

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

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

**Internal Service Funds.** Internal service funds, the other component of proprietary funds, are used to report activities that provide supplies and services for the City's other programs and activities.

**Fiduciary Funds.** The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities have been excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Successor Agency to the Community Development Commission is reported as a Fiduciary Fund in the accompanying financial statements.

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	Governmental Activities		Business Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$44.2	\$ 38.7	\$ 5.1	\$ 4.1	\$ 49.3	\$ 42.8
Capital assets	45.8	47.5	15.9	16.3	61.70	63.8
Total Assets	90.0	86.2	21.0	20.4	111.00	106.6
Deferred outflows of resources	3.1	2.3	.0	0.1	3.1	2.4
Long-term debt outstanding	86.6	79.1	.8	0.7	87.4	79.8
Other Liabilities	7.2	4.4	1.2	1.2	8.4	5.6
Total Liabilities	93.8	83.5	2.0	1.9	95.8	85.4
Deferred inflows of resources	5.2	9.8	0.1	0.2	5.3	10
Net Position						
Net Investment in Capital	38.4	39.2	15.9	16.3	54.3	55.5
Restricted	19.3	18.4		-	19.3	18.4
Unrestricted	(63.6)	(62.4)	3.0	2.1	(60.6)	(60.3)
Total net position	\$ (5.90)	\$ (4.8)	\$ 18.9	\$ 18.4	\$ 13	\$ 13.6

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

The City’s government-wide total net position was \$12.9 million, with assets and deferred outflows of resources of \$114.1 million and liabilities and deferred inflows of resources of \$101.2 million. The net investment in capital assets was \$54.3 million. Investment in capital assets (e.g., land, construction in progress, buildings and improvements, infrastructure, vehicles and property and equipment) for this financial reporting purpose is reduced by any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Furthermore, since the capital assets themselves cannot be used to liquidate any related debt, it should be noted that the resources needed to repay the debt must be provided from other available resources, primarily the unrestricted net position and future revenues.

## City of Huntington Park – Management Analysis and Discussion

The City's restricted net position of \$19.3 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$60.6) million represents the City's unrestricted net position. Unrestricted net position is supposed to be used to meet ongoing obligations to citizens and creditors.

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

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

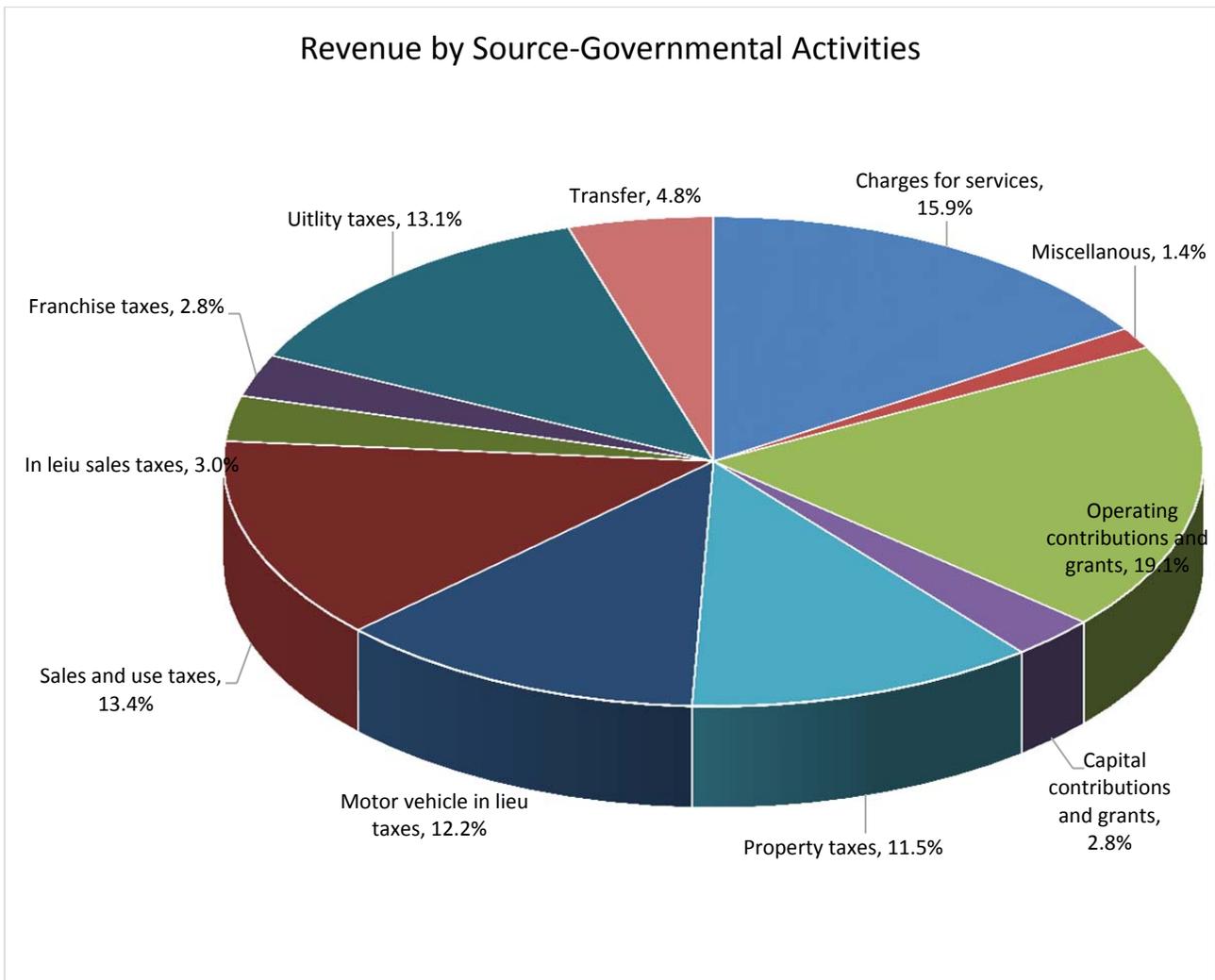
### Condensed Statements of Changes in Net Position (in \$ Millions)

	Governmental Activities		Business Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$6.9	\$ 5.9	\$6.0	\$5.9	\$12.9	\$11.8
Operating contributions and Grants	8.3	7.7			8.3	7.7
Capital contributions and Grants	1.2	0	-	-	1.2	0
Sub-total program revenues	16.4	13.6	6.0	5.9	22.4	19.5
<b>General Revenues</b>						
Property Taxes	5.0	3.9	-	-	5.0	3.9
Motor Vehicle in lieu taxes	5.3	5.2	-	-	5.3	5.2
Sales and use taxes	5.8	7.8	-	-	5.8	7.8
in lieu sales taxes	1.3	1.7	-	-	1.3	1.7
Franchise taxes	1.2	1.0	-	-	1.2	1.0
Utility taxes	5.7	5.9	-	-	5.7	5.9
Other taxes	-	-	-	-	0.0	-
Sale of Real Property	-	-	-	-	0.0	-
Miscellaneous	.6	0.2	-	-	.6	.2
Transfer From SA	1.9				1.9	
Transfers	.2	0.2	(0.2)	(0.2)	0.0	0.0
Sub-total general revenues	27.1	25.9	(0.2)	(0.2)	26.9	25.7
<b>Total Revenues</b>	43.5	39.5	5.8	5.7	49.3	45.2
<b>Expenses</b>						
General Government	5.2	5.7	-	-	5.2	5.7
Public Safety	19.4	17.7	-	-	19.4	17.7
Public Works	9.5	10.6	-	-	9.5	10.6
Community Services	2.7	3.2	-	-	2.7	3.2
Community Development	4.6	4.2	-	-	4.6	4.2
Interest on long-term debt	1.6	1.3	-	-	1.6	1.3
Transfer to SA	0	.8			0	.8
Special Item	1.7				1.7	0
Water	-	-	5.0	4.8	5.0	4.8
Sewer	-	-	.2	.2	.2	.2
Solid Waste	-	-	.1	.2	.1	.2
<b>Total Expenses</b>	\$44.7	\$ 43.5	\$5.3	\$5.2	\$50.0	\$ 48.7
Increase/(Decrease) in net position	(1.2)	(4.0)	.5	.5	(0.7)	(3.5)
<b>Beginning Net Position</b>	(4.8)	(.8)	18.4	17.9	13.6	17.1
<b>Ending net position</b>	\$(6.0)	\$ (4.8)	18.9	\$ 18.4	\$12.9	\$ 13.6

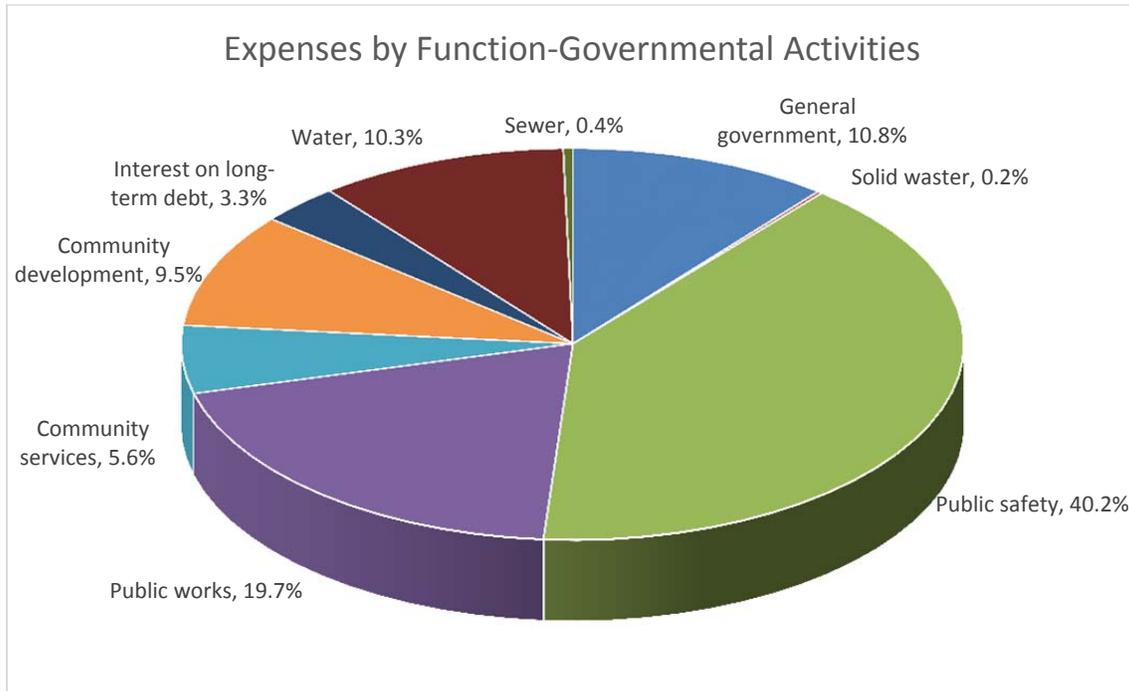
**Governmental Activities** Governmental activities decreased the City’s net position by \$1.2 million, \$2.8 million better than the \$4.0 million decrease in FY 2015. The factors attributable to this decrease are as follows:

- The City’s property taxes collected in FY 2015-2016 increased \$1.1 million from FY 2014-15 with collection of \$5.0 million as compared to \$3.9 in FY 2014-2015
- General government expenditure decreased from \$5.7 million in FY 2014-2015 to \$5.2 million in FY 2015-2016.

**Revenues by Source – Governmental Activities**



**Expenses by Function – Governmental Activities**



**Business-type Activities**

The cost of the City’s Business-type Activities was \$5.3 million in FY 2015-2016 and \$5.2 million in FY 2014-2015. The revenue generated by these activities was \$6.0 million in FY 2015-2016 and \$5.9 million in FY 2014-2015. These activities included \$220,000 of transfers to other funds. As a result, the net revenue of the Business-type activities in FY 2015-2016 did not change as compared to FY 2014-2015. Overall, the revenues generated from the City’s business operations exceeded the costs incurred by these activities.

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

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

**Governmental Funds**

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

As of June 30, 2016, the City’s governmental funds reported combined ending fund balances of \$29.6 million, an increase of \$2.2 million in comparison with the prior year. Of the total fund balance of \$29.6 million, \$8.9 million constitutes unassigned fund balance that is available for spending at the City’s discretion. Fund balance totaling \$1.1 Million is non-spendable because these are resources that are not of a spending form or are not currently available for spending.

The remaining restricted fund balance totaling approximately \$18.7 includes \$7.9 million restricted for HUD HOME programs and \$10.8 million is restricted for various special revenue funds. The assigned fund balance of \$.8 million has been designated by management for Arbitrage Liability.

The General Fund is the chief operating fund of the City. As of the end of the fiscal year, the total fund balance was \$11.7 million, an increase of \$2.6 million in comparison with the prior year and \$1 million is non-spendable and \$.8 million is assigned.

The other non-major governmental funds include several special revenue funds used exclusively to account for revenues that are restricted as to use by law and one debt service fund used to account for debt principle and interest payment activities.

### **General Fund Budgetary Highlights**

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

*Revenues and Transfers In* – The final budgeted revenues and transfers were \$25.6 million. The original budget matched the final budget.

*Appropriations and Transfers Out* – The final appropriations and transfers were \$27.6 million, an increase of \$.3 million for unanticipated costs.

### **Budget to Actual Variance**

The actual total revenues and transfers in the amount of \$28.3 million were higher than the final budgeted amounts by \$2.7 million. No adjustments to the final budgeted amounts were made during the year to revise estimated amounts to approximate the updated expected actual results based on data and information received from the State and other agencies.

The actual total expenditures and transfers out of \$25.7 million were less than the final appropriations of \$27.6 million by \$1.9 million.

**Capital Assets and Debt Administration**

Capital Assets

The City’s capital assets for its governmental and business-type activities as of June 30, 2016, totaled \$61.6 million, net of depreciation. These assets include land, construction in progress, buildings and improvements, vehicles, property and equipment and various infrastructures.

Capital Assets  
(Net of Depreciation in Thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
	2016	2015	2016	2015	2016	2015
Land	\$5,701	\$5,701	\$ 4,139	\$4,139	\$9,840	\$9,840
Construction in Progress	166	0	0	0	166	0
Buildings and Improvements	11,009	11,332	841	905	11,850	12,237
Vehicles	748	410	0	0	748	410
Property and equipment	1,096	1,156	24	25	1,120	1,181
Infrastructure	27,051	28,925	10,867	11,221	37,918	40,146
	<u>\$45,771</u>	<u>\$47,524</u>	<u>\$15,871</u>	<u>\$16,290</u>	<u>\$61,642</u>	<u>\$63,814</u>

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

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

Long-term Debt – Governmental Activities

At the end of the current fiscal year, the City had \$48.7 million in outstanding long-term debt for Governmental Activities, an increase of \$1.5 million from the preceding fiscal year. For additional information on long-term debt, please refer to Note 8 to the basic financial statements.

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**Long-Term Debt (In thousands)**

	<u>2016</u>	<u>2015</u>	Variance Increase/ (Decrease)	% Change
Pensions obligation bonds	\$17,650	\$18,700	(1,050)	(5.6)%
Street light improvement bonds	7,252	7,727	(475)	(6.1)%
EPA Brownfields	800	800	0	-
compensated absences	2,964	3,034	(70)	(.02)%
Notes/Loans/Agreements	3,467	3,467	(0)	-
Claims and judgements	4,501	3,890	611	.16%
Lease/Revenue bonds	113	552	(439)	(79.5)%
OPEB liability	11,910	8,952	2958	33 %
	<u>\$48,657</u>	<u>\$47,122</u>	<u>\$1,535</u>	<u>(58.06)%</u>

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

Long-term debt of the business-type activities consisted entirely of the liability for compensated absences which amounted to \$59,469 at June 30, 2016, reflecting a net increase in fiscal year 2016 of \$1,362.

**Economic Outlook – Fiscal 2015-2016**

Economic Factors and Outlook for Next Fiscal Year

The City’s finances and the ability to pay for essential services are heavily dependent on local economy and legislative actions of the Federal and State governments, as a substantial portion of the City’s revenues are intergovernmental grants and pass-through revenues. In the “California Fiscal Outlook”, published by the State of California Legislative Analyst Office (LAO) in November 8, 2015, the LAO estimated that 2016-2017 will end with \$11.5 billion in reserves, a \$3.8 billion increase from the prior year estimated reserve ending balance. Assuming no new commitments are made in the 2016-2017 budget, the LAO estimates that reserves will again end with a \$11.5 billion reserve balance at the end 2017-2018. The \$11.5 billion reserve would consist of \$2.8 of discretionary reserves which the Legislature can appropriate for any purpose and \$8.7 billion of required reserves.

The City will continue to monitor Federal and State’s budget development as their budgets affect a substantial portion of the City’s intergovernmental funding sources.

In comparison to the prior fiscal year The City-adopted a balanced 2016-17 General Fund operating budget that did not rely on reserves. The budget includes many positions that are authorized but unfilled and the City does not expect to fill these positions, therefore, use of reserves is not expected.

The key assumptions in the General Fund forecast for the fiscal year 2016-2017 are:

- Projected available revenues of \$27.1 million representing a 1.7% increase from the prior year's budgeted recurring revenues.
- Ongoing estimated operating expenditures of \$26.9 million representing a 1% decrease from the prior year.
- The operating budget includes an approximate \$.2 million surplus. The spending plan maintains essential services to the community and continues to provide funding to stimulate the local economy through development projects throughout the City.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Director of Finance  
City of Huntington Park, 6550 Miles Avenue #116  
Huntington Park, CA 90255

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# **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Huntington Park**  
**Statement of Net Position**  
**June 30, 2016**

ASSETS	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Cash and cash equivalents	\$ 28,704,760	\$ 3,743,959	\$ 32,448,719
Receivables:			
Taxes and intergovernmental	3,189,953	-	3,189,953
Accounts	2,987,145	1,351,174	4,338,319
Notes	8,830,216	-	8,830,216
Internal balances	(6,544)	6,544	-
Prepaid items	291,195	-	291,195
Due from Successor Agency	184,043	-	184,043
Capital assets:			
Non-depreciable	5,866,657	4,139,404	10,006,061
Depreciable, net of depreciation	39,902,675	11,732,476	51,635,151
<b>Total assets</b>	<b>89,950,100</b>	<b>20,973,557</b>	<b>110,923,657</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows of resources	3,087,780	46,543	3,134,323
<b>Total deferred outflows of resources</b>	<b>3,087,780</b>	<b>46,543</b>	<b>3,134,323</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	4,464,048	538,794	5,002,842
Interest payable	526,646	-	526,646
Deposits	251,409	541,663	793,072
Due to Successor Agency	-	-	-
Arbitrage liability (Note 16)	1,733,840	-	1,733,840
Unearned revenue	228,052	158,683	386,735
Noncurrent liabilities:			
Due within one year	3,275,895	11,894	3,287,789
Due in more than one year	45,382,349	47,575	45,429,924
Aggregate net pension liabilities (Note 10)	37,895,962	754,831	38,650,793
<b>Total liabilities</b>	<b>93,758,201</b>	<b>2,053,440</b>	<b>95,811,641</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	5,203,498	105,194	5,308,692
<b>Total deferred inflows of resources</b>	<b>5,203,498</b>	<b>105,194</b>	<b>5,308,692</b>
<b>NET POSITION</b>			
Net investment in capital assets	38,404,494	15,871,880	54,276,374
Restricted for:			
Retirement	2,486,778	-	2,486,778
Community development	8,944,181	-	8,944,181
Public safety	2,471,950	-	2,471,950
Public works	5,336,023	-	5,336,023
Debt service	56,528	-	56,528
Other purpose	1,638	-	1,638
<b>Total restricted</b>	<b>19,297,098</b>	<b>-</b>	<b>19,297,098</b>
Unrestricted (deficit)	(63,625,411)	2,989,586	(60,635,825)
<b>Total net position</b>	<b>\$ (5,923,819)</b>	<b>\$ 18,861,466</b>	<b>\$ 12,937,647</b>

See accompanying Notes to the Basic Financial Statements.

**City of Huntington Park**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

<b>Functions/Programs</b>	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 5,233,406	\$ 1,468,688	\$ 221,624	\$ -	\$ 1,690,312
Public safety	19,411,389	2,053,413	789,170	137,921	2,980,504
Public works	9,471,574	242,890	4,391,799	904,491	5,539,180
Community Services	2,661,610	1,748,391	1,227,667	119,950	3,096,008
Community Development	4,585,004	1,376,027	1,663,023	-	3,039,050
Interest on long-term debt	1,550,714	-	-	-	-
Total governmental activities	<u>42,913,697</u>	<u>6,889,409</u>	<u>8,293,283</u>	<u>1,162,362</u>	<u>16,345,054</u>
<b>Business-type activities:</b>					
Water	4,969,010	5,559,819	-	-	5,559,819
Sewer	254,319	288,797	-	-	288,797
Solid Waste	121,598	158,063	-	-	158,063
Total business-type activities	<u>5,344,927</u>	<u>6,006,679</u>	<u>-</u>	<u>-</u>	<u>6,006,679</u>
<b>Total primary government</b>	<u><u>\$ 48,258,624</u></u>	<u><u>\$ 12,896,088</u></u>	<u><u>\$ 8,293,283</u></u>	<u><u>\$ 1,162,362</u></u>	<u><u>\$ 22,351,733</u></u>

**City of Huntington Park**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2016**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (3,543,094)	\$ -	\$ (3,543,094)
Public safety	(16,430,886)	-	(16,430,886)
Public works	(3,932,394)	-	(3,932,394)
Community Services	434,399	-	434,399
Community Development	(1,545,954)	-	(1,545,954)
Interest on long-term debt	(1,550,714)	-	(1,550,714)
Total governmental activities	<u>(26,568,643)</u>	<u>-</u>	<u>(26,568,643)</u>
<b>Business-type activities:</b>			
Water	-	590,809	590,809
Sewer	-	34,478	34,478
Solid Waste	-	36,465	36,465
Total business-type activities	<u>-</u>	<u>661,752</u>	<u>661,752</u>
<b>Total primary government</b>	<u>(26,568,643)</u>	<u>661,752</u>	<u>(25,906,891)</u>
<b>General revenues:</b>			
Taxes:			
Property taxes	4,971,496	-	4,971,496
Motor vehicle in-lieu	5,348,055	-	5,348,055
Sales and use	5,849,967	-	5,849,967
In-lieu sales	1,306,430	-	1,306,430
Franchise	1,160,364	-	1,160,364
Utility	5,688,754	-	5,688,754
Total taxes	<u>24,325,066</u>	<u>-</u>	<u>24,325,066</u>
Investment income	70,046	11,255	81,301
Miscellaneous	572,269	23,261	595,530
Transfers from Successor Agency (Note 6)	1,943,462	-	1,943,462
<b>Transfers</b>	<u>220,000</u>	<u>(220,000)</u>	<u>-</u>
<b>Total general revenues and transfers</b>	<u>27,130,843</u>	<u>(185,484)</u>	<u>26,945,359</u>
<b>Change in net position before special items</b>	562,200	476,268	1,038,468
<b>Speical item:</b>			
Arbitrage liability transferred from Successor Agency (Note 16)	(1,733,840)	-	(1,733,840)
<b>Change in net position</b>	<u>(1,171,640)</u>	<u>476,268</u>	<u>(695,372)</u>
<b>Net position - beginning of year</b>	<u>(4,752,179)</u>	<u>18,385,198</u>	<u>13,633,019</u>
<b>Net position - end of year</b>	<u>\$ (5,923,819)</u>	<u>\$ 18,861,466</u>	<u>\$ 12,937,647</u>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**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.

**Community Development Block Grant 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 CDBG Program.

**Public Financing Authority Debt Service Fund** - Component unit of the City used to facilitate financing of various improvements and economic development efforts.

**City of Huntington Park**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	Major Funds		
	General	HUD Home Program Special Revenue	Community Development Block Grant Special Revenue
<b>ASSETS</b>			
Cash and investments	\$ 8,831,675	\$ 23,158	\$ -
Receivables:			
Taxes and intergovernmental	2,201,412	-	186,215
Accounts and interest	2,165,834	24,250	-
Loans	800,000	7,881,661	139,096
Prepaid items	291,195	-	-
Due from other funds	1,331,601	-	-
Due from Successor Agency	184,043	-	-
<b>Total assets</b>	<b>\$ 15,805,760</b>	<b>\$ 7,929,069</b>	<b>\$ 325,311</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,516,316	\$ 22,502	59,385
Accrued liabilities	932,795	3,281	24,931
Deposits	226,409	-	-
Due to other funds	-	-	327,567
Arbitrage liability (Note 16)	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>2,675,520</b>	<b>25,783</b>	<b>411,883</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	1,441,246	16,250	93,562
<b>Fund Balances:</b>			
Nonspendable	1,091,195	-	-
Restricted	-	7,887,036	-
Assigned	800,000	-	-
Unassigned (deficit)	9,797,799	-	(180,134)
<b>Total fund balances</b>	<b>11,688,994</b>	<b>7,887,036</b>	<b>(180,134)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,805,760</b>	<b>\$ 7,929,069</b>	<b>\$ 325,311</b>

**City of Huntington Park**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2016**

	Major Funds		
	Public Financing Authority Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 1,790,368	\$ 11,474,934	\$ 22,120,135
Receivables:			
Taxes and intergovernmental	-	802,326	3,189,953
Accounts and interest	-	788,160	2,978,244
Loans	-	9,459	8,830,216
Prepaid items	-	-	291,195
Due from other funds	-	-	1,331,601
Due from Successor Agency	-	-	184,043
<b>Total assets</b>	<b>\$ 1,790,368</b>	<b>\$ 13,074,879</b>	<b>\$ 38,925,387</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 1,624,478	\$ 3,222,681
Accrued liabilities	-	117,061	1,078,068
Deposits	-	25,000	251,409
Due to other funds	-	566,325	893,892
Arbitrage liability (Note 16)	1,733,840	-	1,733,840
Unearned revenue	-	228,052	228,052
<b>Total liabilities</b>	<b>1,733,840</b>	<b>2,560,916</b>	<b>7,407,942</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	413,688	1,964,746
<b>Fund Balances:</b>			
Nonspendable	-	-	1,091,195
Restricted	56,528	10,832,671	18,776,235
Assigned	-	-	800,000
Unassigned (deficit)	-	(732,396)	8,885,269
<b>Total fund balances</b>	<b>56,528</b>	<b>10,100,275</b>	<b>29,552,699</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,790,368</b>	<b>\$ 13,074,879</b>	<b>\$ 38,925,387</b>

See accompanying Notes to the Basic Financial Statements.

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**City of Huntington Park**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2016**

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**Total Fund Balances - Total Governmental Funds** \$ 29,552,699

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:

Amount reported in government-wide statement of position:		
Capital assets, not being depreciated	\$ 5,866,657	
Depreciable assets, net of \$63,296,320 accumulated depreciation	39,902,675	
Less: Amount reported in Internal Service Fund	<u>(235,385)</u>	<u>45,533,947</u>

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned. 1,964,746

Interest expenses are recognized when due, and therefore, interest payable is not recorded in the governmental funds. (526,646)

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

OPEB liability	(11,910,284)	
Compensated absences	(2,964,474)	
Loans and notes payable	(4,266,785)	
Claims and judgments (net of \$896,000 reported in Internal Service Fund)	(3,605,863)	
Bonds payable	<u>(25,014,838)</u>	<u>(47,762,244)</u>

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

Net pension liabilities	(37,895,962)	
Pension related deferred outflows of resources	3,087,780	
Pension related deferred inflows of resources	<u>(5,203,498)</u>	<u>(40,011,680)</u>

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 is included in governmental activities in the Government-Wide Statement of Net Position, net of \$(6,544) included in the business-type activities 5,325,359

**Net Position of Governmental Activities** \$ (5,923,819)

**City of Huntington Park**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	Major Funds		
	General	HUD Home Program Special Revenue	Community Development Block Grant
<b>REVENUES:</b>			
Taxes	\$ 13,866,731	\$ -	\$ -
Licenses and permits	3,416,617	-	-
Fines and forfeitures	1,550,355	-	-
Use of money and property	107,686	-	-
Intergovernmental	5,674,759	189,863	766,032
Charges for services	1,188,944	-	-
Other revenues	1,484,078	692	197
<b>Total revenues</b>	<b>27,289,170</b>	<b>190,555</b>	<b>766,229</b>
<b>EXPENDITURES:</b>			
Current:			
General government	4,384,612	-	-
Public safety	15,962,377	-	-
Public works	2,364,617	-	-
Community services	1,213,823	-	-
Community development	1,500,673	106,041	696,410
Capital outlay	24,636	85,548	100,953
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	259,854	-	-
<b>Total expenditures</b>	<b>25,710,592</b>	<b>191,589</b>	<b>797,363</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,578,578</b>	<b>(1,034)</b>	<b>(31,134)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	871,796	-	-
Transfers out	(31,991)	-	-
Transfer from Successor Agency (Note 6)	153,094	-	-
<b>Total other financing sources (uses)</b>	<b>992,899</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES BEFORE SPECIAL ITEMS</b>	<b>2,571,477</b>	<b>(1,034)</b>	<b>(31,134)</b>
<b>SPECIAL ITEM:</b>			
Arbitrage liability transferred from Successor Agency (Note 16)	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>	<b>2,571,477</b>	<b>(1,034)</b>	<b>(31,134)</b>
<b>FUND BALANCES:</b>			
Beginning of year	9,117,517	7,888,070	(149,000)
End of year	<b>\$ 11,688,994</b>	<b>\$ 7,887,036</b>	<b>\$ (180,134)</b>

**City of Huntington Park**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	Major Funds		Total Governmental Funds
	Public Financing Authority Debt Service	Nonmajor Governmental Funds	
<b>REVENUES:</b>			
Taxes	\$ -	\$ 8,284,219	\$ 22,150,950
Licenses and permits	-	-	3,416,617
Fines and forfeitures	-	16,302	1,566,657
Use of money and property	-	35,426	143,112
Intergovernmental	-	2,833,857	9,464,511
Charges for services	-	1,184,688	2,373,632
Other revenues	1,850	67,365	1,554,182
<b>Total revenues</b>	<b>1,850</b>	<b>12,421,857</b>	<b>40,669,661</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	89,305	4,473,917
Public safety	-	228,697	16,191,074
Public works	-	4,414,721	6,779,338
Community services	-	1,159,320	2,373,143
Community development	-	1,942,448	4,245,572
Capital outlay	-	1,072,504	1,283,641
Debt service:			
Principal retirement	-	1,964,053	1,964,053
Interest and fiscal charges	-	1,321,554	1,581,408
<b>Total expenditures</b>	<b>-</b>	<b>12,192,602</b>	<b>38,892,146</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,850</b>	<b>229,255</b>	<b>1,777,515</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	31,991	903,787
Transfers out	-	(651,796)	(683,787)
Transfer from Successor Agency (Note 6)	1,790,368	-	1,943,462
<b>Total other financing sources (uses)</b>	<b>1,790,368</b>	<b>(619,805)</b>	<b>2,163,462</b>
<b>NET CHANGES IN FUND BALANCES BEFORE SPECIAL ITEMS</b>	<b>1,792,218</b>	<b>(390,550)</b>	<b>3,940,977</b>
<b>SPECIAL ITEM:</b>			
Arbitrage liability transferred from Successor Agency (Note 16)	(1,733,840)	-	(1,733,840)
<b>NET CHANGES IN FUND BALANCES</b>	<b>58,378</b>	<b>(390,550)</b>	<b>2,207,137</b>
<b>FUND BALANCES:</b>			
Beginning of year	(1,850)	10,490,825	27,345,562
End of year	<u>\$ 56,528</u>	<u>\$ 10,100,275</u>	<u>\$ 29,552,699</u>

**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**  
**For the Year Ended June 30, 2016**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,207,137

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. The following was the amount of capital assets recorded in the current period:

Capital outlay, net of \$252,909 reported in Internal Service Funds	\$ 1,283,641	
Non-capital expenditures reclassified to functional expense	(711,868)	
Depreciation expense, net of \$66,554 reported in Internal Service Funds	<u>(2,512,486)</u>	(1,940,713)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	642,774
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Governmental funds report only contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, however, in the Statement of Activities, the total ARC is an expense. This the change in OPEB liability.	(2,958,653)
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Claims payable expenses and 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 and claims payable were not reported as expenditures in the governmental funds.		
Pension expense	(604,234)	
Claims payable expense	<u>(611,519)</u>	(1,215,753)

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.	30,694
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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.	69,440
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Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal repayments of long-term debt	1,964,053

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.	<u>29,381</u>
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<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (1,171,640)</u></u>
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# PROPRIETARY FUND FINANCIAL STATEMENTS

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

**Enterprise Fund includes:**

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

*Sewer Maintenance 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, 2016**

	Business-Type Activities	
	Water Enterprise Fund	Sewer Enterprise Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,830,626	\$ 750,956
Accounts receivable	1,293,609	47,899
Total current assets	<u>4,124,235</u>	<u>798,855</u>
Noncurrent assets:		
Capital assets		
Nondepreciable	60,950	4,078,454
Depreciable	23,946,365	4,920,091
Less accumulated depreciation	<u>(13,788,608)</u>	<u>(3,345,372)</u>
Net capital assets	<u>10,218,707</u>	<u>5,653,173</u>
Total noncurrent assets	<u>10,218,707</u>	<u>5,653,173</u>
<b>Total assets</b>	<u>14,342,942</u>	<u>6,452,028</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows of resources	28,096	1,514
<b>Total deferred outflows of resources</b>	<u>28,096</u>	<u>1,514</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	500,520	15,066
Accrued payroll	19,584	1,581
Deposits payable	478,915	-
Due to other funds	-	-
Unearned revenue	154,257	-
Compensated absences payable, due in than one year	10,510	869
Claims payable, due in one year	-	-
Total current liabilities	<u>1,163,786</u>	<u>17,516</u>
Noncurrent liabilities:		
Compensated absences payable, due in more than one year	42,042	3,476
Aggregate net pension liabilities	<u>455,660</u>	<u>24,547</u>
Total noncurrent liabilities	<u>497,702</u>	<u>28,023</u>
<b>Total liabilities</b>	<u>1,661,488</u>	<u>45,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows of resources	63,501	3,421
Total deferred inflows of resources	<u>63,501</u>	<u>3,421</u>
<b>NET POSITION</b>		
Investment in capital assets	10,218,707	5,653,173
Unrestricted	<u>2,427,342</u>	<u>751,409</u>
<b>Total net position</b>	<u>\$ 12,646,049</u>	<u>\$ 6,404,582</u>
Adjustment to reflect consolidation of internal service activities to related enterprise fund	3,982	210
Net position of business-type activities	<u>\$ 12,650,031</u>	<u>\$ 6,404,792</u>

See accompanying Notes to the Basic Financial Statements.

**City of Huntington Park**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2016**

	Business-Type Activities		Governmental Activities
	Nonmajor Enterprise Fund (Solid Waste)	Total	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 162,377	\$ 3,743,959	\$ 6,584,625
Accounts receivable	9,666	1,351,174	8,901
Total current assets	172,043	5,095,133	6,593,526
Noncurrent assets:			
Capital assets			
Nondepreciable	-	4,139,404	-
Depreciable	-	28,866,456	2,542,501
Less accumulated depreciation	-	(17,133,980)	(2,307,116)
Net capital assets	-	15,871,880	235,385
Total noncurrent assets	-	15,871,880	235,385
<b>Total assets</b>	172,043	20,967,013	6,828,911
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows of resources	16,933	46,543	-
<b>Total deferred outflows of resources</b>	16,933	46,543	-
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	127	515,713	148,216
Accrued payroll	1,916	23,081	15,083
Deposits payable	62,748	541,663	-
Due to other funds	-	-	437,709
Unearned revenue	4,426	158,683	-
Compensated absences payable, due in than one year	514	11,894	-
Claims payable, due in one year	-	-	896,000
Total current liabilities	69,731	1,251,034	1,497,008
Noncurrent liabilities:			
Compensated absences payable, due in more than one year	2,058	47,575	-
Aggregate net pension liabilities	274,624	754,831	-
Total noncurrent liabilities	276,682	802,406	-
<b>Total liabilities</b>	346,413	2,053,440	1,497,008
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	38,272	105,194	-
Total deferred inflows of resources	38,272	105,194	-
<b>NET POSITION</b>			
Investment in capital assets	-	15,871,880	235,385
Unrestricted	(195,709)	2,983,042	5,096,518
<b>Total net position</b>	\$ (195,709)	\$ 18,854,922	\$ 5,331,903
Adjustment to reflect consolidation of internal service activities to related enterprise fund	2,352	6,544	
Net position of business-type activities	\$ (193,357)	\$ 18,861,466	

See accompanying Notes to the Basic Financial Statements.

**City of Huntington Park**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities	
	Water Enterprise Fund	Sewer Enterprise Fund
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 5,559,819	\$ 288,797
Other	23,251	-
<b>Total operating revenues</b>	<u>5,583,070</u>	<u>288,797</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	446,608	46,484
Contractual services	1,114,330	-
Purchased water, materials and supplies	2,987,721	172,918
Insurance	34,517	2,770
Depreciation	385,906	32,154
<b>Total operating expenses</b>	<u>4,969,082</u>	<u>254,326</u>
<b>OPERATING (LOSS)</b>	<u>613,988</u>	<u>34,471</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Operating grants	-	-
Interest income	8,567	2,255
<b>Total nonoperating revenues (expenses)</b>	<u>8,567</u>	<u>2,255</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>622,555</u>	<u>36,726</u>
<b>TRANSFERS:</b>		
Transfers out	(220,000)	-
<b>Total transfers</b>	<u>(220,000)</u>	<u>-</u>
<b>Changes in net position</b>	402,555	36,726
<b>NET POSITION:</b>		
Beginning of year	12,243,494	6,367,856
End of year	<u>\$ 12,646,049</u>	<u>\$ 6,404,582</u>
Adjustment to reflect consolidation of internal service activities to related enterprise fund	<u>72</u>	<u>7</u>
Changes in Net Position of Business -type Activities	<u>\$ 402,627</u>	<u>\$ 36,733</u>

**City of Huntington Park**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities		Governmental Activities Internal Service Funds
	Nonmajor Enterprise Fund (Solid Waste)	Total	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 158,063	\$ 6,006,679	\$ 4,523,631
Other	10	23,261	3,323
<b>Total operating revenues</b>	<u>158,073</u>	<u>6,029,940</u>	<u>4,526,954</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	111,002	604,094	340,812
Contractual services	-	1,114,330	-
Purchased water, materials and supplies	2,065	3,162,704	1,047,767
Insurance	8,550	45,837	3,072,087
Depreciation	-	418,060	66,554
<b>Total operating expenses</b>	<u>121,617</u>	<u>5,345,025</u>	<u>4,527,220</u>
<b>OPERATING (LOSS)</b>	<u>36,456</u>	<u>684,915</u>	<u>(266)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Operating grants	-	-	9,784
Interest income	433	11,255	19,961
<b>Total nonoperating revenues (expenses)</b>	<u>433</u>	<u>11,255</u>	<u>29,745</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>36,889</u>	<u>696,170</u>	<u>29,479</u>
<b>TRANSFERS:</b>			
Transfers out	-	(220,000)	-
<b>Total transfers</b>	<u>-</u>	<u>(220,000)</u>	<u>-</u>
<b>Changes in net position</b>	36,889	476,170	29,479
<b>NET POSITION:</b>			
Beginning of year	(232,598)	18,378,752	5,302,424
End of year	<u>\$ (195,709)</u>	<u>\$ 18,854,922</u>	<u>\$ 5,331,903</u>
Adjustment to reflect consolidation of internal service activities to related enterprise fund	<u>19</u>	<u>98</u>	
Changes in Net Position of Business -type Activities	<u>\$ 36,908</u>	<u>\$ 476,268</u>	

**City of Huntington Park**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities	
	Water Enterprise Fund	Sewer Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from tenants, customers and users	\$ 5,493,984	\$ 286,385
Other receipts	-	-
Payments to suppliers	(4,235,738)	(173,206)
Payments for insurance premium or claim payments	(34,517)	(2,770)
Payments to employees	(403,563)	(41,586)
<b>Net cash provided by (used in) operating activities</b>	<b>820,166</b>	<b>68,823</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating grants	-	-
Payment to other funds	-	-
Transfers from (to) other funds	(220,000)	-
<b>Net cash (used in) noncapital financing activities</b>	<b>(220,000)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	-	-
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	8,567	2,255
<b>Net cash provided by investing activities</b>	<b>8,567</b>	<b>2,255</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>608,733</b>	<b>71,078</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	2,221,893	679,878
End of year	<u>\$ 2,830,626</u>	<u>\$ 750,956</u>

**City of Huntington Park**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities		Governmental Activities Internal Service Funds
	Nonmajor Enterprise Fund (Solid Waste)	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from tenants, customers and users	\$ 165,326	\$ 5,945,695	\$ 4,518,044
Other receipts	10	10	3,323
Payments to suppliers	(2,393)	(4,411,337)	(1,024,087)
Payments for insurance premium or claim payments	(8,550)	(45,837)	(3,043,879)
Payments to employees	(114,552)	(559,701)	(334,632)
<b>Net cash provided by (used in) operating activities</b>	<b>39,841</b>	<b>928,830</b>	<b>118,769</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	-	-	9,784
Payment to other funds	-	-	(11,921)
Transfers from (to) other funds	-	(220,000)	240,112
<b>Net cash (used in) noncapital financing activities</b>	<b>-</b>	<b>(220,000)</b>	<b>237,975</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	-	(252,909)
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(252,909)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	433	11,255	19,968
<b>Net cash provided by investing activities</b>	<b>433</b>	<b>11,255</b>	<b>19,968</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>40,274</b>	<b>720,085</b>	<b>123,803</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	122,103	3,023,874	6,460,822
End of year	<u>\$ 162,377</u>	<u>\$ 3,743,959</u>	<u>\$ 6,584,625</u>

**City of Huntington Park**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities	
	Water Enterprise Fund	Sewer Enterprise Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	613,988	34,471
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:		
Depreciation expense	385,906	32,154
(Increase) decrease in:		
Accounts receivable	(236,146)	(2,412)
Deferred outflows of resources - pension	(9,912)	(534)
Increase (decrease) in:		
Accounts payable	(133,687)	(288)
Accrued payroll	7,798	563
Deposit payable	17,460	-
Unearned revenue	129,600	-
Compensated absences payable	13,311	3,154
Aggregate net pension liability	74,258	4,000
Deferred inflows of resources - pension	(42,410)	(2,285)
Total adjustments	206,178	34,352
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 820,166</b>	<b>\$ 68,823</b>

**City of Huntington Park**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities		Governmental Activities Internal Service Funds
	Nonmajor Enterprise Fund (Solid Waste)	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 36,456	\$ 684,915	\$ (266)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:			
Depreciation expense	-	418,060	66,554
(Increase) decrease in:			
Accounts receivable	2,521	(236,037)	(5,587)
Deferred outflows of resources - pension	(5,973)	(16,419)	-
Increase (decrease) in:			
Accounts payable	(328)	(134,303)	51,888
Accrued payroll	(1,669)	6,692	6,180
Deposit payable	4,742	22,202	-
Unearned revenue	-	129,600	-
Compensated absences payable	(15,103)	1,362	-
Aggregate net pension liability	44,755	123,013	-
Deferred inflows of resources - pension	(25,560)	(70,255)	-
Total adjustments	3,385	243,915	119,035
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 39,841</b>	<b>\$ 928,830</b>	<b>\$ 118,769</b>

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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**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.

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**City of Huntington Park**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**June 30, 2016**

	Successor Agency Private - Purpose Trust Fund
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 9,280,614
Interest receivable	2,767
Total current assets	9,283,381
Noncurrent assets:	
Property held for resale	922,050
Total noncurrent assets	922,050
<b>Total assets</b>	10,205,431
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized loss on defeasance of debt	961,227
<b>Total deferred outflows of resources</b>	961,227
<b>LIABILITIES</b>	
Current liabilities:	
Accrued payroll	2,363
Accrued leave payable	1,375
Deposits payable	67,447
Due to the City of Huntington Park	184,043
Interest payable	522,500
Bonds payable - due within one year	4,954,978
Total current liabilities	5,732,706
Noncurrent liabilities:	
Loan payable to the City of Huntington Park	800,000
Bonds payable - due in more than one year	220,040,705
Total noncurrent liabilities	220,840,705
<b>Total liabilities</b>	226,573,411
<b>NET POSITION (DEFICIT)</b>	
Held in trust	\$ (215,406,753)

**City of Huntington Park**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended June 30, 2016**

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	Successor Agency Private - Purpose Trust Fund
	Fund
<b>ADDITIONS:</b>	
Taxes	\$ 9,278,068
Gain on sale of assets	95,339
Other revenue	48,274
<b>Total additions</b>	<b>9,421,681</b>
 <b>DEDUCTIONS:</b>	
Personnel expenses	127,786
Other expenses	1,050,801
Transfers to the City (Note 6)	1,943,462
Interest and fiscal charges	16,729,679
<b>Total deductions</b>	<b>19,851,728</b>
 <b>Change in net position before special item</b>	 <b>(10,430,047)</b>
 <b>SPECIAL ITEM:</b>	
Transfer of the arbitrage liability (Note 16)	2,405,898
 <b>Change in net position after special item</b>	 <b>(8,024,149)</b>
 <b>NET POSITION:</b>	
Beginning of year	(207,382,604)
End of year	\$ (215,406,753)

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# NOTES TO THE BASIC FINANCIAL STATEMENTS

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**City of Huntington Park**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

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**City of Huntington Park**  
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**For the Year Ended June 30, 2016**

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**City of Huntington Park**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

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**Note 1 – Reporting Entity**

The City of Huntington Park (the “City”) is a community located approximately six and a half miles southeast of downtown Los Angeles, California. The City geographically encompasses approximately three square miles and has an approximate population of 59,000 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 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 government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made applying the provisions of GASB Statement No. 14 (as amended by GASB Statement No. 39 and No. 61). As required by U.S. GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

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

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The City of Huntington Park'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.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position 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 (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

*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 contributions and grants, and 3) capital contributions and grants. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Contributions and grants include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenue are reported as general revenues.

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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

Fund Financial Statements

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

Governmental 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 qualifications of GASB Statement No. 34.

All governmental funds are accounted for on a “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, 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. 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.
- ***The 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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements (Continued)*

- ***Community Development Block Special Revenue Fund*** – This fund is used to account for housing and development projects. Financing is provided by federal grants received from Department of Housing and Urban Development CDBG Program.
- ***Public Financing Authority Debt Service Fund*** – This is a component unit of the City used to facilitate financing of various improvements and economic development efforts.

*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 fund:

- ***Water Enterprise Fund*** – This fund is used to account for the operations of the water utility system.
- ***Sewer Maintenance Enterprise Fund*** – This fund is used to account for the activities of sewer utility services provided to the residents of the City.

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

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, employee benefit and other post employment benefits activities.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

---

**Note 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 to report trust arrangements under which principal and income benefit other governments. 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 Fund, 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. Cash and Cash Equivalents**

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

**D. Investments**

The City reports investments based on fair value as further discussed below.

**E. Fair Value Measurements**

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, this statement defines fair value, 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.

**F. 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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**G. 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.

A nonspendable fund balance has been reported in the governmental funds to show that prepaid items do not constitute “available spendable resources”, even though they are a component of net current assets.

**H. 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.

**I. Capital Assets**

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

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

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

**J. 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, 2016.

**K. Interest Rate Swap Liability**

The City adopted GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Under this accounting standard, the City is required to measure derivative instruments such as the interest rate swap agreement at fair value in the statement of net position.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***L. Claims and Judgments***

Claims and judgments are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Only the short-term liability is reflected as a current liability in all applicable governmental fund types. For presentation in the Statement of Net 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.

***M. 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.

***N. 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 (Note 10). 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.

The following timeframes are used for pension reporting:

CalPERS

Valuation Date        June 30, 2014  
Measurement Date    June 30, 2015  
Measurement Period   July 1, 2014 to June 30, 2015

PARS

Valuation Date        July 1, 2015  
Measurement Date    June 30, 2016  
Measurement Period   July 1, 2015 to June 30, 2016

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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***O. Fund Balances***

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.

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

***P. 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.

***Q. Net Position Restricted by Enabling Legislation***

The government-wide statement of net position reports \$20,030,938 of restricted net position, of which \$2,486,778 is restricted by voter approved, which was derived from voter approved special tax levies to pay for retirement costs.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**R. 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

**S. 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.

**T. Accounting Changes**

*GASB Statement No. 72, Fair Value Measurement and Application* - This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement became effective for periods beginning after June 15, 2015 and did not have any measurement impact on the City's investment portfolio, except for the additional disclosure regarding to the measurement input as discussed in Note 4C of the City's financial statements for the year ended June 30, 2016.

*GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* - This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No.68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes. This Statement became effective for periods beginning after June 15, 2015 and did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

*GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - This Statement establishes standards relating to the hierarchy of generally accepted accounting principles. The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement became effective for periods beginning after June 15, 2015, is applied retroactively, and did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**T. Accounting Changes (Continued)**

*GASB Statement No. 79, Certain External Investment Pools and Pool Participants* - This Statement establishes standards relating to accounting and financial reporting for certain external investment pools and pool participants. This Statement became effective for periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2016.

**Note 3 – Other Required Disclosures**

**A. Deficit Fund Balances and Net Positions**

The following funds had a deficit Fund Balance at June 30, 2016:

**Major Governmental Funds:**

Community Development Block Grant	\$ (180,134)
Special Revenue Fund	

**Nonmajor Funds:**

*Special Revenue Funds:*

Parking System	(405,017)
TDA/Bike Path	(10,269)
LBP/HCPC Lead Base	(37,494)
EPA Brownfield	(18,925)
Alcohol Beverage Control Sting Operations	(52,870)
Big Belly-Install Recycling Containers	(207,821)

*Proprietary Funds:*

Solid Waste Enterprise Fund	(195,709)
Vehicle and Equipment Internal Service Fund	(10,279)

**Fiduciary Fund:**

Successor Agency Private-Purpose Trust Fund	(215,406,753)
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In the Government-Wide Financial Statements, the City had a deficit unrestricted net position at June 30, 2016 for its governmental activities of \$(63,625,411) of which, \$(37,895,962) was attributed to aggregate net pension liabilities.

Management asserts that the deficits will be eliminated by revenues made available in subsequent periods. If revenues are not sufficient in subsequent periods, the impact on the General Fund could be material.

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 (Continued)**  
**For the Year Ended June 30, 2016**

**Note 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, 2016:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
<b>Major Governmental Funds:</b>			
General Fund:			
Community development	\$ 1,025,020	\$ 1,500,673	\$ 475,653
Capital outlay	20,297	24,636	4,339
Interest and fiscal charges	238,000	259,854	21,854
<b>Nonmajor Governmental Funds:</b>			
Street Lighting Landscape Assessment Special Revenue Fund:			
General government	-	541	541
TDA/Bike Path Special Revenue Fund:			
Public works	-	117	117
Employees' Retirement Debt Service Fund:			
General government	84,500	88,764	4,264

**Note 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	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 28,704,760	\$ 3,743,959	\$ 32,448,719	\$ 9,280,614	\$ 41,729,333
<b>Total cash and investments</b>	<b>\$ 28,704,760</b>	<b>\$ 3,743,959</b>	<b>\$ 32,448,719</b>	<b>\$ 9,280,614</b>	<b>\$ 41,729,333</b>

Cash, cash equivalents and investments consisted of the following at June 30, 2016:

Cash and cash equivalents:	
Petty cash	\$ 700
Demand deposits	13,093,244
Total cash and cash equivalents	<u>13,093,944</u>
Investments:	
Local Agency Investment Fund	28,635,389
Total cash and investments	<u>\$ 41,729,333</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 4 – Cash and Investments (Continued)**

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$13,093,244 at June 30, 2016. Bank balances at that date were \$13,230,777, 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 table below identifies the investment types that are authorized for the City by the California Government Code or the City's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the City's investment policy, where more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Enterprise	5 years	None	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 4 – Cash and Investments (Continued)**

**C. Fair Value Measurement**

At June 30, 2016, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2016:

Investment Type	Measurement Inputs			Total
	Level 1	Level 2	Level 3	
Local Agency Investment Fund (LAIF)	\$ -	\$ 28,635,389	\$ -	\$ 28,635,389
Total	\$ -	\$ 28,635,389	\$ -	\$ 28,635,389

**D. 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. 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.

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

Investment Type	Fair Value	Investment Maturities (in Years)
		Less than 1
Local Agency Investment Fund (LAIF)	\$ 28,635,389	\$ 28,635,389
Total	\$ 28,635,389	\$ 28,635,389

**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	Fair Value	Minimum Legal Rating	Not Rated
Local Agency Investment Fund (LAIF)	\$ 28,635,389	N/A	\$ 28,635,389
Total	\$ 28,635,389		\$ 28,635,389

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 4 – Cash and Investments (Continued)**

***D. Risk Disclosures (Continued)***

**Concentration of Credit Risk**

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As June 30, 2016, 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 following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

California law also allows financial institutions to secure the public agencies' deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2016, the City's deposits (bank balances) were insured by FDIC up to \$250,000.

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

The City is a voluntary participant in the LAIF that is regulated by the 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 fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City's investments with LAIF at June 30, 2016, included a portion of the pool funds invested 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 (Continued)**  
**For the Year Ended June 30, 2016**

**Note 4 – Cash and Investments (Continued)**

**D. Risk Disclosures (Continued)**

**Investment in State Investment Pool (“LAIF”) (Continued)**

As of June 30, 2016, the City had \$28,635,389 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities. 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. The City valued its investments in LAIF as of June 30, 2016, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2016.

**Note 5 – Notes Receivable**

At June 30, 2016, the City had \$8,464,216 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)	-
Successor Agency	800,000	-	800,000
Total General Fund	<u>2,800,000</u>	<u>(2,000,000)</u>	<u>800,000</u>
HUD Home Program Special Revenue Fund:			
First Time Home Buyer Program	152,750	-	152,750
RASA	692,000	-	692,000
Residential Rehab	7,036,911	-	7,036,911
Total HUD Home Program	<u>7,881,661</u>	<u>-</u>	<u>7,881,661</u>
Community Development Block Grant Special Revenue Fund			
First Time Home Buyer	50,000	-	50,000
Residential Rehab	89,096	-	89,096
Total CDBG	<u>139,096</u>	<u>-</u>	<u>139,096</u>
HUD Social Security Grant Special Revenue Fund			
Macro Loan Program	9,459	-	9,459
Total Governmental Activities	<u>\$ 10,830,216</u>	<u>\$ (2,000,000)</u>	<u>\$ 8,830,216</u>
Fiduciary Fund:			
Successor Agency Private-Purpose Trust Fund	<u>\$ 49,750</u>	<u>\$ (49,750)</u>	<u>\$ -</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 5 – Notes Receivable (Continued)**

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

On May 1, 2013, the City entered into 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 of Huntington Park to provide affordable housing to the residents. The principal outstanding as of June 30, 2016 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 not longer offered by the City. The principal balance outstanding at June 30, 2016 was \$152,750.

**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 estimates 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, 2016 was \$692,000.

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, 2016 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	\$4,545,223
LINC Community Development Corporation	1,500,000
All others under \$100,000 individually	1,130,784
Total	\$ 7,176,007

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 5 – Notes Receivable (Continued)**

**D. Residential Rehab Loans (Continued)**

**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 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 of Huntington Park. Under the terms of the agreements, the Commission provided funds equal to the principal amounts of the Note which bears interest at the rate of three percent per annum, compounded annually.

The Note amount shall be paid by the 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, 2016.

Loan	Date of Loan Agreement	Principal Amount	Interest Rate	Payment Period	Outstanding Balance, June 30, 2016
1	July 12, 2006	\$ 620,848	3%	April 1, 2015 - April 1, 2061	\$ 592,389
2	August 6, 2007	223,700	3%	April 1, 2011 - April 1, 2062	223,700
3	June 2, 2008	468,000	3%	April 1, 2011 - April 1, 2062	468,000
4	January 22, 2008	1,316,200	3%	April 1, 2015 - April 1, 2063	1,316,200
5	January 22, 2008	2,040,715	3%	April 1, 2015 - April 1, 2063	1,944,934
					\$ 4,545,223

**LINC Community Development Note:**

In 2012, The City entered into Home Investment Partnership Affordable Housing Agreement (Mosaic Gardens at Huntington Park) with Line 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 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.

**E. Successor Agency Loans**

January 27, 2016, the City adopted the Resolution to approve the Successor Agency Loan Agreement No. 15-16B in the amount of \$800,000 from General Fund to the Successor Agency for the Soutland Steel Property clean up project. The amount will be repaid by the Successor Agency after the property is sold.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 6 – Interfund Balances**

**A. Internal Balances**

At June 30, 2016, the City had the following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

	<b>Internal Receivable</b>
	Business-Type Activities
<b>Internal Payable</b>	
Governmental Activities	\$ 6,544

**B. Due to/from Other Funds**

At June 30, 2016, the individual fund interfund receivable payable balances are as follows:

	<b>Due from Other Funds</b>
	General Fund
Major Governmental Funds:	
Community Development Block Grant	\$ 327,567
Special Revenue Fund	
Nonmajor Governmental Funds	566,325
Internal Service Fund:	
Vehicle and Equipment Replacement	240,112
Employee Benefit Fund	197,597
<b>Total</b>	<b>\$ 1,331,601</b>

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

The due from Successor Agency reported under General Fund are used to account for short-term cash borrowing. The balance is expected to be repaid within the next fiscal year.

**C. Transfers In/Out**

At June 30, 2016, the City had the following transfers reported in the Government-Wide Financial Statements:

	<b>Transfers In</b>
	Governmental Activities
<b>Transfers Out</b>	
Business-Type Activities	\$ 220,000

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 6 – Interfund Balances (Continued)**

**C. Transfers In/Out (Continued)**

At June 30, 2016, the City had the following transfers reported in the fund financial statements:

<b>Transfers Out</b>	<b>Transfers In</b>			Total
	General Fund	Public Financing Authority Debt Service Fund	Nonmajor Governmental Funds	
Major Governmental Funds:				
General Fund	\$ -	\$ -	\$ 31,991	\$ 31,991
Nonmajor Governmental Funds	651,796	-	-	651,796
Major Enterprise Fund:				
Water	220,000	-	-	220,000
Fiduciary Fund:				
Successor Agency Private-Purpose Trust Fund	153,094	1,790,368	-	1,943,462
<b>Total</b>	<b>\$ 1,024,890</b>	<b>\$ 1,790,368</b>	<b>\$ 31,991</b>	<b>\$ 903,787</b>

The purposes of the transfers are listed as below:

- General Fund to nonmajor governmental funds in the amount of \$31,991:
  - Business Improvement District in the amount of \$17,558 to close the fund.
  - Local Origination Program in the amount of \$14,433 to reclass expenditures and establish correct balance.
- Nonmajor Special Revenue Funds to General Fund in the amount of \$651,796:
  - Parking System Fund to General Fund in the amount of \$150,000 to reimburse costs.
  - Federal Street Improvement Special Revenue Fund to General Fund in the amount of \$1,796 to close the fund.
  - Employee’s Retirement Special Revenue Fund to General Fund in the amount of \$500,000 to reimburse costs as an operating transfer.
- Water Fund to General Fund in the amount of \$220,000 to reimburse the costs.
- Successor Agency Private-Purpose Trust Fund to General Fund in the amount of \$153,094 for operating reimbursement.
- Successor Agency Private-Purpose Trust Fund to Public Financing Authority Debt Service Fund in the amount of \$1,790,368 for the surplus payments of principal and interests between the 1994 Revenue Bonds and the 2004 Revenue Refunding Bonds. See Note 16.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 7 – Capital Assets**

**A. Governmental Activities**

A summary of changes in the capital assets for the governmental activities for the year ended June 30, 2016 is as follows:

	Governmental Activities			Balance June 30, 2016
	Balance June 30, 2015	Additions	Deletions	
<b>Nondepreciable assets:</b>				
Land	\$ 5,700,656	\$ -	\$ -	\$ 5,700,656
Intangible asset - easement	1	-	-	1
Construction in progress	-	166,000	-	166,000
Total nondepreciable assets	5,700,657	166,000	-	5,866,657
<b>Depreciable assets:</b>				
Building and improvements	18,788,781	98,963	-	18,887,744
Vehicles	5,290,266	486,417	-	5,776,683
Property and equipment	5,446,741	73,302	-	5,520,043
Infrastructure				
Pavement systems	31,210,367	-	-	31,210,367
Sidewalk, curb, and gutter system	20,386,047	-	-	20,386,047
Traffic signals	5,693,905	-	-	5,693,905
Street lights	15,724,206	-	-	15,724,206
Total capital assets, being depreciated	102,540,313	658,682	-	103,198,995
<b>Less accumulated depreciation:</b>				
Building and improvements	(7,457,475)	(421,748)	-	(7,879,223)
Vehicles	(4,879,941)	(148,765)	-	(5,028,706)
Property and equipment	(4,289,976)	(134,429)	-	(4,424,405)
Infrastructure				
Pavement systems	(17,249,987)	(892,126)	-	(18,142,113)
Sidewalk, curb, and gutter system	(12,759,841)	(411,923)	-	(13,171,764)
Traffic signals	(4,548,546)	(75,541)	-	(4,624,087)
Street lights	(9,531,514)	(494,508)	-	(10,026,022)
Total accumulated depreciation	(60,717,280)	(2,579,040)	-	(63,296,320)
Total depreciable assets, net	41,823,033	(1,920,358)	-	39,902,675
<b>Governmental activities capital assets, net</b>	<b>\$ 47,523,690</b>	<b>\$ (1,754,358)</b>	<b>\$ -</b>	<b>\$ 45,769,332</b>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 7 – Capital Assets (Continued)**

**A. Governmental Activities (Continued)**

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2016 as follows:

General government	\$	70,383
Public safety		501,950
Public works		1,832,808
Community services		95,392
Community development		11,953
Internal Service Fund		66,554
<b>Total depreciation expense</b>		<b>\$ 2,579,040</b>

See Note 8 regarding the Lease Revenue Bonds and Measure L (Street Improvement) Bonds issued relating to the above capital assets.

**Intangible Asset – Easement**

In 1995, the City assisted in the financing and development of a 184 unit affordable senior housing apartment complex and parking structure known as Rugby Senior Apartments. The project was financed through the issuance of tax-exempt bonds, HUD loan, and low income housing tax credits. The City sold the land parcel to the developer and contributed funding toward the construction of a 210 space parking structure and 10,810 square foot commercial space. The building was built and owned by the Developer (City Housing – Rugby Associates), while the City retained ownership of the parking structure.

The Development and Disposition Agreement (DDA), the regulatory agreement for the transaction, included a pre-determined purchase price for the parking structure. The agreed purchase price amount in 2013 under the Parking Garage Lease agreement dated April 7, 1997 with City Housing - Rugby Associates was \$4,881,852. The City entered into a purchase and sale agreement with City Housing - Rugby Associates for the sale of an existing Parking structure in April 2013. The net selling price after applicable seller credits was \$4,501,479. In order to facilitate the rehabilitation and refinancing of the project, the City agreed to defer a portion of the proceeds of the sale. The City received \$2,601,479 in sale proceeds at closing and extended a \$1,900,000 loan to Huntington Park 607, LP. The loan deferred principal and interest payments (at 3.0% simple interest) to the earlier of maturity (55 years) or the sale/refinance of the project. See Note 5A.

The City received a perpetual and exclusive easement to use the parking structure (130 parking spaces on the first level of the parking structure) valued at \$1 to the City. This easement has been recorded as an intangible asset in the accompanying financial statements.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 7 – 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, 2016 is as follows:

	Business-Type Activities			Balance June 30, 2016
	Balance June 30, 2015	Additions	Deletions	
<b>Nondepreciable assets:</b>				
Land	\$ 4,139,404	\$ -	\$ -	\$ 4,139,404
Total nondepreciable assets	4,139,404	-	-	4,139,404
<b>Depreciable assets:</b>				
Building and improvements	963,988	-	-	963,988
Vehicles	55,377	-	-	55,377
Property and equipment	282,697	-	-	282,697
Infrastructure				
Water improvements	22,666,386	-	-	22,666,386
Sewer & storm drain	4,898,008	-	-	4,898,008
Total depreciable assets	28,866,456	-	-	28,866,456
<b>Less accumulated depreciation:</b>				
Building and improvements	(59,468)	(63,218)	-	(122,686)
Vehicles	(55,377)	-	-	(55,377)
Property and equipment	(257,279)	(1,464)	-	(258,743)
Infrastructure				
Water improvements	(13,052,661)	(321,224)	-	(13,373,885)
Sewer & storm drain	(3,291,135)	(32,154)	-	(3,323,289)
Total accumulated depreciation	(16,715,920)	(418,060)	-	(17,133,980)
Total depreciable assets, net	12,150,536	(418,060)	-	11,732,476
<b>Business-type activities capital assets, net</b>	<b>\$ 16,289,940</b>	<b>\$ (418,060)</b>	<b>\$ -</b>	<b>\$ 15,871,880</b>

Depreciation expense charged to activities is as follows:

Water Improvements	\$ 384,442
Water Operations	1,464
Sewer Maintenance	32,154
Total Depreciation - Business-type Activities	<u>\$ 418,060</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 8 – Long-Term Liabilities**

A summary of changes in long-term liabilities for the City for the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
<b>Governmental Activities:</b>						
Developer Notes	\$ 3,466,785	\$ -	\$ -	\$ 3,466,785	\$ -	\$ 3,466,785
Lease Revenue Bonds	552,351	-	(439,344)	113,007	113,007	-
2005 Pension Obligation Refunding bonds	18,700,000	-	(1,050,000)	17,650,000	1,150,000	16,500,000
Measure L - Street Light Improvement Bonds	7,726,540	-	(474,709)	7,251,831	523,993	6,727,838
EPA Brownfields Loan	800,000	-	-	800,000	-	800,000
OPEB Liability	8,951,631	4,927,230	(1,968,577)	11,910,284	-	11,910,284
Compensated absences	3,033,914	521,809	(591,249)	2,964,474	592,895	2,371,579
Claims and judgments (Note 13)	3,890,344	1,165,018	(553,499)	4,501,863	896,000	3,605,863
Governmental Activities: Long-terms liabilities	<u>\$ 47,121,565</u>	<u>\$ 6,614,057</u>	<u>\$ (5,077,378)</u>	<u>\$ 48,658,244</u>	<u>\$ 3,275,895</u>	<u>\$ 45,382,349</u>
<b>Business-type Activities:</b>						
Compensated absences	\$ 58,107	\$ 1,362	\$ -	\$ 59,469	\$ 11,894	\$ 47,575
Business-type Activities: Long-terms liabilities	<u>58,107</u>	<u>1,362</u>	<u>-</u>	<u>59,469</u>	<u>11,894</u>	<u>47,575</u>

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

**Developer Notes - \$3,466,785**

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, 2016, the outstanding balance was \$1,395,428.

In February 2000, the City entered into an agreement with Home Depot U.S.A., Inc. for the development and operation of a Home Depot retail store. As consideration for operating the store, the City agreed to provide Home Depot installment payments on March 1 and September 1 each year, derived from an amount equal to 35 percent of the sales tax revenues generated by the store commencing upon opening up to \$2,350,000. Under the terms of the agreement, the City's obligation accrues simple interest at the rate of 8 percent per annum on the principal balance outstanding. However, the interest is forgiven to the extent that the calculated interest payment exceeds the City's 35 percent sales tax installment. As of June 30, 2016, the outstanding balance was \$2,071,357.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 8 – Long-Term Liabilities (Continued)**

**Lease Revenue Bonds Series 2006 - \$113,007**

Huntington Park Public Financing Authority, Lease Revenue Bonds Series 2006, (\$3,650,000) - These bonds were dated September 1, 2006 and were issued for the purpose of financing certain public capital projects, including 1) the construction of the community building, 2) remodeling the City Hall, 3) street improvements, 4) renovation of and improvements for Salt Lake Park and the Salt Lake Park recreation building, 5) median landscaping and improvements on Randolph Street, 6) improvements to the City's maintenance yard and 7) various beautification improvements throughout the City.

The Authority and the City have entered into a Lease agreement whereby the 2006 Bonds will be secured by certain base rental payable by the City. The bonds bear interest at 4.59 percent per annum, with principal maturities ranging from \$334,000 to \$439,000 per annum payable on a quarterly basis December 5, March 5, June 5 and September 5 of each year beginning December 5, 2006.

At June 30, 2016, the outstanding balance of the bonds was \$113,007. The annual debt service requirements on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 113,007	\$ 1,297	\$ 114,304
TOTAL	\$ 113,007	\$ 1,297	\$ 114,304

**Pension Obligation Refunding Bonds (POB's) - \$17,650,000**

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%.

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

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 8 – Long-Term Liabilities (Continued)**

**Pension Obligation Refunding Bonds (POB's) - \$17,650,000 (Continued)**

The bonds are subject to mandatory redemption requirements commencing each year on or after August 1, 2006 in amounts ranging from \$50,000 to \$2,450,000. At June 30, 2016, the outstanding balance of the POB was \$17,650,000. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,150,000	\$ 972,489	\$ 2,122,489
2018	1,300,000	908,838	2,208,838
2019	1,400,000	834,765	2,234,765
2020	1,550,000	749,849	2,299,849
2021	1,700,000	656,298	2,356,298
2022-2026	10,550,000	1,610,522	12,160,522
TOTAL	<u>\$ 17,650,000</u>	<u>\$ 5,732,761</u>	<u>\$ 23,382,761</u>

**Measure L - Street Improvement Bonds - \$7,251,831**

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, 2016, the outstanding balance of the Certificates was \$7,253,831. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 523,993	\$ 256,522	\$ 780,515
2018	576,493	237,195	813,688
2019	632,394	215,947	848,341
2020	691,886	192,656	884,542
2021	755,172	167,189	922,361
2022-2026	4,071,893	371,593	4,443,486
TOTAL	<u>\$ 7,251,831</u>	<u>\$ 1,441,102</u>	<u>\$ 8,692,933</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 8 – Long-Term Liabilities (Continued)**

**EPA Brownfields Loan Agreement – Original Issue \$800,000**

On August 24, 2014, the City entered into a loan agreement with the State of California Environmental Protection Agency Department of Toxic Substances Control (“DTSC”) for the funding of the Brownfields Revolving Loan fund to undertake remediation and mitigation of hazardous substances on brownfields. DTSC agrees the loan up to \$800,000 with simple interest rate at 3.25%. The term of the loan is 60 months from the date of execution of the agreement and the principal will be paid off at maturity.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 26,000	\$ 26,000
2018	-	26,000	26,000
2019	-	26,000	26,000
2020	800,000	4,333	804,333
TOTAL	\$ 800,000	\$ 82,333	\$ 882,333

**Claims and Judgments Payable**

The amount of claims and judgments payable at June 30, 2016 was \$4,501,863. The Risk Management Internal Service Fund has been used to liquidate the liability for claims and judgments payable. See Note 13 for details.

**Compensated Absences**

The City’s liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounted to \$2,964,474 at June 30, 2016. The General Fund has been used to liquidate the majority of the liability for compensated absences.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 9 – Successor Agency Long-Term Liabilities**

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

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
Pass Through Agreements	\$ 173,419,866	\$ 14,701,048	\$ -	\$ 188,120,914	\$ -	\$ 188,120,914
Revenue Refunding, 2004A Series A Bonds	28,550,000	-	(3,950,000)	24,600,000	4,150,000	20,450,000
All Points Loan \$6,575,000 Santa Fe	4,673,384	-	(356,953)	4,316,431	346,520	3,969,911
Neighborhood Preservation Promissory Note	4,619,750	-	(308,337)	4,311,413	320,517	3,990,896
Santa Fe Promissory Note	2,256,635	-	(132,090)	2,124,545	137,941	1,986,604
Interest rate swap liability	1,001,966	120,389	-	1,122,355	-	1,122,355
Subtotal	214,521,601	14,821,437	(4,747,380)	224,595,658	4,954,978	219,640,680
Add/(less) deferred amounts:						
Bond premium -						
2004A Revenue Refunding Bonds	466,696	-	(66,671)	400,025	-	400,025
<b>Total bonds payable</b>	<b>\$ 214,988,297</b>	<b>\$ 14,821,437</b>	<b>\$ (4,814,051)</b>	<b>\$ 224,995,683</b>	<b>\$ 4,954,978</b>	<b>\$ 220,040,705</b>

**Fair Value Measurement**

At June 30, 2016, interest rate swap liability is reported at fair value. The following table presents the fair value measurement of interest rate swap liability on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2016:

Liabilities Type	Measurement Inputs				Total
	Level 1	Level 2	Level 3	N/A	
Interest rate SWAP liability	\$ -	\$ -	\$ 1,122,355	\$ -	\$ 1,122,355
Total	\$ -	\$ -	\$ 1,122,355	\$ -	\$ 1,122,355

**Pass through Agreements with the County of Los Angeles - \$188,120,914**

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, 2016, additional loan provided was \$2,394,073 and \$12,306,975 accrued interest was added to the outstanding balance. As of June 30, 2016, these deferrals amounted to \$188,120,914.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 9 – 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, 2016, the outstanding balance of the bonds was \$24,600,000. The annual debt service requirements on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 4,150,000	\$ 1,155,262	\$ 5,305,262
2018	4,355,000	937,194	5,292,194
2019	4,585,000	702,519	5,287,519
2020	2,665,000	512,206	3,177,206
2021	2,805,000	372,125	3,177,125
2022-2023	6,040,000	305,750	6,345,750
TOTAL	<u>\$ 24,600,000</u>	<u>\$ 3,985,056</u>	<u>\$ 28,585,056</u>

**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, 2016, the outstanding balance of the bonds was \$4,316,431. The annual debt service requirements on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 346,520	\$ 193,900	\$ 540,420
2018	363,125	177,295	540,420
2019	380,527	159,893	540,420
2020	398,762	141,658	540,420
2021	417,871	122,548	540,419
2022-2026	2,409,626	292,475	2,702,101
TOTAL	<u>\$ 4,316,431</u>	<u>\$ 1,087,769</u>	<u>\$ 5,404,200</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 9 – Successor Agency Long-Term Liabilities (Continued)**

**Neighborhood Preservation Promissory Note – Original Issuance \$6,700,000**

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

At June 30, 2016, the outstanding balance of the Notes was \$4,311,413. The annual debt service requirements to the stated maturity date using variable rate of 0.42% on the Notes are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 320,517	\$ 24,774	\$ 345,291
2018	333,177	22,842	356,019
2019	346,338	20,834	367,172
2020	360,018	18,747	378,765
2021	374,239	16,577	390,816
2022-2026	2,104,958	47,222	2,152,180
2027	472,166	1,633	473,799
TOTAL	<u>\$ 4,311,413</u>	<u>\$ 152,628</u>	<u>\$ 4,464,041</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 9 – Successor Agency Long-Term Liabilities (Continued)**

**Neighborhood Preservation Interest Rate Swap**

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

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

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

**Fair Value:** The swap had a negative fair value of \$743,076 as of June 30, 2016. Because the interest rates on the Note adjust to changing interest rates, the Note does not have a corresponding fair value increase. The fair value was the quoted market price from Union Bank at June 30, 2016.

**Credit Risk:** The swap counterparty was A-3/Negative by Moody’s and A-1/Stable by Standard & Poor’s as of June 30, 2016.

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

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

**Swap Payments and Associated Debt:** Using rates as of June 30, 2016, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remains the same for their term, were as follows. As rates vary, variable-rate note interest payments and net swap payments will vary.

Year Ending June 30,	Variable-Rate Notes		Net Swap	
	Principal	Interest	Payments	Total
2017	\$ 320,517	\$ 12,241	\$ 138,163	\$ 470,921
2018	333,177	11,286	127,389	471,852
2019	346,338	12,294	116,189	474,821
2020	360,018	9,262	104,547	473,827
2021	374,239	8,190	92,445	474,874
2022-2026	2,104,958	23,327	263,292	2,391,577
2027	472,167	807	9,109	482,083
<b>TOTAL</b>	<b>\$ 4,311,414</b>	<b>\$ 77,407</b>	<b>\$ 851,134</b>	<b>\$ 5,239,955</b>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 9 – Successor Agency Long-Term Liabilities (Continued)**

**Santa Fe Promissory Note – Original Issuance \$3,037,000**

On February 1, 2007, the Commission issued a promissory note (the Note) in the amount of \$3,037,000 to redeem the then outstanding amount of 1997 Tax Allocation Revenue and Refunding Bonds on October 1, 2007. The Note is secured by the net tax increment revenues, exclusive of amounts required to be deposited in the low/mod fund and pursuant to pass-through agreements, from the project area and all monies held or deposited with the counterparty. The Note accrues interest from February 1, 2007 through October 1, 2007 (the Fixed Interest Rate Period) at the rate of 6.285%, commencing March 1, 2007 and payable monthly in arrears. From October 1, 2007 until maturity, the Note accrues interest at 64.72% of 1-month LIBOR, plus 9/10 of one percent (.9%), commencing on November 1, 2007 and payable monthly in arrears. Principal is payable annually commencing on October 1, 2007 with a balloon payment at maturity on February 3, 2017.

At June 30, 2016, the outstanding balance of the bonds was \$2,124,545. The annual debt service requirements to the stated maturity date using variable rate of 1.02% on the Notes are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 137,941	\$ 24,249	\$ 162,190
2018	144,052	22,554	166,606
2019	150,434	20,785	171,219
2020	157,098	18,937	176,035
2021	164,057	17,008	181,065
2022-2026	935,961	52,969	988,930
2027-2028	435,002	4,381	439,383
TOTAL	<u>\$ 2,124,545</u>	<u>\$ 160,883</u>	<u>\$ 2,285,428</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 9 – Successor Agency Long-Term Liabilities (Continued)**

**Santa Fe Interest Rate Swap**

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

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

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

**Fair Value:** The swap had a negative fair value of \$379,279 as of June 30, 2016. Because the interest rates on the Note adjust to changing interest rates, the Note does not have a corresponding fair value increase. The fair value was the quoted market price from Union Bank of California at June 30, 2016.

**Credit Risk:** The swap counterparty was A-3/Negative by Moody's and A-1/Stable by Standard & Poor's as of June 30, 2016.

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

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

**Swap Payments and Associated Debt:** Using rates as of June 30, 2016, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remains the same for their term were as follows. As rates vary, variable-rate note interest payments and net swap payments will vary.

Year Ending June 30,	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2016	\$ 132,090	\$ 2,609	\$ 75,460	\$ 210,159
2017	137,941	2,445	70,728	211,114
2018	144,052	2,275	65,786	212,113
2019	150,434	2,096	60,625	213,155
2020	157,098	1,910	55,236	214,244
2021-2025	896,256	6,452	186,606	1,089,314
2026-2028	638,765	1,047	30,278	670,090
<b>TOTAL</b>	<b>\$ 2,256,636</b>	<b>\$ 18,834</b>	<b>\$ 544,719</b>	<b>\$ 2,820,189</b>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 9 – Successor Agency Long-Term Liabilities (Continued)**

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

**Advance Refunding**

The Commission has previously advanced refunded Huntington Park Redevelopment Agency Merged Redevelopment Project Junior Lien Tax Allocation and Sales and Use Tax Revenue Bonds, Issue of 1990, of which \$35,515,000 remains outstanding as of June 30, 2016.

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.

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

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

The principal amounts outstanding at June 30, 2016, are as follows:

\$7,200,000 Huntington Park Redevelopment Agency Variable Rate Demand Multifamily Housing Revenue Bonds (Casa Rita Apartments) 1994 Series A	\$ 4,600,000
\$4,050,000 Huntington Park Redevelopment Agency Multifamily Housing Revenue Bonds (Concord Apartments) 1999 Series A	<u>3,540,000</u>
Total	<u><u>\$ 8,140,000</u></u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – Pension Plans**

At June 30, 2016, net pension liabilities and related deferred outflows of resources and deferred inflows of resources are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS:			
Miscellaneous	\$ 728,637	\$ 37,704	\$ 766,341
Safety	2,188,341	-	2,188,341
Total	<u>2,916,978</u>	<u>37,704</u>	<u>2,954,682</u>
Difference between expected and actual experience			
CalPERS:			
Miscellaneous	36,192	1,873	38,065
Difference between projected and actual earnings on pension investments:			
PARS			
	134,610	6,966	141,576
Total	<u>134,610</u>	<u>6,966</u>	<u>141,576</u>
<b>Total deferred outflows of resources</b>	<b>\$ 3,087,780</b>	<b>\$ 46,543</b>	<b>\$ 3,134,323</b>
<b>Net pension liabilities:</b>			
CalPERS:			
Miscellaneous	\$ 10,570,928	\$ 547,002	\$ 11,117,930
Safety	23,308,704	-	23,308,704
PARS	4,016,330	207,829	4,224,159
<b>Total net pension liabilities</b>	<b>\$ 37,895,962</b>	<b>\$ 754,831</b>	<b>\$ 38,650,793</b>
<b>Deferred inflows of Resources:</b>			
Change in assumptions:			
CalPERS:			
Miscellaneous	\$ 342,414	\$ 17,718	\$ 360,132
Safety	1,080,759	-	1,080,759
Subtotal	<u>1,423,173</u>	<u>17,718</u>	<u>1,440,891</u>
Adjustment due to differences in proportions			
CalPERS:			
Miscellaneous	705,484	36,506	741,990
Safety	190,824	-	190,824
Subtotal	<u>896,308</u>	<u>36,506</u>	<u>932,814</u>
Difference between expected and actual experience			
CalPERS:			
Safety	234,980	-	234,980
Difference between City's contribution and proportionate share of contribution:			
CalPERS:			
Miscellaneous	813,340	42,087	855,427
Safety	1,116,306	-	1,116,306
Subtotal	<u>1,929,646</u>	<u>42,087</u>	<u>1,971,733</u>
Net difference in projected and actual earnings on pension investments:			
CalPERS:			
Miscellaneous	171,656	8,883	180,539
Safety	547,735	-	547,735
Subtotal	<u>719,391</u>	<u>8,883</u>	<u>728,274</u>
<b>Total deferred inflows of resources</b>	<b>\$ 5,203,498</b>	<b>\$ 105,194</b>	<b>\$ 5,308,692</b>
<b>Pension expenses:</b>			
CalPERS:			
Miscellaneous	\$ 1,297,636	\$ 67,147	\$ 1,364,783
Safety	2,090,314	-	2,090,314
PARS	412,547	21,348	433,895
<b>Total pension expense</b>	<b>\$ 3,800,497</b>	<b>\$ 88,495</b>	<b>\$ 3,888,992</b>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – 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 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, 2014, the following employees were covered by the benefit terms:

	Plans				
	Miscellaneous			Safety	
	Tier I	Tier II	PEPRA	Classic	PEPRA
Active employees	89	1	6	61	0
Transferred and terminated employees	114	0	0	27	1
Retired Employees and Beneficiaries	171	0	0	157	0
Total	374	1	6	245	1

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

Participant is eligible for non-industrial disability retirement if 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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – Pension Plans (Continued)**

**A. California Public Employees' Retirement System (Continued)**

**General Information about the Pension Plan (Continued)**

**Benefit Provided (Continued)**

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The 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.

**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 measurement period ended June 30, 2015, the active classic miscellaneous and safety employee contribution rates were 7.00% and 9.00% of annual pay, and the employer's contribution rates were 10.498% and 29.649% of the Miscellaneous and Safety employee annual payroll, respectively. The active PEPRM miscellaneous and safety employee and employer contribution rates were 6.75% and 12.25%, respectively.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – 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**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Long-Term Investment Rate	7.65% net of investment, adjust for inflation.
Mortality Rate Table <sup>1</sup>	Derived using CalPERS’ Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 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.

*Change of Assumption*

GASB No. 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.65 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 7.65 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 7.65 percent is applied to all plans in the Public Employees Retirement Fund. 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.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – 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)*

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Allocation	Years 1 - 10 <sup>1</sup>	Years 11+ <sup>2</sup>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation of 3.0% used for this period

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – 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 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.65%)	Rate (7.65%)	(8.65%)
Miscellaneous Plan	\$ 78,109	\$ 11,117,930	\$ 20,539
Safety Plan	\$ 22,434,535	\$ 23,308,704	\$ 7,069,905

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 plans’ proportionate share of the risk pool collective net pension liability over the measure period.

Miscellaneous Plan			
	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2014 (Valuation Date)	\$ 60,533,989	\$ 51,708,014	\$ 8,825,975
Balance at June 30, 2015 (Measurement Date)	61,996,861	50,878,931	11,117,930
Net Changes during 2014-2015	1,462,872	(829,083)	2,291,955

Safety Plan			
	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2014 (Valuation Date)	\$ 106,131,811	\$ 86,335,057	\$ 19,796,754
Balance at June 30, 2015 (Measurement Date)	107,770,740	84,462,036	23,308,704
Net Changes during 2014-2015	1,638,929	(1,873,021)	3,511,950

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – 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 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, 2014). 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, 2015). 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, 2015 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2014-15).
- (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.
- (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:

	Plans	
	Miscellaneous	Safety
June 30, 2014	0.00134%	0.31815%
June 30, 2015	0.00170%	0.33958%
Change - Increase (Decrease)	0.00036%	0.02143%

The percentage of 0.00134% for Miscellaneous plan as of June 30, 2014 was calculated base on the agent-multiple plan balance carried over from the agent multipole plan to the cost-sharing risk pool at the beginning of the measurement period.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – 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)*

For the year ending June 30, 2016, the City recognized pension expense in the amounts of \$1,364,783 and \$2,090,314 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 2014-15 measurement period is 3.8 years, which was obtained by dividing the total service years of 467,023 (the sum of remaining service lifetimes of the active employees) by 122,410 (the total number of participants: active, inactive, and retired).

As of measurement date of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

<b>Miscellaneous Plan</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 766,341	\$ -
Difference between expected and actual experience	38,065	-
Changes of assumptions	-	(360,132)
Adjustment due to differences in proportions	-	(741,990)
Difference between City contributions and proportionate share of contributions	-	(855,427)
Net difference between projected and actual earning on pension plan investments	-	(180,539)
Total	\$ 804,406	\$ (2,138,088)
<b>Safety Plan</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 2,188,341	\$ -
Difference between expected and actual experience	-	(234,980)
Changes of assumptions	-	(1,080,759)
Adjustment due to differences in proportions	-	(190,824)
Difference between City contributions and proportionate share of contributions	-	(1,116,306)
Net difference between projected and actual earning on pension plan investments	-	(547,735)
Total	\$ 2,188,341	\$ (3,170,604)

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – 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)*

\$766,341 and \$2,188,341 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
	Miscellaneous Plan	Safety Plan
2017	\$ (822,632)	\$ (1,387,583)
2018	(822,632)	(1,362,866)
2019	(685,530)	(1,092,534)
2020	230,771	672,379
2021	-	-
Thereafter	-	-
	<u>(2,100,023)</u>	<u>(3,170,604)</u>

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – Pension Plans (Continued)**

***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 PEPR legislation the Plan is closed to employees hired by the City after December 31, 2012.

**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 of Huntington Park, 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 (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – Pension Plans (Continued)**

**B. Retirement Enhancement Plan (Continued)**

**General Information about the Pension Plan (Continued)**

Employees Covered by Benefit Terms

At July 1, 2014, the valuation date, the following employees were covered by the benefit terms:

Active employees	74
Terminated employees	38
Retired Employees and Beneficiaries	18
Total	130

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 reduced to 1.5% of compensation. The City picks up 100% of the employee’s contributions.

**Net Pension Liability**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement date ended June 30, 2016, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The July 1, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment return	7.00%
Inflation	2.75%
Salary Increases	Increase are based on service, ranges from 12.20% to 3.50% for 0 to 30 or more years of service, respectively.
Cost of Living Adjustment	2.00% compounded annually
Withdrawal/Disability	Consistent with Non-Industrial rate used to value the Miscellaneous CalPERS Pension Plans.
Pre-retirement Mortality	Consistent with Non-Industrial rate used to value the Miscellaneous CalPERS Pension Plans.
Retirement	Ranges from 14.2% at age 55 to 100% at age 75+.
Disability	None are assumed.
Expenses	None are assumed.
Form of payment	All current participants are assumed to elect a single life annuity.
Marriage	85% of active employees are assumed to be married with husbands assumed to be three years older than wives.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – Pension Plans (Continued)**

**B. Retirement Enhancement Plan (Continued)**

**Net Pension Liability (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7 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	BALM 3-Mon Tbill	7.99%	0.42%	0.41%
US Core Fixed Income	Barclays Aggregate	45.42%	2.12%	1.99%
US Equity Market	Russell 3000	36.19%	5.12%	3.81%
Foreign Developed Equity	MSCI EAFE NR	7.73%	5.85%	4.20%
Emerging Market Equities	MSCI Emerging Markets NR	2.67%	8.07%	4.79%
		100.00%		
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.89%
Portfolio Real Mean Return			3.52%	3.17%
Portfolio Nominal Mean Return			5.84%	5.54%
Portfolio Standard Deviation				8.03%
Long-Term Expected Rate of Return				7.00%

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 10 – Pension Plans (Continued)**

**B. Retirement Enhancement Plan (Continued)**

**Changes in Net Pension Liability**

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2015	\$ 5,967,320	\$ 1,951,473	\$ 4,015,847
Changes Recognized for the Measurement Period:			
Service Cost	165,935	-	165,935
Interest on the total pension liability	421,802	-	421,802
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	293,737	(293,737)
Contributions from employees	-	64,896	(64,896)
Net investment income	-	32,866	(32,866)
Benefit payments, including refunds	(218,726)	(218,726)	-
Administrative expense	-	(12,074)	12,074
Net Changes during July 1, 2015 to June 30, 2016	<u>\$ 369,011</u>	<u>\$ 160,699</u>	<u>\$ 208,312</u>
Balance at June 30, 2016 (Measurement Date)	<u><u>\$ 6,336,331</u></u>	<u><u>\$ 2,112,172</u></u>	<u><u>\$ 4,224,159</u></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 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00%) or 1 percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Plan's Net Pension Liability	<u>\$ 5,214,686</u>	<u>\$ 4,224,159</u>	<u>\$ 3,416,115</u>

*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, 2016, the City incurred pension expense in the amount of \$433,895.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 10 – Pension Plans (Continued)**

**B. Retirement Enhancement Plan (Continued)**

**Changes in Net Pension Liability (Continued)**

Pension Plan Fiduciary Net Position (Continued)

As of measurement date of June 30, 2016, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	141,576	-
Total	\$ 141,576	\$ -

The amounts above are net of outflows and inflows recognized in the 2015-16 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 Ended June 30	<b>Deferred Outflows/(Inflows) of Resources</b>
2017	\$ 39,982
2018	39,982
2019	39,984
2020	21,628
2021	-
Thereafter	-
	\$ 141,576

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 11 - 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 perform 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-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.

There were 109 participants in the PARS plan at June 30, 2016. For the year ended June 30, 2016, employees participating in PARS contributed \$54,520.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 12 – Other Post-Employment Benefits (“OPEB”) Plan**

In addition to the retirement plan described in Note 10, the City of Huntington Park Retiree Healthcare Plan (“CHPRHP”) contributes to the California Employers’ Retiree Benefit Trust Fund to fund the City’s health and other post-employment benefit costs for its retirees and their spouses. CHPRHP provides a monthly contribution towards medical insurance premiums which costs up to a fixed dollar cap that varies based on coverage election and employment status. This fund is administered by the CalPERS. CalPERS issues a publicly available financial report through their website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Eligibility**

Employees of the City are eligible for retiree health benefits if they retire directly from the City under PERS, at least age 50 at the date of retirement and with 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.

Membership in the plan consisted of the following at June 30, 2015, the date of the latest actuarial valuation:

Eligible active employees	
Miscellaneous	99
Safety	57
Subtotal	156
Eligible retirees	
Miscellaneous	86
Safety	96
Subtotal	182
Total	338

**Funding Policy**

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan. The City has established a policy of contributing to the irrevocable trust 100% of the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC for the year ended June 30, 2016 was \$4,989,000, which was 39.0% of estimated covered payroll.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 12 – Other Post-Employment Benefits (“OPEB”) Plan (Continued)**

**Annual OPEB Cost**

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

Annual required contribution	\$	4,989,000
Interest on net OPEB liability		360,751
Amortization of net OPEB liability		(422,521)
Annual OPEB cost		4,927,230
Implied subsidy		(337,000)
Contributions made		(1,631,577)
Increase in net OPEB obligation		2,958,653
Net OPEB obligation - beginning of year		8,951,631
Net OPEB obligation - end of year	\$	11,910,284

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

**Three-Year Trend Information**

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 3,806,000	\$ 1,415,035	37.18%	\$ 6,467,962
6/30/2015	3,907,016	1,423,347	36.43%	8,951,631
6/30/2016	4,927,230	1,631,577	33.11%	11,910,284

**Funded Status and Funding Progress**

As of June 30, 2015, the latest actuarial valuation date, the plan was 11.70% funded. The actuarial accrued liability for benefits was \$64,675,000 and the actuarial value of assets was \$7,551,000 resulting in an unfunded actuarial accrued liability of \$57,124,000. The covered payroll (annual payroll of active employees covered by the plan) was \$12,778,000 and the ratio of the unfunded actuarial accrued liabilities to the covered payroll was 447.05%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 12 – Other Post-Employment Benefits (OPEB) Plan (Continued)**

**Actuarial Methods and Assumptions**

The required contribution was determined as part of the June 30, 2015 actuarial valuation using the entry age normal actuarial cost method.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial assumptions included (a) 4.03% discount rate for portion of ARC funded with the irrevocable trust and 4.00% for portion of ARC not funded and 7.25% discount rate for benefit payments that can be paid from CERBT; (b) aggregate payroll increases of 3.25% per year; (c) 3% general inflation rate. The actuarial value of the plan assets is equal to the fair value, and d) medical trend rate from 7.2% and decreased to ultimate 5.0%. The City's unfunded actuarial liability is being amortized as a level percentage of projected payroll over a fixed 24-year closed period at June 30, 2015. The City's unfunded actuarial accrued liability is being amortized by level dollar contributions over a twenty-six-year open period.

**Note 13 – 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, 2016, the amount of these liabilities was \$4,501,863. The amount represents an estimate of \$2,715,445 for reported claims through June 30, 2016 and \$1,786,418 of estimates incurred but not reported claims.

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
2014	\$ 5,165,588	\$ 603,813	\$ (1,812,730)	\$ 3,956,671
2015	3,956,671	499,712	(566,039)	3,890,344
2016	3,890,344	1,165,018	(553,499)	4,501,863

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 20 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, 2016, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

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**Note 14 – Litigations**

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

**Note 15 – Commitments and Contingencies**

The City recognizes as revenue, grant moneys received as reimbursement for costs incurred in certain Federal and State programs it administers. Although, the City's grant programs are being audited through June 30, 2015, in accordance with the provisions of the Single Audit Act of 1996, these programs are still subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disclosed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Note 16 – Arbitrage Rebate Liability**

The arbitrage rebate liability was related to the 2004 Revenue Refunding Bonds issued by the Financing Authority for the former RDA. During the year ended June 30, 2016, the liability was transferred from the Successor Agency back to the Public Financing Authority as a result of California Department of Finance ("DOF") disallowing the repayment of 2004 Revenue Refunding Bonds as recognized obligation payments for the Successor Agency. Instead, DOF approved the repayment of 1994 Revenue Bonds, which were defeased by the 2004 Revenue Refunding Bonds, as recognized obligation payment for the Successor Agency. In addition, the arbitrage liability was written down from \$2,405,898 to \$1,733,840 during the year ended June 30, 2016 due to decline in interest rate. As of June 30, 2016, the arbitrage rebate liability was in the amount of \$1,733,840 reported under Public Financing Authority Debt Service Fund.

**City of Huntington Park**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2015**

**Note 17 – Fund Balances**

The detail information of the fund balances at June 30, 2016 is as follows:

	<b>Major Funds</b>					<b>Total</b>
	<b>General</b>	<b>HUD Home Program Special Revenue</b>	<b>Community Development Block Grant Special Revenue</b>	<b>Public Financing Authority Debt Service</b>	<b>Nonmajor Governmental Funds</b>	
<b>Nonspendable:</b>						
Prepaid items	\$ 291,195	\$ -	\$ -	\$ -	\$ -	\$ 291,195
Loans	800,000	-	-	-	-	800,000
<b>Total nonspendable</b>	<b>1,091,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,091,195</b>
<b>Restricted for:</b>						
Public safety	-	-	-	-	2,340,515	2,340,515
Public works	-	-	-	-	5,336,023	5,336,023
Community development	-	7,887,036	-	-	667,717	8,554,753
Retirement	-	-	-	-	2,486,778	2,486,778
Debt service	-	-	-	56,528	-	56,528
Other purpose	-	-	-	-	1,638	1,638
<b>Total restricted</b>	<b>-</b>	<b>7,887,036</b>	<b>-</b>	<b>56,528</b>	<b>10,832,671</b>	<b>18,776,235</b>
<b>Assigned to:</b>						
Arbitrage rebate liability	800,000	-	-	-	-	800,000
<b>Total assigned</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>
<b>Unassigned:</b>	<b>9,797,799</b>	<b>-</b>	<b>(180,134)</b>	<b>-</b>	<b>(732,396)</b>	<b>8,885,269</b>
<b>Total</b>	<b>\$ 11,688,994</b>	<b>\$ 7,887,036</b>	<b>\$ (180,134)</b>	<b>\$ 56,528</b>	<b>\$ 10,100,275</b>	<b>\$ 29,552,699</b>

**Note 18 - Subsequent Events**

At December 21, 2016, the CalPERS Board of Administration (the “Board”) approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent to 7.00 percent over the next three years. This will increase the City’s employer contribution costs beginning in fiscal year 2018-19. The phase-in of the discount rate change approved by the board for the next three fiscal years is as follows:

<b>Valuation Date</b>	<b>Fiscal Year for Requirement Contribution Rate</b>	<b>Discount Rate</b>
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.250%
June 30, 2018	2020-21	7.000%

Lowering the discount rate means plans will see increases in both normal costs, the cost of pension benefits accruing in one year for active members and the accrued liabilities. These increases will result in higher required employer contribution. The actual impact cannot be determined but the required employer contribution is expected to be significantly higher as well as the net pension liabilities

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**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

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**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Taxes	\$ 13,661,945	\$ 13,661,945	\$ 13,866,731	\$ 204,786
Licenses and permits	2,876,210	2,876,210	3,416,617	540,407
Fines and forfeitures	1,424,799	1,424,799	1,550,355	125,556
Use of money and property	210,881	210,881	107,686	(103,195)
Intergovernmental	5,287,522	5,287,522	5,674,759	387,237
Charges for services	1,121,216	1,121,216	1,188,944	67,728
Other revenues	194,902	194,902	1,484,078	1,289,176
<b>Total revenues</b>	<u>24,777,475</u>	<u>24,777,475</u>	<u>27,289,170</u>	<u>2,511,695</u>
<b>EXPENDITURES:</b>				
Current:				
General government	5,031,157	5,134,452	4,384,612	749,840
Public safety	16,796,277	16,703,803	15,962,377	741,426
Public works	3,033,379	3,046,780	2,364,617	682,163
Community services	1,384,035	1,383,208	1,213,823	169,385
Community development	780,737	1,025,020	1,500,673	(475,653)
Capital outlay	3,980	20,297	24,636	(4,339)
Debt service:				
Interest and fiscal charges	238,000	238,000	259,854	(21,854)
<b>Total expenditures</b>	<u>27,267,565</u>	<u>27,551,560</u>	<u>25,710,592</u>	<u>1,840,968</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,490,090)</u>	<u>(2,774,085)</u>	<u>1,578,578</u>	<u>4,352,663</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	870,000	870,000	871,796	1,796
Transfers out	-	-	(31,991)	(31,991)
Transfers from Successor Agency	-	-	153,094	153,094
<b>Total other financing sources</b>	<u>870,000</u>	<u>870,000</u>	<u>992,899</u>	<u>122,899</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,620,090)</u>	<u>\$ (1,904,085)</u>	<u>2,571,477</u>	<u>\$ 4,475,562</u>
<b>FUND BALANCE:</b>				
Beginning of Year			9,117,517	
End of Year			<u>\$ 11,688,994</u>	

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - HUD Home Program Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 626,150	\$ 626,150	\$ 189,863	\$ (436,287)
Other revenues	-	-	692	692
<b>Total revenues</b>	<u>626,150</u>	<u>626,150</u>	<u>190,555</u>	<u>(435,595)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	327,942	328,033	106,041	221,992
Capital outlay	564,558	564,558	85,548	479,010
<b>Total expenditures</b>	<u>892,500</u>	<u>892,591</u>	<u>191,589</u>	<u>701,002</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(266,350)</u>	<u>(266,441)</u>	<u>(1,034)</u>	<u>265,407</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (266,350)</u>	<u>\$ (266,441)</u>	<u>(1,034)</u>	<u>\$ 265,407</u>
<b>FUND BALANCE:</b>				
Beginning of Year			<u>7,888,070</u>	
End of Year			<u>\$ 7,887,036</u>	

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - Community Development Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 1,260,948	\$ 1,260,948	\$ 766,032	\$ (494,916)
Other revenues	1,900	1,900	197	(1,703)
<b>Total revenues</b>	<u>1,262,848</u>	<u>1,262,848</u>	<u>766,229</u>	<u>(496,619)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,315,009	1,316,676	696,410	620,266
Capital outlay	250,000	252,100	100,953	151,147
<b>Total expenditures</b>	<u>1,565,009</u>	<u>1,568,776</u>	<u>797,363</u>	<u>771,413</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(302,161)</u>	<u>(305,928)</u>	<u>(31,134)</u>	<u>274,794</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (302,161)</u>	<u>\$ (305,928)</u>	<u>(31,134)</u>	<u>\$ 274,794</u>
<b>FUND BALANCE:</b>				
Beginning of Year			<u>(149,000)</u>	
End of Year			<u>\$ (180,134)</u>	

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2016**

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

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

Budgets are prepared on a modified accrual basis. Encumbrances 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 (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2016**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

	2013-14 <sup>1,2</sup>
Measurement period	
<b>Total pension liability</b>	
Service cost	\$ 952,373
Interest	4,295,408
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(3,019,399)
<b>Net change in total pension liability</b>	2,228,382
<b>Total pension liability - beginning</b>	58,305,607
<b>Total pension liability - ending (a)</b>	\$ 60,533,989
<b>Pension fiduciary net position</b>	
Contributions - employer	\$ 587,786
Contributions - employee	481,189
Net investment income <sup>3</sup>	7,801,805
Benefit payments, including refunds of employee contributions	(3,019,399)
Other	-
<b>Net change in plan fiduciary net position</b>	5,851,381
<b>Plan fiduciary net position - beginning</b>	45,856,633
<b>Plan fiduciary net position - ending (b)</b>	\$ 51,708,014
<b>Plan net pension liability - ending (a) - (b)</b>	\$ 8,825,975
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.42%
<b>Covered-employee payroll</b>	\$ 6,670,216
<b>Plan net pension liability as a percentage of covered-employee payroll</b>	132.32%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Plan Change: the Miscellaneous Plan went from an Agent-Multiple plan to the cost-sharing pool from June 30, 2014 measurement date to June 30, 2015 measurement date.

<sup>3</sup> Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2016**

**Last Ten Fiscal Years**  
**Public Agency Retirement System ("PARS")**

Measurement period	2015-16	2014-15 <sup>1</sup>
<b>Total pension liability</b>		
Service cost	\$ 165,935	\$ 161,102
Interest	421,802	395,879
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(218,726)	(165,163)
<b>Net change in total pension liability</b>	369,011	391,818
<b>Total pension liability - beginning</b>	5,967,320	5,575,502
<b>Total pension liability - ending (a)</b>	<u>\$ 6,336,331</u>	<u>\$ 5,967,320</u>
<b>Pension fiduciary net position</b>		
Contributions - employer	\$ 293,737	\$ 349,850
Contributions - employee	64,896	77,658
Net investment income, net of investment expenses	32,866	33,452
Benefit payments, including refunds of employee contributions	(218,726)	(165,163)
Administrative expenses	(12,074)	(8,556)
Other	-	-
<b>Net change in plan fiduciary net position</b>	160,699	287,241
<b>Plan fiduciary net position - beginning</b>	1,951,473	1,664,232
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,112,172</u>	<u>\$ 1,951,473</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 4,224,159</u>	<u>\$ 4,015,847</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>33.33%</u>	<u>32.70%</u>
<b>Covered-employee payroll</b>	<u>\$ 4,869,745</u>	<u>\$ 4,727,908</u>
<b>Plan net pension liability as a percentage of covered-employee payroll</b>	<u>86.74%</u>	<u>84.94%</u>

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

**Notes to Schedule:**

Changes of Assumptions: There were no changes in assumptions.

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2016**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

Measurement Period	6/30/2015 <sup>1,2</sup>
City Proportion of the Net Pension Liability/(Asset)	0.00405%
City's Proportionate Share of the net Pension Liability/(Asset)	\$ 11,117,930
City's Covered-Employee Payroll	\$ 5,437,667
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	204.46%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	81.98%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Plan Change: the Miscellaneous Plan went from an Agent-Multiple plan to the cost-sharing pool from June 30, 2014 measurement

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, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2016**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Safety Plan**

Measurement period	June 30, 2015	June 30, 2014 <sup>1</sup>
City Proportion of the Net Pension Liability/(Asset)	0.33958%	0.31815%
City's Proportionate Share of the net Pension Liability/(Asset)	\$ 23,308,704	\$ 19,796,754
City's Covered-Employee Payroll	\$ 5,714,480	\$ 6,954,779
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	407.89%	284.65%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	78.37%	81.35%

<sup>1</sup> Historical information is required 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 the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2016**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous**

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14<sup>1</sup></u>
Actuarially determined contribution	\$ 766,341	\$ 538,833	\$ 587,786
Contributions in relation to the actuarially determined contribution	<u>(766,341)</u>	<u>(538,833)</u>	<u>(587,786)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll <sup>2</sup>	\$ 5,600,797	\$ 5,437,667	\$ 6,670,216
Contributions as a percentage of covered-employee payroll	13.68%	9.91%	9.91%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Payroll from prior year \$5,437,667 was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule:**

Valuation date: June 30, 2014

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 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions (Continued)**  
**For the Year Ended June 30, 2016**

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**Last Ten Fiscal Years**

**Public Agency Retirement System ("PARS")**

	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially determined contribution	\$ 507,777	\$ 492,788	\$ 547,518
Contributions in relation to the actuarially determined contribution	(293,737)	(349,850)	(406,288)
Contribution deficiency (excess)	\$ 214,040	\$ 142,938	\$ 141,230
Covered-employee payroll	\$ 4,869,745	\$ 4,727,908	\$ 4,590,202
Contributions as a percentage of covered-employee payroll	6.03%	7.40%	8.85%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

**Notes to Schedule:**

Valuation date: July 1, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	16 Years
Asset valuation method	None
Inflation	2.75%
Salary increases	3.50% to 12.20% depending on age, service, and type of employment
Cost of Living Adjustment	2.00%
Investment rate of return	7.00%
Withdraw/Disability/Mortality	Consistent with the Non-Industrial rate used to value the Miscellaneous CalPERS Pension Plans.
Retirement age	Ranges from 14.2% 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 2.75% per annum.
Form of Payment	Single Life Annuity

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions (Continued)**  
**For the Year Ended June 30, 2016**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Safety**

	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially determined contribution	\$ 2,188,341	\$ 1,702,903	\$ 1,890,283
Contributions in relation to the actuarially determined contribution	<u>(2,188,341)</u>	<u>(1,702,903)</u>	<u>(1,890,283)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll <sup>2</sup>	\$ 5,885,914	\$ 5,714,480	\$ 6,954,779
Contributions as a percentage of covered-employee payroll	37.18%	29.80%	27.18%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Payroll from prior year \$5,714,480 was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule:**

Valuation date: June 30, 2014

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 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**City of Huntington Park**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Funding Progress**  
**For the Year Ended June 30, 2016**

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**OTHER POST-EMPLOYMENT BENEFIT PLAN**

Actuarial Valuation Date	Entry Age Actuarial Accrued Liabilities (AAL) (a)	Actuarial Valuation of Assets (AVA) (b)	Unfunded AAL (UAAL) (a)-(b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/(c)
6/30/2011	\$ 45,080,000	\$ 5,559,000	\$ 39,521,000	12.33%	13,675,000	289.00%
6/30/2013	47,898,000	6,387,000	41,511,000	13.33%	14,444,000	287.39%
6/30/2015	64,675,000	7,551,000	57,124,000	11.68%	12,778,000	447.05%

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# **SUPPLEMENTARY INFORMATION**

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# NONMAJOR GOVERNMENTAL FUNDS

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## **SPECIAL REVENUE FUNDS:**

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

***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.

***Parks and Recreation*** - To account for revenues received from fees collected for parks and recreations.

***State Gas Tax*** - 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.

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

***Local Origination Program*** - To account for revenues from franchise fees that are used to record council meetings and other equipment expenditures.

***Sales Tax Transit Prop 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.

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

***Air Quality Improvement*** - 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.

***Sales Tax Transit Prop 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.

***Business Improvement District*** - To account for the Business Improvement Area Law (AB-1693) revenue. The revenue is collected through a Citywide Business Improvement District and used to promote local business activities. The fund was closed at July 1, 2015.

***Supplemental Law Enforcement*** - To account for monies received from the State allocated by AB3229 of 1996 for the Citizen Option for Public Safety ("COPS") Program.

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# NONMAJOR

## GOVERNMENTAL FUNDS (CONTINUED)

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### SPECIAL REVENUE FUNDS (Continued):

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

**Illegal Disposal Abatement** - To account for resources that are used for expenditures relating to illegal disposal abatement.

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

**Parking System** - 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.

**Solid Waste Recycle Grant** - To account for funds received under the waste recycling grant.

**Park Facility** - To account for revenues received from a City-wide Park Maintenance assessment district. The district is responsible for landscaping, tree trimming, irrigation and maintenance of parks within the City.

**Street Lighting Landscape Assessment** - To account for revenues received from a citywide Landscape Maintenance District. The District is responsible for the maintenance of streetlights and the landscaping of median islands, parkways, street trees, and city parks.

**TDA / Bike Path** - To account for the funds received and expenditures related to the Bicycle and Pedestrian Facilities Program under Article 3 of the Transportation Development Act.

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

**Inmate Welfare** - To account for the funds received and spent to provide services essential to the benefit, welfare, and educational needs of the inmates confined in the detention facilities.

**Lead-Based Paint Hazard Control Program ("LBPHCP") Lead Base** - To account for funds spent on programs to address lead poisoning in low-to-moderate income families.

**EPA Brownfield** - To account for funds received from the U.S. Environmental Protection Agency to clean up the Southland Steel.

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# NONMAJOR

## GOVERNMENTAL FUNDS (CONTINUED)

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### SPECIAL REVENUE FUNDS (Continued):

**Homelessness Prevention** - To account for revenues and expenditures incurred to help families who are either homeless or at risk of becoming homeless. There were no Balance Sheet balances at June 30, 2016 and no activities for the year ended June 30, 2016.

**Federal Street Improvement** - To account for grants received to improve and maintain the City's streets and roads.

**DNA ID** - To account for grants revenues received and expenditures incurred to further the use of DNA in solving crime.

**Prevention Intervention** - To account for inmate housing at local level from the State Assembly Bill 109.

**CalTRANS** - To account for funding from California Department of Transportation for a study for Bike and Pedestrian commuting.

**Department of Toxic Substances** - To account for a loan to clean up the property named Southland Steel.

**California Department of Toxic Substances Control ("DTSC") Grant** - To account for a grant to clean up the property named Southland Steel.

**Metropolitan Transportation Authority ("MTA") Transit-Oriented Development ("TOD") Land Use Transportation Planning Grant** - To account for the grants received from Los Angeles County Metropolitan Transportation Authority for Orange Line Development.

**Alcohol Beverage Control Sting Operations** - To account for the grants received to enforce alcohol related laws from State of California Department of Alcoholic Beverage Control.

**Big Belly-Install Recycle Containers** - To account for the grants received to purchase and installation of Big Belly duo trash, recycling receptacles, bilingual public education, outreach campaign and monitoring from the State of California Department of Resources Recycling and Recovery.

### DEBT SERVICE FUND:

**Employees' Retirement** - To account for the receipt of property taxes allocated for repayment of pension obligation refunding bonds.

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**City of Huntington Park**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Special Events	Parks and Recreation	State Gas Tax	Art in Public Places	Local Origination Program
<b>ASSETS</b>					
Cash and investments	\$ 174,048	\$ 310,096	\$ 1,944,403	\$ 243,426	\$ -
Receivables:					
Taxes and intergovernmental	-	-	-	-	-
Accounts and interest	180	-	422	147	1,638
Loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 174,228</b>	<b>\$ 310,096</b>	<b>\$ 1,944,825</b>	<b>\$ 243,573</b>	<b>\$ 1,638</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 159,108	\$ -	\$ -
Accrued payroll	-	-	50,973	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,081</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances:</b>					
Restricted	174,228	310,096	1,734,744	243,573	1,638
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>174,228</b>	<b>310,096</b>	<b>1,734,744</b>	<b>243,573</b>	<b>1,638</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 174,228</b>	<b>\$ 310,096</b>	<b>\$ 1,944,825</b>	<b>\$ 243,573</b>	<b>\$ 1,638</b>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Sales Tax Transit Proposition A	Asset Forfeiture	Air Quality Improvement	Sales Tax Transit Proposition C	Business Improvement District
	<b>ASSETS</b>				
Cash and investments	\$ 409,073	\$ 1,392,791	\$ 445,185	\$ 433,198	\$ -
Receivables:					
Taxes and intergovernmental	-	-	-	-	-
Accounts and interest	1,977	51,304	20,782	89	-
Loans	-	-	-	-	-
<b>Total assets</b>	<u>\$ 411,050</u>	<u>\$ 1,444,095</u>	<u>\$ 465,967</u>	<u>\$ 433,287</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 34,873	\$ 159,785	\$ 16,565	\$ 386,595	\$ -
Accrued payroll	6,034	-	2	12,471	-
Deposits	25,000	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>65,907</u>	<u>159,785</u>	<u>16,567</u>	<u>399,066</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances:</b>					
Restricted	345,143	1,284,310	449,400	34,221	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>345,143</u>	<u>1,284,310</u>	<u>449,400</u>	<u>34,221</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 411,050</u>	<u>\$ 1,444,095</u>	<u>\$ 465,967</u>	<u>\$ 433,287</u>	<u>\$ -</u>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Supplemental Law Enforcement	HUD Social Security Grant	Illegal Disposal Abatement	Public Safety	Parking System
<b>ASSETS</b>					
Cash and investments	\$ 120,237	\$ 10,485	\$ 25,416	\$ 26,635	\$ -
Receivables:					
Taxes and intergovernmental	105,004	-	-	30,193	-
Accounts and interest	255	-	26	28	9,998
Loans	-	9,459	-	-	-
<b>Total assets</b>	<b>\$ 225,496</b>	<b>\$ 19,944</b>	<b>\$ 25,442</b>	<b>\$ 56,856</b>	<b>\$ 9,998</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,608	\$ -	\$ -	\$ -	\$ 19,266
Accrued payroll	-	-	-	8,502	24,339
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	371,410
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>1,608</b>	<b>-</b>	<b>-</b>	<b>8,502</b>	<b>415,015</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	63,748	-	-	30,193	-
<b>Fund Balances:</b>					
Restricted	160,140	19,944	25,442	18,161	-
Unassigned (deficit)	-	-	-	-	(405,017)
<b>Total fund balances</b>	<b>160,140</b>	<b>19,944</b>	<b>25,442</b>	<b>18,161</b>	<b>(405,017)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 225,496</b>	<b>\$ 19,944</b>	<b>\$ 25,442</b>	<b>\$ 56,856</b>	<b>\$ 9,998</b>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Solid Waste Recycle Grant	Park Facility	Street Lighting Landscape Assessment	TDA Bike Path	Measure R
<b>ASSETS</b>					
Cash and investments	\$ 56,196	\$ 48,022	\$ 1,122,742	\$ 4,302	\$ 1,713,930
Receivables:					
Taxes and intergovernmental	16,424	-	37,386	-	-
Accounts and interest	48	290	1,085	32	698,563
Loans	-	-	-	-	-
<b>Total assets</b>	<u>\$ 72,668</u>	<u>\$ 48,312</u>	<u>\$ 1,161,213</u>	<u>\$ 4,334</u>	<u>\$ 2,412,493</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 84	\$ -	\$ 63,945	\$ 14,603	\$ 524,056
Accrued payroll	458	2	3,370	-	3,993
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>542</u>	<u>2</u>	<u>67,315</u>	<u>14,603</u>	<u>528,049</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances:</b>					
Restricted	72,126	48,310	1,093,898	-	1,884,444
Unassigned (deficit)	-	-	-	(10,269)	-
<b>Total fund balances</b>	<u>72,126</u>	<u>48,310</u>	<u>1,093,898</u>	<u>(10,269)</u>	<u>1,884,444</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 72,668</u>	<u>\$ 48,312</u>	<u>\$ 1,161,213</u>	<u>\$ 4,334</u>	<u>\$ 2,412,493</u>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Inmate Welfare	LBPHCP Lead Base	EPA Brownfield	Federal Street Improvement	DNA ID
<b>ASSETS</b>					
Cash and investments	\$ 97,424	\$ -	\$ -	\$ -	\$ 49,266
Receivables:					
Taxes and intergovernmental	-	80,476	21,562	-	-
Accounts and interest	101	-	-	-	1,101
Loans	-	-	-	-	-
<b>Total assets</b>	<u>\$ 97,525</u>	<u>\$ 80,476</u>	<u>\$ 21,562</u>	<u>\$ -</u>	<u>\$ 50,367</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5,090	\$ 16,177	\$ -	\$ -	\$ -
Accrued payroll	-	4,405	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	59,894	18,925	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>5,090</u>	<u>80,476</u>	<u>18,925</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	37,494	21,562	-	-
<b>Fund Balances:</b>					
Restricted	92,435	-	-	-	50,367
Unassigned (deficit)	-	(37,494)	(18,925)	-	-
<b>Total fund balances</b>	<u>92,435</u>	<u>(37,494)</u>	<u>(18,925)</u>	<u>-</u>	<u>50,367</u>
<b>Total liabilities, deferred inflows     of resources, and fund balances</b>	<u>\$ 97,525</u>	<u>\$ 80,476</u>	<u>\$ 21,562</u>	<u>\$ -</u>	<u>\$ 50,367</u>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds				
	Prevention Intervention	CalTRANS	Department of Toxic Substances	DTSC Grant	MTA TOD Land Use Transportation Planning Grant
<b>ASSETS</b>					
Cash and investments	\$ 478,527	\$ -	\$ -	\$ -	\$ 14,779
Receivables:					
Taxes and intergovernmental	-	106,665	-	-	-
Accounts and interest	6	-	-	-	-
Loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 478,533</b>	<b>\$ 106,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,779</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	63,652	-	-	-
Unearned revenue	213,273	-	-	-	14,779
<b>Total liabilities</b>	<b>218,273</b>	<b>63,652</b>	<b>-</b>	<b>-</b>	<b>14,779</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances:</b>					
Restricted	260,260	43,013	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>260,260</b>	<b>43,013</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 478,533</b>	<b>\$ 106,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,779</b>

(Continued)

**City of Huntington Park**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Alcohol Beverage Control Sting Operations	Big Belly- Install Recycling Containers	Employees' Retirement	
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 2,354,753	\$ 11,474,934
Receivables:				
Taxes and intergovernmental	52,870	207,821	143,925	802,326
Accounts and interest	-	-	88	788,160
Loans	-	-	-	9,459
<b>Total assets</b>	<u>\$ 52,870</u>	<u>\$ 207,821</u>	<u>\$ 2,498,766</u>	<u>\$ 13,074,879</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 402	\$ 207,821	\$ 9,500	\$ 1,624,478
Accrued payroll	24	-	2,488	117,061
Deposits	-	-	-	25,000
Due to other funds	52,444	-	-	566,325
Unearned revenue	-	-	-	228,052
<b>Total liabilities</b>	<u>52,870</u>	<u>207,821</u>	<u>11,988</u>	<u>2,560,916</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	52,870	207,821	-	413,688
<b>Fund Balances:</b>				
Restricted	-	-	2,486,778	10,832,671
Unassigned (deficit)	(52,870)	(207,821)	-	(732,396)
<b>Total fund balances</b>	<u>(52,870)</u>	<u>(207,821)</u>	<u>2,486,778</u>	<u>10,100,275</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 52,870</u>	<u>\$ 207,821</u>	<u>\$ 2,498,766</u>	<u>\$ 13,074,879</u>

(Concluded)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Special Events	Parks and Recreation	State Gas Tax	Art in Public Places	Local Origination Program
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 119,950	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	543	411	4,885	434	1,638
Intergovernmental	-	291,961	1,133,151	-	-
Charges for services	-	-	-	-	-
Other revenues	12,800	-	-	-	-
<b>Total revenues</b>	<b>13,343</b>	<b>292,372</b>	<b>1,138,036</b>	<b>120,384</b>	<b>1,638</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	1,891,648	-	-
Community services	64	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	31,644	-	41,846	22,254	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>31,708</b>	<b>-</b>	<b>1,933,494</b>	<b>22,254</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(18,365)</b>	<b>292,372</b>	<b>(795,458)</b>	<b>98,130</b>	<b>1,638</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	14,433
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,433</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(18,365)</b>	<b>292,372</b>	<b>(795,458)</b>	<b>98,130</b>	<b>16,071</b>
<b>FUND BALANCES:</b>					
Beginning of year	192,593	17,724	2,530,202	145,443	(14,433)
End of year	<b>\$ 174,228</b>	<b>\$ 310,096</b>	<b>\$ 1,734,744</b>	<b>\$ 243,573</b>	<b>\$ 1,638</b>

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Sales Tax Transit Proposition A	Asset Forfeiture	Air Quality Improvement	Sales Tax Transit Proposition C	Business Improvement District
	<b>REVENUES:</b>				
Taxes	\$ 1,097,161	\$ -	\$ -	\$ 889,087	\$ -
Fines and forfeitures	-	10,559	-	-	-
Use of money and property	302	4,060	6,479	1,411	-
Intergovernmental	-	97,632	73,970	-	-
Charges for services	159,135	-	-	-	-
Other revenues	1,000	-	-	-	-
<b>Total revenues</b>	<b>1,257,598</b>	<b>112,251</b>	<b>80,449</b>	<b>890,498</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	87,703	5,627	-	-
Public works	-	-	-	1,210,867	-
Community services	1,133,042	-	-	26,214	-
Community development	-	-	-	-	-
Capital outlay	-	284,346	107,346	166,000	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,133,042</b>	<b>372,049</b>	<b>112,973</b>	<b>1,403,081</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>124,556</b>	<b>(259,798)</b>	<b>(32,524)</b>	<b>(512,583)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	17,558
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,558</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>124,556</b>	<b>(259,798)</b>	<b>(32,524)</b>	<b>(512,583)</b>	<b>17,558</b>
<b>FUND BALANCES:</b>					
Beginning of year	220,587	1,544,108	481,924	546,804	(17,558)
End of year	<b>\$ 345,143</b>	<b>\$ 1,284,310</b>	<b>\$ 449,400</b>	<b>\$ 34,221</b>	<b>\$ -</b>

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Supplemental Law Enforcement	HUD Social Security Grant	Illegal Disposal Abatement	Public Safety	Parking System
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	5,743	-
Use of money and property	742	-	79	73	-
Intergovernmental	145,112	-	-	15,676	-
Charges for services	-	-	-	-	1,025,553
Other revenues	31,822	-	-	-	-
<b>Total revenues</b>	<b>177,676</b>	<b>-</b>	<b>79</b>	<b>21,492</b>	<b>1,025,553</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	30,194	-
Public works	-	-	-	-	-
Community services	-	-	-	-	-
Community development	-	-	-	-	878,155
Capital outlay	115,141	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	439,344
Interest and fiscal charges	-	-	-	-	17,863
<b>Total expenditures</b>	<b>115,141</b>	<b>-</b>	<b>-</b>	<b>30,194</b>	<b>1,335,362</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>62,535</b>	<b>-</b>	<b>79</b>	<b>(8,702)</b>	<b>(309,809)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(150,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(150,000)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>62,535</b>	<b>-</b>	<b>79</b>	<b>(8,702)</b>	<b>(459,809)</b>
<b>FUND BALANCES:</b>					
Beginning of year	97,605	19,944	25,363	26,863	54,792
End of year	<b>\$ 160,140</b>	<b>\$ 19,944</b>	<b>\$ 25,442</b>	<b>\$ 18,161</b>	<b>\$ (405,017)</b>

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Solid Waste Recycle Grant	Park Facility	Street Lighting Landscape Assessment	TDA Bike Path	Measure R
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ 1,617,347	\$ -	\$ 663,292
Fines and forfeitures	-	-	-	-	-
Use of money and property	146	390	3,310	193	4,831
Intergovernmental	32,192	-	-	-	696,670
Charges for services	-	-	-	-	-
Other revenues	-	-	120	-	21,623
<b>Total revenues</b>	<b>32,338</b>	<b>390</b>	<b>1,620,777</b>	<b>193</b>	<b>1,386,416</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	541	-	-
Public safety	-	-	-	-	-
Public works	-	-	505,590	117	806,499
Community services	-	-	-	-	-
Community development	12,087	-	-	-	-
Capital outlay	-	-	37,143	58,491	472
Debt service:					
Principal retirement	-	-	474,709	-	-
Interest and fiscal charges	-	-	274,046	-	-
<b>Total expenditures</b>	<b>12,087</b>	<b>-</b>	<b>1,292,029</b>	<b>58,608</b>	<b>806,971</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,251</b>	<b>390</b>	<b>328,748</b>	<b>(58,415)</b>	<b>579,445</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>20,251</b>	<b>390</b>	<b>328,748</b>	<b>(58,415)</b>	<b>579,445</b>
<b>FUND BALANCES:</b>					
Beginning of year	51,875	47,920	765,150	48,146	1,304,999
End of year	\$ 72,126	\$ 48,310	\$ 1,093,898	\$ (10,269)	\$ 1,884,444

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Inmate Welfare	LBPHCP Lead Base	EPA Brownfield	Federal Street Improvement	DNA ID
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	306	-	2	-	150
Intergovernmental	8,064	82,250	8,964	-	4,680
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>8,370</b>	<b>82,250</b>	<b>8,966</b>	<b>-</b>	<b>4,830</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	11,487	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	-	-
Community development	-	119,744	27,891	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>11,487</b>	<b>119,744</b>	<b>27,891</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,117)</b>	<b>(37,494)</b>	<b>(18,925)</b>	<b>-</b>	<b>4,830</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(1,796)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,796)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(3,117)</b>	<b>(37,494)</b>	<b>(18,925)</b>	<b>(1,796)</b>	<b>4,830</b>
<b>FUND BALANCES:</b>					
Beginning of year	95,552	-	-	1,796	45,537
End of year	<b>\$ 92,435</b>	<b>\$ (37,494)</b>	<b>\$ (18,925)</b>	<b>\$ -</b>	<b>\$ 50,367</b>

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds				
	Prevention Intervention	CalTRANS	Dept of Toxic Substances	DTSC Grant	MTA TOD Land Use Transportation Planning Grant
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	-	-	-	-
Intergovernmental	40,816	202,719	-	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>40,816</b>	<b>202,719</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	40,816	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	-	-	-
Community development	-	202,719	591,058	110,794	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>40,816</b>	<b>202,719</b>	<b>591,058</b>	<b>110,794</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(591,058)</b>	<b>(110,794)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(591,058)</b>	<b>(110,794)</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Beginning of year	260,260	43,013	591,058	110,794	-
End of year	<u>\$ 260,260</u>	<u>\$ 43,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**City of Huntington Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Alcohol Beverage Control Sting Operations	Big Belly- Install Recycling Containers	Employees' Retirement	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 3,897,382	\$ 8,284,219
Fines and forfeitures	-	-	-	16,302
Use of money and property	-	-	5,041	35,426
Intergovernmental	-	-	-	2,833,857
Charges for services	-	-	-	1,184,688
Other revenues	-	-	-	67,365
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,902,423</b>	<b>12,421,857</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	88,764	89,305
Public safety	52,870	-	-	228,697
Public works	-	-	-	4,414,721
Community services	-	-	-	1,159,320
Community development	-	-	-	1,942,448
Capital outlay	-	207,821	-	1,072,504
Debt service:				
Principal retirement	-	-	1,050,000	1,964,053
Interest and fiscal charges	-	-	1,029,645	1,321,554
<b>Total expenditures</b>	<b>52,870</b>	<b>207,821</b>	<b>2,168,409</b>	<b>12,192,602</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(52,870)</b>	<b>(207,821)</b>	<b>1,734,014</b>	<b>229,255</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	31,991
Transfers out	-	-	(500,000)	(651,796)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>(619,805)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(52,870)</b>	<b>(207,821)</b>	<b>1,234,014</b>	<b>(390,550)</b>
<b>FUND BALANCES:</b>				
Beginning of year	-	-	1,252,764	10,490,825
End of year	<b>\$ (52,870)</b>	<b>\$ (207,821)</b>	<b>\$ 2,486,778</b>	<b>\$ 10,100,275</b>

(Concluded)

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Special Events Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 400	\$ 400	\$ 543	\$ 143
Other revenues	2,500	2,500	12,800	10,300
<b>Total revenues</b>	<u>2,900</u>	<u>2,900</u>	<u>13,343</u>	<u>10,443</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	-	12,000	64	11,936
Capital outlay	50,000	38,000	31,644	6,356
<b>Total expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>31,708</u>	<u>18,292</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(47,100)</u>	<u>(47,100)</u>	<u>(18,365)</u>	<u>28,735</u>
<b>Net change in fund balance</b>	<u>\$ (47,100)</u>	<u>\$ (47,100)</u>	<u>(18,365)</u>	<u>\$ 28,735</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>192,593</u>	
End of year			<u>\$ 174,228</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Parks and Recreation Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 411	\$ 411
Intergovernmental	391,973	391,973	291,961	(100,012)
<b>Total revenues</b>	<u>391,973</u>	<u>391,973</u>	<u>292,372</u>	<u>(99,601)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>391,973</u>	<u>391,973</u>	<u>292,372</u>	<u>(99,601)</u>
<b>Net change in fund balance</b>	<u>\$ 391,973</u>	<u>\$ 391,973</u>	292,372	<u>\$ (99,601)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>17,724</u>	
End of year			<u>\$ 310,096</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 4,885	\$ 4,885
Intergovernmental	1,375,767	1,375,767	1,133,151	(242,616)
<b>Total revenues</b>	<u>1,375,767</u>	<u>1,375,767</u>	<u>1,138,036</u>	<u>(237,731)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,197,669	2,216,640	1,891,648	324,992
Capital outlay	550,500	550,500	41,846	508,654
<b>Total expenditures</b>	<u>2,748,169</u>	<u>2,767,140</u>	<u>1,933,494</u>	<u>833,646</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,372,402)</u>	<u>(1,391,373)</u>	<u>(795,458)</u>	<u>595,915</u>
<b>Net change in fund balance</b>	<u>\$ (1,372,402)</u>	<u>\$ (1,391,373)</u>	<u>(795,458)</u>	<u>\$ 595,915</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,530,202</u>	
End of year			<u>\$ 1,734,744</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Art in Public Places Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 14,200	\$ 14,200	\$ 119,950	\$ 105,750
Use of money and property	350	350	434	84
<b>Total revenues</b>	<u>14,550</u>	<u>14,550</u>	<u>120,384</u>	<u>105,834</u>
<b>EXPENDITURES:</b>				
Capital outlay	35,000	35,000	22,254	12,746
<b>Total expenditures</b>	<u>35,000</u>	<u>35,000</u>	<u>22,254</u>	<u>12,746</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(20,450)</u>	<u>(20,450)</u>	<u>98,130</u>	<u>118,580</u>
<b>Net change in fund balance</b>	<u>\$ (20,450)</u>	<u>\$ (20,450)</u>	<u>98,130</u>	<u>\$ 118,580</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>145,443</u>	
End of year			<u>\$ 243,573</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Local Origination Program Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,638	\$ 1,638
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1,638</u>	<u>1,638</u>
<b>EXPENDITURES:</b>				
Current:				
General government	4,680	4,680	-	4,680
Capital outlay	6,000	6,000	-	6,000
<b>Total expenditures</b>	<u>10,680</u>	<u>10,680</u>	<u>-</u>	<u>10,680</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10,680)</u>	<u>(10,680)</u>	<u>-</u>	<u>10,680</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	14,433	14,433
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>14,433</u>	<u>14,433</u>
<b>Net change in fund balance</b>	<u><u>\$ (10,680)</u></u>	<u><u>\$ (10,680)</u></u>	16,071	<u><u>\$ 26,751</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(14,433)</u>	
End of year			<u><u>\$ 1,638</u></u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Sales Tax Transit Proposition A Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,092,497	\$ 1,092,497	\$ 1,097,161	\$ 4,664
Use of money and property	1,500	1,500	302	(1,198)
Charges for services	127,000	127,000	159,135	32,135
Other revenues	-	-	1,000	1,000
<b>Total revenues</b>	<u>1,220,997</u>	<u>1,220,997</u>	<u>1,257,598</u>	<u>36,601</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	1,194,004	1,194,288	1,133,042	61,246
<b>Total expenditures</b>	<u>1,194,004</u>	<u>1,194,288</u>	<u>1,133,042</u>	<u>61,246</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,993</u>	<u>26,709</u>	<u>124,556</u>	<u>97,847</u>
<b>Net change in fund balance</b>	<u>\$ 26,993</u>	<u>\$ 26,709</u>	<u>124,556</u>	<u>\$ 97,847</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>220,587</u>	
End of year			<u>\$ 345,143</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 94,000	\$ 94,000	\$ 10,559	\$ (83,441)
Use of money and property	4,000	4,000	4,060	60
Intergovernmental	-	-	97,632	97,632
<b>Total revenues</b>	<u>98,000</u>	<u>98,000</u>	<u>112,251</u>	<u>14,251</u>
<b>EXPENDITURES:</b>				
Current				
Public safety	170,481	177,981	87,703	90,278
Capital outlay	293,000	387,171	284,346	102,825
<b>Total expenditures</b>	<u>463,481</u>	<u>565,152</u>	<u>372,049</u>	<u>193,103</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(365,481)</u>	<u>(467,152)</u>	<u>(259,798)</u>	<u>207,354</u>
<b>Net change in fund balance</b>	<u><u>\$ (365,481)</u></u>	<u><u>\$ (467,152)</u></u>	<u>(259,798)</u>	<u><u>\$ 207,354</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			1,544,108	
End of year			<u><u>\$ 1,284,310</u></u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Air Quality Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 6,479	\$ 5,479
Intergovernmental	73,000	73,000	73,970	970
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>74,000</u>	<u>74,000</u>	<u>80,449</u>	<u>6,449</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	26,700	26,700	5,627	21,073
Capital outlay	239,500	239,500	107,346	132,154
<b>Total expenditures</b>	<u>266,200</u>	<u>266,200</u>	<u>112,973</u>	<u>153,227</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(192,200)</u>	<u>(192,200)</u>	<u>(32,524)</u>	<u>159,676</u>
<b>Net change in fund balance</b>	<u>\$ (192,200)</u>	<u>\$ (192,200)</u>	<u>(32,524)</u>	<u>\$ 159,676</u>
<b>FUND BALANCE:</b>				
Beginning of year			481,924	
End of year			<u>\$ 449,400</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Sales Tax Transit Proposition C Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Tax	\$ 885,217	\$ 885,217	\$ 889,087	\$ 3,870
Use of money and property	1,000	1,000	1,411	411
Intergovernmental	2,700,000	2,700,000	-	(2,700,000)
<b>Total revenues</b>	<b>3,586,217</b>	<b>3,586,217</b>	<b>890,498</b>	<b>(2,695,719)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	855,464	1,447,989	1,210,867	237,122
Community services	28,604	28,604	26,214	2,390
Capital outlay	2,000,000	1,654,146	166,000	1,488,146
<b>Total expenditures</b>	<b>2,884,068</b>	<b>3,130,739</b>	<b>1,403,081</b>	<b>1,727,658</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>702,149</b>	<b>455,478</b>	<b>(512,583)</b>	<b>(968,061)</b>
<b>Net change in fund balance</b>	<b>\$ 702,149</b>	<b>\$ 455,478</b>	<b>(512,583)</b>	<b>\$ (968,061)</b>
<b>FUND BALANCE:</b>				
Beginning of year			546,804	
End of year			<u>\$ 34,221</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Business Improvement District Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	\$ -	\$ -	\$ 17,558	\$ (17,558)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>17,558</u>	<u>(17,558)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>17,558</u>	<u>17,558</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	17,558	<u>\$ 17,558</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(17,558)</u>	
End of year			<u>\$ -</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Supplemental Law Enforcement Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 200	\$ 742	\$ 542
Intergovernmental	5,219	5,219	145,112	139,893
Other revenues	100,000	100,000	31,822	(68,178)
<b>Total revenues</b>	<b>105,419</b>	<b>105,419</b>	<b>177,676</b>	<b>72,257</b>
<b>EXPENDITURES:</b>				
Capital outlay	132,588	162,621	115,141	47,480
<b>Total expenditures</b>	<b>132,588</b>	<b>162,621</b>	<b>115,141</b>	<b>47,480</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(27,169)</b>	<b>(57,202)</b>	<b>62,535</b>	<b>119,737</b>
<b>Net change in fund balance</b>	<b>\$ (27,169)</b>	<b>\$ (57,202)</b>	<b>62,535</b>	<b>\$ 119,737</b>
<b>FUND BALANCE:</b>				
Beginning of year			97,605	
End of year			<b>\$ 160,140</b>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Illegal Disposal Abatement Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 79	\$ 79
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<b>Net changes in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>79</u>	<u>\$ 79</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>25,363</u>	
End of year			<u>\$ 25,442</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Public Safety Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 5,743	\$ 5,743
Use of money and property	-	-	73	73
Intergovernmental	-	-	15,676	15,676
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>21,492</b>	<b>21,492</b>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	-	94,500	30,194	64,306
<b>Total expenditures</b>	<b>-</b>	<b>94,500</b>	<b>30,194</b>	<b>64,306</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(94,500)</b>	<b>(8,702)</b>	<b>85,798</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (94,500)</b>	<b>(8,702)</b>	<b>\$ 85,798</b>
<b>FUND BALANCE:</b>				
Beginning of year			26,863	
End of year			\$ 18,161	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Parking System Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,163,116	\$ 1,163,116	\$ 1,025,553	\$ (137,563)
Other revenue	12,000	12,000	-	(12,000)
<b>Total revenues</b>	<u>1,175,116</u>	<u>1,175,116</u>	<u>1,025,553</u>	<u>(149,563)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	951,746	952,294	878,155	74,139
Debt services:				
Principal retirement	439,345	439,345	439,344	1
Interest and fiscal charges	17,863	17,863	17,863	-
<b>Total expenditures</b>	<u>1,408,954</u>	<u>1,409,502</u>	<u>1,335,362</u>	<u>74,140</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(233,838)</u>	<u>(234,386)</u>	<u>(309,809)</u>	<u>(75,423)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
<b>Total other financing sources (uses)</b>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (383,838)</u>	<u>\$ (384,386)</u>	<u>(459,809)</u>	<u>\$ (75,423)</u>
<b>FUND BALANCE:</b>				
Beginning of year			54,792	
End of year			<u>\$ (405,017)</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Solid Waste Recycle Grant Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 146	\$ 146
Intergovernmental	48,194	48,194	32,192	(16,002)
<b>Total revenues</b>	<u>48,194</u>	<u>48,194</u>	<u>32,338</u>	<u>(15,856)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	23,786	23,786	12,087	11,699
<b>Total expenditures</b>	<u>23,786</u>	<u>23,786</u>	<u>12,087</u>	<u>11,699</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>24,408</u>	<u>24,408</u>	<u>20,251</u>	<u>(4,157)</u>
 <b>Net change in fund balance</b>	 <u>\$ 24,408</u>	 <u>\$ 24,408</u>	 20,251	 <u>\$ (4,157)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>51,875</u>	
End of year			<u>\$ 72,126</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Park Facility Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 390	\$ 390
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>390</u>	<u>390</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>390</u>	<u>390</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>390</u>	<u>\$ 390</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>47,920</u>	
End of year			<u>\$ 48,310</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Lighting Landscape Assessment Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,551,091	\$ 1,551,091	\$ 1,617,347	\$ 66,256
Use of money and property	-	-	3,310	3,310
Other revenue	637	637	120	(517)
<b>Total revenues</b>	<u>1,551,728</u>	<u>1,551,728</u>	<u>1,620,777</u>	<u>69,049</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	541	(541)
Public works	527,330	527,330	505,590	21,740
Capital outlay	100,000	100,000	37,143	62,857
Debt service:				
Principal retirement	474,709	474,709	474,709	-
Interest and fiscal charges	274,046	274,046	274,046	-
<b>Total expenditures</b>	<u>1,376,085</u>	<u>1,376,085</u>	<u>1,292,029</u>	<u>84,056</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>175,643</u>	<u>175,643</u>	<u>328,748</u>	<u>153,105</u>
<b>Net change in fund balance</b>	<u>\$ 175,643</u>	<u>\$ 175,643</u>	<u>328,748</u>	<u>\$ 153,105</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>765,150</u>	
End of year			<u>\$ 1,093,898</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**TDA Bike Path Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 193	\$ 193
Intergovernmental	27,924	27,924	-	(27,924)
<b>Total revenues</b>	<u>27,924</u>	<u>27,924</u>	<u>193</u>	<u>(27,731)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	117	(117)
Capital outlay	200,468	200,468	58,491	141,977
<b>Total expenditures</b>	<u>200,468</u>	<u>200,468</u>	<u>58,608</u>	<u>141,860</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(172,544)</u>	<u>(172,544)</u>	<u>(58,415)</u>	<u>114,129</u>
<b>Net change in fund balance</b>	<u>\$ (172,544)</u>	<u>\$ (172,544)</u>	<u>(58,415)</u>	<u>\$ 114,129</u>
<b>FUND BALANCE:</b>				
Beginning of year			48,146	
End of year			<u>\$ (10,269)</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure R Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 663,171	\$ 663,171	\$ 663,292	\$ 121
Use of money and property	1,000	1,000	4,831	3,831
Intergovernmental	1,244,515	1,244,515	696,670	(547,845)
Other revenues	-	-	21,623	21,623
<b>Total revenues</b>	<u>1,908,686</u>	<u>1,908,686</u>	<u>1,386,416</u>	<u>(522,270)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	704,355	1,023,550	806,499	217,051
Capital outlay	578,000	578,000	472	577,528
<b>Total expenditures</b>	<u>1,282,355</u>	<u>1,601,550</u>	<u>806,971</u>	<u>794,579</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>626,331</u>	<u>307,136</u>	<u>579,445</u>	<u>272,309</u>
<b>Net change in fund balance</b>	<u><u>626,331</u></u>	<u><u>307,136</u></u>	<u>579,445</u>	<u><u>272,309</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,304,999</u>	
End of year			<u><u>\$ 1,884,444</u></u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Inmate Welfare Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 207	\$ 207	\$ 306	\$ 99
Intergovernmental	23,485	23,485	8,064	(15,421)
<b>Total revenues</b>	<u>23,692</u>	<u>23,692</u>	<u>8,370</u>	<u>(15,322)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	61,000	61,000	11,487	49,513
<b>Total expenditures</b>	<u>61,000</u>	<u>61,000</u>	<u>11,487</u>	<u>49,513</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(37,308)</u>	<u>(37,308)</u>	<u>(3,117)</u>	<u>34,191</u>
<b>Net change in fund balance</b>	<u>\$ (37,308)</u>	<u>\$ (37,308)</u>	<u>(3,117)</u>	<u>\$ 34,191</u>
<b>FUND BALANCE:</b>				
Beginning of year			95,552	
End of year			<u>\$ 92,435</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**LBPBHP Lead Base Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 82,250	\$ 82,250
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>82,250</u>	<u>82,250</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	351,880	119,744	232,136
Capital outlay	-	207,117	-	207,117
<b>Total expenditures</b>	<u>-</u>	<u>558,997</u>	<u>119,744</u>	<u>439,253</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(558,997)</u>	<u>(37,494)</u>	<u>521,503</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (558,997)</u>	<u>(37,494)</u>	<u>\$ 521,503</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ (37,494)</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**EPA Brownfield Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	-	-	8,964	8,964
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>8,966</u>	<u>8,966</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	113,000	113,000	27,891	85,109
<b>Total expenditures</b>	<u>113,000</u>	<u>113,000</u>	<u>27,891</u>	<u>85,109</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(113,000)</u>	<u>(113,000)</u>	<u>(18,925)</u>	<u>94,075</u>
<b>Net change in fund balance</b>	<u>\$ (113,000)</u>	<u>\$ (113,000)</u>	<u>(18,925)</u>	<u>\$ 94,075</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ (18,925)</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Federal Street Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	\$ -	\$ -	\$ (1,796)	\$ (1,796)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,796)</u>	<u>(1,796)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,796)</u>	<u>\$ (1,796)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,796</u>	
End of year			<u>\$ -</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**DNA ID Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 82	\$ 82	\$ 150	\$ 68
Intergovernmental	12,680	12,680	4,680	(8,000)
<b>Total revenues</b>	<u>12,762</u>	<u>12,762</u>	<u>4,830</u>	<u>(7,932)</u>
<b>EXPENDITURES</b>				
Current:				
Community services	20,000	20,000	-	20,000
<b>Total expenditures</b>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,238)</u>	<u>(7,238)</u>	<u>4,830</u>	<u>12,068</u>
<b>Net change in fund balance</b>	<u>\$ (7,238)</u>	<u>\$ (7,238)</u>	<u>4,830</u>	<u>\$ 12,068</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>45,537</u>	
End of year			<u>\$ 50,367</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Prevention Intervention Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	40,816	40,816
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>40,816</u>	<u>40,816</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	254,088	40,816	213,272
<b>Total expenditures</b>	<u>-</u>	<u>254,088</u>	<u>40,816</u>	<u>213,272</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(254,088)</u>	<u>-</u>	<u>254,088</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (254,088)</u>	<u>-</u>	<u>\$ 254,088</u>
<b>FUND BALANCE:</b>				
Beginning of year			260,260	
End of year			<u>\$ 260,260</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CalTRANS Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	202,719	202,719
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>202,719</u>	<u>202,719</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	215,000	202,719	12,281
<b>Total expenditures</b>	<u>-</u>	<u>215,000</u>	<u>202,719</u>	<u>12,281</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(215,000)</u>	<u>-</u>	<u>215,000</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (215,000)</u>	<u>-</u>	<u>\$ 215,000</u>
<b>FUND BALANCE:</b>				
Beginning of year			43,013	
End of year			<u>\$ 43,013</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Department of Toxic Substances Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES:</b>				
Current:				
Community development	\$ 800,000	\$ 800,000	\$ 591,058	\$ 208,942
<b>Total expenditures</b>	<u>800,000</u>	<u>800,000</u>	<u>591,058</u>	<u>208,942</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(800,000)</u>	<u>(800,000)</u>	<u>(591,058)</u>	<u>208,942</u>
<b>Net change in fund balance</b>	<u><u>\$ (800,000)</u></u>	<u><u>\$ (800,000)</u></u>	<u>(591,058)</u>	<u><u>\$ 208,942</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>591,058</u>	
End of year			<u><u>\$ -</u></u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**DTSC Grant Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
<b>Total revenues</b>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	200,000	200,000	110,794	89,206
<b>Total expenditures</b>	<u>200,000</u>	<u>200,000</u>	<u>110,794</u>	<u>89,206</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(110,794)</u>	<u>(110,794)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(110,794)</u>	<u>\$ (110,794)</u>
<b>FUND BALANCE:</b>				
Beginning of year			110,794	
End of year			<u>\$ -</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Alcohol Beverage Control Sting Operations Special Revenue Fund**  
**For the Year Ended June 30, 2016**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES:</b>				
Current:				
Public safety	\$ -	\$ 54,500	\$ 52,870	\$ 1,630
<b>Total expenditures</b>	<u>-</u>	<u>54,500</u>	<u>52,870</u>	<u>1,630</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(54,500)</u>	<u>(52,870)</u>	<u>1,630</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (54,500)</u>	<u>(52,870)</u>	<u>\$ 1,630</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ (52,870)</u>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Big Belly - Install Recucling Containers Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 242,704	\$ 242,704	\$ -	\$ (242,704)
<b>Total revenues</b>	<b>242,704</b>	<b>242,704</b>	<b>-</b>	<b>(242,704)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	80,553	22,345	-	22,345
Capital outlay	162,151	220,359	207,821	12,538
<b>Total expenditures</b>	<b>242,704</b>	<b>242,704</b>	<b>207,821</b>	<b>34,883</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(207,821)</b>	<b>(207,821)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(207,821)</b>	<b>\$ (207,821)</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<b>\$ (207,821)</b>	

**City of Huntington Park**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Employees' Retirement Debt Service Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,584,428	\$ 2,584,428	\$ 3,897,382	\$ 1,312,954
Use of money and property	2,915	2,915	5,041	2,126
<b>Total revenues</b>	<u>2,587,343</u>	<u>2,587,343</u>	<u>3,902,423</u>	<u>1,315,080</u>
<b>EXPENDITURES:</b>				
Current:				
General government	84,500	84,500	88,764	(4,264)
Debt service:				
Principal retirement	1,050,000	1,050,000	1,050,000	-
Interest and fiscal charges	1,029,645	1,029,645	1,029,645	-
<b>Total expenditures</b>	<u>2,164,145</u>	<u>2,164,145</u>	<u>2,168,409</u>	<u>(4,264)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>423,198</u>	<u>423,198</u>	<u>1,734,014</u>	<u>1,310,816</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(500,000)	(500,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
<b>Net change in fund balance</b>	<u>\$ 423,198</u>	<u>\$ 423,198</u>	1,234,014	<u>\$ 810,816</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,252,764</u>	
End of year			<u>\$ 2,486,778</u>	

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# INTERNAL SERVICE FUNDS

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The Internal Service Fund accounts 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.

***Vehicle and Equipment Replacement Fund*** - To account for the costs of replacement of City vehicles and equipment used by the various City departments. Such costs are based upon actual usage.

***Workers' Compensation Fund*** - To account for the workers compensation costs to the City. Such costs are based upon actual claims paid.

***Employee Benefit Fund*** - To account for the costs of benefits paid to City employees.

***Other Postemployment Benefit ("OPEB") Fund*** - To account for the funds and expenditures related to the City's other postemployment benefits.

**City of Huntington Park**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2016**

	Fleet Maintenance	Vehicle and Equipment Replacement	Workers' Compensation
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 475,734	\$ -	\$ 5,746,780
Accounts receivable	448	-	5,626
<b>Total current assets</b>	<b>476,182</b>	<b>-</b>	<b>5,752,406</b>
Noncurrent assets:			
Capital assets, depreciable	484,562	2,057,939	-
Less accumulated depreciation	(479,010)	(1,828,106)	-
Net capital assets	5,552	229,833	-
<b>Total noncurrent assets</b>	<b>5,552</b>	<b>229,833</b>	<b>-</b>
<b>Total assets</b>	<b>481,734</b>	<b>229,833</b>	<b>5,752,406</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	30,637	-	83,249
Accrued payroll	8,827	-	6,256
Due to other funds	-	240,112	-
Claims payable	-	-	896,000
<b>Total current liabilities</b>	<b>39,464</b>	<b>240,112</b>	<b>985,505</b>
<b>Total liabilities</b>	<b>39,464</b>	<b>240,112</b>	<b>985,505</b>
<b>NET POSITION</b>			
Investment in capital assets	5,552	229,833	-
Unrestricted (deficit)	436,718	(240,112)	4,766,901
<b>Total net position</b>	<b>\$ 442,270</b>	<b>\$ (10,279)</b>	<b>\$ 4,766,901</b>

**City of Huntington Park**  
**Combining Statement of Net Position (Continued)**  
**All Internal Service Funds**  
**June 30, 2016**

	Employee Benefit	OPEB	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ -	\$ 362,111	\$ 6,584,625
Accounts receivable	-	2,827	8,901
<b>Total current assets</b>	<b>-</b>	<b>364,938</b>	<b>6,593,526</b>
Noncurrent assets:			
Capital assets, depreciable	-	-	2,542,501
Less accumulated depreciation	-	-	(2,307,116)
Net capital assets	-	-	235,385
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>235,385</b>
<b>Total assets</b>	<b>-</b>	<b>364,938</b>	<b>6,828,911</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	15,274	19,056	148,216
Accrued payroll	-	-	15,083
Due to other funds	197,597	-	437,709
Claims payable	-	-	896,000
<b>Total current liabilities</b>	<b>212,871</b>	<b>19,056</b>	<b>1,497,008</b>
<b>Total liabilities</b>	<b>212,871</b>	<b>19,056</b>	<b>1,497,008</b>
<b>NET POSITION</b>			
Investment in capital assets	-	-	235,385
Unrestricted (deficit)	(212,871)	345,882	5,096,518
<b>Total net position</b>	<b>\$ (212,871)</b>	<b>\$ 345,882</b>	<b>\$ 5,331,903</b>

**City of Huntington Park**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Fleet Maintenance	Vehicle and Equipment Replacement	Workers' Compensation
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 723,773	\$ -	\$ 2,107,179
Other	-	700	2,623
<b>Total operating revenues</b>	<u>723,773</u>	<u>700</u>	<u>2,109,802</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	229,235	-	111,577
Materials and supplies	401,201	-	646,566
Insurance	-	-	1,377,583
Depreciation	15,973	50,581	-
<b>Total operating expenses</b>	<u>646,409</u>	<u>50,581</u>	<u>2,135,726</u>
<b>OPERATING INCOME (LOSS)</b>	<u>77,364</u>	<u>(49,881)</u>	<u>(25,924)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Operating grants	-	-	9,784
Interest income	627	16	16,141
<b>Total nonoperating revenues</b>	<u>627</u>	<u>16</u>	<u>25,925</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>77,991</u>	<u>(49,865)</u>	<u>1</u>
<b>TRANSFERS:</b>			
Transfers out	-	-	-
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Changes in net position</b>	<u>77,991</u>	<u>(49,865)</u>	<u>1</u>
<b>NET POSITION:</b>			
Beginning of year	364,279	39,586	4,766,900
End of year	<u>\$ 442,270</u>	<u>\$ (10,279)</u>	<u>\$ 4,766,901</u>

**City of Huntington Park**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Employee Benefit	OPEB	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 30,972	\$ 1,661,707	\$ 4,523,631
Other	-	-	3,323
<b>Total operating revenues</b>	<u>30,972</u>	<u>1,661,707</u>	<u>4,526,954</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	-	-	340,812
Materials and supplies	-	-	1,047,767
Insurance	32,447	1,662,057	3,072,087
Depreciation	-	-	66,554
<b>Total operating expenses</b>	<u>32,447</u>	<u>1,662,057</u>	<u>4,527,220</u>
	<u>(1,475)</u>	<u>(350)</u>	<u>(266)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Operating grants	-	-	9,784
Interest income	-	3,177	19,961
<b>Total nonoperating revenues</b>	<u>-</u>	<u>3,177</u>	<u>29,745</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(1,475)</u>	<u>2,827</u>	<u>29,479</u>
<b>TRANSFERS:</b>			
Transfers out	-	-	-
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Changes in net position</b>	<u>(1,475)</u>	<u>2,827</u>	<u>29,479</u>
<b>NET POSITION:</b>			
Beginning of year	<u>(211,396)</u>	<u>343,055</u>	<u>5,302,424</u>
End of year	<u>\$ (212,871)</u>	<u>\$ 345,882</u>	<u>\$ 5,331,903</u>

**City of Huntington Park**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Fleet Maintenance	Vehicle and Equipment Replacement	Workers' Compensation Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from users departments	\$ 723,478	\$ -	\$ 2,104,592
Other receipts	-	700	2,623
Payments to suppliers	(416,647)	-	(607,440)
Payments to employees	(225,416)	-	(109,216)
Payments for insurance premium or claim payments	-	-	(1,377,583)
<b>Net cash provided by operating activities</b>	<b>81,415</b>	<b>700</b>	<b>12,976</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	-	-	9,784
Payment to other funds	-	-	-
Payment from other funds	-	240,112	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>240,112</b>	<b>9,784</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	(252,909)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>(252,909)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	627	23	16,141
<b>Net cash provided by investing activities</b>	<b>627</b>	<b>23</b>	<b>16,141</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>82,042</b>	<b>(12,074)</b>	<b>38,901</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	393,692	12,074	5,707,879
End of year	<u>\$ 475,734</u>	<u>\$ -</u>	<u>\$ 5,746,780</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating (loss)	\$ 77,364	\$ (49,881)	\$ (25,924)
Depreciation	15,973	50,581	-
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	(295)	-	(2,587)
Increase (decrease) in accounts payable	(15,446)	-	39,126
Increase (decrease) in accrued payroll	3,819	-	2,361
Total adjustments	(11,922)	-	38,900
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 81,415</b>	<b>\$ 700</b>	<b>\$ 12,976</b>

**City of Huntington Park**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Employee Benefit Fund	OPEB Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from users departments	\$ 30,972	\$ 1,659,002	\$ 4,518,044
Other receipts	-	-	3,323
Payments to suppliers	-	-	(1,024,087)
Payments to employees	-	-	(334,632)
Payments for insurance premium or claim payments	(19,051)	(1,647,245)	(3,043,879)
<b>Net cash provided by operating activities</b>	<b>11,921</b>	<b>11,757</b>	<b>118,769</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	-	-	9,784
Payment to other funds	(11,921)	-	(11,921)
Payment from other funds	-	-	240,112
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(11,921)</b>	<b>-</b>	<b>237,975</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	-	(252,909)
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(252,909)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	-	3,177	19,968
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>3,177</b>	<b>19,968</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>14,934</b>	<b>123,803</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	-	347,177	6,460,822
End of year	\$ -	\$ 362,111	\$ 6,584,625
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating (loss)	\$ (1,475)	(350)	\$ (266)
Depreciation	-	-	66,554
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	-	(2,705)	(5,587)
Increase (decrease) in accounts payable	13,396	14,812	51,888
Increase (decrease) in accrued payroll	-	-	6,180
<b>Total adjustments</b>	<b>13,396</b>	<b>12,107</b>	<b>52,481</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 11,921</b>	<b>\$ 11,757</b>	<b>\$ 118,769</b>

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# STATISTICAL SECTION

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This part of the City of Huntington Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	182
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	192
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	197
These schedules present information to help the reader assess the affordability of the of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	206
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	209
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

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

**City of Huntington Park**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
Net investment in capital assets	48,360,018	50,504,711	39,429,070	41,925,935	42,370,024
Restricted	24,139,614	38,723,137	26,635,747	23,065,886	25,989,823
Unrestricted	(152,496,772)	(169,715,872)	(148,938,364)	(167,485,978)	(179,961,906)
Total governmental activities net assets	<u>(79,997,140)</u>	<u>(80,488,024)</u>	<u>(82,873,547)</u>	<u>(102,494,157)</u>	<u>(111,602,059)</u>
Business-type activities:					
Net investment in capital assets	16,181,737	16,433,099	16,540,709	16,796,898	17,484,720
Restricted	-	-	-	-	-
Unrestricted	5,611,257	5,437,161	5,447,372	3,364,892	1,073,584
Total business-type activities net assets	<u>21,792,994</u>	<u>21,870,260</u>	<u>21,988,081</u>	<u>20,161,790</u>	<u>18,558,304</u>
Primary government:					
Net investment in capital assets	64,541,755	66,937,810	55,969,779	58,722,833	59,854,744
Restricted	24,139,614	38,723,137	26,635,747	23,065,886	25,989,823
Unrestricted	(146,885,515)	(164,278,711)	(143,490,992)	(164,121,086)	(178,888,322)
Total primary government net assets	<u>(58,204,146)</u>	<u>(58,617,764)</u>	<u>(60,885,466)</u>	<u>(82,332,367)</u>	<u>(93,043,755)</u>

Source: City Finance Department

**City of Huntington Park**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014 <sup>(1)</sup>	2015	2016
Governmental activities:					
Net investment in capital assets	40,872,320	40,199,209	38,895,289	39,244,799	38,404,494
Restricted	11,959,587	14,454,478	11,187,705	18,356,094	19,297,098
Unrestricted	3,870,375	2,584,990	(50,874,318)	(62,353,072)	(63,625,411)
Total governmental activities net assets	<u>56,702,282</u>	<u>57,238,677</u>	<u>(791,324)</u>	<u>(4,752,179)</u>	<u>(5,923,819)</u>
Business-type activities:					
Net investment in capital assets	17,579,641	17,143,164	16,703,286	16,289,940	15,871,880
Restricted	-	-	-	-	-
Unrestricted	(157,944)	1,430,353	1,182,127	2,095,258	2,989,586
Total business-type activities net assets	<u>17,421,697</u>	<u>18,573,517</u>	<u>17,885,413</u>	<u>18,385,198</u>	<u>18,861,466</u>
Primary government:					
Net investment in capital assets	58,451,961	57,342,373	55,598,575	55,534,739	54,276,374
Restricted	11,959,587	14,454,478	11,187,705	18,356,094	19,297,098
Unrestricted	3,712,431	4,015,343	(49,692,191)	(60,257,814)	(60,635,825)
Total primary government net assets	<u>74,123,979</u>	<u>75,812,194</u>	<u>17,094,089</u>	<u>13,633,019</u>	<u>12,937,647</u>

Note:

<sup>(1)</sup> Unrestricted deficits were restated to reflect implementation of GASB No. 68 and 71.

Source: City Finance Department

**City of Huntington Park**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses:					
Governmental activities:					
General government	7,566,171	14,903,038	7,921,074	10,131,265	8,195,158
Public safety	15,731,625	15,946,700	16,333,354	16,942,017	16,288,182
Public works	8,493,393	9,690,430	9,023,648	9,007,145	9,381,142
Community services	2,809,850	3,427,821	2,979,348	3,301,805	3,245,733
Community development	6,820,647	10,236,104	6,953,506	17,201,159	11,872,378
Interest on long-term debt	11,256,296	8,179,476	13,020,990	18,062,079	13,745,107
Total governmental activities expenses	<u>52,677,982</u>	<u>62,383,569</u>	<u>56,231,920</u>	<u>74,645,470</u>	<u>62,727,700</u>
Business-type activities:					
Water	3,452,374	4,522,007	5,032,129	6,187,272	5,448,673
Sewer	283,578	322,940	349,607	354,626	867,534
Solid Waste	295,841	287,332	294,189	196,563	232,150
Total business-type activities expenses	<u>4,031,793</u>	<u>5,132,279</u>	<u>5,675,925</u>	<u>6,738,461</u>	<u>6,548,357</u>
Total primary government expenses	<u><u>56,709,775</u></u>	<u><u>67,515,848</u></u>	<u><u>61,907,845</u></u>	<u><u>81,383,931</u></u>	<u><u>69,276,057</u></u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,642,557	2,297,092	2,363,712	4,242,351	3,355,886
Public safety	1,858,610	2,804,384	2,588,983	2,325,230	2,377,785
Public works	1,396,146	747,050	156,719	255,895	123,882
Community services	408,728	509,136	734,891	847,982	633,813
Community development	618,831	1,248,185	1,295,097	1,283,804	1,182,626
Operating grants and contributions	6,378,628	5,804,978	7,167,500	8,666,335	7,634,221
Capital grants and contributions	3,187,473	3,044,238	334,963	259,939	-
Total governmental activities program revenues	<u>15,490,973</u>	<u>16,455,063</u>	<u>14,641,865</u>	<u>17,881,536</u>	<u>15,308,213</u>
Business-type activities:					
Charges for services:					
Water	4,813,066	4,686,335	4,883,300	4,318,781	4,249,282
Sewer	383,512	367,477	336,186	341,158	325,163
Solid Waste	125,261	128,080	132,565	151,403	159,501
Operating grants and contributions	30,993	41,739	453,092	14,936	75,661
Capital grants and contributions	-	-	-	191,897	-
Total business-type activities program revenues	<u>5,352,832</u>	<u>5,223,631</u>	<u>5,805,143</u>	<u>5,018,175</u>	<u>4,809,607</u>
Total primary government program revenues	<u><u>20,843,805</u></u>	<u><u>21,678,694</u></u>	<u><u>20,447,008</u></u>	<u><u>22,899,711</u></u>	<u><u>20,117,820</u></u>
Net revenues (expenses):					
Governmental activities	(37,187,009)	(45,928,506)	(41,590,055)	(56,763,934)	(47,419,487)
Business-type activities	1,321,039	91,352	129,218	(1,720,286)	(1,738,750)
Total net revenues (expenses)	<u><u>(35,865,970)</u></u>	<u><u>(45,837,154)</u></u>	<u><u>(41,460,837)</u></u>	<u><u>(58,484,220)</u></u>	<u><u>(49,158,237)</u></u>

**City of Huntington Park**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
General government	7,408,478	3,261,534	6,798,376	5,734,990	5,233,406
Public safety	17,470,158	19,375,996	19,803,125	17,675,796	19,411,389
Public works	9,531,593	9,466,770	8,844,250	10,586,095	9,471,574
Community services	2,974,883	3,033,319	2,709,093	3,147,657	2,661,610
Community development	9,351,165	5,608,525	4,554,443	4,213,367	4,585,004
Interest on long-term debt	4,226,594	1,644,013	1,370,239	1,347,012	1,550,714
Total governmental activities expenses	<u>50,962,871</u>	<u>42,390,157</u>	<u>44,079,526</u>	<u>42,704,917</u>	<u>42,913,697</u>
Business-type activities:					
Water	5,633,636	4,363,525	5,615,913	4,822,110	4,969,010
Sewer	239,677	392,716	332,070	224,906	254,319
Solid Waste	129,012	138,546	112,879	165,871	121,598
Total business-type activities expenses	<u>6,002,325</u>	<u>4,894,787</u>	<u>6,060,862</u>	<u>5,212,887</u>	<u>5,344,927</u>
Total primary government expenses	<u>56,965,196</u>	<u>47,284,944</u>	<u>50,140,388</u>	<u>47,917,804</u>	<u>48,258,624</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	3,480,292	3,726,111	3,232,083	2,065,070	1,468,688
Public safety	2,042,596	1,777,525	1,783,042	1,864,523	2,053,413
Public works	119,038	216,216	157,274	212,245	242,890
Community services	645,245	691,800	615,523	725,014	1,748,391
Community development	1,236,244	1,136,729	1,167,459	1,082,603	1,376,027
Operating grants and contributions	8,541,045	6,276,304	6,000,174	7,667,869	8,293,283
Capital grants and contributions	-	-	-	-	1,162,362
Total governmental activities program revenues	<u>16,064,460</u>	<u>13,824,685</u>	<u>12,955,555</u>	<u>13,617,324</u>	<u>16,345,054</u>
Business-type activities:					
Charges for services:					
Water	4,070,052	5,153,893	5,850,581	5,462,691	5,559,819
Sewer	326,470	328,996	327,254	301,962	288,797
Solid Waste	139,978	164,113	163,850	140,663	158,063
Operating grants and contributions	292,214	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,828,714</u>	<u>5,647,002</u>	<u>6,341,685</u>	<u>5,905,316</u>	<u>6,006,679</u>
Total primary government program revenues	<u>20,893,174</u>	<u>19,471,687</u>	<u>19,297,240</u>	<u>19,522,640</u>	<u>22,351,733</u>
Net revenues (expenses):					
Governmental activities	(34,898,411)	(28,565,472)	(31,123,971)	(29,087,593)	(26,568,643)
Business-type activities	(1,173,611)	752,215	280,823	692,429	661,752
Total net revenues (expenses)	<u>(36,072,022)</u>	<u>(27,813,257)</u>	<u>(30,843,148)</u>	<u>(28,395,164)</u>	<u>(25,906,891)</u>

**City of Huntington Park**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	15,584,471	19,745,557	13,517,895	15,373,839	14,640,143
Motor vehicle in lieu tax	4,833,395	4,746,791	5,022,115	4,991,089	4,782,510
Sales tax	5,051,694	7,258,290	5,679,730	5,325,737	6,377,406
In lieu sales tax	2,425,768	1,444,374	1,697,425	1,036,404	1,273,544
Franchise	643,875	648,097	659,540	617,944	647,472
Utility	4,437,893	4,433,574	4,636,735	4,716,341	5,866,108
Other taxes	122,822	72,042	386,784	389,703	968,396
Parking meter	1,339,029	2,230,484	2,085,363	2,085,363	-
Supplemental subvention	117,024	518,489	500,000	275,652	-
Investment income	2,962,108	2,561,394	2,910,403	2,175,887	1,637,914
Other	299,722	1,568,531	998,542	907,504	2,118,092
Sale of assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Transfers	200,000	210,000	220,000	220,000	-
Special Item	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Total governmental activities	<u>38,017,801</u>	<u>45,437,623</u>	<u>38,314,532</u>	<u>38,115,463</u>	<u>38,311,585</u>
Business-type activities:					
Investment income	10,169	174,583	188,245	94,274	14,483
Other	151,741	21,331	20,358	19,721	120,781
Transfers	<u>(200,000)</u>	<u>(210,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>
Total business-type activities	<u>(38,090)</u>	<u>(14,086)</u>	<u>(11,397)</u>	<u>(106,005)</u>	<u>135,264</u>
Total primary government	<u>37,979,711</u>	<u>45,423,537</u>	<u>38,303,135</u>	<u>38,009,458</u>	<u>38,446,849</u>
Changes in net assets					
Governmental activities	830,792	(490,883)	(3,275,523)	(18,648,471)	(9,107,902)
Business-type activities	<u>1,282,949</u>	<u>77,266</u>	<u>117,821</u>	<u>(1,826,291)</u>	<u>(1,603,486)</u>
Total primary government	<u>2,113,741</u>	<u>(413,617)</u>	<u>(3,157,702)</u>	<u>(20,474,762)</u>	<u>(10,711,388)</u>

Source: City Finance Department

**City of Huntington Park**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	13,223,844	7,493,285	6,121,647	3,875,363	4,971,496
Motor vehicle in lieu tax	4,780,123	4,827,816	4,987,850	5,164,158	5,348,055
Sales tax	6,518,106	6,659,850	7,184,663	7,791,895	5,849,967
In lieu sales tax	1,424,304	1,432,117	1,420,873	1,718,876	1,306,430
Franchise	636,094	600,333	924,430	1,046,428	1,160,364
Utility	5,523,882	5,678,820	5,742,027	5,845,750	5,688,754
Other taxes	421,016	434,569	-	-	-
Parking meter	-	-	-	-	-
Supplemental subvention	-	-	-	-	-
Investment income	245,456	123,089	54,437	76,017	70,046
Other	611,693	52,010	237,656	209,917	572,269
Sale of assets	-	2,601,479	-	-	-
Transfer to Successor Agency	-	-	-	(821,666)	1,943,462
Transfers	-	(332,697)	220,000	220,000	220,000
Special Item	-	-	-	-	(1,733,840)
Extraordinary Item	169,818,234	-	-	-	-
Total governmental activities	<u>203,202,752</u>	<u>29,570,671</u>	<u>26,893,583</u>	<u>25,126,738</u>	<u>25,397,003</u>
Business-type activities:					
Investment income	5,087	4,120	5,621	5,500	11,255
Other	31,917	62,788	21,457	21,856	23,261
Transfers	-	332,697	(220,000)	(220,000)	(220,000)
Total business-type activities	<u>37,004</u>	<u>399,605</u>	<u>(192,922)</u>	<u>(192,644)</u>	<u>(185,484)</u>
Total primary government	<u>203,239,756</u>	<u>29,970,276</u>	<u>26,700,661</u>	<u>24,934,094</u>	<u>25,211,519</u>
Changes in net assets					
Governmental activities	168,304,341	1,005,199	(4,230,388)	(3,960,855)	(1,171,640)
Business-type activities	<u>(1,136,607)</u>	<u>1,151,820</u>	<u>87,901</u>	<u>499,785</u>	<u>476,268</u>
Total primary government	<u>167,167,734</u>	<u>2,157,019</u>	<u>(4,142,487)</u>	<u>(3,461,070)</u>	<u>(695,372)</u>

Source: City Finance Department

**City of Huntington Park**  
**Fund Balances of Governmental Funds for Last Ten Years**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>General Fund</b>					
Reserved	\$ 23,246,047	\$ 22,929,771	\$ 22,906,852	\$ 22,612,598	\$ -
Unreserved	6,211,242	9,034,537	10,209,607	8,379,209	-
Nonspendable	-	-	-	-	2,210,179
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	9,153,901
Total General Fund	<u>29,457,289</u>	<u>31,964,308</u>	<u>33,116,459</u>	<u>30,991,807</u>	<u>11,364,080</u>
<b>All Other Governmental Funds</b>					
Reserved	47,670,744	45,480,411	44,257,463	42,156,353	-
Unreserved, reported in:					
Special revenue funds	27,611,233	26,290,833	24,967,238	22,130,339	-
Capital projects funds	(926,334)	(4,202,293)	(698,759)	(2,851,513)	-
Debt service funds	(61,900,822)	(63,765,665)	(64,733,295)	(73,327,151)	-
Nonspendable	-	-	-	-	35,610,658
Restricted	-	-	-	-	27,990,461
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(79,415,388)
Total All Other Governmental Funds	<u>12,454,821</u>	<u>3,803,286</u>	<u>3,792,647</u>	<u>(11,891,972)</u>	<u>(15,814,269)</u>

Note: The City of Huntington Park elected to present fund balance information under GASB#54 prospectively in the Statistical Section

**City of Huntington Park**  
**Fund Balances of Governmental Funds for Last Ten Years (Continued)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	45,373	650	650	216,450	1,091,195
Restricted	-	-	-	-	-
Committed	-	-	-	1,000,000	-
Assigned	-	-	-	-	800,000
Unassigned	15,977,450	11,612,642	11,254,039	7,901,067	9,797,799
Total General Fund	<u>16,022,823</u>	<u>11,613,292</u>	<u>11,254,689</u>	<u>9,117,517</u>	<u>11,688,994</u>
<b>All Other Governmental Funds</b>					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	10,010	8,282	8,282	-	-
Restricted	7,706,817	16,808,499	9,320,367	18,356,094	18,776,235
Committed	-	-	-	54,792	-
Assigned	-	-	-	-	-
Unassigned	(1,671,932)	(969,075)	(1,129,305)	(182,841)	(912,530)
Total All Other Governmental Funds	<u>6,044,895</u>	<u>15,847,706</u>	<u>8,199,344</u>	<u>18,228,045</u>	<u>17,863,705</u>

Note: The City of Huntington Park elected to present fund balance information under GASB#54 prospectively in the Statistical Section

**City of Huntington Park**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Revenues:</b>					
Taxes	28,266,523	33,601,936	30,985,995	32,271,559	38,336,947
Licenses and permits	1,922,670	1,818,592	1,969,768	2,005,327	1,757,220
Fines and forfeitures	1,750,229	2,386,254	2,246,561	1,987,494	2,093,146
Use of money and property	3,144,299	2,518,555	1,572,667	853,250	319,448
Intergovernmental	14,454,974	12,509,369	11,229,777	11,596,106	7,184,291
Charges for services	3,476,787	4,261,736	4,406,830	4,215,952	3,897,067
Interfund charges	1,363,798	6,098,629	6,232,316	1,284,039	2,160,428
Other	722,011	2,687,716	2,098,330	7,341,289	7,689,193
Total revenues	<u>55,101,291</u>	<u>65,882,787</u>	<u>60,742,244</u>	<u>61,555,016</u>	<u>63,437,740</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	7,933,501	14,360,372	12,976,827	14,174,935	14,344,657
Public safety	15,067,682	15,104,932	15,679,695	16,264,466	15,605,975
Public works	6,879,908	7,455,249	6,636,892	6,859,393	7,100,592
Community services	2,682,181	3,311,487	2,855,125	3,173,041	3,116,084
Community development	8,477,421	7,679,446	6,516,548	16,328,082	7,878,855
Pass through to other agencies	90,278	570,973	399,097	375,593	3,391,334
Capital outlay	13,337,662	7,282,239	4,822,188	5,586,603	3,808,666
<b>Debt service:</b>					
Principal retirement	10,576,895	15,585,667	4,386,382	6,262,841	5,122,931
Interest and fiscal charges	6,677,436	7,454,938	6,437,978	10,559,333	5,908,670
Bond issue costs	140,000	7,000	-	-	-
Total expenditures	<u>71,862,964</u>	<u>78,812,303</u>	<u>60,710,732</u>	<u>79,584,287</u>	<u>66,277,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,761,673)</u>	<u>(12,929,516)</u>	<u>31,512</u>	<u>(18,029,271)</u>	<u>(2,840,024)</u>
<b>Other financing sources (uses):</b>					
Proceeds from loan issuance	24,653,129	6,575,000	-	-	-
Transfers in	12,263,450	4,874,003	11,720,756	7,420,949	5,154,358
Transfers out	(12,313,449)	(4,664,003)	(11,500,756)	(7,200,949)	(5,154,358)
Transfer to Successor Agency	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Repayment of notes	-	-	-	-	-
Total other financing sources (uses)	<u>24,603,130</u>	<u>6,785,000</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Special item	-	-	-	-	-
Net change in fund balances	<u>7,841,457</u>	<u>(6,144,516)</u>	<u>251,512</u>	<u>(17,809,271)</u>	<u>(2,840,024)</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	30.0%	31.2%	19.3%	22.5%	17.9%

Source: City Finance Department

**City of Huntington Park**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Taxes	32,527,369	26,436,623	20,953,583	20,405,404	22,150,950
Licenses and permits	1,794,342	2,487,955	2,675,805	2,722,164	3,416,617
Fines and forfeitures	1,799,092	1,572,427	1,551,810	1,291,312	1,566,657
Use of money and property	214,718	104,608	56,897	128,705	143,112
Intergovernmental	8,194,479	5,743,636	10,526,347	10,587,623	9,464,511
Charges for services	3,988,545	3,998,378	4,071,070	3,661,636	2,373,632
Interfund charges	775,004	3,145,823	421,650	-	-
Other	1,910,471	1,496,649	1,496,992	2,001,218	1,554,182
Total revenues	<u>51,204,020</u>	<u>44,986,099</u>	<u>41,754,154</u>	<u>40,798,062</u>	<u>40,669,661</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	7,462,872	4,680,822	7,081,699	4,607,068	4,473,917
Public safety	15,276,824	17,091,392	17,747,264	16,927,130	16,191,074
Public works	6,783,407	7,302,787	6,910,485	7,718,699	6,779,338
Community services	2,755,936	2,822,416	2,510,172	2,932,895	2,373,143
Community development	7,831,704	3,940,893	3,476,019	3,226,981	4,245,572
Pass through to other agencies	-	-	-	-	-
Capital outlay	3,465,866	2,491,517	2,914,708	1,879,888	1,283,641
<b>Debt service:</b>					
Principal retirement	5,976,568	2,145,594	7,812,707	1,962,502	1,964,053
Interest and fiscal charges	4,148,109	1,668,836	1,528,065	1,419,758	1,581,408
Bond issue costs	-	-	-	-	-
Total expenditures	<u>53,701,286</u>	<u>42,144,257</u>	<u>49,981,119</u>	<u>40,674,921</u>	<u>38,892,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,497,266)</u>	<u>2,841,842</u>	<u>(8,226,965)</u>	<u>123,141</u>	<u>1,777,515</u>
<b>Other financing sources (uses):</b>					
Proceeds from loan issuance	-	-	-	800,000	-
Transfers in	65,221	5,187,441	870,000	3,218,881	903,787
Transfers out	(65,221)	(5,520,138)	(650,000)	(3,310,488)	(683,787)
Transfer to Successor Agency	-	-	-	(821,666)	1,943,462
Payment to escrow agent	24,202,277	-	-	-	-
Repayment of notes	(8,433,593)	-	-	-	-
Total other financing sources (uses)	<u>15,768,684</u>	<u>(332,697)</u>	<u>220,000</u>	<u>(113,273)</u>	<u>2,163,462</u>
Special item	-	-	-	-	(1,733,840)
Net change in fund balances	<u>13,271,418</u>	<u>2,509,145</u>	<u>(8,006,965)</u>	<u>9,868</u>	<u>2,207,137</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	20.7%	10.2%	20.7%	9.4%	10.4%

Source: City Finance Department

**City of Huntington Park**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year Ended June 30	Residential	Commerical	Industrial	Institutional	Recreational	Vacant Land
2007	1,297,799	467,176	199,473	12,572	17,605	16,574
2008	1,427,170	490,808	215,450	28,335	19,866	16,950
2009	1,495,042	530,927	230,221	36,697	20,280	16,406
2010	1,433,846	552,360	239,580	36,302	20,686	12,807
2011	1,359,615	550,717	243,284	23,248	14,088	11,996
2012	1,356,052	548,295	237,675	31,505	12,547	14,676
2013	1,359,583	565,004	245,171	22,287	14,032	24,391
2014	1,404,959	578,391	257,446	28,971	14,283	14,035
2015	1,464,777	578,829	264,662	41,274	16,979	14,479
2016	1,536,504	606,377	275,085	25,532	18,301	14,877

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

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Assessor's Office

**City of Huntington Park**  
**Assessed Value and Estimated Actual Value of Taxable Property (Continued)**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year Ended June 30	Other Secured	Unsecured	Exemptions	Assessed Value	Taxable Assessed Value (1)	Total Direct Tax Rate
2007	8,568	113,366	21,511	2,156,651	2,135,140	0.2835%
2008	3,361	114,199	21,315	2,339,462	2,318,147	0.2835%
2009	3,631	117,237	21,003	2,473,453	2,452,450	0.2835%
2010	3,291	136,319	30,194	2,467,395	2,437,201	0.2835%
2011	3,510	126,905	29,891	2,365,265	2,335,374	0.2835%
2012	3,466	127,982	28,941	2,361,139	2,332,198	0.7398%
2013	3,153	117,569	-	2,355,463	2,355,463	0.7407%
2014	29,658	121,229	-	2,422,376	2,422,376	0.7350%
2015	-	122,534	-	2,506,549	2,506,549	0.7350%
2016	-	117,479	-	2,597,577	2,597,577	0.7350%

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

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Assessor's Office

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City Direct Rates:					
City's share of 1% levy per prop 13	\$ 0.0765	\$ 0.0765	\$ 0.0765	\$ 0.0735	0.0735
General obligation debt rate	0.2100	0.2100	0.2100	0.2100	0.2100
Overlapping Rates:					
Detention Facilities 1987 Debt	0.0007	-	-	-	-
L.A. Co. Fl. Con. Storm Dr. D.S. #4	-	-	-	-	-
Flood Con. Ref. Bonds 1993 Ds	-	-	-	-	-
L.A. County Flood Control	0.0080	0.0080	0.0080	0.0080	0.0080
Central Basin MWD	0.0047	0.0045	0.0043	0.0430	0.0037
L.A. County Comm. College District	0.0482	0.0353	0.0488	0.0231	0.0403
Los Angeles Unified School District	0.3028	0.3193	0.3221	0.3478	0.1960
Los Angeles County General	0.2585	0.2585	0.2585	0.2585	0.2585
Educational Augmentation Fund	0.2334	0.2334	0.2334	0.2334	0.2334
Los Angeles Consolidated Fire District	0.1547	0.1547	0.1547	0.1547	0.1547
L.A. County Library	0.0199	0.0199	0.0199	0.0199	0.0199
County Sanitation District #1	0.0130	0.0130	0.0130	0.0130	0.0130
L.A. County Ffw	0.0059	0.0059	0.0059	0.0059	0.0059
Los Angeles Childrens Center Fd	0.0032	0.0032	0.0032	0.0032	0.0032
Childrens Instil Tuition Fund	0.0025	0.0025	0.0025	0.0025	0.0025
L.A. Co. Fl. Con. Imp. Dist.	0.0014	0.0014	0.0014	0.0014	0.0014
County School Services	0.0013	0.0013	0.0013	0.0013	0.0013
Dev. Ctr. Hdcpd Minor - IA Unif.	0.0011	0.0011	0.0011	0.0011	0.0011
Greater L.A. Co. Vector Control	0.0003	0.0003	0.0003	0.0003	0.0003
L.A. Comm. Coll. Childrens Ctr Fd	0.0003	0.0003	0.0003	0.0003	0.0003
Wtr Replenishment Dist of So Cal	0.0002	0.0002	0.0002	0.0002	0.0002
L.A. County Accum Cap Outlay	0.0001	0.0001	0.0001	0.0001	0.0001
Co. Sch. Serv. Fd. - Los Angeles	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
<b>Total Direct Rate &amp; Overlapping Rates</b>	<u><u>1.3467</u></u>	<u><u>1.3495</u></u>	<u><u>1.3656</u></u>	<u><u>1.4013</u></u>	<u><u>1.2274</u></u>

NOTE:

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

Source: Los Angeles County Assessor's Office

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City Direct Rates:					
City's share of 1% levy per prop 13	0.0735	0.0735	0.0735	0.0735	0.0735
General obligation debt rate	0.2100	0.2100	0.2100	0.2100	0.2100
Overlapping Rates:					
Detention Facilities 1987 Debt	-	-	-	-	-
L.A. Co. Fl. Con. Storm Dr. D.S. #4	-	-	-	-	-
Flood Con. Ref. Bonds 1993 Ds	-	-	-	-	-
L.A. County Flood Control	0.0080	0.0080	0.0080	0.0080	0.0080
Central Basin MWD	0.0037	0.0037	0.0037	0.0037	0.0037
L.A. County Comm. College District	0.0403	0.0266	0.0266	0.0266	0.0266
Los Angeles Unified School District	0.1960	0.1960	0.1960	0.1960	0.1960
Los Angeles County General	0.2585	0.2585	0.2585	0.2585	0.2585
Educational Augmentation Fund	0.2334	0.2334	0.2334	0.2334	0.2334
Los Angeles Consolidated Fire District	0.1547	0.1547	0.1547	0.1547	0.1547
L.A. County Library	0.0199	0.0199	0.0199	0.0199	0.0199
County Sanitation District #1	0.0130	0.0130	0.0130	0.0130	0.0130
L.A. County Ffw	0.0059	0.0059	0.0059	0.0059	0.0059
Los Angeles Childrens Center Fd	0.0032	0.0032	0.0032	0.0032	0.0032
Childrens Instil Tuition Fund	0.0025	0.0025	0.0025	0.0025	0.0025
L.A. Co. Fl. Con. Imp. Dist.	0.0014	0.0014	0.0014	0.0014	0.0014
County School Services	0.0013	0.0013	0.0013	0.0013	0.0013
Dev. Ctr. Hdepd Minor - IA Unif.	0.0011	0.0011	0.0011	0.0011	0.0011
Greater L.A. Co. Vector Control	0.0003	0.0003	0.0003	0.0003	0.0003
L.A. Comm. Coll. Childrens Ctr Fd	0.0003	0.0003	0.0003	0.0003	0.0003
Wtr Replenishment Dist of So Cal	0.0002	0.0002	0.0002	0.0002	0.0002
L.A. County Accum Cap Outlay	0.0001	0.0001	0.0001	0.0001	0.0001
Co. Sch. Serv. Fd. - Los Angeles	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
Total Direct Rate & Overlapping Rates	<u>1.2274</u>	<u>1.2137</u>	<u>1.2138</u>	<u>1.2137</u>	<u>1.2137</u>

NOTE:

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

Source: Los Angeles County Assessor's Office

**City of Huntington Park  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

Taxpayer	2016			Taxpayer	2007		
	Taxable Assessed Value	% of Total City Assessed Value	Rank		Taxable Assessed Value	% of Total City Assessed Value	Rank
Crown Poly Inc	26,012,813	1.00%	1	RHA Partners Limited	17,494,091	0.94%	1
RHA Partners Limited	21,288,802	0.82%	2	Home Depot USA INC	12,943,199	0.80%	2
Pacific Imedra Partners LLC	20,056,977	0.77%	3	Mesob Investment Co.	12,469,194	0.75%	3
MP Investors LLC	17,277,895	0.66%	4	Imedra No 5900 Family LP	12,430,457	0.61%	4
Home Depot USA INC	16,074,053	0.62%	5	Joseph M. & Leona Fallas T	10,591,456	0.61%	5
Huntington Park City Center LLC	12,632,420	0.49%	6	Chin Star Inc.	10,404,000	0.60%	6
Arturo and Juanita Barrera Trust	12,523,965	0.48%	7	Katina Torino	9,821,416	0.57%	7
Fiesta I/II LLC	12,265,567	0.47%	8	Lopez Family Partners LP	9,265,273	0.51%	8
Las Palmas Center	12,188,166	0.47%	9	E & L Propperties LLC	8,144,747	0.51%	9
Rexford Industrial Realty LP	11,625,765	0.45%	10	Bruce D. Bertz	7,655,389	0.50%	10

Source: Los Angeles County Assessor and HdL Coren & Cone

**City of Huntington Park**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				
	Lease Revenue Bonds	Tax Allocation Bonds	Notes , Loans and Agreements	Section 108 Loan	Installment Sale Agreement
2007	67,031,074	3,250,000	98,044,787	9,159,000	10,000,000
2008	55,166,116	-	114,457,692	8,974,000	9,905,458
2009	51,806,917	-	124,943,855	8,769,000	9,699,182
2010	48,377,813	-	132,602,298	8,151,000	9,461,747
2011	44,838,107	-	144,305,106	7,518,000	9,190,979
2012	1,757,072	-	3,746,060	6,865,000	8,884,579
2013	1,373,113	-	3,715,659	6,192,000	8,540,113
2014	972,095	-	3,681,075	-	8,155,008
2015	552,351	-	3,466,785	-	7,726,540
2016	113,007	-	3,466,785	-	7,251,831

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

N/A - Not available

Notes:

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

Source: City Finance Department

**City of Huntington Park**  
**Ratios of Outstanding Debt by Type (Continued)**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				Debt Per Capita <sup>1</sup>
	Pension Obligation Bonds	Capital Leases	Total Governmental Activities	Percentage of Personal Income	
2007	23,000,000	1,098	210,487,966	29.63%	3,274
2008	22,850,000	-	211,355,274	29.56%	3,289
2009	22,600,000	-	217,820,963	31.05%	3,384
2010	22,200,000	-	220,794,868	29.24%	3,438
2011	21,700,000	-	227,554,203	30.89%	3,901
2012	21,000,000	-	42,254,723	5.80%	721
2013	20,400,000	-	40,222,898	5.42%	686
2014	19,600,000	-	32,410,192	4%	549
2015	18,700,000	-	30,447,691	4%	513
2016	17,650,000	-	28,483,639	4%	479

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

N/A - Not available

Notes:

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

Source: City Finance Department

**City of Huntington Park**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount *	Percent of Levy*
2007	15,274,437	14,896,843	97.53%	687,628	15,584,471	102.03%
2008	17,053,964	18,841,249	110.48%	904,308	19,745,557	115.78%
2009	18,496,794	18,004,516	97.34%	950,615	18,955,131	102.48%
2010	18,107,004	17,179,824	94.88%	955,585	18,135,409	100.16%
2011	17,404,739	16,384,223	94.14%	819,710	17,203,933	98.85%
2012	1,223,609	1,155,220	94.41%	218,220	1,373,440	112.25%
2013	756,317	745,845	98.62%	10,471	756,317	100.00%
2014	770,189	770,189	100.00%	117,456	887,645	115.25%
2015	780,774	780,774	100.00%	153,477	934,251	119.66%
2016	801,764	801,764	100.00%	83,021	884,785	110.35%

Note:

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

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

N/A - The information was not available.

Source:

Los Angeles County Auditor Controller's Office  
City Finance Department

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**City of Huntington Park**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value <sup>1</sup>	Net Bonded Debt per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
2007	23,000	3,250	26,250	1.23%	408
2008	22,850	-	22,850	0.99%	356
2009	22,600	-	22,600	0.92%	351
2010	22,200	-	22,200	0.91%	346
2011	21,700	-	21,700	0.93%	372
2012	21,100	-	21,100	0.90%	360
2013	20,400	-	20,400	0.87%	348
2014	19,600	-	19,600	0.81%	332
2015	18,700	-	18,700	0.75%	315
2016	17,650	-	17,650	0.68%	297

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

N/A - Not available

Note:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

Source: City Finance Department

**City of Huntington Park**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

	2007	2008	2009	2010	2011
Assessed valuation <sup>1</sup>	2,154,644	2,337,454	2,473,453	2,467,395	2,365,265
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	538,661	584,364	618,363	616,849	591,316
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	80,799	87,655	92,754	92,527	88,697
Total net debt applicable to limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>80,799</u>	<u>87,655</u>	<u>92,754</u>	<u>92,527</u>	<u>88,697</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note:

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

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

**City of Huntington Park**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

	Fiscal Year				
	2012	2013	2014	2015	2016
Assessed valuation <sup>1</sup>	2,361,139	2,355,463	2,422,376	2,506,549	2,597,577
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	590,285	588,866	605,594	626,637	649,394
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	88,543	88,330	90,839	93,996	97,409
Total net debt applicable to limit:					
General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>88,543</u>	<u>88,330</u>	<u>90,839</u>	<u>93,996</u>	<u>97,409</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note:

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

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

**City of Huntington Park  
Direct and Overlapping Debt  
June 30, 2016**

City Assessed Valuation	\$ 2,597,576,732		
Redevelopment Agency Incremental Valuation	<u>(1,346,104,897)</u>		
Adjusted Assessed Valuation	<u>\$ 1,251,471,835</u>		
	<u>Outstanding</u>	<u>Percentage</u>	<u>City's Share of</u>
	6/30/2016	Applicable <sup>1</sup>	Debt 6/30/16
<b>Overlapping Debt Repaid with Property Taxes:</b>			
Los Angeles County Flood Control District	12,630,000	0.208%	26,270
Metropolitan Water District	92,865,000	0.106%	98,437
Los Angeles Community College District	3,671,000,000	0.369%	13,545,990
Los Angeles Unified School District	10,457,615,000	0.456%	47,686,724
Los Angeles County Parks and Open Space Assessment District	50,610,000	0.204%	103,244
Total overlapping debt	<u>\$ 14,284,720,000</u>		<u>\$ 61,460,666</u>
<b>Direct and overlapping General Fund Debt</b>			
Los Angeles County General Fund Obligations	2,029,010,694	0.204%	4,139,182
Los Angeles County Superintendent of Schools Participation Obligation	7,944,360	0.204%	16,206
Los Angeles County Sanitation District No.1 Authority	10,918,194	10.078%	1,100,336
Los Angeles Unified School District Certificate of Participation	273,805,000	0.4560%	1,248,551
City of Huntington Park Lease Revenue Bonds	<b>113,007</b>	100.0000%	<b>113,007</b>
City of Huntington Park Assessment Bonds	<b>7,251,832</b>	100.0000%	<b>7,251,832</b>
City of Huntington Park Pension Obligation Bonds	<u><b>17,650,000</b></u>	100.0000%	<u><b>17,650,000</b></u>
Total Gross Direct and Overlapping General Fund Debt	\$ 2,346,693,087		\$ 31,519,114
Less: Los Angeles Unified School District QZABs supported by periodic payments to investment accounts			<u>(61,681)</u>
Total Net Direct and Overlapping General Fund Debt			\$ 31,457,433
Overlapping Tax Increment Debt (Successor Agency):	\$ 35,378,672	100%	\$ 35,378,672
<b>TOTAL CITY DIRECT DEBT</b>			<b>\$ 25,014,839</b>
TOTAL GROSS OVERLAPPING DEBT			\$103,343,613
TOTAL NET OVERLAPPING DEBT			\$103,281,931
GROSS COMBINED TOTAL DEBT			\$128,358,451
NET COMBINED TOTAL DEBT			\$128,296,770
Total direct and overlapping debt			\$128,358,451

Notes:

<sup>1</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

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

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bond capital lease obligations.

Ratios to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.37%
<b>Total Direct Debt (\$26,978,892)</b>	<b>0.96%</b>
Gross Combined Total Debt	4.94%
Net Combined Total Debt	4.94%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,346,104,897):

Total Overlapping Tax Increment Debt	2.63%
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Source: HdL Coren and Cone, Los Angeles County Assessor and Auditor, California Municipal Statistic, Inc.

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

Fiscal Year Ended June 30	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service			
		Principal	Interest		
2007	10,183,611	-	201,500	50.54	
2008	4,055,494	75,000	199,175	14.79	
2009	*	*	*	*	
2010	*	*	*	*	
2011	*	*	*	*	
2012	*	*	*	*	
2013	*	*	*	*	
2014	*	*	*	*	
2015	*	*	*	*	
2016	*	*	*	*	

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

Source: City Finance Department

\* - The City did not have any revenue-backed debt for these fiscal years.

**City of Huntington Park**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population (1)	Personal Income (2) (in thousands)	Per-Capita Personal Income (2)	Unemployment Rate (3)
2007	64,285	710,478	11,052	7.8%
2008	64,270	715,012	11,125	11.3%
2009	64,376	701,431	10,896	17.2%
2010	64,219	755,215	11,760	18.7%
2011	58,329	736,695	12,630	18.2%
2012	58,624	728,520	12,427	13.9%
2013	58,661	742,296	12,654	9.5%
2014	59,033	743,366	12,592	8.8%
2015	59,312	778,669	13,128	6.7%
2016	59,493	727,377	12,226	6.3%

2016 Data Sources

- 1 California Department of Finance
- 2 U.S. Department of Commerce Bureau of Economic Analysis (<http://bea.gov/itable/>)
- 3 State of California Employment Development Department ([www.labormarketinfo.ca.gov](http://www.labormarketinfo.ca.gov))

**City of Huntington Park**  
**Principal Employers - Los Angeles County (1)**  
**Most Recent Year and Ten Years Ago**

Employer	2016		Employer	2006	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
County of Los Angeles	96,500	13.30%	County of Los Angeles	93,200	1.92%
Los Angeles Unified School District	59,600	8.21%	Los Angeles Unified School District	74,632	1.54%
City of Los Angeles (including DWP)	46,900	6.46%	City of Los Angeles (including DWP)	53,200	1.10%
University of California, Los Angeles	44,000	6.06%	University of California, Los Angeles	53,471	1.10%
Federal Government (non-Defense Dept)	43,400	5.98%	Federal Government (non-Defense Dept)	35,543	0.73%
Kaiser Permanente	36,000	4.96%	Kaiser Permanente	30,200	0.62%
State of California (non-education)	29,200	4.02%	State of California (non-education)	32,180	0.66%
Northrop Grumman Corp.	17,000	2.34%	Northrop Grumman Corp.	21,000	0.43%
Target Corp.	15,000	2.07%	Target Corp.	15,825	0.33%
Providence Health Services	15,000	2.07%	Providence Health Services	14,000	0.29%

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

(2) - Includes U.S. Postal Service

Source:

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

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Full-time	31	31	31	29	27	27	28	27	22	26
Part-time	2	1	2	2	1	1	1	1	6	6
Total	<u>33</u>	<u>32</u>	<u>33</u>	<u>31</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>28</u>	<u>32</u>
Community Development										
Full-time	13	13	15	14	12	8	5	5	9	10
Part-time	6	3	6	8	5	1	0	0	2	2
Total	<u>19</u>	<u>16</u>	<u>21</u>	<u>22</u>	<u>17</u>	<u>9</u>	<u>5</u>	<u>5</u>	<u>11</u>	<u>12</u>
Community Services										
Full-time	9	9	10	10	7	7	7	6	4	4
Part-time	20	27	31	32	25	25	31	31	44	44
Total	<u>29</u>	<u>36</u>	<u>41</u>	<u>42</u>	<u>32</u>	<u>32</u>	<u>38</u>	<u>37</u>	<u>48</u>	<u>48</u>
Public Safety										
Full-time	101	108	113	117	108	106	102	106	86	86
Part-time	24	18	21	20	20	19	17	17	21	23
Total	<u>125</u>	<u>126</u>	<u>134</u>	<u>137</u>	<u>128</u>	<u>125</u>	<u>119</u>	<u>123</u>	<u>107</u>	<u>109</u>
Public Works										
Full-time	27	26	27	28	25	25	24	23	27	22
Part-time	2	2	2	2	1	0	0	0	6	4
Total	<u>29</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>26</u>	<u>25</u>	<u>24</u>	<u>23</u>	<u>33</u>	<u>26</u>
Total										
Full-time	181	187	196	198	179	173	166	167	148	148
Part-time	54	51	62	64	52	46	49	49	79	79
Total	<u>235</u>	<u>238</u>	<u>258</u>	<u>262</u>	<u>231</u>	<u>219</u>	<u>215</u>	<u>216</u>	<u>227</u>	<u>227</u>

Source: City of Huntington Park Finance Department

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police:</b>										
Arrests	2,902	2,346	2,366	2,624	2,183	2,112	1,778	2,044	1,859	1,763
Calls for service	42,112	33,589	41,430	26,101	37,940	36,272	33,627	34,123	36,220	36,143
Traffic violations	4,961	4,129	7,124	7,910	4,790	3,863	3,748	2,544	1,657	2,750
Code enforcement inspections	506	906	972	1,112	2,729	1,206	901	2,302	663	510
<b>Public works:</b>										
Pounds of trash recycled	11,973	10,461	N/A							
Pounds of trash recycled per resident	N/A	N/A	4.1	N/A						
<b>Parks and recreation:</b>										
Recreation classes	125	149	187	206	301	256	258	270	292	291
Recreation class participants	1,705	2,125	3,295	4,254	3,483	3,283	2,467	3,925	4,638	4,096
Facility rentals	575	365	419	231	191	295	935	2,049	1,536	2,053
Youth sport participants	883	797	920	896	1,081	1,057	1,101	899	848	1,524
Adult sport participants	746	392	852	905	875	926	995	700	791	400
<b>Water:</b>										
Average daily consumption (thousands of gallons)	4,811	4,640	4,479	4,255	4,287	4,252	4,258	4,177	4,485	3,717
<b>Community Development</b>										
<b>Planning permits:</b>										
Entitlements	22	26	7*	8*	13	7	12	14	7	18
Legislative Action	5	6	9*	6*	6	5	2	2	1	5
<b>Building permits:</b>										
New construction	6	11	6	5	N/A	N/A	N/A	N/A	N/A	N/A
Alteration/repair	376	267	259	199	N/A	N/A	N/A	N/A	N/A	N/A
Plan checks	157	145	100	124	N/A	N/A	N/A	N/A	N/A	N/A
Business license inspections	450	397	396	305	N/A	N/A	N/A	N/A	N/A	N/A

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

<sup>2</sup> - Down 1 code enforcement officers during period

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

<sup>4</sup> - As of November 31, 2007 and does not include  
buy back center data or C & D material.

<sup>5</sup> - Down 3 planners during this period

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	3	3	3	3	1	1	1	1	1
Field services:										
Residential streets (miles)	38	38	38	38	38	38	38	38	38	38
Traffic signals	53	53	53	53	53	60	64	64	64	64
Parks and recreation:										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	31	31	31	31	31	32	32	32	32	32
Athletic Fields	8	8	8	8	8	8	8	8	8	8
Community centers	5	5	5	5	5	5	5	5	5	5
Water:										
Water mains (miles)	61	61	61	61	61	61	61	61	61	61
Wells	7	7	7	7	7	6	6	6	6	6
Plants	21	21	21	21	21	21	21	21	21	21
Wastewater:										
Sanitary sewers (miles)	51	51	51	51	51	51	51	51	51	51
Storm sewers (miles)	4	4	4	4	4	4	4	4	4	4

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

Source: City of Huntington Park Finance Department