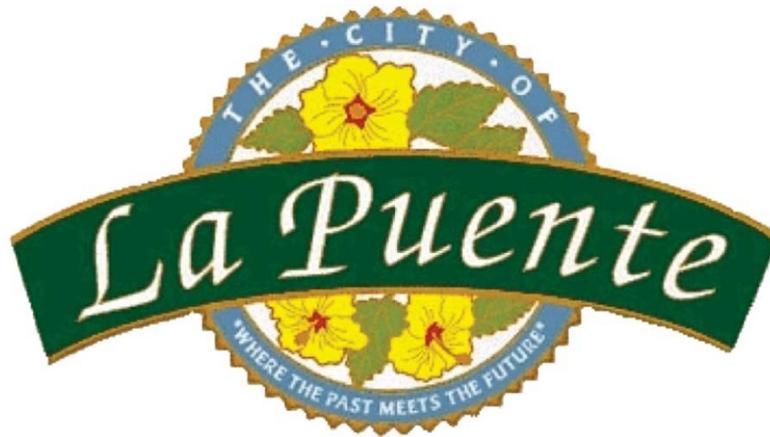


City of La Puente

State of California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2015

Prepared by:
Administrative Services Department

City of La Puente
Comprehensive Annual Financial Report
Year Ended June 30, 2015

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Comprehensive Annual Financial Report
Year Ended June 30, 2015

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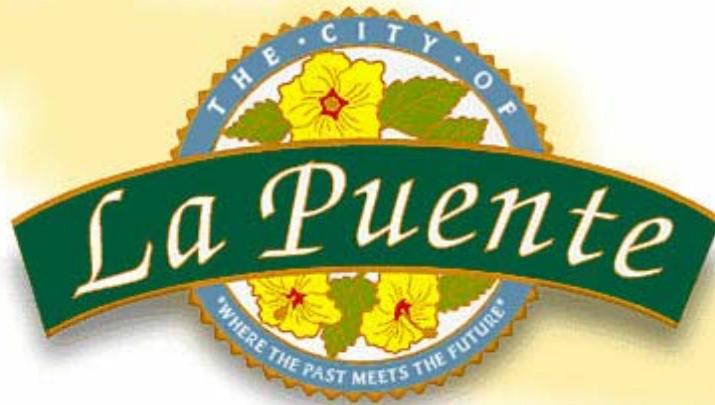
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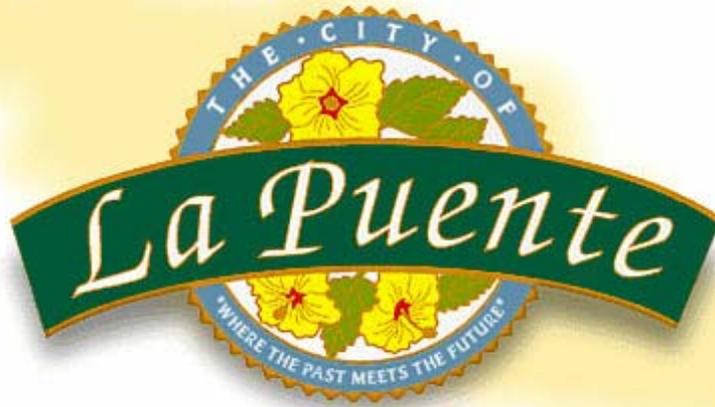
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INTRODUCTORY SECTION



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City of La Puente

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

November 18, 2015

Honorable Mayor and City Council
City of La Puente, California

INTRODUCTION

State law requires that all local governments publish a complete set of financial statements within six months of the close of each fiscal year. Financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. 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. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of La Puente for the fiscal year ended June 30, 2015.

The financial statements are the responsibility of the City of La Puente's management. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of La Puente has established a comprehensive internal control framework that is designed both to protect the government assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

The financial statements present the financial condition of the City of La Puente (the primary government) and its component unit, La Puente Public Financing Authority. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

PROFILE OF THE CITY OF LA PUENTE

The City of La Puente is located 20 miles east of downtown Los Angeles in the San Gabriel Valley. The community of La Puente is predominantly residential and home to over 40,000 residents. Commercial land usage is located primarily along major highways/arterials and industrial land usage is less than five percent (5%) of the City's 3.5 square mile land area. Freeway access to the City is readily available from Interstate 10 and the 60 Freeway. The City is a general law city, incorporated on August 1, 1956; however, the history of the community extends back much further. The City's name "La Puente" means the bridge in old Spanish and refers to an early bridge built across the San Jose Creek by members of the Portola-Serra expedition in 1769, as they surveyed the region for Spain. A modernized version of the bridge can be seen in the City's colorful seal. The community of La Puente began in 1841 when European settlers arrived by wagon train from New Mexico and obtained title to the large 48,000 acre Rancho La Puente. During the 1930's, the area was famous for its fruit and walnut groves. The largest walnut packing plant in the world was located in the City.

The City of La Puente is governed by a five member City Council. The City Council holds its regular meetings every second and fourth Tuesday of the month at 7:00 p.m. in the City Council Chambers at City Hall. In-house programs and functions at City Hall include Administration, City Clerk's Office, Development Services, Administrative Services, Recreation Services, and Public Safety. The City operates various facilities to serve the community. These include a Community Center, Youth Learning Activity Center, Senior Center, La Puente Park and Puente Creek Nature and Education Center. 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 made significant progress during fiscal year 2014-2015. The completed capital improvement projects and major initiatives consist of the following:

Capital Improvement Projects

➤ **Santo Oro Storm Drain and Local Street Improvements**

The Santo Oro Storm Drain project consisted of repaving residential streets, signing and striping, and repair of damaged concrete sidewalk and curb and gutter areas, ADA ramps, and the installation of a new storm drain pipe and catch basins to alleviate standing and nuisance water issues as well as exposed high water flows during periods of heavy rain within the project area. The project also included the repaving of the City Hall parking lot.

➤ **Safe Routes to Schools Project**

The Safe Routes to Schools project included construction of intersection bulb-outs, rectangular flashing beacons, and center median fencing near the intersection of Hacienda Boulevard and Prichard Street, upgraded school crosswalk signs, the installation of high visibility crosswalks, speed awareness signs, and seventy (70) countdown pedestrian heads at signalized intersections. Improvements were constructed within the vicinity of La Puente High School, Workman Elementary School, and Sierra Vista Middle School. The City received a Cycle 10 Safe Routes to Schools Program grant in the amount of \$387,000 for this project.

Other Major Initiatives

➤ **Economic Development**

- Progress continued towards the full occupancy of a 9.5 acre 117,000 square foot retail shopping center located along Hacienda Boulevard at Fairgrove Avenue. During the fiscal year, the City facilitated the following new retail tenants to occupy and open for business at the center:

Starbucks Coffee
Harbor Freight Tools
Menchies Frozen Yogurt
Waba Grill
Pizza Hut Restaurant
Andrea Shoes

- The City facilitated the construction of a new 25,700 square foot Smart & Final *Extra!* and approved entitlements for the construction of a 4,400 square foot McDonald's restaurant at the corner of Amar Road and Ardilla Avenue.
- The City approved a Disposition and Development Agreement with Frontier Real Estate Investments, Inc. for the development of an 18,000 square foot ALDI Market on a former Successor Agency owned parcel at Hacienda Boulevard and Francisquito Avenue.

➤ **Balanced Budget Policy**

Based on the direction of the City Council, the City has implemented a Balanced Budget Policy. For the past two years, the annual budget for Fiscal Year 2014-2015 and 2015-2016 was balanced without using general fund reserves. Also in this policy, there is a 25% unassigned fund balance reserve requirement for the General Fund. The General Fund unassigned fund balance at the end of Fiscal Year 2014-2015 is 47%.

As we move forward, City Staff will continue to explore various ways to ensure the fiscal stability of the City by either generating more revenue or decreasing our expenditures.

➤ **Customer Service Training**

During the 2014-2015 Fiscal Year, the City held two (2) customer service training sessions for all City personnel to enhance the skills and provide tools to ensure impeccable service to both internal and external customers.

➤ **Public Safety**

The City was designated as one of the 50 safest cities in California by SafeWise for the past two years. This was due to an outstanding intelligence and community policing effort by the LA County Sheriff's department and an active Community Center and Youth Learning Activity Center that kept every family safe and healthy. The Volunteers on Patrol (VOP) program also helped ensure neighborhood crime statistics were low. The City offers a safe neighborhood, community gathering places and easy freeway access to earn a reputation as a great place to establish family roots.

City Council and City Officials continue to build an outstanding working relationship with the Police Lieutenant and the Special Assignment Officers Team to reduce crime, graffiti, and gang activity within the City boundaries.

➤ **Public Transit & Maintenance Services**

Understanding the importance of improving air quality in the region and recognizing the City's role as a leader in the community, the City of La Puente strives to reduce vehicle emissions and set an example in the community. Accordingly, the City acquired three new liquid propane gas (LPG) fueled transit buses and two new compressed natural gas (CNG) powered maintenance trucks to replace the older vehicles for the La Puente Link and Dial-a-Ride services and reduce vehicle maintenance costs and increase operating efficiency for providing the transit service to the City's residents. These were funded by the Air Quality Management District AB2766 fees and a grant from Mobile Source Air Pollution Reduction Review Committee (MSRC) clean transportation.

➤ **Government Outreach**

The City created a Facebook page last year to increase awareness of City events and happenings to its residents to supplement the La Puente Spotlight, quarterly newspaper. This has proven to be a useful tool for the citizens of this community and our followers continues to grow.

Residents are also encouraged to use “Go Request”, a government outreach computer and mobile application to easily report local issues which are automatically delivered to City Staff Members.

City Council and City Officials working with the Hacienda La Puente Unified School District established Project LEAD (Life Experiences About Democracy) to bring civics to the classroom. Throughout Fiscal Year 2014-2015, Council Members and City Officials regularly visited schools and provided learning opportunities to elementary and middle school students by hosting a mock City Council meeting, a youth in government day, a community cleanup day and a community tree planting day where 19 trees were planted by partnering with the LA Conservation Corps. In addition, students and their parents regularly attended City Council meetings and actively participated in the meetings by giving presentations and leading the audience in the Pledge of Allegiance.

City Council and City Officials continued strong working relationships with key stakeholders including Senator Edward Hernandez and Assembly Member Ian Calderon, School District members, representatives from Hilda Solis’ offices, Old Town Puente Association, Art Walk organizers, churches, City of Industry, and utility liaisons.

➤ **Special Events**

Under the direction of the City Council, the leadership of the Recreation Department, with support from the Sheriff’s Department and Development Services Department Maintenance Division, presented a very successful 3rd of July, Main Street Halloween 5K/10K walk/run, and Little League opening day parade events.

Worked with Sheriff’s Department and local businesses to coordinate funding and donations for the fourth annual National Night Out.

Partnered with the Old Town Puente Business Association to plan the Holiday Parade and Tree Lighting Ceremony.

Partnered with local businesses to host the annual Halloween Maze.

Awarded 20 scholarships to La Puente residents for higher education, adult education and vocational training through the proceeds from the Annual Main Street Halloween 5K/10K.

For The Future. Though essentially a built-out city, the City is pursuing various capital improvement projects and other major initiatives to meet goals set by the City Council for fiscal year 2015-2016:

Capital Improvement Projects

➤ **Temple Avenue Sidewalk/Parkway Improvements & Glendora Avenue Resurfacing**

This project consists of a street reconstruction project on Glendora Avenue including reconstruction of sidewalks, curb and gutter, handicap ramps, driveway approaches, cross gutter, striping and markings. Improvements along Temple Avenue will include sidewalk construction, new ADA ramps, retaining walls, decorative handrails, hardscape, drought tolerant landscaping, synthetic turf, and a City entrance monument sign.

➤ **Traffic Signal Improvements**

The City was awarded \$1.0 million in federal grant funds through the 6th cycle of the Federal Highway Safety Improvement Program (HSIP) to upgrade traffic signals at nine (9) intersections along Amar Road. The project includes new signal poles, vehicle heads, pedestrian push buttons, countdown pedestrian heads, and new ADA ramps.

Other Major Initiatives and Goals

- The City held two 1 day Strategic Planning sessions with the City Council and key City personnel for the purpose of setting goals for the next six months.
- City staff will continue to work with the Los Angeles County Sheriff's Department to reduce crime in the community.
- The City partnering with the Sheriff's Department will develop an emergency preparedness plan and provide emergency training for City staff.
- Partner with the Los Angeles County Sheriff's Department to institute the Incident Command Structure for major City Wide Special Events to minimize the City's exposure to risk.
- Under the direction of the City Council, will hold the second Community Wide Health, Wellness and Safety Fair featuring the VSP mobile eye clinic, the Los Angeles County Sheriff's Department and the Los Angeles County Fire Department.
- The City will work with the assistance of the contract Information Technology (IT) support firm to implement the five year capital replacement and maintenance plan.
- Continue staff training to improve professionalism and customer service skills.

- Recommend improvements in City policies and procedures and bring forward to City Council for consideration.
- Continue to increase new and existing business outreach and economic development business attraction programs.
- Identify cost-cutting measures and explore new sources of General Fund revenue to achieve long-term financial sustainability.

The goal is to accomplish projects and other major initiatives and goals listed above through implementation of the strategic plan during the fiscal year of 2015-2016; 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 property tax to support General Fund operations. These two sources represent approximately 67% of the City’s general fund revenue.

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 several public meetings are 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 department level.

LOCAL ECONOMY AND ECONOMIC OUTLOOK

The City relies heavily on two major revenue sources – property taxes and sales and use taxes for its general fund operating expenses. During the year, property values continued to increase significantly, but still remained below the high values at the height of the market in 2007. This is expected to continue at a slow but stable rate. The unemployment rate continued to improve from 9% to 7.3% and is expected to remain the same or improve slightly as employment opportunities increase.

The City was successful in attracting branded businesses, such as McDonalds which will open during the 2015-2016 fiscal year, but continues to face challenges due to limited location and retail space selection. The City will continue to promote new business opportunities using business fairs and expanding business networking for the available vacant spaces while it continues to explore other revenue generating sources in advertising and promotion of commercial development of existing businesses.

LONG-TERM FINANCIAL PLANNING

The unassigned fund balance in the General Fund is \$5.3 million or 47% of General Fund expenditures. During the year, the City adopted a balanced budget policy which requires a General Fund reserve of 25% of budgeted expenditures. This amount falls within the management budget guidelines as approved by the City Council for budgetary and planning purposes and is considered above average for similar size cities.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to receive the award, a government has 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. The City of La Puente believes that the current CAFR continues to meet program requirements and the City will submit it to the GFOA to determine its eligibility for another award.

ACKNOWLEDGEMENTS

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

We also would like to give special acknowledgement to the Mayor and City Council for their continuing support and interest in directing the efforts to maintain the City's strong fiscal health in a responsible and professional manner.

Respectfully submitted,



David N. Carmany
City Manager



Robbeyn Bird, CPA
Director of Administrative Services



CITY OF LA PUENTE, CALIFORNIA

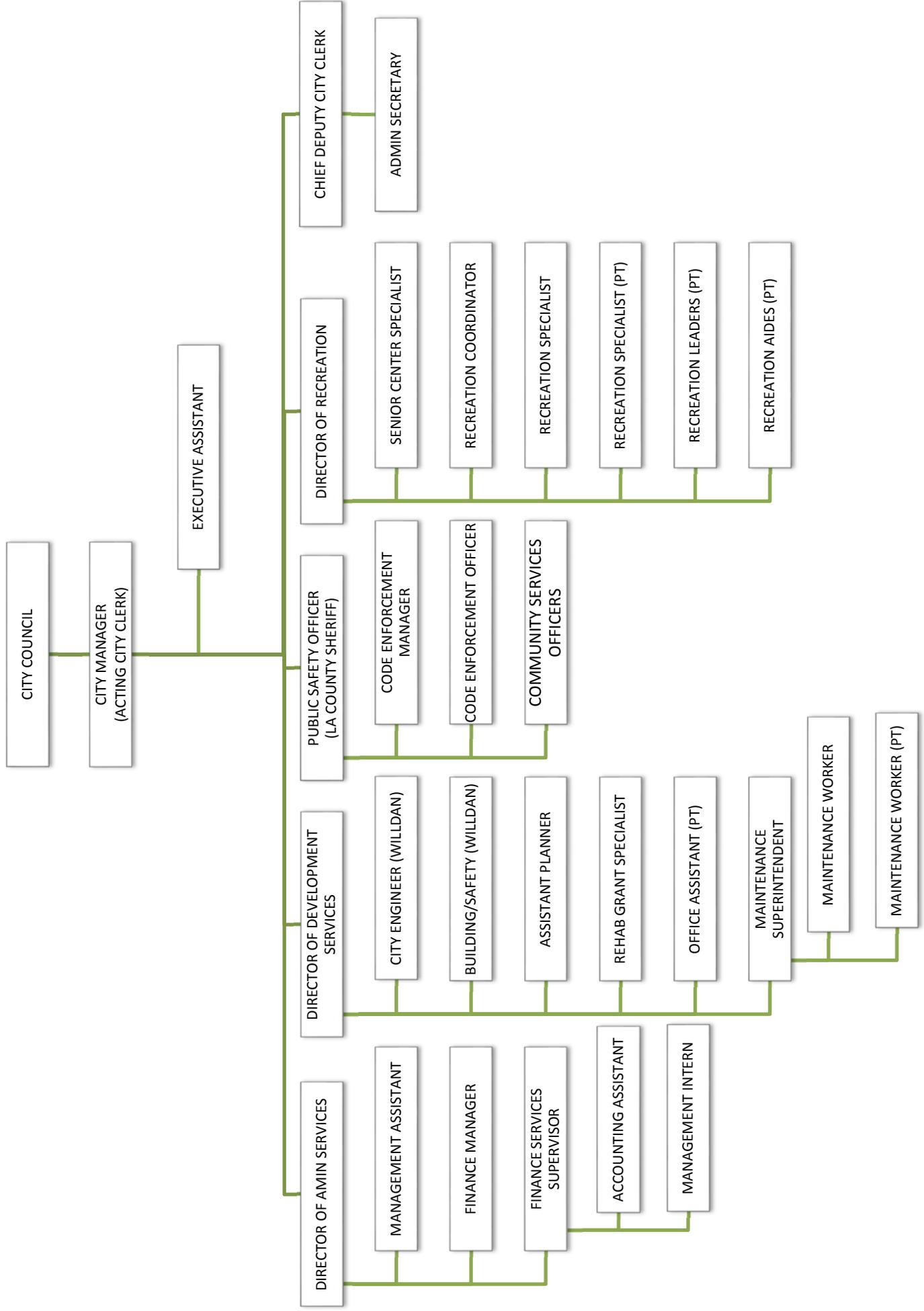
ELECTED OFFICIALS - CITY COUNCIL

Daniel C. Holloway, Mayor
 Valerie Munoz, Mayor Pro Tem
 David Argudo, Councilmember
 Charlie Klinakis, Councilmember
 Violeta Lewis, Councilmember

CITY OFFICIALS

| | |
|---|-------------------|
| City Manager..... | David Carmany |
| Director of Administrative Services/City Treasurer..... | Robbeyn Bird |
| Chief Deputy City Clerk..... | Sheryl Garcia |
| City Attorney..... | James Casso |
| Finance Manager..... | Joann Gitmed |
| Development Services Director..... | John Di Mario |
| Recreation Services Director..... | Roxanne Bjorklund |
| Chief of Police..... | Pete Cacheiro |

CITY OF LA PUENTE ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

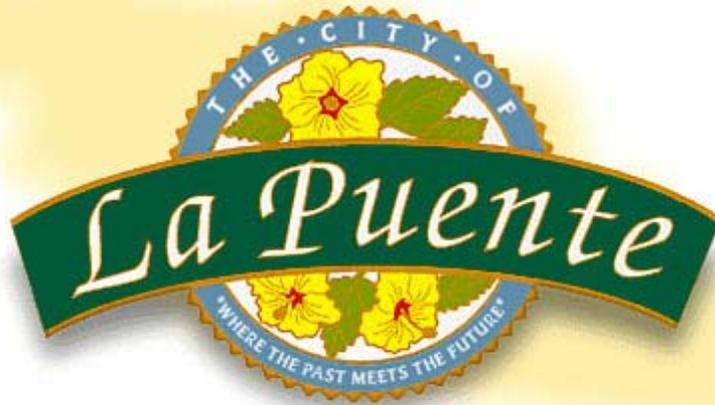
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**City of La Puente
California**

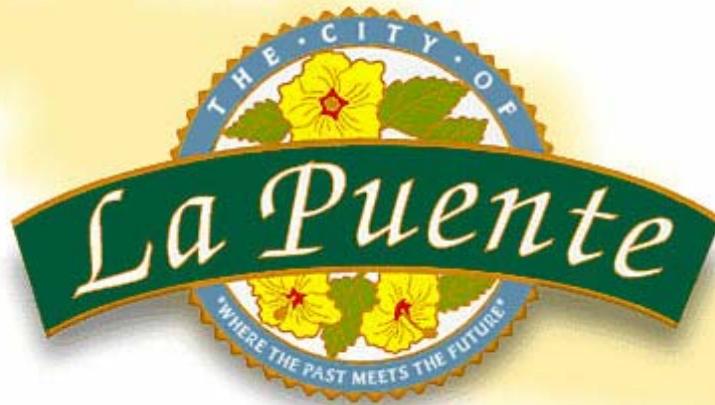
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

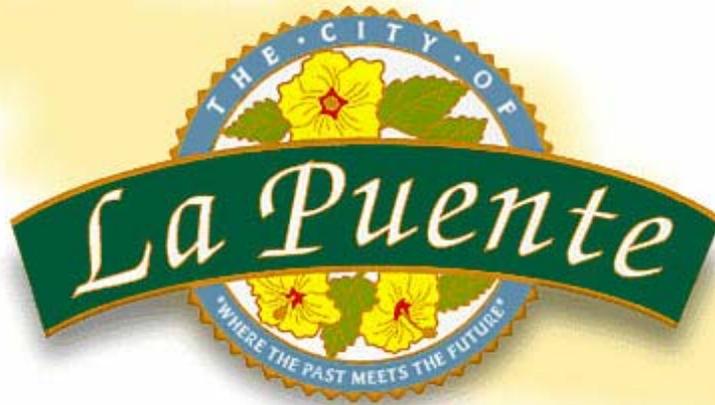
Executive Director/CEO



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FINANCIAL SECTION



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Independent Auditor's Report

The Honorable City Council
City of La Puente, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 9 to the financial statements, in 2014-15, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, schedules listed in the Supplementary Information section of 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 schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhaed, LLP

November 18, 2015

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, 2015. 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 i of this report and the City's basic financial statements, which begin on page 14 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 \$52,676,728. Of this, \$15,107,425 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,238,234 from the previous fiscal year.
- City wide revenues were \$16,956,828. Total revenues are composed of \$9,722,736 in general revenue dollars, \$3,166,887 in charges for services, \$1,734,036 in operating grants and contributions, and \$2,333,169 in capital grants and contributions.
- Citywide expenses were \$14,718,594 with public safety being the largest functional area at \$5,563,600, or approximately 38% of the total expenses.

Fund level

- The total fund balance of the City governmental funds was \$21,953,040 at the close of the fiscal year. Of that amount, \$12,741,849 is nonspendable, \$4,025,952 is restricted and not available for spending, and \$5,185,239 is unassigned. Additional information on the fund balances for all governmental funds is on page 17 of this report.
- General Fund revenues were above expenditures by \$43,759 for the fiscal year ended June 30, 2015.
- Governmental fund balances increased by \$207,837 during fiscal year 2014-2015.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements

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

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

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

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as business-type activities). The governmental activities of the City of La Puente include general government, public safety, public works, recreation/senior services, and community development. Program revenues finance approximately 44% of these activities and general revenues finance the difference.

The government-wide financial statements can be found on pages 14 to 16 of this report.

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

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

The governmental fund financial statements can be found on pages 17 to 20 of this report.

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

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 24 and 25 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 26 to 56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

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

Table 1

| Net Position - Governmental Activities | | | | |
|---|----------------------|----------------------|----------------------|-------------|
| | 2015 | 2014 | Change | % Change |
| Current and Other Assets | \$ 27,302,949 | \$ 12,230,839 | \$ 15,072,110 | 123.23% |
| Capital Assets | 36,064,320 | 35,446,259 | 618,061 | 1.74% |
| Total Assets | <u>63,367,269</u> | <u>47,677,098</u> | <u>15,690,171</u> | 32.91% |
| Deferred Outflows of Resources | 359,826 | - | 359,826 | 100.00% |
| Other Liabilities | 4,129,250 | 2,624,009 | 1,505,241 | 57.36% |
| Long-term Liabilities | 11,307,300 | 9,508,892 | 1,798,408 | 18.91% |
| Total Liabilities | <u>15,436,550</u> | <u>12,132,901</u> | <u>3,303,649</u> | 27.23% |
| Deferred Inflows of Resources | 1,372,573 | - | 1,372,573 | 100.00% |
| Net Position: | | | | |
| Net investment in capital assets | 27,804,320 | 27,186,259 | 618,061 | 2.27% |
| Restricted | 4,006,227 | 3,041,388 | 964,839 | 31.72% |
| Unrestricted | 15,107,425 | 5,316,550 | 9,790,875 | 184.16% |
| Total Net Position | <u>\$ 46,917,972</u> | <u>\$ 35,544,197</u> | <u>\$ 11,373,775</u> | 32.00% |

Net position may serve over time as a useful indicator of the City's financial position. The City's governmental assets exceeded its liabilities by \$46,917,972 at the close of the fiscal year, an increase of \$11,373,775 or 32% from the previous year.

The largest portion of the City's net position is net investment in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) valued at \$27,804,320 or 59% less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens. The capital assets are not available for future spending. Resources needed to repay the related debt outstanding must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

City of La Puente
Management Discussion and Analysis
June 30, 2015

A portion of net position, \$4,006,227, or 9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,107,425 or 32% is *unrestricted*. This amount includes \$11,966,180 which represents the Advances for the loans between the former Redevelopment Agency and the City and is not in spendable form. The remaining amount is \$3,141,245 and may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2

| | 2015 | 2014 | Change | % Change |
|------------------------------------|----------------------|----------------------|----------------------|----------|
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 1,841,202 | \$ 1,765,882 | \$ 75,320 | 4.27% |
| Operating Grants and Contributions | 1,734,036 | 2,142,823 | (408,787) | -19.08% |
| Capital Grants and Contributions | 2,333,169 | 1,919,871 | 413,298 | 21.53% |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes | 4,996,279 | 4,793,494 | 202,785 | 4.23% |
| Franchise Taxes | 974,152 | 942,507 | 31,645 | 3.36% |
| Sales and Use Taxes | 2,653,505 | 2,354,772 | 298,733 | 12.69% |
| Property Transfer Taxes | 53,669 | 52,324 | 1,345 | 2.57% |
| Transient Occupancy Taxes | 207,306 | 192,100 | 15,206 | 7.92% |
| Other Taxes | 91,025 | 92,207 | (1,182) | -1.28% |
| Intergovernmental | - | 124,139 | (124,139) | -100.00% |
| Investment Income | 423,177 | 114,002 | 309,175 | 271.20% |
| Other revenues | 284,213 | 98,793 | 185,420 | 187.69% |
| Total revenues | <u>15,591,733</u> | <u>14,592,914</u> | <u>998,819</u> | 6.84% |
| Expenses | | | | |
| General Government | 2,422,592 | 3,480,756 | (1,058,164) | -30.40% |
| Public Safety | 5,563,600 | 5,000,488 | 563,112 | 11.26% |
| Public Works | 1,045,925 | 2,276,659 | (1,230,734) | -54.06% |
| Recreation/Senior Services | 1,910,777 | 1,772,731 | 138,046 | 7.79% |
| Community Development | 2,618,301 | 2,637,299 | (18,998) | -0.72% |
| Interest on Long-Term Debt | 229,495 | 330,960 | (101,465) | -30.66% |
| Total expenses | <u>13,790,690</u> | <u>15,498,893</u> | <u>(1,708,203)</u> | -11.02% |
| Change in net position | 1,801,043 | (905,979) | 2,707,022 | -298.80% |
| Net position, beginning | 35,544,197 | 36,450,176 | (905,979) | -2.49% |
| Prior Period Adjustments (Note 13) | 9,572,732 | - | 9,572,732 | 100.00% |
| Net position, ending | <u>\$ 46,917,972</u> | <u>\$ 35,544,197</u> | <u>\$ 11,373,775</u> | 32.00% |

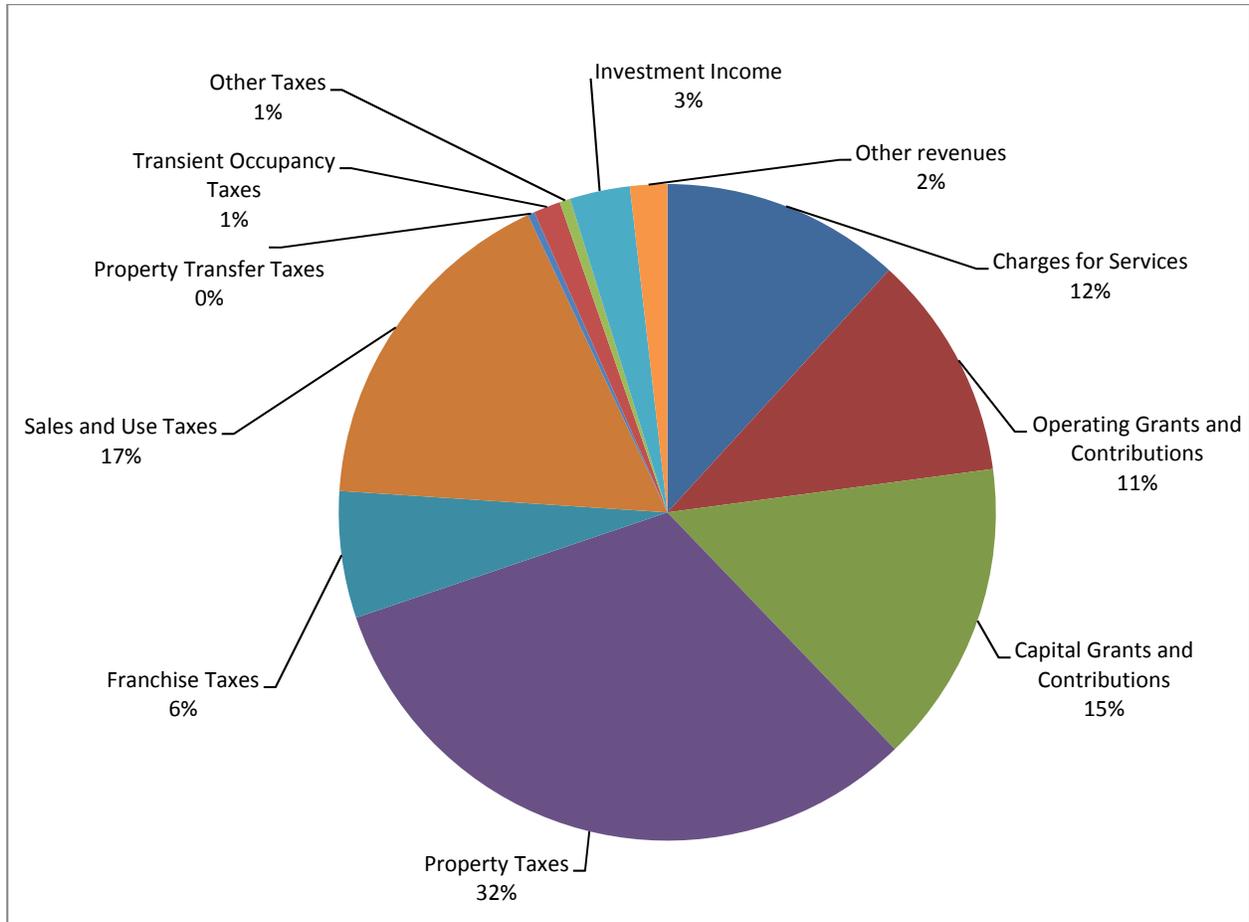
The City's net position increased by \$1,801,043 during the fiscal year as a result of revenues exceeding expenses. The total cost of all City governmental activities was \$13,790,690 for the fiscal year. Net cost of all activities was \$7,782,283.

Total revenues increased by \$998,819 mainly due to the increase in general revenues as indicated above. The overall decrease in expenses was attributed to the decrease in general government, public works and community development expenses.

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 2015-2016:

Figure 1
Revenues by Source – Governmental Activities



As shown on the above pie chart, about 57% of the City's total governmental revenues are from taxes, which are primarily comprised of property, sales and use, transient occupancy, and franchise taxes. Program revenues totaled 38% of the total resources and investment income and miscellaneous income amounted to 5% of the total governmental revenues for the year.

Expense and Program Revenues:

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

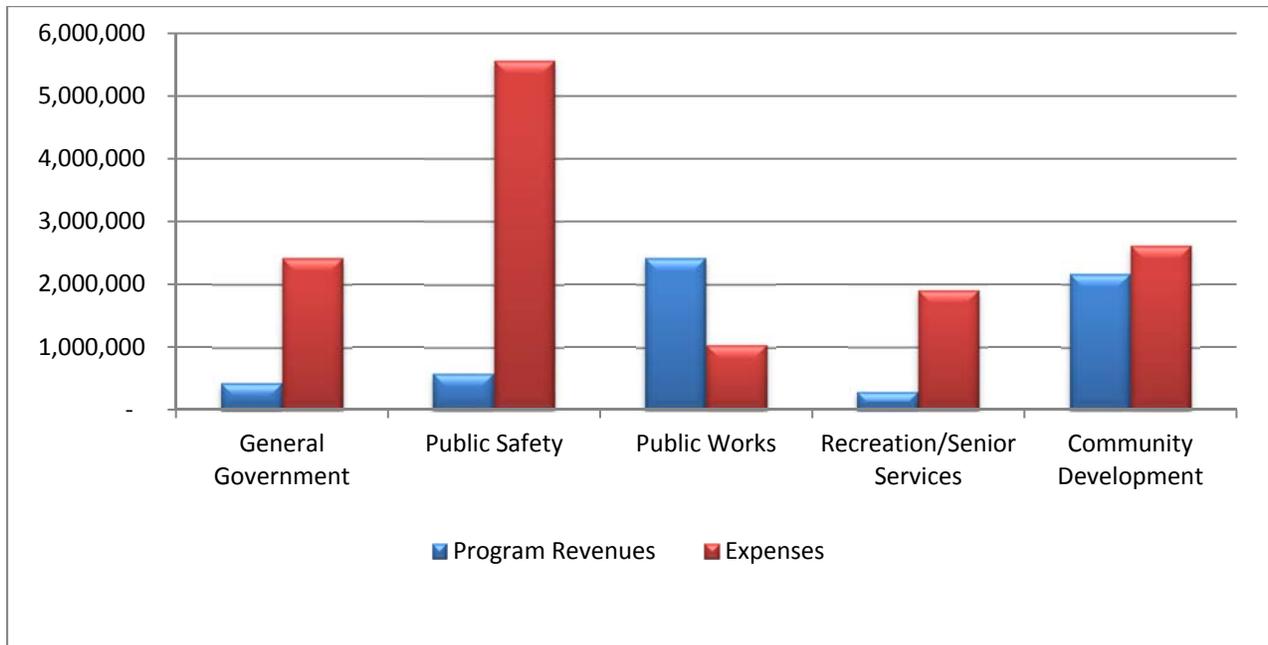
Governmental activities increased the City's net position by \$1,801,043. Key elements of this increase are as follows:

- Total expenses decreased by \$1,708,203. This was largely due to decreased expenses in general government (\$1,058,164) and public works (\$1,230,734) while public safety expenses increased \$563,112.
- Operating grants and contributions decreased by \$408,787.
- Capital grants and contributions increased by \$413,298.

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

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

Figure 2
Expense and Program Revenues



Business-type Activities

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

Table 3
Business-type Activities Net Position

| | 2015 | 2014 |
|-----------------------------------|---------------------|---------------------|
| Current and other assets | \$ 3,736,289 | \$ 3,373,555 |
| Capital Assets | 10,889,671 | 11,076,570 |
| Total assets | <u>14,625,960</u> | <u>14,450,125</u> |
| Other Liabilities | 82,107 | 122,777 |
| Long-term liabilities outstanding | 8,785,097 | 9,005,783 |
| Total liabilities | <u>8,867,204</u> | <u>9,128,560</u> |
| Net position: | | |
| Net investment in capital assets | 2,104,574 | 2,070,787 |
| Restricted | 3,654,182 | 3,250,778 |
| Total net position | <u>\$ 5,758,756</u> | <u>\$ 5,321,565</u> |

The City's business-type revenues exceeded program expenses by \$437,191 as shown in Table 4 below. Revenues slightly decreased by \$2,252 during the year. There was also an increase in expenditures this year in the amount of \$167,888 primarily due to capital expenditures to maintain the sewer systems.

Table 4
Business-type Activities Change in Net Position

| | 2015 | 2014 |
|----------------------------------|-------------------|-------------------|
| Revenues | | |
| Charges for services | \$ 1,325,685 | \$ 1,347,146 |
| Investment Income | 39,410 | 20,201 |
| Total revenues | <u>1,365,095</u> | <u>1,367,347</u> |
| Expenses | | |
| Sewer assessment | 509,629 | 333,503 |
| Other expenses | 418,275 | 426,513 |
| Total expenses | <u>927,904</u> | <u>760,016</u> |
| Excess of revenues over expenses | <u>437,191</u> | <u>607,331</u> |
| Other financing Sources (uses) | | |
| Transfer in | - | - |
| Change in net position | <u>\$ 437,191</u> | <u>\$ 607,331</u> |

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, 2015, the City's Governmental Funds reported a combined fund balance of \$21,953,040, which increased by \$12,900,018 or 142% from the prior year fund balance.
- Fund Balance Classification
 - The City has \$12,741,849 in non-spendable fund balance as of June 30, 2015. Non-spendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples are inventories, prepaid expenses, long-term receivables, or land held for resale.
 - Restricted fund balance amounted to \$4,025,952 at June 30, 2015. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
 - The General Fund has unassigned fund balance of \$5,317,486. Unassigned fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications.

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

- General Fund – The General Fund ended the year with a \$18,059,335 fund balance, an increase of \$12,047,701 from the previous year. See the Notes to the Financial Statements for more information regarding the increase in fund balance.
- General Fund Revenues exceeded budgeted revenues by \$995,053. This was due to taxes coming in \$577,036 higher than projected, state mandated reimbursements from the State of California were received in the amount of approximately \$178,800 which were not budgeted for, and charges for services were \$295,078 higher than projected, which was almost entirely due to reimbursements from the Successor Agency. Expenditures were \$25,622 lower than budgeted amounts.
- CDBG Grant revenues and expenditures were lower than budgeted. Decreased staffing levels resulted in decreased activity for the fiscal year. As a result, both expenditures and the related revenue were less than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2015 is \$46,953,991. Capital assets, net of accumulated depreciation, include land, construction in progress, buildings and improvements, equipment, furniture, fixtures, and computer software and hardware. Infrastructure assets are reported at cost, where historical records are available and at estimated cost where no historical records exist.

The net increase (additions minus deletions) in capital assets for the fiscal year was \$2,148,668. The increase is attributed to the purchase of two fleet vehicles, three transit vehicles, street improvement projects and sewer construction projects. Additional information on the City's capital assets can be found in Note 6 of the financial statements. Table 5 shows a summary of changes in capital assets (net of depreciation) as of June 30, 2015.

Table 5
Capital Assets

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|---------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Depreciated: | | | | |
| Land | \$ 3,620,179 | \$ - | \$ - | \$ 3,620,179 |
| Construction In Progress | <u>123,680</u> | <u>1,808,765</u> | <u>-</u> | <u>1,932,445</u> |
| Total Capital Assets Not Depreciated | <u>3,743,859</u> | <u>1,808,765</u> | <u>-</u> | <u>5,552,624</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 21,380,816 | - | - | 21,380,816 |
| Equipment & Furniture | 1,713,594 | 339,903 | - | 2,053,497 |
| Infrastructure | <u>34,045,630</u> | <u>-</u> | <u>-</u> | <u>34,045,630</u> |
| Total Capital Assets Being Depreciated | <u>57,140,040</u> | <u>339,903</u> | <u>-</u> | <u>57,479,943</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | (7,037,257) | (898,599) | - | (7,935,856) |
| Equipment & Furniture | (1,342,419) | (109,111) | - | (1,451,530) |
| Infrastructure | <u>(17,057,964)</u> | <u>(522,897)</u> | <u>-</u> | <u>(17,580,861)</u> |
| Total Accumulated Depreciation | <u>(25,437,640)</u> | <u>(1,530,607)</u> | <u>-</u> | <u>(26,968,247)</u> |
| Total Capital Assets Being Depreciated, Net | <u>31,702,400</u> | <u>(1,190,704)</u> | <u>-</u> | <u>30,511,696</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 35,446,259</u> | <u>\$ 618,061</u> | <u>\$ -</u> | <u>\$ 36,064,320</u> |
| Business-type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Sewer Collection System (Lines) | \$ 11,213,960 | \$ - | \$ - | \$ 11,213,960 |
| Less Accumulated Depreciation | <u>(137,390)</u> | <u>(186,899)</u> | <u>-</u> | <u>(324,289)</u> |
| Business Type Activities Capital Assets, Net | <u>\$ 11,076,570</u> | <u>\$ (186,899)</u> | <u>\$ -</u> | <u>\$ 10,889,671</u> |

Debt Administration

The City issued the 2007 Sewer Revenue Bonds for \$10,260,000. The debt service payment on the bonds will be made by the sewer fees collected from the City residents on their property tax bills.

In addition, the City also received a loan of \$10,000,000, which financed the construction of the Community Center and Youth Learning Activity Center. During fiscal year ended June 30, 2013, the loan was refinanced to take advantage of lower interest rates. The loan will be paid by the General Fund over the next 19 years.

Additional information on the City's long-term debt can be found in Note 7 to financial statements.

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget for fiscal year 2014-15 was \$10,191,600. Actual General Fund revenues were higher than the final budgeted revenues by \$995,053. This was due to taxes coming in \$577,036 higher than projected, state mandated reimbursements from the State of California were received in the amount of approximately \$178,800 which were not budgeted for, and charges for services were \$295,078 higher than projected, which was almost entirely due to reimbursements from the Successor Agency.

Appropriations were budgeted at \$10,848,600. Actual General Fund expenditures were \$25,622 less than the final budgeted expenditures.

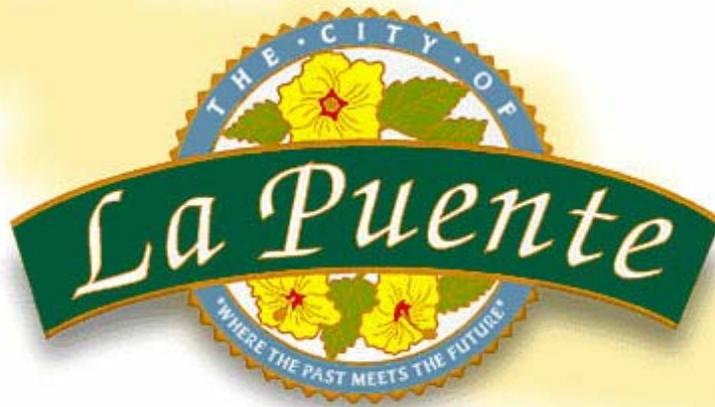
NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The fiscal outlook for cities, counties, federal and state agencies remains fragile. The economy is slowly improving and the housing market is seeing slight signs of recovery. The unemployment rate in La Puente remains at approximately 7.3% and it is anticipated that the City of La Puente's General Fund revenues will remain the same or slightly increase in the coming year. As costs of providing service to the residents and businesses in La Puente continue to rise, City staff will diligently pursue opportunities to increase revenues and decrease expenditures.

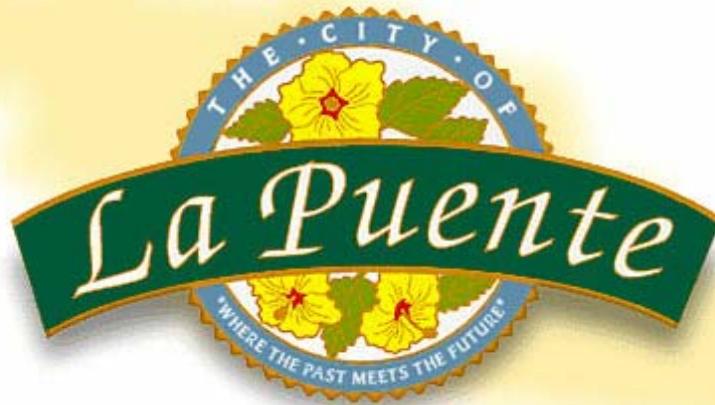
The economic outlook of the City and its major initiatives for the coming year is discussed in detail in the accompanying Transmittal Letter.

REQUESTS FOR INFORMATION

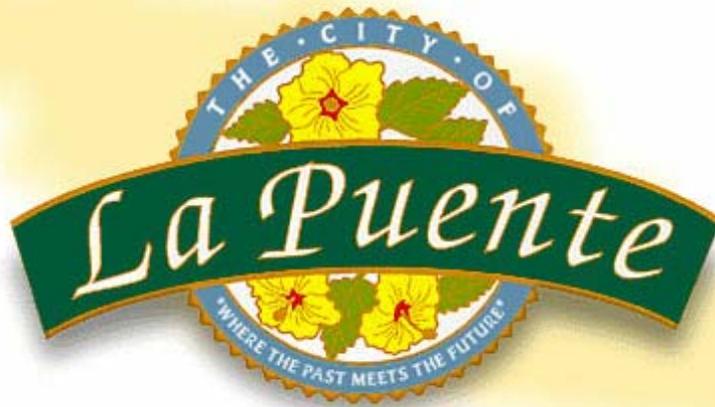
This financial report is designed to provide a general overview of the City of La Puente's finances for all those interested in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Department, at 15900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



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BASIC FINANCIAL STATEMENTS



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City of La Puente
Statement of Net Position
June 30, 2015

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 9,802,774 | \$ 3,613,643 | \$ 13,416,417 |
| Accounts Receivable | 226,935 | - | 226,935 |
| Interest Receivable | 24,292 | - | 24,292 |
| Loans Receivable | 1,442,139 | - | 1,442,139 |
| Due From Other Governments | 764,184 | 22,646 | 786,830 |
| Prepaid Items | 18,509 | - | 18,509 |
| Advance to Successor Agency, Net | 15,124,116 | - | 15,124,116 |
| Internal Balances | (100,000) | 100,000 | - |
| Capital Assets, Not Depreciated | 5,552,624 | - | 5,552,624 |
| Capital Assets, Depreciated, Net | 30,511,696 | 10,889,671 | 41,401,367 |
| Total Assets | <u>63,367,269</u> | <u>14,625,960</u> | <u>77,993,229</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Pension Contributions | 268,333 | - | 268,333 |
| Pension Actuarial Amounts | 91,493 | - | 91,493 |
| Total Deferred Outflows of Resources | <u>359,826</u> | <u>-</u> | <u>359,826</u> |
| LIABILITIES | | | |
| Accounts Payable and Accrued Liabilities | 2,122,942 | 82,107 | 2,205,049 |
| Interest Payable | - | - | - |
| Due to Other Agencies | 608,735 | - | 608,735 |
| Long-Term Liabilities | | | |
| Due Within One Year | 25,000 | 235,000 | 260,000 |
| Due in More Than One Year | 12,679,873 | 8,550,097 | 21,229,970 |
| Total Liabilities | <u>15,436,550</u> | <u>8,867,204</u> | <u>24,303,754</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Proportionate Share Contribution Differences | 155,676 | - | 155,676 |
| Pension Actuarial Amounts | 1,216,897 | - | 1,216,897 |
| Total Deferred Outflows of Resources | <u>1,372,573</u> | <u>-</u> | <u>1,372,573</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 27,804,320 | 2,104,574 | 29,908,894 |
| Restricted for: | | | |
| Public Safety | 30,021 | - | 30,021 |
| Public Works | 2,934,848 | - | 2,934,848 |
| Community Development | 1,041,358 | - | 1,041,358 |
| Sewer Operations | - | 3,654,182 | 3,654,182 |
| Unrestricted | 15,107,425 | - | 15,107,425 |
| Total Net Position | <u>\$ 46,917,972</u> | <u>\$ 5,758,756</u> | <u>\$ 52,676,728</u> |

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Activities
Year Ended June 30, 2015

| Functions/Programs | Expenses | Program Revenues | | |
|----------------------------------|----------------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General Government | \$ 2,422,592 | \$ 435,660 | \$ - | \$ - |
| Public Safety | 5,563,600 | 459,251 | 128,589 | - |
| Public Works | 1,045,925 | - | 1,105,762 | 1,315,826 |
| Recreation/Senior Services | 1,910,777 | 272,093 | 25,171 | - |
| Community Development | 2,618,301 | 674,198 | 474,514 | 1,017,343 |
| Interest Expense | 229,495 | - | - | - |
| Total Governmental Activities | <u>13,790,690</u> | <u>1,841,202</u> | <u>1,734,036</u> | <u>2,333,169</u> |
| Business-type Activities: | | | | |
| Sewer Assessment | 927,904 | 1,325,685 | - | - |
| Total Business-type Activities | <u>927,904</u> | <u>1,325,685</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 14,718,594</u> | <u>\$ 3,166,887</u> | <u>\$ 1,734,036</u> | <u>\$ 2,333,169</u> |

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Property Transfer Tax

Transient Occupancy Tax

Business License Taxes

Investment Income

Other

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Prior Period Adjustments

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (1,986,932) | \$ - | \$ (1,986,932) |
| (4,975,760) | - | (4,975,760) |
| 1,375,663 | - | 1,375,663 |
| (1,613,513) | - | (1,613,513) |
| (452,246) | - | (452,246) |
| <u>(229,495)</u> | <u>-</u> | <u>(229,495)</u> |
| | | |
| <u>(7,882,283)</u> | <u>-</u> | <u>(7,882,283)</u> |
| | | |
| <u>-</u> | <u>397,781</u> | <u>397,781</u> |
| | | |
| <u>-</u> | <u>397,781</u> | <u>397,781</u> |
| | | |
| <u>(7,882,283)</u> | <u>397,781</u> | <u>(7,484,502)</u> |
| | | |
| 4,996,279 | - | 4,996,279 |
| 974,152 | - | 974,152 |
| 2,653,505 | - | 2,653,505 |
| 53,669 | - | 53,669 |
| 207,306 | - | 207,306 |
| 91,025 | - | 91,025 |
| 423,177 | 39,410 | 462,587 |
| <u>284,213</u> | <u>-</u> | <u>284,213</u> |
| | | |
| <u>9,683,326</u> | <u>39,410</u> | <u>9,722,736</u> |
| | | |
| 1,801,043 | 437,191 | 2,238,234 |
| | | |
| 35,544,197 | 5,321,565 | 40,865,762 |
| | | |
| <u>9,572,732</u> | <u>-</u> | <u>9,572,732</u> |
| | | |
| <u>\$ 46,917,972</u> | <u>\$ 5,758,756</u> | <u>\$ 52,676,728</u> |

City of La Puente
Balance Sheet
Governmental Funds
June 30, 2015

| | General Fund | CDBG Grant Fund | Other Governmental Funds | Total |
|--|----------------------|--------------------|--------------------------------|----------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 5,998,802 | \$ - | \$ 3,704,016 | \$ 9,702,818 |
| Accounts Receivable | 214,901 | - | 12,034 | 226,935 |
| Interest Receivable | 24,292 | - | - | 24,292 |
| Loans Receivable | - | 608,735 | 833,404 | 1,442,139 |
| Due from Other Governments | 495,861 | 51,168 | 217,155 | 764,184 |
| Due from Other Funds | 141,365 | - | - | 141,365 |
| Prepaid Items | 775,669 | - | - | 775,669 |
| Advances to Successor Agency | 15,124,116 | - | - | 15,124,116 |
| Total Assets | \$ 22,775,006 | \$ 659,903 | \$ 4,766,609 | \$ 28,201,518 |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Liabilities | \$ 1,457,735 | \$ 14,413 | \$ 637,971 | \$ 2,110,119 |
| Due to Other Agencies | - | 608,735 | - | 608,735 |
| Due to Other Funds | 100,000 | 17,030 | 124,335 | 241,365 |
| Total Liabilities | 1,557,735 | 640,178 | 762,306 | 2,960,219 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenues - Interest | 3,157,936 | - | - | 3,157,936 |
| Unavailable Revenues - Grants | - | - | 130,323 | 130,323 |
| Total Deferred Inflows of Resources | 3,157,936 | - | 130,323 | 3,288,259 |
| FUND BALANCES | | | | |
| Nonspendable | 12,741,849 | - | - | 12,741,849 |
| Restricted | - | 19,725 | 4,006,227 | 4,025,952 |
| Unassigned | 5,317,486 | - | (132,247) | 5,185,239 |
| Total Fund Balances | 18,059,335 | 19,725 | 3,873,980 | 21,953,040 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 22,775,006 | \$ 659,903 | \$ 4,766,609 | \$ 28,201,518 |

The accompanying notes are an integral part of this statement.

City of La Puente
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund Balances for Governmental Funds \$ 21,953,040

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets net of depreciation have not been included as financial resources in the governmental fund activity.

| | |
|--------------------------|--------------|
| Capital Assets | 61,562,211 |
| Accumulated Depreciation | (25,989,038) |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2015 are:

| | |
|-----------------------|-------------|
| Lease Agreement | (7,635,000) |
| Compensated Absences | (126,313) |
| Net Pension Liability | (3,590,581) |
| Net OPEB Obligation | (1,352,979) |

Long-term receivables that are not available for current use. Amounts are recorded as unavailable revenue under the modified accrual basis of accounting. 3,288,259

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

| | |
|--|-------------|
| Deferred Pension Contributions | 268,333 |
| Pension Actuarial Amounts - Outflows | 91,493 |
| Proportionate Share Contribution Differences | (1,216,897) |
| Pension Actuarial Amounts - Inflows | (155,676) |

Prepayment of debt service expenses reported in the governmental funds buty offset against long-term liabilities in the Statemet of Net Position (757,160)

The internal service fund is used by management to charge the costs of equipment purchases to individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position. 578,280

Net Position of Governmental Activities \$ 46,917,972

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

| | General Fund | CDBG Grant Fund | Other Governmental Funds | Total |
|---|----------------------|--------------------|--------------------------------|----------------------|
| REVENUES | | | | |
| Taxes | \$ 8,975,936 | \$ - | \$ - | \$ 8,975,936 |
| Licenses and Permits | 429,681 | - | - | 429,681 |
| Intergovernmental | 221,725 | 178,252 | 2,872,868 | 3,272,845 |
| Charges for Services | 938,178 | - | 822,310 | 1,760,488 |
| Fines and Forfeitures | 276,871 | - | - | 276,871 |
| Investment Income | 64,037 | 817 | 41,525 | 106,379 |
| Other Revenue | 280,225 | - | - | 280,225 |
| Total Revenues | 11,186,653 | 179,069 | 3,736,703 | 15,102,425 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 2,299,932 | 15,182 | 148,191 | 2,463,305 |
| Public Safety | 5,402,872 | 13,979 | 146,749 | 5,563,600 |
| Public Works | 269,760 | - | 734,493 | 1,004,253 |
| Recreation/Senior Services | 1,326,151 | 46,441 | - | 1,372,592 |
| Community Development | 619,863 | 115,123 | 724,548 | 1,459,534 |
| Capital Outlay | - | - | 2,126,904 | 2,126,904 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 274,400 | - | - | 274,400 |
| Principal | 630,000 | - | - | 630,000 |
| Total Expenditures | 10,822,978 | 190,725 | 3,880,885 | 14,894,588 |
| Excess of Revenues Over (Under) Expenditures | 363,675 | (11,656) | (144,182) | 207,837 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 173,502 | - | 493,418 | 666,920 |
| Transfers Out | (493,418) | - | (173,502) | (666,920) |
| Total Other Financing Sources (Uses) | (319,916) | - | 319,916 | - |
| Net Change in Fund Balances | 43,759 | (11,656) | 175,734 | 207,837 |
| Fund Balances, Beginning of Year | 6,011,634 | 31,381 | 3,010,007 | 9,053,022 |
| Prior Period Adjustment | 12,003,942 | - | 688,239 | 12,692,181 |
| Fund Balances, End of Year | \$ 18,059,335 | \$ 19,725 | \$ 3,873,980 | \$ 21,953,040 |

The accompanying notes are an integral part of this statement.

City of La Puente
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 207,837

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This the amount by which capital outlays exceeded depreciation in the current period.

| | |
|----------------------|-------------|
| Capital Expenditures | 1,808,765 |
| Depreciation Expense | (1,473,162) |

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

| | |
|--------------------|---------|
| Principal Payments | 630,000 |
|--------------------|---------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

| | |
|--------------------------------|-----------|
| Compensated Absences | (12,880) |
| Net Pension Liability | 1,315,443 |
| Other Post-employment Benefits | (217,520) |

Accrued interest for long-term debt. This is the net change in accrued interest for the current period. 44,905

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability

| | |
|--|-------------|
| Deferred Pension Contributions | (54,649) |
| Pension Actuarial Amounts - Outflows | 91,493 |
| Proportionate Share Contribution Differences | (155,676) |
| Pension Actuarial Amounts - Inflows | (1,216,897) |

Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds. 489,308

The change in net position of the internal service fund is reported with governmental activities 344,076

Change in Net Position of Governmental Activities \$ 1,801,043

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Net Position
Proprietary Funds
June 30, 2015

| | Business-type Activities- Enterprise Fund Sewer Assessment | Governmental Activities - Internal Service Fund |
|---|---|--|
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ 3,613,643 | \$ 99,956 |
| Due from Other Governments | 22,646 | - |
| Due From Other Funds | 100,000 | - |
| | <u>3,736,289</u> | <u>99,956</u> |
| Total Current Assets | | |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Sewer Collection Systems | 11,213,960 | - |
| Vehicles | - | 907,272 |
| Furniture and Equipment | - | 563,084 |
| Less: Accumulated Depreciation | (324,289) | (979,209) |
| | <u>10,889,671</u> | <u>491,147</u> |
| Total Noncurrent Assets | | |
| Total Assets | <u>14,625,960</u> | <u>591,103</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable and Accrued Liabilities | 82,107 | 12,823 |
| Bonds Payable - Current | 235,000 | - |
| | <u>317,107</u> | <u>12,823</u> |
| Total Current Liabilities | | |
| Noncurrent Liabilities: | | |
| Bonds Payable (net of unamortized discount) | 8,550,097 | - |
| | <u>8,550,097</u> | <u>-</u> |
| Total Noncurrent Liabilities | | |
| Total Liabilities | <u>8,867,204</u> | <u>12,823</u> |
| NET POSITION | | |
| Net Investment In Capital Assets | 2,104,574 | 491,147 |
| Unrestricted | 3,654,182 | 87,133 |
| | <u>5,758,756</u> | <u>578,280</u> |
| Total Net Position | <u>\$ 5,758,756</u> | <u>\$ 578,280</u> |

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015

| | <u>Business-type Activities- Enterprise Fund Sewer Assessment</u> | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|--|
| OPERATING REVENUES | | |
| Charges for Services | \$ 1,325,685 | \$ 272,078 |
| Other | - | - |
| | <u>1,325,685</u> | <u>272,078</u> |
| Total Operating Revenues | | |
| OPERATING EXPENSES | | |
| Salaries and Benefits | 164,448 | - |
| Other General Expenses | 158,282 | 211,339 |
| Depreciation | 186,899 | 57,445 |
| | <u>509,629</u> | <u>268,784</u> |
| Total Operating Expenses | | |
| Operating Income (Loss) | <u>816,056</u> | <u>3,294</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 39,410 | 879 |
| Interest Expense | (418,275) | - |
| | <u>(378,865)</u> | <u>879</u> |
| Total Nonoperating Revenues (Expenses) | | |
| Income (Loss) Before Capital Contributions | 437,191 | 4,173 |
| Capital Contributions | - | 339,903 |
| Change in Net Position | 437,191 | 344,076 |
| Total Net Position, Beginning of Year | <u>5,321,565</u> | <u>234,204</u> |
| Total Net Position, End of Year | <u>\$ 5,758,756</u> | <u>\$ 578,280</u> |

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

| | Business-type Activities- Enterprise Fund Sewer Assessment | Governmental Activities - Internal Service Funds |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers and Users | \$ 1,415,763 | \$ 272,078 |
| Payments to Suppliers and Contractors | (198,952) | (219,881) |
| Payments to Employees | (164,448) | - |
| | 1,052,363 | 52,197 |
| Net Cash Provided (Used) by Operating Activities | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal Paid on Long-term Debt | (225,000) | - |
| Interest Paid | (413,960) | - |
| | (638,960) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | 39,410 | 879 |
| | 452,813 | 53,076 |
| Net Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash and Cash Equivalents - Beginning of Year | 3,160,830 | 46,880 |
| Cash and Cash Equivalents - End of Year | \$ 3,613,643 | \$ 99,956 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | \$ 816,056 | \$ 3,294 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation | 186,899 | 57,445 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease in Due from Other Governments | (9,922) | - |
| (Increase) Decrease in Due from Other Funds | 100,000 | - |
| Increase (Decrease) in Accounts Payable | (40,670) | (8,542) |
| | 1,052,363 | 52,197 |
| TOTAL CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Schedule of Non-cash Capital and Related Financing Activities | | |
| Amortization of Discount on Bonds | \$ 4,314 | \$ - |
| Contributions of Capital Assets | - | 339,903 |

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

| | Agency Funds | Successor Agency Private-Purpose Trust Fund |
|---|------------------|---|
| ASSETS | | |
| Cash and Investments | \$ 61,116 | \$ 507,882 |
| Accounts Receivable | - | 47,678 |
| Cash with Fiscal Agent | - | 134,628 |
| Land Held for Resale | - | 728,000 |
| | <u>\$ 61,116</u> | <u>1,418,188</u> |
| LIABILITIES | | |
| Accounts Payable | \$ 13,076 | 90,608 |
| Deposits Payable | 48,040 | - |
| Interest Payable | - | 68,150 |
| Advances from the City | - | 15,124,116 |
| Bonds Payable | - | 3,760,000 |
| | <u>\$ 61,116</u> | <u>19,042,874</u> |
| NET POSITION | | |
| Net Position Held in Trust for Successor Agency | | <u>\$ (17,624,686)</u> |

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

| | Successor Agency Private-Purpose Trust Fund |
|----------------------------------|---|
| ADDITIONS | |
| Taxes | \$ 671,231 |
| Interest Income | 81 |
| Other Income | 11,742 |
| Total Additions | 683,054 |
| DEDUCTIONS | |
| Administration | 430,375 |
| Interest on Advance from City | 358,985 |
| Interest on Bonds | 158,928 |
| Total Deductions | 948,288 |
| Change in Net Position | (265,234) |
| Net Position - Beginning of Year | (16,153,876) |
| Prior Period Adjustment | (1,205,576) |
| Net Position - End of Year | \$ (17,624,686) |

The accompanying notes are an integral part of this statement.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) 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

The City of La Puente Public Financing Authority is a Joint Exercise of Powers Authority organized and existing under and by virtue of the Joint Exercise of Power Act of the Government Code of the State of California. The City and the former Community Development Commission formed the Authority by the execution of a Joint Exercise of Powers Agreement. The primary purpose of the Authority is to issue bonds and make loans to the City and former Community Development Commission. The City appoints the voting majority of the board and is able to impose its will on this component unit. There are no separate financial statements prepared for the Authority.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole, except for its fiduciary activities. 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. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

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 function or segment. Program revenues 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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the City's governmental and proprietary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental and enterprise funds.

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. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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 both collectible 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 period, except for certain grants which are considered available if collected within 7 months after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The CDBG Fund is to account for the funds received from the Community Development Block Grant for housing loans, code enforcement, and senior services program.

The City reports the following major enterprise funds:

The Sewer Assessment Fund is used to account for the repair and maintenance of the City's sewer system.

The City also reports the following fund types:

The Internal Service 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.

The Successor Agency Private-purpose Trust Fund accounts for the revenues and expenditures of the former La Puente Community Development Commission.

The Agency 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.

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Cash and Cash Equivalents

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.

E) Investments

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

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

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

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

F) Land Held for Resale

Land held for resale is recorded at the lower of acquisition cost or net realizable value.

G) Capital Assets

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

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

H) Compensated Absences

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 is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

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

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

I) Claims and Judgments

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. For governmental funds, if claims will not be liquidated from currently available resources, they are recorded only in the government-wide financial statements.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J) 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).

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.

K) Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has only one item that qualifies for reporting in this category. It is the deferred outflows related to the pension contributions in accordance with GASB Statement No. 68.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and another, which is a result of the City’s implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, *unavailable revenues*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Fund Equity

In the government-wide, proprietary funds, and fiduciary fund financial statements, net position is classified in the following categories.

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This category represents the net position of the City that is not externally restricted for any project or other purpose.

N) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

O) Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by a formal action or resolution of the City's highest level of decision-making authority (City Council). Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action or resolution taken to establish the commitment. The City has no committed fund balances.

Assigned - This classification consists of funds that are set aside for specific purposes by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial statements. The City has no assigned fund balances.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

P) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 72

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement was issued to address accounting and financial reporting issues related to fair value measurements. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2015. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

Governmental Accounting Standards Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2017. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Q) Pensions

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

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following non-major funds had deficit fund balances as of June 30, 2015:

Deficit Fund Equity

| | | |
|------------------------|----|----------|
| Special Revenue Funds: | | |
| JAG Grant | \$ | (1,923) |
| HSIP Grant | | (90,323) |
| Safe Routes to Schools | | (40,001) |

The above deficit will be eliminated by revenues that will become available in subsequent periods.

3) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2015:

| | |
|--|---------------------|
| Statement of Net Position: | |
| Cash and Investments | \$13,416,417 |
| Statement of Fiduciary Net Position: | |
| Cash and Investments | 568,998 |
| Cash and Investments with Fiscal Agent | <u>134,628</u> |
| Total Cash and Investments | <u>\$14,120,043</u> |

Cash and investments as of June 30, 2015 consist of the following:

| | |
|--------------------------------------|---------------------|
| Petty Cash | \$ 2,200 |
| Deposits with Financial Institutions | 1,055,326 |
| Investments | <u>13,062,517</u> |
| Total Cash and Investments | <u>\$14,120,043</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

3) CASH AND INVESTMENTS - Continued

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

The table below identifies the investment types that are authorized for the City by the 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 Allowable Investment Percentage | 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 | \$ 250,000 |
| 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 is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations.

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

| Investment Type | Remaining Maturity (in Months) | | | Fair Value |
|------------------------------------|--------------------------------|-------------------|---------------------|----------------------|
| | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | |
| Federal Agency Securities | \$ - | \$ - | \$ 3,229,092 | \$ 3,229,092 |
| Negotiable Certificates of Deposit | - | 249,076 | 3,483,050 | 3,732,126 |
| LAIF | 5,966,671 | - | - | 5,966,671 |
| Cash with Fiscal Agent: | | | | |
| Money Market Mutual Funds | 134,628 | - | - | 134,628 |
| Total | <u>\$ 6,101,299</u> | <u>\$ 249,076</u> | <u>\$ 6,712,142</u> | <u>\$ 13,062,517</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

3) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required 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 | Total Investment | Minimum Legal Rating | Rating as of Year End | |
|------------------------------------|---------------------|----------------------|-----------------------|---------------------|
| | | | AAA/AA | Unrated |
| Federal Agency Securities | \$ 3,229,092 | N/A | \$ 3,229,092 | \$ - |
| Negotiable Certificates of Deposit | 3,732,126 | N/A | - | 3,732,126 |
| LAIF | 5,966,671 | N/A | - | 5,966,671 |
| Held by Bond Trustees: | | | | |
| Money Market Mutual Funds | 134,628 | N/A | - | 134,628 |
| Total | \$13,062,517 | | \$ 3,229,092 | \$ 9,833,425 |

Concentration of Credit Risk

At June 30, 2015, the City had no investments in any one issuer that represent 5% or more of total City investments.

Custodial Credit Risk

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

As of June 30, 2015, 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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

3) CASH AND INVESTMENTS - Continued

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, 2015, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Entity's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Information regarding LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

4) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From Other Funds

Amounts due to/due from other funds at June 30, 2015 are as follows:

| Receivable | Payable | Amount |
|-----------------------|--------------------------|------------|
| Sewer Enterprise Fund | General Fund | \$ 100,000 |
| General Fund | CDBG Grant Fund | 17,030 |
| General Fund | Other Governmental Funds | 124,335 |
| | | \$ 241,365 |

The outstanding balances between funds result mainly from interfund borrowings to cover operating deficits.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

4) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Long-term Advances

At June 30, 2015, the City had the following interfund long-term advances:

| | | ADVANCES TO Successor Agency Private-purpose Trust Fund |
|------------------|--------------|---|
| ADVANCES FROM | General Fund | \$ 15,124,116 |
| | Total | \$ 15,124,116 |

As of June 30, 2015, the City had advanced to the former Community Development Commission (CDC) \$15,124,116, including interest receivable of \$3,157,936, to assist in redevelopment activities. In June 2011, Assembly Bill 26 (1st extraordinary session) dissolved the former CDC, effective (after some litigation on the matter) February 1, 2012. On April 26, 2013, the Department of Finance allowed the loan to be placed on the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation. The principal balance of the receivable of \$11,966,180 accrues simple interest of 3% per year in accordance with Senate Bill 107. Repayment of the advance by the Successor Agency is contingent upon excess property taxes received by the Successor Agency after paying all other enforceable obligations. There is no established repayment schedule due to the uncertainty of the amounts available for repayment in a given year. The entire principal portion of the receivable is included in non-spendable fund balance in the General Fund and the accrued interest receivable is included in deferred inflows as unavailable revenue.

Transfers In and Transfers Out

Transfers in and out for the year ended June 30, 2015 are as follows:

| Transfers In | Transfers Out | Amount |
|--------------------------|--------------------------|------------|
| General Fund | Other Governmental Funds | \$ 173,502 |
| Other Governmental Funds | General Fund | 493,418 |
| | | \$ 666,920 |

The transfers to the General Fund were to fund project costs. The transfers from the General Fund to the Other Governmental Funds (Gas Tax Fund and County Aid to Cities Fund) were to reimburse those funds for project costs to be paid by the General Fund.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

5) LOANS RECEIVABLE

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

The City accounts for this program in the Special Revenue CDBG/Cal-Home Grant Fund. Rehabilitation loans receivable of \$1,442,139 at June 30, 2015 have been reflected in the accompanying financial statements as loans receivable.

6) CAPITAL ASSETS

A summary of changes in the Governmental Activities capital assets at June 30, 2015 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|-------------|-----------|-------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 3,620,179 | \$ - | \$ - | \$ 3,620,179 |
| Construction in Progress | 123,680 | 1,808,765 | - | 1,932,445 |
| Total Capital Assets, Not Being Depreciated | 3,743,859 | 1,808,765 | - | 5,552,624 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 21,380,816 | - | - | 21,380,816 |
| Equipment and Furniture | 1,713,594 | 339,903 | - | 2,053,497 |
| Infrastructure | 34,045,630 | - | - | 34,045,630 |
| Total Capital Assets Being Depreciated | 57,140,040 | 339,903 | - | 57,479,943 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (7,037,257) | (898,599) | - | (7,935,856) |
| Equipment and Furniture | (1,342,419) | (109,111) | - | (1,451,530) |
| Infrastructure | (17,057,964) | (522,897) | - | (17,580,861) |
| Total Accumulated Depreciation | (25,437,640) | (1,530,607) | - | (26,968,247) |
| Total Capital Assets Being Depreciated, Net | 31,702,400 | (1,190,704) | - | 30,511,696 |
| Governmental Activities Capital Assets, Net | \$ 35,446,259 | \$ 618,061 | \$ - | \$ 36,064,320 |

Depreciation expense was charged to functions/programs of the governmental activities as follows:

| | |
|---|--------------|
| General Government | \$ 52,677 |
| Public Works | 559,949 |
| Recreation/Senior Services | 818,864 |
| Community Development | 41,672 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets. | 57,445 |
| Total Depreciation Expense - Governmental Activities | \$ 1,530,607 |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

6) CAPITAL ASSETS - Continued

A summary of changes in the Business-type Activities capital assets at June 30, 2015 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|---------------------|-------------|----------------------|
| Business-type Activities: | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Construction in Progress | \$ - | \$ - | \$ - | \$ - |
| Total Capital Assets, Not Being Depreciated | - | - | - | - |
| Capital Assets Being Depreciated: | | | | |
| Sewer Collection System | 11,213,960 | - | - | 11,213,960 |
| Total Capital Assets Being Depreciated | 11,213,960 | - | - | 11,213,960 |
| Less Accumulated Depreciation: | | | | |
| Sewer Collection System | (137,390) | (186,899) | - | (324,289) |
| Total Accumulated Depreciation | (137,390) | (186,899) | - | (324,289) |
| Total Capital Assets Being Depreciated, Net | 11,076,570 | (186,899) | - | 10,889,671 |
| Business-type Activities Capital Assets, Net | <u>\$ 11,076,570</u> | <u>\$ (186,899)</u> | <u>\$ -</u> | <u>\$ 10,889,671</u> |

7) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2015.

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| 2013 Bank of Nevada | | | | | |
| Lease Refunding | \$ 8,260,000 | \$ - | \$ (625,000) | \$ 7,635,000 | \$ - |
| Compensated Absences | 113,433 | 26,790 | (13,910) | 126,313 | 25,000 |
| Net OPEB Obligation | 1,135,459 | 481,059 | (263,539) | 1,352,979 | - |
| Net Pension Liability | - | 4,906,024 | (1,315,443) | 3,590,581 | - |
| Total | <u>\$ 9,508,892</u> | <u>\$ 5,413,873</u> | <u>\$ (2,217,892)</u> | <u>\$ 12,704,873</u> | <u>\$ 25,000</u> |
| Business-type Activities: | | | | | |
| 2007 Sewer Revenue Bonds | \$ 9,105,000 | \$ - | \$ (225,000) | \$ 8,880,000 | \$ 235,000 |
| Discount on Bonds | (99,217) | - | 4,314 | (94,903) | - |
| Total | <u>\$ 9,005,783</u> | <u>\$ -</u> | <u>\$ (220,686)</u> | <u>\$ 8,785,097</u> | <u>\$ 235,000</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

7) LONG-TERM LIABILITIES - Continued

Lease Agreement

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

On June 1, 2013, the Authority and the City entered into a loan agreement with the Bank of Nevada to refinance the UBOC debt. The \$9,675,000 loan proceeds from the Bank of Nevada were used to retire the UBOC outstanding debt of \$9,411,765, pay interest expense of \$192,116 and loan processing costs of \$60,182. The City did not lose or gain from the loan refinancing except for future savings from the interest expense resulting from the 1% reduction in interest rate. With the refinancing of the UBOC debt, the above lease agreement was assigned to the Bank of Nevada. In September 2014, the Bank of Nevada assigned the loan to Capital One Bank under the same terms and conditions.

Under the terms of the lease, the Authority leased back the said projects to the City for lease payments as the rental for the leased property. The lease payments are payable semiannually with an interest rate of 3.2% on January 1 and July 1 of each year, commencing July 1, 2013. At June 30, 2015, the annual lease payments are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ - | \$ 132,160 | \$ 132,160 |
| 2017 | 620,000 | 234,400 | 854,400 |
| 2018 | 615,000 | 214,640 | 829,640 |
| 2019 | 610,000 | 195,040 | 805,040 |
| 2020 | 605,000 | 175,600 | 780,600 |
| 2021-2025 | 2,945,000 | 592,080 | 3,537,080 |
| 2026-2029 | 2,240,000 | 142,240 | 2,382,240 |
| Total | <u>\$ 7,635,000</u> | <u>\$ 1,686,160</u> | <u>\$ 9,321,160</u> |

2007 Sewer Revenue Bonds

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

7) LONG-TERM LIABILITIES - Continued

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.

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|----------------------|
| 2016 | \$ 235,000 | \$ 405,911 | \$ 640,911 |
| 2017 | 240,000 | 396,999 | 636,999 |
| 2018 | 250,000 | 387,199 | 637,199 |
| 2019 | 260,000 | 376,999 | 636,999 |
| 2020 | 270,000 | 366,399 | 636,399 |
| 2021-2025 | 1,540,000 | 1,646,284 | 3,186,284 |
| 2026-2030 | 1,915,000 | 1,258,523 | 3,173,523 |
| 2031-2035 | 2,415,000 | 746,600 | 3,161,600 |
| 2036-2038 | 1,755,000 | 134,625 | 1,889,625 |
| Total | <u>\$ 8,880,000</u> | <u>\$ 5,719,539</u> | <u>\$ 14,599,539</u> |

Fiduciary Fund Long-term Liabilities

Long-term liabilities of the former La Puente CDC were transferred to the Successor Agency Private-purpose Trust Fund during 2011-12 as a result of the State's action to dissolve redevelopment agencies. The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2015:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|--|----------------------|---------------------|-----------------------|-------------------|------------------------|
| Bonds Payable: | | | | | |
| Tax Allocation Bonds, 2007 | \$ 3,825,000 | \$ - | \$ (3,825,000) | \$ - | \$ - |
| Tax Allocation Refunding Bonds, 2014A | - | 3,760,000 | - | 3,760,000 | 110,000 |
| Total | <u>\$ 3,825,000</u> | <u>\$ 3,760,000</u> | <u>\$ (3,825,000)</u> | <u>3,760,000</u> | <u>\$ 110,000</u> |

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
Notes to Financial Statements
Year Ended June 30, 2015

7) 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. In no event shall the bonds be payable out of any funds or properties other than those of the Commission. This bond issue was paid off and refunded with the Tax Allocation Revenue Refunding 2014A Bonds.

2014A Tax Allocation Revenue Refunding Bonds

In August 2014, the Successor Agency to the La Puente Community Development Commission issued \$3,760,000 Tax Allocation Revenue Refunding Bonds, Series 2014, which mature in amounts from \$100,000 to \$255,000 annually from 2016 to 2038 with interest payments of 4.35% payable semi-annually on February 1 and August 1 of each year.

The purpose of the bonds is to refund the 2007 Tax Allocation Bonds issued by the former La Puente Community Development Commission. The bonds are special obligations of the Successor Agency to the La Puente Community Development 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. In no event shall the bonds be payable out of any funds or properties other than those of the Commission.

At June 30, 2015, the annual debt service payments are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ 110,000 | \$ 161,168 | \$ 271,168 |
| 2017 | 100,000 | 156,600 | 256,600 |
| 2018 | 105,000 | 152,141 | 257,141 |
| 2019 | 110,000 | 147,465 | 257,465 |
| 2020 | 115,000 | 142,571 | 257,571 |
| 2021-2025 | 655,000 | 631,729 | 1,286,729 |
| 2026-2030 | 810,000 | 473,498 | 1,283,498 |
| 2031-2035 | 1,020,000 | 274,703 | 1,294,703 |
| 2036-2038 | 735,000 | 48,829 | 783,829 |
| Total | <u>\$ 3,760,000</u> | <u>\$ 2,188,704</u> | <u>\$ 5,948,704</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

8) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 City of La Puente is a member of the California Joint Power Insurance Authority (Authority). The Authority was organized under a joint powers agreement pursuant to California Government Code §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 lines of coverage. The Authority 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 nine-member Executive Committee.

Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

8) RISK MANAGEMENT - Continued

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Worker's Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of La Puente participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Puente. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

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 of La Puente property is currently insured according to a schedule of covered property submitted by the City of La Puente to the Authority. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

8) RISK MANAGEMENT - Continued

Earthquake and Flood Insurance

The City of La Puente purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of La Puente purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City of La Puente further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Puente according to a schedule. The City of La Puente then pays for the insurance. The insurance is arranged by the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

9) PENSION PLANS

General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

9) PENSION PLANS - Continued

Benefits Provided – The Plans are cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

| | Miscellaneous | Miscellaneous PEPRA |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | January 1, 2013 | January 1, 2013 |
| Benefit formula | 2.5% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 55 | 62 |
| Monthly benefits, as a % of eligible compensation | Last 12 Mos. of Service | Last 36 Mos. of Service |
| Required employee contribution rates | 8% | 7% |
| Required employer contribution rates | 17.688% | 6.900% |

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

| | Miscellaneous | Miscellaneous PEPRA |
|---|---------------|------------------------|
| Contributions - employer | \$ 218,895 | \$ 10,489 |
| Contributions - employee (paid by employer) | 59,235 | - |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

9) PENSION PLANS - Continued

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

As of June 30, 2015, the City reported a liability of \$3,590,581 for its proportionate share of the net pension liability. The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

| | <u>Miscellaneous</u> | <u>Miscellaneous PEPRA</u> |
|------------------------------|----------------------|--------------------------------|
| Proportion - June 30, 2013 | 0.1496% | 0.00008% |
| Proportion - June 30, 2014 | 0.1452% | 0.00008% |
| Change - Increase (Decrease) | -0.0044% | 0.0000% |

For the year ended June 30, 2015, the City recognized pension expense of \$288,619. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Pension contributions subsequent to measurement date | \$ 268,333 | \$ - |
| Differences between actual and expected experience | - | - |
| Changes in assumptions | - | - |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 91,493 | 165,971 |
| Net differences between projected and actual earnings on plan investments | - | 1,206,602 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 359,826</u> | <u>\$ 1,372,573</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

9) PENSION PLANS - Continued

Items reported in the amount of \$268,333 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | |
|------------------------|--------------|
| 2016 | \$ (321,249) |
| 2017 | (321,250) |
| 2018 | (321,249) |
| 2019 | (317,331) |
| 2020 | - |
| Thereafter | - |

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

| | Miscellaneous | Miscellaneous PEPRA |
|---------------------------|------------------|------------------------|
| Valuation date | June 30, 2013 | June 30, 2013 |
| Measurement date | June 30, 2014 | June 30, 2014 |
| Actuarial cost method | entry-age normal | entry-age normal |
| Actuarial assumptions: | | |
| Discount rate | 7.50% | 7.50% |
| Inflation | 2.75% | 2.75% |
| Payroll growth | 3.00% | 3.00% |
| Projected salary increase | (1) | (1) |
| Investment rate of return | 7.50% (2) | 7.50% (2) |
| Mortality | (3) | (3) |

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

9) PENSION PLANS – Continued

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

9) PENSION PLANS – Continued

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

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 (1) | Real Return Years 11+ (2) |
|-------------------------------|--------------------------|---------------------------------|------------------------------|
| Global Equity | 47% | 5.25% | 5.71% |
| Global Fixed Income | 19% | 0.99% | 2.43% |
| Inflation Sensitive | 6% | 0.45% | 3.36% |
| Private Equity | 12% | 6.83% | 6.95% |
| Real Estate | 11% | 4.50% | 5.13% |
| Infrastructure and Forestland | 3% | 4.50% | 5.09% |
| Liquidity | 2% | -0.55% | -1.05% |

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Miscellaneous | Miscellaneous PEPRA |
|-----------------------|---------------|------------------------|
| 1% Decrease | 6.50% | 6.50% |
| Net Pension Liability | \$ 6,393,930 | \$ 3,375 |
| Current Discount Rate | 7.50% | 7.50% |
| Net Pension Liability | \$ 3,588,687 | \$ 1,894 |
| 1% Increase | 8.50% | 8.50% |
| Net Pension Liability | \$ 1,260,601 | \$ 665 |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

10) OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Funding Policy

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

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

The City's annual OPEB cost, net OPEB obligation and the related information for 2015 were as follows:

| | |
|--|-------------------------|
| Annual Required Contribution (ARC) | \$ 472,088 |
| Interest on Net OPEB Obligation | 68,128 |
| Adjustment to ARC | (59,157) |
| Annual OPEB Cost | <u>481,059</u> |
| Contribution Made | (263,539) |
| Increase in Net OPEB Obligation | <u>217,520</u> |
| Net OPEB Obligation at June 30, 2014 | <u>1,135,459</u> |
| Net OPEB Obligation at June 30, 2015 | <u>\$ 1,352,979</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

10) OTHER POSTEMPLOYMENT BENEFITS - Continued

For 2015, the City's annual OPEB cost (expense) of \$481,059 for LPRHP was more than the ARC by \$8,971. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

| THREE YEAR TREND INFORMATION | | | |
|------------------------------|---------------------|--|--------------------------------|
| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
| 6/30/13 | \$ 471,874 | 70% | \$ 1,118,680 |
| 6/30/14 | \$ 437,221 | 96% | \$ 1,135,459 |
| 6/30/15 | \$ 481,059 | 55% | \$ 1,352,979 |

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015, the date of the latest actuarial valuation report, was as follows:

| | |
|---|--------------|
| Actuarial Accrued Liability (AAL) | \$ 6,484,213 |
| Actuarial Value of Plan Assets | \$ 195,939 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 6,288,274 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 3% |
| Covered Payroll (Active Plan Members) | \$ 1,568,608 |
| UAAL as a Percentage of Covered Payroll | 329% |

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

10) OTHER POSTEMPLOYMENT BENEFITS - Continued

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

| | |
|---------------------------|-----------------------------------|
| Valuation Date | June 30, 2015 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Amortization method | Level Percent of Payroll |
| Amortization Period | 30 years as of the Valuation Date |
| Projected Salary Increase | 2.75% |
| Health Care Trend Rate | 4% |
| Inflation Rate | 2.75% |
| Investment Rate of Return | 4.8% |

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

The liability for governmental activities is primarily liquidated from the general fund while the liability for business-type activities is liquidated from the enterprise funds.

11) FUND BALANCES

Details of the City's governmental fund balances at June 30, 2015, are presented below:

| | General Fund | CDBG Grant Fund | Other Governmental Funds | Total |
|----------------------------------|----------------------|--------------------|--------------------------------|----------------------|
| Nonspendable: | | | | |
| Prepaid Costs | \$ 775,669 | \$ | \$ | \$ 775,669 |
| Long-term Advances | 11,966,180 | | | 11,966,180 |
| Restricted for: | | | | |
| Low Income Housing | | 19,725 | 943,904 | 963,629 |
| Traffic Safety | | | 21,437 | 21,437 |
| Police | | | 8,584 | 8,584 |
| PEG Access | | | 97,454 | 97,454 |
| Street Projects | | | 1,290,634 | 1,290,634 |
| Air Pollution Reduction Measures | | | 102,996 | 102,996 |
| Transportation | | | 1,541,218 | 1,541,218 |
| Unassigned | 5,317,486 | | (132,247) | 5,185,239 |
| Total Fund Balance | <u>\$ 18,059,335</u> | <u>\$ 19,725</u> | <u>\$ 3,873,980</u> | <u>\$ 21,953,040</u> |

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

12) OTHER INFORMATION

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 Commitments and Contingencies

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 \$271,500.

13) PRIOR PERIOD ADJUSTMENTS

The prior period adjustment in the Statement of Activities is the result of the following adjustments:

| | | |
|----|-------------|-----|
| \$ | (4,583,042) | (1) |
| | (647,119) | (2) |
| | 12,003,942 | (3) |
| | 2,798,951 | (4) |
| | <hr/> | |
| \$ | 9,572,732 | |
| | <hr/> | |

- (1) The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2014-15. As a result, the beginning net position in the Statement of Activities – Governmental Activities was restated by \$4,583,042 to reflect the cumulative effect of applying this statement.
- (2) Loans receivable for CDBG are offset with Due to Other Agencies. The City, upon repayment of these loans, must remit the amounts to the grantor in accordance with the grant agreement. This adjustment is to record the liability for the loans as of July 1, 2014.
- (3) \$12,003,942 is to reinstate the advance receivable from the Successor Agency as of July 1, 2014. This was recorded as uncollectible in prior years. See Note 4 for more information.
- (4) \$2,798,951 represents accrued interest receivable from the Successor Agency Advance Receivable as of July 1, 2014. See Note 4 for more information.

The prior period adjustment of \$12,003,942 on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the General Fund is to reinstate the advance receivable from the Successor Agency as of July 1, 2014. This was recorded as uncollectible in prior years. See Note 4 for more information.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2015

13) PRIOR PERIOD ADJUSTMENTS - Continued

The prior period adjustment of \$688,239 on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the Other Governmental Funds is to move the loans receivable balance as of July 1, 2014 from unavailable revenues to fund balance in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

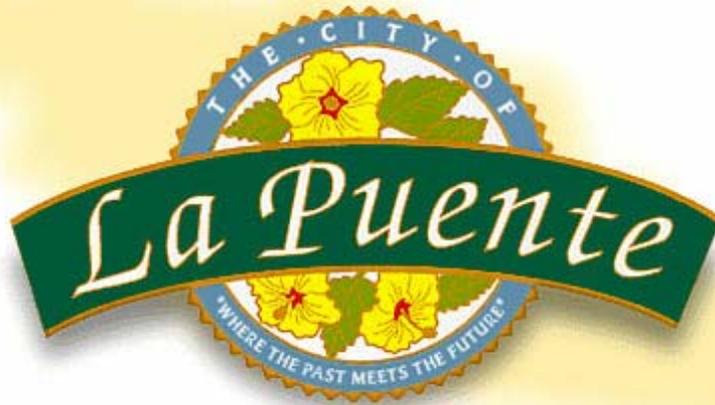
The prior period adjustment in the Statement of Changes in Fiduciary Net Position – Fiduciary Funds of \$1,205,576 is to record additional interest payable on the Advance from the City in accordance with SB 107.

14) SUBSEQUENT EVENTS

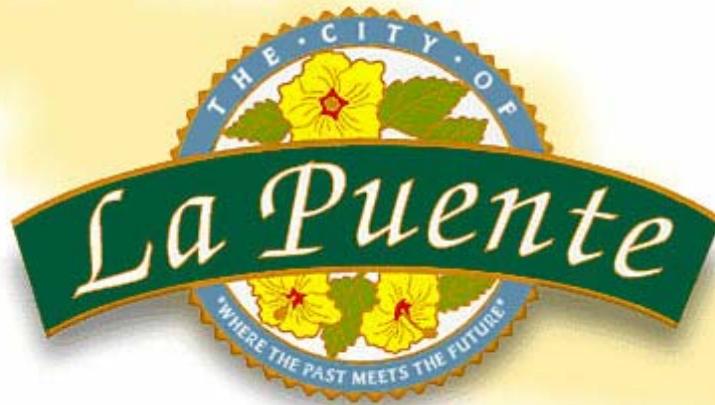
Management of the City has evaluated subsequent events through November 18, 2015, the date these financial statements were available to be issued, and has determined the following subsequent events.

In October 2015, the City entered into an agreement to borrow \$5,900,000 from the City of Industry for the mitigation of noise, traffic, and railroad impacts.

In August 2015, the Successor Agency to the City of La Puente Community Development Commission sold property for \$1,066,000.



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REQUIRED SUPPLEMENTARY
INFORMATION

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2015

Schedule of Funding Progress - Other Post-Employment Benefits Plan

| Actuarial Valuation Date | Actuarial Asset Value (a) | Entry Age Actuarial Accrued Liability (b) | Unfunded Actuarial Accrued Liability (b) - (a) | Funded Ratio AVA (a)/(b) | Covered Payroll (c) | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll [(b)-(a)]/(c) |
|--------------------------------|------------------------------------|---|--|-----------------------------------|---------------------------|---|
| 6/30/11 | \$ 140,556 | \$ 5,902,812 | \$ 5,762,256 | 2% | \$ 2,526,015 | 228% |
| 6/30/13 | 168,156 | 5,250,891 | 5,082,735 | 3% | 2,008,468 | 253% |
| 6/30/15 | 195,939 | 6,484,213 | 6,288,274 | 3% | 1,568,608 | 329% |

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2015

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Last 10 Years***

| | | Miscellaneous Risk Pool 2015 |
|--|----|---------------------------------|
| | | |
| Proportion of the Net Pension Liability | | 0.05770% |
| Proportionate Share of Net Pension Liability | \$ | 3,590,581 |
| Covered - Employee Payroll | \$ | 1,660,111 |
| Proportionate Share of the Net Pension Liability as a percentage of Payroll | | 216.29% |
| Plan's Fiduciary Net Position | \$ | 17,566,258 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | 83.03% |

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: None

*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2015

SCHEDULE OF PLAN CONTRIBUTIONS
Last 10 Years*

| | | 2015 |
|---|----|-----------|
| Contractually Required Contributions (actuarially determined) | \$ | 262,490 |
| Contributions in Relation to the Actuarially Determined Contributions | | (262,490) |
| Contribution Deficiency (Excess) | \$ | - |
| Covered-Employee Payroll | \$ | 1,660,111 |
| Contributions as a Percentage of Covered Employee Payroll | | 15.81% |

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013

*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - General Fund
Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget |
|--|-------------------------|---------------------|---------------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 8,398,900 | \$ 8,398,900 | \$ 8,975,936 | \$ 577,036 |
| Licenses and Permits | 481,900 | 481,900 | 429,681 | (52,219) |
| Intergovernmental | 141,200 | 141,200 | 221,725 | 80,525 |
| Charges for Services | 643,100 | 643,100 | 938,178 | 295,078 |
| Fines and Forfeitures | 377,500 | 377,500 | 276,871 | (100,629) |
| Investment Income | 133,000 | 133,000 | 64,037 | (68,963) |
| Other Revenue | 16,000 | 16,000 | 280,225 | 264,225 |
| | <u>10,191,600</u> | <u>10,191,600</u> | <u>11,186,653</u> | <u>995,053</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 2,340,000 | 2,227,500 | 2,299,932 | (72,432) |
| Public Safety | 5,439,600 | 5,439,600 | 5,402,872 | 36,728 |
| Public Works | 49,300 | 246,000 | 269,760 | (23,760) |
| Recreation/Senior Services | 1,375,300 | 1,375,300 | 1,326,151 | 49,149 |
| Community Development | 638,300 | 655,800 | 619,863 | 35,937 |
| Debt Service | 904,400 | 904,400 | 904,400 | - |
| | <u>10,746,900</u> | <u>10,848,600</u> | <u>10,822,978</u> | <u>25,622</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(555,300)</u> | <u>(657,000)</u> | <u>363,675</u> | <u>1,020,675</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 655,300 | 655,300 | 173,502 | (481,798) |
| Transfers Out | (100,000) | (100,000) | (493,418) | (393,418) |
| | <u>555,300</u> | <u>555,300</u> | <u>(319,916)</u> | <u>(875,216)</u> |
| Net Change in Fund Balances | - | (101,700) | 43,759 | 145,459 |
| Fund Balance, Beginning of Year | 6,011,634 | 6,011,634 | 6,011,634 | - |
| Prior Period Adjustments | - | - | 12,003,942 | 12,003,942 |
| Fund Balance, End of Year | <u>\$ 6,011,634</u> | <u>\$ 5,909,934</u> | <u>\$ 18,059,335</u> | <u>\$ 12,149,401</u> |

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - CDBG Special Revenue Fund
Year Ended June 30, 2015

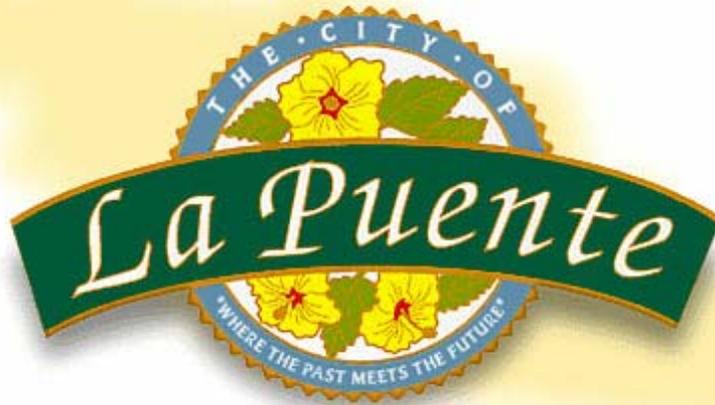
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 471,400 | \$ 471,400 | \$ 178,252 | \$ (293,148) |
| Investment Income | - | - | 817 | 817 |
| | <u>471,400</u> | <u>471,400</u> | <u>179,069</u> | <u>(292,331)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 20,400 | 20,400 | 15,182 | 5,218 |
| Public Safety | 226,400 | 226,400 | 13,979 | 212,421 |
| Community Development | 198,400 | 198,400 | 115,123 | 83,277 |
| Recreation/Senior Services | 26,200 | 26,200 | 46,441 | (20,241) |
| | <u>471,400</u> | <u>471,400</u> | <u>190,725</u> | <u>280,675</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>(11,656)</u> | <u>(11,656)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | (11,656) | (11,656) |
| Fund Balance, Beginning of Year | <u>31,381</u> | <u>31,381</u> | <u>31,381</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 31,381</u> | <u>\$ 31,381</u> | <u>\$ 19,725</u> | <u>\$ (11,656)</u> |

City of La Puente
Notes to Required Supplementary Information
Year Ended June 30, 2015

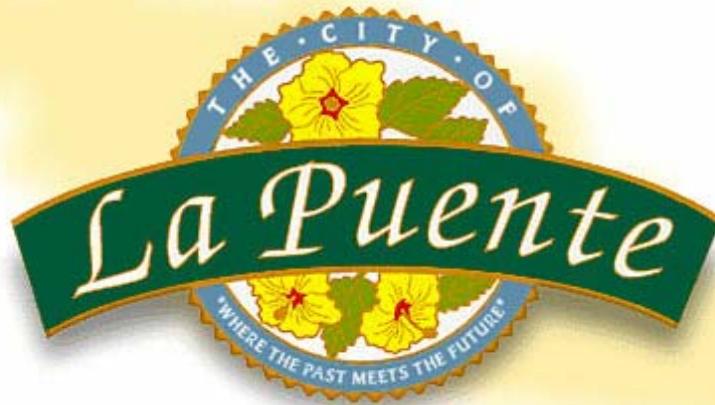
BUDGETS AND BUDGETARY ACCOUNTING

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

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.
- The City Council approves total budgeted appropriations. The appropriated budget is prepared by fund, program and activity. Each program of the City represents a separate government function, namely: general government public safety, transportation, culture and leisure, community development and redevelopment and housing. Accordingly, each program of the City has been identified as a separate line item in the accompanying combined statement of revenues, expenditures and changes in fund balances. The City Manager is authorized to make appropriation transfers from one activity to another leaving the total fund appropriation unchanged within the same fund. City Council approves all other amendments to appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the departmental level. Budget figures used in the financial statements are the final adjusted amounts. During the fiscal year 2014-2015, the City Council made several supplemental budgetary appropriations, although none of the adjustments were considered material.
- Formal budget integration is employed as a management control device during the year.
- Under Article XIII B of the California Constitution (the Gann Spending Litigation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates, or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2015, 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.
- No budget was adopted for the Energy Efficiency nonmajor special revenue fund.



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SUPPLEMENTARY INFORMATION

City of La Puente
Other Governmental Funds
June 30, 2015

SPECIAL REVENUE FUNDS

Special revenue funds account for specific revenues that are legally restricted to expenditures for particular purposes. The other special revenue funds include:

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

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

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

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

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

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

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

County Aid to Cities – To account for grants received for the construction and improvement of the community center and youth learning activity center.

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

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

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

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

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

City of La Puente
Other Governmental Funds – Continued
June 30, 2015

SPECIAL REVENUE FUNDS - Continued

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.

Local Transportation Fund - This fund is to account for the funds received from the State to improve street access for bicycle and pedestrian.

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

Safe Routes to School Fund - To account for the funds received to remove barriers that prevent children who walk or use bicycle to go to school.

City of La Puente
Combining Balance Sheet
Other Governmental Funds
June 30, 2015

| | <u>Traffic Safety</u> | <u>Asset Seizure</u> | <u>PEG Access</u> | <u>State COPS</u> |
|--|---------------------------|--------------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 2,840 | \$ 8,584 | \$ 88,967 | \$ - |
| Accounts Receivable | - | - | 12,034 | - |
| Loans Receivable | - | - | - | - |
| Due From Other Governments | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 2,840</u> | <u>\$ 8,584</u> | <u>\$ 101,001</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ - | \$ 3,547 | \$ - |
| Due to Other Funds | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>3,547</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenues - Grants | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted | 2,840 | 8,584 | 97,454 | - |
| Unassigned | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>2,840</u> | <u>8,584</u> | <u>97,454</u> | <u>-</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,840</u> | <u>\$ 8,584</u> | <u>\$ 101,001</u> | <u>\$ -</u> |

| <u>Traffic Safety LAPTOP</u> | <u>JAG Grant</u> | <u>Gas Tax</u> | <u>County Aid to Cities</u> | <u>Prop 1B</u> | <u>Cal-HOME Grant</u> | <u>Energy Efficiency</u> |
|----------------------------------|----------------------|---------------------|---------------------------------|--------------------|---------------------------|------------------------------|
| \$ 18,597 | \$ - | \$ 1,304,910 | \$ 100,000 | \$ - | \$ 110,911 | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 833,404 | - |
| - | - | - | - | - | - | - |
| <u>\$ 18,597</u> | <u>\$ -</u> | <u>\$ 1,304,910</u> | <u>\$ 100,000</u> | <u>\$ -</u> | <u>\$ 944,315</u> | <u>\$ -</u> |
| \$ - | \$ 1,923 | \$ 252,380 | \$ 100,000 | \$ - | \$ 411 | \$ - |
| - | - | - | - | - | - | - |
| - | 1,923 | 252,380 | 100,000 | - | 411 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 18,597 | - | 1,052,530 | - | - | 943,904 | - |
| - | (1,923) | - | - | - | - | - |
| <u>18,597</u> | <u>(1,923)</u> | <u>1,052,530</u> | <u>-</u> | <u>-</u> | <u>943,904</u> | <u>-</u> |
| <u>\$ 18,597</u> | <u>\$ -</u> | <u>\$ 1,304,910</u> | <u>\$ 100,000</u> | <u>\$ -</u> | <u>\$ 944,315</u> | <u>\$ -</u> |

Continued

City of La Puente
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2015

| | Air Quality Improvement | Measure R | Prop. A Transportation | Prop. C Transportation |
|--|----------------------------|-------------------|---------------------------|---------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 79,818 | \$ 385,582 | \$ 785,363 | \$ 818,444 |
| Accounts Receivable | - | - | - | - |
| Loans Receivable | - | - | - | - |
| Due From Other Governments | 23,178 | - | - | - |
| Total Assets | <u>\$ 102,996</u> | <u>\$ 385,582</u> | <u>\$ 785,363</u> | <u>\$ 818,444</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ 147,478 | \$ 49,623 | \$ 12,966 |
| Due to Other Funds | - | - | - | - |
| Total Liabilities | - | 147,478 | 49,623 | 12,966 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenues - Grants | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| FUND BALANCES | | | | |
| Restricted | 102,996 | 238,104 | 735,740 | 805,478 |
| Unassigned | - | - | - | - |
| Total Fund Balances | 102,996 | 238,104 | 735,740 | 805,478 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 102,996</u> | <u>\$ 385,582</u> | <u>\$ 785,363</u> | <u>\$ 818,444</u> |

| <u>Local Transportation</u> | <u>HSIP Grant</u> | <u>Safe Routes to School</u> | <u>Total</u> |
|---------------------------------|-----------------------|----------------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ 3,704,016 |
| - | - | - | 12,034 |
| - | - | - | 833,404 |
| - | 90,323 | 103,654 | 217,155 |
| <u>\$ -</u> | <u>\$ 90,323</u> | <u>\$ 103,654</u> | <u>\$ 4,766,609</u> |
| \$ - | \$ 1,430 | \$ 68,213 | \$ 637,971 |
| - | 88,893 | 35,442 | 124,335 |
| - | 90,323 | 103,655 | 762,306 |
| - | 90,323 | 40,000 | 130,323 |
| - | 90,323 | 40,000 | 130,323 |
| - | - | - | 4,006,227 |
| - | (90,323) | (40,001) | (132,247) |
| - | (90,323) | (40,001) | 3,873,980 |
| <u>\$ -</u> | <u>\$ 90,323</u> | <u>\$ 103,654</u> | <u>\$ 4,766,609</u> |

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2015

| | <u>Traffic Safety</u> | <u>Asset Seizure</u> | <u>PEG Access</u> | <u>State COPS</u> |
|--|---------------------------|--------------------------|-----------------------|-----------------------|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 106,230 |
| Charges for Services | - | - | 30,967 | - |
| Investment Income | 35 | 101 | 1,051 | 977 |
| | <u>35</u> | <u>101</u> | <u>32,018</u> | <u>107,207</u> |
| Total Revenues | <u>35</u> | <u>101</u> | <u>32,018</u> | <u>107,207</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 31,221 | - |
| Public Safety | - | - | - | 119,725 |
| Public Works | - | - | - | - |
| Community Development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>31,221</u> | <u>119,725</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>31,221</u> | <u>119,725</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>35</u> | <u>101</u> | <u>797</u> | <u>(12,518)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 35 | 101 | 797 | (12,518) |
| Fund Balances, Beginning of Year | 2,805 | 8,483 | 96,657 | 12,518 |
| Prior Period Adjustment | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ 2,840</u> | <u>\$ 8,584</u> | <u>\$ 97,454</u> | <u>\$ -</u> |

| <u>Traffic Safety LAPTOP</u> | <u>JAG Grant</u> | <u>Gas Tax</u> | <u>County Aid to Cities</u> | <u>Prop 1B</u> | <u>Cal-HOME Grant</u> | <u>Energy Efficiency</u> |
|----------------------------------|----------------------|---------------------|---------------------------------|--------------------|---------------------------|------------------------------|
| \$ - | \$ 19,972 | \$ 1,086,118 | \$ 31,539 | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| <u>226</u> | <u>-</u> | <u>7,549</u> | <u>172</u> | <u>521</u> | <u>6,198</u> | <u>1</u> |
| <u>226</u> | <u>19,972</u> | <u>1,093,667</u> | <u>31,711</u> | <u>521</u> | <u>6,198</u> | <u>1</u> |
| - | - | - | - | - | - | 1,529 |
| - | 27,024 | - | - | - | - | - |
| - | - | 734,493 | - | - | - | - |
| - | - | - | - | - | 23,990 | - |
| - | - | 305,233 | 100,240 | 63,134 | - | - |
| <u>-</u> | <u>27,024</u> | <u>1,039,726</u> | <u>100,240</u> | <u>63,134</u> | <u>23,990</u> | <u>1,529</u> |
| <u>226</u> | <u>(7,052)</u> | <u>53,941</u> | <u>(68,529)</u> | <u>(62,613)</u> | <u>(17,792)</u> | <u>(1,528)</u> |
| - | - | 424,889 | 68,529 | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>424,889</u> | <u>68,529</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 226 | (7,052) | 478,830 | - | (62,613) | (17,792) | (1,528) |
| 18,371 | 5,129 | 573,700 | - | 62,613 | 273,457 | 1,528 |
| - | - | - | - | - | 688,239 | - |
| <u>\$ 18,597</u> | <u>\$ (1,923)</u> | <u>\$ 1,052,530</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 943,904</u> | <u>\$ -</u> |

Continued

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2015

| | <u>Air Quality Improvement</u> | <u>Measure R</u> | <u>Prop. A Transportation</u> | <u>Prop. C Transportation</u> |
|---------------------------------------|------------------------------------|-------------------|-----------------------------------|-----------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 160,222 | \$ 442,627 | \$ 711,337 | \$ - |
| Charges for Services | - | - | 198,824 | 592,519 |
| Investment Income | 1,341 | 6,703 | 9,261 | 7,388 |
| | <u>161,563</u> | <u>449,330</u> | <u>919,422</u> | <u>599,907</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 115,441 | - |
| Public Safety | - | - | - | - |
| Public Works | - | - | - | - |
| Community Development | - | - | 700,558 | - |
| Capital Outlay | 339,925 | 776,164 | - | 97,594 |
| | <u>339,925</u> | <u>776,164</u> | <u>815,999</u> | <u>97,594</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>(178,362)</u> | <u>(326,834)</u> | <u>103,423</u> | <u>502,313</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | (153,771) | - | (19,671) |
| | <u>-</u> | <u>(153,771)</u> | <u>-</u> | <u>(19,671)</u> |
| Total Other Financing Sources (Uses) | | | | |
| | <u>-</u> | <u>(153,771)</u> | <u>-</u> | <u>(19,671)</u> |
| Net Change in Fund Balances | (178,362) | (480,605) | 103,423 | 482,642 |
| Fund Balances, Beginning of Year | 281,358 | 718,709 | 632,317 | 322,836 |
| Prior Period Adjustment | - | - | - | - |
| Fund Balances, End of Year | <u>\$ 102,996</u> | <u>\$ 238,104</u> | <u>\$ 735,740</u> | <u>\$ 805,478</u> |

| <u>Local Transportation</u> | <u>HSIP Grant</u> | <u>Safe Routes to School</u> | <u>Total</u> |
|---------------------------------|-----------------------|----------------------------------|---------------------|
| \$ - | \$ - | \$ 314,823 | \$ 2,872,868 |
| - | - | - | 822,310 |
| 1 | - | - | 41,525 |
| <u>1</u> | <u>-</u> | <u>314,823</u> | <u>3,736,703</u> |
| - | - | - | 148,191 |
| - | - | - | 146,749 |
| - | - | - | 734,493 |
| - | - | - | 724,548 |
| - | 90,323 | 354,291 | 2,126,904 |
| <u>-</u> | <u>90,323</u> | <u>354,291</u> | <u>3,880,885</u> |
| <u>1</u> | <u>(90,323)</u> | <u>(39,468)</u> | <u>(144,182)</u> |
| - | - | - | 493,418 |
| (60) | - | - | (173,502) |
| <u>(60)</u> | <u>-</u> | <u>-</u> | <u>319,916</u> |
| (59) | (90,323) | (39,468) | 175,734 |
| 59 | - | (533) | 3,010,007 |
| - | - | - | 688,239 |
| <u>\$ -</u> | <u>\$ (90,323)</u> | <u>\$ (40,001)</u> | <u>\$ 3,873,980</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u> </u> | Variance with Final Budget Positive (Negative) <u> </u> |
|--|-------------------------------------|--|--|
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Investment Income | - | 35 | 35 |
| | <u>-</u> | <u>35</u> | <u>35</u> |
| Total Revenues | <u>-</u> | <u>35</u> | <u>35</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | 35 | 35 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | 35 | 35 |
| Fund Balance, Beginning of Year | <u>2,805</u> | <u>2,805</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 2,805</u> | <u>\$ 2,840</u> | <u>\$ 35</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Seizure Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------------------------|------------------------|---|
| REVENUES | | | |
| Investment Income | \$ - | \$ 101 | \$ 101 |
| Fund Balance, Beginning of Year | <u>8,483</u> | <u>8,483</u> | <u>-</u> |
| Fund Balance, End of Year | <u><u>\$ 8,483</u></u> | <u><u>\$ 8,584</u></u> | <u><u>\$ 101</u></u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - PEG Access Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-------------------------|---|
| REVENUES | | | |
| Charges for Services | \$ 20,000 | \$ 30,967 | \$ 10,967 |
| Investment Income | <u>200</u> | <u>1,051</u> | <u>851</u> |
| Total Revenues | <u>20,200</u> | <u>32,018</u> | <u>11,818</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | <u>90,800</u> | <u>31,221</u> | <u>59,579</u> |
| Total Expenditures | <u>90,800</u> | <u>31,221</u> | <u>59,579</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(70,600)</u> | <u>797</u> | <u>71,397</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (70,600) | 797 | 71,397 |
| Fund Balance, Beginning of Year | <u>96,657</u> | <u>96,657</u> | <u>-</u> |
| Fund Balance, End of Year | <u><u>\$ 26,057</u></u> | <u><u>\$ 97,454</u></u> | <u><u>\$ 71,397</u></u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State COPS Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u></u> | Variance with Final Budget Positive (Negative) <u></u> |
|--|-------------------------------------|------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 100,000 | \$ 106,230 | \$ 6,230 |
| Investment Income | <u>200</u> | <u>977</u> | <u>777</u> |
| Total Revenues | <u>100,200</u> | <u>107,207</u> | <u>7,007</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | <u>100,000</u> | <u>119,725</u> | <u>(19,725)</u> |
| Total Expenditures | <u>100,000</u> | <u>119,725</u> | <u>(19,725)</u> |
| Excess (Deficiency) of Revenues Over (under) Expenditures | <u>200</u> | <u>(12,518)</u> | <u>(12,718)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 200 | (12,518) | (12,718) |
| Fund Balance, Beginning of Year | <u>12,518</u> | <u>12,518</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 12,718</u> | <u>\$ -</u> | <u>\$ (12,718)</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety LAPTOP Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-------------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Investment Income | <u>100</u> | <u>226</u> | <u>126</u> |
| Total Revenues | <u>100</u> | <u>226</u> | <u>126</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 100 | 226 | 126 |
| Fund Balance, Beginning of Year | <u>18,371</u> | <u>18,371</u> | <u>-</u> |
| Fund Balance, End of Year | <u><u>\$ 18,471</u></u> | <u><u>\$ 18,597</u></u> | <u><u>\$ 126</u></u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - JAG Grant Fund
Year Ended June 30, 2015

| | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|-------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 20,500 | \$ 19,972 | \$ (528) |
| Total Revenues | 20,500 | 19,972 | (528) |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | 20,500 | 27,024 | (6,524) |
| Total Expenditures | 20,500 | 27,024 | (6,524) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (7,052) | (7,052) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | - | (7,052) | (7,052) |
| Fund Balance, Beginning of Year | 5,129 | 5,129 | - |
| Fund Balance, End of Year | \$ 5,129 | \$ (1,923) | \$ (7,052) |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|---------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 1,090,500 | \$ 1,086,118 | \$ (4,382) |
| Investment Income | <u>1,000</u> | <u>7,549</u> | <u>6,549</u> |
| Total Revenues | <u>1,091,500</u> | <u>1,093,667</u> | <u>2,167</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Works | 963,600 | 734,493 | 229,107 |
| Capital Outlay | <u>251,000</u> | <u>305,233</u> | <u>(54,233)</u> |
| Total Expenditures | <u>1,214,600</u> | <u>1,039,726</u> | <u>174,874</u> |
| Excess (Deficiency) of Revenues Over (under) Expenditures | <u>(123,100)</u> | <u>53,941</u> | <u>177,041</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 424,889 | 424,889 |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>424,889</u> | <u>424,889</u> |
| Net Change in Fund Balance | (123,100) | 478,830 | 601,930 |
| Fund Balance, Beginning of Year | <u>573,700</u> | <u>573,700</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 450,600</u> | <u>\$ 1,052,530</u> | <u>\$ 601,930</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - County Aid to Cities Fund
Year Ended June 30, 2015

| | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|-------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 250,000 | \$ 31,539 | \$ (218,461) |
| Investment Income | - | 172 | 172 |
| | - | 31,711 | 31,711 |
| Total Revenues | - | 31,711 | 31,711 |
| EXPENDITURES | | | |
| Capital Outlay | 250,000 | 100,240 | 149,760 |
| | 250,000 | 100,240 | 149,760 |
| Total Expenditures | 250,000 | 100,240 | 149,760 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (250,000) | (68,529) | 181,471 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 68,529 | 68,529 |
| | - | 68,529 | 68,529 |
| Total Other Financing Sources (Uses) | - | 68,529 | 68,529 |
| Net Change in Fund Balances | (250,000) | - | 250,000 |
| Fund Balance, Beginning of Year | - | - | - |
| Fund Balance, End of Year | \$ (250,000) | \$ - | \$ 250,000 |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Prop 1B Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u></u> | Variance with Final Budget Positive (Negative) <u></u> |
|--|-------------------------------------|------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Investment Income | - | 521 | 521 |
| | <u>-</u> | <u>521</u> | <u>521</u> |
| Total Revenues | - | 521 | 521 |
| EXPENDITURES | | | |
| Current: | | | |
| Public Works | - | - | - |
| Capital Outlay | - | 63,134 | (63,134) |
| | <u>-</u> | <u>63,134</u> | <u>(63,134)</u> |
| Total Expenditures | - | 63,134 | (63,134) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(62,613)</u> | <u>(62,613)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | - | (62,613) | (62,613) |
| Fund Balance, Beginning of Year | 62,613 | 62,613 | - |
| | <u>62,613</u> | <u>62,613</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 62,613</u> | <u>\$ -</u> | <u>\$ (62,613)</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cal-HOME Grant Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 226,700 | \$ - | \$ (226,700) |
| Investment Income | <u>100</u> | <u>6,198</u> | <u>6,098</u> |
| Total Revenues | <u>226,800</u> | <u>6,198</u> | <u>(220,602)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Community Development | <u>265,440</u> | <u>23,990</u> | <u>241,450</u> |
| Total Expenditures | <u>265,440</u> | <u>23,990</u> | <u>241,450</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(38,640)</u> | <u>(17,792)</u> | <u>20,848</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (38,640) | (17,792) | 20,848 |
| Fund Balance, Beginning of Year | 273,457 | 273,457 | - |
| Prior Period Adjustment | <u>-</u> | <u>688,239</u> | <u>688,239</u> |
| Fund Balance, End of Year | <u>\$ 234,817</u> | <u>\$ 943,904</u> | <u>\$ 709,087</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Quality Improvement Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u></u> | Variance with Final Budget Positive (Negative) <u></u> |
|--|-------------------------------------|------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 163,000 | \$ 160,222 | \$ (2,778) |
| Investment Income | <u>800</u> | <u>1,341</u> | <u>541</u> |
| Total Revenues | <u>163,800</u> | <u>161,563</u> | <u>(2,237)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Works | - | - | - |
| Capital Outlay | <u>390,000</u> | <u>339,925</u> | <u>50,075</u> |
| Total Expenditures | <u>390,000</u> | <u>339,925</u> | <u>50,075</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(226,200)</u> | <u>(178,362)</u> | <u>47,838</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (226,200) | (178,362) | 47,838 |
| Fund Balance, Beginning of Year | <u>281,358</u> | <u>281,358</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 55,158</u> | <u>\$ 102,996</u> | <u>\$ 47,838</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure R Fund
Year Ended June 30, 2015

| | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|-------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 425,800 | \$ 442,627 | \$ 16,827 |
| Investment Income | 1,800 | 6,703 | 4,903 |
| Total Revenues | 427,600 | 449,330 | 21,730 |
| EXPENDITURES | | | |
| Capital Outlay | 1,116,100 | 776,164 | 339,936 |
| Total Expenditures | 1,116,100 | 776,164 | 339,936 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (688,500) | (326,834) | 361,666 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | - | (153,771) | (153,771) |
| Total Other Financing Sources (Uses) | - | (153,771) | (153,771) |
| Net Change in Fund Balances | (688,500) | (480,605) | 207,895 |
| Fund Balance, Beginning of Year | 718,709 | 718,709 | - |
| Fund Balance, End of Year | \$ 30,209 | \$ 238,104 | \$ 207,895 |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Prop A Transportation Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u></u> | Variance with Final Budget Positive (Negative) <u></u> |
|--|-------------------------------------|------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 687,200 | \$ 711,337 | \$ 24,137 |
| Charges for Services | 181,700 | 198,824 | 17,124 |
| Investment Income | <u>1,500</u> | <u>9,261</u> | <u>7,761</u> |
| Total Revenues | <u>870,400</u> | <u>919,422</u> | <u>49,022</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 20,400 | 115,441 | (95,041) |
| Community Development | <u>860,500</u> | <u>700,558</u> | <u>159,942</u> |
| Total Expenditures | <u>880,900</u> | <u>815,999</u> | <u>64,901</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(10,500)</u> | <u>103,423</u> | <u>113,923</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (10,500) | 103,423 | 113,923 |
| Fund Balance, Beginning of Year | <u>632,317</u> | <u>632,317</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 621,817</u> | <u>\$ 735,740</u> | <u>\$ 113,923</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Prop C Transportation Fund
Year Ended June 30, 2015

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| | Final | | |
| REVENUES | | | |
| Charges for Services | \$ 573,200 | \$ 592,519 | \$ 19,319 |
| Investment Income | 4,000 | 7,388 | 3,388 |
| Total Revenues | 577,200 | 599,907 | 22,707 |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 17,300 | - | 17,300 |
| Capital Outlay | 675,600 | 97,594 | 578,006 |
| Total Expenditures | 692,900 | 97,594 | 595,306 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (115,700) | 502,313 | 618,013 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | - | (19,671) | (19,671) |
| Total Other Financing Sources (Uses) | - | (19,671) | (19,671) |
| Net Change in Fund Balances | (115,700) | 482,642 | 598,342 |
| Fund Balance, Beginning of Year | 322,836 | 322,836 | - |
| Fund Balance, End of Year | \$ 207,136 | \$ 805,478 | \$ 598,342 |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2015

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| | Final | | |
| REVENUES | | | |
| Intergovernmental | \$ 9,000 | \$ - | \$ (9,000) |
| Investment Income | - | 1 | 1 |
| | 9,000 | 1 | (8,999) |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | - | - | - |
| Capital Outlay | - | - | - |
| | - | - | - |
| Total Expenditures | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 9,000 | 1 | (8,999) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | - | (60) | (60) |
| | - | (60) | (60) |
| Total Other Financing Sources (Uses) | - | (60) | (60) |
| Net Change in Fund Balances | 9,000 | (59) | (9,059) |
| Fund Balance, Beginning of Year | 59 | 59 | - |
| Fund Balance, End of Year | \$ 9,059 | \$ - | \$ (9,059) |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HSIP Grant Fund
Year Ended June 30, 2015

| | Budgeted Amounts <u>Final</u> | Actual Amounts <u></u> | Variance with Final Budget Positive (Negative) <u></u> |
|--|-------------------------------------|------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 1,003,000 | \$ - | \$ (1,003,000) |
| Investment Income | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | <u>1,003,000</u> | <u>-</u> | <u>(1,003,000)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | - | - | - |
| Capital Outlay | <u>1,003,000</u> | <u>90,323</u> | <u>912,677</u> |
| Total Expenditures | <u>1,003,000</u> | <u>90,323</u> | <u>912,677</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(90,323)</u> | <u>(90,323)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | (90,323) | (90,323) |
| Fund Balance, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ (90,323)</u> | <u>\$ (90,323)</u> |

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Safe Routes 2 School Grant Fund
Year Ended June 30, 2015

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| | Final | | (Negative) |
| REVENUES | | | |
| Intergovernmental | \$ 339,700 | \$ 314,823 | \$ (24,877) |
| Investment Income | - | - | - |
| | 339,700 | 314,823 | (24,877) |
| Total Revenues | 339,700 | 314,823 | (24,877) |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | - | - | - |
| Capital Outlay | 339,650 | 354,291 | (14,641) |
| | 339,650 | 354,291 | (14,641) |
| Total Expenditures | 339,650 | 354,291 | (14,641) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 50 | (39,468) | (39,518) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | - | - | - |
| | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 50 | (39,468) | (39,518) |
| Fund Balance, Beginning of Year | (533) | (533) | - |
| Fund Balance, End of Year | \$ (483) | \$ (40,001) | \$ (39,518) |

City of La Puente
Fiduciary Funds
June 30, 2015

Deposit Funds - This fund is used to account for collection and payment of such items as performance bond deposits.

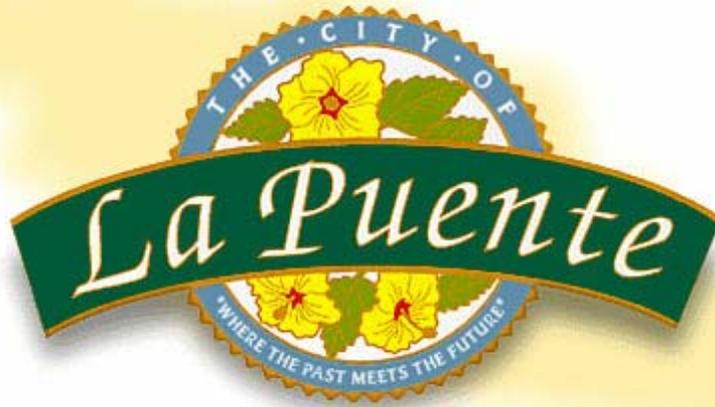
County Court Parking Fines Fund – This fund is used to account for the collection of parking fines and the payment of these funds to the County Court.

City of La Puente
Statement of Assets and Liabilities - Agency Fund
Year Ended June 30, 2015

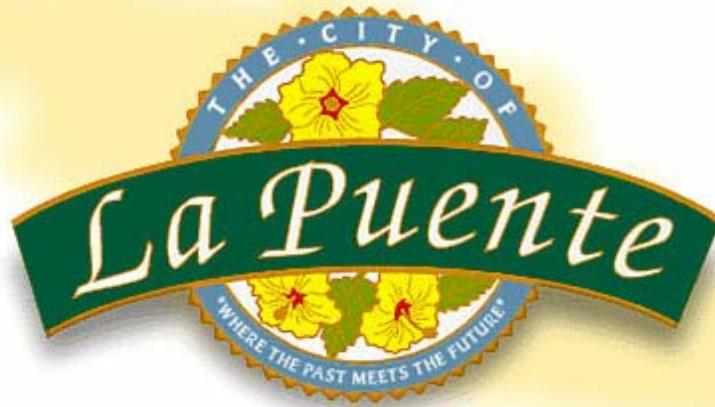
| | <u>Deposits</u> | <u>County Court Parking Fines</u> | <u>Ending Balance</u> |
|----------------------|------------------|---------------------------------------|---------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 56,422 | \$ 4,694 | \$ 61,116 |
| Total Assets | <u>\$ 56,422</u> | <u>\$ 4,694</u> | <u>\$ 61,116</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 8,382 | \$ 4,694 | \$ 13,076 |
| Deposits | <u>48,040</u> | <u>-</u> | <u>48,040</u> |
| Total Liabilities | <u>\$ 56,422</u> | <u>\$ 4,694</u> | <u>\$ 61,116</u> |

City of La Puente
Statement of Changes in Assets and Liabilities - Agency Fund
Year Ended June 30, 2015

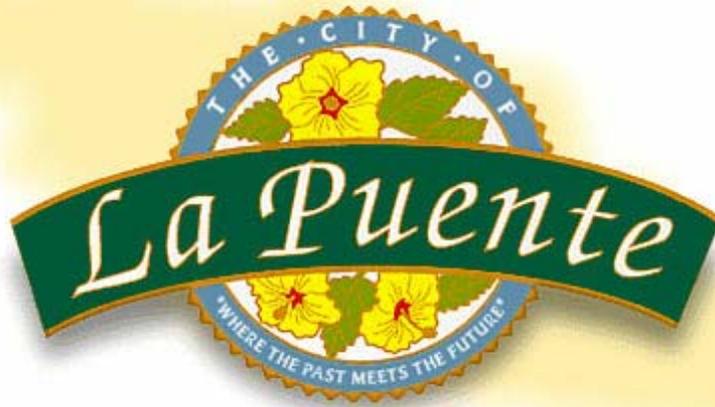
| <u>DEPOSITS</u> | <u>Balance at</u> <u>July 1, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>June 30, 2015</u> |
|--|--|-------------------|-------------------|---|
| ASSETS | | | | |
| Cash and Investments | \$ 46,075 | \$ 105,425 | \$ 95,078 | \$ 56,422 |
| Total Assets | <u>\$ 46,075</u> | <u>\$ 105,425</u> | <u>\$ 95,078</u> | <u>\$ 56,422</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 522 | \$ 35,787 | \$ 27,927 | \$ 8,382 |
| Deposits | 45,553 | 38,746 | 36,259 | 48,040 |
| Total Liabilities | <u>\$ 46,075</u> | <u>\$ 74,533</u> | <u>\$ 64,186</u> | <u>\$ 56,422</u> |
| <u>COUNTY COURT PARKING FINES</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 5,558 | \$ 106,297 | \$ 107,161 | \$ 4,694 |
| Total Assets | <u>\$ 5,558</u> | <u>\$ 106,297</u> | <u>\$ 107,161</u> | <u>\$ 4,694</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 5,558 | \$ 50,831 | \$ 51,695 | \$ 4,694 |
| Total Liabilities | <u>\$ 5,558</u> | <u>\$ 50,831</u> | <u>\$ 51,695</u> | <u>\$ 4,694</u> |
| <u>TOTAL - ALL AGENCY FUNDS</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 51,633 | \$ 211,722 | \$ 202,239 | \$ 61,116 |
| Total Assets | <u>\$ 51,633</u> | <u>\$ 211,722</u> | <u>\$ 202,239</u> | <u>\$ 61,116</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 6,080 | \$ 86,618 | \$ 79,622 | \$ 13,076 |
| Deposits | 45,553 | 38,746 | 36,259 | 48,040 |
| Total Liabilities | <u>\$ 51,633</u> | <u>\$ 125,364</u> | <u>\$ 115,881</u> | <u>\$ 61,116</u> |



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STATISTICAL SECTION



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City of La Puente
Description of Statistical Section Contents
June 30, 2015

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 say about the government's overall financial health.

| Contents: | <u>Pages</u> |
|--|--------------|
| <u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time | 94 |
| <u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax | 105 |
| <u>Debt Capacity</u> 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 | 109 |
| <u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place | 113 |
| <u>Operating Information</u> 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 | 116 |

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 |
| Governmental Activities: | | | | |
| Net investment in capital assets | \$ 15,185,715 | \$ 16,370,709 | \$ 19,264,458 | \$ 16,983,727 |
| Restricted for: | | | | |
| Public Safety | 75,476 | 59,343 | 65,725 | 46,084 |
| Public Works | 2,200,940 | 1,640,448 | 2,435,774 | 1,507,413 |
| Community Development | 525,745 | 357,972 | 386,591 | 1,370,161 |
| Redevelopment and Housing | 39,587 | 126,041 | 258,694 | 240,029 |
| Debt Service | - | - | - | 1,337,441 |
| Total Restricted | <u>2,841,748</u> | <u>2,183,804</u> | <u>3,146,784</u> | <u>4,501,128</u> |
| Unrestricted | <u>16,520,756</u> | <u>19,032,647</u> | <u>18,498,278</u> | <u>20,112,358</u> |
| Total governmental activities net position | <u>\$ 34,548,219</u> | <u>\$ 37,587,160</u> | <u>\$ 40,909,520</u> | <u>\$ 41,597,213</u> |
| Business-type Activities | | | | |
| Net investment in capital assets | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | <u>(271,433)</u> | <u>358,985</u> | <u>961,825</u> | <u>1,771,347</u> |
| Total business-type activities net position | <u>\$ (271,433)</u> | <u>\$ 358,985</u> | <u>\$ 961,825</u> | <u>\$ 1,771,347</u> |
| Primary Government | | | | |
| Net investment in capital assets | \$ 15,185,715 | \$ 16,370,709 | \$ 19,264,458 | \$ 16,983,727 |
| Restricted | 2,841,748 | 2,183,804 | 3,146,784 | 4,501,128 |
| Unrestricted | <u>16,249,323</u> | <u>19,391,632</u> | <u>19,460,103</u> | <u>21,883,705</u> |
| Total Primary Government Net Position | <u>\$ 34,276,786</u> | <u>\$ 37,946,145</u> | <u>\$ 41,871,345</u> | <u>\$ 43,368,560</u> |

Source: Statement of Net Position

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 16,092,239 | \$ 16,941,283 | \$ 24,660,544 | \$ 26,030,656 | \$ 27,186,259 | \$ 27,804,320 |
| 54,421 | 32,625 | 132,778 | 133,966 | 38,823 | 30,021 |
| 962,696 | 2,352,679 | 3,480,766 | 3,343,118 | 2,278,943 | 2,934,848 |
| 1,095,201 | 933,572 | 648,165 | 510,581 | 723,622 | 1,041,358 |
| 197,844 | 83,571 | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,310,162</u> | <u>3,402,447</u> | <u>4,261,709</u> | <u>3,987,665</u> | <u>3,041,388</u> | <u>4,006,227</u> |
| <u>14,822,183</u> | <u>12,840,852</u> | <u>6,826,170</u> | <u>6,431,855</u> | <u>5,316,550</u> | <u>15,107,425</u> |
| <u>\$ 33,224,584</u> | <u>\$ 33,184,582</u> | <u>\$ 35,748,423</u> | <u>\$ 36,450,176</u> | <u>\$ 35,544,197</u> | <u>\$ 46,917,972</u> |
| | | | | | |
| \$ (1,115,652) | \$ 2,754 | \$ 198,502 | \$ - | \$ 2,070,787 | \$ 2,104,573 |
| <u>3,590,394</u> | <u>3,049,730</u> | <u>4,072,131</u> | <u>4,714,234</u> | <u>3,250,778</u> | <u>3,654,183</u> |
| <u>\$ 2,474,742</u> | <u>\$ 3,052,484</u> | <u>\$ 4,270,633</u> | <u>\$ 4,714,234</u> | <u>\$ 5,321,565</u> | <u>\$ 5,758,756</u> |
| | | | | | |
| \$ 14,976,587 | \$ 16,944,037 | \$ 24,859,046 | \$ 26,030,656 | \$ 29,257,046 | \$ 29,908,893 |
| 2,310,162 | 3,402,447 | 4,261,709 | 3,987,665 | 3,041,388 | 4,006,227 |
| <u>18,412,577</u> | <u>15,890,582</u> | <u>10,898,301</u> | <u>11,146,089</u> | <u>8,567,328</u> | <u>18,761,608</u> |
| <u>\$ 35,699,326</u> | <u>\$ 36,237,066</u> | <u>\$ 40,019,056</u> | <u>\$ 41,164,410</u> | <u>\$ 40,865,762</u> | <u>\$ 52,676,728</u> |

**City of La Puente, California
Changes in Net Position
Last Ten Fiscal Years**

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General Government | \$ 2,738,433 | \$ 2,616,817 | \$ 2,334,414 | \$ 2,278,010 |
| Public Safety | 4,243,279 | 4,384,287 | 4,726,466 | 4,740,092 |
| Public Works | 2,204,142 | 2,401,088 | 2,308,174 | 2,199,934 |
| Recreation/Senior Services | 1,459,510 | 1,682,856 | 926,008 | 1,620,980 |
| Community Development | 1,657,091 | 2,058,623 | 2,702,339 | 2,351,984 |
| Redevelopment and Housing | 140,180 | 293,793 | 355,308 | 633,713 |
| Interest on Long-Term Debt | - | - | 365,075 | 866,783 |
| Total governmental activities expenses | <u>12,442,635</u> | <u>13,437,464</u> | <u>13,717,784</u> | <u>14,691,496</u> |
| Business-type activities: | | | | |
| Sewer Maintenance | <u>159,508</u> | <u>207,386</u> | <u>493,506</u> | <u>356,205</u> |
| Total business-type activities expenses | <u>159,508</u> | <u>207,386</u> | <u>493,506</u> | <u>356,205</u> |
| Total primary government expenses | <u>\$ 12,602,143</u> | <u>\$ 13,644,850</u> | <u>\$ 14,211,290</u> | <u>\$ 15,047,701</u> |
| Program Revenue | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General Government | \$ 113,394 | \$ 18,849 | \$ 212,007 | \$ 141,391 |
| Public Safety | 652,823 | 716,992 | 483,631 | 741,057 |
| Public Works | 244,590 | 226,555 | 19,616 | 48,417 |
| Recreation/Senior Services | 155,576 | 229,627 | 201,896 | 260,694 |
| Community Development | 706,501 | 862,105 | 1,109,159 | 611,166 |
| Redevelopment and Housing | - | 25,000 | 30,000 | - |
| Operating Grants and Contributions | 2,996,058 | 2,576,987 | 2,511,242 | 2,604,895 |
| Capital Grants and Contributions | <u>374,583</u> | <u>1,093,492</u> | <u>2,884,233</u> | <u>1,298,214</u> |
| Total governmental activities program revenues | 5,243,525 | 5,749,607 | 7,451,784 | 5,705,834 |
| Business-type activities: | | | | |
| Charges for services: | - | 821,819 | 845,918 | 942,477 |
| Legal settlement | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total business-type activities program revenues | <u>-</u> | <u>821,819</u> | <u>845,918</u> | <u>942,477</u> |
| Total primary government program revenues | <u>\$ 5,243,525</u> | <u>\$ 6,571,426</u> | <u>\$ 8,297,702</u> | <u>\$ 6,648,311</u> |

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | |
| \$ 2,451,276 | \$ 3,007,718 | \$ 2,541,017 | \$ 2,540,210 | \$ 3,480,756 | \$ 2,422,592 | |
| 4,666,557 | 4,874,645 | 4,845,030 | 4,913,590 | 5,000,488 | 5,563,600 | |
| 2,241,821 | 1,913,164 | 1,780,147 | 1,847,640 | 2,276,659 | 1,045,925 | |
| 1,818,721 | 1,742,028 | 1,675,871 | 1,670,038 | 1,772,731 | 1,910,777 | |
| 2,591,842 | 2,783,759 | 2,206,673 | 2,121,666 | 2,637,299 | 2,618,301 | |
| 9,045,803 | 433,232 | 185,562 | - | - | - | |
| 796,115 | 848,724 | 723,961 | 465,004 | 330,960 | 229,495 | |
| <u>23,612,135</u> | <u>15,603,270</u> | <u>13,958,261</u> | <u>13,558,148</u> | <u>15,498,893</u> | <u>13,790,690</u> | |
| 251,431 | 753,264 | 1,091,411 | 698,400 | 760,016 | 927,904 | |
| <u>251,431</u> | <u>753,264</u> | <u>1,091,411</u> | <u>698,400</u> | <u>760,016</u> | <u>927,904</u> | |
| <u>\$ 23,863,566</u> | <u>\$ 16,356,534</u> | <u>\$ 15,049,672</u> | <u>\$ 14,256,548</u> | <u>\$ 16,258,909</u> | <u>\$ 14,718,594</u> | |
| | | | | | | |
| \$ 44,159 | \$ 47,445 | \$ 54,087 | \$ 53,996 | \$ 60,688 | \$ 435,660 | |
| 1,235,688 | 618,183 | 549,768 | 462,652 | 498,247 | 459,251 | |
| 209,605 | 223,676 | 221,072 | 219,396 | 197,430 | - | |
| 263,437 | 288,248 | 252,787 | 248,797 | 265,538 | 272,093 | |
| 449,431 | 762,499 | 556,668 | 750,432 | 743,979 | 674,198 | |
| - | - | - | - | - | - | |
| 1,739,023 | 1,923,401 | 1,908,160 | 2,344,928 | 2,142,823 | 1,734,036 | |
| <u>2,699,626</u> | <u>2,488,930</u> | <u>2,818,206</u> | <u>1,860,992</u> | <u>1,919,871</u> | <u>2,333,169</u> | |
| 6,640,969 | 6,352,382 | 6,360,748 | 5,941,193 | 5,828,576 | 5,908,407 | |
| 885,843 | 1,304,280 | 1,308,823 | 1,311,226 | 1,347,146 | 1,325,685 | |
| - | - | 992,500 | - | - | - | |
| <u>885,843</u> | <u>1,304,280</u> | <u>2,301,323</u> | <u>1,311,226</u> | <u>1,347,146</u> | <u>1,325,685</u> | |
| <u>\$ 7,526,812</u> | <u>\$ 7,656,662</u> | <u>\$ 8,662,071</u> | <u>\$ 7,252,419</u> | <u>\$ 7,175,722</u> | <u>\$ 7,234,092</u> | |

City of La Puente, California
Changes in Net Position (Continued)
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 |
| Net (Expense)/Revenue | | | | |
| Government activities | \$ (7,199,110) | \$ (7,687,857) | \$ (6,266,000) | \$ (8,985,662) |
| Business-type activities | (159,508) | 614,433 | 352,412 | 586,272 |
| Total primary government net expense | <u>\$ (7,358,618)</u> | <u>\$ (7,073,424)</u> | <u>\$ (5,913,588)</u> | <u>\$ (8,399,390)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property Taxes | \$ 4,032,046 | \$ 4,794,769 | \$ 5,346,519 | \$ 5,604,423 |
| Franchise Taxes | 694,517 | 709,320 | 734,498 | 970,943 |
| Sales Taxes | 1,870,984 | 1,935,111 | 1,763,275 | 1,467,084 |
| Property Transfer Tax | 223,719 | 207,756 | 58,934 | 95,248 |
| Transient Occupancy Taxes | 86,789 | 83,025 | 79,490 | 71,967 |
| Business License Taxes | 89,881 | 87,169 | 92,605 | 90,642 |
| In-Lieu Sales Tax | 469,799 | 632,023 | 676,367 | 545,380 |
| Other Taxes | - | - | - | - |
| Total taxes | <u>7,467,735</u> | <u>8,449,173</u> | <u>8,751,688</u> | <u>8,845,687</u> |
| Motor Vehicle In-Lieu | - | - | - | - |
| Intergovernmental | 1,094,772 | 432,818 | 247,333 | 255,884 |
| Investment Income | 220,438 | 680,643 | 481,495 | 463,456 |
| Miscellaneous Revenues | 63,199 | 118,534 | 107,844 | 108,328 |
| Special Items: | | | | |
| Legal Settlement | 1,928,645 | 1,045,000 | - | - |
| Sale of Land | 235,787 | 630 | - | - |
| Total Governmental activities | <u>11,010,576</u> | <u>10,726,798</u> | <u>9,588,360</u> | <u>9,673,355</u> |
| Business-type activities: | | | | |
| Total business-type activities | <u>-</u> | <u>15,985</u> | <u>250,428</u> | <u>223,250</u> |
| Total primary government | <u>\$ 11,010,576</u> | <u>\$ 10,742,783</u> | <u>\$ 9,838,788</u> | <u>\$ 9,896,605</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 3,811,466 | \$ 3,038,941 | \$ 3,322,360 | \$ 687,693 |
| Business-type activities | (159,508) | 630,418 | 602,840 | 809,522 |
| Prior Period Adjustments | - | - | - | - |
| Total primary government | <u>\$ 3,651,958</u> | <u>\$ 3,669,359</u> | <u>\$ 3,925,200</u> | <u>\$ 1,497,215</u> |

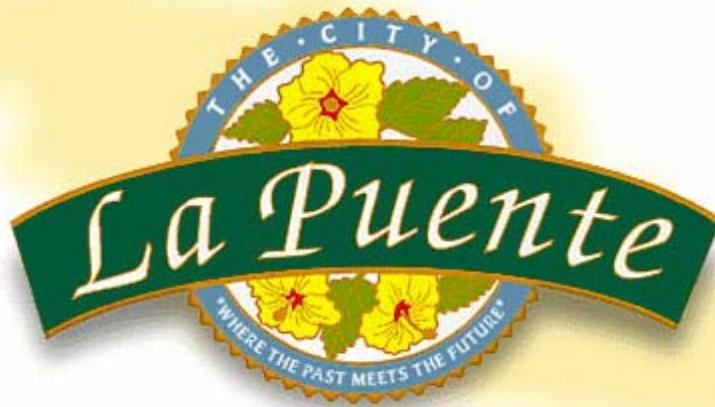
Source: Statement of Activities

| Fiscal Year | | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ (16,971,166) | \$ (9,250,888) | \$ (7,597,513) | \$ (7,616,955) | \$ (9,670,317) | \$ (7,882,283) |
| 634,412 | 551,016 | 1,209,912 | 612,826 | 587,130 | 397,781 |
| <u>\$ (16,336,754)</u> | <u>\$ (8,699,872)</u> | <u>\$ (6,387,601)</u> | <u>\$ (7,004,129)</u> | <u>\$ (9,083,187)</u> | <u>\$ (7,484,502)</u> |
| | | | | | |
| \$ 5,229,270 | \$ 5,118,947 | \$ 4,649,124 | \$ 4,591,293 | \$ 4,793,494 | \$ 4,996,279 |
| 662,966 | 896,989 | 915,203 | 981,476 | 942,507 | 974,152 |
| 1,500,841 | 1,779,729 | 1,779,534 | 1,767,497 | 1,782,617 | 2,040,668 |
| 117,126 | 40,608 | 48,832 | 46,120 | 52,324 | 53,669 |
| 82,605 | 137,402 | 153,444 | 172,369 | 192,100 | 207,306 |
| 86,927 | 186,303 | 128,970 | 91,961 | 92,207 | 91,025 |
| 386,646 | 548,785 | 609,430 | 632,735 | 572,155 | 612,837 |
| - | - | - | (100,000) | - | - |
| <u>8,066,381</u> | <u>8,708,763</u> | <u>8,284,537</u> | <u>8,183,451</u> | <u>8,427,404</u> | <u>8,975,936</u> |
| | | | | | |
| - | - | - | - | - | - |
| 170,929 | 377,755 | 86,146 | 60,404 | 124,139 | - |
| 144,194 | 93,806 | 61,285 | 31,786 | 114,002 | 423,177 |
| 199,206 | 30,562 | 242,172 | 43,067 | 98,793 | 284,213 |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>8,580,710</u> | <u>9,210,886</u> | <u>8,674,140</u> | <u>8,318,708</u> | <u>8,764,338</u> | <u>9,683,326</u> |
| | | | | | |
| 68,983 | 26,726 | 8,237 | 111,951 | 20,201 | 39,410 |
| <u>\$ 8,649,693</u> | <u>\$ 9,237,612</u> | <u>\$ 8,682,377</u> | <u>\$ 8,430,659</u> | <u>\$ 8,784,539</u> | <u>\$ 9,722,736</u> |
| | | | | | |
| \$ (8,390,456) | \$ (40,002) | \$ 1,076,627 | \$ 701,753 | \$ (905,979) | \$ 1,801,043 |
| 703,395 | 577,742 | 1,218,149 | 724,777 | 607,331 | 437,191 |
| - | - | - | - | - | 9,572,732 |
| <u>\$ (7,687,061)</u> | <u>\$ 537,740</u> | <u>\$ 2,294,776</u> | <u>\$ 1,426,530</u> | <u>\$ (298,648)</u> | <u>\$ 11,810,966</u> |

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

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Property Transfer Tax | Transient Occupancy Taxes | Business License Taxes | In-Lieu Sales Tax | Total |
|-------------|--------------|--------------|---------------|-----------------------|---------------------------|------------------------|-------------------|--------------|
| 2006 | \$ 4,032,046 | \$ 1,870,984 | \$ 694,517 | \$ 223,719 | \$ 86,789 | \$ 89,881 | \$ 469,799 | \$ 7,467,735 |
| 2007 | 4,794,769 | 1,935,111 | 709,320 | 207,756 | 83,025 | 87,169 | 632,023 | 8,449,173 |
| 2008 | 5,346,519 | 1,763,275 | 734,498 | 58,934 | 79,490 | 92,605 | 676,367 | 8,751,688 |
| 2009 | 5,604,423 | 1,467,084 | 970,943 | 95,248 | 71,967 | 90,642 | 545,380 | 8,845,687 |
| 2010 | 5,229,270 | 1,500,841 | 662,966 | 117,126 | 82,605 | 86,927 | 386,646 | 8,066,381 |
| 2011 | 5,118,947 | 1,779,729 | 896,989 | 40,608 | 137,402 | 186,303 | 548,785 | 8,708,763 |
| 2012 | 4,649,124 | 1,779,534 | 915,203 | 48,832 | 153,444 | 128,970 | 609,430 | 8,284,537 |
| 2013 | 4,591,293 | 1,767,497 | 981,476 | 46,120 | 172,369 | 91,961 | 632,735 | 8,283,451 |
| 2014 | 4,793,494 | 1,782,617 | 942,506 | 52,324 | 192,100 | 92,207 | 572,155 | 8,427,403 |
| 2015 | 4,996,279 | 2,040,668 | 974,152 | 53,669 | 207,306 | 91,025 | 612,837 | 8,975,936 |

Source: Statement of Activities



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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Reserved | \$ 6,946,674 | \$ 11,356,449 | \$ 11,943,037 | \$ 14,117,346 |
| Unreserved | 8,936,319 | 6,569,579 | 8,779,737 | 5,958,656 |
| Total general fund | <u>\$ 15,882,993</u> | <u>\$ 17,926,028</u> | <u>\$ 20,722,774</u> | <u>\$ 20,076,002</u> |
| All other governmental funds | | | | |
| Reserved | \$ 5,485,664 | \$ 5,537,503 | \$ 11,985,341 | \$ 14,239,645 |
| Unreserved, reported in: | | | | |
| Special Revenue Funds | 2,595,249 | 2,179,965 | 2,229,734 | 3,089,829 |
| Debt Service Fund | (1,841,098) | (1,950,311) | (2,795,778) | (3,377,292) |
| Capital Projects Funds | (6,331,557) | (6,665,360) | (5,500,761) | (11,674,885) |
| Total all other governmental funds | <u>\$ (91,742)</u> | <u>\$ (898,203)</u> | <u>\$ 5,918,536</u> | <u>\$ 2,277,297</u> |
| General Fund | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Unrestricted: | | | | |
| Unassigned | - | - | - | - |
| General Fund | - | - | - | - |
| Total Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| All other governmental funds | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Unrestricted: | | | | |
| Unassigned | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

Source: Balance Sheets - Governmental Funds

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 13,017,404 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6,093,429 | - | - | - | - | - |
| <u>\$ 19,110,833</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | |
| \$ 7,513,002 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2,146,069 | - | - | - | - | - |
| (4,126,158) | - | - | - | - | - |
| (12,508,278) | - | - | - | - | - |
| <u>\$ (6,975,365)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | |
| \$ - | \$ 12,968,441 | \$ 1,143,252 | \$ 790,213 | \$ 1,103,523 | \$ 12,741,849 |
| - | - | 1,521,681 | 1,527,172 | - | - |
| - | 5,601,360 | 4,843,455 | 5,327,809 | 4,908,111 | 5,317,486 |
| <u>\$ -</u> | <u>\$ 18,569,801</u> | <u>\$ 7,508,388</u> | <u>\$ 7,645,194</u> | <u>\$ 6,011,634</u> | <u>\$ 18,059,335</u> |
| | | | | | |
| \$ - | \$ 6,615,757 | \$ - | \$ - | \$ - | \$ - |
| - | 3,402,447 | 4,261,709 | 3,987,665 | 3,041,388 | 4,025,952 |
| - | (17,640,549) | (794,854) | (837,528) | - | (132,247) |
| <u>\$ -</u> | <u>\$ (7,622,345)</u> | <u>\$ 3,466,855</u> | <u>\$ 3,150,137</u> | <u>\$ 3,041,388</u> | <u>\$ 3,893,705</u> |

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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|---------------------|---------------------|---------------------|-----------------------|
| Revenues: | | | | |
| Taxes | \$ 7,467,735 | \$ 8,449,174 | \$ 8,751,688 | \$ 8,845,687 |
| Licenses and permits | 432,732 | 386,911 | 332,227 | 241,162 |
| Intergovernmental | 4,465,413 | 4,103,297 | 5,038,388 | 5,178,684 |
| Charges for services | 833,801 | 930,265 | 840,148 | 958,304 |
| Fines and Forfeitures | 606,351 | 625,597 | 665,409 | 603,259 |
| Investment Income | 193,146 | 664,921 | 466,760 | 463,456 |
| Other revenue | 63,199 | 122,477 | 171,996 | 108,328 |
| Total revenues | <u>14,062,377</u> | <u>15,282,642</u> | <u>16,266,616</u> | <u>16,398,880</u> |
| Expenditures: | | | | |
| General government | 2,556,526 | 2,559,138 | 1,977,375 | 1,979,259 |
| Public safety | 4,243,279 | 4,384,287 | 4,726,466 | 4,740,578 |
| Public Works | 1,870,146 | 1,923,101 | 1,937,843 | 1,895,557 |
| Recreation/Senior Services | 1,280,050 | 1,553,937 | 786,704 | 1,252,315 |
| Community Development | 1,646,099 | 1,959,098 | 2,776,773 | 2,368,298 |
| Redevelopment and Housing | 97,944 | 293,793 | 355,308 | 634,199 |
| Capital outlay | 955,586 | 1,952,728 | 7,239,556 | 8,883,691 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest & Fiscal Charges | 369,063 | 404,642 | 612,721 | 1,350,974 |
| Cost of Issuance | - | - | 252,180 | 82,020 |
| Total expenditures | <u>13,018,693</u> | <u>15,030,724</u> | <u>20,664,926</u> | <u>23,186,891</u> |
| Excess of revenues over (under) expenditures | <u>1,043,684</u> | <u>251,918</u> | <u>(4,398,310)</u> | <u>(6,788,011)</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 |
| Transfers Out | <u>(162,283)</u> | <u>(148,890)</u> | <u>(7,961,615)</u> | <u>(558,430)</u> |
| Total Other Financing Sources (Uses) | - | (60,344) | 14,011,795 | 2,500,000 |
| Special / Extraordinary Items | | | | |
| Legal Settlement | 1,928,645 | 1,045,000 | - | - |
| Sale of Land | 397,237 | - | - | - |
| Dissolution of RDA | - | - | - | - |
| Total Special / Extraordinary Items | <u>2,325,882</u> | <u>1,045,000</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 3,369,566</u> | <u>\$ 1,236,574</u> | <u>\$ 9,613,485</u> | <u>\$ (4,288,011)</u> |
| Debt service as a percentage of noncapital expenditures | 3.06% | 3.09% | 6.43% | 10.12% |

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----|------------------------|-----------------------|--------------------|----------------------|-----------------------|----------------------|
| \$ | 8,066,381 | \$ 8,708,763 | \$ 8,284,537 | \$ 8,283,451 | \$ 8,427,404 | \$ 8,975,936 |
| | 313,337 | 273,183 | 356,891 | 393,005 | 489,130 | 429,681 |
| | 4,477,921 | 4,945,362 | 4,344,589 | 4,348,679 | 4,577,580 | 3,272,845 |
| | 886,241 | 1,003,997 | 806,404 | 942,820 | 933,451 | 1,760,488 |
| | 547,680 | 458,677 | 491,027 | 399,365 | 339,929 | 276,871 |
| | 144,194 | 60,604 | 1,109,729 | 43,903 | 225,279 | 106,379 |
| | 714,402 | 35,812 | 320,617 | 43,150 | 95,209 | 280,225 |
| | <u>15,150,156</u> | <u>15,486,398</u> | <u>15,713,794</u> | <u>\$ 14,454,373</u> | <u>\$ 15,087,982</u> | <u>\$ 15,102,425</u> |
| | 2,267,156 | 2,893,469 | 2,414,268 | 2,441,815 | 3,406,585 | 2,463,305 |
| | 4,666,557 | 4,824,769 | 4,773,178 | 4,873,055 | 5,000,763 | 5,563,600 |
| | 1,711,607 | 1,485,074 | 1,189,367 | 1,305,707 | 1,625,091 | 1,004,253 |
| | 988,071 | 958,193 | 882,589 | 878,004 | 958,390 | 1,372,592 |
| | 2,414,069 | 2,606,245 | 1,971,871 | 1,940,182 | 2,488,043 | 1,459,534 |
| | 9,045,803 | 461,447 | 179,235 | - | - | - |
| | 2,751,793 | 1,955,078 | 2,331,483 | 2,369,863 | 2,138,224 | 2,126,904 |
| | 100,000 | 100,000 | 724,788 | 670,659 | 1,055,000 | 630,000 |
| | 1,348,651 | 1,390,135 | 2,350,000 | 588,235 | 158,195 | 274,400 |
| | - | - | - | - | - | - |
| | <u>25,293,707</u> | <u>16,674,410</u> | <u>16,816,779</u> | <u>15,067,520</u> | <u>16,830,291</u> | <u>14,894,588</u> |
| | <u>(10,143,551)</u> | <u>(1,188,012)</u> | <u>(1,102,985)</u> | <u>(613,147)</u> | <u>(1,742,309)</u> | <u>207,837</u> |
| | - | - | - | 9,945,000 | - | - |
| | - | - | - | (9,411,765) | - | - |
| | 1,598,359 | 967,830 | 1,242,934 | 196,390 | 697,503 | 666,920 |
| | <u>(1,672,639)</u> | <u>(967,830)</u> | <u>(1,292,934)</u> | <u>(296,390)</u> | <u>(697,503)</u> | <u>(666,920)</u> |
| | (74,280) | - | (50,000) | 433,235 | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | 1,180,772 | - | - | - |
| | - | - | <u>1,180,772</u> | - | - | - |
| | <u>\$ (10,217,831)</u> | <u>\$ (1,188,012)</u> | <u>\$ 27,787</u> | <u>\$ (179,912)</u> | <u>\$ (1,742,309)</u> | <u>\$ 207,837</u> |
| | 6.40% | 10.15% | 20.96% | 9.80% | 8.26% | 7.08% |

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 | | | |
| 2006 | 1,143,123,909 | 176,780,144 | 19,495,859 | 46,191,425 | (8,409,435) | 1,377,181,902 | 0.07425% |
| 2007 | 1,300,336,565 | 196,103,013 | 20,050,753 | 47,742,908 | (12,892,335) | 1,551,340,904 | 0.08601% |
| 2008 | 1,424,807,676 | 215,130,123 | 21,761,258 | 48,019,897 | (12,160,956) | 1,697,557,998 | 0.09465% |
| 2009 | 1,504,488,964 | 247,993,848 | 22,599,723 | 49,061,668 | (12,216,097) | 1,811,928,106 | 0.10454% |
| 2010 | 1,377,271,873 | 235,079,377 | 22,613,632 | 47,789,065 | (12,216,097) | 1,670,537,850 | 0.10809% |
| 2011 | 1,335,702,403 | 229,938,122 | 23,184,803 | 41,811,224 | (13,156,968) | 1,617,479,584 | 0.10549% |
| 2012 | 1,383,870,463 | 234,556,238 | 23,291,279 | 59,488,762 | (12,472,489) | 1,672,773,503 | 0.10669% |
| 2013 | 1,372,048,956 | 240,616,336 | 22,688,117 | 76,877,520 | (9,079,536) | 1,703,151,393 | 0.11113% |
| 2014 | 1,451,168,711 | 253,204,927 | 23,578,548 | 65,262,798 | (9,079,536) | 1,784,135,448 | 0.06478% |
| 2015 | 1,538,326,262 | 256,091,046 | 23,804,101 | 64,589,834 | (9,079,536) | 1,873,731,707 | 0.64860% |

Source: HdL, Coren & Cone; L.A. County Assessor 2014/15 Combined Tax Rolls

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

| Agency | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Basic Levy¹ | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| Bassett Unified School Dist | 0.09051 | 0.08210 | 0.10806 | 0.08990 | 0.10877 | 0.12316 | 0.11628 | 0.12773 | 0.11632 | 0.11539 |
| County Detention Facilities 1987 Debt | 0.00080 | 0.00066 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Hacienda-La Puente Unified | 0.05511 | 0.05239 | 0.05103 | 0.05681 | 0.05973 | 0.06462 | 0.06430 | 0.06689 | 0.06653 | 0.06432 |
| La County Flood Control | 0.00005 | 0.00005 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Metropolitan Water District | 0.00520 | 0.00470 | 0.00450 | 0.00430 | 0.00430 | 0.00370 | 0.00370 | 0.00350 | 0.00350 | 0.00350 |
| Mt. San Antonio College | 0.02122 | 0.02530 | 0.01750 | 0.02333 | 0.02571 | 0.02636 | 0.02642 | 0.02896 | 0.02023 | 0.02129 |
| Rowland Heights Unified | 0.03633 | 0.07429 | 0.06944 | 0.07029 | 0.06769 | 0.07538 | 0.09195 | 0.10053 | 0.12297 | 0.14313 |
| West Covina Unified | 0.06148 | 0.06511 | 0.05143 | 0.06041 | 0.05258 | 0.05920 | 0.05377 | 0.04965 | 0.03626 | 0.05412 |
| Total Direct & Overlapping² Tax Rates | 1.27069 | 1.30461 | 1.30196 | 1.30502 | 1.31878 | 1.35242 | 1.35641 | 1.37725 | 1.36581 | 1.40175 |
| City's Share of 1% Levy Per Prop 13³ | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 | 0.06582 |
| Redevelopment Rate⁴ | 1.00604 | 1.00541 | 1.00450 | 1.00430 | 1.00430 | 1.00370 | 1.00370 | n/a | n/a | n/a |
| Total Direct Rate⁵ | 0.07425 | 0.08601 | 0.09465 | 0.10454 | 0.10809 | 0.10549 | 0.10669 | 0.11113 | 0.06478 | 0.06478 |

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

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

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

⁴Redevelopment Rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/2013 and years thereafter.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. Beginning 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

n/a - not applicable

Data Source: L. A. County Assessor 2005/06 - 2014/15 Tax Rate Table
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**City of La Puente, California
Principal Property Taxpayers
Current Year and Ten Years Ago**

| <u>Taxpayer</u> | 2005/06 | | | 2014/15 | | |
|-------------------------------------|-----------------------|-------------|--|-----------------------|-------------|--|
| | <u>Taxable AV</u> | <u>Rank</u> | <u>% of Total Taxable AV</u> | <u>Taxable AV</u> | <u>Rank</u> | <u>% of Total Taxable AV</u> |
| Hacienda Plaza JPS LLC | \$ - | - | - | \$ 30,398,000 | 1 | 1.62% |
| Group X Rosemead Prop. | - | - | - | 22,237,492 | 2 | 1.19% |
| Big 5 Corporation | 19,525,787 | 1 | 1.44% | - | - | - |
| Haeri LLC | 13,908,707 | 2 | 1.02% | 15,527,099 | 3 | 0.83% |
| Sunkist Shopping Center | 11,568,765 | 3 | 0.85% | 13,154,694 | 4 | 0.70% |
| Villa Las Brisas LLC | - | - | - | 12,286,660 | 5 | 0.66% |
| Jasmine Real Estate Investments LLC | - | - | - | 11,976,725 | 6 | 0.64% |
| Laurala Limited | 8,291,301 | 5 | 0.61% | 11,307,754 | 7 | 0.60% |
| Walnut Apartments | 9,768,231 | 4 | 0.72% | 11,098,076 | 8 | 0.59% |
| PI Properties No 32 LLC | - | - | - | 10,942,543 | 9 | 0.58% |
| Wind Chime Properties | - | - | - | 10,741,642 | 10 | 0.57% |
| David L. Tsoong Co Trust | 8,276,115 | 6 | 0.61% | - | - | - |
| Mahomed&A.M. Limbada | 6,591,406 | 7 | 0.48% | - | - | - |
| La Puente Gardens | 5,753,560 | 8 | 0.42% | - | - | - |
| Prince N. Dennis & I. Shan Li | 5,612,000 | 9 | 0.41% | - | - | - |
| La Puente Plaza LLC | 5,610,833 | 10 | 0.41% | - | - | - |
| | <u>\$ 94,906,705</u> | | <u>6.97%</u> | <u>\$ 149,670,685</u> | | <u>7.98%</u> |

Source: HdL Coren & Cone

**City of La Puente, California
Property Tax Levies and Collections ⁽¹⁾
Last Ten Fiscal Years**

| Fiscal Year | Total Tax Levy ⁽¹⁾ | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Total Tax Levy |
|----------------|----------------------------------|----------------------------|--|-------------------------------|--------------------------|---|
| 2006 | \$ 882,864 | \$ 746,746 | 84.6% | \$ 1,931 | \$ 748,677 | 84.8% |
| 2007 | 976,622 | 852,795 | 87.3% | 5,879 | 858,674 | 87.9% |
| 2008 | 1,056,106 | 897,977 | 85.0% | - | 897,977 | 85.0% |
| 2009 | 1,126,953 | 968,444 | 85.9% | 9,737 | 978,181 | 86.8% |
| 2010 | 1,040,321 | 888,710 | 85.4% | 12,259 | 900,969 | 86.6% |
| 2011 | 999,478 | 867,546 | 86.8% | 371 | 867,916 | 86.8% |
| 2012 | 1,027,929 | 942,203 | 91.7% | - | 942,203 | 91.7% |
| 2013 | 1,048,173 | 950,591 | 90.7% | - | 950,591 | 90.7% |
| 2014 | 1,078,480 | 999,723 | 92.7% | - | 999,723 | 92.7% |
| 2015 | 1,152,928 | 1,072,238 | 93.0% | - | 1,072,238 | 93.0% |

⁽¹⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption and supplemental roll.

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 | (2) Percentage of Personal Income | Per Capita (2) |
|-------------|------------------------------------|-----------------|-----------|--------------------------|--------------------------|--------------------------------------|----------------|
| | Tax Allocation Bond ⁽¹⁾ | Lease Agreement | Loan | Sewer Bonds | | | |
| 2005 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2006 | - | - | - | - | - | - | - |
| 2007 | - | - | - | - | - | - | - |
| 2008 | 4,040,000 | 10,000,000 | - | 10,260,000 | 24,300,000 | 2.46% | 566 |
| 2009 | 4,040,000 | 10,000,000 | 2,500,000 | 10,085,000 | 26,625,000 | 2.20% | 618 |
| 2010 | 4,040,000 | 10,000,000 | 2,400,000 | 9,925,000 | 26,365,000 | 2.32% | 608 |
| 2011 | 3,990,000 | 10,000,000 | 2,300,000 | 9,730,000 | 26,020,000 | 2.31% | 656 |
| 2012 | 3,940,000 | 9,411,765 | - | 9,530,000 | 22,881,765 | 2.75% | 471 |
| 2013 | - | 8,890,000 | 270,000 | 9,320,000 | 18,480,000 | 3.41% | 450 |
| 2014 | - | 8,260,000 | - | 9,105,000 | 17,365,000 | 3.59% | 429 |
| 2015 | - | 7,635,000 | - | 8,880,000 | 16,515,000 | 3.77% | 408 |

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

¹ Debt is related to dissolved Community Development Commission

² See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of La Puente, California
Computation of Direct and Overlapping Bonded Debt
June 30, 2015

| Jurisdiction | Net General Obligation Bonded Debt Outstanding | Percentage Applicable to City of La Puente | Net Bonded Debt |
|--|--|--|-----------------------|
| Direct - City of La Puente | | | |
| Community Center Debt | \$ 8,260,000 | 100.000 | \$ 7,635,000 |
| 2007 Sewer Revenue Bonds | 8,880,000 | 100.000 | 8,880,000 |
| SA Rev Ref Bonds | 3,760,000 | 100.000 | 3,760,000 |
| Total Direct Debt | | | 20,275,000 |
| Overlapping Debt: | | | |
| Water District: | | | |
| *330.10 METROPOLITAN WATER DISTRICT | 53,296,395 | 0.182 | 96,961 |
| Mt San Antonio College: | | | |
| MT. SAN ANTONIO CCD DS 2001, 2006 SERIES C | 1,975,000 | 2.486 | 49,107 |
| MT. SAN ANTONIO CCD DS 2001, 2008 SERIES D | 21,706,654 | 2.486 | 539,722 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 13A | 203,861,691 | 2.486 | 5,068,889 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2013B | 10,640,000 | 2.486 | 264,557 |
| MT. SAN ANTONIO CCD DS 2013 REF SERIES A | 73,910,000 | 2.486 | 1,837,724 |
| MT. SAN ANTONIO CCD DS 2013 REF SERIES B | 47,085,000 | 2.486 | 1,170,738 |
| School District: | | | |
| BASSETT USD DS 2004 SERIES 2005 A | 1,173,352 | 6.867 | 80,579 |
| BASSETT USD DS 2004 SERIES 2005 B | 4,636,192 | 6.867 | 318,388 |
| BASSETT USD DS 2006 SER 2007 | 17,454,536 | 6.867 | 1,198,682 |
| BASSETT USD DS 2006 SER B | 25,005,000 | 6.867 | 1,717,207 |
| HACIENDA-LA PUENTE USD DS 2000 SERIES A | 2,724,899 | 13.032 | 355,109 |
| HACIENDA-LA PUENTE USD DS 2000 SERIES 2003B | 3,704,104 | 13.032 | 482,719 |
| HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS | 23,915,000 | 13.032 | 3,116,604 |
| HACIENDA-LA PUENTE USD DS 2007 REFUNDING | 54,785,000 | 13.032 | 7,139,585 |
| ROWLAND HEIGHTS USD DS 2000 SERIES A | 2,023,650 | 1.626 | 32,910 |
| ROWLAND HEIGHTS USD DS 2000 SERIES B | 8,719,075 | 1.626 | 141,796 |
| ROWLAND HEIGHTS USD DS 2005 REF BONDS | 10,164,210 | 1.626 | 165,298 |
| ROWLAND HEIGHTS USD DS 2006 SERIES A | 41,190,000 | 1.626 | 669,864 |
| ROWLAND HEIGHTS USD DS 2006 SERIES B | 29,122,549 | 1.626 | 473,614 |
| ROWLAND HEIGHTS USD DS 2006 SERIES C (BABS) | 12,000,000 | 1.626 | 195,153 |
| ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB | 21,475,000 | 1.626 | 349,243 |
| ROWLAND HEIGHTS USD DS 2006 SERIES E | 557,451 | 1.626 | 9,066 |
| ROWLAND HEIGHTS USD DS 2012 SERIES A | 46,600,000 | 1.626 | 757,846 |
| ROWLAND HEIGHTS USD DS 2013 REF BONDS | 28,635,000 | 1.626 | 465,685 |
| ROWLAND HEIGHTS USD DS 2012 SERIES B | 67,999,972 | 1.626 | 1,105,869 |
| WEST COVINA USD 2002 REFUNDING SERIES A | 12,855,000 | 0.965 | 124,020 |
| WEST COVINA USD DS 2012 REF BONDS | 14,275,000 | 0.965 | 137,720 |
| Total Overlapping Debt | | | 28,064,655 |
| Total Direct and Overlapping Debt | | | \$ 48,339,655 |

2014/15 Assessed Valuation: \$1,769,179,147 after deducting \$104,552,560 incremental value.

Debt To Assessed Valuation Ratios:

| | |
|------------------|-------|
| Direct Debt | 1.15% |
| Overlapping Debt | 1.59% |
| Total Debt | 2.73% |

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

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

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, L. A. County Assessor and Auditor Combined 2014/15 Lien Date Tax Rolls.

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

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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Debt Limit | \$ 207,838,701 | \$ 234,634,986 | \$ 256,457,843 | \$ 273,621,630 | \$ 252,413,092 |
| Total net debt applicable to limit | - | - | - | - | - |
| Legal debt margin | \$ 190,361,919 | \$ 207,838,701 | \$ 234,634,986 | \$ 256,457,843 | \$ 273,621,630 |
| Total net debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% |

Source: HdL Coren & Cone; L.A. County Assessor 2014/15 Combined Tax Rolls

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 244,595,483 | \$ 255,181,011 | \$ 255,472,709 | \$ 268,982,248 | \$ 282,421,686 |
| - | - | - | - | - |
| <u>\$ 244,595,483</u> | <u>\$ 255,181,011</u> | <u>\$ 255,472,709</u> | <u>\$ 268,982,248</u> | <u>\$ 282,421,686</u> |
| 0% | 0% | 0% | 0% | 0% |

Legal Debt Margin Calculation for Fiscal Year 2015

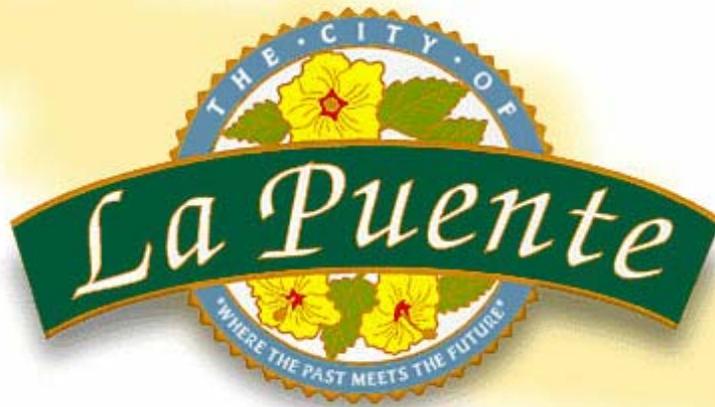
| | |
|--|-----------------------|
| Assessed value | \$ 1,873,731,707 |
| Add back: exempt real property | <u>9,079,536</u> |
| Total assessed value | 1,882,811,243 |
| Debt limit (15% of total assessed value) | 282,421,686 |
| Debt applicable to limit: | |
| General obligation bonds | - |
| Less: Amount set aside for repayment of general obligation debt | <u>-</u> |
| Total net debt applicable to limit | - |
| Legal debt margin | <u>\$ 282,421,686</u> |

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

| Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | School Enrollment ⁽¹⁾ | Unemployment Rate |
|------|------------|---|-------------------------------------|-------------------------------------|----------------------|
| 2006 | 43,048 | 546,704 | 12,700 | 20,821 | 6.4% |
| 2007 | 42,999 | 575,580 | 13,386 | 19,831 | 5.7% |
| 2008 | 42,919 | 594,077 | 13,842 | 19,072 | 6.0% |
| 2009 | 42,937 | 598,852 | 13,947 | 18,153 | 8.8% |
| 2010 | 43,105 | 586,965 | 13,617 | 17,495 | 13.6% |
| 2011 | 43,355 | 611,219 | 14,098 | 17,235 | 14.8% |
| 2012 | 39,987 | 601,364 | 15,039 | 20,708 | 14.4% |
| 2013 | 40,222 | 629,796 | 15,658 | 20,783 | 10.9% |
| 2014 | 40,478 | 630,526 | 15,577 | 20,032 | 9.0% |
| 2015 | 40,496 | 623,314 | 15,392 | 19,642 | 7.3% |

Notes: ¹ School Enrollment is total enrollment for Hacienda-La Puente Unified School District

Source: Population - California State Department of Finance
 Personal Income, Per Capita Personal Income, Median Age are provided by HdL Coren & Cone
 School Enrollment - California Department of Education
 Unemployment Rate - California Employment Development Department



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**City of La Puente, California
Principal Employers
Last Ten Fiscal Years**

| Employer | 2006 | | | 2007 | | |
|-----------------------|--------------|--------|----------------------------|--------------|--------|----------------------------|
| | # of Emp. | Rank # | % of Total City Employment | # of Emp. | Rank # | % of Total City Employment |
| Northgate Supermarket | 120 | 2 | 3.10% | 120 | 1 | 3.13% |
| Food 4 Less #369 | 58 | 6 | 1.50% | 58 | 5 | 1.51% |
| Sunset Gardens West | - | - | - | - | - | - |
| Ed Butts Ford | 70 | 4 | 1.81% | 70 | 3 | 1.83% |
| Big Saver Foods #12 | 60 | 5 | 1.55% | 60 | 4 | 1.57% |
| CVS Pharmacy #9629 | - | - | - | - | - | - |
| Merritt's Hardware | 50 | 8 | 1.29% | 50 | 6 | 1.31% |
| 99cents Only Stores | - | - | - | - | - | - |
| Burger King | 37 | 10 | 0.95% | 37 | 8 | 0.97% |
| AJ Wright #218 | - | - | - | 35 | 9 | 0.91% |
| Jack in the Box | - | - | - | - | - | - |
| Walgreens #05702 | 41 | 9 | 1.06% | 41 | 7 | 1.07% |
| Others | 3,877 | - | 82.28% | 3,214 | - | 83.94% |
| Benchmark Staffing | 74 | 3 | 1.91% | 109 | 2 | 2.85% |
| Big Lots | - | - | - | 35 | 10 | 0.91% |
| Northgate Gonzales | 121 | 1 | 3.12% | - | - | - |
| Sav On Drugs #9629 | 56 | 7 | 1.44% | - | - | - |
| Total | 4,564 | | 100.00% | 3,829 | | 100.00% |

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

Source: City Finance Department - Business License Division

| 2008 | | | 2009 | | | 2010 | | |
|-----------|--------|----------------------------|-----------|--------|----------------------------|-----------|--------|----------------------------|
| # of Emp. | Rank # | % of Total City Employment | # of Emp. | Rank # | % of Total City Employment | # of Emp. | Rank # | % of Total City Employment |
| 120 | 1 | 3.14% | 120 | 1 | 3.25% | 120 | 1 | 3.13% |
| 58 | 6 | 1.52% | 75 | 2 | 2.03% | 77 | 2 | 2.01% |
| 75 | 2 | 1.96% | 75 | 2 | 2.03% | 75 | 3 | 1.96% |
| 70 | 3 | 1.83% | 70 | 3 | 1.89% | 70 | 4 | 1.83% |
| 60 | 4 | 1.57% | 60 | 4 | 1.62% | 60 | 5 | 1.57% |
| 54 | 7 | 1.41% | 54 | 5 | 1.46% | 54 | 6 | 1.41% |
| 50 | 8 | 1.31% | 50 | 6 | 1.35% | 50 | 7 | 1.30% |
| 38 | 10 | 0.99% | 37 | 8 | 1.00% | 37 | 8 | 0.97% |
| - | - | - | 37 | 8 | 1.00% | 37 | 8 | 0.97% |
| - | - | - | 35 | 9 | 0.95% | 35 | 9 | 0.91% |
| - | - | - | 32 | 10 | 0.87% | 32 | 10 | 0.83% |
| 41 | 9 | 1.07% | 41 | 7 | 1.11% | 32 | 10 | 0.83% |
| 3,198 | - | 83.63% | 3,009 | - | 81.43% | 3,154 | - | 82.29% |
| 60 | 5 | 1.57% | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 3,824 | | 100.00% | 3,695 | | 100.00% | 3,833 | | 100.00% |

| 2013 | | | 2014 | | | 2015 | | |
|-----------|--------|----------------------------|-----------|--------|----------------------------|-----------|--------|----------------------------|
| # of Emp. | Rank # | % of Total City Employment | # of Emp. | Rank # | % of Total City Employment | # of Emp. | Rank # | % of Total City Employment |
| 120 | 1 | 3.72% | 120 | 1 | 3.47% | 120 | 1 | 3.24% |
| - | - | 0.00% | - | - | 0.00% | 88 | 2 | 2.38% |
| - | - | 0.00% | - | - | 0.00% | 80 | 3 | 2.16% |
| 80 | 2 | 2.48% | 80 | 2 | 2.31% | 80 | 3 | 2.16% |
| 75 | 3 | 2.33% | 75 | 3 | 2.17% | 75 | 4 | 2.03% |
| 60 | 5 | 1.86% | 60 | 4 | 1.73% | 60 | 5 | 1.62% |
| 70 | 4 | 2.17% | 59 | 5 | 1.70% | 59 | 6 | 1.59% |
| - | - | 0.00% | 51 | 6 | 1.47% | 49 | 7 | 1.32% |
| 43 | 6 | 1.33% | 43 | 7 | 1.24% | 43 | 8 | 1.16% |
| - | - | 0.00% | - | - | 0.00% | 40 | 9 | 1.08% |
| 37 | 7 | 1.15% | 37 | 8 | 1.07% | 37 | 10 | 1.00% |
| 35 | 9 | 1.09% | 35 | 9 | 1.01% | 35 | - | 0.95% |
| - | - | 0.00% | - | - | 0.00% | 33 | - | 0.89% |
| 32 | 8 | 0.99% | 32 | 10 | 0.92% | 32 | - | 0.86% |
| 32 | 10 | 0.99% | 32 | - | 0.92% | 32 | - | 0.86% |
| 32 | - | 0.99% | 32 | - | 0.92% | 32 | - | 0.86% |
| 2,608 | - | 80.89% | 2,805 | - | 81.05% | 2,805 | - | 75.81% |
| 3,224 | | 100.00% | 3,461 | | 100.00% | 3,700 | | 100.00% |

City of La Puente, California
Full-time Equivalent City Government Employees by Program/Function
As of June 30, 2015

| Program/Function | 2006 | 2007 | 2008 |
|---|--------------|--------------|--------------|
| General Government | | | |
| City Council | 5.00 | 5.00 | 5.00 |
| City Clerk/Election Services | 2.68 | 1.73 | 3.65 |
| Human Resources/Risk Management | - | - | 0.75 |
| Administration | 2.38 | 1.62 | 1.95 |
| Financial Services | 4.36 | 3.83 | 3.45 |
| Public Safety | | | |
| Public Safety Services | Contract | Contract | Contract |
| Public Works Services | | | |
| General Services | 1.40 | 0.75 | 0.75 |
| Emergency Preparedness Services | Contract | Contract | Contract |
| Public Works Services | 2.20 | 2.20 | 3.30 |
| Measure R | | | |
| Streets/Sidewalks (Prop C) | 0.58 | 2.02 | 0.45 |
| Waste Management Services | 0.60 | 0.40 | 0.25 |
| Park/Maintenance Services | 5.64 | 5.34 | 5.00 |
| Community Development | | | |
| Planning/Zoning Services | 2.93 | 2.11 | 2.72 |
| Housing/Community Services | 3.94 | 2.65 | 4.23 |
| Community Preservation Services | 4.76 | 5.76 | 5.40 |
| Public Transit Services (Prop A) | 2.03 | 2.32 | 2.00 |
| Recreation/Senior Services | | | |
| Recreation Services | 2.77 | 2.42 | 2.50 |
| Youth Activity Learning Center | - | - | - |
| Nature Education Center | - | - | - |
| Senior Services | 0.73 | 0.94 | 0.90 |
| Sewer Maintenance Fund | | | |
| Sewer Maintenance | - | 1.11 | 1.10 |
| Equipment Replacement Fund | | | |
| IT/Equipment Charges | - | 0.80 | 1.00 |
| Community Development Commission | | | |
| Low Mod Income Housing/Capital Project Fund | - | - | 0.60 |
| | <u>42.00</u> | <u>41.00</u> | <u>45.00</u> |

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

| 2009 | 2010 | 2011* | 2012 | 2013 | 2014 | 2015 |
|--------------|--------------|----------|--------------|--------------|--------------|--------------|
| 5.00 | 5.00 | n/a | 5.00 | 5.00 | 5.00 | 5.00 |
| 3.80 | 0.98 | n/a | 1.00 | 2.00 | 2.00 | 2.00 |
| 0.75 | 1.50 | n/a | n/a | n/a | n/a | n/a |
| 1.92 | 0.85 | n/a | 2.00 | 2.00 | 2.00 | 2.00 |
| 3.86 | 3.35 | n/a | 6.00 | 5.00 | 6.00 | 6.50 |
| Contract | Contract | Contract | Contract | Contract | Contract | Contract |
| 1.00 | 1.02 | n/a | n/a | n/a | n/a | n/a |
| Contract | Contract | Contract | Contract | Contract | Contract | Contract |
| 2.65 | 4.77 | n/a | 4.00 | 6.00 | 6.00 | 4.00 |
| | 0.11 | n/a | n/a | n/a | n/a | n/a |
| 1.40 | 0.99 | n/a | n/a | n/a | n/a | n/a |
| 0.20 | 0.06 | n/a | n/a | n/a | n/a | n/a |
| 6.65 | 4.71 | n/a | n/a | n/a | n/a | n/a |
| 3.03 | 2.68 | n/a | 1.00 | 1.00 | 1.00 | 2.00 |
| 1.84 | 1.70 | n/a | 1.00 | 1.00 | 1.00 | 1.00 |
| 6.00 | 6.00 | n/a | 6.00 | 6.00 | 6.00 | Contract |
| 2.15 | 2.39 | n/a | n/a | n/a | n/a | n/a |
| 2.34 | 2.19 | n/a | 2.00 | 3.00 | 3.00 | 3.00 |
| 0.33 | - | - | - | 1.00 | 1.00 | 1.00 |
| 1.00 | 2.62 | n/a | n/a | n/a | n/a | n/a |
| 2.83 | 1.19 | n/a | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.80 | 1.79 | n/a | n/a | n/a | n/a | n/a |
| 1.20 | 1.50 | n/a | n/a | n/a | n/a | n/a |
| 0.75 | 3.60 | n/a | n/a | n/a | n/a | n/a |
| <u>50.50</u> | <u>49.00</u> | <u>-</u> | <u>29.00</u> | <u>33.00</u> | <u>34.00</u> | <u>27.50</u> |

City of La Puente, California
Operating Indicators by Function
As of June 30, 2015

| Function/Program | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---|-------------|-------------|-------------|
| Public Safety* | | | |
| Physical arrests | 3,481 | 3,646 | - |
| Parking Citations Issued | 9,065 | 10,208 | 10,394 |
| Building and Safety | | | |
| Construction Valuation | n/a | 8,482,989 | 7,144,374 |
| Building Permits Issued | n/a | 369 | 308 |
| Highways and Streets* | | | |
| Street resurfacing (Square Feet) | n/a | n/a | n/a |
| Sanitation* | | | |
| Refuse collected (tons/day) | 76.65 | 69.49 | 51.75 |
| Recyclables collected (tons/day) | 7.38 | 6.79 | 4.28 |
| Green waste collected (tons/day) | 11.69 | 9.60 | 10.59 |
| Community Services | | | |
| Special Event-Main Street Run (number of participants) | 4,000 | 3,675 | 3,335 |

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

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

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1,887 | 1,781 | 1,772 | 1,160 | 1,210 | 1,279 | 1,458 |
| 9,432 | 5,650 | 6,619 | 6,993 | 6,687 | 5,881 | 5,382 |
| 6,195,378 | 5,624,712 | 3,900,556 | 9,935,892 | 7,773,162 | 6,645,112 | 6,775,623 |
| 216 | 293 | 321 | 292 | 396 | 364 | 317 |
| n/a | n/a | n/a | 154,660 | 288,100 | 305,447 | 240,180 |
| 67.36 | 57.18 | 55.27 | 55.02 | 51.75 | 61.53 | 60.12 |
| 6.98 | 4.89 | 4.59 | 4.57 | 4.28 | 4.59 | 4.53 |
| 9.36 | 10.99 | 10.97 | 11.23 | 10.59 | 9.77 | 9.64 |
| 3,653 | 5,190 | 3,500 | 3,330 | 4,391 | 3,730 | 3,825 |

City of La Puente, California
Capital Asset Statistics by Function
As of June 30, 2015

| Function/Program | Fiscal Year 2015 |
|--|---------------------|
| General Government | |
| City Hall | 1 |
| Public Safety | |
| Police: | |
| Stations | Contract out |
| Patrol units | Contract out |
| Fire stations | Contract out |
| Sanitation | |
| Collection trucks | Contract out |
| Highways and streets | |
| Streets (miles) | 73 |
| Streetlights | 94 |
| Traffic signals | 43 |
| Community Services | |
| Park acreage | 24.2 |
| Park | 2 |
| Community Center | 1 |
| Youth Learning Activity Center | 1 |
| Senior Center | 1 |
| Water | |
| Water mains (miles) | Non City-Owned |
| Fire hydrants | Non City-Owned |
| Maximum daily capacity (thousands of gallons) | N/A |
| Sewer | |
| Sanitary sewers (miles) | 64.3 |
| Storm drains (miles) | 11.5 |
| 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 and the recently completed Puente Creek Nature and Education Center.

Source: City of La Puente