

City of La Puente

California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2013

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INTRODUCTORY SECTION

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City of La Puente

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February 8, 2014

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, 2013.

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 unmodified ("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, La Puente Public Financing Authority. 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 Interstate 10 and the 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 2012-2013. A few of the years completed projects and major initiatives include:

Capital Improvement Projects

- Completion of a 9.5 acre commercial development located along Hacienda Boulevard continued during Fiscal Year 2012-13. In March 2012 El Super market opened for business in a new 45,000 square foot store and an additional 12,000 square feet of retail "shops" space was also completed with T-Mobile occupying 1,500 square feet. The City is currently working with the project developer, Jasmine Real Estate Investments, LLC, in completing the build out of 62,000 square feet of additional retail space to be occupied by national tenants.
- Construction was completed on the new Puente Creek Nature Education Center located adjacent to Nelson Elementary School. This new park facility includes 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 also has 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 the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy through the California Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Los Angeles County Regional Park and Open Space District, and the U.S. Department of Housing and Urban Development. The City has been selected as a 2013 Award of Excellence recipient by the California Park and Recreation Society for the Nature Center facility.

- Construction was completed 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 traffic signal installed at Amar Road and Tonopah Avenue. These improvements were completed to enhance traffic safety. This project was funded by Measure R Funds and Federal Highway Grants through the Highway Safety Improvement Program (HSIP).
- The City completed the construction of 2,600 lineal feet of block wall improvements along the Valley Boulevard corridor as Phase II of a multi-phase project. This project was funded by Gas Tax, Measure R, Prop C and Community Development Block Grant funds.
- The City authorized the solicitation of bids for the Amar Road street improvement project. This project, with an estimated construction cost of \$1.1 million will enhance the safety and aesthetic appearance of Amar Road from Unruh Avenue to Aileron Avenue. Improvements include repaving of the roadway, repair of damaged concrete areas, installation of new storm drain pipes and catch basins, a landscaped center median, and a City entrance monument sign. Proposition C funds are being utilized for this project.
- The City also authorized the solicitation of bids as part of the Local Streets Improvement Project. The proposed local street segments are in accordance with the City's Pavement Management System (PMS) and will include cold mill and overlay of the pavement with asphalt rubber hot mix, reconstruction of sidewalks, curb and gutter, new handicap ramps, driveway approaches, cross gutter, striping and pavement markings. The estimated construction cost is \$388,000 and will be funded with Gas Tax and Measure R funds.

Other Major Initiatives

➤ Budget

Based on the direction of the City Council, the city budgets for Fiscal Year (FY) 2012-2013 and FY 2013-2014 were balanced by using general fund reserves. Staff continues to explore various ways to ensure the fiscal stability of the City going forward.

The Community Center loan was refinanced resulting in significant savings to the general fund.

Held a town hall meeting to discuss the budget with residents.

➤ 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 within the City boundaries.

Continued to successfully work 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.

Continued the Code Enforcement education campaign, which included publishing “Code Enforcement Corner” in the Spotlight and creation of fliers in English and Spanish to assist residents with frequent code compliance issues.

Obtained parking citation processing services which provides online citation adjudication, payment and inquiry capabilities to enhance customer access to citation activities.

➤ Special Events

Established a Special Event Ad Hoc Committee consisting of members of the City Council and Staff to develop processes and procedures for City Wide Special Events.

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

Worked with Sheriff’s Department and the Los Angeles County Arts Commission to coordinate funding and donation for the second annual National Night Out.

Partnered with the Boys and Girls Club, the Old Town Puente Business Association to Tree Lighting Ceremony and the Spring Egg Hunt.

Coordinated the first annual Halloween Maze at little cost to the City through donations received from local La Puente businesses.

➤ Community Outreach

Continued strong 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.

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 2013-2014:

Capital Improvement Projects

- **Sewer Improvements and Street Resurfacing** - Phase IV of the City’s Sewer System Capital Program will consist of replacement of existing sewer lines at various locations 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 plan and provide training for City staff.
- Develop a long-term financial plan and fund balance policy.
- Work with the IT support firm to implement technological safeguards and improvements.
- Update the city’s website.

- 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.
- 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.

The goal is to accomplish projects and other major initiatives and goals listed above during the fiscal year of 2013-2014, 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 51% 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 \$5.3 million, a level which falls within the management budget guidelines as approved by the Council for budgetary and planning purposes.

GFOA Certificate of Achievement

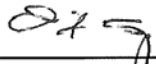
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing 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

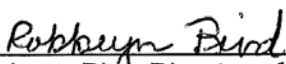
The preparation of the CAFR could not have been made without the efficient and dedicated services of the Administrative Services and Finance Division Staff. I wish to express my appreciation to the numerous City employees who assisted in gathering information for the preparation of this report. This 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,



Dave Carmany, City Manager



Robbeyn Bird, Director of Administrative Services

CITY OF LA PUENTE, CALIFORNIA
Directory of Officials

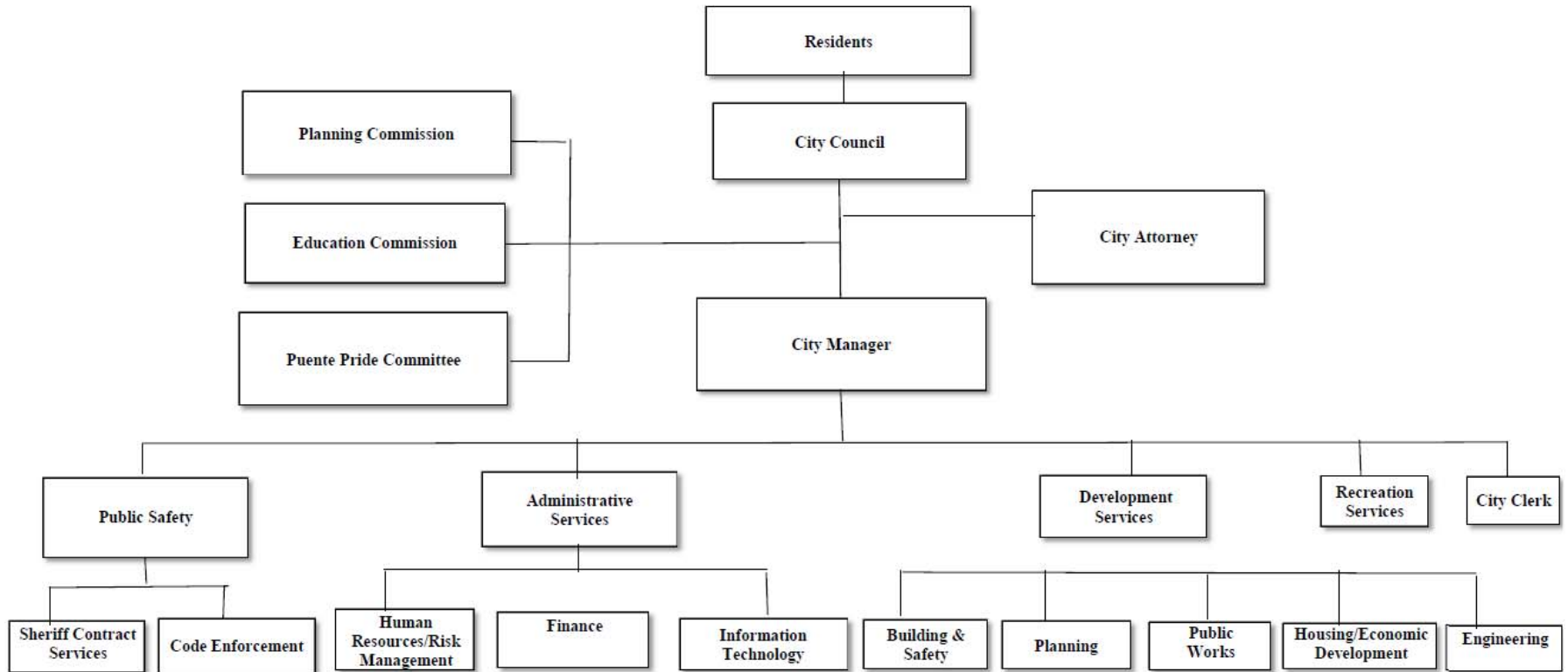
CITY COUNCIL

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

CITY OFFICIALS

City Manager/City TreasurerDave Carmany
City Attorney.....James Casso
Director of Administrative Services Robbeyn Bird
Chief of Police.....Pete Cacheiro
Finance Manager.....Raul Purificacion
City Clerk.....Pat Jacquez-Nares

City of La Puente Organizational Chart





Government Finance Officers Association

**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, 2012

Executive Director/CEO

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FINANCIAL SECTION

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Independent Auditor's Report

City Council
City of La Puente, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California (the City), as of and for the year ended June 30, 2013, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of June 30, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 22 and budgetary comparison information and funded status of pension and other postemployment benefit plans on pages 65 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of La Puente's internal control over financial reporting and compliance.

Varguez + Company LLP

**Los Angeles, California
February 8, 2014**

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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, 2013. 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 23 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 \$41,164,410. Of this, \$11,146,089 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,426,530 from the previous fiscal year.
- Citywide revenues were \$15,683,078. Total revenues are composed of \$8,430,659 in general revenue dollars, \$3,046,499 in charges for services, \$2,344,928 in operating grants and contributions, and \$1,860,992 in capital grants and contributions.
- Citywide expenses were \$14,256,548 with public safety being the largest functional area at \$4,913,590, or 34% of the total expenses.

Fund level

- The total fund balance of the City governmental funds was \$10,795,331 at the close of the fiscal year. \$790,213 is nonspendable, \$3,987,665 is restricted and not available for spending, \$1,527,172 is committed and \$4,490,281 is unassigned. Additional information on the fund balance is on page 27 of this report.
- General Fund revenues were above expenditures by \$136,806 for the fiscal year ended June 30, 2013.
- Governmental fund balances decreased by \$179,912 during fiscal year 2012-2013.

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

Statement of Activities. The information presented in this report shows how the City's net position 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 services, and community development. Program revenues finance approximately 51% of these activities and general revenues finance the difference.

The government-wide financial statements can be found on pages 24 to 25 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 Position page of the Government-wide Financial Statements.

The governmental fund financial statements can be found on pages 26 to 30 of this report.

Proprietary fund. The City maintains two different types of proprietary funds. The 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 35 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 37 to 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

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

Table 1

	2013	2012	Change	% Change
Current and Other Assets	\$ 13,954,009	\$ 14,187,378	\$ (233,369)	-1.64%
Capital Assets	<u>34,920,656</u>	<u>34,072,309</u>	<u>848,347</u>	2.49%
Total Assets	<u>48,874,665</u>	<u>48,259,687</u>	<u>614,978</u>	1.27%
Other Liabilities	2,014,856	1,945,016	69,840	3.59%
Long-term Liabilities	<u>10,409,633</u>	<u>10,566,248</u>	<u>(156,615)</u>	-1.48%
Total Liabilities	<u>12,424,489</u>	<u>12,511,264</u>	<u>(86,775)</u>	-0.69%
Net Position:				
Net investment in capital assets	26,030,656	24,660,544	1,370,112	5.56%
Restricted	3,987,665	4,261,709	(274,044)	-6.43%
Unrestricted	<u>6,431,855</u>	<u>6,826,170</u>	<u>(394,315)</u>	-5.78%
Total Net Position	<u>\$ 36,450,176</u>	<u>\$ 35,748,423</u>	<u>\$ 701,753</u>	1.96%

Net position may serve over time as a useful indicator of the City's financial position. The City's governmental assets exceeded its liabilities by \$36,450,176 at the close of the fiscal year, an increase of \$701,753 or 2% from the previous year.

The largest portion of the City's net position (71%) is net investment 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, 2013

A portion of net position, \$3,987,665, or 11%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$6,431,855 or 18% may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2

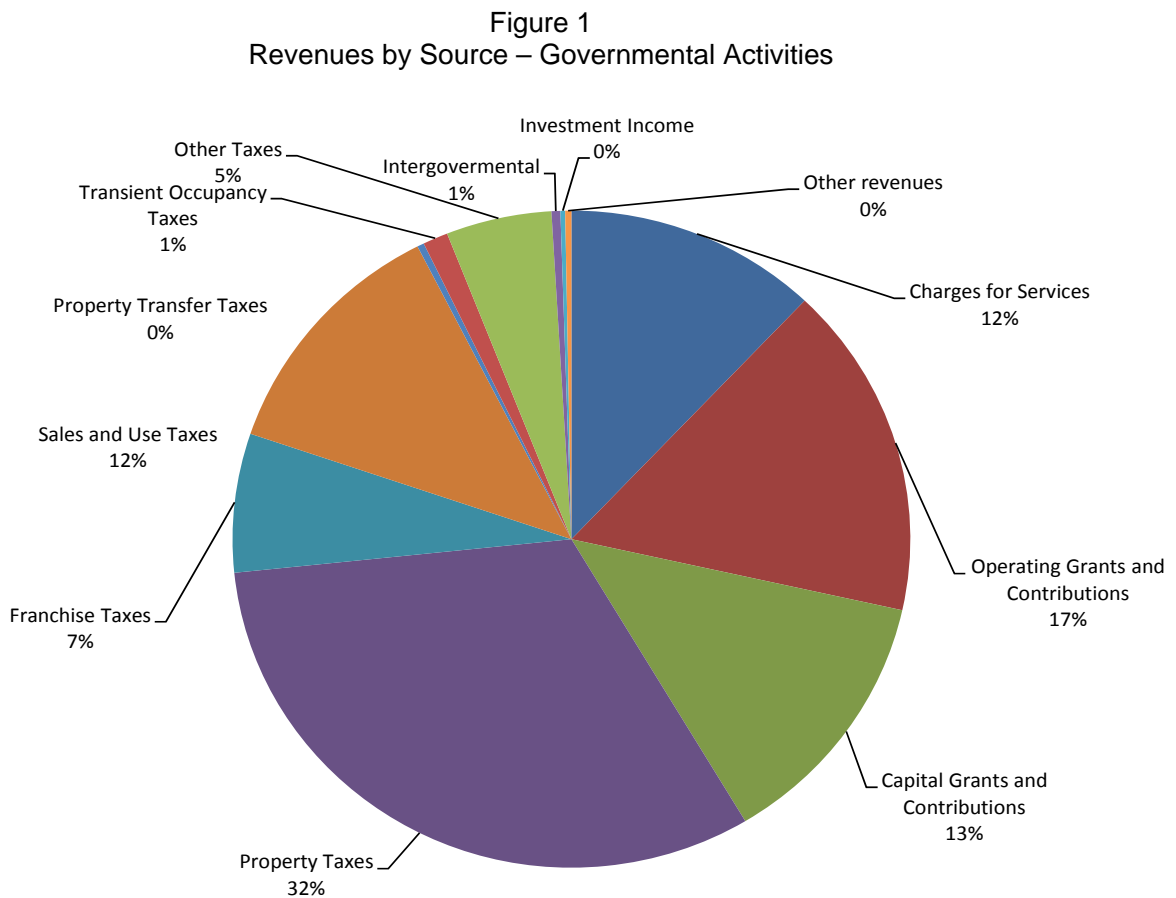
	2013	2012	Change	% Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,735,273	\$ 1,634,382	\$ 100,891	6.17%
Operating Grants and Contributions	2,344,928	1,908,160	436,768	22.89%
Capital Grants and Contributions	1,860,992	2,818,206	(957,214)	-33.97%
General Revenues:				
Taxes:				
Property Taxes	4,591,293	4,649,124	(57,831)	-1.24%
Franchise Taxes	981,476	915,203	66,273	7.24%
Sales and Use Taxes	1,767,497	1,779,534	(12,037)	-0.68%
Property Transfer Taxes	46,120	48,832	(2,712)	-5.55%
Transient Occupancy Taxes	172,369	153,444	18,925	12.33%
Other Taxes	724,696	738,400	(13,704)	-1.86%
Intergovernmental	60,404	86,146	(25,742)	-29.88%
Investment Income	31,786	61,285	(29,499)	-48.13%
Other revenues	43,067	242,172	(199,105)	-82.22%
Total revenues	<u>14,359,901</u>	<u>15,034,888</u>	<u>(674,987)</u>	-4.49%
Expenses				
General Government	2,540,210	2,541,017	(807)	-0.03%
Public Safety	4,913,590	4,845,030	68,560	1.42%
Public Works	1,847,640	1,780,147	67,493	3.79%
Recreation/Senior Services	1,670,038	1,675,871	(5,833)	-0.35%
Community Development	2,121,666	2,206,673	(85,007)	-3.85%
Redevelopment and Housing	-	185,562	(185,562)	-100.00%
Interest on Long-Term Debt	465,004	723,961	(258,957)	-35.77%
Transfers	100,000	-	100,000	100.00%
Total expenses	<u>13,658,148</u>	<u>13,958,261</u>	<u>(300,113)</u>	-2.15%
Net position before extraordinary items	701,753	1,076,627	(374,874)	-34.82%
Extraordinary items	<u>-</u>	<u>1,487,214</u>	<u>(1,487,214)</u>	100.00%
Change in net position	701,753	2,563,841	(1,862,088)	-72.63%
Net position, beginning	<u>35,748,423</u>	<u>33,184,582</u>	<u>2,563,841</u>	7.73%
Net position, ending	<u>\$ 36,450,176</u>	<u>\$ 35,748,423</u>	<u>\$ 701,753</u>	1.96%

The City's net position increased by \$701,753 during the fiscal year as a result of revenues exceeding expenses. The total cost of all City governmental activities was \$13,658,148 for the fiscal year. Net cost of all activities was \$7,616,955.

Total revenues decreased by \$674,987 mainly due to a decrease in capital grants and contributions as indicated above. The overall decrease in expenses was attributed to the dissolution of the redevelopment agency and lower interest paid on long-term debt. The results of operations of the dissolved redevelopment agency from July 1, 2012 to June 30, 2013 were reported in Fiduciary Funds as Private-Purpose Trust Fund.

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 2012-2013:



As shown on the above pie chart, about 57% of the City's total governmental revenues are from taxes, which are comprised of property, sales and use, business license, franchise and transient occupancy taxes. Program revenues totaled 42% 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 services, and community development. 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.

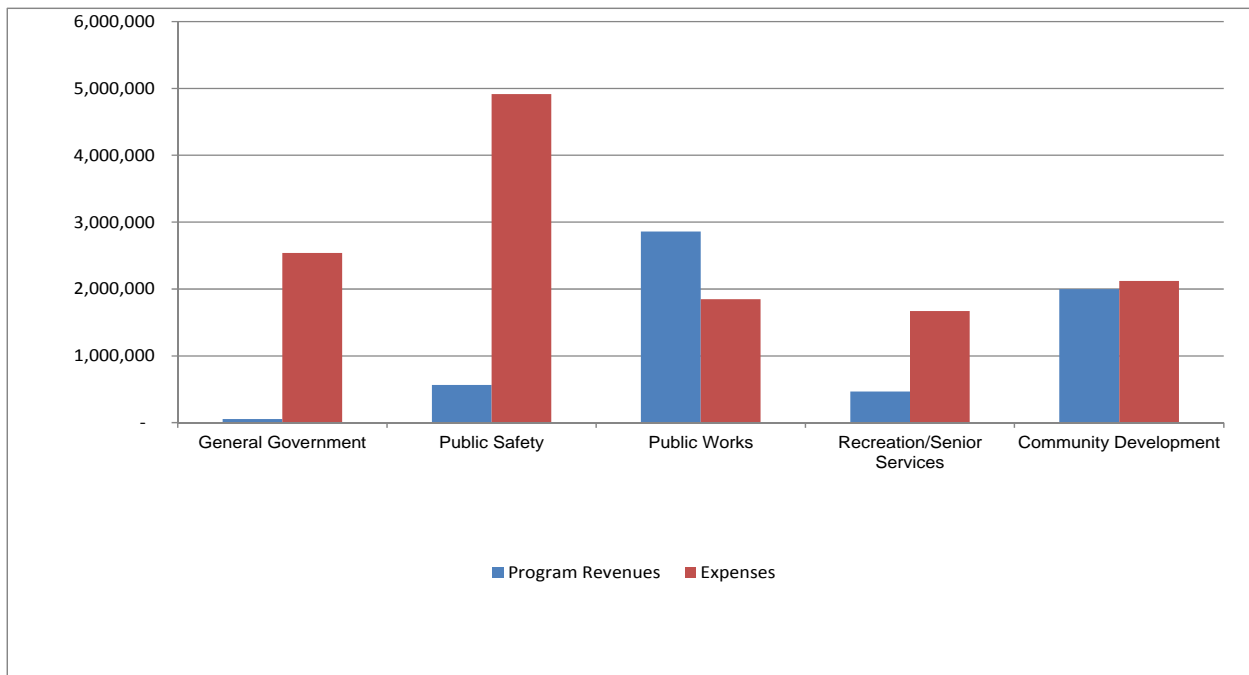
Governmental activities increased the City's net position by \$701,753. Key elements of this increase are as follows:

- Total expenses decreased by \$300,113.
- Operating grants and contributions increased by \$436,768.

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

The graph below shows that public works and community development services are largely provided for by program revenues. The general government, public safety, and recreation/senior services 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 position and changes in net position of the City's sewer construction/maintenance functions which are presented in the government-wide financial statements.

**Table 3
Business-type Activities Net Position**

	2013	2012
Current and other assets	\$ 13,972,953	\$ 13,698,980
Total assets	13,972,953	13,698,980
Long-term liabilities outstanding	9,216,464	9,422,212
Other liabilities	42,255	6,135
Total liabilities	9,258,719	9,428,347
Net position:		
Net investment in capital assets	-	198,502
Unrestricted	4,714,234	4,072,131
Total net position	\$ 4,714,234	\$ 4,270,633

The City's business-type revenues exceeded program expenses by \$724,777 as shown below. Revenues decreased by \$886,383 during the year. This decrease was due to \$992,500 collection in the previous year for a legal settlement. However, there was also a significant decrease in expenditures this year primarily because of decrease in legal expenses incurred by the City.

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

	2013	2012
Revenues		
Charges for services	\$ 1,311,226	\$ 1,308,823
Investment Income	11,951	8,237
Miscellaneous income	-	992,500
Transfers In	100,000	-
Total revenues	1,423,177	2,309,560
Expenses		
Sewer assessment	263,449	652,512
Other expenses	434,951	438,899
Total expenses	698,400	1,091,411
Change in net position	\$ 724,777	\$ 1,218,149

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, 2013, the City's Governmental Funds reported a combined fund balance of \$10,795,331, which decreased by \$179,912 or 1.6% from prior year fund balance.
- Fund Balance Classification
 - The City has \$790,213 nonspendable fund balance as of June 30, 2013. 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 \$3,987,665 at June 30, 2013. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
 - The General Fund has committed fund balance of \$1,527,172 and unassigned fund balance of \$5,327,809. Unassigned fund balance is the residual classification for the City'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 \$7,645,194 fund balance, an increase of \$136,806 from the previous year. See Notes to financial statements for more information regarding transfers.
- General Fund Revenues exceeded budgeted revenues by \$140,461. This was entirely due to taxes coming in higher than projected. Expenditures were \$241 thousand higher than budgeted due to higher than anticipated debt service payments.
- Community Development Block Grant revenues were \$70,567 lower than budget and expenditures were over the budgeted amount by \$25,550. Timing differences were the main reason for the excess.
- The County Park Act Fund revenues were \$17,805 higher than the projection and expenditures were \$33,341 higher than the budgeted amounts. This resulted in a decrease in fund balance of \$15,536.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's net investment in capital assets for governmental and business-type activities as of June 30, 2013 is \$44,629,870. 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 \$936,847. 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, 2013.

**Table 5
Capital Assets**

	Beginning Balance	Increases	Reclassifications/ Decreases	Ending Balance
Governmental Activities:				
Capital assets, not depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in progress	<u>1,826,833</u>	<u>2,225,682</u>	<u>(2,321,779)</u>	<u>1,730,736</u>
Total capital assets, not depreciated	<u>5,447,012</u>	<u>2,225,682</u>	<u>(2,321,779)</u>	<u>5,350,915</u>
Capital assets, being depreciated:				
Buildings and improvements	19,954,468	-	-	19,954,468
Equipment and furniture	1,673,274	6,741	-	1,680,015
Infrastructure	29,683,945	-	2,321,779	32,005,724
Total capital assets, being depreciated	<u>51,311,687</u>	<u>6,741</u>	<u>2,321,779</u>	<u>53,640,207</u>
Less accumulated depreciation:				
Buildings and improvements	(5,309,373)	(863,942)	-	(6,173,315)
Equipment and furniture	(1,226,739)	(97,906)	-	(1,324,645)
Infrastructure	<u>(16,150,278)</u>	<u>(422,228)</u>	<u>-</u>	<u>(16,572,506)</u>
Total accumulated depreciation	<u>(22,686,390)</u>	<u>(1,384,076)</u>	<u>-</u>	<u>(24,070,466)</u>
Total capital assets, being depreciated, net	<u>28,625,297</u>	<u>(1,377,335)</u>	<u>2,321,779</u>	<u>29,569,741</u>
Governmental activities capital assets, net	<u>\$ 34,072,309</u>	<u>\$ 848,347</u>	<u>\$ -</u>	<u>\$ 34,920,656</u>
Business-type Activities:				
Capital assets, not depreciated:				
Construction in progress	\$ 9,620,714	\$ 88,500	\$ (8,243,422)	\$ 1,465,792
Total capital assets, not depreciated	<u>9,620,714</u>	<u>88,500</u>	<u>(8,243,422)</u>	<u>1,465,792</u>
Capital assets, being depreciated:				
Sewer collection systems	-	-	8,243,422	8,243,422
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>8,243,422</u>	<u>8,243,422</u>
Business-type activities capital assets, net	<u>\$ 9,620,714</u>	<u>\$ 88,500</u>	<u>\$ -</u>	<u>\$ 9,709,214</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.

In addition, the City also received a loan of \$10,000,000, which financed the construction of the Community Center and Youth Learning Activity Center. During fiscal year ended June 30, 2013, the loan was refinanced to take advantage of lower interest rates. 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 Note 4 to financial statements.

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget for fiscal year 2012-13 was \$9,770,260. Actual General Fund revenues were more than the final budgeted revenues by \$140,461. The increase was primarily due to higher than budgeted amounts of taxes and charges for services.

Appropriations were budgeted at \$10,162,540. Actual General Fund expenditures were more than the final budgeted expenditures by \$241,000. The overage was due to additional debt service payments made as a result of the loan refinancing.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The fiscal outlook for cities, counties, and federal and state agencies remains fragile. The economy is slowly improving and the housing market is seeing slight signs of recovery. The unemployment rate remains high at approximately 12% and it is anticipated that the City of La Puente's General Fund revenues will remain the same or slightly decrease in the coming year. As costs of providing service to the residents and businesses in La Puente continue to rise, City staff will diligently pursue opportunities to increase revenues and decrease expenditures.

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. 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 Position and Statement of Activities, include all governmental and business-type activities of the City of La Puente. 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 Position is the basic government-wide statement of financial position. A statement of financial position presents all of an entity's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position (equity). The presentation is referred to as the *statement of net position* (rather than *balance sheet*), and the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is referred to as net position (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 position 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 position.

Net positions are categorized as follows:

- Net investment in capital assets
- Restricted net position
- Unrestricted net position

Statement of Activities is used to report changes in net position reported on the government-wide statement of net position. 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 Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 11,297,138	\$ 3,958,931	\$ 15,256,069
Accounts receivable	487,360	-	487,360
Interest receivable	9,918	4,808	14,726
Loans receivable	1,329,357	-	1,329,357
Due from other governments	1,086,129	-	1,086,129
Internal balances	(300,000)	300,000	-
Prepaid Items	913	-	913
Advances to Successor Agency	43,194	-	43,194
Capital assets, not depreciated:			
Land	3,620,179	-	3,620,179
Construction in progress	1,730,736	1,465,792	3,196,528
Capital assets, being depreciated, net			
Buildings and improvements	13,781,153	-	13,781,153
Equipment and furniture	355,370	-	355,370
Infrastructure	15,433,218	8,243,422	23,676,640
	<u>48,874,665</u>	<u>13,972,953</u>	<u>62,847,618</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Accounts payable	2,014,856	42,255	2,057,111
Noncurrent liabilities:			
Due within one year	270,000	215,000	485,000
Due in more than one year	10,139,633	9,001,464	19,141,097
	<u>12,424,489</u>	<u>9,258,719</u>	<u>21,683,208</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	26,030,656	-	26,030,656
Restricted for:			
Public safety	133,966	-	133,966
Public works	3,343,118	-	3,343,118
Community development	510,581	-	510,581
Unrestricted	6,431,855	4,714,234	11,146,089
	<u>\$ 36,450,176</u>	<u>\$ 4,714,234</u>	<u>\$ 41,164,410</u>

See notes to financial statements.

**City of La Puente
Statement of Activities
Year ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 2,540,210	\$ 53,996	\$ -	\$ -	\$ (2,486,214)	\$ -	\$ (2,486,214)
Public safety	4,913,590	462,652	102,594	-	(4,348,344)	-	(4,348,344)
Public works	1,847,640	219,396	995,675	1,643,187	1,010,618	-	1,010,618
Recreation/senior services	1,670,038	248,797	-	217,805	(1,203,436)	-	(1,203,436)
Community development	2,121,666	750,432	1,246,659	-	(124,575)	-	(124,575)
Interest on long-term debt	465,004	-	-	-	(465,004)	-	(465,004)
Total governmental activities	<u>13,558,148</u>	<u>1,735,273</u>	<u>2,344,928</u>	<u>1,860,992</u>	<u>(7,616,955)</u>	<u>-</u>	<u>(7,616,955)</u>
<u>Business-type activities:</u>							
Sewer assessment	698,400	1,311,226	-	-	-	612,826	612,826
Total business-type activities	<u>698,400</u>	<u>1,311,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,826</u>	<u>612,826</u>
Total primary government	<u>\$ 14,256,548</u>	<u>\$ 3,046,499</u>	<u>\$ 2,344,928</u>	<u>\$ 1,860,992</u>	<u>(7,616,955)</u>	<u>612,826</u>	<u>(7,004,129)</u>
General revenues:							
Taxes:							
Property taxes					4,591,293	-	4,591,293
Franchise taxes					981,476	-	981,476
Sales taxes					1,767,497	-	1,767,497
Property transfer tax					46,120	-	46,120
Transient occupancy taxes					172,369	-	172,369
Business license taxes					91,961	-	91,961
In-lieu sales tax					632,735	-	632,735
Intergovernmental, unrestricted					60,404	-	60,404
Investment income					31,786	11,951	43,737
Miscellaneous revenues					43,067	-	43,067
Transfers					(100,000)	100,000	-
Total general revenues					<u>8,318,708</u>	<u>111,951</u>	<u>8,430,659</u>
Change in net position					701,753	724,777	1,426,530
Net position - beginning, as restated					35,748,423	3,989,457	39,737,880
Net position - ending					<u>\$ 36,450,176</u>	<u>\$ 4,714,234</u>	<u>\$ 41,164,410</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, 2013**

	General	CDBG Grant Fund	County Park Act Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,285,910	\$ -	\$ -	\$ 3,879,789	\$ 11,165,699
Accounts receivable	325,415	-	-	161,945	487,360
Interest receivable	5,724	-	-	3,930	9,654
Loans receivable	-	667,119	-	662,238	1,329,357
Due from other governments	387,759	-	501,069	197,301	1,086,129
Prepaid items	790,213	-	-	-	790,213
Advances to Successor Agency, net of allowance for uncollectible accounts of \$12,233,300	1,506,004	-	-	-	1,506,004
Total assets	<u>10,301,025</u>	<u>667,119</u>	<u>501,069</u>	<u>4,905,203</u>	<u>16,374,416</u>
Deferred outflows of resources					
	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 10,301,025</u>	<u>\$ 667,119</u>	<u>\$ 501,069</u>	<u>\$ 4,905,203</u>	<u>\$ 16,374,416</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 893,021	\$ 96,117	707,477	\$ 289,234	\$ 1,985,849
Due to other funds	300,000	-	-	-	300,000
Total liabilities	<u>1,193,021</u>	<u>96,117</u>	<u>707,477</u>	<u>289,234</u>	<u>2,285,849</u>
Deferred inflows of resources					
Unavailable revenue	1,462,810	667,119	501,069	662,238	3,293,236
Fund Balances:					
Nonspendable					
Prepaid items	790,213	-	-	-	790,213
Restricted					
Special revenue	-	-	-	3,987,665	3,987,665
Committed	1,527,172	-	-	-	1,527,172
Unassigned					
General Fund	5,327,809	-	-	-	5,327,809
Other special revenue funds	-	(96,117)	(707,477)	(33,934)	(837,528)
Total Fund Balances	<u>7,645,194</u>	<u>(96,117)</u>	<u>(707,477)</u>	<u>3,953,731</u>	<u>10,795,331</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,301,025</u>	<u>\$ 667,119</u>	<u>\$ 501,069</u>	<u>\$ 4,905,203</u>	<u>\$ 16,374,416</u>

See notes to financial statements.

City of La Puente
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances of governmental funds	\$ 10,795,331
Capital assets net of depreciation have not been included as financial resources in governmental fund balance sheet.	34,780,974
Other long-term assets are not available to pay for current period expenditures and are reported as unavailable revenue in the funds.	3,293,236
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
HVAC loan	(270,000)
Lease agreement	(8,890,000)
Compensated absences	(130,953)
Net OPEB obligation	(1,118,680)
Allowance for doubtful accounts that is not reported in the governmental fund financial statements.	(1,462,810)
Prepayment of debt service expenses reported in the governmental funds but offset against long-term liabilities in the Statement of Net Position	(789,300)
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 position.	<u>242,378</u>
Net position of governmental activities	<u>\$ 36,450,176</u>

See notes to financial statements.

City of La Puente
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2013

	General Fund	CDBG Grant Fund	County Park Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 8,283,451	\$ -	\$ -	-	\$ 8,283,451
Licenses and permits	393,005	-	-	-	393,005
Intergovernmental	60,404	747,403	217,805	3,323,067	4,348,679
Charges for services	699,643	-	-	243,177	942,820
Fines and forfeitures	399,365	-	-	-	399,365
Investment income	31,786	-	-	12,117	43,903
Other revenue	43,067	-	-	83	43,150
Total revenues	<u>9,910,721</u>	<u>747,403</u>	<u>217,805</u>	<u>3,578,444</u>	<u>14,454,373</u>
Expenditures					
Current:					
General government	2,325,931	722	-	115,162	2,441,815
Public safety	4,871,043	-	-	2,012	4,873,055
Public works	456,170	-	-	849,537	1,305,707
Recreation/senior services	831,981	46,023	-	-	878,004
Community development	1,015,966	199,289	-	724,927	1,940,182
Capital outlay	3,410	597,486	233,341	1,535,626	2,369,863
Debt service:					
Interest and fiscal charges	310,804	-	-	359,855	670,659
Principal	588,235	-	-	-	588,235
Total expenditures	<u>10,403,540</u>	<u>843,520</u>	<u>233,341</u>	<u>3,587,119</u>	<u>15,067,520</u>
Excess (deficiency) of revenues over expenditures	<u>(492,819)</u>	<u>(96,117)</u>	<u>(15,536)</u>	<u>(8,675)</u>	<u>(613,147)</u>
Other financing sources (uses)					
Loan proceeds	9,945,000	-	-	-	9,945,000
Retirement of debt	(9,411,765)	-	-	-	(9,411,765)
Transfers in	196,390	-	-	-	196,390
Transfers out	(100,000)	-	-	(196,390)	(296,390)
Total other financing sources (uses)	<u>629,625</u>	<u>-</u>	<u>-</u>	<u>(196,390)</u>	<u>433,235</u>
Change in fund balances	136,806	(96,117)	(15,536)	(205,065)	(179,912)
Fund balances, beginning of year	<u>7,508,388</u>	<u>-</u>	<u>(691,941)</u>	<u>4,158,796</u>	<u>10,975,243</u>
Fund balances, end of year	<u>\$ 7,645,194</u>	<u>\$ (96,117)</u>	<u>\$ (707,477)</u>	<u>\$ 3,953,731</u>	<u>\$10,795,331</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, 2013

Amounts reported for governmental activities in the Statement of Activities are different because:

Change in fund balances - governmental funds	\$ (179,912)
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.	886,310
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 unavailable revenue for the current period.	(94,472)
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 position. 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.	
Loan proceeds - HVAC	(270,000)
Loan proceeds - lease agreement	(9,675,000)
Loan payment and retirement of debt	10,000,000
Accrued interest for long-term debt. This is the net change in accrued interest for the current period.	205,655
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.	(95,150)
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.	<u>(75,678)</u>
Change in net position of governmental activities	<u>\$ 701,753</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 Position
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- 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 Position
Proprietary Funds
June 30, 2013

	<u>Business-type Activities - Enterprise Fund Sewer Assessment</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets		
Current assets:		
Cash and investments	\$ 3,958,931	\$ 131,439
Interest receivable	4,808	264
Due from other funds	<u>300,000</u>	<u>-</u>
Total current assets	<u>4,263,739</u>	<u>131,703</u>
Noncurrent assets:		
Capital assets:		
Sewer collection systems	8,243,422	-
Vehicles	-	533,790
Furniture and equipment	-	563,084
Construction in progress	1,465,792	-
Less accumulated depreciation	<u>-</u>	<u>(957,192)</u>
Total noncurrent assets	<u>9,709,214</u>	<u>139,682</u>
Total Assets	<u>13,972,953</u>	<u>271,385</u>
Deferred outflows of resources		
	<u>-</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	42,255	29,007
Bonds payable - current	<u>215,000</u>	<u>-</u>
Total current liabilities	<u>257,255</u>	<u>29,007</u>
Noncurrent liabilities:		
Bonds payable (net of unamortized discount)	<u>9,001,464</u>	<u>-</u>
Total noncurrent liabilities	<u>9,001,464</u>	<u>-</u>
Total Liabilities	<u>9,258,719</u>	<u>29,007</u>
Deferred inflows of resources		
	<u>-</u>	<u>-</u>
Net Position		
Net investment in capital assets	-	139,682
Unrestricted	<u>4,714,234</u>	<u>102,696</u>
Total Net Position	<u>\$ 4,714,234</u>	<u>\$ 242,378</u>

See notes to financial statements.

City of La Puente
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year ended June 30, 2013

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Operating revenues		
Charges for services	\$ 1,311,226	\$ 116,436
Total operating revenue	1,311,226	116,436
Operating expenses		
Salaries and benefits	157,984	-
Other general expenses	105,465	147,927
Depreciation	-	44,704
Total operating expenses	263,449	192,631
Operating income (loss)	1,047,777	(76,195)
Nonoperating revenues (expenses)		
Investment income	11,951	517
Interest expense	(434,951)	-
Total nonoperating revenues (expenses)	(423,000)	517
Income before transfers	624,777	(75,678)
Transfers in	100,000	-
Change in net position	724,777	(75,678)
Total net position, beginning of year, as restated	3,989,457	318,056
Total net position, end of year	\$ 4,714,234	\$ 242,378

See notes to financial statements.

City of La Puente
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2013

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Cash received from customers and users	\$ 1,480,183	\$ 116,436
Cash paid to suppliers	(69,345)	(158,632)
Cash paid to employees	(157,984)	-
Net cash provided by (used in) operating activities	<u>1,252,854</u>	<u>(42,196)</u>
Cash flows from noncapital financing activities		
Cash received from other entities	-	-
Cash received from other funds	740,699	-
Cash transferred to other funds	(640,699)	-
Net cash provided by noncapital financing activities	<u>100,000</u>	<u>-</u>
Cash flows from capital and related financing activities		
Capital asset purchases	(88,500)	(6,741)
Principal paid on long-term debt	(210,000)	-
Interest paid	(430,699)	-
Net cash used in capital and related financing activities	<u>(729,199)</u>	<u>(6,741)</u>
Cash flows from investing activities		
Interest received on investments	9,553	413
Net cash provided by investing activities	<u>9,553</u>	<u>413</u>
Change in cash and cash equivalents	<u>633,208</u>	<u>(48,524)</u>
Cash and cash equivalents, beginning of of fiscal year	<u>3,325,723</u>	<u>179,963</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 3,958,931</u>	<u>\$ 131,439</u>
 Reconciliation of operating income to net cash provided by (used in) operating activities:		
Cash flows from operating activities		
Operating income (loss)	\$ 1,047,777	\$ (76,195)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	44,704
Decrease in due from other governments	68,957	-
Decrease in due from other funds	100,000	-
Increase (decrease) in accounts payable	36,120	(10,705)
Net cash provided by (used in) operating activities	<u>\$ 1,252,854</u>	<u>\$ (42,196)</u>

See notes to financial statements.

City of La Puente
Statement of Fiduciary Net Position
June 30, 2013

	Successor Agency Private-purpose Trust Fund	Agency Fund
Assets		
Cash and investments	\$ 307,591	\$ 140,273
Cash with fiscal agent	327,610	-
Land held for resale	728,000	-
	<hr/>	<hr/>
Total assets	1,363,201	140,273
	<hr/>	<hr/>
Liabilities		
Accounts payable	-	4,937
Deposit payable	-	135,336
Interest payable	111,290	-
Advances from the City	13,739,303	-
Bonds payable:		
Due within one year	60,000	-
Due in more than one year	3,825,000	-
	<hr/>	<hr/>
Total liabilities	17,735,593	140,273
	<hr/>	<hr/>
Fiduciary Net Position		
Unrestricted net position	<u>\$ (16,372,392)</u>	<u>\$ -</u>

See notes to financial statements.

City of La Puente
Statement of Changes in Fiduciary Net Position
Successor Agency to the Former La Puente Community Development Commission
Private-Purpose Trust Fund
Year ended June 30, 2013

Revenues		
Taxes	\$	668,395
Investment income		<u>567</u>
Total revenues		<u>668,962</u>
Expenditures		
Administration		262,380
Debt service:		
Interest expense		<u>267,408</u>
Total expenses		<u>529,788</u>
Change in net position		139,174
Fiduciary net position, beginning of year, as restated		<u>(16,511,566)</u>
Fiduciary net position, end of year	\$	<u><u>(16,372,392)</u></u>

See notes to financial statements.

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 Public Financing Authority

The City of La Puente and the former 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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the City adopted the following Governmental Accounting Standards Board (GASB) statements which impacted the City's financial statements:

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.

- GASB Statement No. 62 - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

- GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Adoption of this statement resulted in the beginning Net Position of the Sewer Assessment Enterprise Fund and Net Position for the Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund being reduced by \$281,176 and \$147,254, respectively.

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.

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Position 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 is 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Position and a Statement of Changes in Fiduciary Net Position.

As a general rule, the effect of interfund 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Assets, Liabilities, and Net Position

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*.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2013 \$434,951 of capitalized interest was included in the proprietary fund's construction in progress.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position. 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 Outflows and Inflows of Resources

Pursuant to GASB Statement Nos. 63 and 65, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 5 for the list of deferred inflows of resources the City has recognized as of June 30, 2013.

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 reported as unavailable 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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 \$3,987,665 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 or resolution of the City's highest level of decision-making authority (City Council). 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 or resolution taken to establish the commitment. The City has committed fund balances of \$1,527,172 to fund disallowed transactions.

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 Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial statements. The City has no assigned fund balances.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 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 Position

The governmental fund balance sheet includes a reconciliation between *fund balances of total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. 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 \$1,830,426 difference are as follows:

Loans receivable	\$ 1,329,357
Due from other governments	<u>501,069</u>
	<u>\$ 1,830,426</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 position 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."

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The details of this \$886,310 difference are as follows:

Capital outlay	\$	2,225,682
Depreciation expense		<u>(1,339,372)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>886,310</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2013:

		<u>Accumulated Deficit</u>
Major funds:		
CDBG	\$	(96,117)
County Park Act		(707,477)
Nonmajor funds:		
HSIP Grant		(33,934)

The deficits of the Community Development Block Grant, 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, 2013.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Major funds:			
CDBG			
Capital outlay	\$ 381,620	\$ 597,486	\$ (215,866)
County Park Act			
Capital outlay	200,000	233,341	(33,341)
Nonmajor funds:			
HSIP Grant			
Capital outlay	259,660	389,110	(129,450)

NOTE 4 DETAILED NOTES ON ALL FUNDS

Cash and Investments

Cash and Investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Governmental Activities	\$	11,297,138
Business-type Activities		3,958,931
Fiduciary Funds		
Cash and investments		447,864
Cash with fiscal agent		327,610
Total cash and Investments	\$	<u>16,031,543</u>

At June 30, 2013, cash and investments consist of the following:

Petty cash and change funds	\$	2,500
Deposits with financial institutions		1,402,605
Investments		14,626,438
Total cash and Investments	\$	<u>16,031,543</u>

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 is 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
Negotiable CDs	\$ 748,496	\$ -	\$ 248,749	\$ 499,747
State investment pool - LAIF	13,550,332	13,550,332	-	-
Held by fiscal agent:				
Mutual funds	327,610	327,610	-	-
Total	\$ 14,626,438	\$ 13,877,942	\$ 248,749	\$ 499,747

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
Negotiable CDs	\$ 748,496	N/A	\$ 748,496	\$ -
State investment pool - LAIF	13,550,332	N/A	-	13,550,332
Held by fiscal agent:				
Mutual funds	327,610	N/A	327,610	-
Total	\$ 14,626,438		\$ 1,076,106	\$ 13,550,332

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, 2013, 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, 2013, 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, 2013 are as follows:

		DUE TO
		Sewer Enterprise Fund
DUE FROM	General Fund	\$ 300,000

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

Advances to Successor Agency at June 30, 2013 are as follows:

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

As of June 30, 2013, the City advanced the former Redevelopment Agency (RDA) \$13,739,303, including interest receivable of \$1,462,810, to assist in redevelopment activities. In June 2011, Assembly Bill 26 (1st extraordinary session) dissolved the former RDA, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the loan from the City to the former RDA was considered by the Department of Finance to be unenforceable. The successor agency to the former RDA sought reconsideration by the Department of Finance as to the enforceability of the loan. On April 26, 2013, the Department of Finance allowed the loan to be placed on the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes under HSC Section 34191(b)(i). However, loan repayment depends on the availability of excess property tax increment. Because of the uncertainty as to when the former RDA will have excess property tax distribution to pay for the loan, the principal amount of \$12,233,300 has been reserved as potentially uncollectible as of June 30, 2013 in the fund financial statements and an additional reserve for the interest receivable of \$1,462,810 under the government-wide financial statements. The remaining balance of \$43,193 is a new receivable and is collectible.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Interfund transfers for the year ended June 30, 2013 are as follows:

		TRANSFERS IN		
		General Fund	Business-type Activities Sewer Assessment Enterprise Fund	Total
OUT	General Fund	\$ -	\$ 100,000	\$ 100,000
	Non-major governmental	196,390	-	196,390
		\$ 196,390	\$ 100,000	\$ 296,390

Transfers from and to the General Fund were for reimbursement of administrative expenses.

Housing and Community Development Loan Program

The City uses Housing and Community Development Block Grant and Cal-Home Grant funds to provide deferred payment housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate income persons to improve or rehabilitate residences. Loan repayment is deferred until the home is sold or changes title.

The City accounts for this program in the Special Revenue CDBG/Cal-Home Grant Fund. Rehabilitation loans receivable of \$1,329,357 at June 30, 2013 have been reflected in the accompanying financial statements as loans receivable with an offsetting deferred inflows of resources in the fund financial statements to indicate that such receivables were unavailable resources as of June 30, 2013.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2013, is as follows:

	Beginning Balance	Increases	Reclassifications/ Decreases	Ending Balance
Governmental Activities:				
Capital assets, not depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in progress	1,826,833	2,225,682	(2,321,779)	1,730,736
Total capital assets, not depreciated	5,447,012	2,225,682	(2,321,779)	5,350,915
Capital assets, being depreciated:				
Buildings and improvements	19,954,468	-	-	19,954,468
Equipment and furniture	1,673,274	6,741	-	1,680,015
Infrastructure	29,683,945	-	2,321,779	32,005,724
Total capital assets, being depreciated	51,311,687	6,741	2,321,779	53,640,207
Less accumulated depreciation:				
Buildings and improvements	(5,309,373)	(863,942)	-	(6,173,315)
Equipment and furniture	(1,226,739)	(97,906)	-	(1,324,645)
Infrastructure	(16,150,278)	(422,228)	-	(16,572,506)
Total accumulated depreciation	(22,686,390)	(1,384,076)	-	(24,070,466)
Total capital assets, being depreciated, net	28,625,297	(1,377,335)	2,321,779	29,569,741
Governmental activities capital assets, net	\$ 34,072,309	\$ 848,347	\$ -	\$ 34,920,656
Business-type Activities:				
Capital assets, not depreciated:				
Construction in progress	\$ 9,620,714	\$ 88,500	\$ (8,243,422)	\$ 1,465,792
Total capital assets, not depreciated	9,620,714	88,500	(8,243,422)	1,465,792
Capital assets, being depreciated:				
Sewer collection systems	-	-	8,243,422	8,243,422
Total capital assets, being depreciated, net	-	-	8,243,422	8,243,422
Business-type activities capital assets, net	\$ 9,620,714	\$ 88,500	\$ -	\$ 9,709,214

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 70,182
Public works	352,321
Recreation/senior services	776,860
Community development	140,009
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	44,704
Total depreciation expense	\$ 1,384,076

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-term Liabilities

Long-term liabilities for the year ended June 30, 2013 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
UBOC lease agreement	\$ 9,411,765	\$ -	\$ (9,411,765)	\$ -	\$ -
2013 Bank of Nevada lease refunding	-	9,675,000	(785,000)	8,890,000	-
HVAC loan	-	270,000	-	270,000	270,000
Compensated absences	175,564	-	(44,611)	130,953	-
Net OPEB obligation	978,919	471,874	(332,113)	1,118,680	-
Governmental Activities Long-term Liabilities	<u>\$ 10,566,248</u>	<u>\$ 10,416,874</u>	<u>\$ (10,573,489)</u>	<u>\$ 10,409,633</u>	<u>\$ 270,000</u>
Business-type Activities:					
2007 Sewer revenue bond	\$ 9,530,000	\$ -	\$ (210,000)	\$ 9,320,000	\$ 215,000
Discount on bonds	(107,788)	-	4,252	(103,536)	-
Business-type Activities Long-term Liabilities	<u>\$ 9,422,212</u>	<u>\$ -</u>	<u>\$ (205,748)</u>	<u>\$ 9,216,464</u>	<u>\$ 215,000</u>

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 Union Bank of California ("UBOC"). In consideration of the foregoing assignment, UBOC paid the Authority an amount of \$10,000,000 to be deposited in the project fund established under the lease.

On June 1, 2013, the Authority and the City entered into a loan agreement with the Bank of Nevada to refinance the UBOC debt. The \$9,675,000 loan proceeds from the Bank of Nevada were used to retire the UBOC outstanding debt of \$9,411,765. With the refinancing of the UBOC debt, the above lease agreement was assigned to the Bank of Nevada.

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 3.2% on January 1 and July 1 of each year, commencing July 1, 2013. At June 30, 2013, the annual lease payments are as follows:

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Year Ending June 30,	Principal	Interest
2014	\$ -	\$ 142,240
2015	630,000	274,400
2016	625,000	254,320
2017	620,000	234,400
2018	615,000	214,640
2019-2023	3,000,000	782,400
2024-2028	2,850,000	313,760
2029	550,000	8,800
	<u>\$ 8,890,000</u>	<u>2,224,960</u>

HVAC Loan

In August 2012, the City entered into a Lease with Option to Purchase Agreement with the Municipal Finance Corporation (MFC) for the lease of a heating, ventilation and air conditioning system (HVAC). MFC provided the City with \$270,000 to acquire the HVAC. The lease term is 5 years with rental payments due in five annual payments. Each payment includes interest at 3.95% per annum on the principal component of the unpaid rental payments. The City has the option to prepay the lease agreement. The City fully settled this obligation in August 2013.

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
2014	\$ 215,000	\$ 426,499
2015	225,000	417,899
2016	235,000	410,024
2017	240,000	401,799
2018	250,000	392,199
2019-2023	1,415,000	1,800,944
2024-2028	1,750,000	1,566,835
2029-2033	2,200,000	1,020,500
2034-2038	2,790,000	432,250
	<u>\$ 9,320,000</u>	<u>\$ 6,868,949</u>

NOTE 5 DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consisted of the following unavailable revenue as of June 30, 2013:

	General Fund	CDBG Fund	County Park Act Fund	Cal-HOME Grant Fund	Total
Amounts associated with long-term loans or advances					
Accrued interest portion of City's advances to the Successor Agency	\$ 1,462,810	\$ -	\$ -	\$ -	\$ 1,462,810
Noncurrent loans receivable		667,119		662,238	1,329,357
Reimbursable expenses from grant			501,069		501,069
	<u>\$ 1,462,810</u>	<u>\$ 667,119</u>	<u>\$ 501,069</u>	<u>\$ 662,238</u>	<u>\$ 3,293,236</u>

NOTE 6 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:

NOTE 6 OTHER INFORMATION (CONTINUED)

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.

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 \$22,698,685. 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.

NOTE 6 OTHER INFORMATION (CONTINUED)

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.

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 16.677% 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, 2013, 2012 and 2011 were \$244,077, \$242,326, and \$277,662, respectively, and were equal to 100% of the required contributions for each year.

NOTE 6 OTHER INFORMATION (CONTINUED)

Annual Pension Cost

For the year ended June 30, 2013, the City's annual pension cost (employer contribution) of \$244,077 for miscellaneous employees was equal to the City's required and actual contributions. The annual required contribution (ARC) for the period July 1, 2012 to June 30, 2013 has been determined by the actuarial valuation of the plan as of June 30, 2010.

A summary of principal assumptions and methods used to determine the ARC is shown below:

Valuation Date:	June 30, 2010
Actuarial Cost Method:	Entry Age Normal Cost Method
Amortization Method:	Level Percent of Payroll
Average Remaining Period:	19 Years as of the Valuation Date
Asset Valuation Method:	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return:	7.75% (net of administrative expenses)
Projected Salary Increases:	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation:	3.00%
Payroll Growth:	3.25%
Individual Salary Growth:	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period. If the plan's accrued liability exceeds the actuarial value of plan assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability.

NOTE 6 OTHER INFORMATION (CONTINUED)

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.

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 and the related information for 2013 were as follows:

Annual Required Contribution	\$ 491,328
Interest on Net Pension Obligation	31,815
Adjustment to Annual Required Contribution	<u>(51,269)</u>
Annual OPEB Cost	471,874
Contributions Made	<u>(332,113)</u>
Increase (Decrease) in Net Pension Obligation	139,761
Net Pension Obligation, Beginning of Year	<u>978,919</u>
Net Pension Obligation, End of Year	<u><u>\$ 1,118,680</u></u>

NOTE 6 OTHER INFORMATION (CONTINUED)

For 2013, the City's annual OPEB cost (expense) of \$471,874 for LPRHP was less than the ARC by \$19,454. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

THREE-YEAR TREND INFORMATION FOR CERBT			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 590,760	56%	\$ 792,577
6/30/2012	530,956	65%	978,919
6/30/2013	471,874	70%	1,118,680

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the date of the latest actuarial valuation report, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,250,891
Actuarial Value of Plan Assets	168,156
Unfunded Actuarial Accrued Liability (UAAL)	5,082,735
Funded Ratio (Actuarial Value of Plan Assets/AAL)	3.2%
Covered Payroll (Active Plan Members)	2,008,468
UAAL as a Percentage of Covered Payroll	253%

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 6 OTHER INFORMATION (CONTINUED)

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

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	30 Years as of the Valuation Date
Actuarial Assumptions:	
Investment Rate of Return	6%
Projected Salary Increase	2.75%
Health Care Trend Rate	4%
General Inflation	2.75%

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 \$1,033,161.

**NOTE 7 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2013, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 68 - GASB has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

GASB No. 69 - GASB has issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013.

GASB No. 70 - GASB has issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

**NOTE 8 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER LA PUENTE
COMMUNITY DEVELOPMENT COMMISSION**

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the City’s former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency’s boundaries and as such, are not available for the use of the City.

Information About the Outstanding Debts of the Successor Agency Trust Fund

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, 2013, the Bond Reserve Fund was \$327,610 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
2014	\$ 60,000	\$ 265,031
2015	65,000	260,734
2016	70,000	256,094
2017	75,000	251,110
2018	80,000	245,782
2019-2023	490,000	1,135,408
2024-2028	685,000	934,829
2029-2033	980,000	652,439
2034-2038	1,380,000	250,252
	<u>\$ 3,885,000</u>	<u>\$ 4,251,679</u>

**NOTE 8 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER LA PUENTE
COMMUNITY DEVELOPMENT COMMISSION (CONTINUED)**

Advances from the City
Please refer to Note 4.

NOTE 9 CHANGE IN ACCOUNTING PRINCIPLE

Pursuant to GASB Statement Number 65, "*Items Previously Reported as Assets and Liabilities*," the City no longer amortizes the cost of debt issuance. These amounts should be expensed in the year they are incurred. The City made adjustments for these items as a cumulative effect of change in accounting principle in the current fiscal year. This resulted in the beginning Net Position of the Sewer Assessment Enterprise Fund and Net Position for the Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund being reduced by \$281,176 and \$147,254, respectively.

NOTE 10 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 8, 2014, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

City of La Puente
Schedule of Funding Progress
California Public Employees Retirement System (CalPERS)
Year ended June 30, 2013

Actuarial Valuation Date	Actuarial Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL as a % of Payroll
6/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2011	\$ 18,860,026	\$ 14,233,884	\$ 4,626,142	75.5%	\$ 1,786,286	259%
6/30/2012	18,722,759	13,281,748	5,441,011	70.9%	1,638,280	332%

N/A - not available

City of La Puente
Schedule of Funding Progress for La Puente Retiree Healthcare Plan (LPRHP)
Year ended June 30, 2013

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]
6/30/2009	\$ 41,156	\$ 6,592,232	\$ 6,551,076	1%	\$ 2,149,000	305%
6/30/2011	140,556	5,902,812	5,762,256	2%	2,526,015	228%
6/30/2013	168,156	5,250,891	5,082,735	3%	2,008,468	253%

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,995,080	\$ 7,995,080	\$ 8,283,451	\$ 288,371
Licenses and permits	418,000	418,000	393,005	(24,995)
Intergovernmental	94,490	94,490	60,404	(34,086)
Charges for services	592,380	592,380	699,643	107,263
Fines and forfeitures	518,000	518,000	399,365	(118,635)
Investment income	70,310	70,310	31,786	(38,524)
Other revenue	82,000	82,000	43,067	(38,933)
Total revenues	9,770,260	9,770,260	9,910,721	140,461
Expenditures:				
Current:				
General government	2,311,970	2,311,970	2,325,931	(13,961)
Public safety	5,014,510	5,014,510	4,871,043	143,467
Public works	549,880	549,880	456,170	93,710
Recreation/Senior services	849,920	849,920	831,981	17,939
Community development	1,008,560	1,008,560	1,015,966	(7,406)
Capital outlay	-	-	3,410	(3,410)
Debt service	427,700	427,700	899,039	(471,339)
Total expenditures	10,162,540	10,162,540	10,403,540	(241,000)
Excess (deficiency) of revenues over expenditures	(392,280)	(392,280)	(492,819)	(100,539)
Other financing sources (uses):				
Loan proceeds	-	-	9,945,000	9,945,000
Retirement of debt	-	-	(9,411,765)	(9,411,765)
Transfers in	594,900	594,900	196,390	(398,510)
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	494,900	494,900	629,625	134,725
Change in fund balances	102,620	102,620	136,806	34,186
Fund balances, beginning	7,508,388	7,508,388	7,508,388	-
Fund balances, ending	\$ 7,611,008	\$ 7,611,008	\$ 7,645,194	\$ 34,186

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – CDBG
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 817,970	\$ 817,970	\$ 747,403	\$ (70,567)
Total revenues	<u>817,970</u>	<u>817,970</u>	<u>747,403</u>	<u>(70,567)</u>
Expenditures:				
Current:				
General government	16,550	16,550	722	15,828
Recreation/Senior services	41,850	41,850	46,023	(4,173)
Community development	377,950	377,950	199,289	178,661
Capital Outlay	<u>381,620</u>	<u>381,620</u>	<u>597,486</u>	<u>(215,866)</u>
Total expenditures	<u>817,970</u>	<u>817,970</u>	<u>843,520</u>	<u>(25,550)</u>
Excess (deficiency) of revenues over expenditures	-	-	(96,117)	(96,117)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (96,117)</u>	<u>\$ (96,117)</u>

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – County Park Act Fund
Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>217,805</u>	<u>\$ 17,805</u>
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>217,805</u>	<u>17,805</u>
Expenditures:				
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>233,341</u>	<u>(33,341)</u>
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>233,341</u>	<u>(33,341)</u>
Excess (deficiency) of revenues over expenditures	-	-	(15,536)	(15,536)
Fund balance, beginning	<u>(691,941)</u>	<u>(691,941)</u>	<u>(691,941)</u>	<u>-</u>
Fund balance, ending	<u><u>\$ (691,941)</u></u>	<u><u>\$ (691,941)</u></u>	<u><u>\$ (707,477)</u></u>	<u><u>\$ (15,536)</u></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, 2013, 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

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.

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.

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.

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	Special Revenue			
	Traffic Safety	Asset Seizure	PEG Access	State COPS
Assets				
Cash and investments	\$ 2,785	\$ 13,236	\$ 85,160	\$ 112,165
Accounts receivable	-	-	6,099	-
Interest receivable	3	24	132	166
Loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ 2,788</u>	<u>\$ 13,260</u>	<u>\$ 91,391</u>	<u>\$ 112,331</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	2,788	13,260	91,391	112,331
Unassigned				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,788</u>	<u>13,260</u>	<u>91,391</u>	<u>112,331</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,788</u>	<u>\$ 13,260</u>	<u>\$ 91,391</u>	<u>\$ 112,331</u>

City of La Puente
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

Special Revenue				
Traffic Safety LAPTOP	JAG Grant	Gas Tax	Prop 1B	Cal-Home Grant
\$ 18,239	\$ 582	\$ 360,108	\$ 65,249	\$ 248,771
-	-	-	-	-
26	-	991	48	296
-	-	-	-	662,238
-	-	104,670	-	-
<u>\$ 18,265</u>	<u>\$ 582</u>	<u>\$ 465,769</u>	<u>\$ 65,297</u>	<u>\$ 911,305</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,957</u>	<u>\$ 3,106</u>	<u>\$ 165</u>
<u>-</u>	<u>-</u>	<u>64,957</u>	<u>3,106</u>	<u>165</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>662,238</u>
18,265	582	400,812	62,191	248,902
-	-	-	-	-
<u>18,265</u>	<u>582</u>	<u>400,812</u>	<u>62,191</u>	<u>248,902</u>
<u>\$ 18,265</u>	<u>\$ 582</u>	<u>\$ 465,769</u>	<u>\$ 65,297</u>	<u>\$ 911,305</u>

	Special Revenue			
	Energy Efficiency	Air Quality Improvement	Measure R	Prop. A Transportation
Assets				
Cash and investments	\$ 1,528	\$ 329,143	\$ 624,479	\$ 578,699
Accounts receivable	-	-	39,822	63,390
Interest receivable	-	437	390	400
Loans receivable	-	-	-	-
Due from other governments	-	12,631	-	-
Total Assets	\$ 1,528	\$ 342,211	\$ 664,691	\$ 642,489
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 96,529
Total Liabilities	-	-	-	96,529
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Fund Balances:				
Restricted	1,528	342,211	664,691	545,960
Unassigned				
Special revenue funds	-	-	-	-
Total Fund Balances	1,528	342,211	664,691	545,960
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,528	\$ 342,211	\$ 664,691	\$ 642,489

City of La Puente
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2013

Prop. C Transportation	Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
	Community Center	HSIP Grant	Escrow UBOC	
\$ 1,439,645	\$ -	\$ -	\$ -	\$ 3,879,789
52,634	-	-	-	161,945
1,017	-	-	-	3,930
-	-	-	-	662,238
-	-	80,000	-	197,301
<u>\$ 1,493,296</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 4,905,203</u>
\$ 10,543	\$ -	\$ 113,934	\$ -	\$ 289,234
<u>10,543</u>	<u>-</u>	<u>113,934</u>	<u>-</u>	<u>289,234</u>
-	-	-	-	662,238
1,482,753	-	-	-	3,987,665
-	-	(33,934)	-	(33,934)
<u>1,482,753</u>	<u>-</u>	<u>(33,934)</u>	<u>-</u>	<u>3,953,731</u>
<u>\$ 1,493,296</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 4,905,203</u>

	Special Revenue			
	Traffic Safety	Asset Seizure	PEG Access	State COPS
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 100,000
Charges for services	-	-	23,781	-
Investment income	10	46	297	533
Other revenue	-	83	-	-
Total revenues	10	129	24,078	100,533
Expenditures				
Current:				
General government	-	-	24,924	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Principal payment	-	-	-	-
Total expenditures	-	-	24,924	-
Excess (deficiency) of revenues over expenditures	10	129	(846)	100,533
Other financing uses				
Transfers out	-	-	-	(100,000)
Total other financing uses	-	-	-	(100,000)
Change in fund balances	10	129	(846)	533
Fund Balances - beginning	2,778	13,131	92,237	111,798
Fund Balances - ending	\$ 2,788	\$13,260	\$91,391	\$ 112,331

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

Special Revenue				
Traffic Safety LAPTOP	JAG Grant	Gas Tax	Prop 1B	Cal-Home Grant
\$ -	\$ 2,594	\$ 995,675	\$ -	\$ 75,285
-	-	-	-	-
63	-	2,024	45	740
-	-	-	-	-
<u>63</u>	<u>2,594</u>	<u>997,699</u>	<u>45</u>	<u>76,025</u>
-	-	-	-	-
-	2,012	-	-	-
-	-	834,388	-	-
-	-	-	-	2,072
-	-	664,569	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>2,012</u>	<u>1,498,957</u>	<u>-</u>	<u>2,072</u>
<u>63</u>	<u>582</u>	<u>(501,258)</u>	<u>45</u>	<u>73,953</u>
-	-	-	-	-
-	-	-	-	-
<u>63</u>	<u>582</u>	<u>(501,258)</u>	<u>45</u>	<u>73,953</u>
<u>18,202</u>	<u>-</u>	<u>902,070</u>	<u>62,146</u>	<u>174,949</u>
<u>\$ 18,265</u>	<u>\$ 582</u>	<u>\$ 400,812</u>	<u>\$ 62,191</u>	<u>\$ 248,902</u>

	Special Revenue			
	Energy Efficiency	Air Quality Improvement	Measure R	Prop. A Transportation
Revenues				
Intergovernmental	\$ -	\$ 48,237	\$ 416,274	\$ 669,941
Charges for services	-	-	-	219,396
investment Income	-	1,054	1,622	1,529
Other revenue	-	-	-	-
Total revenues	-	49,291	417,896	890,866
Expenditures				
Current:				
General government	-	-	11,742	78,496
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	722,855
Capital outlay	-	-	168,467	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Principal payment	-	-	-	-
Total expenditures	-	-	180,209	801,351
Excess (deficiency) of revenues over expenditures	-	49,291	237,687	89,515
Other financing uses				
Transfers out	-	-	(30,643)	-
Total other financing uses	-	-	(30,643)	-
Change in fund balances	-	49,291	207,044	89,515
Fund Balances - beginning	1,528	292,920	457,647	456,445
Fund Balances - ending	<u>\$ 1,528</u>	<u>\$ 342,211</u>	<u>\$ 664,691</u>	<u>\$ 545,960</u>

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2013

Prop. C Transportation	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Community Center	HSIP Grant	Escrow UBOC		
\$ 556,972	\$ -	\$ 458,089	\$ -	\$ -	\$ 3,323,067
-	-	-	-	-	243,177
4,154	-	-	-	-	12,117
-	-	-	-	-	83
<u>561,126</u>	<u>-</u>	<u>458,089</u>	<u>-</u>	<u>-</u>	<u>3,578,444</u>
-	-	-	-	-	115,162
-	-	-	-	-	2,012
15,149	-	-	-	-	849,537
-	-	-	-	-	724,927
313,480	-	389,110	-	-	1,535,626
-	173,652	-	186,203	-	359,855
-	-	-	-	-	-
<u>328,629</u>	<u>173,652</u>	<u>389,110</u>	<u>186,203</u>	<u>-</u>	<u>3,587,119</u>
<u>232,497</u>	<u>(173,652)</u>	<u>68,979</u>	<u>(186,203)</u>	<u>-</u>	<u>(8,675)</u>
<u>(65,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,390)</u>
<u>(65,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,390)</u>
166,750	(173,652)	68,979	(186,203)	-	(205,065)
<u>1,316,003</u>	<u>173,652</u>	<u>(102,913)</u>	<u>186,203</u>	<u>-</u>	<u>4,158,796</u>
<u>\$ 1,482,753</u>	<u>\$ -</u>	<u>\$ (33,934)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,953,731</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Safety Fund
Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	10	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	10	10
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Public safety	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	-	-	10	10
Fund balance, beginning	<hr/> 2,778	<hr/> 2,778	<hr/> 2,778	<hr/> -
Fund balance, ending	<hr/> <u>\$ 2,778</u>	<hr/> <u>\$ 2,778</u>	<hr/> <u>\$ 2,788</u>	<hr/> <u>\$ 10</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Asset Seizure Fund
Year ended June 30, 2013

	<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	\$ 46	\$ (184)
Other revenue	-	-	83	83
Total revenues	<u>230</u>	<u>230</u>	<u>129</u>	<u>(101)</u>
Expenditures:				
Current:				
Public safety	<u>4,430</u>	<u>4,430</u>	<u>-</u>	<u>4,430</u>
Total expenditures	<u>4,430</u>	<u>4,430</u>	<u>-</u>	<u>4,430</u>
Excess (deficiency) of revenues over expenditures	(4,200)	(4,200)	129	4,329
Fund balance, beginning	<u>13,131</u>	<u>13,131</u>	<u>13,131</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 8,931</u></u>	<u><u>\$ 8,931</u></u>	<u><u>\$ 13,260</u></u>	<u><u>\$ 4,329</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - PEG Access Fund
Year ended June 30, 2013

	<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	\$ 23,781	\$ 10,081
Investment income	700	700	297	(403)
Total revenues	<u>14,400</u>	<u>14,400</u>	<u>24,078</u>	<u>9,678</u>
Expenditure:				
Current:				
General government	86,400	86,400	24,924	61,476
Total expenditures	<u>86,400</u>	<u>86,400</u>	<u>24,924</u>	<u>61,476</u>
Excess (deficiency) of revenues over expenditures	(72,000)	(72,000)	(846)	71,154
Fund balance, beginning	<u>92,237</u>	<u>92,237</u>	<u>92,237</u>	<u>-</u>
Fund balance, ending	<u>\$ 20,237</u>	<u>\$ 20,237</u>	<u>\$ 91,391</u>	<u>\$ 71,154</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - State COPS Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment income	-	-	533	533
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,533</u>	<u>533</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	100,000	100,000	100,533	533
Other financing uses				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>	<u>100,000</u>
Change in fund balances	(100,000)	(100,000)	533	100,533
Fund balance, beginning	<u>111,798</u>	<u>111,798</u>	<u>111,798</u>	<u>-</u>
Fund balance, ending	<u>\$ 11,798</u>	<u>\$ 11,798</u>	<u>\$ 112,331</u>	<u>\$ 100,533</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 63	\$ 63
Total revenues	<u>-</u>	<u>-</u>	<u>63</u>	<u>63</u>
Expenditures:				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	63	63
Fund balance, beginning	<u>18,202</u>	<u>18,202</u>	<u>18,202</u>	<u>-</u>
Fund balance, ending	<u>\$ 18,202</u>	<u>\$ 18,202</u>	<u>\$ 18,265</u>	<u>\$ 63</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – JAG Grant Fund
Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 36,280	\$ 36,280	\$ 2,594	\$ (33,686)
Total revenues	<u>36,280</u>	<u>36,280</u>	<u>2,594</u>	<u>(33,686)</u>
Expenditures:				
Current:				
Public safety	36,280	36,280	2,012	34,268
Total expenditures	<u>36,280</u>	<u>36,280</u>	<u>2,012</u>	<u>34,268</u>
Excess of revenues over expenditures	-	-	582	582
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582</u>	<u>\$ 582</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Gas Tax Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,131,990	\$ 1,131,990	\$ 995,675	\$ (136,315)
Investment income	-	-	2,024	2,024
Total revenues	<u>1,131,990</u>	<u>1,131,990</u>	<u>997,699</u>	<u>(134,291)</u>
Expenditures:				
Current:				
Public works	936,050	936,050	834,388	101,662
Capital outlay	903,440	903,440	664,569	238,871
Total expenditures	<u>1,839,490</u>	<u>1,839,490</u>	<u>1,498,957</u>	<u>340,533</u>
Excess (deficiency) of revenues over expenditures	(707,500)	(707,500)	(501,258)	206,242
Fund balance, beginning	<u>902,070</u>	<u>902,070</u>	<u>902,070</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 194,570</u></u>	<u><u>\$ 194,570</u></u>	<u><u>\$ 400,812</u></u>	<u><u>\$ 206,242</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop 1B Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Income	\$ -	\$ -	\$ 45	\$ 45
Other revenue	-	-	-	-
Total revenues	-	-	45	45
Expenditures:				
Capital Outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	45	45
Fund balance, beginning	62,146	62,146	62,146	-
Fund balance, ending	<u>\$ 62,146</u>	<u>\$ 62,146</u>	<u>\$ 62,191</u>	<u>\$ 45</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Intergovernmental	\$ 159,440	\$ 159,440	\$ 75,285	\$ (84,155)
Investment income	-	-	740	740
	<u>159,440</u>	<u>159,440</u>	<u>76,025</u>	<u>(83,415)</u>
Total revenues				
Expenditures:				
Current:				
Community development	159,440	159,440	2,072	157,368
	<u>159,440</u>	<u>159,440</u>	<u>2,072</u>	<u>157,368</u>
Total expenditures				
Excess of revenues over expenditures	-	-	73,953	73,953
Fund balance, beginning	<u>174,949</u>	<u>174,949</u>	<u>174,949</u>	-
Fund balance, ending	<u>\$ 174,949</u>	<u>\$ 174,949</u>	<u>\$ 248,902</u>	<u>\$ 73,953</u>

City of La Puente
**Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual - Energy Efficiency Fund
 Year ended June 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	1,528	1,528	1,528	-
Fund balance, ending	<u>\$ 1,528</u>	<u>\$ 1,528</u>	<u>\$ 1,528</u>	<u>\$ -</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 160,340	\$ 160,340	\$ 48,237	\$ (112,103)
Investment income	-	-	1,054	1,054
	<u>160,340</u>	<u>160,340</u>	<u>49,291</u>	<u>(111,049)</u>
Total revenues				
Expenditures:				
Current:				
General government	452,740	452,740	-	452,740
	<u>452,740</u>	<u>452,740</u>	<u>-</u>	<u>452,740</u>
Total expenditures				
Excess of revenues over expenditures	(292,400)	(292,400)	49,291	341,691
Fund balance, beginning	<u>292,920</u>	<u>292,920</u>	<u>292,920</u>	<u>-</u>
Fund balance, ending	<u>\$ 520</u>	<u>\$ 520</u>	<u>\$ 342,211</u>	<u>\$ 341,691</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Measure R Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 376,590	\$ 376,590	\$ 416,274	\$ 39,684
Investment Income	-	-	1,622	1,622
Total revenues	<u>376,590</u>	<u>376,590</u>	<u>417,896</u>	<u>41,306</u>
Expenditures:				
Current:				
Public works	-	-	11,742	(11,742)
Capital outlay	394,980	394,980	168,467	226,513
Total expenditures	<u>394,980</u>	<u>394,980</u>	<u>180,209</u>	<u>214,771</u>
Excess (deficiency) of revenues over expenditures	(18,390)	(18,390)	237,687	256,077
Other financing uses				
Transfers out	(40,000)	(40,000)	(30,643)	9,357
Change in fund balances	(58,390)	(58,390)	207,044	265,434
Fund balance, beginning	<u>457,647</u>	<u>457,647</u>	<u>457,647</u>	<u>-</u>
Fund balance, ending	<u>\$ 399,257</u>	<u>\$ 399,257</u>	<u>\$ 664,691</u>	<u>\$ 265,434</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue :				
Intergovernmental	\$ 605,330	\$ 605,330	\$ 669,941	\$ 64,611
Charges for services	201,500	201,500	219,396	17,896
Investment income	-	-	1,529	1,529
	<u>806,830</u>	<u>806,830</u>	<u>890,866</u>	<u>84,036</u>
Total revenues				
Expenditures:				
Current:				
General government	98,690	98,690	78,496	20,194
Community development	749,300	749,300	722,855	26,445
	<u>847,990</u>	<u>847,990</u>	<u>801,351</u>	<u>46,639</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(41,160)	(41,160)	89,515	130,675
Fund balance, beginning	456,445	456,445	456,445	-
Fund balance, ending	<u>\$ 415,285</u>	<u>\$ 415,285</u>	<u>\$ 545,960</u>	<u>\$ 130,675</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 502,100	\$ 502,100	\$ 556,972	\$ 54,872
Investment income	-	-	4,154	4,154
Total revenues	<u>502,100</u>	<u>502,100</u>	<u>561,126</u>	<u>59,026</u>
Expenditures:				
Current:				
Public works	-	-	15,149	(15,149)
Capital outlay	<u>1,426,220</u>	<u>1,426,220</u>	<u>313,480</u>	<u>1,112,740</u>
Total expenditures	<u>1,426,220</u>	<u>1,426,220</u>	<u>328,629</u>	<u>1,097,591</u>
Excess (deficiency) of revenues over expenditures	(924,120)	(924,120)	232,497	1,156,617
Other financing uses				
Transfers out	<u>(265,000)</u>	<u>(265,000)</u>	<u>(65,747)</u>	<u>199,253</u>
Change in fund balances	(1,189,120)	(1,189,120)	166,750	1,355,870
Fund balance, beginning	<u>1,316,003</u>	<u>1,316,003</u>	<u>1,316,003</u>	<u>-</u>
Fund balance, ending	<u>\$ 126,883</u>	<u>\$ 126,883</u>	<u>\$ 1,482,753</u>	<u>\$ 1,355,870</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Community Center Fund
Year ended June 30, 2013

	<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	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service:				
Interest & fiscal charges	172,800	172,800	173,652	(852)
Total expenditures	<u>172,800</u>	<u>172,800</u>	<u>173,652</u>	<u>(852)</u>
Excess (deficiency) of revenues over expenditures	(172,800)	(172,800)	(173,652)	(852)
Fund balance, beginning	<u>173,652</u>	<u>173,652</u>	<u>173,652</u>	<u>-</u>
Fund balance, ending	<u>\$ 852</u>	<u>\$ 852</u>	<u>-</u>	<u>\$ (852)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – HSIP Grant
Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue :				
Intergovernmental	<u>\$ 259,660</u>	<u>\$ 259,660</u>	<u>\$ 458,089</u>	<u>\$ 198,429</u>
Total revenues	<u>259,660</u>	<u>259,660</u>	<u>458,089</u>	<u>198,429</u>
Expenditures:				
Capital outlay	<u>259,660</u>	<u>259,660</u>	<u>389,110</u>	<u>(129,450)</u>
Total expenditures	<u>259,660</u>	<u>259,660</u>	<u>389,110</u>	<u>(129,450)</u>
Excess of revenues over expenditures	-	-	68,979	68,979
Fund balance, beginning	<u>(102,913)</u>	<u>(102,913)</u>	<u>(102,913)</u>	<u>-</u>
Fund balance, ending	<u><u>\$ (102,913)</u></u>	<u><u>\$ (102,913)</u></u>	<u><u>\$ (33,934)</u></u>	<u><u>\$ 68,979</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Escrow UBOC Fund
Year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
investment Income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Interest & fiscal charges	187,900	187,900	186,203	1,697
Total expenditures	187,900	187,900	186,203	1,697
Excess (deficiency) of revenues over expenditures	(187,900)	(187,900)	(186,203)	1,697
Fund balance, beginning	186,203	186,203	186,203	-
Fund balance, ending	<u>\$ (1,697)</u>	<u>\$ (1,697)</u>	<u>\$ -</u>	<u>\$ 1,697</u>

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.

City of La Puente
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

	Deposits	County Court Parking Fines	Totals
Assets			
Cash and Investments	\$ 135,394	\$ 4,879	\$ 140,273
Total Assets	\$ 135,394	\$ 4,879	\$ 140,273
Liabilities			
Accounts Payable	\$ 662	\$ 4,879	\$ 5,541
Deposits Payable	134,732	-	134,732
Total Liabilities	\$ 135,394	\$ 4,879	\$ 140,273

City of La Puente
Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2013

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
<u>Deposits Fund</u>				
Assets				
Cash and Investments	\$ 220,673	\$ 11,401	\$ 96,680	\$ 135,394
Total Assets	<u>\$ 220,673</u>	<u>\$ 11,401</u>	<u>\$ 96,680</u>	<u>\$ 135,394</u>
Liabilities				
Accounts Payable	\$ 4,457	\$ -	\$ 3,795	\$ 662
Deposits Payable	216,216	11,401	92,885	134,732
Total Liabilities	<u>\$ 220,673</u>	<u>\$ 11,401</u>	<u>\$ 96,680</u>	<u>\$ 135,394</u>
 <u>County Court Parking Fines Fund</u>				
Assets				
Cash and Investments	\$ 9,856	\$ 603	\$ 5,580	\$ 4,879
Total Assets	<u>\$ 9,856</u>	<u>\$ 603</u>	<u>\$ 5,580</u>	<u>\$ 4,879</u>
Liabilities				
Accounts Payable	\$ 9,856	\$ 603	\$ 5,580	\$ 4,879
Total Liabilities	<u>\$ 9,856</u>	<u>\$ 603</u>	<u>\$ 5,580</u>	<u>\$ 4,879</u>
 <u>Totals - All Agency Funds</u>				
Assets				
Cash and Investments	\$ 230,529	\$ 12,004	\$ 102,260	\$ 140,273
Total Assets	<u>\$ 230,529</u>	<u>\$ 12,004</u>	<u>\$ 102,260</u>	<u>\$ 140,273</u>
Liabilities				
Accounts Payable	\$ 14,313	\$ 603	\$ 9,375	\$ 5,541
Deposits	216,216	11,401	92,885	134,732
Total Liabilities	<u>\$ 230,529</u>	<u>\$ 12,004</u>	<u>\$ 102,260</u>	<u>\$ 140,273</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 Source¹
June 30, 2013

Governmental Funds Capital Assets

Land	\$ 3,620,179
Building and Improvements	19,954,468
Furniture and Equipment	583,140
Infrastructure	32,005,724
Construction in Progress	<u>1,730,736</u>
 Total Governmental Funds Capital Assets	 \$ <u><u>57,894,247</u></u>

Investments in Governmental Funds Capital Assets by Source

General Fund	\$ 9,195,260
Special Revenue Funds	16,315,637
Federal and State Grants	16,643,913
County Grants	6,055,618
Donated	<u>9,683,819</u>
 Total Governmental Funds Capital Assets by Source	 \$ <u><u>57,894,247</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 Activity¹
June 30, 2013

	Land	Building and Improvements	Furniture and Equipment	Infrastructure	Construction in Progress	Totals
Function and Activity						
General Government	\$ 591,008	\$ 1,056,868	\$ 260,610	\$ -	\$ -	\$ 1,908,486
Public Works	2,538,966	617,995	33,858	29,912,311	293,784	33,396,914
Recreation/Senior Services	415,620	16,096,752	183,821	-	1,436,952	18,133,145
Community Development	74,585	2,182,853	104,851	2,093,413	-	4,455,702
Total Governmental Funds						
Capital Assets	<u>\$ 3,620,179</u>	<u>\$ 19,954,468</u>	<u>\$ 583,140</u>	<u>\$ 32,005,724</u>	<u>\$ 1,730,736</u>	<u>\$ 57,894,247</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 Activity¹
Year ended June 30, 2013

	Governmental Funds Capital Assets July 1, 2012	Additions	Deletions	Governmental Funds Capital Assets June 30, 2013
Function and Activity				
General Government	\$ 1,908,486	\$ -	\$ -	\$ 1,908,486
Public Works	33,000,621	396,293	-	33,396,914
Recreation/Senior Services	16,938,499	1,194,646	-	18,133,145
Community Development	<u>3,820,960</u>	<u>634,742</u>	<u>-</u>	<u>4,455,702</u>
	<u>\$ 55,668,566</u>	<u>\$ 2,225,681</u>	<u>\$ -</u>	<u>\$ 57,894,247</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.

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STATISTICAL SECTION

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
Financial Trends	105
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	111
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	115
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.	
Demographic and Economic Information	118
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	121
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

**City of La Puente
Net Position by Component
Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net investment in capital assets	\$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	\$26,030,656
Restricted for:										
Public Safety	282,591	236,442	75,476	59,343	65,725	46,084	54,421	32,625	132,778	133,966
Public Works	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	3,343,118
Community Development	1,537,772	1,494,379	525,745	357,972	386,591	1,370,161	1,095,201	933,572	648,165	510,581
Redevelopment and Housing	-	-	39,587	126,041	258,694	240,029	197,844	83,571	-	-
Debt Service	-	-	-	-	-	1,337,441	-	-	-	-
Total Restricted	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	3,987,665
Unrestricted	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	6,431,855
Total governmental activities net position	<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>	<u>\$36,450,176</u>
Business-type Activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,115,652)	\$ 2,754	\$ 198,502	\$ -
Unrestricted	-	(111,925)	(271,433)	358,985	961,825	1,771,347	3,590,394	3,049,730	4,072,131	4,714,234
Total business-type activities net position	<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>	<u>\$ 4,714,234</u>
Primary Government										
Net investment in capital assets	\$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	\$26,030,656
Restricted	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	3,987,665
Unrestricted	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	11,146,089
Total Primary Government Net Position	<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>	<u>\$41,164,410</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General Government	\$ 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	\$ 2,540,210
Public Safety	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	4,913,590
Public Works	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	1,847,640
Recreation/Senior Services	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	1,670,038
Community Development	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	2,121,666
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	465,004
Total governmental activities expenses	<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>	<u>13,558,148</u>
Business-type activities:										
Sewer Maintenance	-	111,925	159,508	207,386	493,506	356,205	251,431	753,264	1,091,411	698,400
Total business-type activities expenses	<u>-</u>	<u>111,925</u>	<u>159,508</u>	<u>207,386</u>	<u>493,506</u>	<u>356,205</u>	<u>251,431</u>	<u>753,264</u>	<u>1,091,411</u>	<u>698,400</u>
Total primary government expenses	<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>	<u>\$14,256,548</u>
Program Revenue										
Governmental activities:										
Charges for services:										
General Government	\$ 91,796	\$ 76,314	\$ 113,394	\$ 18,849	\$ 212,007	\$ 141,391	\$ 44,159	\$ 47,445	\$ 54,087	\$ 53,996
Public Safety	534,973	611,108	652,823	716,992	483,631	741,057	1,235,688	618,183	549,768	462,652
Public Works	203,252	225,395	244,590	226,555	19,616	48,417	209,605	223,676	221,072	219,396
Recreation/Senior Services	125,036	139,064	155,576	229,627	201,896	260,694	263,437	288,248	252,787	248,797
Community Development	818,823	854,612	706,501	862,105	1,109,159	611,166	449,431	762,499	556,668	750,432
Redevelopment and Housing	-	-	-	25,000	30,000	-	-	-	-	-
Operating Grants and Contributions	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	2,344,928
Capital Grants and Contributions	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	1,860,992
Total governmental activities program revenues	<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>	<u>5,941,193</u>
Business-type activities:										
Charges for services:										
Legal settlement	-	-	-	821,819	845,918	942,477	885,843	1,304,280	1,308,823	1,311,226
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>821,819</u>	<u>845,918</u>	<u>942,477</u>	<u>885,843</u>	<u>1,304,280</u>	<u>2,301,323</u>	<u>1,311,226</u>
Total primary government program revenues	<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>	<u>\$ 7,252,419</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (7,616,955)
Business-type activities	-	(111,925)	(159,508)	614,433	352,412	586,272	634,412	551,016	1,209,912	612,826
Total primary government net expense	<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>	<u>\$ (7,004,129)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property Taxes	\$ 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	\$ 4,591,293
Franchise Taxes	626,867	650,645	694,517	709,320	734,498	970,943	662,966	896,989	915,203	981,476
Sales Taxes	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	1,767,497
Property Transfer Tax	168,620	208,181	223,719	207,756	58,934	95,248	117,126	40,608	48,832	46,120
Transient Occupancy Taxes	79,989	82,386	86,789	83,025	79,490	71,967	82,605	137,402	153,444	172,369
Business License Taxes	-	91,029	89,881	87,169	92,605	90,642	86,927	186,303	128,970	91,961
In-Lieu Sales Tax	-	603,328	469,799	632,023	676,367	545,380	386,646	548,785	609,430	632,735
Other Taxes	9,343	-	-	-	-	-	-	-	-	(100,000)
Total taxes	<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>	<u>8,183,451</u>
Motor Vehicle In-Lieu	1,951,445	2,685,185	-	-	-	-	-	-	-	-
Intergovernmental	167,721	142,358	1,094,772	432,818	247,333	255,884	170,929	377,755	86,146	60,404
Investment Income	(47,290)	201,439	220,438	680,643	481,495	463,456	144,194	93,806	61,285	31,786
Miscellaneous Revenues	16,137	92,386	63,199	118,534	107,844	108,328	199,206	30,562	242,172	43,067
Special Items:										
Legal Settlement	-	-	1,928,645	1,045,000	-	-	-	-	-	-
Sale of Land	-	-	235,787	630	-	-	-	-	-	-
Total Governmental activities	<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>	<u>8,318,708</u>
Business-type activities:										
Total business-type activities	-	-	-	15,985	250,428	223,250	68,983	26,726	8,237	111,951
Total primary government	<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>	<u>\$ 8,430,659</u>
Change in Net Position										
Governmental activities	\$ 57,139	\$ 1,823,793	\$ 3,811,466	\$ 3,038,941	\$ 3,322,360	\$ 687,693	\$ (8,390,456)	\$ (40,002)	\$ 1,076,627	\$ 701,753
Business-type activities	-	(111,925)	(159,508)	630,418	602,840	809,522	703,395	577,742	1,218,149	724,777
Total primary government	<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>	<u>\$ 1,426,530</u>

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
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
2013	4,591,293	1,767,497	981,476	46,120	172,369	91,961	632,735	-	8,283,451

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 1,425,125	\$ 5,012,337	\$ 6,946,674	\$11,356,449	\$11,943,037	\$14,117,346	\$13,017,404	\$ -	\$ -	\$ -
Unreserved	<u>12,034,994</u>	<u>8,094,102</u>	<u>8,936,319</u>	<u>6,569,579</u>	<u>8,779,737</u>	<u>5,958,656</u>	<u>6,093,429</u>	-	-	-
Total general fund	<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>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ -	\$ 3,511,981	\$ 5,485,664	\$ 5,537,503	\$11,985,341	\$14,239,645	\$ 7,513,002	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	1,841,722	2,416,329	2,595,249	2,179,965	2,229,734	3,089,829	2,146,069	-	-	-
Debt Service Fund	(1,428,678)	(1,632,565)	(1,841,098)	(1,950,311)	(2,795,778)	(3,377,292)	(4,126,158)	-	-	-
Capital Projects Funds	<u>(1,156,533)</u>	<u>(4,742,538)</u>	<u>(6,331,557)</u>	<u>(6,665,360)</u>	<u>(5,500,761)</u>	<u>(11,674,885)</u>	<u>(12,508,278)</u>	-	-	-
Total all other governmental funds	<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>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,968,441	\$ 1,143,252	\$ 790,213
Restricted								-	1,521,681	1,527,172
Unrestricted:										
Unassigned										
General Fund	-	-	-	-	-	-	-	5,601,360	4,843,455	5,327,809
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,569,801</u>	<u>\$ 7,508,388</u>	<u>\$ 7,645,194</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,615,757	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	3,402,447	4,261,709	3,987,665
Unrestricted:										
Unassigned	-	-	-	-	-	-	-	(17,640,549)	(794,854)	(837,528)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,622,345)</u>	<u>\$ 3,466,855</u>	<u>\$ 3,150,137</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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 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	\$ 8,283,451
Licenses and permits	558,431	450,406	432,732	386,911	332,227	241,162	313,337	273,183	356,891	393,005
Intergovernmental	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	4,348,679
Charges for services	701,437	831,956	833,801	930,265	840,148	958,304	886,241	1,003,997	806,404	942,820
Fines and Forfeitures	509,918	568,161	606,351	625,597	665,409	603,259	547,680	458,677	491,027	399,365
Investment Income	4,051	260,671	193,146	664,921	466,760	463,456	144,194	60,604	1,109,729	43,903
Other revenue	67,828	92,386	63,199	122,477	171,996	108,328	714,402	35,812	320,617	43,150
Total revenues	<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>	<u>\$ 14,454,373</u>
Expenditures:										
General government	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	2,441,815
Public safety	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	4,873,055
Public Works	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	1,305,707
Recreation/Senior Services	1,056,494	1,111,718	1,280,050	1,553,937	786,704	1,252,315	988,071	958,193	882,589	878,004
Community Development	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	1,940,182
Redevelopment and Housing	-	-	97,944	293,793	355,308	634,199	9,045,803	461,447	179,235	-
Capital outlay	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	2,369,863
Debt service:										
Principal	-	-	-	-	-	-	100,000	100,000	724,788	670,659
Interest & Fiscal Charges	106,896	203,887	369,063	404,642	612,721	1,350,974	1,348,651	1,390,135	2,350,000	588,235
Cost of Issuance	-	-	-	-	252,180	82,020	-	-	-	-
Total expenditures	<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>	<u>15,067,520</u>
Excess of revenues over (under) expenditures	<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>	<u>(613,147)</u>
Other Financing Sources (Uses)										
Debt Issuance	-	-	-	-	14,040,000	-	-	-	-	9,945,000
Loan Proceeds	-	-	-	-	-	2,500,000	-	-	-	(9,411,765)
Transfers In	-	-	162,283	88,546	7,933,410	558,430	1,598,359	967,830	1,242,934	196,390
Transfers Out	-	-	(162,283)	(148,890)	(7,961,615)	(558,430)	(1,672,639)	(967,830)	(1,292,934)	(296,390)
Total Other Financing Sources (Uses)	-	-	-	(60,344)	14,011,795	2,500,000	(74,280)	-	(50,000)	433,235
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>\$ (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>	<u>\$ (179,912)</u>
Debt service as a percentage of noncapital expenditures	0.95%	1.77%	3.06%	3.09%	6.43%	10.12%	6.40%	10.15%	20.96%	9.80%

**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			
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%
2013	1,372,048,956	240,616,336	22,688,117	76,877,520	(9,079,536)	1,703,151,393	0.11110%

Source: HdL, Coren & Cone; L.A. County Assessor 2012/13 Combined Tax Rolls

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

Agency	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
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	0.09051	0.08210	0.10806	0.08990	0.10877	0.12316	0.11628	0.12773
County Detention Facilities 1987 Debt	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hacienda-La Puente Unified	0.05559	0.05625	0.05511	0.05240	0.05103	0.05681	0.05973	0.06462	0.06430	0.06689
La County Flood Control	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350
Mt. San Antonio College	0.01525	0.01473	0.02122	0.02530	0.01750	0.02333	0.02571	0.02636	0.02642	0.02896
Row land Heights Unified	0.03780	0.03885	0.03633	0.07429	0.06944	0.07029	0.06769	0.07538	0.09195	0.10053
West Covina Unified	0.05084	0.08223	0.06148	0.06511	0.05143	0.06041	0.05258	0.05920	0.05377	0.04965
Total Direct & Overlapping² Tax Rates	1.16703	1.19903	1.27069	1.30461	1.30196	1.30502	1.31878	1.35242	1.35641	1.37725
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	0.06375	0.06391	0.07425	0.08601	0.09465	0.10454	0.10809	0.10549	0.10669	0.11113

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 2004/05 - 2012/13 Tax Rate Table

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

<u>Taxpayer</u>	2004			2013		
	<u>Taxable AV</u>	<u>Rank</u>	<u>% of Total Taxable AV</u>	<u>Taxable AV</u>	<u>Rank</u>	<u>% of Total Taxable AV</u>
Hacienda Plaza JPS LLC	\$ -	-	-	\$ 30,398,000	1	1.78%
Plaza de Hacienda LLC	18,462,000	1	1.57%			
Group X Rosemead Prop.	-	-	-	21,704,272	2	1.27%
Haeri LLC	13,386,073	2	1.14%	15,153,852	3	0.89%
Sunkist Shopping Center	11,147,077	3	0.95%	12,840,973	4	0.75%
Villa Las Brisas LLC				11,539,386	5	0.68%
Walnut Apartments	9,403,727	4	0.80%	10,832,925	6	0.64%
David L. Tsoong	7,965,180	5	0.68%			
Wind Chime Properties				10,483,430	7	0.62%
Time Warner NY Cable LLC				9,332,591	8	0.55%
Laurala Limited	7,837,181	6	0.67%	9,200,532	9	0.54%
EML LLC				7,314,835	10	0.43%
Prince N. Dennis & I. Shan Li				-		
Mahomed&A.M. Limbada	6,343,732	7	0.54%	-	-	-
Granite Hacienda LP				-	-	-
La Puente Gardens	5,537,364	8	0.47%			
La Puente Plaza LLC	5,400,000	9	0.46%	-	-	-
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	5,018,725	10	0.43%			
La Puente Company LLC	-	-	-	-	-	-
	<u>\$ 90,501,059</u>		<u>7.71%</u>	<u>\$138,800,796</u>		<u>8.15%</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
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%
2013	1,048,173	950,591	90.7%	-	950,591	90.7%

⁽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 Activities	Total Primary Government	(1) & (2) Percentage of Personal Income	Per Capita ⁽¹⁾
	Tax Allocation Bond	Lease Agreement	Loan	Sewer Bonds			
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%	474
2013	-	8,890,000	270,000	9,216,464	18,376,464	3.46%	453

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 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, 2013

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of La Puente	Net Bonded Debt
Direct-City of La Puente			
Lease Agreement	\$ 8,890,000	100.000	\$ 8,890,000
2007 Sewer Revenue Bond	9,216,464	100.000	9,216,464
HVAC loan	270,000	100.000	270,000
Total Direct Debt			18,376,464
Overlapping Debt:			
Water District:			
*330.10 METROPOLITAN WATER DISTRICT	76,696,126	0.183	146,088
Mt San Antonio College:			
MT. SAN ANTONIO CCD 2001 SERIES 2004B	4,225,000	2.484	104,955
MT. SAN ANTONIO CCD 2005 REFUNDING BOND	41,010,843	2.492	1,021,967
MT. SAN ANTONIO CCD DS 2001, 2006 SERIES C	78,755,000	2.484	1,956,379
MT. SAC ANTONIO CCD DS 2001, 2008 SERIES D	23,086,083	2.484	573,489
School District:			
BASSETT USD DS 2004 SERIES 2005 A	10,753,352	7.028	755,693
BASSETT USD DS 2006	10,616,192	7.028	746,054
BASSETT USD DS 2006 SERIES 2007	13,374,566	7.028	939,899
BASSETT USD DS 2006 SERIES B	4,999,970	7.028	351,374
HACIENDA- LA PUENTE USD DS 2000 & 2003	9,355,886	13.542	1,267,017
HACIENDA-LA PUENTE UNIFIED DS 2005 REFUNDING BOND	27,215,000	13.542	3,685,581
HACIENDA-LA PUENTE UNIFIED DS 2007 REFUNDING	55,120,000	13.542	7,464,606
ROWLAND HEIGHTS USD DS 2000 SERIES B	2,514,562	1.554	39,076
ROWLAND HEIGHTS UNIFIED DS 2005 REF. BONDS	12,323,442	1.554	191,507
ROWLAND USD DS 2006 SERIES A	39,499,075	1.554	613,818
ROWLAND HEIGHTS USD DS 2006 SERIES B	42,040,000	1.554	653,305
ROWLAND HEIGHTS USD DS 2006 SERIES C (BABS)	12,000,000	1.554	186,481
ROWLAND USD DS 2006 SERIES D QSCB	23,900,000	1.554	371,408
ROWLAND USD DS 2006 SERIES E	31,430,000	1.554	488,424
WEST COVINA USD 2000 REFUNDING SERIES A	14,155,000	0.974	137,913
WEST COVINA USD 2000 SERIES D	350,000	0.974	3,410
WEST COVINA USD DS 2012 REF BONDS	14,420,000	0.974	140,495
Total Overlapping Debt			21,838,939
Total direct and overlapping debt			\$ 40,215,403

2012/13 Assessed Valuation: \$1,617,992,137 after deducting \$85,159,256 incremental value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.01%
Overlapping Debt	0.01%
Total Debt	0.02%

*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>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>	<u>2013</u>
Debt Limit	\$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	\$ 255,472,709
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 255,472,709</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	\$ 1,737,186,858
Add back: exempt real property	<u>34,035,465</u>
Total assessed value	1,703,151,393
Debt limit (15% of total assessed value)	255,472,709
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>\$ 255,472,709</u>

Source: HdL Coren & Cone; L.A. County Assessor 2012/13 Combined Tax Rolls

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
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%
2013	40,222	629,796	15,658	20,783	10.9%

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 Nine Fiscal Years**

Employer	2005			2006			2007			2008			2009		
	# 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%
Food 4 Less #369	53	7	1.12%	58	6	1.50%	58	5	1.51%	58	6	1.52%	75	2	2.03%
Sunset Gardens West	75	4	1.58%	-	-	-	-	-	-	75	2	1.96%	75	2	2.03%
Ed Butts Ford	70	5	1.48%	70	4	1.81%	70	3	1.83%	70	3	1.83%	70	3	1.89%
Big Saver Foods #12	60	6	1.26%	60	5	1.55%	60	4	1.57%	60	4	1.57%	60	4	1.62%
CVS Pharmacy #9629	-	-	-	-	-	-	-	-	-	54	7	1.41%	54	5	1.46%
Merritt's Hardware	50	9	1.05%	50	8	1.29%	50	6	1.31%	50	8	1.31%	50	6	1.35%
99cents Only Stores	45	10	0.95%	-	-	-	-	-	-	38	10	0.99%	37	8	1.00%
Burger King	-	-	-	37	10	0.95%	37	8	0.97%	-	-	-	37	8	1.00%
AJ Wright #218	-	-	-	-	-	-	35	9	0.91%	-	-	-	35	9	0.95%
Jack in the Box	-	-	-	-	-	-	-	-	-	-	-	-	32	10	0.87%
Walgreens #05702	-	-	-	41	9	1.06%	41	7	1.07%	41	9	1.07%	41	7	1.11%
Others	n/a	-	-	n/a	-	-	3,214	-	83.94%	3,198	-	83.63%	3,009	-	81.43%
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%

Employer	2010			2011			2012			2013		
	# 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	1	3.13%	120	1	3.29%	120	1	4.02%	120	1	9.80%
Bodega Latina Corp	-	-	0.00%	-	-	0.00%	80	2	2.68%	80	2	6.54%
Food 4 Less #369	77	2	2.01%	77	2	2.11%	75	3	2.51%	75	3	6.13%
Sunset Gardens West	75	3	1.96%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Ed Butts Ford	70	4	1.83%	70	3	1.92%	70	4	2.35%	70	4	5.72%
Big Saver Foods #12	60	5	1.57%	60	4	1.65%	60	5	2.01%	60	5	4.90%
Merritt's Hardware	50	7	1.30%	50	5	1.37%	50	6	1.68%	43	6	3.51%
Burger King	37	8	0.97%	37	6	1.01%	37	7	1.24%	37	7	3.02%
AJ Wright #218	35	9	0.91%	-	-	0.00%	-	-	0.00%	-	-	0.00%
CVS Pharmacy #9629	54	6	1.41%	33	8	0.90%	33	9	1.11%	35	9	2.86%
99cents Only Stores	37	8	0.97%	34	7	0.93%	34	8	1.14%	32	8	2.61%
Jack in the Box	32	10	0.83%	32	9	0.88%	32	10	1.07%	32	10	2.61%
Walgreens #05702	32	10	0.83%	32	10	0.88%	32	-	1.07%	32	-	2.61%
Others	3,154	-	82.29%	3,102	-	85.06%	2,362	-	79.13%	608	-	49.67%
Total	3,833		100.00%	3,647		100.00%	2,985		100.00%	1,224		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 Nine Fiscal Years

Program/Function	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Government									
City Council	5.00	5.00	5.00	5.00	5.00	5.00	n/a	5.00	5.00
City Clerk/Election Services	3.66	2.68	1.73	3.65	3.80	0.98	n/a	1.00	2.00
Human Resources/Risk Management	-	-	-	0.75	0.75	1.50	n/a	n/a	n/a
Administration	2.38	2.38	1.62	1.95	1.92	0.85	n/a	2.00	2.00
Financial Services	4.36	4.36	3.83	3.45	3.86	3.35	n/a	6.00	5.00
Public Safety									
Public Safety Services	Contract out	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	n/a
Emergency Preparedness Services	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out
Public Works Services	2.20	2.20	2.20	3.30	2.65	4.77	n/a	4.00	6.00
Measure R						0.11	n/a	n/a	n/a
Streets/Sidewalks (Prop C)	1.23	0.58	2.02	0.45	1.40	0.99	n/a	n/a	n/a
Waste Management Services	0.60	0.60	0.40	0.25	0.20	0.06	n/a	n/a	n/a
Park/Maintenance Services	5.39	5.64	5.34	5.00	6.65	4.71	n/a	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	1.00
Housing/Community Services	4.18	3.94	2.65	4.23	1.84	1.70	n/a	1.00	1.00
Community Preservation Services	3.76	4.76	5.76	5.40	6.00	6.00	n/a	6.00	6.00
Public Transit Services (Prop A)	1.36	2.03	2.32	2.00	2.15	2.39	n/a	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	3.00
Youth Activity Learning Center	-	-	-	-	0.33	-	-	-	1.00
Nature Education Center	-	-	-	-	1.00	2.62	n/a	n/a	n/a
Senior Services	1.38	0.73	0.94	0.90	2.83	1.19	n/a	1.00	1.00
Sewer Maintenance Fund									
Sewer Maintenance	-	-	1.11	1.10	1.80	1.79	n/a	n/a	n/a
Equipment Replacement Fund									
IT/Equipment Charges	-	-	0.80	1.00	1.20	1.50	n/a	n/a	n/a
Community Development Commission									
Low Mod Income Housing/Capital Project Fund	-	-	-	0.60	0.75	3.60	n/a	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>	<u>33.00</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 Nine Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety									
Physical arrests	2,627	3,481	3,646	-	1,887	1,781	1,772	1,160	1,210
Parking violations	6,743	9,065	10,208	10,394	9,432	5,650	6,619	6,993	6,687
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	n/a
Potholes patched	302.00	64.00	156.60	-	145.90	n/a	n/a	n/a	n/a
Sanitation									
Refuse collected (tons/day)	57.76	76.65	69.49	51.75	67.36	57.18	55.27	55.02	51.75
Recyclables collected (tons/day)	5.41	7.38	6.79	4.28	6.98	4.89	4.59	4.57	4.28
Green waste collected (tons/day)	8.21	11.69	9.60	10.59	9.36	10.99	10.97	11.23	10.59
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	3,730

* 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
June 30, 2013

Function/Program	Fiscal Year <u>2013</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