

City of La Puente

California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2012

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INTRODUCTORY SECTION

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City of La Puente

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February 28, 2013

Honorable Mayor and City Council
and Residents of the City of La Puente

It is our pleasure to submit to you a Comprehensive Annual Financial Report (CAFR) of the City of La Puente for the fiscal year ended June 30, 2012.

INTRODUCTION

This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). This report is also in compliance with the relevant requirements of Governmental Accounting, Auditing, and Financial Reporting published by the Governmental Finance Officers Association of the United States and Canada.

The City's financial statements have been audited by the independent certified public accounting firm of Vasquez & Company LLP, certified public accountants. The auditors have issued an unqualified ("clean") opinion on these financial statements. The auditors' report is located at the front of the financial section of this report.

The financial statements are the responsibility of the City of La Puente's management. The management's discussion and analysis (MD&A) interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variations in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. The Statistical Section includes selected financial, demographic and other relevant information.

The financial statements present the financial condition of the City of La Puente (the primary government) and its component unit (Successor Agency, formerly the La Puente Redevelopment Agency, RDA). The RDA was formed in October 1989, for the purpose of encouraging private redevelopment of property and to rehabilitate areas suffering from physical and economic blight. The Board changed its name to La Puente Community Development Commission, "CDC" in fiscal year 2007-2008. Although the CDC is a legally separate organization, it is still included in the City's financial reporting entity because of the significance of its operational or financial relationship with the City. Furthermore, the City of La Puente elected officials have continuing full or partial accountability for fiscal matters of the CDC. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

PROFILE OF THE CITY OF LA PUENTE

The City of La Puente is located 20 miles east of downtown Los Angeles in the San Gabriel Valley. The community of La Puente is predominantly residential and home to over 39,000 residents. Commercial land usage is located primarily along major highways/arterials and industrial land usage is less than five percent (5%) of the City's 3.5 square mile land area. Freeway access to the City is readily available from the 10 Interstate and 60 Freeway. The City is a general law city, incorporated on August 1, 1956; however, the history of the community extends back much further. The City's name "La Puente" means the bridge in old Spanish and refers to an early bridge built across the San Jose Creek by members of the Portola-Serra expedition in 1769, as they surveyed the region for Spain. A modernized version of the bridge can be seen in the City's colorful seal. The community of La Puente began in 1841 when European settlers arrived by wagon train from New Mexico and obtained title to the large 48,000 acre Rancho La Puente. During the 1930's, the area was famous for its fruit and walnut groves. The largest walnut packing plant in the world was located in the City.

The City of La Puente is governed by a five member City Council. The City Council holds its regular meetings every second and fourth Tuesday of the month at 7:00 p.m. in the City Council Chambers at City Hall. In-house programs and functions at City Hall include Administration, City Clerk's Office, Development Services, Administrative Services, Recreation Services, and Public Safety. The City operates various facilities to serve the community. These include a Community Center, Youth Learning Activity Center, Senior Center, and La Puente Park. There are also seventeen public and private schools, two County libraries, and a County health center serving the City's residents.

MAJOR INITIATIVES

For The Year. The City of La Puente has accomplished a great deal during fiscal year 2011-2012. A few of the year's completed projects and major initiatives include:

Capital Improvement Projects

- Construction was completed on more than 50% of the commercial development located along Hacienda Boulevard on 9.5 acres on land assembled with the assistance of the former La Puente Community Development Commission. In March 2012 El Super market opened for business in a new 45,000 square foot supermarket. An additional 12,000 square feet of "shops" space was also completed.
- A \$78,000 sidewalk and handicap ramp improvement project was completed in May 2012. The project utilized Community Development Block Grant to repair existing sidewalks and add new handicap ramps at certain locations within the City. This project was funded by Community Development Block Grant.
- Construction continued on the new Puente Creek Nature Education Center located adjacent to Nelson Elementary School. This new park facility will include static and interactive displays concentrating on the use of renewable resources and conservation with information about the San Gabriel River and its tributaries such as Puente Creek. The park will also have a picnic shelter, restrooms, a play area and drought resistant plant material and flora of the Southern California riparian environments that are preciously few and endangered in Southern California. This project was funded by Los Angeles County Regional Park and Open Space District, U.S. Department of Housing and State of California Rivers and Mountains Conservancy.

- Construction continued on various traffic signal improvements throughout the community. Left-turn phasing was added to several intersections along Temple Avenue and Valley Boulevard with a new signal being installed at Amar Road and Tonopah Avenue. These improvements are being made to enhance traffic safety. This project was funded by Measure R Funds and Federal Highway Grants.
- The City completed the installation of a new air conditioning system for City Hall. The new system came on-line in June 2012 which consists of a new modern air handling unit and air cooled condensing unit. This project was funded by Federal Energy Efficiency Grant.
- The City's efforts to complete an additional phase of the Valley Boulevard wall improvement project continued during Fiscal Year 2011-12. A contract was awarded at the end of the Fiscal Year to complete 2,600 lineal feet of block wall improvements along the Valley Boulevard corridor. This project was funded by Gas Tax, Measure R, Prop C and Community Development Block Grant.
- Completed Capital Improvement projects for traffic signal modification and installation, Valley and Old Valley Storm Drain, Flashing Beacon Speed Safety Signs near schools, Sidewalk and Handicap Ramp project; initiated phase 2 of Valley Blvd sound wall improvements.
- Completed Valley Drainage by the City in conjunction with the City of Industry, Union Pacific Railroad, and Congresswoman Napolitano that fixed the drainage and flooding issues in the valley.

Other Major Initiatives

➤ Budget

Based on the direction of the City Council, the city budgets for Fiscal Year (FY) 2011-2012 and FY 2012-2013 were balanced and planning tools for establishing a long-term balanced budget was developed

Expenditures from General Fund were reallocated to various Special Revenue funds, which resulted in annual savings

Working diligently to overcome the City's financial issues related to the original financing of the Community Center. Refinancing discussions were initiated and are underway

Held a town hall meeting to discuss the budget with residents

Implemented a new travel policy and cut the travel budget by 50%

➤ California Joint Powers Insurance Authority (Cal JPIA)

Successfully accomplished the Cal JPIA Performance Improvement Plan Recommendation

➤ Public Safety

Continued to build outstanding working relationship with Police Lieutenant and Special Assignment Officers Team and with Police Department to reduce crime, graffiti and gang activity

Worked successfully with Hurley School and the Police Department to develop a community partnership to deter crime in the area

➤ Code Enforcement

Established weekly meetings with Code Division to improve code enforcement service, streamline the process and emphasize educating the community on code compliance issues

- Successfully launched “Make La Puente Beautiful Month” during April 2012 and started a Code Enforcement education campaign, which included publishing “Code Enforcement Corner” in the Spotlight and on the City’s website

➤ Public Relations

Improved public relations and prepared press releases to bring positive news to the city which included stories regarding Cal JPIA progress on the Performance Improvement Plan; balancing the City’s budget; Valley Blvd. Wall project; Valley Drainage project; Hurley School Partnership; Make La Puente Beautiful Month; Volunteers on Patrol Graduation and Community Center change in hours

Under the direction of the City Council, the recognition of the contributions of community members was increased through Presentations at the City Council meetings

➤ Special Events

Improved the communication among staff members participating in Special Events
Established preliminary and post briefing and debriefing special events meetings with key staff involved

Re-established the Easter Egg Hunt and Halloween events for kids

Under the direction of the City Council, the leadership of the Recreation Department, and support from the Police Department and Development Services Department Maintenance Division, presented a very successful 3rd of July event

Coordinated the first “National Night Out” event at no cost to the City

➤ Community Outreach

Have established positive working relationships with key stakeholders including Senator Edward Hernandez and Councilmember Ian Calderon, School District members, representatives from Gloria Molina’s and Napolitano’s offices, Old Town Puente Association, Art Walk organizers, Bike Ride, churches, City of Industry, and utility liaisons

Approved a Community Garden and adopted a Healthy Eating, Active Living Resolution to promote wellness and quality of life

➤ Other

All Medical Marijuana clinics have ceased operations in La Puente

Reinstated DUI Checkpoints with new guidelines and a public awareness campaign on child safety

Initiated Zoning Code Update

Reaffirmed relationship with City Attorney

For The Future. Though essentially a built-out city, the City is pursuing the planned capital improvement projects and other major initiatives and goals for fiscal year 2012-2013:

Capital Improvement Projects

- **Amar Road Street and Drainage Improvements** – This project will encompass street resurfacing, center median landscaping, handicap ramps, City entry monument signs, and storm drain improvements along Amar Road from Aileron to Unruh. The estimated project cost is \$1.3 million and the anticipated funding source is Proposition C.
- **Local Street Resurfacing Improvements** - The project will resurface several local street segments and also include reconstruction of existing sidewalks, curb and gutter, driveway approaches and the installation of new handicap ramps. The estimated project cost is \$480,000. This project will be funded by Gas Tax funds.
- **Sewer Improvements and Street Resurfacing** - Phase IV of the City's Sewer System Capital Program will consist of replacement of existing sewer lines throughout the City and street resurfacing. The estimated project cost is \$1.8 million and will be funded by sewer funds.
- **Safe Routes to Schools Grant** – The City was awarded a grant in the amount of \$387,000 for pedestrian improvements in the vicinity of La Puente High School and Sierra Vista Middle School. Improvements will include intersection bulb-outs, school crosswalk signs, center median fencing, and speed awareness signs. The City plans to use Gas Tax funds for the \$43,000 local match for this project.

Other Major Initiatives and Goals:

- Continue to work with the Police Department to reduce crime
- Partner with the Police Department and develop an emergency preparedness function and plan while training City staff
- Develop a long-term financial plan and fund balance policy
- Work with the Information Technology (IT) Ad Hoc Committee and IT support firm to implement technological safeguards and improvements
- Review and revival of the city's website
- Work with the Beautify La Puente Ad Hoc Committee to educate the community to encourage compliance with the city's Municipal Code and encourage residents to take pride in their community
- Work with the Special Events Ad Hoc Committee to assist staff in the memorialization of the processes for the primary city events.
- Continue training of staff on professionalism and customer service
- Recommend improvements in City policies and procedures and bring forward to City Council for consideration
- Update Zoning Code

- Continue to find creative ways to bring new special events to the community using existing resources
- Streamline plan check, permit processing and business license process to improve service to the business community
- Initiate a “Welcome to La Puente” business packet
- Initiate business outreach and economic development business attraction programs
- Work with the financial institutions to provide funding assistance to businesses
- Continue to prepare press releases and bring in positive stories for the city
- Identify cost-cutting measures and new sources of General Fund revenue to achieve long-term sustainability
- Open the Nature Center

The goal is to accomplish projects and other major initiatives and goals listed above during the fiscal year of 2012-2013, however there are some projects that will be carried over to the following fiscal year.

As a “no/low” property tax City that is primarily residential, La Puente relies heavily on its two major revenue sources, Sales Tax and Motor Vehicle License Fees (MVLFF), to support General Fund operations. These two sources represent approximately 50% of the City’s general fund revenue.

FINANCIAL CONTROLS

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. An adequate internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of federal, state, and county financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to assisted programs. The internal control is subject to periodic evaluation by management and staff of the City. The City of La Puente is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Not for Profit Organizations*. A separate single audit report includes the schedule of expenditures of federal awards and auditors’ reports on the internal control structure and compliance with applicable laws and regulations.

Budgetary Controls - The City of La Puente maintains budgetary control to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Each year, a proposed budget is submitted to the City Council and a public meeting is conducted to obtain taxpayer comments. The budget is subsequently adopted by the Council through the passage of a resolution. All annual appropriations lapse at fiscal year-end. Certain multi year project appropriations are re-budgeted by the City Council as part of the adoption process of the subsequent year’s budget. The level of budgetary control is maintained at the activity level.

OTHER INFORMATION

Local Economy and Economic Outlook

Major businesses located in the City include automobile dealerships, grocery markets, and hardware stores. The businesses appear to have a varied economic base. The recession which is the worst since the Great Depression is over, however, the unemployment rate remains high despite modest improvements in housing prices and foreclosures. During the past year, the unemployment rate rose from 13.6% to 14.4%. Due to reduced tax collections and low sales, many local governments continue to face cuts and reduction of staffing, programs and services. The City will continue to promote new business opportunities while it continues to combat the negative effects of the State of California against Redevelopment Agencies.

Long-term Financial Planning

Unassigned fund balance in the General Fund is \$5.9 million, a level which falls within the management budget guidelines as approved by the Council for budgetary and planning purposes.

GFOA Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to receive the award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. The awards are valid for a period of one year only. We believe that our current CAFR continues to meet program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

Acknowledgments

The preparation of the CAFR could not have been made without the efficient and dedicated services of the Administrative Services and Finance Division Staff. I wish to express my appreciation to the numerous City employees who assisted in gathering information for the preparation of this report. This document reflects the hard work, talent and commitment and this report could not have been accomplished without the high level of professionalism and dedication that they bring to the City of La Puente. I would also like to express our appreciation to Vasquez & Company LLP, our independent auditors, who assisted and contributed to the preparation of this report.

Special acknowledgement is given to the Mayor and City Council for their continuing support and interest in directing the efforts to maintain the City's strong fiscal health in a responsible and professional manner.

Respectfully submitted,



Bret Plumlee, City Manager

CITY OF LA PUENTE, CALIFORNIA
Directory of Officials

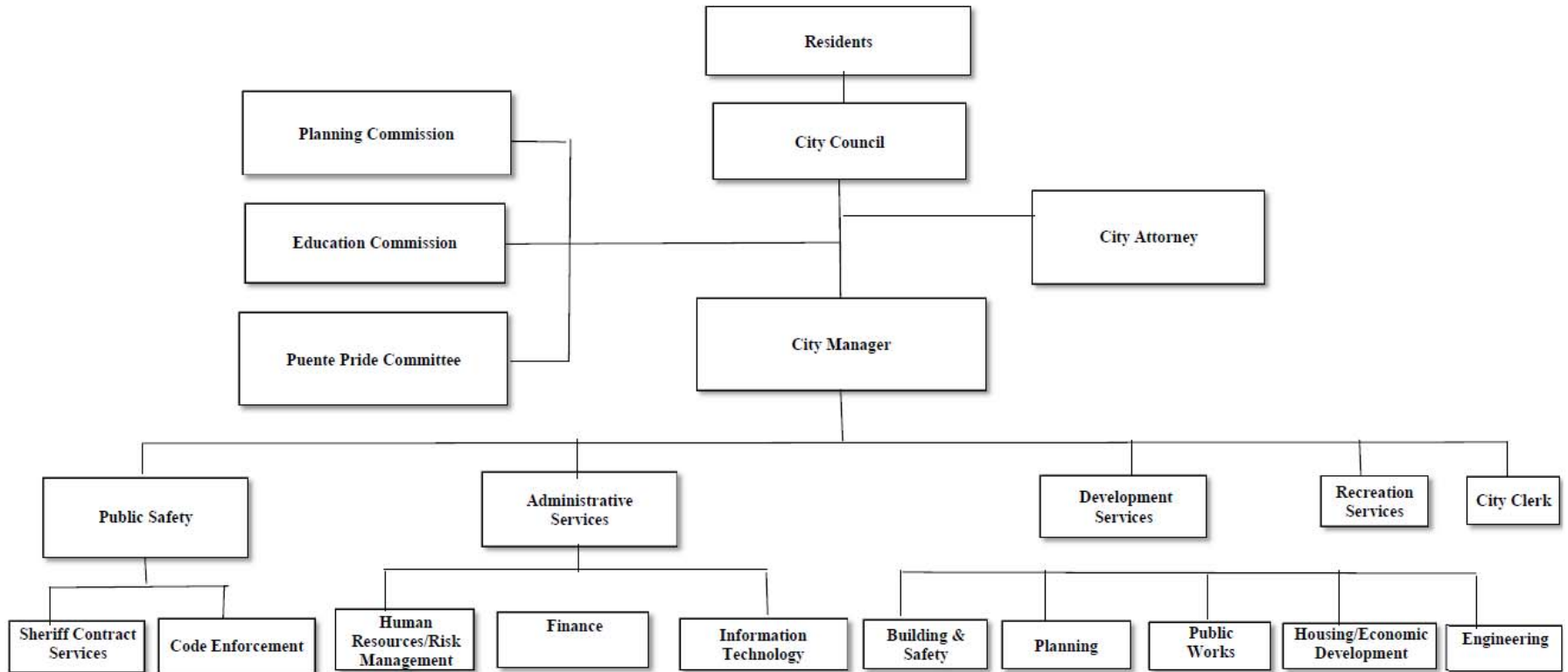
CITY COUNCIL

Daniel Holloway, Mayor
Charlie Klinakis, Mayor Pro Tem
David Argudo, Councilmember
Violeta Lewis, Councilmember
Vince House, Councilmember

CITY OFFICIALS

City Manager/City TreasurerBret Plumlee
City Attorney.....James Casso
Interim Director of Administrative Services..... Glenn Steinbrink
Chief of Police.....Pete Cacheiro
Finance Manager.....Raul Purificacion
City Clerk.....Pat Jacquez-Nares

City of La Puente Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of La Puente California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Davison

President

Jeffrey R. Egan

Executive Director

FINANCIAL SECTION

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Report of Independent Auditors

City Council City of La Puente, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of and for the year ended June 30, 2012, which collectively comprise the City of La Puente's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of La Puente's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013 on our consideration of the City of La Puente'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Varguez + Company LLP

Los Angeles, California
February 28, 2013



City of La Puente

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of La Puente offers the readers of the City's basic financial statements, this narrative overview, and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on page 1 of this report and the City's basic financial statements, which begin on page 24 of this report.

FINANCIAL HIGHLIGHTS

Government-wide

- The assets of the City of La Puente exceeded its liabilities at the close of the fiscal year by \$40,019,056. Of this, \$10,898,301 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,781,990 from the previous fiscal year.
- Citywide revenues were \$17,344,448. Total revenues are composed of \$8,682,377 in general revenue dollars, \$3,935,705 in charges for services, \$1,908,160 in operating grants and contributions, and \$2,818,206 in capital grants and contributions.
- Citywide expenses were \$15,049,672 with public safety being the largest functional area at \$4,845,030, or 32% of the total expenses.

Fund level

- The total fund balance of the City governmental funds was \$10,975,243 at the close of the fiscal year. \$1,143,252 is nonspendable, \$4,261,709 is restricted and not available for spending, \$1,521,681 is committed and \$4,048,601 is unassigned. Additional information on the fund balance is on page 26 of this report.
- General Fund revenues were above expenditures by \$1,171,887 for the fiscal year ended June 30, 2012. This was before the provision for uncollectible accounts on Advances to the dissolved redevelopment agency of \$12.2 million which was reported as extraordinary item.
- Governmental fund balances increased by \$27,787 during fiscal year 2011-2012.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of La Puente's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Assets and Statement of Activities. These two statements are designed to provide readers with a broad overview of the City of La Puente's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying events occur, regardless of the timing of related cash flows.

Statement of Net Assets. This report presents information on all the City's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

Statement of Activities. The information presented in this report shows how the City's net assets changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional expenses are shown net of related program revenue. This statement shows the extent to which various functions depend on general taxes and non-program revenues for support.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as business-type activities). The governmental activities of the City of La Puente include general government, public safety, public works, recreation/senior, community development, and redevelopment and housing. Program revenues finance approximately 45.6% of these activities and general revenues finance the difference.

The government-wide financial statements can be found on pages 24 to 26 of this report.

Fund financial statements. The fund financial statements focus on current available resources and report the City's operations in more detail for the City's most significant funds. Each fund is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with authorities or legal mandates, restrictions or limitations. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. These statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information provides a short-term view of the City's general government operations and show whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using the *modified accrual method* of accounting, which measures cash and all other financial assets that can readily be converted to cash. The relationship between governmental activities and the governmental funds are reported on the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets page of the Basic Financial Statements.

The governmental fund financial statements can be found on pages 27 to 31 of this report.

Proprietary fund. The City maintains two different types of proprietary funds. Enterprise fund is used to report the same functions presented as *business-type activities* in the *government-wide financial statements*. The City's enterprise fund accounts for sewer construction and maintenance operations. The City's internal service fund accounts for central equipment services.

Fiduciary funds. These funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

The notes are on pages 38 to 66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

This analysis focuses on the net assets and changes in net assets of the City's governmental activities which are presented in the government-wide financial statements.

Table 1

	2012	2011	Net Change	% Change
Current and Other Assets	\$ 14,187,378	\$ 19,765,885	\$ (5,578,507)	-28.22%
Capital Assets	<u>34,072,309</u>	<u>33,231,283</u>	<u>841,026</u>	2.53%
Total Assets	<u>48,259,687</u>	<u>52,997,168</u>	<u>(4,737,481)</u>	-8.94%
Other Liabilities	1,945,016	2,539,869	(594,853)	-23.42%
Long-term Liabilities	<u>10,566,248</u>	<u>17,272,717</u>	<u>(6,706,469)</u>	-38.83%
Total Liabilities	<u>12,511,264</u>	<u>19,812,586</u>	<u>(7,301,322)</u>	-36.85%
Net Assets:				
Debt	24,660,544	16,941,283	7,719,261	45.56%
Restricted	4,261,709	3,402,447	859,262	25.25%
Unrestricted	<u>6,826,170</u>	<u>12,840,852</u>	<u>(6,014,682)</u>	-46.84%
Total Net Assets	<u>\$ 35,748,423</u>	<u>\$ 33,184,582</u>	<u>\$ 2,563,841</u>	7.73%

Net assets may serve over time as a useful indicator of the City's financial position. The City's governmental assets exceeded its liabilities by \$35,748,423 at the close of the fiscal year, an increase of \$2,563,841 or 7.73% from the previous year.

The largest portion of the City's net assets (69%) is invested in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens. The capital assets are not available for future spending. Resources needed to repay the related debt outstanding must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

City of La Puente
Management Discussion and Analysis
June 30, 2012

A portion of net assets, \$4,261,709, or 12%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* of \$6,826,170 may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2

	2012	2011	Net Change	% Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,634,382	\$ 1,940,051	\$ (305,669)	-15.76%
Operating Grants and Contributions	1,908,160	1,923,401	(15,241)	-0.79%
Capital Grants and Contributions	2,818,206	2,488,930	329,276	13.23%
General Revenues:				
Taxes:				
Property Taxes	4,649,124	5,118,947	(469,823)	-9.18%
Franchise Taxes	915,203	896,989	18,214	2.03%
Sales and Use Taxes	1,779,534	1,779,729	(195)	-0.01%
Property Transfer Taxes	48,832	40,608	8,224	20.25%
Transient Occupancy Taxes	153,444	137,402	16,042	11.68%
Other Taxes	738,400	735,088	3,312	0.45%
Intergovernmental	86,146	377,755	(291,609)	-77.20%
Investment Income	61,285	93,806	(32,521)	-34.67%
Other revenues	242,172	30,562	211,610	692.40%
Total revenues	<u>15,034,888</u>	<u>15,563,268</u>	<u>(528,380)</u>	-3.40%
Expenses				
General Government	2,541,017	3,007,718	(466,701)	-15.52%
Public Safety	4,845,030	4,874,645	(29,615)	-0.61%
Public Works	1,780,147	1,913,164	(133,017)	-6.95%
Recreation/Senior Services	1,675,871	1,742,028	(66,157)	-3.80%
Community Development	2,206,673	2,783,759	(577,086)	-20.73%
Redevelopment and Housing	185,562	433,232	(247,670)	-57.17%
Interest on Long-Term Debt	723,961	848,724	(124,763)	-14.70%
Total expenses	<u>13,958,261</u>	<u>15,603,270</u>	<u>(1,645,009)</u>	-10.54%
Net assets before extraordinary items	1,076,627	(40,002)	1,116,629	-2791.43%
Extraordinary items	<u>1,487,214</u>	<u>-</u>	<u>1,487,214</u>	100.00%
Change in net assets	2,563,841	(40,002)	2,603,843	-6509.28%
Net assets, beginning	<u>33,184,582</u>	<u>33,224,584</u>	<u>(40,002)</u>	-0.12%
Net assets, ending	<u>\$ 35,748,423</u>	<u>\$ 33,184,582</u>	<u>\$ 2,563,841</u>	7.73%

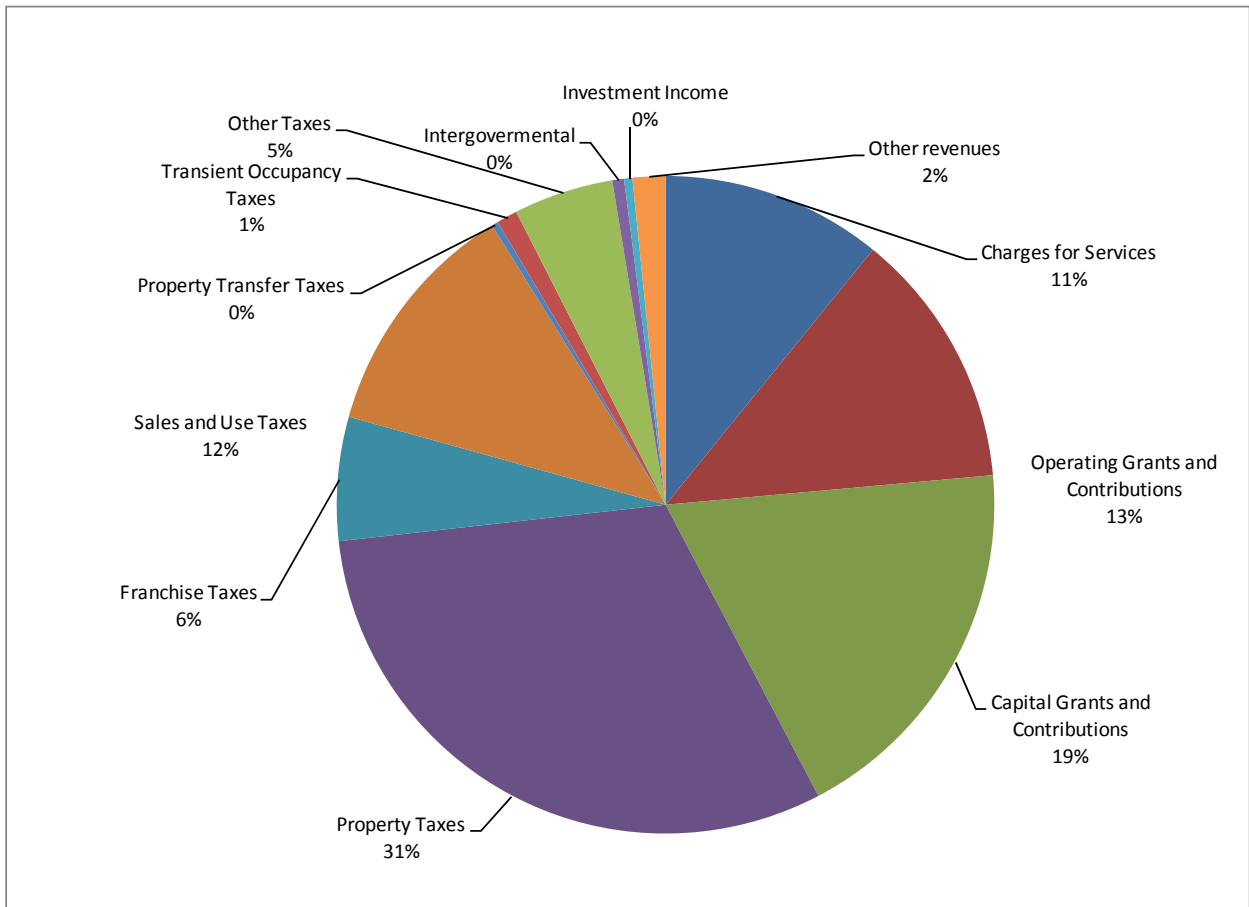
The City's net assets increased by \$2,563,841 during the fiscal year as a result of revenues exceeding expenses. The total cost of all City governmental activities was \$13,958,261 for the fiscal year. Net cost of all activities was \$7,597,513.

Total revenues decreased by \$528,380 mainly due to decrease in property taxes and intergovernmental revenues as indicated above. The overall decrease in expenses was attributed to the dissolution of the redevelopment agency. The results of operations of the dissolved redevelopment agency from February 1, 2012 to June 30, 2012 were reported in Fiduciary Funds as Private-Purpose Trust Fund. Moreover, because of cost-cutting measures implemented by the City, general government expenses decreased during the year.

Revenue Sources:

The revenue sources from governmental activities presented in the preceding table are illustrated in a pie chart below to show the percentage relationship of these revenues to each other, as well as their impact on the City's total resources. Figure 1 below is the pie chart for fiscal year 2011-2012:

Figure 1
Revenues by Source – Governmental Activities



As shown on the above pie chart, about 55% of the City's total governmental revenues are from taxes, which comprised of property, sales and use, business license, franchise and transient occupancy taxes. Program revenues totaled 45% of the total resources and other intergovernmental, investment income, and miscellaneous income amounted to 1% of the total governmental revenues for the year.

Expense and Program Revenues:

The City's expenses in connection with its governmental activities are categorized by function, namely: general government, public safety, public works, recreation/senior, community development, and redevelopment and housing. The program revenues associated with these governmental activities are classified into three categories which are charges for services, operating grants and contributions, and capital grants and contributions.

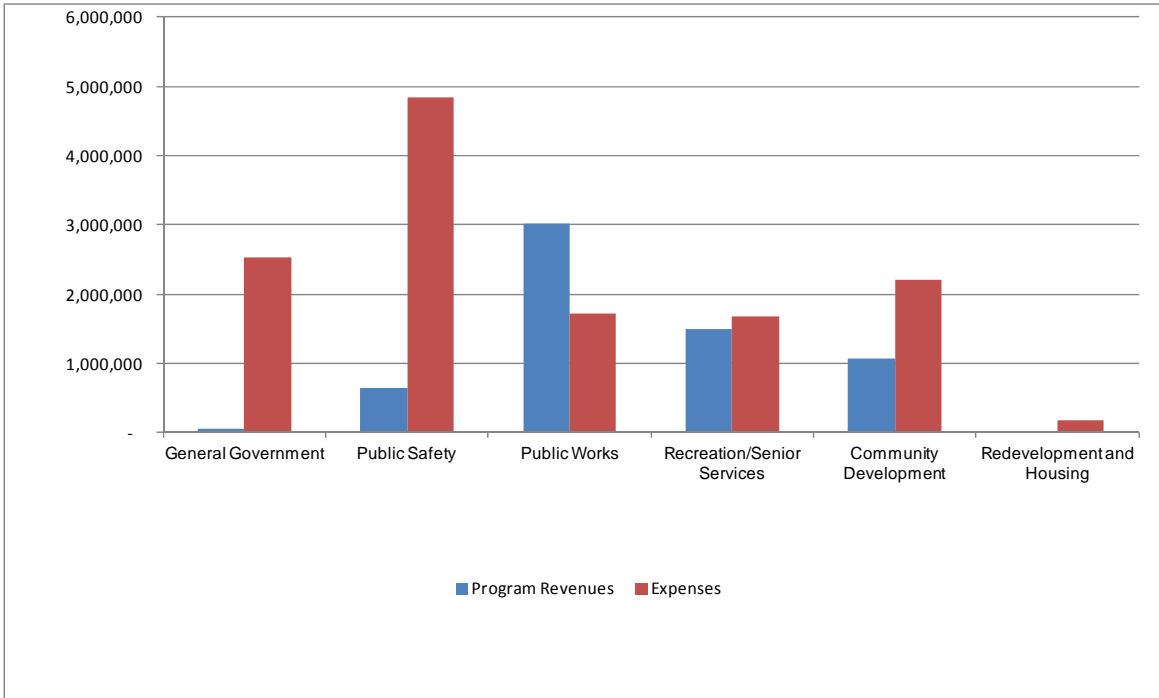
Governmental activities increased the City's net assets by \$2,563,841. Key elements of this increase are as follows:

- Total expenses decreased by \$1,645,009.
- The removal of the dissolved redevelopment agency's assets and liabilities from the City's government-wide Statement of Net Assets resulted in an extraordinary gain of \$1,487,214.
- Total taxes decreased by \$425,226 or 5% during the year.

The relationships of the City's program revenues with the related governmental functions are illustrated in Figure 2.

The graph below shows that the public works and recreation/senior services are largely provided for by program revenues. The general government, public safety, community development, and redevelopment and housing functions receive limited program revenue and are primarily funded from the general revenues of the City. It is typical for governmental expenses to be subsidized by general revenues, as the program revenues are generally not adequate to finance the governmental programs.

Figure 2
Expense and Program Revenues



Business-type Activities

The analysis of business-type activities focuses on the net assets and changes in net assets of the City’s sewer construction/maintenance functions which are presented in the government-wide financial statements.

Table 3
Business-type Activities Net Assets

	2012	2011
Current and Other Assets	\$ 13,698,980	\$ 12,718,353
Total assets	13,698,980	12,718,353
Long-term liabilities outstanding	9,422,212	9,617,960
Other liabilities	6,135	47,909
Total liabilities	9,428,347	9,665,869
Net assets:		
Invested in capital assets, net of related debt	198,502	2,754
Unrestricted	4,072,131	3,049,730
Total net assets	\$ 4,270,633	\$ 3,052,484

The City's business-type revenues exceeded program expenses by \$1,218,149 as shown below. Revenues increased significantly during the year. However, there was also a significant increase in expenditures due to increase in interest expense during the year.

**Table 4
Business-type Activities Change in Net Assets**

	2012	2011
Revenues		
Charges for Services	\$ 1,308,823	\$ 1,304,280
Investment Income	8,237	26,726
Miscellaneous income	992,500	-
Transfers In	638,899	641,798
Total revenues	2,948,459	1,972,804
Expenses		
Sewer Assessment	652,512	306,465
Other expenses	438,899	446,799
Transfers Out	638,899	641,798
Total expenses	1,730,310	1,395,062
Change in net assets	\$ 1,218,149	\$ 577,742

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds – Fund Level

The City of La Puente uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Focusing on financial resources, the City's Governmental Funds provide information on near-term inflows and outflows, and balances of spendable resources. This information is useful in assessing the city's ability to meet financial requirements. In particular, unreserved fund balance may serve as a useful measure of government net resources available for spending at the end of the fiscal year.

- Fund Balance – As of June 30, 2012, the City's Governmental Funds reported a combined fund balance of \$10,975,243, which increased by \$27,787 or 0.3% from prior year fund balance.
- Fund Balance Classification
 - The City has \$1,143,252 nonspendable fund balance as of June 30, 2012. Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples are inventories, prepaid expenses, long-term receivables, or land held for resale.

- Restricted fund balance amounted to \$4,261,709 at June 30, 2012. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
- The General Fund has committed fund balance of \$1,521,681 and unassigned fund balance of \$4,048,601. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Major activities in the Governmental Funds in the current fiscal year include the following:

- General Fund – The General Fund ended the year with a \$7,508,388 fund balance, a decrease of \$11,061,413 from the previous year. With the exception of the effect of the dissolution of the redevelopment agency, revenues and expenditures in the General Fund were within expected limits of budget projections. See Notes to financial statements for more information regarding transfers.
- The dissolution of the redevelopment agency resulted in the City providing allowance for uncollectible accounts on its Advances to the former redevelopment agency which was reported as extraordinary item amounting to \$12,233,300.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of June 30, 2012 is \$43,693,023. Capital assets, net of accumulated depreciation, include land, construction in progress, buildings and improvements, equipment, furniture, fixtures, and computer software and hardware. Infrastructure assets are reported at cost, where historical records are available and at estimated cost where no historical records exist. The net increase (additions minus deletions) in capital assets for the fiscal year was \$2,045,794. The increase is in the area of construction in progress associated with the street improvement projects and sewer construction projects. Additional information on the City's capital assets can be found in Note 4 to financial statements. Table 5 shows a summary of changes in capital assets (net of depreciation) as of June 30, 2012.

**Table 5
Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in Progress	782,018	1,214,494	169,679	1,826,833
Total Capital Assets Not Depreciated	<u>4,402,197</u>	<u>1,214,494</u>	<u>169,679</u>	<u>5,447,012</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	373,874	-	19,954,468
Equipment and Furniture	1,775,502	-	102,228	1,673,274
Infrastructure	28,954,622	729,323	-	29,683,945
Total Capital Assets Being Depreciated	<u>50,310,718</u>	<u>1,103,197</u>	<u>102,228</u>	<u>51,311,687</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,534,808)	(774,565)	-	(5,309,373)
Equipment and Furniture	(1,228,763)	(100,204)	(102,228)	(1,226,739)
Infrastructure	(15,718,061)	(432,217)	-	(16,150,278)
Total Accumulated Depreciation	<u>(21,481,632)</u>	<u>(1,306,986)</u>	<u>(102,228)</u>	<u>(22,686,390)</u>
Total Capital Assets Being Depreciated, Net	<u>28,829,086</u>	<u>(203,789)</u>	<u>-</u>	<u>28,625,297</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,231,283</u>	<u>\$ 1,010,705</u>	<u>\$ 169,679</u>	<u>\$ 34,072,309</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 9,620,714	\$ -	\$ -	\$ 9,620,714
Business-type Activities Capital Assets, Net	<u>\$ 9,620,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,620,714</u>

Debt Administration

The City issued the 2007 Sewer Revenue Bonds for \$10,260,000. The debt service payment on the bonds will be made by the sewer fees collected from the City residents on their property tax bills. The City also received a loan of \$10,000,000, which financed the construction of the Community Center and Youth Learning Activity Center. The loan will be paid by the General Fund over the next 20 years.

Additional information on the City's long-term debt can be found in Note 4 to financial statements.

Interfund receivables are discussed in the Note 4 to financial statements.

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget was adjusted upward by \$82,800 or 0.8% to reflect anticipated increased revenues for the year. Actual General Fund revenues were more than the final budgeted revenues by \$324,569. The increase was primarily due to higher than budgeted amounts of taxes and charges for services.

Appropriations were decreased by \$759,820 or 7.4% primarily attributed to anticipated lower expenditures than budgeted. Actual General Fund expenditures were less than the final budgeted expenditures by \$123,780. Expenditure levels were managed to meet city program objectives while staying within budget.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The fiscal outlook for cities, counties, and federal and state agencies continues to deteriorate due to a continuing slowdown in the global economy. The current recession is attributed primarily to the falling housing market and high unemployment rate. It is anticipated that the City of La Puente's General Fund revenues, especially property tax and sales tax will decline in the next year. However, the costs of providing service to the residents and businesses in La Puente are rising due to escalating contractual commitments and benefit costs for retirement, insurance, and health coverage.

For the next fiscal year, it appears signs of slow economic recovery will continue which will result in decreased General Fund revenues.

The economic outlook of the City and its major initiatives for the coming year is discussed in detail in the accompanying Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of La Puente's finances for all those interested in them. Additionally, separate financial statements have been issued for the La Puente Redevelopment Agency. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Department, at 15900 E. Main Street, La Puente, California, 91744.

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BASIC FINANCIAL STATEMENTS

The government-wide financial statements, the Statement of Net Assets and Statement of Activities, include all governmental and business-type activities of the City of La Puente and the La Puente Community Development Commission. Their purpose is to summarize the City's consolidated financial activities and position. The government-wide financial statements are prepared on a full accrual basis of accounting similar to a private business entity.

Statement of Net Assets is the basic government-wide statement of financial position. A statement of financial position presents all of an entity's assets, liabilities and net assets (equity). The presentation is referred to as the *statement of net assets* (rather than *balance sheet*), and the difference between assets and liabilities is referred to as net assets (rather than *equity*).

GAAP require the City's governmental activities be reported separately from its business-type activities. In general, governmental activities include activities reported in the general, special revenue, debt service and capital projects funds. Business-type activities include activities reported in the enterprise funds. Residual balances of internal service funds are included in governmental activities.

The City's government-wide statement of net assets provides a column for the governmental activities, a column for the business-type activities, and a total column for the entire City. All internal balances (payables and receivables between governmental activities and business-type activities) are eliminated from the statement of net assets.

The difference of assets and liabilities in the government-wide statement of net assets is referred to as net assets. Net assets are categorized as follows:

- Net assets invested in capital assets, net of related debt
- Restricted net assets
- Unrestricted net assets

Statement of Activities is used to report changes in net assets reported on the government-wide statement of net assets. The government-wide statement of activities presents expenses before revenues. This emphasizes that in the public sector, revenues are generated for the purpose of providing services rather than as an end in themselves.

The first column of the government-wide statement of activities present the direct expenses associated with each of the City's functional activities:

- General government
- Public safety
- Public works
- Recreation/Senior services
- Community development
- Redevelopment and housing

Business-type activities include direct expenses of the sewer operation and maintenance functions.

City of La Puente
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 10,814,070	\$ 3,325,723	\$ 14,139,793
Accounts receivable	265,393	-	265,393
Interest receivable	9,098	2,410	11,508
Loans receivable	1,353,312	-	1,353,312
Due from other governments	1,800,443	68,957	1,869,400
Internal balances	(400,000)	400,000	-
Prepaid Items	301,869	-	301,869
Advances to Successor Agency	43,193	-	43,193
Deferred charges	-	281,176	281,176
Capital assets, not being depreciated:			
Land	3,620,179	-	3,620,179
Construction in progress	1,826,833	9,620,714	11,447,547
Capital assets, net of accumulated depreciation:			
Buildings and improvements	14,645,095	-	14,645,095
Equipment and furniture	446,535	-	446,535
Infrastructure	13,533,667	-	13,533,667
Total Assets	<u>48,259,687</u>	<u>13,698,980</u>	<u>61,958,667</u>
Liabilities			
Accounts payable	1,945,016	6,135	1,951,151
Noncurrent liabilities:			
Due within one year	45,250	210,000	255,250
Due in more than one year	10,520,998	9,212,212	19,733,210
Total Liabilities	<u>12,511,264</u>	<u>9,428,347</u>	<u>21,939,611</u>
Net Assets			
Invested in capital assets, net of related debt	24,660,544	198,502	24,859,046
Restricted for:			
Public safety	132,778	-	132,778
Public works	3,480,766	-	3,480,766
Community development	648,165	-	648,165
Unrestricted	6,826,170	4,072,131	10,898,301
Total Net Assets	<u>\$ 35,748,423</u>	<u>\$ 4,270,633</u>	<u>\$ 40,019,056</u>

See notes to financial statements.

**City of La Puente
Statement of Activities
Year ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Primary government:</u>							
Governmental activities:							
General government	\$ 2,541,017	\$ 54,087	\$ -	\$ -	\$ (2,486,930)	\$ -	\$ (2,486,930)
Public safety	4,845,030	549,768	100,000	-	(4,195,262)	-	(4,195,262)
Public works	1,780,147	221,072	1,286,620	1,568,942	1,296,487	-	1,296,487
Recreation/senior services	1,675,871	252,787	-	1,249,264	(173,820)	-	(173,820)
Community development	2,206,673	556,668	521,540	-	(1,128,465)	-	(1,128,465)
Redevelopment and housing	185,562	-	-	-	(185,562)	-	(185,562)
Interest on long-term debt	723,961	-	-	-	(723,961)	-	(723,961)
Total governmental activities	<u>13,958,261</u>	<u>1,634,382</u>	<u>1,908,160</u>	<u>2,818,206</u>	<u>(7,597,513)</u>	<u>-</u>	<u>(7,597,513)</u>
Business-type activities:							
Sewer assessment	1,091,411	1,308,823	-	-	-	217,412	217,412
Legal settlement	-	992,500	-	-	-	992,500	992,500
Total business-type activities	<u>1,091,411</u>	<u>2,301,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,209,912</u>	<u>1,209,912</u>
Total primary government	<u>\$ 15,049,672</u>	<u>\$ 3,935,705</u>	<u>\$ 1,908,160</u>	<u>\$ 2,818,206</u>	<u>(7,597,513)</u>	<u>1,209,912</u>	<u>(6,387,601)</u>
General revenues:							
Taxes:							
Property taxes					4,649,124	-	4,649,124
Franchise taxes					915,203	-	915,203
Sales taxes					1,779,534	-	1,779,534
Property transfer tax					48,832	-	48,832
Transient occupancy taxes					153,444	-	153,444
Business license taxes					128,970	-	128,970
In-lieu sales tax					609,430	-	609,430
Intergovernmental, unrestricted					86,146	-	86,146
Investment income					61,285	8,237	69,522
Miscellaneous revenues					242,172	-	242,172
Total general revenues					<u>8,674,140</u>	<u>8,237</u>	<u>8,682,377</u>
Change in net assets before extraordinary items					1,076,627	1,218,149	2,294,776
Extraordinary items					<u>1,487,214</u>	<u>-</u>	<u>1,487,214</u>
Net change in net assets					2,563,841	1,218,149	3,781,990
Net assets - beginning					<u>33,184,582</u>	<u>3,052,484</u>	<u>36,237,066</u>
Net assets - ending					<u>\$ 35,748,423</u>	<u>\$ 4,270,633</u>	<u>\$ 40,019,056</u>

See notes to financial statements.

The governmental fund financial statements, the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances, include all the major individual governmental funds and the total of nonmajor funds of the City of La Puente. The governmental fund financial statements are prepared on a modified accrual basis. The major governmental funds of the City are as follows:

General Fund - Accounts for the revenues and expenditures used to carry out basic governmental activities of the City such as general government, public safety, transportation, culture and leisure, and community development. Revenue is recorded by source (e.g. property taxes, licenses and permits, intergovernmental, charges for services and fines and forfeits). General Fund expenditures are made primarily for current day-to-day operations and operating equipment. They are recorded by major functional classification and operating departments. This fund accounts for all financial transactions not properly accounted for in another fund.

Community Development Block Grant Fund - Special revenue funds account for funding from the Department of Housing and Urban Development (HUD) in the form of grants to provide decent housing for low-and-moderate income families.

County Park Act Fund - To account for funds received from the County of Los Angeles to be used for the construction and maintenance of the City's Senior Citizen Center and other park and recreation purposes.

Budgetary comparison schedules for the General and major special revenue funds are included in the required supplementary section. Individual nonmajor funds are located in the supplementary schedules section of the financial statements.

**City of La Puente
Balance Sheet
June 30, 2012**

	General	CDBG Grant Fund	County Park Act Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 6,141,942	\$ -	\$ -	\$ 4,492,165	\$ 10,634,107
Accounts receivable	259,737	-	-	5,656	265,393
Interest receivable	5,674	-	-	3,264	8,938
Loans receivable	-	725,589	-	627,723	1,353,312
Due from other funds	999,006	-	-	-	999,006
Due from other governments	516,908	49,394	960,228	273,913	1,800,443
Prepaid items	1,100,059	-	-	-	1,100,059
Advances to other funds	1,506,003	-	-	-	1,506,003
Total Assets	<u>\$ 10,529,329</u>	<u>\$ 774,983</u>	<u>\$ 960,228</u>	<u>\$ 5,402,721</u>	<u>\$ 17,667,261</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,158,131	\$ 25,907	420,552	\$ 300,714	\$ 1,905,304
Due to other funds	400,000	23,487	762,944	212,575	1,399,006
Deferred revenue	1,462,810	725,589	468,673	730,636	3,387,708
Total Liabilities	<u>3,020,941</u>	<u>774,983</u>	<u>1,652,169</u>	<u>1,243,925</u>	<u>6,692,018</u>
Fund Balances:					
Nonspendable					
Advances to other funds	43,193	-	-	-	43,193
Prepaid items	1,100,059	-	-	-	1,100,059
Restricted					
Special revenue funds	-	-	-	4,075,506	4,075,506
Capital project funds	-	-	-	186,203	186,203
Committed	1,521,681	-	-	-	1,521,681
Unassigned					
General Fund	4,843,455	-	-	-	4,843,455
Other special revenue funds	-	-	(691,941)	(102,913)	(794,854)
Total Fund Balances	<u>7,508,388</u>	<u>-</u>	<u>(691,941)</u>	<u>4,158,796</u>	<u>10,975,243</u>
Total Liabilities and Fund Balances	<u>\$ 10,529,329</u>	<u>\$ 774,983</u>	<u>\$ 960,228</u>	<u>\$ 5,402,721</u>	<u>\$ 17,667,261</u>

See notes to financial statements.

City of La Puente
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

Fund balances of governmental funds	\$10,975,243
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	33,894,664
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	1,924,898
Prepayment of expenses in the governmental funds were offset against the long-term liabilities in the governmental activities	(588,235)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
UBOC Escrow Agreement	(9,411,765)
Compensated absences	(175,564)
Net OPEB Obligation	(978,919)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	(209,955)
Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	318,056
Net assets of governmental activities	\$35,748,423

See notes to financial statements.

City of La Puente
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2012

	General Fund	CDBG Grant Fund	County Park Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 8,045,609	\$ -	\$ -	\$ 238,928	\$ 8,284,537
Licenses and permits	356,891	-	-	-	356,891
Intergovernmental	86,146	254,365	403,742	3,600,336	4,344,589
Charges for services	564,208	-	-	242,196	806,404
Fines and forfeitures	402,112	-	-	88,915	491,027
Investment income	1,096,660	-	-	13,069	1,109,729
Other revenue	241,566	-	-	79,051	320,617
Total revenues	<u>10,793,192</u>	<u>254,365</u>	<u>403,742</u>	<u>4,262,495</u>	<u>15,713,794</u>
Expenditures					
Current:					
General government	2,365,936	-	-	48,332	2,414,268
Public safety	4,679,734	-	-	93,444	4,773,178
Public works	471,760	-	-	717,607	1,189,367
Recreation/senior services	822,135	60,454	-	-	882,589
Community development	1,039,155	88,772	-	843,944	1,971,871
Redevelopment and housing	-	-	-	179,235	179,235
Capital outlay	184,930	105,139	1,021,969	1,019,445	2,331,483
Debt service:					
Interest and fiscal charges	-	-	-	724,788	724,788
Principal	-	-	-	2,350,000	2,350,000
Total expenditures	<u>9,563,650</u>	<u>254,365</u>	<u>1,021,969</u>	<u>5,976,795</u>	<u>16,816,779</u>
Excess (deficiency) of revenues over expenditures	<u>1,229,542</u>	<u>-</u>	<u>(618,227)</u>	<u>(1,714,300)</u>	<u>(1,102,985)</u>
Other financing sources (uses)					
Transfers in	-	-	-	1,242,934	1,242,934
Transfers out	(57,655)	-	-	(1,235,279)	(1,292,934)
Total other financing sources (uses)	<u>(57,655)</u>	<u>-</u>	<u>-</u>	<u>7,655</u>	<u>(50,000)</u>
Change in fund balances before extraordinary items	1,171,887	-	(618,227)	(1,706,645)	(1,152,985)
Extraordinary items	<u>(12,233,300)</u>	<u>-</u>	<u>-</u>	<u>13,414,072</u>	<u>1,180,772</u>
Change in fund balances	(11,061,413)	-	(618,227)	11,707,427	27,787
Fund balances, beginning of year	<u>18,569,801</u>	<u>-</u>	<u>(73,714)</u>	<u>(7,548,631)</u>	<u>10,947,456</u>
Fund balances, end of year	<u>\$ 7,508,388</u>	<u>\$ -</u>	<u>\$ (691,941)</u>	<u>\$ 4,158,796</u>	<u>\$10,975,243</u>

See notes to financial statements.

**City of La Puente
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

Year ended June 30, 2012

Net changes in fund balances before extraordinary items - total governmental funds	\$ (1,152,985)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This amount represents capital outlay, net of depreciation expense.</p>	888,028
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in deferred revenue for the current period.</p>	(678,906)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Principal	2,350,000
Amortization of Issuance Costs	(36,081)
<p>Accrued interest for long-term debt. This is the net change in accrued interest for the current period.</p>	36,908
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures. This amount represents the net change in OPEB liability and compensated absences.</p>	(171,766)
<p>Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.</p>	<u>(158,571)</u>
Change in Net Assets of Governmental Activities Before Extraordinary Items	<u>\$ 1,076,627</u>

See notes to financial statements.

Generally accepted accounting principles (GAAP) for state and local governments prescribe the following basic proprietary fund financial statements:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Fund Net Assets
- Statement of Cash Flows

The proprietary fund financial statements include enterprise and internal service funds of the City of La Puente. The proprietary financial statements are prepared on a full accrual basis (including depreciation) similar to a private business entity.

The enterprise fund is used to account for activities that are financed and operated in a manner similar to private business enterprises. The intent is to recover costs of construction, maintenance, and operation of the sewer system on a continuing basis through user charges.

The internal service fund is used to account for charges for services performed internally for the user departments. The City uses the Equipment Replacement Fund for vehicle/equipment management and the management information system. A portion of operating costs and depreciation expenses is allocated back to individual user functions based on usage.

City of La Puente
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<u>Business-type Activities - Enterprise Fund Sewer Assessment</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets		
Current assets:		
Cash and investments	\$ 3,325,723	\$ 179,963
Interest receivable	2,410	160
Due from other governments	68,957	-
Due from other funds	400,000	-
Total current assets	<u>3,797,090</u>	<u>180,123</u>
Noncurrent assets:		
Deferred charges	281,176	-
Capital assets:		
Vehicles	-	533,790
Furniture and equipment	-	556,343
Construction in progress	9,620,714	-
Less accumulated depreciation	-	(912,488)
Total noncurrent assets	<u>9,901,890</u>	<u>177,645</u>
Total Assets	<u>13,698,980</u>	<u>357,768</u>
Liabilities		
Current liabilities:		
Accounts payable	6,135	39,712
Bonds payable - current	210,000	-
Total current liabilities	<u>216,135</u>	<u>39,712</u>
Noncurrent liabilities:		
Bonds payable (net of unamortized discount)	9,212,212	-
Total noncurrent liabilities	<u>9,212,212</u>	<u>-</u>
Total Liabilities	<u>9,428,347</u>	<u>39,712</u>
Net Assets		
Invested in capital assets, net of related debt	198,502	177,645
Unrestricted	4,072,131	140,411
Total Net Assets	<u>\$ 4,270,633</u>	<u>\$ 318,056</u>

See notes to financial statements.

City of La Puente
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2012

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Operating revenues		
Charges for services	\$ 1,308,823	\$ 115,376
Total operating revenue	1,308,823	115,376
Operating expenses		
Salaries and benefits	159,951	-
Other general expenses	492,561	277,496
Depreciation	-	47,002
Total operating expenses	652,512	324,498
Operating income (loss)	656,311	(209,122)
Nonoperating revenues (expenses)		
Investment income	8,237	551
Legal settlement	992,500	-
Interest expense	(438,899)	-
Total nonoperating revenues (expenses)	561,838	551
Income before contributions and transfers	1,218,149	(208,571)
Transfers in	638,899	50,000
Transfers out	(638,899)	-
Change in net assets	1,218,149	(158,571)
Total net assets, beginning of year	3,052,484	476,627
Total net assets, end of year	\$ 4,270,633	\$ 318,056

See notes to financial statements.

**City of La Puente
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2012**

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Cash received from customers and users	\$ 1,369,570	\$ 115,376
Cash paid to suppliers	(534,335)	(249,373)
Cash paid to employees	(159,951)	-
	675,284	(133,997)
Cash flows from noncapital financing activities		
Cash received from other entities	992,500	-
Cash received from other funds	638,899	53,423
Cash transferred to other funds	(638,899)	-
	992,500	53,423
Cash flows from capital and related financing activities		
Principal paid on long-term debt	(200,000)	-
Interest paid	(423,547)	-
	(623,547)	-
Cash flows from investing activities		
Interest received on investments	8,162	648
	8,162	648
Change in cash and cash equivalents	1,052,399	(79,926)
Cash and cash equivalents, beginning of of fiscal year	2,273,324	259,889
Cash and cash equivalents, end of fiscal year	\$ 3,325,723	\$ 179,963
 Reconciliation of operating income to net cash provided by (used in) operating activities:		
Cash flows from operating activities		
Operating income (loss)	\$ 656,311	\$ (209,122)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	47,002
Increase in due from other governments	(39,253)	-
Decrease in due from other funds	100,000	-
Decrease in accounts payable	(41,774)	28,123
	675,284	(133,997)
Net cash provided by (used in) operating activities	\$ 675,284	\$ (133,997)

See notes to financial statements.

City of La Puente
Statement of Fiduciary Net Assets
June 30, 2012

	Successor Agency Private-purpose Trust	Agency Fund
Assets		
Cash and investments	\$ 354,388	\$ 230,529
Cash with fiscal agent	331,465	-
Land held for resale	728,000	-
Debt issuance costs	147,254	-
Total assets	1,561,107	230,529
Liabilities		
Accounts payable	133,251	14,313
Deposit payable	-	216,216
Interest payable	112,865	-
Advances from the City	13,739,303	-
Bonds payable:		
Due within one year	55,000	-
Due in more than one year	3,885,000	-
Total liabilities	17,925,419	230,529
Fiduciary Net Assets (Deficit)		
Net assets (deficit)	\$ (16,364,312)	\$ -

See notes to financial statements.

City of La Puente
Statement of Changes in Fiduciary Net Assets
Successor Agency to the Former La Puente Community Development Commission
Private-Purpose Trust Fund
June 30, 2012

Additions:	
Taxes	\$ <u>251,719</u>
Total revenues	<u>251,719</u>
Deductions:	
Administration	31,035
Debt service:	
Interest expense	<u>35,001</u>
Total expenses	<u>66,036</u>
Change in net assets before extraordinary items	185,683
Extraordinary items - Redevelopment Agency dissolution transactions	<u>(16,549,995)</u>
Change in net assets	(16,364,312)
Fiduciary net assets at beginning of year	<u>-</u>
Fiduciary net assets (deficit) at end of year	\$ <u><u>(16,364,312)</u></u>

See notes to financial statements.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The City of La Puente was incorporated August 1, 1956 under the general laws of the State of California, and enjoys all the rights and privileges pertaining to "General Law" Cities. It is governed by a five-member council.

The accompanying financial statements present the City of La Puente and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units, if any, are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the City. There are no discretely presented component units presented in these financial statements.

Blended Component Units

La Puente Community Development Commission

Prior to its dissolution on February 1, 2012, the former La Puente Community Development Commission's financial activity was reported as a blended component unit of the City. The primary purpose of the Commission was to encourage private redevelopment of property and to rehabilitate areas suffering from physical and economic blight. Pursuant to the Provisions of ABX126, the La Puente Community Development Commission was dissolved effective February 1, 2012. The City of La Puente currently serves as the Successor Agency to the former redevelopment agency that is responsible for revenue collection, maintaining the bond reserves, disposing of excess property and fulfilling the remaining obligations of the dissolved Agency. Financial information for the Successor Agency is presented as Private-purpose trust fund. See also Note 6.

La Puente Public Financing Authority

The City of La Puente and the La Puente Community Development Commission have entered into a Joint Exercise of Powers Agreement establishing the La Puente Public Financing Authority for the purpose, among others, of providing, through the issuance of debt, the necessary financing for the acquisition, construction and improvement of certain public capital improvements in the City.

Government-wide and Fund Financial Statements

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for certain grants which are considered available if collected within 7 months after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The Agency funds are reporting only assets and liabilities under the accrual basis of accounting and have no measurement focus.

The City reports the following major governmental funds:

General Fund

This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

Community Development Block Grant

This special revenue fund accounts for Community Development Block Grant (CDBG) Fund received from the Los Angeles County Community Development Commission. This grant is used for the development of a viable urban community by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

County Park Act Fund

To account for funds received from the County of Los Angeles to be used for the construction and maintenance of the City's Senior Citizen Center and other park and recreation purposes.

The City reports the following major proprietary fund:

Sewer Construction/Maintenance Fund

This enterprise fund is used to account for the repair and maintenance of the City's sewer system,

Additionally, the City reports the following fund types:

Internal Service Fund

This equipment replacement fund is used to account for the replacement of City owned and operated vehicles, furniture and equipment, except for vans used in transit operations. The costs are accumulated in this fund and allocated as interfund user charges to other City departments.

Fiduciary Funds

Agency Funds

These funds are used to account for collection and payment of such items as performance bond deposits, as well as the collection of parking fines and the payment of these funds to the County Court.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Successor Agency Private-purpose Trust fund

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Sewer Assessment Fund are from assessment charges to the residents of the City to be used for the replacement and maintenance of the City's sewer system. Operating expenses for the Sewer Assessment Fund are all expenses involved in the replacement and maintenance of the City's Sewer System. The principal operating revenues of the City's internal service funds are charges to other funds for replacement of City owned capital assets. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of La Puente. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Investments are reported in the accompanying financial statements at fair value, except for nonparticipating certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

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

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

The City pools cash from all funds in order to increase income earned through its investment program. Investment income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Investment income is allocated on a quarterly basis based on the weighted average cash balance in each fund.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

As a no-low property tax City, the City is allocated the minimum amount (6.6%) required by law. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied provided that the revenue is collected during the year or within 60 days of year-end. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on November 1 and February 1. Such taxes become delinquent on December 10 and April 10, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded under prepaid items in both government-wide and fund financial statements. These costs will be recognized in the period when services are received or when the City receives title to the property.

Capital Assets

Capital assets, which include land, structures, equipment, and infrastructure assets, are reported in the government-wide and proprietary fund financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Assets purchased in excess of \$5,000 are capitalized if they have an expected useful life of 2 years or more. Infrastructure is capitalized if cost is in excess of \$50,000 and it has an expected useful life of 2 years or more. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets in proprietary funds, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated capital assets are valued at their estimated fair market value at the date of donation. At June 30, 2012 \$441,527 of capitalized interest was included in the proprietary fund's construction in progress.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net assets. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

Buildings and Improvements	15 - 40 years
Equipment and Furniture	5 - 10 years
Infrastructure	20 - 60 years

Deferred Revenue

Revenues received, but not yet earned, are deferred until such time as those monies meet the revenue recognition criteria. In the case of intergovernmental revenues in the fund financial statements, e.g., grants, entitlements and shared revenue, the basis of accounting for such revenue is determined according to the procedures common to each fund type in which the grant, entitlement, or shared revenue is recorded. Grants, entitlements, and shared revenues received earlier than the time established by the revenue recognition criteria or such revenues that are considered earned but not collected as necessary to meet the availability criteria are reported as deferred revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues earned, but not yet received, may not be available in a timely manner to pay current expenditures or obligations. Such receivables, not meeting the availability criteria necessary for accrual under modified accrual basis accounting principles, are reclassified as deferred revenues for that period in the fund financial statements. In the government-wide financial statements, however, availability criteria are not considered. Instead, revenues become, and remain receivable from the point in time when revenue is earned through performance or similar recognition standards, until received.

Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

Employee Leave Benefits

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is to be estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. It is the practice of the City to record a liability for one half of the unused sick leave balance. After five years of service, employees are able to receive a termination payment at the rate of one half of the employee's regular straight time hourly rate of pay at the time of termination.

All leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Leave benefits are generally liquidated by the general fund.

Fund Balance Reporting

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balances represent prepaid expenses, long-term receivables, and land held for resale.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The City's restricted fund balance of \$4,261,709 represent resources restricted for special projects, and programs funded by local, state and federal grants.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority (City Council). The City has committed fund balances of \$1,521,681.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. The City has no assigned fund balances.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment.

The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial statements.

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. The City considers unrestricted fund balances to have been spent when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balances of total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.” The details of this \$1,924,898 difference are as follows:

Loans Receivable	\$ 1,353,312
Grant Revenue	<u>571,586</u>
	<u>\$ 1,924,898</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense charged for the year.”

The details of this \$888,028 difference are as follows:

Capital Outlay	\$ 2,148,012
Depreciation Expense	<u>(1,259,984)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 888,028</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2012:

		<u>Accumulated Deficit</u>
Major funds:		
County Park Act	\$	(691,941)
Nonmajor funds:		
HSIP Grant		(102,913)

The deficits of the County Park Act Fund and Highway Safety Improvement Program Fund will be eliminated by revenues that will become available in subsequent periods.

Expenditures Exceeding Appropriations

The following funds showed actual expenditures exceeding appropriations for the year ended June 30, 2012.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Major funds:			
County Park Act			
Capital outlay	\$ 935,000	\$ 1,021,969	\$ (86,969)
Nonmajor funds:			
JAG Grant			
Public safety	-	99	(99)
Cal-Home Grant			
Community development	1,500	1,603	(103)

NOTE 4 DETAILED NOTES ON ALL FUNDS

Cash and Investments

Cash and Investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Governmental Activities	\$	10,814,070
Business-type Activities		3,325,723
Fiduciary Funds		
Cash and investments		584,917
Cash with fiscal agent		331,465
Total Cash and Investments	\$	15,056,175

At June 30, 2012, cash and investments consist of the following:

Petty cash and change funds	\$	2,500
Deposits with financial institutions		549,416
Investments		14,504,259
Total Cash and Investments	\$	15,056,175

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

The table below identifies the investment types that are authorized for the City by the City's investment policy. 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	15%	2%
Repurchase Agreements	7 days	15%	None
Money Market Savings Accounts	N/A	None	\$100,000
Money Market Mutual Funds	N/A	15%	5%
County Pooled Investment Funds	N/A	5% of Pool	None
Local Agency Investment Fund (LAIF)	N/A	None	None

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal agency securities	\$ 1,501,790	\$ -	\$ -	\$ 1,501,790	\$ -
State investment pool - LAIF	12,671,004	12,671,004	-	-	-
Held by fiscal agent:					
Mutual funds	331,465	331,465	-	-	-
Total	\$ 14,504,259	\$ 13,002,469	\$ -	\$ 1,501,790	\$ -

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End	
			AAA/AA	Not Rated
Federal agency securities	\$ 1,501,790	N/A	\$ 1,501,790	\$ -
State investment pool - LAIF	12,671,004	N/A	-	12,671,004
Held by fiscal agent:				
Mutual funds	331,465	N/A	331,465	-
Total	\$ 14,504,259		\$ 1,833,255	\$ 12,671,004

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2012, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2012, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Entity's investment in this pool is reported in the accompanying financial statements at amounts based on 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. Information regarding LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Interfund Receivables, Payables and Transfers

Due to/from other funds at June 30, 2012 are as follows:

		DUE TO			
		General	Nonmajor	Governmental	
		Fund	Governmental	Activities	
			Funds	Internal Service	Total
				Fund	
DUE FROM	CDBG/Cal Home Grant Fund	\$ 23,487	\$ -	\$ -	\$ 23,487
	Nonmajor Governmental Funds	975,519	-		975,519
	Sewer Enterprise Fund	400,000	-	527	400,527
		\$ 1,399,006	\$ -	\$ 527	\$ 1,399,533

The interfund payable balances represent routine and temporary cash flow assistance from and to the General Fund until the amounts receivable from other agencies are collected to reimburse eligible expenditures.

Advances to/from other funds at June 30, 2012 are as follows:

		ADVANCES TO
		Successor
		Agency
		Private-purpose
		Trust
ADVANCES FROM	General Fund	\$ 13,739,303

As of June 30, 2012, the City advanced the former Redevelopment Agency \$13,739,303, including interest receivable of \$1,462,810, to assist in redevelopment activities. There is no stipulated due date and repayments are made when funds become available. In compliance with the provisions of Section 34191.4(2) of AB1484, interest receivable was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in interest receivable by \$2.1 million. The LAIF interest rates used range between 0.38% and 6.10% while the interest rates per agreements range from 0.54% to 5%. The City provided a bad debts allowance on advances to the former redevelopment agency in the amount of \$13,696,110.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Interfund transfers for the year ended June 30, 2012 are as follows:

		TRANSFERS IN		
		Nonmajor Governmental Funds	Governmental Activities Internal Service Fund	Total
OUT	General Fund	\$ 7,655	\$ 50,000	\$ 57,655
	Non-major governmental	1,235,279	-	1,235,279
		<u>\$ 1,242,934</u>	<u>\$ 50,000</u>	<u>\$ 1,292,934</u>

Transfers from the former RDA capital projects to the former RDA debt service fund were to fund debt service payments.

Housing and Community Development Loan Program

The City uses Housing and Community Development Block Grant and Cal-Home Grant funds to provide housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate income persons to improve or rehabilitate residences. The City accounts for this program in the Special Revenue CDBG/Cal-Home Grant Fund. Rehabilitation loans receivable of \$1,353,312 at June 30, 2012 have been reflected in the accompanying financial statements as loans receivable with an offsetting deferred revenue in the fund financial statements for the recording of related grant funding.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in Progress	782,018	1,214,494	169,679	1,826,833
Total Capital Assets Not Depreciated	4,402,197	1,214,494	169,679	5,447,012
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	373,874	-	19,954,468
Equipment and Furniture	1,775,502	-	102,228	1,673,274
Infrastructure	28,954,622	729,323	-	29,683,945
Total Capital Assets Being Depreciated	50,310,718	1,103,197	102,228	51,311,687
Less Accumulated Depreciation:				
Buildings and Improvements	(4,534,808)	(774,565)	-	(5,309,373)
Equipment and Furniture	(1,228,763)	(100,204)	(102,228)	(1,226,739)
Infrastructure	(15,718,061)	(432,217)	-	(16,150,278)
Total Accumulated Depreciation	(21,481,632)	(1,306,986)	(102,228)	(22,686,390)
Total Capital Assets Being Depreciated, Net	28,829,086	(203,789)	-	28,625,297
Governmental Activities Capital Assets, Net	\$ 33,231,283	\$ 1,010,705	\$ 169,679	\$ 34,072,309
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 9,620,714	\$ -	\$ -	\$ 9,620,714
Business-type Activities Capital Assets, Net	\$ 9,620,714	\$ -	\$ -	\$ 9,620,714

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 68,485
Transportation	343,802
Recreation/Senior Services	758,075
Community Development	89,622
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	47,002
Total Depreciation Expense	\$ 1,306,986

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-term Liabilities

Long-term liabilities for the year ended June 30, 2012 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
UBOC Lease Agreement	\$ 10,000,000	\$ -	\$ (588,235)	\$ 9,411,765	\$ -
Compensated Absences	190,140	-	(14,576)	175,564	45,250
Net OPEB Obligation	792,577	530,956	(344,614)	978,919	-
Governmental Activities					
Long-term Liabilities	<u>\$ 10,982,717</u>	<u>\$ 530,956</u>	<u>\$ (947,425)</u>	<u>\$ 10,566,248</u>	<u>\$ 45,250</u>
Business-type Activities:					
2007 Sewer Revenue Bond	\$ 9,730,000	\$ -	\$ (200,000)	\$ 9,530,000	\$ 210,000
Discount on Bonds	(112,040)	-	4,252	(107,788)	-
Business-type Activities					
Long-term Liabilities	<u>\$ 9,617,960</u>	<u>\$ -</u>	<u>\$ (195,748)</u>	<u>\$ 9,422,212</u>	<u>\$ 210,000</u>

UBOC Lease Agreement

On January 1, 2008, the City entered into a lease agreement with the La Puente Public Financing Authority (the "Authority") for an up-front rental payment to be used in the construction and improvement of a community center and a youth learning activity center. In order to provide financing to the City, the Authority assigned its rights under the lease to the Union Bank of California ("Assignee"). In consideration of the foregoing assignment, the Assignee paid the Authority an amount of \$10,000,000 to be deposited in the project fund established under the lease.

Under the terms of the lease, the Authority leased back the said projects to the City for lease payments as the rental for the leased property. The lease payments are payable semiannually with an interest of 4.1991% on January 8 and July 1 of each year, commencing July 1, 2008. At June 30, 2012, the annual lease payments are as follows:

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Year Ending June 30,	Principal	Interest
2013	\$ -	\$ 395,209
2014	588,235	370,509
2015	588,236	345,808
2016	588,235	321,108
2017	588,235	296,407
2018	588,236	271,706
2019	588,235	247,006
2020	588,235	222,305
2021	588,236	197,605
2022	588,235	172,904
2023	588,235	148,204
2024	588,236	123,503
2025	588,235	98,802
2026	588,235	74,102
2027	588,236	49,401
2028	588,235	24,701
2029	588,235	-
	<u>\$ 9,411,765</u>	<u>\$ 3,359,280</u>

2007 Sewer Revenue Bonds

In November of 2007, the La Puente Financing Authority (a component unit of the City of La Puente) issued \$10,260,000 in Sewer Revenue Bonds, which mature in amounts from \$175,000 to \$615,000 annually from 2009 to 2038, with interest payments of 4.00% to 5.00% payable semi-annually on June 1 and December 1 of each year.

The bonds were issued to provide funds to construct improvements for the City's sewer system. The bonds are payable from and secured by the Authority's pledge under the indenture of that portion of "Revenues" necessary to pay debt service on the bonds and any parity bonds issued under the indenture. "Revenues" are derived of installment payments to be made by the City pursuant to an Installment Sale Agreement dated as of November 1, 2007, between the City and the Authority. Installment payments are payable from net revenues, defined generally as gross revenues received from the sewer system, less maintenance and operation costs.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2013	\$ 210,000	434,899
2014	215,000	426,499
2015	225,000	417,899
2016	235,000	410,024
2017	240,000	401,799
2018-2022	1,360,000	1,856,438
2023-2027	1,675,000	1,641,965
2028-2032	2,100,000	1,119,775
2033-2037	2,655,000	563,800
2038	615,000	30,750
	\$ 9,530,000	\$ 7,303,848

NOTE 5 OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and emissions; and natural disasters for which the City participates in the California Joint Powers Insurance Authority (Authority) as follows:

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Authority is composed of 89 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an Elected Official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

NOTE 5 OTHER INFORMATION (CONTINUED)

Self-Insurance Programs of the Authority

General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,001 to \$500,000 are pooled based on a member's share of costs under \$30,000; costs from \$500,001 to \$5,000,000 are pooled based on payroll. Costs of covered claims above \$5,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

Worker's Compensation - The City also participates in the worker's compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City of La Puente is charged for the first \$50,000 of each claim. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$500,000 per claim are pooled based on payroll cost in excess of \$500,000 are paid by excess insurance purchased by the Authority. The excess insurance provides coverage to statutory limits.

Insurance

Property Insurance - The City of La Puente participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage has an insured value of \$32,124,199. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemental by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid. As of June 30, 2012 there were no accrued claims payable.

NOTE 5 OTHER INFORMATION (CONTINUED)

Defined Benefit Pension Plan

Plan Description

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

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is also required to make an additional contribution at an actuarially determined rate. This rate for the fiscal year was 12.246% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's contributions to PERS for the years ended June 30, 2012, 2011 and 2010 were \$242,326, \$277,662, and \$262,110, respectively, and were equal to 100% of the required contributions for each year.

Other Postemployment Benefits

Plan Description

The City's defined benefit postemployment healthcare plan, (City of La Puente Retiree Healthcare Plan, LPRHP), provides medical, dental and vision benefits to eligible retired City employees and spouses. LPRHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), a single-employer defined benefit healthcare plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. LPRHP selects optional benefit provisions from the benefit menu by contracting with CalPERS and adopts those benefits through City resolution. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

NOTE 5 OTHER INFORMATION (CONTINUED)

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City contributes the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum.

The City is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City Council, through resolution, determined the City will make contributions using the 10-Year ARC Phase-In 30-Year Amortization method. The City will contribute the Pay-Go amount plus 20% of the ARC minus the Pay-Go amount in the fiscal year 2010-11. The percentage of the ARC minus the Pay-Go amount will increase by 10% over 10 years until the City contributes the full ARC.

The City's annual OPEB cost, net OPEB obligation (asset) and the related information for 2012 were as follows:

Annual Required Contribution	\$ 538,334
Interest on Net Pension Obligation (Asset)	39,628
Adjustment to Annual Required Contribution	<u>(47,006)</u>
Annual OPEB Cost	530,956
Contributions Made	<u>(344,614)</u>
Increase (Decrease) in Net Pension Obligation (Asset)	186,342
Net Pension Obligation (Asset) Beginning of Year	<u>792,577</u>
Net Pension Obligation (Asset) End of Year	<u><u>\$ 978,919</u></u>

For 2012, the City's annual OPEB cost (expense) of \$530,956 for LPRHP was less than the ARC by \$7,378. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

NOTE 5 OTHER INFORMATION (CONTINUED)

THREE-YEAR TREND INFORMATION FOR CERBT

<u>Fiscal Year</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 530,956	65%	\$ 978,919
6/30/2011	590,760	56%	792,577
6/30/2010	644,558	57%	551,399

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the date of the latest actuarial valuation report, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,902,812
Actuarial Value of Plan Assets	140,556
Unfunded Actuarial Accrued Liability (UAAL)	5,762,256
Funded Ratio (Actuarial Value of Plan Assets/AAL)	2.4%
Covered Payroll (Active Plan Members)	2,149,000
UAAL as a Percentage of Covered Payroll	268%

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 employer 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 the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 5 OTHER INFORMATION (CONTINUED)

The following is a summary of the actuarial assumptions and methods used:

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	20 Years as of the Valuation Date
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increase	3%
General Inflation	3%

An open 30 year amortization period is used to amortize the unfunded actuarial accrued liability.

Deferred Compensation Plan

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The trustee invests compensation deferred by employees in various investment options selected by the employee and retains title to all accumulated funds until they are paid to the employee or other beneficiary. Plan assets were established in the trust arrangement specified by Internal Revenue Code Section 457. In accordance with GASB 32, the plan assets are not reflected on the City's financial statements.

Contingent Liabilities

Claims and lawsuits have been filed against the City in the normal course of business. The outcome of these matters is not presently determinable. However, in the opinion of management, the resolution of these matters is not expected to have a significant impact on the financial condition of the City.

Other Contingencies and Commitments

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material. The estimated amount of remaining construction contract obligations at year-end is \$1,802,879.

NOTE 5 OTHER INFORMATION (CONTINUED)

Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and the supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$437,472.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its right under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of La Puente that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

**NOTE 6 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER LA PUENTE
COMMUNITY DEVELOPMENT COMMISSION**

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies are to only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City amounting to \$13,696,110 are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. As of June 30, 2012, this receivable was fully reserved through a 100% allowance for uncollectible accounts reported in the General Fund and the government-wide financial statements. The Successor Agency has elected to retain the liability in the books pending the California Department of Finance's (DOF) issuance of Finding of Completion. At that time, the DOF will review and decide on the enforceability of these obligations. In compliance with the provisions of Section 34191.4(2) of AB1484, interest was recalculated using interest rates earned by fund deposited into the LAIF (see Note 4).

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

NOTE 6 LA PUENTE COMMUNITY DEVELOPMENT COMMISSION (CONTINUED)

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

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

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

Net extraordinary gain reported in the governmental funds - decrease in net assets of the Successor Agency Trust Fund	\$ 1,180,772
Provided an allowance on City advances to the former redevelopment agency in the governmental funds but no adjustment was made on the Successor Agency Trust Fund's liability to the City	12,233,300
Recalculated interest payable by Successor Agency Trust Fund on City advances using LAIF investment rates in compliance with Assembly Bill 1484	(2,101,358)
Wrote down to fair value the land held for resale of Successor Agency Trust Fund	1,264,455
Accrued return of excess funds of the former Low and Moderate Income Housing Fund in compliance with the dissolution of the redevelopment agency	102,216
Accrued bond interest reported in the government-wide financial statements- decrease in net assets of Successor Agency Trust Fund	114,297
Long-term debt reported in the government-wide financial statements- decrease in net assets of Successor Agency Trust Fund	3,940,000
Bond issuance cost reported in the government-wide financial statements- increase in net assets of Successor Agency Trust Fund	<u>(183,687)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (amount of extraordinary gain reported in the Government-wide Statement of Activities of the City)	<u>\$ 16,549,995</u>

NOTE 6 LA PUENTE COMMUNITY DEVELOPMENT COMMISSION (CONTINUED)

Information About the Outstanding Bonds of the Successor Agency Trust Fund

The Successor Agency wrote down the carrying value of land held for resale to its net realizable value of \$728,000. This resulted in a write-down of \$1,264,455 in the value of land held for resale.

2007 Tax Allocation Bonds

In November of 2007, the Commission issued \$4,040,000 in Tax Allocation Bonds, which mature in amounts from \$50,000 to \$315,000 annually from 2011 to 2038 with interest payments of 6.875% payable semi-annually on February 1 and August 1 of each year.

The purpose of the bonds is to finance certain redevelopment projects within the La Puente Redevelopment Project Area. The bonds are special obligations of the Commission and are payable exclusively from Pledged Tax Revenues. The bonds are not a debt, liability or obligation of the City of La Puente (the "City"), the County of Los Angeles (the "County"), the State of California or any of its political subdivisions, other than the Commission, and neither the City, the County, the State of California nor any of its political subdivisions, other than the Commission, is liable therefore. In no event shall the bonds be payable out of any funds or properties other than those of the Commission. At June 30, 2012, the Bond Reserve Fund was \$331,465 which was sufficient to cover the minimum bond reserve requirement. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2013	\$ 55,000	268,985
2014	60,000	265,031
2015	65,000	260,734
2016	70,000	256,094
2017	75,000	251,110
2018-2022	460,000	1,168,065
2023-2027	640,000	980,376
2028-2032	910,000	717,407
2033-2037	1,290,000	342,034
2038	315,000	10,828
	\$ 3,940,000	\$ 4,520,664

NOTE 7 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 28, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE 8 CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT

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

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REQUIRED SUPPLEMENTARY INFORMATION

City of La Puente
Schedule of Funding Progress for La Puente Retiree Healthcare Plan (LPRHP)
Year ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
06/30/10 Miscellaneous	\$ 140,556	\$ 5,902,812	\$ 5,762,256	2%	\$ 2,526,015	228%
06/30/09 Miscellaneous	\$ 41,156	\$ 6,592,232	\$ 6,551,076	1%	\$ 2,149,000	305%
06/30/08 Miscellaneous	\$ -	\$ 5,666,666	\$ 5,666,666	0%	\$ 2,149,000	264%

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,882,970	\$ 7,991,860	\$ 8,045,609	\$ 53,749
Licenses and permits	268,080	343,000	356,891	13,891
Intergovernmental	183,650	63,430	86,146	22,716
Charges for services	595,770	559,900	564,208	4,308
Fines and forfeitures	303,000	358,000	402,112	44,112
Investment income	70,310	70,310	1,096,660	1,026,350
Other revenue	30,140	30,220	241,566	211,346
Total revenues	9,333,920	9,416,720	10,793,192	1,376,472
Expenditures:				
Current:				
General government	2,017,810	2,322,090	2,365,936	(43,846)
Public safety	5,080,980	4,719,020	4,679,734	39,286
Public works	592,510	491,980	471,760	20,220
Recreation/Senior services	842,970	813,660	822,135	(8,475)
Community development	1,290,420	1,093,120	1,039,155	53,965
Capital outlay	375,000	-	184,930	(184,930)
Total expenditures	10,199,690	9,439,870	9,563,650	(123,780)
Excess (deficiency) of revenues over expenditures	(865,770)	(23,150)	1,229,542	1,252,692
Other financing sources (uses):				
Transfers in	-	213,400	-	(213,400)
Transfers out	(500,000)	(150,000)	(57,655)	92,345
Total other financing sources (uses)	(500,000)	63,400	(57,655)	(121,055)
Change in fund balances before extraordinary items	(1,365,770)	40,250	1,171,887	1,131,637
Extraordinary items	-	-	(12,233,300)	(12,233,300)
Net change in fund balance	(1,365,770)	40,250	(11,061,413)	(11,101,663)
Fund balances, beginning	18,569,801	18,569,801	18,569,801	-
Fund balances, ending	\$ 17,204,031	\$ 18,610,051	\$ 7,508,388	\$ (11,101,663)

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – CDBG
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 714,570	\$ 347,160	\$ 254,365	\$ (92,795)
Total Revenues	714,570	347,160	254,365	(92,795)
Expenditures				
Current:				
Recreation/Senior Services	84,940	84,840	60,454	24,386
Community Development	154,960	152,160	88,772	63,388
Capital Outlay	474,670	110,160	105,139	5,021
Total Expenditures	714,570	347,160	254,365	92,795
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – County Park Act Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	<u>\$ 1,135,000</u>	<u>\$ 1,008,710</u>	<u>403,742</u>	<u>\$ (604,968)</u>
Total revenues	<u>1,135,000</u>	<u>1,008,710</u>	<u>403,742</u>	<u>(604,968)</u>
Expenditures:				
Capital outlay	<u>1,135,000</u>	<u>935,000</u>	<u>1,021,969</u>	<u>(86,969)</u>
Total expenditures	<u>1,135,000</u>	<u>935,000</u>	<u>1,021,969</u>	<u>(86,969)</u>
Excess (deficiency) of revenues over expenditures	-	73,710	(618,227)	(691,937)
Fund balances, beginning	<u>(73,714)</u>	<u>(73,714)</u>	<u>(73,714)</u>	-
Fund balances, ending	<u>\$ (73,714)</u>	<u>\$ (4)</u>	<u>\$ (691,941)</u>	<u>\$ (691,937)</u>

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

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

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.
- The City Council approves total budgeted appropriations. The appropriated budget is prepared by fund, program and activity. Each program of the City represents a separate government function, namely: general government public safety, transportation, culture and leisure, community development and redevelopment and housing. Accordingly, each program of the City has been identified as a separate line item in the accompanying combined statement of revenues, expenditures and changes in fund balances. The City Manager is authorized to make appropriation transfers from one activity to another leaving the total fund appropriation unchanged within the same fund. City Council approves all other amendments to appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the departmental level. Budget figures used in the financial statements are the final adjusted amounts. During the fiscal year 2010-2011, the City Council made several supplemental budgetary appropriations, although none of the adjustments were considered material.
- Formal budget integration is employed as a management control device during the year.
- Under Article XIII B of the California Constitution (the Gann Spending Litigation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates, or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2012, based on calculations by City management, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.
- The City does not utilize the encumbrance system, and therefore, no reservations for encumbrances have been established.

SUPPLEMENTARY INFORMATION

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Special Revenue Funds

Low/Moderate Income Housing Fund of the former Community Development Commission- To account for the 20% set aside of tax increment revenues for low/moderate income housing purposes.

Traffic Safety Fund - Under the provision of the Vehicle Code of the State of California, fines resulting from traffic violations must be deposited in this fund. Expenditures from this fund are restricted to traffic signs, signals and control devices, equipment and supplies for traffic law enforcement and accident prevention, street purposes and certain others.

Asset Seizure Fund - To account for the revenues received from asset forfeiture fines and for the expenditure of these funds.

PEG Access Fund - Accounts for funds received to develop public, educational, and governmental access to cable television.

State COPS Fund - To account for funds received from the State of California under AB3229 for the purpose of the Citizens Option for Public Safety (COPS) program.

Traffic Safety LAPTOP Fund - To account for receiving and expending fees collected for the impoundment of vehicles at a La Puente Traffic Offender Program (LAPTOP) check point.

JAG Grant Fund - To account for revenues received from the Justice Assistance Grant Program that are to be used exclusively for law enforcement programs.

Gas Tax Fund - To account for gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition and street construction.

Proposition 1B Fund - To account for funds received from the State of California for specific transportation programs.

Cal-Home Loan Grant Fund - To account for funding from the Department of Housing and Urban Development (HUD) in the form of grant to provide decent housing for low and moderate income families.

Local Transportation Fund – To account for revenues received from the Los Angeles County Metropolitan Transportation Authority for bicycle and pedestrian projects.

Energy Efficiency Fund - To account for grant funds received from the Department of Energy.

Air Quality Improvement Fund - Accounts for clean air fees collected by the State and distributed by the Southern California Air Quality Management District to cities for clean air project expenditures.

Measure R Fund - To account for revenues received from Los Angeles County under Measure R that are to be used exclusively for transportation projects and improvements.

Prop. A Transportation Fund - To account for revenues received from Los Angeles County under Proposition A that are to be used exclusively for public transit.

Prop. C Transportation Fund - To account for revenues received from the Los Angeles County Metropolitan Transportation Authority under Proposition C that are to be used for transportation related purposes.

Community Center Fund - This fund is to account for the collateral for the 2008 Refunding Loan of the CDC.

Safe Routes to School Fund - This fund is to account for grant money received from the Department of Transportation to be used to make safe routes to schools for kids.

Highway Safety Improvement Program (HSIP) Grant – This fund is to account for grant money received from Caltrans to be used for public roads to achieve a significant reduction in traffic fatalities and serious injuries.

Capital Projects Fund

Escrow Union Bank of California (UBOC) Fund - To account for a loan obtained from Union Bank of California. The loan proceeds are to finance the construction of the Community Center and Youth Learning Activity Center.

RDA Capital Projects Fund - Accounts for financial resources used for economic development activities in the dissolved La Puente Community Development Commission.

Debt Service Fund of the Former La Puente Community Development Commission

2007 Tax Allocation Bonds Fund - To account for 2007 Tax Allocation Bond proceeds and corresponding bond interest payments.

RDA Debt Service Fund - Accounts for revenues and expenditures used for the payment of principal, interest and fiscal charges on general long-term indebtedness of the La Puente Community Development Commission (CDC). Expenditures are related to the loans of the CDC.

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	Special Revenue					
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP
Assets						
Cash and investments	\$ -	\$ 2,777	\$ 13,853	\$ 86,509	\$ 111,739	\$ 18,189
Accounts receivable	-	-	-	5,656	-	-
Interest receivable	-	1	15	72	59	13
Loans receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total Assets	\$ -	\$ 2,778	\$ 13,868	\$ 92,237	\$ 111,798	\$ 18,202
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 737	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total Liabilities	-	-	737	-	-	-
Fund Balances:						
Restricted	-	2,778	13,131	92,237	111,798	18,202
Unassigned						
Special revenue funds	-	-	-	-	-	-
Total Fund Balances	-	2,778	13,131	92,237	111,798	18,202
Total Liabilities and Fund Balances	\$ -	\$ 2,778	\$ 13,868	\$ 92,237	\$ 111,798	\$ 18,202

City of La Puente
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

Special Revenue				
JAG Grant	Gas Tax	Prop 1B	Cal-Home Grant	Local Transportation
\$ -	\$ 827,905	\$ 62,107	\$ 174,846	\$ -
-	-	-	-	-
-	585	39	147	-
-	-	-	627,723	-
-	122,224	-	-	32,501
<u>\$ -</u>	<u>\$ 950,714</u>	<u>\$ 62,146</u>	<u>\$ 802,716</u>	<u>\$ 32,501</u>
\$ -	\$ 48,644	\$ -	\$ 44	\$ -
-	-	-	-	32,501
-	-	-	627,723	-
-	48,644	-	627,767	32,501
-	902,070	62,146	174,949	-
-	-	-	-	-
-	902,070	62,146	174,949	-
<u>\$ -</u>	<u>\$ 950,714</u>	<u>\$ 62,146</u>	<u>\$ 802,716</u>	<u>\$ 32,501</u>

	Special Revenue				
	Energy Efficiency	Air Quality Improvement	Measure R	Prop. A Transportation	Prop. C Transportation
Assets					
Cash and investments	\$ 184,930	\$ 280,330	\$ 478,212	\$ 568,306	\$ 1,315,090
Accounts receivable	-	-	-	-	-
Interest receivable	-	225	323	465	913
Loans receivable	-	-	-	-	-
Due from other governments	-	12,365	-	-	-
Total Assets	\$ 184,930	\$ 292,920	\$ 478,535	\$ 568,771	\$ 1,316,003
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 18,400	\$ -	\$ 20,888	\$ 112,326	\$ -
Due to other funds	165,002	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	183,402	-	20,888	112,326	-
Fund Balances:					
Restricted	1,528	292,920	457,647	456,445	1,316,003
Unassigned	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Total Fund Balances	1,528	292,920	457,647	456,445	1,316,003
Total Liabilities and Fund Balances	\$ 184,930	\$ 292,920	\$ 478,535	\$ 568,771	\$ 1,316,003

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

Community Center	Special Revenue		Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Safe Routes to School	HSIP Grant	Escrow UBOC	RDA Capital projects	2007 TABS	RDA Debt Service	
\$ 173,408	\$ -	\$ 7,924	\$ 186,040	\$ -	\$ -	\$ -	\$ 4,492,165
-	-	-	-	-	-	-	5,656
244	-	-	163	-	-	-	3,264
-	-	-	-	-	-	-	627,723
-	-	106,823	-	-	-	-	273,913
<u>\$ 173,652</u>	<u>\$ -</u>	<u>\$ 114,747</u>	<u>\$ 186,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,402,721</u>
\$ -	\$ -	\$ 99,675	\$ -	\$ -	\$ -	\$ -	\$ 300,714
-	-	15,072	-	-	-	-	212,575
-	-	102,913	-	-	-	-	730,636
-	-	217,660	-	-	-	-	1,243,925
173,652	-	-	186,203	-	-	-	4,261,709
-	-	(102,913)	-	-	-	-	(102,913)
<u>173,652</u>	<u>-</u>	<u>(102,913)</u>	<u>186,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,158,796</u>
<u>\$ 173,652</u>	<u>\$ -</u>	<u>\$ 114,747</u>	<u>\$ 186,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,402,721</u>

	Special Revenue					
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP
Revenues						
Taxes	\$ 56,424	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	100,000	-
Charges for Services	-	-	-	21,124	-	-
Fines and Forfeitures	-	88,915	-	-	-	-
Investment Income	-	8	50	248	203	42
Other revenue	-	-	-	-	-	-
Total Revenues	56,424	88,923	50	21,372	100,203	42
Expenditures						
Current:						
General Government	-	-	-	10,628	-	-
Public Safety	-	88,916	4,429	-	-	-
Public Works	-	-	-	-	-	-
Recreation/Senior Services	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Redevelopment and Housing	37,778	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Principal payment	-	-	-	-	-	-
Total Expenditures	37,778	88,916	4,429	10,628	-	-
Excess (Deficiency) of Revenues Over Expenditures	18,646	7	(4,379)	10,744	100,203	42
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Change in fund balances before extraordinary items	18,646	7	(4,379)	10,744	100,203	42
Extraordinary items	(315,567)	-	-	-	-	-
Change in fund balances	(296,921)	7	(4,379)	10,744	100,203	42
Fund Balances - Beginning	296,921	2,771	17,510	81,493	11,595	18,160
Fund Balances - Ending	\$ -	\$ 2,778	\$13,131	\$92,237	\$ 111,798	\$ 18,202

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2012

Special Revenue				
JAG Grant	Gas Tax	Prop 1B	Cal-Home Grant	Local Transportation
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,202,092	-	33,807	32,501
-	-	-	-	-
-	2,000	136	503	-
-	17,041	62,010	-	-
-	1,221,133	62,146	34,310	32,501
-	-	-	-	-
99	-	-	-	-
-	717,607	-	-	-
-	-	-	-	-
-	-	-	1,603	-
-	-	-	-	-
-	86,128	-	-	32,501
-	-	-	-	-
-	-	-	-	-
99	803,735	-	1,603	32,501
(99)	417,398	62,146	32,707	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(99)	417,398	62,146	32,707	-
-	-	-	-	-
(99)	417,398	62,146	32,707	-
99	484,672	-	142,242	-
\$ -	\$ 902,070	\$ 62,146	\$ 174,949	\$ -

	Special Revenue				
	Energy Efficiency	Air Quality Improvement	Measure R	Prop. A Transportation	Prop. C Transportation
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	83,400	50,091	391,582	633,545	526,591
Charges for Services	-	-	-	221,072	-
Fines and Forfeitures	-	-	-	-	-
Investment Income	-	769	1,103	1,588	3,122
Other Revenue	-	-	-	-	-
Total Revenues	83,400	50,860	392,685	856,205	529,713
Expenditures					
Current:					
General Government	-	-	30,174	7,530	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation/Senior Services	-	-	-	-	-
Community Development	-	-	-	842,341	-
Redevelopment and Housing	-	-	-	-	-
Capital Outlay	157,117	-	150,874	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Principal payment	-	-	-	-	-
Total Expenditures	157,117	-	181,048	849,871	-
Excess (Deficiency) of Revenues Over Expenditures	(73,717)	50,860	211,637	6,334	529,713
Other Financing Sources (Uses)					
Transfers In	-	-	-	7,655	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	7,655	-
Change in fund balances before extraordinary items	(73,717)	50,860	211,637	13,989	529,713
Extraordinary items	-	-	-	-	-
Change in fund balances	(73,717)	50,860	211,637	13,989	529,713
Fund Balances - Beginning	75,245	242,060	246,010	442,456	786,290
Fund Balances - Ending	\$ 1,528	\$ 292,920	\$ 457,647	\$ 456,445	\$ 1,316,003

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2012

Special Revenue			Capital Projects		Debt Service		Total
Community Center	Safe Routes to School	HSIP Grant	Escrow UBOC	RDA Capital Projects	2007 TABS	RDA Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,504	\$ 238,928
-	507,115	39,612	-	-	-	-	3,600,336
-	-	-	-	-	-	-	242,196
-	-	-	-	-	-	-	88,915
834	-	-	557	1,906	-	-	13,069
-	-	-	-	-	-	-	79,051
<u>834</u>	<u>507,115</u>	<u>39,612</u>	<u>557</u>	<u>1,906</u>	<u>-</u>	<u>182,504</u>	<u>4,262,495</u>
-	-	-	-	-	-	-	48,332
-	-	-	-	-	-	-	93,444
-	-	-	-	-	-	-	717,607
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	843,944
-	-	-	-	118,782	-	22,675	179,235
-	449,064	142,525	-	1,236	-	-	1,019,445
419,910	-	-	-	31,012	272,594	1,272	724,788
-	-	-	-	2,300,000	50,000	-	2,350,000
<u>419,910</u>	<u>449,064</u>	<u>142,525</u>	<u>-</u>	<u>2,451,030</u>	<u>322,594</u>	<u>23,947</u>	<u>5,976,795</u>
<u>(419,076)</u>	<u>58,051</u>	<u>(102,913)</u>	<u>557</u>	<u>(2,449,124)</u>	<u>(322,594)</u>	<u>158,557</u>	<u>(1,714,300)</u>
-	-	-	-	-	322,594	912,685	1,242,934
-	-	-	-	(912,685)	-	(322,594)	(1,235,279)
-	-	-	-	(912,685)	322,594	590,091	7,655
(419,076)	58,051	(102,913)	557	(3,361,809)	-	748,648	(1,706,645)
-	-	-	-	10,240,546	(331,618)	3,820,711	13,414,072
(419,076)	58,051	(102,913)	557	6,878,737	(331,618)	4,569,359	11,707,427
592,728	(58,051)	-	185,646	(6,878,737)	331,618	(4,569,359)	(7,548,631)
<u>\$ 173,652</u>	<u>\$ -</u>	<u>\$ (102,913)</u>	<u>\$ 186,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,158,796</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Safety Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 143,800	\$ 110,000	\$ 88,915	\$ (21,085)
Investment income	-	-	8	8
	<u>143,800</u>	<u>110,000</u>	<u>88,923</u>	<u>(21,077)</u>
Total revenues				
Expenditures:				
Current:				
Public safety	143,800	110,000	88,916	21,084
	<u>143,800</u>	<u>110,000</u>	<u>88,916</u>	<u>21,084</u>
Total expenditures				
Excess of revenues over expenditures	-	-	7	7
Fund balance, beginning	<u>2,771</u>	<u>2,771</u>	<u>2,771</u>	-
Fund balance, ending	<u>\$ 2,771</u>	<u>\$ 2,771</u>	<u>\$ 2,778</u>	<u>\$ 7</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Asset Seizure Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Income	\$ 230	\$ 230	\$ 50	\$ (180)
Total revenues	<u>230</u>	<u>230</u>	<u>50</u>	<u>(180)</u>
Expenditures:				
Current:				
Public safety	<u>4,430</u>	<u>4,430</u>	<u>4,429</u>	<u>1</u>
Total expenditures	<u>4,430</u>	<u>4,430</u>	<u>4,429</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(4,200)	(4,200)	(4,379)	(179)
Fund balance, beginning	<u>17,510</u>	<u>17,510</u>	<u>17,510</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,310</u>	<u>\$ 13,310</u>	<u>\$ 13,131</u>	<u>\$ (179)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - PEG Access Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Charges for services	\$ 13,700	\$ 13,700	\$ 21,124	\$ 7,424
Investment income	700	700	248	(452)
Total revenues	<u>14,400</u>	<u>14,400</u>	<u>21,372</u>	<u>6,972</u>
Expenditure:				
Current:				
General government	<u>11,500</u>	<u>11,500</u>	<u>10,628</u>	<u>872</u>
Total expenditures	<u>11,500</u>	<u>11,500</u>	<u>10,628</u>	<u>872</u>
Excess of revenues over expenditures	2,900	2,900	10,744	7,844
Fund balance, beginning	<u>81,493</u>	<u>81,493</u>	<u>81,493</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 84,393</u></u>	<u><u>\$ 84,393</u></u>	<u><u>\$ 92,237</u></u>	<u><u>\$ 7,844</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - State COPS Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 100,000	\$ 100,000	\$ -
Investment income	-	-	203	203
Total revenues	-	100,000	100,203	203
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	100,000	100,203	203
Fund balance, beginning	11,595	11,595	11,595	-
Fund balance, ending	<u>\$ 11,595</u>	<u>\$ 111,595</u>	<u>\$ 111,798</u>	<u>\$ 203</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Safety LAPTOP Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 42	\$ 42
Total revenues	-	-	42	42
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	42	42
Fund balance, beginning	18,160	18,160	18,160	-
Fund balance, ending	<u>\$ 18,160</u>	<u>\$ 18,160</u>	<u>\$ 18,202</u>	<u>\$ 42</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – JAG Grant Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 20,480	\$ -	\$ -	\$ -
Total revenues	<u>20,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	20,480	-	99	(99)
Total expenditures	<u>20,480</u>	<u>-</u>	<u>99</u>	<u>(99)</u>
Excess (deficiency) of revenues over expenditures	-	-	(99)	(99)
Fund balance, beginning	<u>99</u>	<u>99</u>	<u>99</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 99</u></u>	<u><u>\$ 99</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (99)</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Gas Tax Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,158,420	\$ 1,158,420	\$ 1,202,092	\$ 43,672
Investment income	-	-	2,000	2,000
Other revenue	-	-	17,041	17,041
Total revenues	<u>1,158,420</u>	<u>1,158,420</u>	<u>1,221,133</u>	<u>62,713</u>
Expenditures:				
Current:				
Public works	699,870	777,930	717,607	60,323
Capital outlay	840,440	87,000	86,128	872
Total expenditures	<u>1,540,310</u>	<u>864,930</u>	<u>803,735</u>	<u>61,195</u>
Excess (deficiency) of revenues over expenditures	(381,890)	293,490	417,398	123,908
Fund balance, beginning	<u>484,672</u>	<u>484,672</u>	<u>484,672</u>	<u>-</u>
Fund balance, ending	<u>\$ 102,782</u>	<u>\$ 778,162</u>	<u>\$ 902,070</u>	<u>\$ 123,908</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop 1B Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Income	\$ -	\$ -	\$ 136	\$ 136
Other revenue	-	-	62,010	62,010
Total revenues	-	-	62,146	62,146
Expenditures:				
Capital Outlay	160,000	-	-	-
Total expenditures	160,000	-	-	-
Excess (deficiency) of revenues over expenditures	(160,000)	-	62,146	62,146
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ (160,000)</u>	<u>\$ -</u>	<u>\$ 62,146</u>	<u>\$ 62,146</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Cal-Home Grant Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 520,000	\$ 33,090	\$ 33,807	\$ 717
Investment income	-	-	503	503
	<u>520,000</u>	<u>33,090</u>	<u>34,310</u>	<u>1,220</u>
Total revenues				
Expenditures:				
Current:				
Community development	520,000	1,500	1,603	(103)
	<u>520,000</u>	<u>1,500</u>	<u>1,603</u>	<u>(103)</u>
Total expenditures				
Excess of revenues over expenditures	-	31,590	32,707	1,117
Fund balance, beginning	142,242	142,242	142,242	-
Fund balance, ending	<u>\$ 142,242</u>	<u>\$ 173,832</u>	<u>\$ 174,949</u>	<u>\$ 1,117</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Local Transportation Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 32,500	\$ 32,501	\$ 32,501	\$ -
Total revenues	<u>32,500</u>	<u>32,501</u>	<u>32,501</u>	<u>-</u>
Expenditures:				
Capital outlay	32,500	32,501	32,501	-
Total expenditures	<u>32,500</u>	<u>32,501</u>	<u>32,501</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Energy Efficiency Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 83,400	\$ 83,400	\$ -
Total revenues	-	83,400	83,400	-
Expenditures:				
Current:				
Community development	-	-	-	-
Capital outlay	74,680	158,650	157,117	1,533
Total expenditures	74,680	158,650	157,117	1,533
Excess (deficiency) of revenues over expenditures	(74,680)	(75,250)	(73,717)	1,533
Fund balance, beginning	75,245	75,245	75,245	-
Fund balance, ending	<u>\$ 565</u>	<u>\$ (5)</u>	<u>\$ 1,528</u>	<u>\$ 1,533</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Air Quality Improvement Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 50,340	\$ 50,340	\$ 50,091	\$ (249)
Investment income	-	-	769	769
	<u>50,340</u>	<u>50,340</u>	<u>50,860</u>	<u>520</u>
Total revenues				
Expenditures:				
Current:				
General government	40,000	-	-	-
	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures				
Excess of revenues over expenditures	10,340	50,340	50,860	520
Fund balance, beginning	<u>242,060</u>	<u>242,060</u>	<u>242,060</u>	<u>-</u>
Fund balance, ending	<u>\$ 252,400</u>	<u>\$ 292,400</u>	<u>\$ 292,920</u>	<u>\$ 520</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Measure R Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 361,860	\$ 361,860	\$ 391,582	\$ 29,722
Investment Income	-	-	1,103	1,103
Total revenues	<u>361,860</u>	<u>361,860</u>	<u>392,685</u>	<u>30,825</u>
Expenditures:				
Current:				
Public works	58,950	58,950	30,174	28,776
Capital outlay	275,000	160,690	150,874	9,816
Total expenditures	<u>333,950</u>	<u>219,640</u>	<u>181,048</u>	<u>38,592</u>
Excess of revenues over expenditures	27,910	142,220	211,637	69,417
Fund balance, beginning	<u>246,010</u>	<u>246,010</u>	<u>246,010</u>	-
Fund balance, ending	<u><u>\$ 273,920</u></u>	<u><u>\$ 388,230</u></u>	<u><u>\$ 457,647</u></u>	<u><u>\$ 69,417</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop A Transportation Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue :				
Intergovernmental	\$ 581,660	\$ 581,660	\$ 633,545	\$ 51,885
Charges for services	201,500	201,500	221,072	19,572
Investment income	-	-	1,588	1,588
Total revenues	<u>783,160</u>	<u>783,160</u>	<u>856,205</u>	<u>73,045</u>
Expenditures:				
Current:				
General government	7,530	7,530	7,530	-
Community development	<u>1,126,510</u>	<u>862,650</u>	<u>842,341</u>	<u>20,309</u>
Total expenditures	<u>1,134,040</u>	<u>870,180</u>	<u>849,871</u>	<u>20,309</u>
Excess (deficiency) of revenues over expenditures	<u>(350,880)</u>	<u>(87,020)</u>	<u>6,334</u>	<u>93,354</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>7,655</u>	<u>7,655</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,655</u>	<u>7,655</u>
Change in fund balance	(350,880)	(87,020)	13,989	101,009
Fund balance, beginning	<u>442,456</u>	<u>442,456</u>	<u>442,456</u>	<u>-</u>
Fund balance, ending	<u>\$ 91,576</u>	<u>\$ 355,436</u>	<u>\$ 456,445</u>	<u>\$ 101,009</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop C Transportation Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 482,470	\$ 482,470	\$ 526,591	\$ 44,121
Investment income	-	-	3,122	3,122
Total revenues	<u>482,470</u>	<u>482,470</u>	<u>529,713</u>	<u>47,243</u>
Expenditures:				
Current:				
Public works	131,940	-	-	-
Capital outlay	<u>665,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>796,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(314,470)	482,470	529,713	47,243
Fund balance, beginning	<u>786,290</u>	<u>786,290</u>	<u>786,290</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 471,820</u></u>	<u><u>\$ 1,268,760</u></u>	<u><u>\$ 1,316,003</u></u>	<u><u>\$ 47,243</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Community Center Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 834	\$ 834
Total revenues	<u>-</u>	<u>-</u>	<u>834</u>	<u>834</u>
Expenditures:				
Debt service:				
Interest & fiscal charges	419,920	419,920	419,910	10
Total expenditures	<u>419,920</u>	<u>419,920</u>	<u>419,910</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	(419,920)	(419,920)	(419,076)	844
Fund balance, beginning	<u>592,728</u>	<u>592,728</u>	<u>592,728</u>	<u>-</u>
Fund balance, ending	<u>\$ 172,808</u>	<u>\$ 172,808</u>	<u>\$ 173,652</u>	<u>\$ 844</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Safe Routes to School Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 619,470	\$ 507,120	\$ 507,115	\$ (5)
Total revenues	<u>619,470</u>	<u>507,120</u>	<u>507,115</u>	<u>(5)</u>
Expenditures:				
Capital outlay	619,470	449,069	449,064	5
Total expenditures	<u>619,470</u>	<u>449,069</u>	<u>449,064</u>	<u>5</u>
Excess of revenues over expenditure	-	58,051	58,051	-
Fund balance, beginning	<u>(58,051)</u>	<u>(58,051)</u>	<u>(58,051)</u>	<u>-</u>
Fund balance, ending	<u>\$ (58,051)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – HSIP Grant
Year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue :				
Intergovernmental	\$ 448,790	\$ 259,670	\$ 39,612	\$ (220,058)
Total revenues	448,790	259,670	39,612	(220,058)
Expenditures:				
Capital outlay	448,790	259,670	142,525	117,145
Total expenditures	448,790	259,670	142,525	117,145
Excess (deficiency) of revenues over expenditures	-	-	(102,913)	(102,913)
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ (102,913)	\$ (102,913)

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Escrow UBOC Fund
Year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
investment Income	<u>\$ 2,270</u>	<u>\$ 2,250</u>	<u>\$ 557</u>	<u>\$ (1,693)</u>
Total revenues	<u>2,270</u>	<u>2,250</u>	<u>557</u>	<u>(1,693)</u>
Expenditures:				
Debt service:				
Interest & fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	2,270	2,250	557	(1,693)
Fund balance, beginning	<u>185,646</u>	<u>185,646</u>	<u>185,646</u>	<u>-</u>
Fund balance, ending	<u>\$ 187,916</u>	<u>\$ 187,896</u>	<u>\$ 186,203</u>	<u>\$ (1,693)</u>

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Deposit Funds – To account for collection and payment of such items as performance bond deposits.

County Court Parking Fines Fund – To account for the collection of parking fines and the payment of these funds to the County Court.

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City of La Puente
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

	Deposits	County Court Parking Fines	Totals
Assets			
Cash and Investments	\$ 220,673	\$ 9,856	\$ 230,529
Total Assets	\$ 220,673	\$ 9,856	\$ 230,529
Liabilities			
Accounts Payable	\$ 4,457	\$ 9,856	\$ 14,313
Deposits Payable	216,216	-	216,216
Total Liabilities	\$ 220,673	\$ 9,856	\$ 230,529

City of La Puente
Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2012

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<u>Deposits Fund</u>				
Assets				
Cash and Investments	\$ 215,177	\$ 5,496	\$ -	\$ 220,673
Total Assets	<u>\$ 215,177</u>	<u>\$ 5,496</u>	<u>\$ -</u>	<u>\$ 220,673</u>
Liabilities				
Accounts Payable	\$ -	\$ 4,457	\$ -	\$ 4,457
Deposits Payable	215,177	1,500	461	216,216
Total Liabilities	<u>\$ 215,177</u>	<u>\$ 5,957</u>	<u>\$ 461</u>	<u>\$ 220,673</u>
<u>County Court Parking Fines Fund</u>				
Assets				
Cash and Investments	\$ 20,393	\$ -	\$ 10,537	\$ 9,856
Total Assets	<u>\$ 20,393</u>	<u>\$ -</u>	<u>\$ 10,537</u>	<u>\$ 9,856</u>
Liabilities				
Accounts Payable	\$ 20,393	\$ -	\$ 10,537	\$ 9,856
Total Liabilities	<u>\$ 20,393</u>	<u>\$ -</u>	<u>\$ 10,537</u>	<u>\$ 9,856</u>
<u>Totals - All Agency Funds</u>				
Assets				
Cash and Investments	\$ 235,570	\$ 5,496	\$ 10,537	\$ 230,529
Total Assets	<u>\$ 235,570</u>	<u>\$ 5,496</u>	<u>\$ 10,537</u>	<u>\$ 230,529</u>
Liabilities				
Accounts Payable	\$ 20,393	\$ 4,457	\$ 10,537	\$ 14,313
Deposits	215,177	1,500	461	216,216
Total Liabilities	<u>\$ 235,570</u>	<u>\$ 5,957</u>	<u>\$ 10,998</u>	<u>\$ 230,529</u>

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule by Source
June 30, 2012

Governmental Funds Capital Assets

Land	\$ 3,620,179
Building and Improvements	19,954,468
Furniture and Equipment	583,140
Infrastructure	29,683,945
Construction in Progress	<u>1,826,834</u>
 Total Governmental Funds Capital Assets	 \$ <u><u>55,668,566</u></u>

Investments in Governmental Funds Capital Assets by Source

General Fund	\$ 9,195,260
Special Revenue Funds	15,309,893
Federal and State Grants	15,496,191
County Grants	5,983,403
Donated	<u>9,683,819</u>
 Total Governmental Funds Capital Assets by Source	 \$ <u><u>55,668,566</u></u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2012

	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Totals</u>
Function and Activity						
General Government	\$ 591,008	\$ 1,056,868	\$ 260,610	\$ -	\$ -	\$ 1,908,486
Public Works	2,538,966	617,995	33,858	28,225,274	1,584,528	33,000,621
Recreation/Senior Services	415,620	16,096,752	183,821	-	242,306	16,938,499
Community Development	74,585	2,182,853	104,851	1,458,671	-	3,820,960
 Total Governmental Funds						
Capital Assets	<u>\$ 3,620,179</u>	<u>\$ 19,954,468</u>	<u>\$ 583,140</u>	<u>\$ 29,683,945</u>	<u>\$ 1,826,834</u>	<u>\$ 55,668,566</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year ended June 30, 2012

	Governmental Funds Capital Assets <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Governmental Funds Capital Assets <u>June 30, 2012</u>
Function and Activity				
General Government	\$ 1,908,486	\$ -	\$ -	\$ 1,908,486
Public Works	30,954,836	2,148,013	102,228	33,000,621
Recreation/Senior Services	16,938,499	-	-	16,938,499
Community Development	<u>3,820,960</u>	<u>-</u>	<u>-</u>	<u>3,820,960</u>
	<u>\$ 53,622,781</u>	<u>\$ 2,148,013</u>	<u>\$ 102,228</u>	<u>\$ 55,668,566</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

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This part of the City of La Puente's (City) Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information say about the City's overall financial health.

Contents	Page
<p>Financial Trends</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	108
<p>Revenue Capacity</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</p>	114
<p>Debt Capacity</p> <p style="padding-left: 40px;">These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	118
<p>Demographic and Economic Information</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	121
<p>Operating Information</p> <p style="padding-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	124

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2002-2003; schedules presenting government-wide information include information beginning in that year.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2002-2003. Schedules presenting government-wide information include information beginning in that year.

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City of La Puente
Net Assets by Component
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in capital assets, net of related debt	\$11,121,237	\$13,340,984	\$15,075,137	\$15,185,715	\$16,370,709	\$19,264,458	\$16,983,727	\$16,092,239	\$16,941,283	\$24,660,544
Restricted for:										
Public Safety	282,414	282,591	236,442	75,476	59,343	65,725	46,084	54,421	32,625	132,778
Public Works	2,225,790	1,312,971	1,769,618	2,200,940	1,640,448	2,435,774	1,507,413	962,696	2,352,679	3,480,766
Community Development	1,589,060	1,537,772	1,494,379	525,745	357,972	386,591	1,370,161	1,095,201	933,572	648,165
Redevelopment and Housing	-	-	-	39,587	126,041	258,694	240,029	197,844	83,571	-
Debt Service	-	-	-	-	-	-	1,337,441	-	-	-
Total Restricted	4,097,264	3,133,334	3,500,439	2,841,748	2,183,804	3,146,784	4,501,128	2,310,162	3,402,447	4,261,709
Unrestricted	13,637,230	12,438,642	12,161,177	16,520,756	19,032,647	18,498,278	20,112,358	14,822,183	12,840,852	6,826,170
Total governmental activities net assets	<u>\$28,855,731</u>	<u>\$28,912,960</u>	<u>\$30,736,753</u>	<u>\$34,548,219</u>	<u>\$37,587,160</u>	<u>\$40,909,520</u>	<u>\$41,597,213</u>	<u>\$33,224,584</u>	<u>\$33,184,582</u>	<u>\$35,748,423</u>
Business-type Activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,115,652)	\$ 2,754	\$ 198,502
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	(111,925)	(271,433)	358,985	961,825	1,771,347	3,590,394	3,049,730	4,072,131
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (111,925)</u>	<u>\$ (271,433)</u>	<u>\$ 358,985</u>	<u>\$ 961,825</u>	<u>\$ 1,771,347</u>	<u>\$ 2,474,742</u>	<u>\$ 3,052,484</u>	<u>\$ 4,270,633</u>
Primary Government										
Invested in capital assets, net of related debt	\$11,121,237	\$13,340,984	\$15,075,137	\$15,185,715	\$16,370,709	\$19,264,458	\$16,983,727	\$14,976,587	\$16,944,037	\$24,859,046
Restricted	4,097,264	3,133,334	3,500,439	2,841,748	2,183,804	3,146,784	4,501,128	2,310,162	3,402,447	4,261,709
Unrestricted	13,637,230	12,438,642	12,049,252	16,249,323	19,391,632	19,460,103	21,883,705	18,412,577	15,890,582	10,898,301
Total Primary Government Net Assets	<u>\$28,855,731</u>	<u>\$28,912,960</u>	<u>\$30,624,828</u>	<u>\$34,276,786</u>	<u>\$37,946,145</u>	<u>\$41,871,345</u>	<u>\$43,368,560</u>	<u>\$35,699,326</u>	<u>\$36,237,066</u>	<u>\$40,019,056</u>

⁽¹⁾ GASB 34 was implemented in fiscal year 2003. Net assets by component are not available prior to fiscal year 2003.

**City of La Puente
Change in Net Assets
Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General Government	\$ 2,224,492	\$ 2,632,035	\$ 2,750,320	\$ 2,738,433	\$ 2,616,817	\$ 2,334,414	\$ 2,278,010	\$ 2,451,276	\$ 3,007,718	\$ 2,541,017
Public Safety	4,133,063	4,055,462	3,925,328	4,243,279	4,384,287	4,726,466	4,740,092	4,666,557	4,874,645	4,845,030
Public Works	2,402,966	2,425,530	2,372,207	2,204,142	2,401,088	2,308,174	2,199,934	2,241,821	1,913,164	1,780,147
Recreation/Senior Services	969,902	1,110,057	1,263,928	1,459,510	1,682,856	926,008	1,620,980	1,818,721	1,742,028	1,675,871
Community Development	2,126,312	2,047,973	1,678,923	1,657,091	2,058,623	2,702,339	2,351,984	2,591,842	2,783,759	2,206,673
Redevelopment and Housing	-	-	-	140,180	293,793	355,308	633,713	9,045,803	433,232	185,562
Interest on Long-Term Debt	-	-	-	-	-	365,075	866,783	796,115	848,724	723,961
Total governmental activities expenses	<u>11,856,735</u>	<u>12,271,057</u>	<u>11,990,706</u>	<u>12,442,635</u>	<u>13,437,464</u>	<u>13,717,784</u>	<u>14,691,496</u>	<u>23,612,135</u>	<u>15,603,270</u>	<u>13,958,261</u>
Business-type activities:										
Sewer Maintenance	-	-	111,925	159,508	207,386	493,506	356,205	251,431	753,264	1,091,411
Total business-type activities expenses	-	-	111,925	159,508	207,386	493,506	356,205	251,431	753,264	1,091,411
Total primary government expenses	<u>\$11,856,735</u>	<u>\$12,271,057</u>	<u>\$12,102,631</u>	<u>\$12,602,143</u>	<u>\$13,644,850</u>	<u>\$14,211,290</u>	<u>\$15,047,701</u>	<u>\$23,863,566</u>	<u>\$16,356,534</u>	<u>\$15,049,672</u>
Program Revenue										
Governmental activities:										
Charges for services:										
General Government	\$ 91,515	\$ 91,796	\$ 76,314	\$ 113,394	\$ 18,849	\$ 212,007	\$ 141,391	\$ 44,159	\$ 47,445	\$ 54,087
Public Safety	534,448	534,973	611,108	652,823	716,992	483,631	741,057	1,235,688	618,183	549,768
Public Works	207,511	203,252	225,395	244,590	226,555	19,616	48,417	209,605	223,676	221,072
Recreation/Senior Services	108,855	125,036	139,064	155,576	229,627	201,896	260,694	263,437	288,248	252,787
Community Development	693,679	818,823	854,612	706,501	862,105	1,109,159	611,166	449,431	762,499	556,668
Redevelopment and Housing	-	-	-	-	25,000	30,000	-	-	-	-
Operating Grants and Contributions	3,349,122	3,058,190	3,526,754	2,996,058	2,576,987	2,511,242	2,604,895	1,739,023	1,923,401	1,908,160
Capital Grants and Contributions	811,166	1,255,456	1,162,186	374,583	1,093,492	2,884,233	1,298,214	2,699,626	2,488,930	2,818,206
Total governmental activities program revenues	<u>5,796,296</u>	<u>6,087,526</u>	<u>6,595,433</u>	<u>5,243,525</u>	<u>5,749,607</u>	<u>7,451,784</u>	<u>5,705,834</u>	<u>6,640,969</u>	<u>6,352,382</u>	<u>6,360,748</u>
Business-type activities:										
Charges for services:										
Legal settlement	-	-	-	-	821,819	845,918	942,477	885,843	1,304,280	1,308,823
Total business-type activities program revenues	-	-	-	-	821,819	845,918	942,477	885,843	1,304,280	2,301,323
Total primary government program revenues	<u>\$ 5,796,296</u>	<u>\$ 6,087,526</u>	<u>\$ 6,595,433</u>	<u>\$ 5,243,525</u>	<u>\$ 6,571,426</u>	<u>\$ 8,297,702</u>	<u>\$ 6,648,311</u>	<u>\$ 7,526,812</u>	<u>\$ 7,656,662</u>	<u>\$ 8,662,071</u>

City of La Puente
Change in Net Assets (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Government activities	\$ (6,060,439)	\$ (6,183,531)	\$ (5,395,273)	\$ (7,199,110)	\$ (7,687,857)	\$ (6,266,000)	\$ (8,985,662)	\$(16,971,166)	\$ (9,250,888)	\$ (7,597,513)
Business-type activities	-	-	(111,925)	(159,508)	614,433	352,412	586,272	634,412	551,016	1,209,912
Total primary government net expense	<u>\$ (6,060,439)</u>	<u>\$ (6,183,531)</u>	<u>\$ (5,507,198)</u>	<u>\$ (7,358,618)</u>	<u>\$ (7,073,424)</u>	<u>\$ (5,913,588)</u>	<u>\$ (8,399,390)</u>	<u>\$(16,336,754)</u>	<u>\$ (8,699,872)</u>	<u>\$ (6,387,601)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property Taxes	\$ 741,142	\$ 741,088	\$ 690,236	\$ 4,032,046	\$ 4,794,769	\$ 5,346,519	\$ 5,604,423	\$ 5,229,270	\$ 5,118,947	\$ 4,649,124
Franchise Taxes	577,436	626,867	650,645	694,517	709,320	734,498	970,943	662,966	896,989	915,203
Sales Taxes	2,555,296	2,526,750	1,771,893	1,870,984	1,935,111	1,763,275	1,467,084	1,500,841	1,779,729	1,779,534
Property Transfer Tax	122,620	168,620	208,181	223,719	207,756	58,934	95,248	117,126	40,608	48,832
Transient Occupancy Taxes	79,208	79,989	82,386	86,789	83,025	79,490	71,967	82,605	137,402	153,444
Business License Taxes	-	-	91,029	89,881	87,169	92,605	90,642	86,927	186,303	128,970
In-Lieu Sales Tax	-	-	603,328	469,799	632,023	676,367	545,380	386,646	548,785	609,430
Other Taxes	9,955	9,343	-	-	-	-	-	-	-	-
Total taxes	<u>4,085,657</u>	<u>4,152,657</u>	<u>4,097,698</u>	<u>7,467,735</u>	<u>8,449,173</u>	<u>8,751,688</u>	<u>8,845,687</u>	<u>8,066,381</u>	<u>8,708,763</u>	<u>8,284,537</u>
Motor Vehicle In-Lieu	2,450,006	1,951,445	2,685,185	-	-	-	-	-	-	-
Intergovernmental	148,230	167,721	142,358	1,094,772	432,818	247,333	255,884	170,929	377,755	86,146
Investment Income	456,810	(47,290)	201,439	220,438	680,643	481,495	463,456	144,194	93,806	61,285
Miscellaneous Revenues	14,737	16,137	92,386	63,199	118,534	107,844	108,328	199,206	30,562	242,172
Special Items:										
Legal Settlement	-	-	-	1,928,645	1,045,000	-	-	-	-	-
Sale of Land	-	-	-	235,787	630	-	-	-	-	-
Total Governmental activities	<u>7,155,440</u>	<u>6,240,670</u>	<u>7,219,066</u>	<u>11,010,576</u>	<u>10,726,798</u>	<u>9,588,360</u>	<u>9,673,355</u>	<u>8,580,710</u>	<u>9,210,886</u>	<u>8,674,140</u>
Business-type activities:										
Total business-type activities	-	-	-	-	15,985	250,428	223,250	68,983	26,726	8,237
Total primary government	<u>\$ 7,155,440</u>	<u>\$ 6,240,670</u>	<u>\$ 7,219,066</u>	<u>\$11,010,576</u>	<u>\$10,742,783</u>	<u>\$ 9,838,788</u>	<u>\$ 9,896,605</u>	<u>\$ 8,649,693</u>	<u>\$ 9,237,612</u>	<u>\$ 8,682,377</u>
Change in Net Assets										
Governmental activities	\$ 1,095,001	\$ 57,139	\$ 1,823,793	\$ 3,811,466	\$ 3,038,941	\$ 3,322,360	\$ 687,693	\$ (8,390,456)	\$ (40,002)	\$ 1,076,627
Business-type activities	-	-	(111,925)	(159,508)	630,418	602,840	809,522	703,395	577,742	1,218,149
Total primary government	<u>\$ 1,095,001</u>	<u>\$ 57,139</u>	<u>\$ 1,711,868</u>	<u>\$ 3,651,958</u>	<u>\$ 3,669,359</u>	<u>\$ 3,925,200</u>	<u>\$ 1,497,215</u>	<u>\$ (7,687,061)</u>	<u>\$ 537,740</u>	<u>\$ 2,294,776</u>

(1) GASB 34 was implemented in fiscal year 2003. Net assets by component are not available prior to fiscal year 2003.

City of La Puente
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Property Transfer Tax	Transient Occupancy Taxes	Business License Taxes	In-Lieu Sales Tax	Other Tax	Total
2003	\$ 741,142	\$ 2,555,296	\$577,436	\$ 122,620	\$ 79,208	\$ -	\$ -	\$9,955	\$ 4,085,657
2004	741,088	2,526,750	626,867	168,620	79,989	-	-	9,343	4,152,657
2005	690,236	1,771,893	650,645	208,181	82,386	91,029	603,328	-	4,097,698
2006	4,032,046	1,870,984	694,517	223,719	86,789	89,881	469,799	-	7,467,735
2007	4,794,769	1,935,111	709,320	207,756	83,025	87,169	632,023	-	8,449,173
2008	5,346,519	1,763,275	734,498	58,934	79,490	92,605	676,367	-	8,751,688
2009	5,604,423	1,467,084	970,943	95,248	71,967	90,642	545,380	-	8,845,687
2010	5,229,270	1,500,841	662,966	117,126	82,605	86,927	386,646	-	8,066,381
2011	5,118,947	1,779,729	896,989	40,608	137,402	186,303	548,785	-	8,708,763
2012	4,649,124	1,779,534	915,203	48,832	153,444	128,970	609,430	-	8,284,537

City of La Puente
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 1,210,493	\$ 1,425,125	\$ 5,012,337	\$ 6,946,674	\$ 11,356,449	\$ 11,943,037	\$ 14,117,346	\$ 13,017,404	\$ -	\$ -
Unreserved	13,168,289	12,034,994	8,094,102	8,936,319	6,569,579	8,779,737	5,958,656	6,093,429	-	-
Total general fund	<u>\$14,378,782</u>	<u>\$13,460,119</u>	<u>\$13,106,439</u>	<u>\$15,882,993</u>	<u>\$17,926,028</u>	<u>\$20,722,774</u>	<u>\$20,076,002</u>	<u>\$19,110,833</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ 29,988	\$ -	\$ 3,511,981	\$ 5,485,664	\$ 5,537,503	\$ 11,985,341	\$ 14,239,645	\$ 7,513,002	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	2,272,583	1,841,722	2,416,329	2,595,249	2,179,965	2,229,734	3,089,829	2,146,069	-	-
Debt Service Fund	(1,321,782)	(1,428,678)	(1,632,565)	(1,841,098)	(1,950,311)	(2,795,778)	(3,377,292)	(4,126,158)	-	-
Capital Projects Funds	(980,200)	(1,156,533)	(4,742,538)	(6,331,557)	(6,665,360)	(5,500,761)	(11,674,885)	(12,508,278)	-	-
Total all other governmental funds	<u>\$ 589</u>	<u>\$ (743,489)</u>	<u>\$ (446,793)</u>	<u>\$ (91,742)</u>	<u>\$ (898,203)</u>	<u>\$ 5,918,536</u>	<u>\$ 2,277,297</u>	<u>\$ (6,975,365)</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,968,441	\$ 1,143,252
Restricted										1,521,681
Unrestricted:										
Unassigned										
General Fund	-	-	-	-	-	-	-	-	5,601,360	4,843,455
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,569,801</u>	<u>\$ 7,508,388</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	6,615,757	
Restricted	-	-	-	-	-	-	-	-	3,402,447	4,261,709
Unrestricted:										
Unassigned	-	-	-	-	-	-	-	-	(17,640,549)	(794,854)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,622,345)</u>	<u>\$ 3,466,855</u>

Note: The City implemented GASB Statement No. 54, Fund Balance Reporting in FY 2010-2011.

City of La Puente
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:										
Taxes	\$ 3,436,029	\$ 3,411,569	\$ 4,097,698	\$ 7,467,735	\$ 8,449,174	\$ 8,751,688	\$ 8,845,687	\$ 8,066,381	\$ 8,708,763	\$ 8,284,537
Licenses and permits	378,062	558,431	450,406	432,732	386,911	332,227	241,162	313,337	273,183	356,891
Intergovernmental	6,946,692	7,532,682	7,516,483	4,465,413	4,103,297	5,038,388	5,178,684	4,477,921	4,945,362	4,344,589
Charges for services	638,600	701,437	831,956	833,801	930,265	840,148	958,304	886,241	1,003,997	806,404
Fines and Forfeitures	501,641	509,918	568,161	606,351	625,597	665,409	603,259	547,680	458,677	491,027
Investment Income	548,769	4,051	260,671	193,146	664,921	466,760	463,456	144,194	60,604	1,109,729
Other revenue	173,677	67,828	92,386	63,199	122,477	171,996	108,328	714,402	35,812	320,617
Total revenues	<u>12,623,470</u>	<u>12,785,916</u>	<u>13,817,761</u>	<u>14,062,377</u>	<u>15,282,642</u>	<u>16,266,616</u>	<u>16,398,880</u>	<u>15,150,156</u>	<u>15,486,398</u>	<u>15,713,794</u>
Expenditures:										
General government	2,043,274	2,332,376	2,548,442	2,556,526	2,559,138	1,977,375	1,979,259	2,267,156	2,893,469	2,414,268
Public safety	4,130,287	4,053,729	3,925,328	4,243,279	4,384,287	4,726,466	4,740,578	4,666,557	4,824,769	4,773,178
Public Works	1,922,263	1,681,804	2,066,346	1,870,146	1,923,101	1,937,843	1,895,557	1,711,607	1,485,074	1,189,367
Recreation/Senior Services	920,144	1,056,494	1,111,718	1,280,050	1,553,937	786,704	1,252,315	988,071	958,193	882,589
Community Development	2,072,711	1,988,027	1,661,896	1,646,099	1,959,098	2,776,773	2,368,298	2,414,069	2,606,245	1,971,871
Redevelopment and Housing	-	-	-	97,944	293,793	355,308	634,199	9,045,803	461,447	179,235
Capital outlay	1,928,557	3,229,331	2,357,128	955,586	1,952,728	7,239,556	8,883,691	2,751,793	1,955,078	2,331,483
Debt service:										
Principal	-	-	-	-	-	-	-	100,000	100,000	724,788
Interest & Fiscal Charges	103,781	106,896	203,887	369,063	404,642	612,721	1,350,974	1,348,651	1,390,135	2,350,000
Cost of Issuance	-	-	-	-	-	252,180	82,020	-	-	-
Total expenditures	<u>13,121,017</u>	<u>14,448,657</u>	<u>13,874,745</u>	<u>13,018,693</u>	<u>15,030,724</u>	<u>20,664,926</u>	<u>23,186,891</u>	<u>25,293,707</u>	<u>16,674,410</u>	<u>16,816,779</u>
Excess of revenues over (under) expenditures	<u>(497,547)</u>	<u>(1,662,741)</u>	<u>(56,984)</u>	<u>1,043,684</u>	<u>251,918</u>	<u>(4,398,310)</u>	<u>(6,788,011)</u>	<u>(10,143,551)</u>	<u>(1,188,012)</u>	<u>(1,102,985)</u>
Other Financing Sources (Uses)										
Debt Issuance	-	-	-	-	-	14,040,000	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	2,500,000	-	-	-
Transfers In	-	-	-	162,283	88,546	7,933,410	558,430	1,598,359	967,830	1,242,934
Transfers Out	-	-	-	(162,283)	(148,890)	(7,961,615)	(558,430)	(1,672,639)	(967,830)	(1,292,934)
Total Other Financing Sources (Uses)	-	-	-	-	(60,344)	14,011,795	2,500,000	(74,280)	-	(50,000)
Special / Extraordinary Items										
Legal Settlement	-	-	-	1,928,645	1,045,000	-	-	-	-	-
Sale of Land	-	-	-	397,237	-	-	-	-	-	-
Dissolution of RDA	-	-	-	-	-	-	-	-	-	1,180,772
Total Special / Extraordinary Items	-	-	-	2,325,882	1,045,000	-	-	-	-	1,180,772
Net change in fund balances	<u>\$ (497,547)</u>	<u>\$ (1,662,741)</u>	<u>\$ (56,984)</u>	<u>\$ 3,369,566</u>	<u>\$ 1,236,574</u>	<u>\$ 9,613,485</u>	<u>\$ (4,288,011)</u>	<u>\$ (10,217,831)</u>	<u>\$ (1,188,012)</u>	<u>\$ 27,787</u>
Debt service as a percentage of noncapital expenditures	0.94%	0.96%	1.80%	3.16%	3.19%	6.89%	11.13%	6.87%	11.26%	26.95%

City of La Puente
Assessed Value of Taxable Property by Use
Last Ten Fiscal Years

Fiscal Year	Assessed Values				Less: Tax Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other			
2003	\$ 883,681,043	\$ 152,231,540	\$ 13,914,216	\$ 39,193,002	\$ (8,337,700)	\$ 1,080,682,101	0.06355%
2004	951,442,109	160,383,886	16,896,366	46,806,916	(8,404,874)	1,167,124,403	0.06449%
2005	1,040,930,321	165,247,308	18,645,327	35,256,503	(8,356,647)	1,251,722,812	0.06464%
2006	1,143,123,909	176,780,144	19,495,859	46,191,425	(8,409,435)	1,377,181,902	0.06529%
2007	1,300,336,565	196,103,013	20,050,753	47,742,908	(12,892,335)	1,551,340,904	0.08638%
2008	1,424,807,676	215,130,123	21,761,258	48,019,897	(12,160,956)	1,697,557,998	0.09503%
2009	1,504,488,964	247,993,848	22,599,723	49,061,668	(12,216,097)	1,811,928,106	0.10508%
2010	1,377,271,873	235,079,377	22,613,632	47,789,065	(12,216,097)	1,670,537,850	0.10809%
2011	1,335,702,403	229,938,122	23,184,803	41,811,224	(13,156,968)	1,617,479,584	0.10549%
2012	1,383,870,463	234,556,238	23,291,279	59,488,762	(12,472,489)	1,672,773,503	0.10669%

Source: HdL, Coren & Cone; L.A. County Assessor 2011/12 Combined Tax Rolls

**City of La Puente
Direct and Overlapping Governments Property Tax Rates
Last Ten Fiscal Years**

Agency	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Bassett Unified School Dist	0.00000	0.00000	0.00000	0.09051	0.08210	0.10806	0.08990	0.10877	0.12316	0.11628
County Detention Facilities 1987 Debt	0.00103	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000
Hacienda-La Puente Unified	0.05166	0.05559	0.05625	0.05511	0.05240	0.05103	0.05681	0.05973	0.06462	0.06430
La County Flood Control	0.00088	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370
Mt. San Antonio College	0.01946	0.01525	0.01473	0.02122	0.02530	0.01750	0.02333	0.02571	0.02636	0.02642
Row land Heights Unified	0.03618	0.03780	0.03885	0.03633	0.07429	0.06944	0.07029	0.06769	0.07538	0.09195
West Covina Unified	0.07985	0.05084	0.08223	0.06148	0.06511	0.05143	0.06041	0.05258	0.05920	0.05377
Total Direct & Overlapping² Tax Rates	1.19576	1.16703	1.19903	1.27069	1.30461	1.30196	1.30502	1.31878	1.35242	1.35641
City's Share of 1% Levy Per Prop 13³	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582
General Obligation Debt Rate				1.00604	1.00542	1.00450	1.00430	1.00430	1.00370	1.00370
Redevelopment Rate⁴	0.06279	0.06375	0.06391	0.07425	0.08601	0.09465	0.10454	0.10809	0.10549	0.10669

Notes:

¹In 1978, California voters passed Proposition 13 which set 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.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

Data Source: L. A. County Assessor 2002/03 - 2011/12 Tax Rate Table

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**City of La Puente
Principal Property Tax Payers
Current Year and Ten Years Ago**

<u>Taxpayer</u>	2003			2012		
	Taxable <u>AV</u>	<u>Rank</u>	% of Total Taxable <u>AV</u>	Taxable <u>AV</u>	<u>Rank</u>	% of Total Taxable <u>AV</u>
Hacienda Plaza JPS LLC	\$ -	-	-	\$ 30,398,000	1	1.82%
Plaza de Hacienda LLC	9,023,872	3	0.83%			
Group X Rosemead Prop.	-	-	-	21,279,002	2	1.27%
Haeri LLC	13,064,553	1	1.20%	15,132,636	3	0.90%
Sunkist Shopping Center	10,915,774	2	1.00%	12,602,239	4	0.75%
Villa Las Brisas LLC				11,338,790	5	0.68%
Walnut Apartments	7,577,800	4	0.70%	10,621,845	6	0.63%
Wind Chime Properties				10,277,874	7	0.61%
Laurala Limited	7,056,010	5	0.65%	9,020,274	8	0.54%
EML LLC				7,171,411	9	0.43%
Prince N. Dennis & I. Shan Li				6,259,855	10	0.37%
Mahomed&A.M. Limbada	6,219,350	6	0.57%	-	-	-
La Puente Plaza LLC	5,071,449	9	0.47%	-	-	-
Granite Hacienda LP	6,148,660	7	0.56%	-	-	-
La Puente Gardens	5,428,789	8	0.50%			
Emser International LLC				-	-	-
KNC Capital Group LLC				-	-	-
Charles H Hofgaarden Trst				-	-	-
Big 5 Corporation				-	-	-
Walgreen Company				-	-	-
Royal Street Comm.	-	-	-	-	-	-
Group VI S & P Properties	-	-	-	-	-	-
La Villa Puente Apartment Partnership	4,921,144	10	0.45%			
La Puente Company LLC	-	-	-	-	-	-
	<u>\$ 75,427,401</u>		<u>6.93%</u>	<u>\$134,101,926</u>		<u>8.00%</u>

Source: HdL Coren & Cone

**City of La Puente
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy ⁽²⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2003	\$ -	\$ -	\$ -	\$ -	\$ -	-
2004	-	-	-	-	-	-
2005	804,303	32,624	4.1%	437	33,061	4.1%
2006	882,864	746,746	84.6%	1,931	748,677	84.8%
2007	976,622	852,795	87.3%	5,879	858,674	87.9%
2008	1,056,106	897,977	85.0%	-	897,977	85.0%
2009	1,126,953	968,444	85.9%	9,737	978,181	86.8%
2010	1,040,321	888,710	85.4%	12,259	900,969	86.6%
2011	999,478	867,546	86.8%	371	867,916	86.8%
2012	1,027,929	942,203	91.7%	-	942,203	91.7%

⁽¹⁾ Information prior to fiscal year 2005 is not available since information was not included in prior year CAFR(s).

⁽²⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption and supplemental roll.

Source: Los Angeles County

City of La Puente
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type	Total Primary Government	(1) & (2) Percentage of Personal Income	Per Capita ⁽¹⁾
	Tax	Lease		Sewer			
	Allocation	Agreement	Loan	Bonds			
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-
2008	4,040,000	10,000,000	-	10,260,000	24,300,000	na	562
2009	4,040,000	10,000,000	2,500,000	10,085,000	26,625,000	na	615
2010	4,040,000	10,000,000	2,400,000	9,925,000	26,365,000	4.47%	608
2011	3,990,000	10,000,000	2,300,000	9,925,000	26,215,000	5.79%	657
2012	-	9,411,765	-	9,530,000	18,941,765	3.15%	656

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

¹ See the Schedule of Demographic and Economic Statistics on page 119 for personal income and population data.

² Information not available prior to 2010.

City of La Puente
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2012

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of La Puente	Net Bonded Debt
Direct-City of La Puente	\$ -	-	\$ -
Overlapping Debt:			
Water District:			
*330.10 METROPOLITAN WATER DISTRICT	94,031,705	0.185	173,990
Mt San Antonio College:			
MT. SAN ANTONIO CCD 2001 SERIES 2004B	6,200,000	2.474	153,397
MT. SAN ANTONIO CCD 2005 & 2012 REFUNDING	48,600,843	2.474	1,202,455
MT. SAN ANTONIO CCD 2001, SERIES C 2006	79,212,694	2.474	1,959,837
MT SAC CD DS 2001, 2008 SERIES D	23,827,409	2.474	589,525
School District:			
BASSETT USD DS 2004 SERIES 2005 A	11,003,352	7.471	822,028
BASSETT UNIFIED DS 2004 SERIES 2005 B	10,616,192	7.471	793,105
BASSETT UNIF DS 2006 SERIES 2007	13,774,566	7.471	1,029,058
BASSETT UNIF DS 2006 SERIES B	4,999,970	7.471	373,533
HACIENDA-LA PUENTE USD DS 2000 SERIES A	2,724,899	13.433	366,036
HACIENDA- LA PUENTE USD DS 2000 S-03B	7,555,987	13.422	1,014,141
HACIENDA-LA PUENTE UNIFIED DS 2005	28,595,000	13.422	3,837,930
HACIENDA-LA PUENTE UNIFIED DS 2007	55,210,000	13.422	7,410,112
ROWLAND HEIGHTS USD DS 2000 SERIES A	2,514,562	1.608	40,439
ROWLAND HEIGHTS USD DS 2000 SERIES B	39,749,075	1.569	623,806
ROWLAND HEIGHTS UNIFIED DS 2005 REF.	13,852,686	1.569	217,398
ROWLAND USD DS 2006 SERIES A	42,265,000	1.569	663,290
ROWLAND HEIGHTS USD DS 2006 SERIES B	31,667,549	1.569	496,978
ROWLAND HEIGHTS UNIF UDS DS 2006 SERIES	12,000,000	1.569	188,323
ROWLAND USD 2006 SERIES D QSCB	25,000,000	1.569	392,340
ROWLAND USD 2006 SERIES E	557,451	1.569	8,748
WEST COVINA USD 2000 SERIES C	335,000	0.995	3,332
WEST COVINA USD 2002 & 2012 REFUNDING	29,295,000	0.995	291,347
WEST COVINA USD 2000 SERIES D	695,000	0.995	6,912

Total direct and overlapping debt \$ 22,658,061

2011/12 Assessed Valuation: \$1,597,331,920 after deducting \$75,441,583 incremental value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	1.42%
Total Debt	1.42%

*This fund is a portion of a larger agency, and is responsible for debt in areas outside the City.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the City.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed 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.

Data Source: HdL Coren & Cone, L. A. County Assessor and Auditor Combined 2011/12 Lien Date Tax Rolls.

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**City of La Puente
Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$163,352,970	\$176,329,392	\$190,361,919	\$207,838,701	\$234,634,986	\$256,457,843	\$273,621,630	\$252,413,092	\$ 244,595,483	\$ 255,181,011
Total net debt applicable to limit	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Legal debt margin	<u>\$152,990,676</u>	<u>\$163,352,970</u>	<u>\$176,329,392</u>	<u>\$190,361,919</u>	<u>\$207,838,701</u>	<u>\$234,634,986</u>	<u>\$256,457,843</u>	<u>\$273,621,630</u>	<u>\$ 244,595,483</u>	<u>\$ 255,181,011</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 1,672,773,503
Add back: exempt real property	<u>28,433,239</u>
Total assessed value	1,701,206,742
Debt limit (15% of total assessed value)	255,181,011
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u> -</u>
Total net debt applicable to limit	<u> -</u>
Legal debt margin	<u>\$ 255,181,011</u>

Source: HdL Coren & Cone; L.A. County Assessor 2011/12 Combined Tax Rolls

**City of La Puente
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2003	42,650	na	na	23,049	8.8%
2004	43,046	na	na	22,878	8.1%
2005	43,360	na	na	22,302	6.7%
2006	43,164	na	na	20,821	5.2%
2007	43,338	na	na	19,831	5.8%
2008	43,256	na	na	19,072	8.3%
2009	43,269	na	na	18,153	13.2%
2010	43,355	\$ 590,365	\$ 13,617	17,495	13.6%
2011	39,930	452,646	11,336	17,235	14.3%
2012	39,987	601,364	15,039	20,708	14.4%

Source: Population - California Department of Finance
 Personal Income, Per Capita Personal Income, Median Age - Latest available source
 is U.S. Census 2000
 School Enrollment - California Department of Education
 Unemployment Rate - U.S. Department of Labor, Bureau of Labor Statistics

**City of La Puente
Principal Employers
Last Eight Fiscal Years**

Employer	2005			2006			2007			2008			2009			2010		
	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment
Northgate Supermarket	120	3	2.53%	120	2	3.10%	120	1	3.13%	120	1	3.14%	120	1	3.25%	120	1	3.13%
Food 4 Less #369	53	7	1.12%	58	6	1.50%	58	5	1.51%	58	6	1.52%	75	2	2.03%	77	2	2.01%
Sunset Gardens West	75	4	1.58%	-	-	-	-	-	-	75	2	1.96%	75	2	2.03%	75	3	1.96%
Ed Butts Ford	70	5	1.48%	70	4	1.81%	70	3	1.83%	70	3	1.83%	70	3	1.89%	70	4	1.83%
Big Saver Foods #12	60	6	1.26%	60	5	1.55%	60	4	1.57%	60	4	1.57%	60	4	1.62%	60	5	1.57%
CVS Pharmacy #9629	-	-	-	-	-	-	-	-	-	54	7	1.41%	54	5	1.46%	54	6	1.41%
Merritt's Hardware	50	9	1.05%	50	8	1.29%	50	6	1.31%	50	8	1.31%	50	6	1.35%	50	7	1.30%
99cents Only Stores	45	10	0.95%	-	-	-	-	-	-	38	10	0.99%	37	8	1.00%	37	8	0.97%
Burger King	-	-	-	37	10	0.95%	37	8	0.97%	-	-	-	37	8	1.00%	37	8	0.97%
AJ Wright #218	-	-	-	-	-	-	35	9	0.91%	-	-	-	35	9	0.95%	35	9	0.91%
Jack in the Box	-	-	-	-	-	-	-	-	-	-	-	-	32	10	0.87%	32	10	0.83%
Walgreens #05702	-	-	-	41	9	1.06%	41	7	1.07%	41	9	1.07%	41	7	1.11%	32	10	0.83%
Others	n/a	-	-	n/a	-	-	3,214	-	83.94%	3,198	-	83.63%	3,009	-	81.43%	3,154	-	82.29%
Benchmark Staffing	52	8	1.10%	74	3	1.91%	109	2	2.85%	60	5	1.57%	-	-	-	-	-	-
Big Lots	-	-	-	-	-	-	35	10	0.91%	-	-	-	-	-	-	-	-	-
Northgate Gonzales	121	2	2.55%	121	1	3.12%	-	-	-	-	-	-	-	-	-	-	-	-
Sav On Drugs #9629	-	-	-	56	7	1.44%	-	-	-	-	-	-	-	-	-	-	-	-
Fiesta Food Warehouse	127	1	2.68%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	773		16.29%	687		17.72%	3,829		100.00%	3,824		100.00%	3,695		100.00%	3,833		100.00%

Employer	2011			2012		
	# of Emp.	Rank	% of Total City Employment	# of Emp.	Rank	% of Total City Employment
Northgate Supermarket	120	1	3.29%	120	1	4.02%
Bodega Latina Corp	-	-	0.00%	80	2	2.68%
Food 4 Less #369	77	2	2.11%	75	3	2.51%
Ed Butts Ford	70	3	1.92%	70	4	2.35%
Big Saver Foods #12	60	4	1.65%	60	5	2.01%
Merritt's Hardware	50	5	1.37%	50	6	1.68%
Burger King	37	6	1.01%	37	7	1.24%
99cents Only Stores	34	7	0.93%	34	8	1.14%
CVS Pharmacy #9629	33	8	0.90%	33	9	1.11%
Jack in the Box	32	9	0.88%	32	10	1.07%
Walgreens #05702	32	10	0.88%	32	-	1.07%
Others	3,102	-	85.06%	2,362	-	79.13%
Total	3,647		100.00%	2,985		100.00%

Source: City Finance Department - Business License Division
Information prior to fiscal year 2005 is not available.

City of La Puente
Full-time Equivalent City Employees by Function
Last Eight Fiscal Years

Program/Function	2005	2006	2007	2008	2009	2010	2011*	2012
General Government								
City Council	5.00	5.00	5.00	5.00	5.00	5.00	n/a	5.00
City Clerk/Election Services	3.66	2.68	1.73	3.65	3.80	0.98	n/a	1.00
Human Resources/Risk Management Administration	-	-	-	0.75	0.75	1.50	n/a	n/a
Financial Services	2.38	2.38	1.62	1.95	1.92	0.85	n/a	2.00
	4.36	4.36	3.83	3.45	3.86	3.35	n/a	6.00
Public Safety								
Public Safety Services	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out
Public Works Services								
General Services	0.80	1.40	0.75	0.75	1.00	1.02	n/a	n/a
Emergency Preparedness Services	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out
Public Works Services Measure R	2.20	2.20	2.20	3.30	2.65	4.77	n/a	4.00
Streets/Sidewalks (Prop C)	1.23	0.58	2.02	0.45	1.40	0.99	n/a	n/a
Waste Management Services	0.60	0.60	0.40	0.25	0.20	0.06	n/a	n/a
Park/Maintenance Services	5.39	5.64	5.34	5.00	6.65	4.71	n/a	n/a
Community Development								
Planning/Zoning Services	3.13	2.93	2.11	2.72	3.03	2.68	n/a	1.00
Housing/Community Services	4.18	3.94	2.65	4.23	1.84	1.70	n/a	1.00
Community Preservation Services	3.76	4.76	5.76	5.40	6.00	6.00	n/a	6.00
Public Transit Services (Prop A)	1.36	2.03	2.32	2.00	2.15	2.39	n/a	n/a
Recreation/Senior Services								
Recreation Services	3.57	2.77	2.42	2.50	2.34	2.19	n/a	2.00
Youth Activity Learning Center	-	-	-	-	0.33	-	-	-
Nature Education Center	-	-	-	-	1.00	2.62	n/a	n/a
Senior Services	1.38	0.73	0.94	0.90	2.83	1.19	n/a	1.00
Sewer Maintenance Fund								
Sewer Maintenance	-	-	1.11	1.10	1.80	1.79	n/a	n/a
Equipment Replacement Fund								
IT/Equipment Charges	-	-	0.80	1.00	1.20	1.50	n/a	n/a
Community Development Commission								
Low Mod Income Housing/Capital Project Fund	-	-	-	0.60	0.75	3.60	n/a	n/a
	<u>43.00</u>	<u>42.00</u>	<u>41.00</u>	<u>45.00</u>	<u>50.50</u>	<u>49.00</u>	<u>-</u>	<u>29.00</u>

Information prior to fiscal year 2005 is not available.

* On March 7, 2011, City Council approved a reorganization plan to create salary savings by eliminating various positions. Unable to determine F.T.E. for FY10/11.

**City of La Puente
Operating Indicators by Function
Last Eight Fiscal Years**

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	#							
Public Safety								
Physical arrests	2,627	3,481	3,646	-	1,887	1,781	1,772	1,160
Parking violations	6,743	9,065	10,208	10,394	9,432	5,650	6,619	6,993
Traffic violations	7,276	10,502	10,291	-	7,775	8,311	*	*
Fire								
Number of incidents	2,080	2,076	1,984	1,984	2,086	1,954	*	*
Commercial Inspections	570	1,757	547	547	503	582	*	*
Highways and streets								
Street resurfacing (Square Feet)	0.23	1,020,430	n/a	n/a	n/a	3.3 miles	n/a	n/a
Potholes patched	302.00	64.00	156.60	145.90	145.90	n/a	n/a	n/a
Sanitation								
Refuse collected (tons/day)	57.76	76.65	69.49	55.27	67.36	57.18	55.27	55.02
Recyclables collected (tons/day)	5.41	7.38	6.79	4.59	6.98	4.89	4.59	4.57
Green waste collected (tons/day)	8.21	11.69	9.60	10.97	9.36	10.99	10.97	11.23
Community Services								
Special Event-Main Street Run (number of participants)	4,000	3,675	3,335	3,653	5,190	3,500	3,330	4,391

* The City of La Puente is a contracting city for Public Safety, Fire Prevention, Public Works, Water and Waste Services.

Information prior to fiscal year 2005 is not available.

Sources: City of La Puente
L.A. County Fire Department
L.A. County Sheriff Department
Valley Vista Services

City of La Puente
Capital Asset Statistics by Function
Last Nine Fiscal Years

Function/Program	Fiscal Year <u>2012</u>
Public Safety	
Police:	
Stations	Contract out
Patrol units	Contract out
Fire stations	Contract out
Sanitation	
Collection trucks	Contract out
Highways and streets	
Streets (miles)	72.1
Streetlights	369
Traffic signals	41
Community Services	
Park acreage	23
Park	1
Community Center	1
Youth Learning Activity Center	1
Senior Center	1
Water	
Water mains (miles)	Contract out
Fire hydrants	Contract out
Maximum daily capacity (thousands of gallons)	Contract out
Sewer	
Sanitary sewers (miles)	67.5
Storm sewers (miles)	9.04
Maximum daily capacity (thousands of gallons)	Contract out
Electric	
Number of distribution stations	Contract out
Miles of service line	Contract out

The City of La Puente is a contracting city for Public Safety, Fire prevention, Public Works, Water and Waste services. These figures represent the capital assets owned by the City. They remain the same for the past ten years other than the addition of the Youth Learning Activity Center.

Source: City of La Puente