

City of La Puente

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2010**



David Argudo, Mayor

Dan Holloway, Mayor Pro Tem

Nadia Mendoza, Councilmember

John M. Solis, Councilmember

Vince House, Councilmember

Josefina Mendez Kenline, City Manager/City Treasurer

Prepared by the Finance Department

City of La Puente, California
Comprehensive Annual Financial Report
Year Ended June 30, 2010

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INTRODUCTORY SECTION



City of La Puente

15900 E. Main Street, La Puente, CA 91744-4719 Telephone (626) 855-1500 www.lapuente.org

December 1, 2010

Honorable City Council and Residents of the City of La Puente

INTRODUCTION

The Comprehensive Annual Financial Report of the City of La Puente for the fiscal year ended June 30, 2010 is submitted herewith. 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 Teaman, Ramirez, & Smith Inc., certified public accountants. The auditors have issued an unqualified ("clean") opinion on these financial statements. The auditors' report is located at the front of the financial section of this report.

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

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

PROFILE OF THE CITY OF LA PUENTE: WHERE THE PAST MEETS THE FUTURE

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 43,000 residents. Commercial land usage is located primarily along major highways/arterials and industrial land usage is less than five percent

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

The City of La Puente is governed by a five member City Council. The City Council holds its regular meetings every second and fourth Tuesday of the month at 7:00 p.m. in the City Council Chambers at City Hall. In-house programs and functions at City Hall include Administration, City Clerk's Office, Community Development, Public Works, Recreation/Senior services, and Finance. 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 2009-2010. A few of the year's completed projects include:

- Completed the installation of new sidewalks and ADA access ramps at La Puente Park using Community Development Block Grant Funds.
- Completed the update of the City's Pavement Management System which inventories the condition of City streets and establishes priorities for street improvements.
- Completed street improvements on Glendora Avenue from Temple Avenue to Hacienda Boulevard and on Hacienda Boulevard from Nelson Avenue to Amar Road using Proposition C and federal stimulus funds from the American Recovery and Reinvestment Act of 2009.
- Completed various pedestrian improvements using Local Transportation Funds (TDA-3).
- Completed concept plan for Temple and Valley Blvd using Proposition C funds.
- Completed the installation of bus pad located Old Valley road using Proposition C funds.
- Completed the Phase II and III of the Sewer Construction/Maintenance project which includes plans, specifications, cost estimates and constructions of sewer improvement identified in the Sewer System Capital Program.

For The Future. Though essentially a built-out city, the City is currently experiencing ongoing redevelopment and improvement activities. For fiscal year 2010-2011, capital spending has increased compared to prior year. Capital projects that are proposed or open are as follows:

- The City and CDC continues to work with the developer for the proposed development of former La Puente Lanes site and adjacent properties totaling 9.75 acres. Progress was slow due to the economic recession and the resulting shortage of prospective tenants for the project.
- During FY 09/10, the City and CDC attempted to negotiate with a private developer, under an agreement with the City to develop a mixed-use project on the Star Theater Site. The proposal includes 5,600 sq. ft of commercial space and 48 condominium units.

- The City continues the project of developing a Nature Education Center to be located on a 1.0 acre site between Nelson Elementary School and the Puente Creek Channel. The Nature Center will be the first open space to be added to the City since its incorporation in 1956.
- The City will perform several street improvements projects in the coming year including Nelson, Del Valle, Sierra Vista; Temple, Del Valle, Dora Gusman; Loukelton & Unruh; Intersection of Amar and Tonopah; Valley Boulevard and on various streets. The rehabilitations will include grinding of existing pavements and overlaying it with new asphaltic concrete (A.C.) pavements.
- The City will complete work on the installation various left turn signals located between Valley and Ferrero, Temple and Orange, Temple and Sunset to enhance traffic safety.
- The City will continue with the Sewer Construction/Maintenance project with Phase IV which will include design work and construction costs.
- The City will perform an evaluation of the elevator located in City Hall.

The goal is to accomplish projects listed above during the fiscal year of 2010-2011 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 56 % 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 is 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, auditors' report 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 - Major businesses located in the City include automobile dealerships, grocery markets, and hardware stores. The businesses appear to have a varied economic base. However, due to the recession,

is the worst since the Great Depression, the unemployment rate is still expected to rise but at a slower pace. During the past year, the unemployment rate rose from 13.2% to 13.6%.

During the past ten years, the City's expenditures related to the public safety contract have increased from \$3.6 million to \$4.7 million. Much of the increase reflects a regional trend associated with increasing administrative costs of police growing at a faster rate than those of other public-sector categories. The expenditures in other functions were fluctuating or increasing at a stable rate depending on the projects/programs that individual departments were undertaking each fiscal year.

During the same ten year period, taxes were continuing to increase in amount from \$3.1 million to \$8.0 million. The major reason for this increase is the increases in property tax and franchise tax.

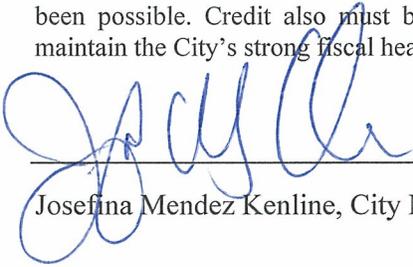
Long-term financial planning – Unreserved fund balance in the general fund is \$6.1 million. It falls within the management budget guidelines as approved by the Council for budgetary and planning purposes. Of the \$6.1 million, the general fund contingency fund currently has \$3 million as a reserve.

Also, as part of the redevelopment plan, the Council envisions developing the La Puente Lanes site along with the Star Theater site to improve the areas, which will bring more businesses to the City along with higher revenues to the City and CDC. Once the CDC-owned properties are sold or leased, net proceeds of the sale/lease will be used to pay down the loans that the CDC received from the City, which will increase the General Fund cash balance accordingly.

Certificates of Achievements - The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellent in Financial Reporting to the City for its comprehensive Annual financial report (CAFR) for the fiscal year ended June 30, 2009. 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.

In addition, the City also received the Distinguished Budget Presentation Award from the GFOA and Excellence in Operating Budget Award from the California Society of Municipal Finance Officers (CSMFO) for its fiscal year 2009-2010 Adopted Budget

Acknowledgments - The preparation of the CAFR could not have been made without the efficient and dedicated services of the Finance Department Staff. I would also like to express our appreciation to Teaman, Ramirez & Smith, Inc., our independent auditors, without whom the preparation of this report would not have been possible. Credit also must be given to the Mayor and City Council for their continuing efforts to maintain the City's strong fiscal health.



Josefina Mendez Kenline, City Manager



Al Holliman, Assistant City Manager

CITY OF LA PUENTE, CALIFORNIA
Directory of Officials

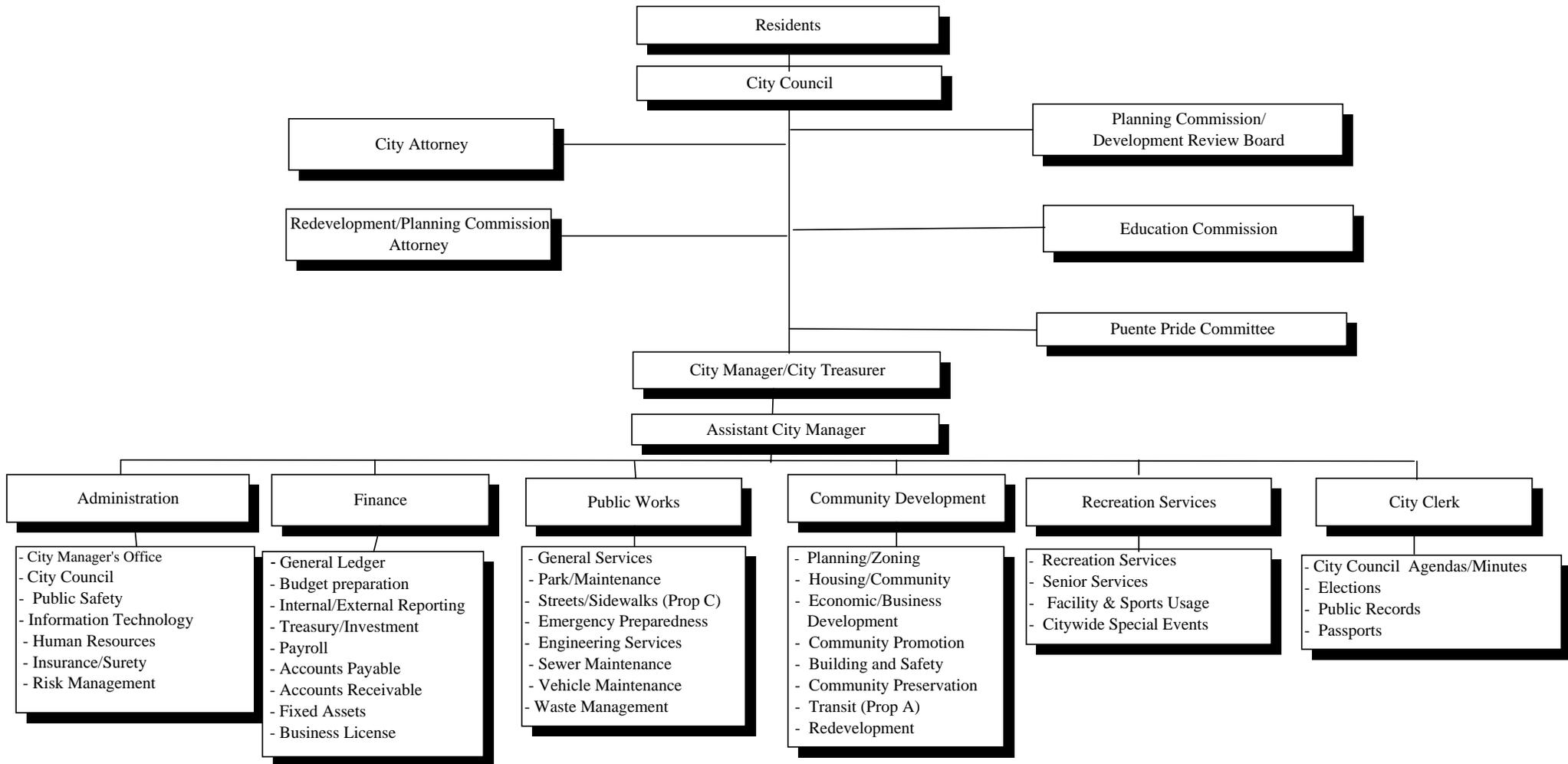
CITY COUNCIL

David E. Argudo, Mayor
Dan Holloway, Mayor Pro Tem
Nadia Mendoza, Councilmember
John M. Solis, Councilmember
Vince House, Councilmember

CITY OFFICIALS

City Manager/City Treasurer..... Josefina Mendez Kenline
Assistant City Manager Al Holliman
City Attorney Rick Olivarez
City Clerk Pat Jacquez-Nares
Community Development Director Gregg Yamachika
Finance Director Young S. Kim
Public Works Director Rene Salas
Recreations Services Director Ted Bistarkey

**City of La Puente
Organization Chart**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of La Puente
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director

FINANCIAL SECTION

Independent Auditors' Report

City Council
City of La Puente
City of La Puente, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of and for the year ended June 30, 2010, which collectively comprise the City of La Puente's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of La Puente's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2010 on our consideration of the City of La Puente's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, the statements and schedules listed in the "Supplementary Information" section in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The statements and schedules listed in the "Supplementary Information" section in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Teaman Ramirez & Smith, Inc.

December 1, 2010



City of La Puente

15900 E. Main Street, La Puente, CA 91744-4719 Telephone (626) 855-1500 www.lapuente.org

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, 2010. 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 19 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 \$35,681,499. Of this, \$18,394,750 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$7,687,061 from the previous fiscal year as a result writing down the land held for resale value to a reasonable sale in the Capital Project Fund.
- Citywide revenues were \$16,176,505. Total revenues are composed of \$8,649,693 in general revenue dollars, \$3,088,163 in charges for services, \$1,739,023 in operating grants and contributions, and \$2,699,626 in capital grants and contributions.
- Citywide expenses were \$23,863,566 with public safety being the largest functional area at \$4,666,557, or 20% of the total expenses.

Fund level

- The total fund balance of the City governmental funds was \$12,135,468 at the close of the fiscal year. \$20,530,406 is reserved and not available for spending at the City's discretion. The unreserved fund balance is negative \$8,394,938. Additional information on the fund balance is on page 15 of this report.
- General Fund revenues were below expenditures by \$965,169 for the fiscal year ended mainly due to transfer of \$1,127,629 to the Community Center and Youth Learning Activity Center (YLAC) reserve fund.
- Governmental fund balances decreased by \$10,217,831 during fiscal year 2009-2010.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements

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

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

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

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as business-type activities). The governmental activities of the City of La Puente include general government, public safety, public works, recreation/senior, community development, and redevelopment and housing. Program revenues finance approximately 31.54% of these activities and general revenues finance the difference.

The government-wide financial statements can be found on pages 20 to 22 of this report.

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

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

The governmental fund financial statements can be found on pages 24 to 30 of this report.

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

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

The fiduciary fund financial statements can be found on page 34 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 35 to 58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

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

Table 1

Net Assets – Governmental Activities

	2010	2009	Net Change
Current and Other Assets	\$21,685,249	\$31,448,774	\$(9,763,525)
Capital Assets	32,532,239	31,023,727	1,508,512
Total Assets	54,217,488	62,472,501	(8,255,013)
Other Liabilities	3,706,922	3,787,398	(80,476)
Long-term Liabilities	17,303,809	17,087,890	215,919
Total Liabilities	21,010,731	20,875,288	135,443
Net Assets:			
Invested in capital assets, net of related debt	16,092,239	16,983,727	(891,488)
Restricted	2,310,162	4,501,128	(2,190,966)
Unrestricted	14,804,356	20,112,358	(5,308,002)
Total Net Assets	\$33,206,757	\$41,597,213	\$(8,390,456)

Net assets may serve over time as a useful indicator of the City's financial position. The City's assets exceeded its liabilities by \$33,206,757 at the close of the fiscal year, a decrease of \$8,390,456 or 20.17% from the previous year.

The largest portion of the City's net assets (48.46%) is invested in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens. The capital assets are not available for future spending. Resources needed to repay the related debt outstanding must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

A portion of net assets, \$2,310,162, or 6.96%, represents resources that are subject to external restrictions on how it may be used. The remaining balance of *unrestricted net assets* of \$14,804,356 may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2

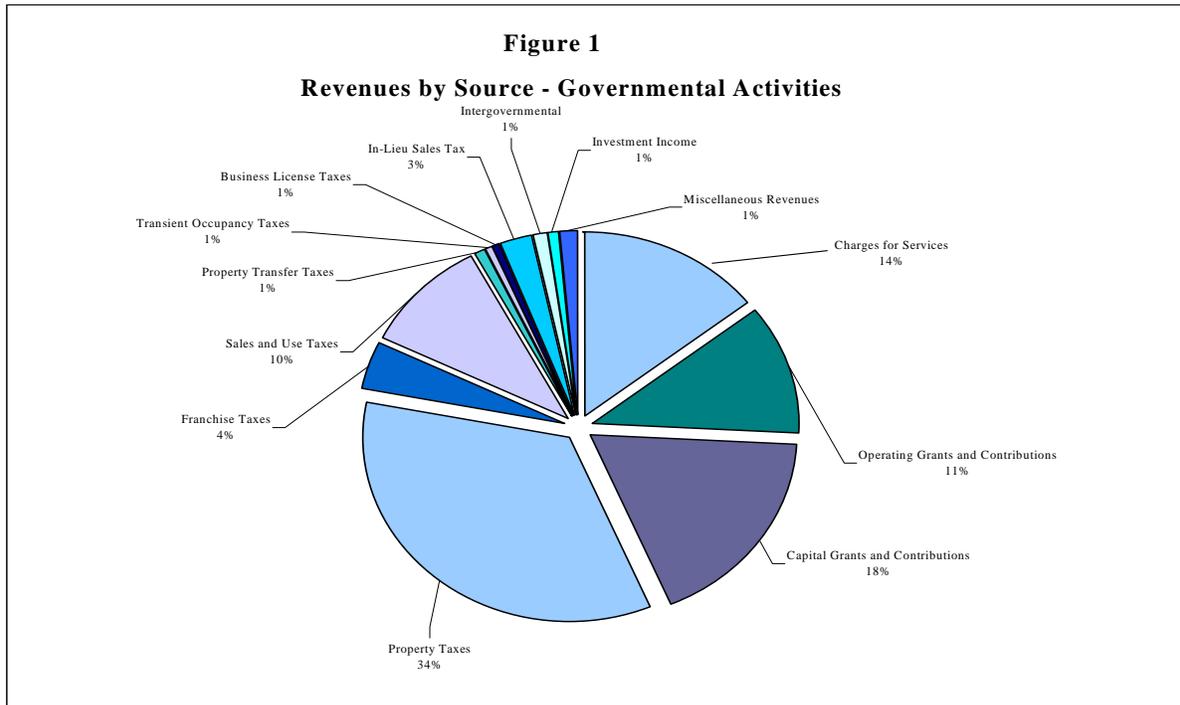
	2010	2009	Net Change
Revenues			
Program Revenues:			
Charges for Services	\$ 2,202,320	\$ 1,802,725	\$ 399,595
Operating Grants and Contributions	1,739,023	2,604,895	(865,872)
Capital Grants and Contributions	2,699,626	1,298,214	1,401,412
General Revenues:			
Taxes:			
Property Taxes	5,229,270	5,604,423	(375,153)
Franchise Taxes	662,966	970,943	(307,977)
Sales and Use Taxes	1,500,841	1,467,084	33,757
Property Transfer Taxes	117,126	95,248	21,878
Transient Occupancy Taxes	82,605	71,967	10,638
Other Taxes	473,573	636,022	(162,449)
Intergovernmental	170,929	255,884	(84,955)
Investment Income	144,194	463,456	(319,262)
Other revenues	199,206	108,328	90,878
Total revenues	<u>15,221,679</u>	<u>15,379,189</u>	<u>(157,510)</u>
Expenses			
General Government	2,451,276	2,278,010	173,266
Public Safety	4,666,557	4,740,092	(73,535)
Public Works	2,241,821	2,199,934	41,887
Recreation/Senior Services	1,818,721	1,620,980	197,741
Community Development	2,591,842	2,351,984	239,858
Redevelopment and Housing	9,045,803	633,713	8,412,090
Interest on Long-Term Debt	796,115	866,783	(70,668)
Total expenses	<u>23,612,135</u>	<u>14,691,496</u>	<u>8,920,639</u>
Change in net assets	(8,390,456)	687,693	(9,078,149)
Net assets, beginning	<u>41,597,213</u>	<u>40,909,520</u>	<u>687,693</u>
Net assets, ending	<u>\$ 33,206,757</u>	<u>\$ 41,597,213</u>	<u>\$ (8,390,456)</u>

The City's net assets decreased by \$8,390,456 during the fiscal year as a result of expenses exceeding revenues. The total cost of all City governmental activities was \$23,612,135 for the fiscal year. Net cost of all activities was \$16,971,166.

Revenues decreased by \$157,510 mainly due to decreases in operating grants and contributions; taxes and investment income as indicated above. The overall increase in expenses was attributed to an increase in redevelopment and housing to writing down the land held for resale to a reasonable value in the Capital Project 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 2009-2010:



As shown on the above pie chart, about 54% 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 44% of the total resources and other intergovernmental, investment income, and miscellaneous income amounted to 2% of the total governmental revenues for the year.

Expense and Program Revenues:

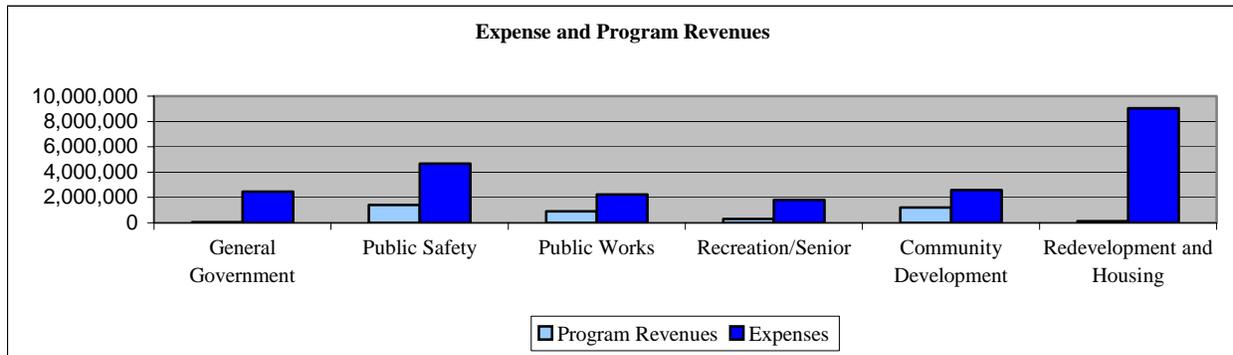
The City's expenses in connection with its governmental activities are categorized by function, namely: general government, public safety, public works, recreation/senior, community development, and redevelopment and housing. The program revenues associated with these governmental activities are classified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

Governmental activities decrease the City's net assets by \$8,372,629. Key elements of this decrease are as follows:

- Property taxes, including the In-lieu Motor Vehicle License Fees (MVLFF), decreased by \$375,153, 6.69% during the year. Franchise Taxes decrease by \$307,977 or 31.72% due to an advance payment in the prior fiscal year from an increase in franchise rate.
- Capital grants for governmental activities increased by \$1,401,412, mostly as a result of federal stimulus funds from the American Recovery and Reinvestment Act of 2009.
- Investment income decreased by \$319,262 due to lower interest rate.

The relationships of the City's program revenues with the related governmental functions are illustrated in Figure 2. The graph below shows that the transportation and community development functions are largely provided for by program revenues. The general government, public safety, and park/senior services functions receive limited program revenue and are primarily funded from the general revenues of the City. It is typical for governmental expenses to be subsidized by general revenues, as the program revenues are generally not adequate to finance the governmental programs.

Figure 2



Business-type Activities

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

Business-Type Activities

	2010	2009
Current and Other Assets	\$ 12,383,649	\$ 12,550,976
Total assets	12,383,649	12,550,976
Long-term liabilities outstanding	9,808,708	9,964,453
Other liabilities	100,199	815,176
Total liabilities	9,908,907	10,779,629
Net assets:		
Invested in capital assets; net of related debt	(1,115,652)	-
Unrestricted	3,590,394	1,771,347
Total net assets	\$ 2,474,742	\$ 1,771,347

The City's business-type program revenues exceeded expenses by \$703,395 as shown below, mainly due to a receipt of the sewer levy fees that were more than the administrative expenses associated with the sewer projects. The sewer levy fees are used to finance the sewer construction/maintenance projects of the City.

Business-Type Activities Change in Net Assets

	2010	2009
Revenues		
Charges for Services	\$ 885,843	\$ 942,477
Investment Income	68,983	223,250
Total revenues	954,826	1,165,727
Expenses		
Sewer assessment	223,706	168,764
Other expenses	27,725	187,441
Total expenses	251,431	356,205
Change in net assets	\$ 703,395	\$ 809,522

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, 2010, the City's Governmental Funds reported a combined fund balance of \$12,135,468, which decreased by \$10,217,831 or 45.71% from prior year fund balance. The decrease is mainly attributed to the write down of the land held in resale to a reasonable sale value of the land in the Capital Project Fund.
- **Reserved Fund Balance** – The City has \$20,530,406, a decrease of \$7,826,585 or 27.60% from the prior year in fund balance that is reserved to indicate it is not available to finance new activities. The decrease is due to loans issued from the General Fund to the Community Development Commission and an decrease in Land Held for Resale. Reserved fund balances are committed to Advances to Other Funds, Prepaid Items, Land Held for Resale, and Debt services.
- **Unreserved Fund Balance** – The unreserved fund balance is (\$8,394,938).

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

- **General Fund** – The General Fund ended the year with a \$19,110,833 fund balance, a decrease of \$965,169 from the previous year. With the exception of the significant events discussed in Financial Highlights, revenues and expenditures in the General Fund were within expected limits of budget projections. See Notes IV B in the Notes to financial statements for more information regarding transfers.
- **Debt Service and Capital Projects funds** are major funds of the La Puente Community Development Commission. The total fund balances of these funds are negative reflecting advances to the La Puente Community Development Commission from the City General Fund. The majority of the advances are used for the purchase of land for redevelopment purposes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City’s investment in capital assets for governmental and business-type activities as of June 30, 2010 is \$41,225,295. 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 \$5,129,985. 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 the Notes to the financial statements IV D. Table 3 shows a summary of changes in capital assets (net of depreciation) as of June 30, 2010.

Table 3

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in Progress	667,693	1,347,837	(179,775)	1,835,755
Total Capital Assets Not Depreciated	<u>4,287,872</u>	<u>1,347,837</u>	<u>(179,775)</u>	<u>5,455,934</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	-	-	19,580,594
Equipment and Furniture	1,607,724	171,297	-	1,779,021
Infrastructure	24,538,469	1,422,170	-	25,960,639
Total Capital Assets Being Depreciated	<u>45,726,787</u>	<u>1,593,467</u>	<u>-</u>	<u>47,320,254</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,001,018)	(770,240)	-	(3,771,258)
Equipment and Furniture	(1,040,240)	(116,741)	-	(1,156,981)
Infrastructure	(14,949,674)	(366,036)	-	(15,315,710)
Total Accumulated Depreciation	<u>(18,990,932)</u>	<u>(1,253,017)</u>	<u>-</u>	<u>(20,243,949)</u>
Total Capital Assets Being Depreciated,	<u>26,735,855</u>	<u>340,450</u>	<u>-</u>	<u>27,076,305</u>
Governmental Activities Capital Asset, Net	<u>31,023,727</u>	<u>\$1,688,287</u>	<u>\$ (179,775)</u>	<u>\$ 32,532,239</u>

Table 3 - continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Construction in Progress	\$ 5,071,583	\$ 3,621,473	\$ -	\$8,693,056
Total Capital Assets Not Depreciated	<u>\$ 5,071,583</u>	<u>\$ 3,621,473</u>	<u>\$ -</u>	<u>\$ 8,693,056</u>

Debt Administration

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

The La Puente Community Development Commission issued the Tax Allocation Bonds Series 2007 in December 2008. The debt service payments on the bonds will be made by the tax increment revenues.

Additional information on the City's long-term debt can be found in note IV E on pages 49-52 of this report.

Interfund receivables are discussed in the Notes to financial statements, IV B.

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget was adjusted upward by \$259,200 or 2.84% to reflect anticipated increased revenues for the year. Actual General Fund revenues were more than the final budgeted revenues by \$181,379. The increase was primarily due to the sale of Prop A funds and the recoveries of vehicle impound fees from the L.A. County Sheriff Department.

Appropriations were increased by \$150,030 or 1.60% primarily attributed to anticipated higher appropriation in the General Fund than budgeted. Actual General Fund expenditures were less than the final budgeted expenditures by \$131,741. Expenditure levels were managed to meet city program objectives while staying within budget.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

During the current fiscal year, the local economy is showing a contraction from the previous fiscal year and which has resulted in lower sales tax revenues than budgeted. The unemployment rate for the City of La Puente is 13.6% in comparison to 13.2% from the previous fiscal year.

Per the 2010-2011 Adopted Budget, General fund revenues are estimated to be lower than the previous years mainly due to the projected decreases in the sales tax and property tax. The 2010-2011 General Fund appropriations exceed estimated revenues by \$33,450. The budget also includes a \$500,000 loan from the Sewer Fund to offset the reduction of the General Fund balance reserve. Revenues and expenditures are based on conservative revenue growth factors and frugal spending increases.

For the next fiscal year, it appears that signs of much slower economic growth that were accumulating in the past months will continue and will result in decreased General Fund revenues in the next fiscal year. With the severe credit crunch in conjunction with the housing slump, a significant drop in consumer spending is expected for the next fiscal year. Considering these trends, the economy will continue growing at a much lower rate into 2010-2011.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

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

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

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

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

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

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

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

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

City of La Puente, California
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Investments	\$ 11,888,080	\$ 3,345,936	\$ 15,234,016
Cash with fiscal Agent	331,465	-	331,465
Accounts Receivable	192,612	-	192,612
Interest Receivable	17,146	6,644	23,790
Loans Receivable	1,272,562	-	1,272,562
Due From Other Governments	1,230,327	34,637	1,264,964
Prepaid Items	314,104	-	314,104
Land Held for Resale	6,182,752	-	6,182,752
Deferred Charges	256,201	303,376	559,577
Capital Assets, Not Being Depreciated:			
Land	3,620,179	-	3,620,179
Construction In Progress	1,835,755	8,693,056	10,528,811
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	15,809,336	-	15,809,336
Equipment and Furniture	622,040	-	622,040
Infrastructure	10,644,929	-	10,644,929
Total Assets	<u>54,217,488</u>	<u>12,383,649</u>	<u>66,601,137</u>
Liabilities			
Accounts Payable	3,236,915	95,812	3,332,727
Accrued Payroll	144,323	4,387	148,710
Interest Payable	325,684	-	325,684
Noncurrent Liabilities:			
Due Within One Year	195,250	195,000	390,250
Due in More Than One Year	17,090,732	9,613,708	26,704,440
Total Liabilities	<u>20,992,904</u>	<u>9,908,907</u>	<u>30,901,811</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	16,092,239	(1,115,652)	14,976,587
Restricted for:			
Public Safety	54,421	-	54,421
Public Works	1,351,772	-	1,351,772
Community Development	606,097	-	606,097
Redevelopment and Housing	197,844	-	197,844
Unrestricted	14,922,211	3,590,394	18,512,605
Total Net Assets	<u>\$ 33,224,584</u>	<u>\$ 2,474,742</u>	<u>\$ 35,699,326</u>

City of La Puente, California
Statement of Activities
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,747,313	\$ 44,159	\$ -	\$ -	\$ (2,703,154)	\$ -	\$ (2,703,154)
Public Safety	4,666,557	1,235,688	161,918	-	(3,268,951)	-	(3,268,951)
Public Works	2,491,758	209,605	700,484	2,654,550	1,072,881	-	1,072,881
Recreation/Senior Services	2,581,680	263,437	-	45,076	(2,273,167)	-	(2,273,167)
Community Development	1,823,390	449,431	756,559	-	(617,400)	-	(617,400)
Redevelopment and Housing	8,697,450	-	120,062	-	(8,577,388)	-	(8,577,388)
Interest on Long-Term Debt	586,160	-	-	-	(586,160)	-	(586,160)
Total Governmental Activities	<u>23,594,308</u>	<u>2,202,320</u>	<u>1,739,023</u>	<u>2,699,626</u>	<u>(16,953,339)</u>	<u>-</u>	<u>(16,953,339)</u>
Business-type Activities:							
Sewer Assessment	251,431	885,843	-	-	-	634,412	634,412
Total Business-type Activities	<u>251,431</u>	<u>885,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,412</u>	<u>634,412</u>
Total Primary Government	<u>\$ 23,845,739</u>	<u>\$ 3,088,163</u>	<u>\$ 1,739,023</u>	<u>\$ 2,699,626</u>	<u>(16,953,339)</u>	<u>634,412</u>	<u>(16,318,927)</u>
General Revenues:							
Taxes:							
					5,229,270	-	5,229,270
					662,966	-	662,966
					1,500,841	-	1,500,841
					117,126	-	117,126
					82,605	-	82,605
					86,927	-	86,927
					386,646	-	386,646
					170,929	-	170,929
					144,194	68,983	213,177
					199,206	-	199,206
					<u>8,580,710</u>	<u>68,983</u>	<u>8,649,693</u>
					(8,372,629)	703,395	(7,669,234)
					41,597,213	1,771,347	43,368,560
					<u>\$ 33,224,584</u>	<u>\$ 2,474,742</u>	<u>\$ 35,699,326</u>

The accompanying notes are an integral part of this statement.

Governmental Fund 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 non-major 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 and 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.

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

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

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

City of La Puente, California
Balance Sheet
Governmental Funds
June 30, 2010

	General	CDBG Grant Fund	Debt Service
Assets			
Cash and Investments	\$ 6,483,741	\$ -	\$ 168,862
Cash with Fiscal Agent	-	-	-
Accounts Receivable	188,739	-	-
Interest Receivable	9,840	-	216
Loans Receivable	-	790,866	-
Due from Other Funds	458,349	-	-
Due from Other Governments	407,857	67,429	25,464
Prepaid Items	314,104	-	-
Advances to Other Funds	16,755,291	-	-
Land Held for Resale	-	-	-
Total Assets	<u>\$ 24,617,921</u>	<u>\$ 858,295</u>	<u>\$ 194,542</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ 1,321,102	\$ 30,236	\$ 93,004
Accrued Payroll	105,628	11,204	-
Due to Other Funds	28,367	25,989	-
Deferred Revenue	4,051,991	790,866	-
Advances from Other Funds	-	-	4,228,915
Total Liabilities	<u>5,507,088</u>	<u>858,295</u>	<u>4,321,919</u>
Fund Balances:			
Reserved for:			
Advances to Other Funds	12,703,300	-	-
Prepaid Items	314,104	-	-
Land Held for Resale	-	-	-
Debt Service	-	-	-
Unreserved, Reported In:			
General Fund	6,093,429	-	-
Special Revenue Funds	-	-	-
Debt Service Fund	-	-	(4,127,377)
Capital Projects Fund	-	-	-
Total Fund Balances	<u>19,110,833</u>	<u>-</u>	<u>(4,127,377)</u>
Total Liabilities and Fund Balances	<u>\$ 24,617,921</u>	<u>\$ 858,295</u>	<u>\$ 194,542</u>

The accompanying notes are an integral part of this statement.

City of La Puente, California
Balance Sheet
Governmental Funds
June 30, 2010

	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Investments	\$ 91,877	\$ 4,695,477	\$ 11,439,957
Cash with Fiscal Agent	-	331,465	331,465
Accounts Receivable	-	3,873	192,612
Interest Receivable	89	6,316	16,461
Loans Receivable	-	481,696	1,272,562
Due from Other Funds	-	28,367	486,716
Due from Other Governments	-	729,577	1,230,327
Prepaid Items	-	-	314,104
Advances to Other Funds	-	176,924	16,932,215
Land Held for Resale	6,182,752	-	6,182,752
Total Assets	<u>\$ 6,274,718</u>	<u>\$ 6,453,695</u>	<u>\$ 38,399,171</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ 71,699	\$ 1,660,847	\$ 3,176,888
Accrued Payroll	-	23,006	139,838
Due to Other Funds	9,184	423,439	486,979
Deferred Revenue	-	684,926	5,527,783
Advances from Other Funds	12,703,300	-	16,932,215
Total Liabilities	<u>12,784,183</u>	<u>2,792,218</u>	<u>26,263,703</u>
Fund Balances:			
Reserved for:			
Advances to Other Funds	-	-	12,703,300
Prepaid Items	-	-	314,104
Land Held for Resale	6,182,752	-	6,182,752
Debt Service	-	1,330,250	1,330,250
Unreserved, Reported In:			
General Fund	-	-	6,093,429
Special Revenue Funds	-	2,146,069	2,146,069
Debt Service Fund	-	1,219	(4,126,158)
Capital Projects Fund	(12,692,217)	183,939	(12,508,278)
Total Fund Balances	<u>(6,509,465)</u>	<u>3,661,477</u>	<u>12,135,468</u>
Total Liabilities and Fund Balances	<u>\$ 6,274,718</u>	<u>\$ 6,453,695</u>	<u>\$ 38,399,171</u>

The accompanying notes are an integral part of this statement.

City of La Puente, California
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds	\$	12,135,468
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		32,285,502
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		5,527,783
Long term liabilities are not due and payable in the current period and are not reported in the funds.		
2007 Tax Allocation Bonds		(4,040,000)
UBOC Escrow Agreement		(10,000,000)
2008 Taxable Refunding Loan		(2,400,000)
Compensated absences		(312,410)
Net OPEB Obligation		(533,572)
Issuance costs net of accumulated amortization were recorded as expenditures in the governmental funds.		256,201
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(325,684)
Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		631,296
		631,296
Net assets of governmental activities	\$	33,224,584

City of La Puente, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	General Fund	CDBG Grant Fund	Debt Service
Revenues			
Taxes	\$ 7,269,664	\$ -	\$ 637,374
Licenses & Permits	313,337	-	-
Intergovernmental	170,929	624,167	-
Charges for Services	662,477	-	-
Fines & Forfeitures	359,844	-	-
Investment Income	78,148	-	1,171
Other Revenue	713,760	-	-
Total Revenues	<u>9,568,159</u>	<u>624,167</u>	<u>638,545</u>
Expenditures			
Current:			
General Government	2,240,743	-	-
Public Safety	4,323,853	-	-
Public Works	826,061	-	-
Recreation/Senior Services	901,050	87,021	-
Community Development	904,037	427,337	-
Redevelopment and Housing	-	-	348,353
Capital Outlay	-	109,809	-
Debt Service:			
Interest & Fiscal Charges	209,955	-	569,547
Principal	-	-	-
Total Expenditures	<u>9,405,699</u>	<u>624,167</u>	<u>917,900</u>
Excess (Deficiency) of Revenues over Expenditures	<u>162,460</u>	<u>-</u>	<u>(279,355)</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>(1,127,629)</u>	<u>-</u>	<u>(470,730)</u>
Total Other Financing Sources (Uses)	<u>(1,127,629)</u>	<u>-</u>	<u>(470,730)</u>
Net change in Fund Balances	(965,169)	-	(750,085)
Fund Balances, Beginning	<u>20,076,002</u>	<u>-</u>	<u>(3,377,292)</u>
Fund Balances, Ending	<u>\$ 19,110,833</u>	<u>\$ -</u>	<u>\$ (4,127,377)</u>

The accompanying notes are an integral part of this statement.

City of La Puente, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ -	\$ 159,343	\$ 8,066,381
Licenses & Permits	-	-	313,337
Intergovernmental	-	3,682,825	4,477,921
Charges for Services	-	223,764	886,241
Fines & Forfeitures	-	187,836	547,680
Investment Income	486	64,389	144,194
Other Revenue	-	642	714,402
Total Revenues	<u>486</u>	<u>4,318,799</u>	<u>15,150,156</u>
Expenditures			
Current:			
General Government	-	26,413	2,267,156
Public Safety	-	342,704	4,666,557
Public Works	-	885,546	1,711,607
Recreation/Senior Services	-	-	988,071
Community Development	-	1,082,695	2,414,069
Redevelopment and Housing	8,494,626	202,824	9,045,803
Capital Outlay	3,547	2,638,437	2,751,793
Debt Service:			
Interest & Fiscal Charges	81,443	487,706	1,348,651
Principal	100,000	-	100,000
Total Expenditures	<u>8,679,616</u>	<u>5,666,325</u>	<u>25,293,707</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,679,130)</u>	<u>(1,347,526)</u>	<u>(10,143,551)</u>
Other Financing Sources (Uses)			
Transfers In	312,260	1,286,099	1,598,359
Transfers Out	-	(74,280)	(1,672,639)
Total Other Financing Sources (Uses)	<u>312,260</u>	<u>1,211,819</u>	<u>(74,280)</u>
Net change in Fund Balances	(8,366,870)	(135,707)	(10,217,831)
Fund Balances, Beginning	<u>1,857,405</u>	<u>3,797,184</u>	<u>22,353,299</u>
Fund Balances, Ending	<u>\$ (6,509,465)</u>	<u>\$ 3,661,477</u>	<u>\$ 12,135,468</u>

The accompanying notes are an integral part of this statement.

City of La Puente, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2010

Net changes in fund balances - total governmental funds	\$ (10,217,831)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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.	1,450,947
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in deferred revenue for the current period.	71,523
Payment of debt service interest is an expenditure in the Governmental Funds, but the payment is an interfund activity omitted in the Statement of Activities.	566,125
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal	100,000
Amortization of Issuance Costs	(36,433)
Accrued interest for long-term debt. This is the net change in accrued interest for the current period.	22,844
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.	(298,092)
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.	(31,712)
Change in Net Assets of Governmental Activities	\$ <u><u>(8,372,629)</u></u>

Proprietary Fund Financial Statements

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

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

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

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.

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, California
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Cash and Investments	\$ 3,345,936	\$ 448,123
Accounts Receivable	-	-
Interest Receivable	6,644	685
Due From Other Governments	34,637	-
Due From Other Funds	-	263
Total Current Assets	<u>3,387,217</u>	<u>449,071</u>
Noncurrent Assets:		
Deferred Charges	303,376	-
Capital Assets:		
Vehicles	-	569,614
Furniture and Equipment	-	524,039
Construction in Progress	8,693,056	-
Less Accumulated Depreciation	-	(846,916)
Total Noncurrent Assets	<u>8,996,432</u>	<u>246,737</u>
Total Assets	<u>12,383,649</u>	<u>695,808</u>
Liabilities		
Current Liabilities:		
Accounts Payable	95,812	60,027
Accrued Payroll	4,387	4,485
Bonds Payable - Current	195,000	-
Total Current Liabilities	<u>295,199</u>	<u>64,512</u>
Noncurrent Liabilities:		
Bonds Payable (net of unamortized discount)	9,613,708	-
Total Noncurrent Liabilities	<u>9,613,708</u>	<u>-</u>
Total Liabilities	<u>9,908,907</u>	<u>64,512</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	(1,115,652)	246,737
Unrestricted	3,590,394	384,559
Total Net Assets	<u>\$ 2,474,742</u>	<u>\$ 631,296</u>

City of La Puente, California
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for Services	\$ 885,843	\$ 116,540
Total Operating Revenue	885,843	116,540
Operating Expenses		
Salaries and Benefits	83,690	112,900
Other General Expenses	140,016	58,118
Depreciation	-	58,627
Total Operating Expenses	223,706	229,645
Operating Income (Loss)	662,137	(113,105)
Nonoperating Revenues (Expenses)		
Investment Income	68,983	7,113
Interest Expense	(27,725)	-
Total Nonoperating Revenues (Expenses)	41,258	7,113
Income Before Contributions and Transfers	703,395	(105,992)
Transfers In	-	74,280
Change in Net Assets	703,395	(31,712)
Total Net Assets, Beginning	1,771,347	663,008
Total Net Assets, Ending	\$ 2,474,742	\$ 631,296

City of La Puente, California
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Cash Received from Customers and Users	\$ 893,664	\$ 126,361
Cash Paid to Suppliers	(46,108)	(3,058)
Cash Paid to Employees	(79,613)	(112,622)
	<u>767,943</u>	<u>10,681</u>
Net Cash Provided (Used) by Operating Activities		
Cash flows from noncapital financing activities		
Cash Received from (Paid to) Other Governments	-	(263)
Cash Received from (Paid to) Other Funds	-	74,280
	<u>-</u>	<u>74,017</u>
Net Cash Provided (Used) by Noncapital Financing Activities		
Cash flows from capital and related financing activities		
Capital Asset Purchases	(4,434,435)	(116,192)
Principal Paid on Long-term Debt	(160,000)	-
Interest	(12,371)	-
	<u>(4,606,806)</u>	<u>(116,192)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		
Cash flows from investing activities		
Interest Received on Investments	106,317	8,701
	<u>106,317</u>	<u>8,701</u>
Net Cash Provided by Investing Activities		
	<u>(3,732,546)</u>	<u>(22,793)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents, Beginning of of Fiscal Year	7,078,482	470,916
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 3,345,936</u>	<u>\$ 448,123</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Cash flows from operating activities		
Operating Income (Loss)	\$ 662,137	\$ (113,105)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	58,627
(Increase) Decrease in Accounts Receivable	-	9,821
(Increase) Decrease in Due From Other Governments	7,821	-
Increase (Decrease) in Accounts Payable	93,908	55,060
Increase (Decrease) in Accrued Payroll	4,077	278
	<u>767,943</u>	<u>10,681</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 767,943</u>	<u>\$ 10,681</u>

City of La Puente, California
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

Assets	
Cash and Investments	\$ 247,507
	<u>247,507</u>
Total Assets	<u>\$ 247,507</u>
Liabilities	
Accounts Payable	\$ 41,775
Deposits Payable	205,732
	<u>205,732</u>
Total Liabilities	<u>\$ 247,507</u>

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
I	Summary of Significant Accounting Policies.....	36 - 42
II	Reconciliation of Government-Wide and Fund Financial Statements	42 - 43
III	Stewardship, Compliance and Accountability.....	43
IV	Detailed Notes on All Funds.....	43 - 53
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City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

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

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

Blended Component Units

La Puente Community Development Commission

The La Puente Redevelopment Agency was established October 1989, pursuant to the State of California Health and Safety Code, Section 33000. During the 2007-2008 fiscal year, the Agency’s Board voted to change its name to Community Development Commission (“the Commission”). The primary purpose of the Commission is to encourage private redevelopment of property and to rehabilitate areas suffering from physical and economic blight.

Since the City Council serves as the governing board for this component unit, it is considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are combined with data of the primary government. The Commission issues separate component unit financial statements, which upon their completion, can be obtained at the City Hall.

La Puente Public Financing Authority

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

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

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Government-wide and Fund Financial Statements - Continued

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

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

C) 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 judgements, 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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - 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 person of low and moderate income.

Debt Service Fund

This debt service fund accounts for interest payments made from the Community Development Commission to the City on interfund loans.

Capital Projects Fund

This capital projects fund accounts for certain administrative costs incurred by the Community Development Commission.

The City reports the following major proprietary funds:

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.

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.

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

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

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - 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 non-operating 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 will be 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 non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as they are needed.

D) Assets, Liabilities, and Net Assets or Equity

1) 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 balance sheet 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*.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

1) Cash and Investments - Continued

The City pools idle 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.

2) 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Noncurrent portions of long-term interfund loan receivables are reported as advances and such amounts (net of deferred interest revenue of \$4,051,991) are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

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.

3) 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, 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, 2010 \$441,527 of capitalized interest was included in the proprietary fund's construction in progress.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

3) Capital Assets - 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 balance sheet. 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

4) Deferred Revenue

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

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

5) 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.

6) 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 probably that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

6) Employee Leave Benefits - 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.

II) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balances of total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current period expenditures and are deferred in the funds." The details of this \$5,527,783 difference are as follows:

Advances to Other Funds	\$ 4,051,991
Loans Receivable	1,272,562
Grant Revenue	<u>203,230</u>
	<u>\$ 5,527,783</u>

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

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

**City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010**

II) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - Continued

B) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities - Continued

The details of this \$1,450,947 difference are as follows:

Capital Outlay	\$ 2,645,337
Depreciation Expense	<u>(1,194,390)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,450,947</u>

III) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2010:

	<u>Accumulated Deficit</u>
Non-Major Funds:	
County Park Act Fund	(73,714)
Prop IB	(73,353)
Safe Routes to Schools	(23,410)

IV) DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

Cash and Investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Governmental Activities:	
Cash and Investments	\$ 11,888,080
Cash with Fiscal Agent	331,465
Business-type Activities	3,345,936
Fiduciary Funds	<u>247,507</u>
Total Cash and Investments	<u>\$ 15,812,988</u>

**City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010**

IV) DETAILED NOTES ON ALL FUNDS - Continued

A) Cash and Investments - Continued

At June 30, 2010, cash and investments consist of the following:

Petty Cash and Change Funds	\$ 2,500
Deposits with Financial Institutions	1,785,252
Investments	14,025,236
Total Cash and Investments	<u>\$ 15,812,988</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

Disclosures Relating to Interest Rate Risk

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

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

A) Cash and Investments - Continued

Disclosures Relating to Interest Rate Risk - Continued

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		Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Agency Securities	\$ 6,400,000	\$ -	\$ -	\$ 6,400,000	\$ -
State Investment Pool - LAIF	7,293,771	7,293,771	-	-	-
Held by Fiscal Agent:					
Mutual Funds	331,465	331,465	-	-	-
Total	\$ 14,025,236	\$ 7,625,236	\$ -	\$ 6,400,000	\$ -

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 year end for each investment type.

Investment Type		Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
Federal Agency Securities	\$ 6,400,000	N/A	\$ 6,400,000	\$ -
State Investment Pool - LAIF	7,293,771	N/A	-	7,293,771
Held by Fiscal Agent:				
Mutual Funds	331,465	N/A	-	331,465
Total	\$ 14,025,236		\$ 6,400,000	\$ 7,625,236

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 are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	\$ 2,500,000
FNMA	Federal Agency Securities	3,900,000

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

A) Cash and Investments - Continued

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, 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, 2010, 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, 2010, 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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

B) Interfund Receivables, Payables and Transfers

Due to/from other funds at June 30, 2010 are as follows:

		DUE TO			
		General Fund	Non-Major Governmental Funds	Governmental Activities Internal Service Fund	Total
DUE FROM	General Fund	\$ -	\$ 28,367	\$ -	\$ 28,367
	CDBG/Cal Home Grant Fund	25,989	-	-	25,989
	Capital Projects Fund	9,184	-	-	9,184
	Non-Major Funds	423,176	-	263	423,439
Total		<u>\$ 458,349</u>	<u>\$ 28,367</u>	<u>\$ 263</u>	<u>\$ 486,979</u>

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

Advances to/from other funds at June 30, 2010 are as follows:

		ADVANCES TO		
		Debt Service Fund	Capital Projects Fund	Total
ADVANCES FROM	General Fund	\$ 4,051,991	\$ 12,703,300	\$ 16,755,291
	Non-Major Governmental Funds	176,924	-	176,924
	Total	<u>\$ 4,228,915</u>	<u>\$ 12,703,300</u>	<u>\$ 16,932,215</u>

As of June 30, 2010, the City advanced the Redevelopment Agency \$16,755,291 to assist in redevelopment activities. There is no stipulated due date, repayments are made when funds become available and interest rates are between 1.46% and 12%. Each year the interest is added to the principal.

Interfund transfers for the year ended June 30, 2010 are as follows:

		TRANSFERS IN			
		CDC Capital Projects Fund	Non-Major Governmental Funds	Governmental Activities Internal Service Fund	Total
TRANSFERS OUT	General Fund	\$ -	\$ 1,127,629	\$ -	\$ 1,127,629
	CDC Debt Service Fund	312,260	158,470	-	470,730
	Non-Major Governmental Funds	-	-	74,280	74,280
	Total	<u>\$ 312,260</u>	<u>\$ 1,286,099</u>	<u>\$ 74,280</u>	<u>\$ 1,672,639</u>

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

B) Interfund Receivables, Payables and Transfers - Continued

The CDC Debt Service Fund transferred \$312,260 and \$158,470 to the CDC Capital Projects Fund and Non-Major Governmental Funds respectively, to pay down loans from the City. The General Fund transferred \$1,127,629 to the Non-Major Governmental Funds to set aside money for a loan repayment by the CDC. The Non-Major Air Quality Improvement Fund transferred \$74,280 to the Governmental Activities Internal Service Fund to purchase vehicles.

C) Housing and Community Development Loan Program

The City uses Housing and Community Development Block Grant and Cal-Home Grant funds to provide housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate income persons to improve or rehabilitate residences. The City accounts for this program in the Special Revenue CDBG/Cal-Home Grant Fund. Rehabilitation loans receivable of \$1,272,562 at June 30, 2010 have been reflected in the accompanying financial statements as loans receivable with an offsetting deferred revenue in the fund financial statements for the recording of related grant funding.

D) Capital Assets

Capital asset activity for the year ended June 30, 2010, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in Progress	667,693	1,347,837	(179,775)	1,835,755
Total Capital Assets Not Depreciated	4,287,872	1,347,837	(179,775)	5,455,934
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	-	-	19,580,594
Equipment and Furniture	1,607,724	171,297	-	1,779,021
Infrastructure	24,538,469	1,422,170	-	25,960,639
Total Capital Assets Being Depreciated	45,726,787	1,593,467	-	47,320,254
Less Accumulated Depreciation:				
Buildings and Improvements	(3,001,018)	(770,240)	-	(3,771,258)
Equipment and Furniture	(1,040,240)	(116,741)	-	(1,156,981)
Infrastructure	(14,949,674)	(366,036)	-	(15,315,710)
Total Accumulated Depreciation	(18,990,932)	(1,253,017)	-	(20,243,949)
Total Capital Assets Being Depreciated, Net	26,735,855	340,450	-	27,076,305
Governmental Activities Capital Assets, Net	\$ 31,023,727	\$ 1,688,287	\$ (179,775)	\$ 32,532,239
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,071,583	\$ 3,621,473	\$ -	\$ 8,693,056
Business-type Activities Capital Assets, Net	\$ 5,071,583	\$ 3,621,473	\$ -	\$ 8,693,056

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

D) Capital Assets - Continued

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 67,096
Transportation	336,830
Recreation/Senior Services	742,702
Community Development	47,762
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets.	58,627
Total Depreciation Expense – Governmental Activities	\$ 1,253,017

E) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2007 Tax Allocation Bonds	\$ 4,040,000	\$ -	\$ -	\$ 4,040,000	\$ 50,000
UBOC Lease Agreement	10,000,000	-	-	10,000,000	-
2008 Refunding Loan	2,500,000	-	(100,000)	2,400,000	100,000
Compensated Absences	274,782	82,878	(45,250)	312,410	45,250
Net OPEB Obligation	273,108	260,464	-	533,572	-
Governmental Activities					
Long-term Liabilities	\$ 17,087,890	\$ 343,342	\$ (145,250)	\$ 17,285,982	\$ 195,250
Business-type Activities:					
2007 Sewer Revenue Bond	\$ 10,085,000	\$ -	\$ (160,000)	\$ 9,925,000	\$ 195,000
Discount on Bonds	(120,544)	-	4,252	(116,292)	-
Business-type Activities					
Long-term Liabilities	\$ 9,964,456	\$ -	\$ (155,748)	\$ 9,808,708	\$ 195,000

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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

E) Long-term Liabilities - Continued

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, 2010, the Bond Reserve Fund was \$331,465 which was sufficient to cover the minimum bond reserve requirement. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ 50,000	\$ 276,031
2012	50,000	272,594
2013	55,000	268,984
2014	60,000	265,031
2015	65,000	260,734
2016-2020	400,000	1,227,188
2021-2025	565,000	1,063,047
2026-2030	785,000	833,766
2031-2035	1,125,000	507,891
2036-2038	885,000	94,015
	\$ 4,040,000	\$ 5,069,281

UBOC Lease Agreement

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

Under the terms of the lease, the Authority proposes to lease back the said projects to the City for lease payments as the rental for the leased property. The lease payments are payable semiannually with an interest of 4.1991% on January 8 and July 1 of each year, commencing July 1, 2008. At June 30, 2010, the annual lease payments are as follows:

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

E) Long-term Liabilities - Continued

Year Ending June 30,	Principal	Interest
2011	\$ -	\$ 419,910
2012	-	419,910
2013	588,235	395,209
2014	588,235	370,509
2015	588,236	345,808
2016	588,235	321,108
2017	588,235	296,407
2018	588,236	271,706
2019	588,235	247,006
2020	588,235	222,305
2021	588,236	197,605
2022	588,235	172,904
2023	588,235	148,204
2024	588,236	123,503
2025	588,235	98,802
2026	588,235	74,102
2027	588,236	49,401
2028	588,235	24,701
2029	588,235	-
	<u>\$ 10,000,000</u>	<u>\$ 4,199,100</u>

2008 Refunding Loan

On July 28, 2008, for the purpose of further funding redevelopment in the Project Area, Bank of the West (the "Bank") loaned the La Puente Community Development Commission (the "Commission") \$2,500,000, which was evidenced by a promissory note made by the Commission and the City of La Puente to the Bank. The note is exclusively payable from tax revenues on a subordinate basis to the 2007 Tax Allocation Bonds. Interest is payable on the last day of each month at the greater of 4% or the LIBOR Rate. Principal payments of \$25,000 are due September 30, December 31, March 31, and June 30 through June 30, 2012. The remaining balance of \$2,225,000 is due and payable in full on June 30, 2012.

Annual principal payment requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ 100,000	\$ 96,000
2012	2,300,000	92,000
	<u>\$ 2,400,000</u>	<u>\$ 188,000</u>

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

E) Long-term Liabilities - Continued

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.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ 195,000	\$ 446,799
2012	200,000	438,899
2013	210,000	430,699
2014	215,000	422,199
2015	225,000	413,961
2016-2020	1,255,000	1,933,506
2021-2025	1,540,000	1,646,285
2026-2030	1,915,000	1,258,523
2031-2035	2,415,000	746,600
2036-2038	1,755,000	134,625
	\$ 9,925,000	\$ 7,872,096

F) Reserves of Fund Balances

The City has established "reserves" to segregate fund balances which are not appropriable for expenditure in future periods, or which are legally set aside for a specific future use.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

IV) DETAILED NOTES ON ALL FUNDS - Continued

F) Reserves of Fund Balances - Continued

The City's reserves in the fund financial statements at June 30, 2010 are shown below:

Reserves:	
Advances to Other Funds*	\$ 12,703,300
Prepaid Items	314,104
Land Held for Resale	6,182,752
Debt Service	<u>1,330,250</u>
Total Reserves	<u>\$ 20,530,406</u>

*Net of Related Deferred Revenue of \$4,051,991.

V) OTHER INFORMATION

A) Risk Management

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

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

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

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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

V) OTHER INFORMATION - Continued

A) Risk Management - Continued

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 \$33,440,068. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

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

Claims and Judgments

The City accounts for uninsured, material claims and judgements 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 judgements are recorded as expenditures when paid. As of June 30, 2009 and June 30, 2010 there were no accrued claims payable.

B) 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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

V) OTHER INFORMATION - Continued

B) Defined Benefit Pension Plan - Continued

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is also required to make an additional contribution at an actuarially determined rate. This rate for the fiscal year was 12.246% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's contributions to PERS for the years ending June 30, 2010, 2009 and 2008 were \$262,110, \$292,754, and \$272,499, respectively, and were equal to 100% of the required contributions for each year.

C) Other Post Employment 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 current ARC rate is 28.5% of the annual covered payroll. 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 2009-10 fiscal year. The percentage of the ARC minus the Pay-Go amount will increase by 10% over 10 years until the City contributes the full ARC.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

V) **OTHER INFORMATION - Continued**

C) **Other Post Employment Benefits - Continued**

Annual OPEB Cost

The City's annual OPEB cost, net OPEB obligation (asset) and the related information for 2010 were as follows:

Annual Required Contribution	\$ 643,000
Interest on Net Pension Obligation (Asset)	13,655
Adjustment to Annual Required Contribution	(12,097)
Annual OPEB Cost	644,558
Contributions Made	(366,267)
Pension Asset Amortization	-
Increase (Decrease) in Net Pension Obligation (Asset)	278,291
Net Pension Obligation (Asset) Beginning of Year	273,108
Net Pension Obligation (Asset) End of Year	\$ 551,399

For 2010, the City's annual OPEB cost (expense) of \$644,558 for LPRHP was greater than the ARC by \$\$1,558. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

<u>THREE-YEAR TREND INFORMATION FOR CERBT</u>				
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation	
6/30/10	\$ 643,000	57%	\$ 551,399	
6/30/09	610,000	55%	273,108	
6/30/08	*	*	*	

*The information for the two preceding years is unavailable. GASB 45 was implemented prospectively in fiscal year 2009.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,666,000
Actuarial Value of Plan Assets	\$ 0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,666,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 2,149,000
UAAL as a Percentage of Covered Payroll	264%

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

V) OTHER INFORMATION - Continued

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.

C) Other Post Employment Benefits - Continued

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.

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

Valuation Date	June 30, 2007
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 Years as of the Valuation Date
Actuarial Assumptions:	
Investment Rate of Return	4.825%
Projected Salary Increase	3.25%
Health Care Trend Rate	10.30%
General Inflation	3.00

D) 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.

City of La Puente, California
Notes to Financial Statements
Year Ended June 30, 2010

V) OTHER INFORMATION - Continued

E) 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 \$65,947.

F) Proposition 1A Borrowing by the State of California

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

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

REQUIRED SUPPLEMENTARY INFORMATION

City of La Puente, California
Schedule of Funding Progress for LPRHP
Year Ended June 30, 2010

Schedule of Funding Progress for LPRHP

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
06/30/08						
Miscellaneous	\$ -	\$ 5,666,000	\$ 5,666,000	0%	\$ 2,149,000	263%
06/30/07						
Miscellaneous	*	*	*	*	*	*
06/30/06						
Miscellaneous	*	*	*	*	*	*

*GASB 45 was implemented prospectively in fiscal year 2009. The information for the two preceding years is unavailable.

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,541,630	\$ 7,315,260	\$ 7,269,664	\$ (45,596)
Licenses & Permits	210,700	262,000	313,337	51,337
Intergovernmental	154,800	204,020	170,929	(33,091)
Charges for Services	574,230	553,910	662,477	108,567
Fines & Forfeitures	353,000	272,000	359,844	87,844
Investment Income	173,220	118,070	78,148	(39,922)
Other Revenue	120,000	661,520	713,760	52,240
Total Revenues	9,127,580	9,386,780	9,568,159	181,379
Expenditures				
Current:				
General Government	2,039,200	2,257,230	2,240,743	16,487
Public Safety	4,250,900	4,327,240	4,323,853	3,387
Public Works	818,340	841,930	826,061	15,869
Recreation/Senior Services	1,022,000	979,770	901,050	78,720
Community Development	837,050	921,310	904,037	17,273
Capital Outlay	-	-	-	-
Debt Service:				
Interest & Fiscal Charges	419,920	209,960	209,955	5
Total Expenditures	9,387,410	9,537,440	9,405,699	131,741
Excess (Deficiency) of Revenues over Expenditures	(259,830)	(150,660)	162,460	313,120
Other Financing Sources (Uses)				
Transfers Out	-	-	(1,127,629)	(1,127,629)
Total Other Financing Sources (Uses)	-	-	(1,127,629)	(1,127,629)
Net Change in Fund Balance	(259,830)	(150,660)	(965,169)	(814,509)
Fund Balances, Beginning	20,076,002	20,076,002	20,076,002	-
Fund Balances, Ending	<u>\$ 19,816,172</u>	<u>\$ 19,925,342</u>	<u>\$ 19,110,833</u>	<u>\$ (814,509)</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - CDBG
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 687,320	\$ 680,000	\$ 624,167	\$ (55,833)
Total Revenues	687,320	680,000	624,167	(55,833)
Expenditures				
Current:				
Recreation/Senior Services	87,290	87,120	87,021	99
Community Development	469,220	469,820	427,337	42,483
Capital Outlay	123,060	123,060	109,809	13,251
Total Expenditures	679,570	680,000	624,167	55,833
Excess (Deficiency) of Revenues over Expenditures	7,750	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 7,750	\$ -	\$ -	\$ -

City of La Puente, California
Notes to Required Supplementary Information
Year Ended June 30, 2010

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 2009-2010 fiscal year, 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 Limitation 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, 2010, 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

Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

Click or Ticket Grant Fund (CIOT) - To account for revenues received from the Office of Traffic Safety (OTS) that is to be use for seat belt 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.

Traffic Congestion Relief Fund - To account for revenues received from the state of California that are to be used exclusively for street or road purposes.

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.

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

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

Local Transportation Fund - Accounts for Los Angeles County special ½ cent transportation sales tax which became effective July 1, 1982 and to account for Transportation Funds received from the State of California under SB 821. These funds may be used only for certain transportation purposes.

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.

ARRA Stimulus Fund - To account for American Reinvestment and Recovery Act funds received from the Department of Transportation and used for street projects.

Non-Major Governmental Funds

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

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

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

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

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

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.

Debt Service Fund

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

City of La Puente, California
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

	Special Revenue					
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP
Assets						
Cash and Investments	\$ 21,696	\$ 2,742	\$ 22,455	\$ 76,595	\$ 103,495	\$ -
Cash with Fiscal Agent	-	-	-	-	-	-
Accounts Receivable	-	-	-	3,807	-	-
Interest Receivable	239	4	37	112	79	-
Loans Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	28,224
Due from Other Governments	7,071	-	-	-	7,548	38,957
Advances to Other Funds	176,924	-	-	-	-	-
Total Assets	\$ 205,930	\$ 2,746	\$ 22,492	\$ 80,514	\$ 111,122	\$ 67,181
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 738	\$ 8,152	\$ 100,000	\$ 19,198
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	8,086	-	-	-	-	29,806
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	8,086	-	738	8,152	100,000	49,004
Fund Balances:						
Reserved for:						
Debt Service	-	-	-	-	-	-
Unreserved, Undesignated	197,844	2,746	21,754	72,362	11,122	18,177
Total Fund Balances	197,844	2,746	21,754	72,362	11,122	18,177
Total Liabilities and Fund Balances	\$ 205,930	\$ 2,746	\$ 22,492	\$ 80,514	\$ 111,122	\$ 67,181

Special Revenue						
JAG Grant	Click it of Ticket	Gas Tax	Traffic Congestion Relief	County Park Act	Prop 1B	Cal-Home Grant
\$ 619	\$ -	\$ 24,222	\$ 553,790	\$ -	\$ 197,291	\$ 346,185
-	-	-	-	-	-	-
-	-	-	-	-	-	66
3	-	-	493	-	302	456
-	-	-	-	-	-	481,696
-	143	-	-	-	-	-
-	12,489	66,494	108,574	198,346	73,319	-
-	-	-	-	-	-	-
<u>\$ 622</u>	<u>\$ 12,632</u>	<u>\$ 90,716</u>	<u>\$ 662,857</u>	<u>\$ 198,346</u>	<u>\$ 270,912</u>	<u>\$ 828,403</u>
\$ -	\$ 2,781	\$ 32,573	\$ 439,774	\$ 4,361	\$ 270,946	\$ 527
-	-	11,682	-	-	-	-
-	9,851	-	-	195,484	-	-
-	-	34,286	-	72,215	73,319	481,696
-	12,632	78,541	439,774	272,060	344,265	482,223
-	-	-	-	-	-	-
622	-	12,175	223,083	(73,714)	(73,353)	346,180
622	-	12,175	223,083	(73,714)	(73,353)	346,180
<u>\$ 622</u>	<u>\$ 12,632</u>	<u>\$ 90,716</u>	<u>\$ 662,857</u>	<u>\$ 198,346</u>	<u>\$ 270,912</u>	<u>\$ 828,403</u>

Continued

City of La Puente, California
Combining Balance Sheet - Continued
Non-Major Governmental Funds
June 30, 2010

	Special Revenue				
	Local Transportation	Energy Efficiency	Air Quality Improvement	ARRA Stimulus	Measure R
Assets					
Cash and Investments	\$ -	\$ 76,538	\$ 174,067	\$ -	\$ 276,237
Cash with Fiscal Agent	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Interest Receivable	-	80	331	-	166
Loans Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	15,762	-	13,157	164,450	-
Advances to Other Funds	-	-	-	-	-
Total Assets	\$ 15,762	\$ 76,618	\$ 187,555	\$ 164,450	\$ 276,403
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 153,738
Accrued Payroll	-	-	-	-	-
Due to Other Funds	15,762	-	-	164,450	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	15,762	-	-	164,450	153,738
Fund Balances:					
Reserved for:					
Debt Service	-	-	-	-	-
Unreserved, Undesignated	-	76,618	187,555	-	122,665
Total Fund Balances	-	76,618	187,555	-	122,665
Total Liabilities and Fund Balances	\$ 15,762	\$ 76,618	\$ 187,555	\$ 164,450	\$ 276,403

Prop. A Transportation	Prop. C Transportation	Special Revenue		Capital Projects Escrow UBOC	Debt Service 2007 TABS	Total Nonmajor Governmental Funds
		Community Center	Safe Routes to School			
\$ 601,241	\$ 1,029,536	\$ 1,005,155	\$ -	\$ 183,609	\$ 4	\$ 4,695,477
-	-	-	-	-	331,465	331,465
-	-	-	-	-	-	3,873
1,065	1,390	1,229	-	330	-	6,316
-	-	-	-	-	-	481,696
-	-	-	-	-	-	28,367
-	-	-	23,410	-	-	729,577
-	-	-	-	-	-	176,924
<u>\$ 602,306</u>	<u>\$ 1,030,926</u>	<u>\$ 1,006,384</u>	<u>\$ 23,410</u>	<u>\$ 183,939</u>	<u>\$ 331,469</u>	<u>\$ 6,453,695</u>
\$ 106,333	\$ 498,316	\$ -	\$ 23,410	\$ -	\$ -	\$ 1,660,847
6,869	4,455	-	-	-	-	23,006
-	-	-	-	-	-	423,439
-	-	-	23,410	-	-	684,926
<u>113,202</u>	<u>502,771</u>	<u>-</u>	<u>46,820</u>	<u>-</u>	<u>-</u>	<u>2,792,218</u>
-	-	1,000,000	-	-	330,250	1,330,250
489,104	528,155	6,384	(23,410)	183,939	1,219	2,331,227
<u>489,104</u>	<u>528,155</u>	<u>1,006,384</u>	<u>(23,410)</u>	<u>183,939</u>	<u>331,469</u>	<u>3,661,477</u>
<u>\$ 602,306</u>	<u>\$ 1,030,926</u>	<u>\$ 1,006,384</u>	<u>\$ 23,410</u>	<u>\$ 183,939</u>	<u>\$ 331,469</u>	<u>\$ 6,453,695</u>

City of La Puente, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2010

	Special Revenue					
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP
Revenues						
Taxes	\$ 159,343	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	100,000	49,429
Charges for Services	-	-	-	14,159	-	-
Fines and Forfeitures	-	140,712	-	-	-	47,124
Investment Income	1,296	42	388	1,159	823	-
Other revenue	-	-	-	-	-	-
Total Revenues	160,639	140,754	388	15,318	100,823	96,553
Expenditures						
Current:						
General Government	-	-	-	9,000	-	-
Public Safety	-	140,712	4,431	-	100,000	85,072
Public Works	-	-	-	-	-	-
Recreation/Senior Services	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Redevelopment and Housing	202,824	-	-	-	-	-
Capital Outlay	-	-	-	55,105	-	-
Debt Service:						
Interest & Fiscal Charges	-	-	-	-	-	-
Total Expenditures	202,824	140,712	4,431	64,105	100,000	85,072
Excess (Deficiency) of Revenues Over Expenditures	(42,185)	42	(4,043)	(48,787)	823	11,481
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(42,185)	42	(4,043)	(48,787)	823	11,481
Fund Balances - Beginning	240,029	2,704	25,797	121,149	10,299	6,696
Fund Balances - Ending	\$ 197,844	\$ 2,746	\$ 21,754	\$ 72,362	\$ 11,122	\$ 18,177

Special Revenue						
JAG Grant	Click it or Ticket	Gas Tax	Traffic Congestion Relief	County Park Act	Prop 1B	Cal-Home Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	12,489	666,198	391,501	21,666	-	119,420
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34	-	-	5,118	-	3,138	4,735
-	-	-	-	-	-	642
34	12,489	666,198	396,619	21,666	3,138	124,797
-	-	-	-	-	-	-
-	12,489	-	-	-	-	-
-	-	721,058	51,086	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,570
-	-	-	-	-	-	-
-	-	-	418,402	21,665	285,750	-
-	-	-	-	-	-	-
-	12,489	721,058	469,488	21,665	285,750	1,570
34	-	(54,860)	(72,869)	1	(282,612)	123,227
-	143	-	-	-	-	-
-	-	-	-	-	-	-
-	143	-	-	-	-	-
34	143	(54,860)	(72,869)	1	(282,612)	123,227
588	(143)	67,035	295,952	(73,715)	209,259	222,953
\$ 622	\$ -	\$ 12,175	\$ 223,083	\$ (73,714)	\$ (73,353)	\$ 346,180

Continued

City of La Puente, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-Major Governmental Funds
Year Ended June 30, 2010

	Local Transportation	Energy Efficiency	Air Quality Improvement	ARRA Stimulus	Measure R
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,762	83,400	48,992	892,430	274,680
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Income	-	826	3,433	-	1,722
Other Revenue	-	-	-	-	-
Total Revenues	15,762	84,226	52,425	892,430	276,402
Expenditures					
Current:					
General Government	-	-	10,243	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation/Senior Services	-	-	-	-	-
Community Development	-	-	4,899	-	-
Redevelopment and Housing	-	-	-	-	-
Capital Outlay	15,762	7,608	-	892,430	153,737
Debt Service:					
Interest & Fiscal Charges	-	-	-	-	-
Total Expenditures	15,762	7,608	15,142	892,430	153,737
Excess (Deficiency) of Revenues Over Expenditures	-	76,618	37,283	-	122,665
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(74,280)	-	-
Total Other Financing Sources (Uses)	-	-	(74,280)	-	-
Net Change in Fund Balances	-	76,618	(36,997)	-	122,665
Fund Balances - Beginning	-	-	224,552	-	-
Fund Balances - Ending	\$ -	\$ 76,618	\$ 187,555	\$ -	\$ 122,665

<u>Prop. A Transportation</u>	<u>Prop. C Transportation</u>	<u>Community Center</u>	<u>Safe Routes to School</u>	<u>Capital Projects Escrow UBOC</u>	<u>Debt Service 2007 TABS</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,343
550,333	456,525	-	-	-	-	3,682,825
209,605	-	-	-	-	-	223,764
-	-	-	-	-	-	187,836
11,055	14,433	12,758	-	3,429	-	64,389
-	-	-	-	-	-	642
<u>770,993</u>	<u>470,958</u>	<u>12,758</u>	<u>-</u>	<u>3,429</u>	<u>-</u>	<u>4,318,799</u>
7,170	-	-	-	-	-	26,413
-	-	-	-	-	-	342,704
-	113,402	-	-	-	-	885,546
-	-	-	-	-	-	-
1,076,226	-	-	-	-	-	1,082,695
-	-	-	-	-	-	202,824
-	764,568	-	23,410	-	-	2,638,437
-	-	133,860	-	76,096	277,750	487,706
<u>1,083,396</u>	<u>877,970</u>	<u>133,860</u>	<u>23,410</u>	<u>76,096</u>	<u>277,750</u>	<u>5,666,325</u>
<u>(312,403)</u>	<u>(407,012)</u>	<u>(121,102)</u>	<u>(23,410)</u>	<u>(72,667)</u>	<u>(277,750)</u>	<u>(1,347,526)</u>
-	-	1,127,486	-	-	158,470	1,286,099
-	-	-	-	-	-	(74,280)
-	-	1,127,486	-	-	158,470	1,211,819
(312,403)	(407,012)	1,006,384	(23,410)	(72,667)	(119,280)	(135,707)
801,507	935,167	-	-	256,606	450,749	3,797,184
<u>\$ 489,104</u>	<u>\$ 528,155</u>	<u>\$ 1,006,384</u>	<u>\$ (23,410)</u>	<u>\$ 183,939</u>	<u>\$ 331,469</u>	<u>\$ 3,661,477</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Debt Service Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 661,600	\$ 644,170	\$ 637,374	\$ (6,796)
Investment Income	4,910	4,910	1,171	(3,739)
Total Revenues	<u>666,510</u>	<u>649,080</u>	<u>638,545</u>	<u>(10,535)</u>
Expenditures				
Current:				
Redevelopment and Housing	183,210	355,440	-	355,440
Debt Service				
Interest & Fiscal Charges	<u>599,590</u>	<u>599,590</u>	<u>569,547</u>	<u>30,043</u>
Total Expenditures	<u>782,800</u>	<u>955,030</u>	<u>569,547</u>	<u>385,483</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(116,290)</u>	<u>(305,950)</u>	<u>68,998</u>	<u>374,948</u>
Other Financing Sources (Uses)				
Transfer In	-	176,930	-	(176,930)
Transfer Out	<u>(158,470)</u>	<u>(433,600)</u>	<u>(470,730)</u>	<u>(37,130)</u>
Total Other Financing Sources (Uses)	<u>(158,470)</u>	<u>(256,670)</u>	<u>(470,730)</u>	<u>(214,060)</u>
Net Change in Fund Balances	(274,760)	(562,620)	(401,732)	160,888
Fund Balances, Beginning	<u>(3,377,292)</u>	<u>(3,377,292)</u>	<u>(3,377,292)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (3,652,052)</u>	<u>\$ (3,939,912)</u>	<u>\$ (3,779,024)</u>	<u>\$ 160,888</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ 486	\$ 486
Total Revenues	-	-	486	486
Expenditures				
Current:				
Redevelopment and Housing	304,200	7,924,880	8,494,626	(569,746)
Capital Outlay	2,500	572,250	3,547	568,703
Debt Service:				
Interest & Fiscal Charges	135,250	82,490	81,443	1,047
Principal	-	100,000	100,000	-
Total Expenditures	441,950	8,679,620	8,679,616	4
Excess (Deficiency) of Revenues over Expenditures	(441,950)	(8,679,620)	(8,679,130)	490
Other Financing Sources (Uses)				
Transfers In	-	182,490	312,260	129,770
Total Other Financing Sources (Uses)	-	182,490	312,260	129,770
Net Change in Fund Balances	(441,950)	(8,497,130)	(8,366,870)	130,260
Fund Balances, Beginning	1,857,405	1,857,405	1,857,405	-
Fund Balances, Ending	\$ 1,415,455	\$ (6,639,725)	\$ (6,509,465)	\$ 130,260

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Low/Moderate Housing Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 165,400	\$ 161,050	\$ 159,343	\$ (1,707)
Investment Income	2,370	2,370	1,296	(1,074)
Total Revenues	<u>167,770</u>	<u>163,420</u>	<u>160,639</u>	<u>(2,781)</u>
Expenditures				
Current:				
Redevelopment and Housing	228,040	189,810	202,824	(13,014)
Total Expenditures	<u>228,040</u>	<u>189,810</u>	<u>202,824</u>	<u>(13,014)</u>
Excess (Deficiency) of Revenues over Expenditures	(60,270)	(26,390)	(42,185)	(15,795)
Other Financing Sources (Uses)				
Transfer Out	-	(176,360)	-	176,360
Total Other Financing Sources (Uses)	<u>-</u>	<u>(176,360)</u>	<u>-</u>	<u>176,360</u>
Net Change in Fund Balances	(60,270)	(202,750)	(42,185)	160,565
Fund Balances, Beginning	<u>240,029</u>	<u>240,029</u>	<u>240,029</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 179,759</u>	<u>\$ 37,279</u>	<u>\$ 197,844</u>	<u>\$ 160,565</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 209,000	\$ 143,800	\$ 140,712	\$ (3,088)
Investment Income	-	-	42	42
Total Revenues	<u>209,000</u>	<u>143,800</u>	<u>140,754</u>	<u>(3,046)</u>
Expenditures				
Current:				
Public Safety	<u>209,000</u>	<u>143,800</u>	<u>140,712</u>	<u>3,088</u>
Total Expenditures	<u>209,000</u>	<u>143,800</u>	<u>140,712</u>	<u>3,088</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	42	42
Fund Balances, Beginning	<u>2,704</u>	<u>2,704</u>	<u>2,704</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,704</u>	<u>\$ 2,704</u>	<u>\$ 2,746</u>	<u>\$ 42</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Asset Seizure Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ 390	\$ 390	\$ 388	\$ (2)
Total Revenues	390	390	388	(2)
Expenditures				
Current:				
Public Safety	4,430	4,430	4,431	(1)
Total Expenditures	4,430	4,430	4,431	(1)
Excess (Deficiency) of Revenues over Expenditures	(4,040)	(4,040)	(4,043)	(3)
Fund Balances, Beginning	25,797	25,797	25,797	-
Fund Balances, Ending	\$ 21,757	\$ 21,757	\$ 21,754	\$ (3)

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - PEG Access Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 3,970	\$ 13,700	\$ 14,159	\$ 459
Investment Income	1,180	1,180	1,159	(21)
Total Revenues	<u>5,150</u>	<u>14,880</u>	<u>15,318</u>	<u>438</u>
Expenditure				
Current:				
General Government	9,000	9,000	9,000	-
Capital Outlay	60,000	60,000	55,105	4,895
Total Expenditures	<u>69,000</u>	<u>69,000</u>	<u>64,105</u>	<u>4,895</u>
Excess (Deficiency) of Revenues over Expenditures	(63,850)	(54,120)	(48,787)	5,333
Fund Balances, Beginning	<u>121,149</u>	<u>121,149</u>	<u>121,149</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 57,299</u>	<u>\$ 67,029</u>	<u>\$ 72,362</u>	<u>\$ 5,333</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - State COPS Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment Income	1,530	1,530	823	(707)
Total Revenues	<u>101,530</u>	<u>101,530</u>	<u>100,823</u>	<u>(707)</u>
Expenditures				
Current:				
Public Safety	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	1,530	1,530	823	(707)
Fund Balances, Beginning	<u>10,299</u>	<u>10,299</u>	<u>10,299</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 11,829</u>	<u>\$ 11,829</u>	<u>\$ 11,122</u>	<u>\$ (707)</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Traffic Safety LAPTOP Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 63,550	\$ 49,429	\$ (14,121)
Fines and Forfeitures	8,500	18,900	47,124	28,224
Investment Income	310	310	-	(310)
Total Revenues	<u>8,810</u>	<u>82,760</u>	<u>96,553</u>	<u>13,793</u>
Expenditures				
Current:				
Public Safety	8,500	85,080	85,072	8
Total Expenditures	<u>8,500</u>	<u>85,080</u>	<u>85,072</u>	<u>8</u>
Excess (Deficiency) of Revenues over Expenditures	310	(2,320)	11,481	13,801
Fund Balances, Beginning	<u>6,696</u>	<u>6,696</u>	<u>6,696</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 7,006</u>	<u>\$ 4,376</u>	<u>\$ 18,177</u>	<u>\$ 13,801</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - JAG Grant Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 113,160	\$ -	\$ -	\$ -
Investment Income	-	-	34	34
Total Revenues	<u>113,160</u>	<u>-</u>	<u>34</u>	<u>34</u>
Expenditures				
Current:				
Public Safety	<u>113,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>113,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	34	34
Fund Balances, Beginning	<u>588</u>	<u>588</u>	<u>588</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 588</u>	<u>\$ 588</u>	<u>\$ 622</u>	<u>\$ 34</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Click It or Ticket
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 12,250	\$ 12,489	\$ 239
Total Revenues	-	12,250	12,489	239
Expenditures				
Current:				
Public Safety	-	12,490	12,489	1
Total Expenditures	-	12,490	12,489	1
Excess (Deficiency) of Revenues over Expenditures	-	(240)	-	240
Other Financing Sources (Uses)				
Transfers In	-	-	143	143
Total Other Financing Sources (Uses)	-	-	143	143
Net Change in Fund Balances	-	(240)	143	383
Fund Balances, Beginning	(143)	(143)	(143)	-
Fund Balances, Ending	\$ (143)	\$ (383)	\$ -	\$ 383

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Gas Tax Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 757,640	\$ 684,600	\$ 666,198	\$ (18,402)
Investment Income	1,020	-	-	-
Total Revenues	<u>758,660</u>	<u>684,600</u>	<u>666,198</u>	<u>(18,402)</u>
Expenditures				
Current:				
Public Works	687,560	722,340	721,058	1,282
Capital Outlay	63,530	-	-	-
Total Expenditures	<u>751,090</u>	<u>722,340</u>	<u>721,058</u>	<u>1,282</u>
Excess (Deficiency) of Revenues over Expenditures	7,570	(37,740)	(54,860)	(17,120)
Fund Balances, Beginning	<u>67,035</u>	<u>67,035</u>	<u>67,035</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 67,035</u>	<u>\$ 67,035</u>	<u>\$ 67,035</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Traffic Congestion Relief Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 409,150	\$ 390,420	\$ 391,501	\$ 1,081
Investment Income	2,930	2,930	5,118	2,188
Total Revenues	<u>412,080</u>	<u>393,350</u>	<u>396,619</u>	<u>3,269</u>
Expenditures				
Current:				
Public Works	57,680	57,680	51,086	6,594
Capital Outlay	-	411,810	418,402	(6,592)
Total Expenditures	<u>57,680</u>	<u>469,490</u>	<u>469,488</u>	<u>2</u>
Excess (Deficiency) of Revenues over Expenditures	354,400	(76,140)	(72,869)	3,271
Fund Balances, Beginning	<u>295,952</u>	<u>295,952</u>	<u>295,952</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 295,952</u></u>	<u><u>\$ 295,952</u></u>	<u><u>\$ 295,952</u></u>	<u><u>\$ -</u></u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - County Park Act Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,306,130	\$ 155,410	\$ 21,666	\$ (133,744)
Total Revenues	1,306,130	155,410	21,666	(133,744)
Expenditures				
Capital Outlay	1,170,720	21,670	21,665	5
Total Expenditures	1,170,720	21,670	21,665	5
Excess (Deficiency) of Revenues over Expenditures	135,410	133,740	1	(133,739)
Fund Balances, Beginning	(73,715)	(73,715)	(73,715)	-
Fund Balances, Ending	<u>\$ (73,715)</u>	<u>\$ (73,715)</u>	<u>\$ (73,715)</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Prop 1B
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 644,280	\$ 711,950	\$ -	\$ (711,950)
Investment Income	4,290	4,290	3,138	(1,152)
Total Revenues	<u>648,570</u>	<u>716,240</u>	<u>3,138</u>	<u>(713,102)</u>
Expenditures				
Current:				
Public Works	-	-	-	-
Capital Outlay	732,770	364,490	285,750	78,740
Total Expenditures	<u>732,770</u>	<u>364,490</u>	<u>285,750</u>	<u>78,740</u>
Excess (Deficiency) of Revenues over Expenditures	(84,200)	351,750	(282,612)	(634,362)
Fund Balances, Beginning	<u>209,259</u>	<u>209,259</u>	<u>209,259</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 209,259</u>	<u>\$ 209,259</u>	<u>\$ 209,259</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Cal-Home Grant
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 205,000	\$ 119,420	\$ (85,580)
Investment Income	3,970	3,970	4,735	765
Other Revenue	60,000	580	642	62
Total Revenues	<u>63,970</u>	<u>209,550</u>	<u>124,797</u>	<u>(84,753)</u>
Expenditures				
Current:				
Community Development	247,740	205,000	1,570	203,430
Total Expenditures	<u>247,740</u>	<u>205,000</u>	<u>1,570</u>	<u>203,430</u>
Excess (Deficiency) of Revenues over Expenditures	(183,770)	4,550	123,227	118,677
Fund Balances, Beginning	<u>222,953</u>	<u>222,953</u>	<u>222,953</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 222,953</u>	<u>\$ 222,953</u>	<u>\$ 222,953</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 15,610	\$ 7,350	\$ 15,762	\$ 8,412
Total Revenues	15,610	7,350	15,762	8,412
Expenditures				
Capital Outlay	7,350	15,770	15,762	8
Total Expenditures	7,350	15,770	15,762	8
Excess (Deficiency) of Revenues over Expenditures	8,260	(8,420)	-	8,420
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 8,260	\$ (8,420)	\$ -	\$ -

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Energy Efficiency
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 83,400	\$ 83,400	\$ -
Investment Income	-	-	826	826
Total Revenues	-	83,400	84,226	826
Expenditures				
Capital Outlay	-	25,000	-	25,000
Total Expenditures	-	25,000	-	25,000
Excess (Deficiency) of Revenues over Expenditures	-	58,400	84,226	25,826
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ 58,400	\$ 84,226	\$ 25,826

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Air Quality Improvement Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 50,000	\$ 50,340	\$ 48,992	\$ (1,348)
Investment Income	3,360	3,360	3,433	73
Total Revenues	<u>53,360</u>	<u>53,700</u>	<u>52,425</u>	<u>(1,275)</u>
Expenditures				
Current:				
General Government	7,170	45,270	10,243	35,027
Public Works	11,200	-	-	-
Community Development	5,400	5,000	4,899	101
Total Expenditures	<u>23,770</u>	<u>50,270</u>	<u>15,142</u>	<u>35,128</u>
Excess (Deficiency) of Revenues over Expenditures	<u>29,590</u>	<u>3,430</u>	<u>37,283</u>	<u>33,853</u>
Other Financing Sources (Uses)				
Transfer Out	-	(94,280)	(74,280)	20,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(94,280)</u>	<u>(74,280)</u>	<u>20,000</u>
Net Change in Fund Balances	29,590	(90,850)	(36,997)	53,853
Fund Balances, Beginning	<u>224,552</u>	<u>224,552</u>	<u>224,552</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 254,142</u>	<u>\$ 133,702</u>	<u>\$ 187,555</u>	<u>\$ 53,853</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - ARRA Stimulus
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,401,000	\$ 973,830	\$ 892,430	\$ (81,400)
Total Revenues	2,401,000	973,830	892,430	(81,400)
Expenditures				
Capital Outlay	2,401,000	973,830	892,430	81,400
Total Expenditures	2,401,000	973,830	892,430	81,400
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Measure R
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 215,680	\$ 215,680	\$ 274,680	\$ 59,000
Investment Income	-	-	1,722	1,722
Total Revenues	215,680	215,680	276,402	60,722
Expenditures				
Current:				
Public Works	38,960	12,710	-	12,710
Capital Outlay	172,540	198,500	153,737	44,763
Total Expenditures	211,500	211,210	153,737	57,473
Excess (Deficiency) of Revenues over Expenditures	4,180	4,470	122,665	118,195
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Prop. A Transportation Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Intergovernmental	\$ 703,680	\$ 550,000	\$ 550,333	\$ 333
Charges for Services	221,500	201,500	209,605	8,105
Investment Income	12,370	12,370	11,055	(1,315)
Total Revenues	<u>937,550</u>	<u>763,870</u>	<u>770,993</u>	<u>7,123</u>
Expenditures				
Current:				
General Government	7,170	7,170	7,170	-
Community Development	1,050,410	1,161,440	-	1,161,440
Capital Outlay	-	23,500	-	23,500
Total Expenditures	<u>1,057,580</u>	<u>1,192,110</u>	<u>7,170</u>	<u>1,184,940</u>
Excess (Deficiency) of Revenues over Expenditures	(120,030)	(428,240)	763,823	1,192,063
Fund Balances, Beginning	<u>801,507</u>	<u>801,507</u>	<u>801,507</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 801,507</u>	<u>\$ 801,507</u>	<u>\$ 801,507</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Prop. C Transportation Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 574,260	\$ 450,000	\$ 456,525	\$ 6,525
Investment Income	15,950	15,950	14,433	(1,517)
Total Revenues	<u>590,210</u>	<u>465,950</u>	<u>470,958</u>	<u>5,008</u>
Expenditures				
Current:				
Public Works	109,340	131,650	113,402	18,248
Capital Outlay	613,520	746,330	764,568	(18,238)
Total Expenditures	<u>722,860</u>	<u>877,980</u>	<u>877,970</u>	<u>10</u>
Excess (Deficiency) of Revenues over Expenditures	(132,650)	(412,030)	(407,012)	5,018
Fund Balances, Beginning	<u>935,167</u>	<u>935,167</u>	<u>935,167</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 935,167</u>	<u>\$ 935,167</u>	<u>\$ 935,167</u>	<u>\$ -</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Community Center
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ 12,758	\$ 12,758
Total Revenues	-	-	12,758	12,758
Expenditures				
Debt Service:				
Interest & Fiscal Charges	-	133,860	133,860	-
Total Expenditures	-	133,860	133,860	-
Excess (Deficiency) of Revenues over Expenditures	-	(133,860)	(121,102)	12,758
Other Financing Sources (Uses)				
Transfer In	-	-	1,127,486	1,127,486
Total Other Financing Sources (Uses)	-	-	1,127,486	1,127,486
Net Change in Fund Balances	-	(133,860)	1,006,384	1,140,244
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ (133,860)	\$ 1,006,384	\$ 1,140,244

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Safe Routes to School
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Capital Outlay	-	45,000	23,410	21,590
Total Expenditures	-	45,000	23,410	21,590
Excess (Deficiency) of Revenues over Expenditures	-	(45,000)	(23,410)	21,590
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ (45,000)	\$ -	\$ -

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Escrow UBOC
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ 3,820	\$ 3,820	\$ 3,429	\$ (391)
Total Revenues	3,820	3,820	3,429	(391)
Expenditures				
Debt Service:				
Interest & Fiscal Charges	-	76,100	76,096	4
Total Expenditures	-	76,100	76,096	4
Excess (Deficiency) of Revenues over Expenditures	3,820	(72,280)	(72,667)	(387)
Fund Balances, Beginning	256,606	256,606	256,606	-
Fund Balances, Ending	<u>\$ 260,426</u>	<u>\$ 184,326</u>	<u>\$ 183,939</u>	<u>\$ (387)</u>

City of La Puente, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - 2007 TABS
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ 3,270	\$ -	\$ -	\$ -
Total Revenues	3,270	-	-	-
Expenditures				
Debt Service:				
Interest & Fiscal Charges	327,750	277,750	277,750	-
Total Expenditures	327,750	277,750	277,750	-
Excess (Deficiency) of Revenues over Expenditures	(324,480)	(277,750)	(277,750)	-
Other Financing Sources (Uses)				
Transfer In	158,470	158,470	158,470	-
Total Other Financing Sources (Uses)	158,470	158,470	158,470	-
Net Change in Fund Balances	(166,010)	(119,280)	(119,280)	-
Fund Balances, Beginning	450,749	450,749	450,749	-
Fund Balances, Ending	\$ 284,739	\$ 331,469	\$ 331,469	\$ -

Agency Funds

Deposits Fund - 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, California
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2010

	Deposits	County Court Parking Fines	Totals
Assets			
Cash and Investments	\$ 239,954	\$ 7,553	\$ 247,507
Total Assets	\$ 239,954	\$ 7,553	\$ 247,507
Liabilities			
Accounts Payable	\$ 34,222	\$ 7,553	\$ 41,775
Deposits Payable	205,732	-	205,732
Total Liabilities	\$ 239,954	\$ 7,553	\$ 247,507

City of La Puente, California
Statement of Changes in Fiduciary Net Assets
Agency Funds
Year Ended June 30, 2010

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
<u>Deposits Fund</u>				
Assets				
Cash and Investments	\$ 231,039	\$ 26,634	\$ 17,719	\$ 239,954
Total Assets	<u>\$ 231,039</u>	<u>\$ 26,634</u>	<u>\$ 17,719</u>	<u>\$ 239,954</u>
Liabilities				
Accounts Payable	\$ 1,053	\$ 51,065	\$ 17,896	\$ 34,222
Deposits Payable	229,986	23,518	47,772	205,732
Total Liabilities	<u>\$ 231,039</u>	<u>\$ 74,583</u>	<u>\$ 65,668</u>	<u>\$ 239,954</u>
 <u>County Court Parking Fines Fund</u>				
Assets				
Cash and Investments	\$ 7,061	\$ 47,057	\$ 46,565	\$ 7,553
Total Assets	<u>\$ 7,061</u>	<u>\$ 47,057</u>	<u>\$ 46,565</u>	<u>\$ 7,553</u>
Liabilities				
Accounts Payable	\$ 7,061	\$ 37,270	\$ 36,778	\$ 7,553
Total Liabilities	<u>\$ 7,061</u>	<u>\$ 37,270</u>	<u>\$ 36,778</u>	<u>\$ 7,553</u>
 <u>Totals - All Agency Funds</u>				
Assets				
Cash and Investments	\$ 238,100	\$ 73,691	\$ 64,284	\$ 247,507
Total Assets	<u>\$ 238,100</u>	<u>\$ 73,691</u>	<u>\$ 64,284</u>	<u>\$ 247,507</u>
Liabilities				
Accounts Payable	\$ 8,114	\$ 88,335	\$ 54,674	\$ 41,775
Deposits	229,986	23,518	47,772	205,732
Total Liabilities	<u>\$ 238,100</u>	<u>\$ 111,853</u>	<u>\$ 102,446</u>	<u>\$ 247,507</u>

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

City of La Puente, California
Capital Assets used in the Operation of Governmental Funds
Schedule by Source¹

	2010
Governmental Funds Capital Assets	
Land	\$ 3,620,179
Building and Improvements	19,580,594
Furniture and Equipment	685,368
Infrastructure	25,960,639
Construction in Progress	1,835,755
Total Governmental Funds Capital Assets	\$ 51,682,535
Investments in Governmental Funds Capital Assets by Source	
General Fund	\$ 9,010,337
Special Revenue Funds	15,309,893
Federal and State Grants	12,702,100
County Grants	4,976,386
Donated	9,683,819
Total Governmental Funds Capital Assets By Source	\$ 51,682,535

¹This 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, California
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity¹
June 30, 2010

Function and Activity	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Totals</u>
General Government	\$ 591,008	\$ 1,056,868	\$ 260,610	\$ -	\$ -	\$ 1,908,486
Public Works	2,538,966	244,121	136,086	24,501,968	1,593,449	29,014,590
Recreation/Senior Services	415,620	16,096,752	183,821	-	242,306	16,938,499
Community Development	74,585	2,182,853	104,851	1,458,671	-	3,820,960
Total Governmental Funds						
Capital Assets	<u>\$ 3,620,179</u>	<u>\$ 19,580,594</u>	<u>\$ 685,368</u>	<u>\$ 25,960,639</u>	<u>\$ 1,835,755</u>	<u>\$ 51,682,535</u>

¹This 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, California
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity¹
June 30, 2010

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2009	Additions	Deletions	June 30, 2010
General Government	\$ 1,908,486	\$ -	\$ -	\$ 1,908,486
Public Works	26,446,024	2,748,341	(179,775)	29,014,590
Recreation/Senior Services	16,861,730	76,769	-	16,938,499
Community Development	3,820,960	-	-	3,820,960
	<u>\$ 49,037,200</u>	<u>\$ 2,825,110</u>	<u>\$ (179,775)</u>	<u>\$ 51,682,535</u>

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

STATISTICAL SECTION

Statistical Section

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

Contents

Financial Trends	Page
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.....	109-114
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant Local revenue source, the property tax.....	115-118
Debt Capacity	
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....	119-121
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.....	122-123
Operating Information	
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.....	124-126

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

City of La Puente, California
Net Assets by Component
Last Eight Fiscal Years ⁽¹⁾
(accrual basis of accounting)

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

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

City of La Puente, California
Changes in Net Assets
Last Eight Fiscal Years ⁽¹⁾
(accrual basis of accounting)

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

City of La Puente, California
Changes in Net Assets
Last Eight Fiscal Years ⁽¹⁾
(accrual basis of accounting)

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

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

City of La Puente, California
Governmental Activities Tax Revenues by Source
Last Eight Fiscal Years ⁽¹⁾
(accrual basis of accounting)

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

⁽¹⁾ Governmental Activities Tax Revenue by Source is not available prior to fiscal year 2003.

City of La Puente, California
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 1,139,105	\$ 1,180,050	\$ 1,210,493	\$ 1,425,125	\$ 5,012,337	\$ 6,946,674	\$11,356,449	\$11,943,037	\$14,117,346	\$13,017,404
Unreserved	<u>11,982,584</u>	<u>13,049,480</u>	<u>13,168,289</u>	<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>\$13,121,689</u>	<u>\$14,229,530</u>	<u>\$14,378,782</u>	<u>\$13,460,119</u>	<u>\$13,106,439</u>	<u>\$15,882,993</u>	<u>\$17,926,028</u>	<u>\$20,722,774</u>	<u>\$20,076,002</u>	<u>\$19,110,833</u>
All other governmental funds										
Reserved	\$ -	\$ 75,092	\$ 29,988	\$ -	\$ 3,511,981	\$ 5,485,664	\$ 5,537,503	\$11,985,341	\$14,239,645	\$ 7,513,002
Unreserved, reported in:										
Special Revenue Funds	2,997,145	2,763,210	2,272,583	1,841,722	2,416,329	2,595,249	2,179,965	2,229,734	3,089,829	2,146,069
Debt Service Fund	-	-	(1,321,782)	(1,428,678)	(1,632,565)	(1,841,098)	(1,950,311)	(2,795,778)	(3,377,292)	(4,126,158)
Capital Projects Funds	<u>3,774</u>	<u>6,537</u>	<u>(980,200)</u>	<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>\$ 3,000,919</u>	<u>\$ 2,844,839</u>	<u>\$ 589</u>	<u>\$ (743,489)</u>	<u>\$ (446,793)</u>	<u>\$ (91,742)</u>	<u>\$ (898,203)</u>	<u>\$ 5,918,536</u>	<u>\$ 2,277,297</u>	<u>\$ (6,975,365)</u>

City of La Puente, California
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$ 3,144,099	\$ 3,447,109	\$ 3,436,029	\$ 3,411,569	\$ 4,097,698	\$ 7,467,735	\$ 8,449,174	\$ 8,751,688	\$ 8,845,687	\$ 8,066,381
Licenses and permits	280,248	280,273	378,062	558,431	450,406	432,732	386,911	332,227	241,162	313,337
Intergovernmental	6,379,854	6,027,171	6,946,692	7,532,682	7,516,483	4,465,413	4,103,297	5,038,388	5,178,684	4,477,921
Charges for services	535,986	525,288	638,600	701,437	831,956	833,801	930,265	840,148	958,304	886,241
Fines and Forfeits	435,847	473,381	501,641	509,918	568,161	606,351	625,597	665,409	603,259	547,680
Investment Income	951,221	614,229	548,769	4,051	260,671	193,146	664,921	466,760	463,456	144,194
Other revenue	60,271	57,586	173,677	67,828	92,386	63,199	122,477	171,996	108,328	714,402
Total revenues	<u>11,787,526</u>	<u>11,425,037</u>	<u>12,623,470</u>	<u>12,785,916</u>	<u>13,817,761</u>	<u>14,062,377</u>	<u>15,282,642</u>	<u>16,266,616</u>	<u>16,398,880</u>	<u>15,150,156</u>
Expenditures:										
General government	1,885,813	1,987,667	2,043,274	2,332,376	2,548,442	2,556,526	2,559,138	1,977,375	1,979,259	2,267,156
Public safety	3,631,439	3,754,212	4,130,287	4,053,729	3,925,328	4,243,279	4,384,287	4,726,466	4,740,578	4,666,557
Public Works	1,940,662	2,300,679	1,922,263	1,681,804	2,066,346	1,870,146	1,923,101	1,937,843	1,895,557	1,711,607
Recreation/Senior Services	859,258	919,464	920,144	1,056,494	1,111,718	1,280,050	1,553,937	786,704	1,252,315	988,071
Community Development	1,545,227	1,229,339	2,072,711	1,988,027	1,661,896	1,646,099	1,959,098	2,776,773	2,368,298	2,414,069
Redevelopment and Housing	-	-	-	-	-	97,944	293,793	355,308	634,199	9,045,803
Capital outlay	47,797	264,347	1,928,557	3,229,331	2,357,128	955,586	1,952,728	7,239,556	8,883,691	2,751,793
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	100,000
Interest & Fiscal Charges	102,709	103,475	103,781	106,896	203,887	369,063	404,642	612,721	1,350,974	1,348,651
Cost of Issuance	-	-	-	-	-	-	-	252,180	82,020	-
Total expenditures	<u>10,012,905</u>	<u>10,559,183</u>	<u>13,121,017</u>	<u>14,448,657</u>	<u>13,874,745</u>	<u>13,018,693</u>	<u>15,030,724</u>	<u>20,664,926</u>	<u>23,186,891</u>	<u>25,293,707</u>
Excess of revenues over (under) expenditures	<u>1,774,621</u>	<u>865,854</u>	<u>(497,547)</u>	<u>(1,662,741)</u>	<u>(56,984)</u>	<u>1,043,684</u>	<u>251,918</u>	<u>(4,398,310)</u>	<u>(6,788,011)</u>	<u>(10,143,551)</u>
Other Financing Sources (Uses)										
Debt Issuance	-	-	-	-	-	-	-	14,040,000	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	2,500,000	-
Transfers In	-	-	-	-	-	162,283	88,546	7,933,410	558,430	1,598,359
Transfers Out	-	-	-	-	-	(162,283)	(148,890)	(7,961,615)	(558,430)	(1,672,639)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(60,344)	14,011,795	2,500,000	(74,280)
Special Items										
Legal Settlement	-	-	-	-	-	1,928,645	1,045,000	-	-	-
Sale of Land	-	-	-	-	-	397,237	-	-	-	-
Total Special Items	-	-	-	-	-	2,325,882	1,045,000	-	-	-
Net change in fund balances	<u>\$ 1,774,621</u>	<u>\$ 865,854</u>	<u>\$ (497,547)</u>	<u>\$ (1,662,741)</u>	<u>\$ (56,984)</u>	<u>\$ 3,369,566</u>	<u>\$ 1,236,574</u>	<u>\$ 9,613,485</u>	<u>\$ (4,288,011)</u>	<u>\$ (10,217,831)</u>
Debt service as a percentage of noncapital expenditures	1.04%	1.02%	0.94%	0.96%	1.80%	3.16%	3.19%	6.89%	10.12%	9.52%

City of La Puente, California
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			
2001	\$ 783,026,295	\$ 133,443,676	\$ 4,711,116	\$ 33,900,723	\$ (8,472,025)	\$ 946,609,785	0.06600%
2002	823,093,499	145,052,345	9,360,863	42,431,133	(8,421,704)	1,011,516,136	0.06421%
2003	883,681,043	152,231,540	13,914,216	39,193,002	(8,337,700)	1,080,682,101	0.06355%
2004	951,442,109	160,383,886	16,896,366	46,806,916	(8,404,874)	1,167,124,403	0.06449%
2005	1,040,930,321	165,247,308	18,645,327	35,256,503	(8,356,647)	1,251,722,812	0.06464%
2006	1,143,123,909	176,780,144	19,495,859	46,191,425	(8,409,435)	1,377,181,902	0.06529%
2007	1,300,336,565	196,103,013	20,050,753	47,742,908	(12,892,335)	1,551,340,904	0.08638%
2008	1,424,807,676	215,130,123	21,761,258	48,019,897	(12,160,956)	1,697,557,998	0.09503%
2009	1,504,488,964	247,993,848	22,599,723	49,061,668	(12,216,097)	1,811,928,106	0.10508%
2010	1,377,271,873	235,079,377	22,613,632	47,789,065	(12,216,097)	1,670,537,850	0.10809%

Source: HdL, Coren & Cone; L.A. County Assessor 2009/10 Combined Tax Rolls

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

<u>Year</u>	<u>General Levy</u>	<u>Los Angeles County</u>				<u>Total</u>	<u>Direct Rate</u>
		<u>General</u>	<u>Flood Control District</u>	<u>Metropolitan Water District</u>	<u>College & H.S. Districts (1)</u>		
2001	1.000	0.001314	0.001552	0.0088	0.12418	1.135846	0.06582
2002	1.000	0.001128	0.001073	0.0077	0.1440	1.153871	0.06345
2003	1.000	0.001033	0.000881	0.0067	0.18715	1.195764	0.06279
2004	1.000	0.000992	0.000462	0.0061	0.15948	1.167034	0.06375
2005	1.000	0.000923	0.000245	0.0058	0.19205	1.199018	0.06391
2006	1.000	0.000795	0.000049	0.0052	0.26465	1.270694	0.07425
2007	1.000	0.000663	0.000052	0.0047	0.2993	1.304715	0.08601
2008	1.000	-	-	0.0045	0.2975	1.302000	0.09465
2009	1.000	-	-	0.0043	0.3007	1.305030	0.10454
2010	1.000	-	-	0.0043	0.3145	1.318780	0.10809

Note 1: For fiscal year 2009/10, General Levy is distributed as follows: L.A. County General (.243), Hacienda La Puente Unified School District (.176), Consolidated Fire Protection District of L.A. County (.174), Educational Augmentation Fund Impound (.136), Educational Revenue Augmentation Fund (.072), City of La Puente Tax District 1 (.066), County Lighting Maintenance District No. 1744 (.035), Mount San Antonio Community College (.030), L.A. County Library (.023), Other (.045).

Source: HdL Coren & Cone, Los Angeles County Assessor 2009/10 Annual Tax Increment Tables
Los Angeles County Auditor-Controller "Tax Payers' Guide 2009-2010"

City of La Puente, California
Principal Property Taxpayers
As of June 30, 2010

Taxpayer	2005			2006			2007			2008			2009			2010		
	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV									
Hacienda Plaza JPS LLC	-	-	-	-	-	-	15,113,950	1	0.94%	19,026,000	1	1.11%	34,425,000	1	1.89%	33,227,000	1	1.82%
Group X Rosemead Prop.	-	-	-	-	-	-	-	-	-	20,348,762	10	1.19%	20,755,430	3	1.14%	21,170,228	2	1.16%
Villa Las Brisas LLC	-	-	-	-	-	-	-	-	-	-	-	-	14,637,145	4	0.80%	14,929,887	3	0.82%
Haeri LLC	13,635,989	2	1.08%	13,908,707	4	0.98%	-	-	-	-	-	-	26,430,000	2	1.45%	14,780,718	4	0.81%
Sunkist Shopping Center	11,341,937	3	0.90%	11,568,765	2	0.82%	4,314,104	10	0.27%	12,036,120	2	0.70%	12,279,582	5	0.67%	12,525,109	5	0.69%
Walnut Apartments	9,578,028	5	0.76%	9,768,231	8	0.69%	-	-	-	-	-	-	10,361,971	6	0.57%	10,567,854	6	0.58%
Wind Chime Properties	-	-	-	-	-	-	9,588,000	2	0.60%	9,779,759	4	0.57%	9,975,352	7	0.55%	10,174,857	7	0.56%
Laurala Limited	8,128,867	6	0.64%	9,286,911	9	0.66%	-	-	-	-	-	-	8,798,352	8	0.48%	8,974,175	8	0.49%
EML LLC	-	-	-	-	-	-	-	-	-	6,857,691	5	0.40%	6,994,839	9	0.38%	7,134,732	9	0.39%
Prince N. Dennis & I. Shan Li	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,074,442	10	0.33%
Puente De Hacienda LLC	18,806,676	1	1.49%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
La Puente Preservation	10,286,528	4	0.81%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
David L. Tsoong Trust	8,113,863	7	0.64%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mahomed&A.M. Limbada	6,462,166	8	0.51%	6,591,406	3	0.46%	6,723,230	5	0.42%	-	-	-	-	-	-	-	-	-
La Puente Gardens	5,640,746	9	0.45%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
La Puente Plaza LLC	5,500,818	10	0.44%	5,610,833	5	0.40%	5,723,049	7	0.36%	5,837,509	6	0.34%	-	-	-	-	-	-
Granite Hacienda LP	-	-	-	-	-	-	7,560,426	3	0.47%	11,374,000	3	0.67%	-	-	-	-	-	-
Emser International LLC	-	-	-	-	-	-	4,421,633	8	0.28%	4,510,064	7	0.26%	-	-	-	-	-	-
KNC Capital Group LLC	-	-	-	4,300,000	6	0.30%	4,386,000	9	0.27%	4,473,720	8	0.26%	-	-	-	-	-	-
Charles H Hofgaarden Trst	-	-	-	4,132,311	7	0.29%	-	-	-	4,299,247	9	0.25%	-	-	-	-	-	-
Big 5 Corporation	-	-	-	19,525,787	1	1.38%	-	-	-	-	-	-	-	-	-	-	-	-
Walgreen Company	-	-	-	3,860,564	10	0.27%	-	-	-	-	-	-	-	-	-	-	-	-
Royal Street Comm.	-	-	-	-	-	-	7,486,025	4	0.47%	-	-	-	-	-	-	-	-	-
Group VI S & P Properties	-	-	-	-	-	-	22,128,890	6	1.38%	-	-	-	-	-	-	-	-	-
La Puente Company LLC	-	-	-	-	-	-	-	-	-	-	-	-	6,975,780	10	0.38%	-	-	-
	<u>\$ 97,495,618</u>		<u>7.72%</u>	<u>\$ 88,553,515</u>		<u>6.25%</u>	<u>\$ 87,445,307</u>		<u>5.46%</u>	<u>\$ 98,542,872</u>		<u>5.76%</u>	<u>\$ 151,633,451</u>		<u>8.31%</u>	<u>\$ 139,559,002</u>		<u>7.65%</u>

Source: HdL Coren & Cone
Information prior to fiscal year 2005 is not available.

City of La Puente, California
Property Tax Levies and Collections⁽¹⁾
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
2001	-	-	-	-	-	-
2002	-	-	-	-	-	-
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	804,303	32,624	4.1%	437	33,061	4.1%
2006	882,864	746,746	84.6%	1,931	748,677	84.8%
2007	976,622	852,795	87.3%	5,879	858,674	87.9%
2008	1,056,106	897,977	85.0%	-	897,977	85.0%
2009	1,126,953	968,444	85.9%	9,737	978,181	86.8%
2010	1,040,321	888,710	85.4%	12,259	900,969	86.6%

⁽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 ro

Source: Los Angeles County

City of La Puente, California
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			
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-
2008	4,040,000	10,000,000	-	10,260,000	24,300,000	na	562
2009	4,040,000	10,000,000	2,500,000	10,085,000	26,625,000	na	615
2010	4,040,000	10,000,000	2,400,000	9,925,000	26,365,000	4.47%	608

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

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

² Information not available prior to 2010.

City of La Puente, California
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2010

Jurisdiction	Net General Obligation Bonded <u>Debt Outstanding</u>	Percentage Applicable to <u>City of La Puente</u>	Amount Applicable to <u>City of La Puente</u>
Direct-City of La Puente	\$ -	-	\$ -
Overlapping:			
Water District:			
Metropolitan Water District	121,475,156	0.186	226,090
Mt San Antonio College:			
2001 Series A Debt Service	2,250,000	2.504	56,350
2004 Series B 04 Debt Service	9,870,000	2.504	247,188
2005 Refunding Bond	61,525,843	2.504	1,540,873
2006 Series C Debt Service	79,695,008	2.504	1,995,908
2001 DS, 2008 Series D	25,430,293	2.504	636,885
School District:			
Bassett Unified DS 2004 Series 2005A	11,353,352	7.313	830,253
Bassett Unified DS 2004 Series 2005 B	10,626,192	7.313	777,077
Bassett Unified DS 2006 Series 2007	14,469,566	7.313	1,058,136
Bassett Unified DS 2006 Series B	4,999,970	7.313	365,640
Hacienda-La Puente USD 2000 Ser A DS	3,474,899	13.657	474,551
Hacienda-La Puente USD 2000 Ser B DS	8,850,987	13.657	1,208,739
Hacienda-La Puente USD 2005 REF BDS	30,065,000	13.657	4,105,840
Hacienda-La Puente USD 2007 REF BDS	55,330,000	13.657	7,556,166
Rowland Heights USD 2000 Ser A DS	3,274,562	1.627	53,280
Rowland Heights USD 2000 Ser B DS	39,999,075	1.627	650,822
Rowland Heights USD 2005 REF BDS	16,319,717	1.627	265,537
Rowland Heights USD 2006 Ser A DS	42,400,000	1.627	689,887
Rowland Heights USD 2006 Ser B	32,422,549	1.627	527,545
Rowland Heights USD 2006 Ser B-BABS	12,000,000	1.627	195,251
West Covina Unified SD 2000 Ser C DS	8,335,000	1.113	92,731
West Covina Unified SD 2002 REF BD S-A	15,885,000	1.113	176,729
West Covina Unified SD 2000 Ser D DS	8,775,000	1.113	97,627
Total direct and overlapping debt			<u>\$ 23,829,105</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses.

Source: HdL Coren & Cone; L.A. County Assessor and Auditor Combined 2009/10 Lien Date Tax Rolls

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$143,262,272	\$152,990,676	\$163,352,970	\$176,329,392	\$190,361,919	\$207,838,701	\$234,634,986	\$256,457,843	\$273,621,630	\$ 252,413,092
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$143,262,272</u>	<u>\$152,990,676</u>	<u>\$163,352,970</u>	<u>\$176,329,392</u>	<u>\$190,361,919</u>	<u>\$207,838,701</u>	<u>\$234,634,986</u>	<u>\$256,457,843</u>	<u>\$273,621,630</u>	<u>\$ 252,413,092</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 2009

Assessed value	\$1,648,228,972
Add back: exempt real property	<u>34,524,975</u>
Total assessed value	1,682,753,947
Debt limit (15% of total assessed value)	252,413,092
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	-
Legal debt margin	<u><u>\$ 252,413,092</u></u>

Source: HdL Coren & Cone; L.A. County Assessor 2009/10 Combined Tax Rolls

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2001	42,492	na	na	na	22,533	7.1%
2002	42,150	na	na	na	22,953	8.5%
2003	42,650	na	na	na	23,049	8.8%
2004	43,046	na	na	na	22,878	8.1%
2005	43,360	na	na	na	22,302	6.7%
2006	43,164	na	na	na	20,821	5.2%
2007	43,338	na	na	na	19,831	5.8%
2008	43,256	na	na	na	19,072	8.3%
2009	43,269	na	na	na	18,153	13.2%
2010	43,355	590,365	13,617	na	17,495	13.6%

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, California
Principal Employers
As of June 30, 2010

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

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

City of La Puente, California
Full-time Equivalent City Government Employees by Program/Function
As of June 30, 2010

Program/Function	2005	2006	2007	2008	2009	2010
General Government						
City Council	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk/Election Services	3.66	2.68	1.73	3.65	3.80	0.98
Human Resources/Risk Management Administration	-	-	-	0.75	0.75	1.50
Financial Services	2.38	2.38	1.62	1.95	1.92	0.85
	4.36	4.36	3.83	3.45	3.86	3.35
Public Safety						
Public Safety Services	Contract out					
Public Works Services						
General Services	0.80	1.40	0.75	0.75	1.00	1.02
Emergency Preparedness Services	Contract out					
Public Works Services	2.20	2.20	2.20	3.30	2.65	4.77
Measure R						0.11
Streets/Sidewalks (Prop C)	1.23	0.58	2.02	0.45	1.40	0.99
Waste Management Services	0.60	0.60	0.40	0.25	0.20	0.06
Park/Maintenance Services	5.39	5.64	5.34	5.00	6.65	4.71
Community Development						
Planning/Zoning Services	3.13	2.93	2.11	2.72	3.03	2.68
Housing/Community Services	4.18	3.94	2.65	4.23	1.84	1.70
Community Preservation Services	3.76	4.76	5.76	5.40	6.00	6.00
Public Transit Services (Prop A)	1.36	2.03	2.32	2.00	2.15	2.39
Recreation/Senior Services						
Recreation Services	3.57	2.77	2.42	2.50	2.34	2.19
Youth Activity Learning Center	-	-	-	-	0.33	-
Nature Education Center	-	-	-	-	1.00	2.62
Senior Services	1.38	0.73	0.94	0.90	2.83	1.19
Sewer Maintenance Fund						
Sewer Maintenance	-	-	1.11	1.10	1.80	1.79
Equipment Replacement Fund						
IT/Equipment Charges	-	-	0.80	1.00	1.20	1.50
Community Development Commission						
Low Mod Income Housing/Capital Project Fund	-	-	-	0.60	0.75	3.60
	<u>43.00</u>	<u>42.00</u>	<u>41.00</u>	<u>45.00</u>	<u>50.50</u>	<u>49.00</u>

Information prior to fiscal year 2005 is not available.

Source: City of La Puente Projected Budget for Fiscal Year 2009-2010, FTE Positions

City of La Puente, California
Operating Indicators by Function
As of June 30, 2010

Function/Program	2005	2006	2007	2008	2009	2010
Public Safety						
Physical arrests	2,627	3,481	3,646	2,607	1,887	1,781
Parking violations	6,743	9,065	10,208	10,394	9,432	5,650
Traffic violations	7,276	10,502	10,291	8,847	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	na	na	na	3.3 miles
Potholes patched	302.00	64.00	156.60	145.90	145.90	na
Sanitation						
Refuse collected (tons/day)	57.76	76.65	69.49	68.75	67.36	57.18
Recyclables collected (tons/day)	5.41	7.38	6.79	6.64	6.98	4.89
Green waste collected (tons/day)	8.21	11.69	9.60	9.50	9.36	10.99
Community Services						
Special Event-Main Street Run (number of participants)	4,000	3,675	3,335	3,653	5,190	3,500

-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, California
Capital Asset Statistics by Function
As of June 30, 2010

Function/Program	<u>Fiscal Year</u> <u>2010</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