

**Comprehensive Annual Financial Report
City of La Puente, California
Year ended June 30, 2011
with Report of Independent Auditors**

Prepared by: Finance Department

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INTRODUCTORY SECTION

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City of La Puente

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December 14, 2011

Honorable City Council and Residents of the City of La Puente

INTRODUCTION

The Comprehensive Annual Financial Report of the City of La Puente for the fiscal year ended June 30, 2011 is submitted herewith. This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). This report is also in compliance with the relevant requirements of Governmental Accounting, Auditing, and Financial Reporting published by the Governmental Finance Officers Association of the United States and Canada.

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

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

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

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

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

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

MAJOR INITIATIVES

For The Year. The City of La Puente has accomplished a great deal during fiscal year 2010-2011. A few of the year's completed projects include:

- Completed the rehabilitation of City streets on Inyo Street and Ardilla Street. The scope of work included cold milling and overlay of the pavement, construction of sidewalk, curb ramps, driveway approaches, cross gutter; reconstruction and relocation of existing wall, fences and gates; installation of traffic loops and pavement markings. In Inyo Street, the work also included removal of 8-inch sewer main and installation of 10-inch PVC sewer main, reconstruction of manhole channels and shelves, removal and construction of a manhole, installation of new Wyes and connection to existing laterals. This project was funded by Traffic Congestion Relief and Proposition 1B Funds.
- Completed street improvements on Loukelton Street and Unruh Avenue. The scope of work included cold milling and overlay of the pavement; reconstruction of sidewalk, curb and gutter, curb ramps, driveway approaches, cross gutter; and installation of traffic loops and pavement markings. This project was funded by Proposition 1B, American Recovery and Reinvestment Act of 2009 (ARRA) and Measure R Funds.
- Completed street reconstruction on Temple Avenue, Dora Guzman Avenue and Del Valle Avenue. The scope of work included cold mill and overlay of the pavement, construction of sidewalk, curb ramps, driveway approaches, traffic loops, pavement markings, and landscaping. This project was funded by Traffic Congestion Relief, Proposition 1B and Prop C Funds.
- Completed the Valley Improvement Project of Phase I. The scope of work included demolition, removals and earthwork; construction of a 5 foot retaining wall and 8 foot high block wall, 12-inch wide concrete v-gutter, parkway drains; furnishing and installation of 2-

inch layer of decomposed granite with filter fabric and adjusting to grade pull box lids and covers, water valve box frames and covers. This project was funded by Community Development Block Grant and Measure R Funds.

- Continued the Sewer Construction/Maintenance project which includes plans, specifications, cost estimates and constructions of sewer improvement identified in the Sewer System Capital Program.

For The Future. Though essentially a built-out city, the City is currently experiencing ongoing redevelopment and capital improvement projects for fiscal year 2011-2012:

- The City and CDC continues to work with the developer for the proposed development of former La Puente Lanes site and adjacent properties totaling 9.75 acres. Progress has been moving along and project is expected to be completed in Fiscal Year 2011-2012.
- The City will continue to develop for the public use of a small community park operated by the City of La Puente. The site will include various park amenities, including a small playground, fitness equipment, walking path, a dog park area, and drought tolerant landscape.
- The City will repair sections of damaged/uplifted sidewalks caused from the growth of tree roots which currently restrict the mobility of elderly persons or severely disabled adults and create six (6) new handicap ramps in certain areas within the City limits. This projected is funded by Community Development Block Grant and TDA Article 3 Funds.
- The City will complete the Nature Education Center project which will include demolition, grading, drainage, sewer connection, water with backflow and sub-meter, electrical work with installation of conduit, junction boxes, lighting, connection for irrigation controllers, AC paving, concrete flatwork, stabilized decomposed granite paving, trash enclosure, retaining seat wall with channel, picnic shelter, pedestrian bridge, site furnishings, boulder/cobble stream and wetland, play area, signage, fencing, pre-fabricated restroom building, park entry monument sign, landscape and irrigation. This project will be funded by various Federal, State & County Grant Funds.
- The City will perform several street improvements projects in the coming year including Nelson, Del Valle, Sierra Vista; Intersection of Amar and Tonopah; arterial/collector street improvements.
- The City will complete work on the installation of various left turn signals located between Valley and Ferrero, Temple and Orange, Temple and Sunset to enhance traffic safety.
- The City will continue with the Sewer Construction/Maintenance project which will include design work and construction costs.
- The City will work on the replacement of the current A/C unit located in the City Hall.
- The City will continue the Valley Improvement Project which will include addition of block wall within the City's right of way along the rear property line of the residences located on Valley Boulevard covering 16648 Inyo Street to 16534 Inyo Street to 16320 Inyo Street. This project will be funded by Community Development Block Grant, Measure R and Gas Tax Funds.

The goal is to accomplish projects listed above during the fiscal year of 2011-2012 however there are some projects that will be carried over to the following fiscal year.

As a “no/low” property tax City that is primarily residential, La Puente relies heavily on its two major revenue sources, Sales Tax and Motor Vehicle License Fees (MVLFF), to support General Fund operations. These two sources represent approximately 52% of the City’s general fund revenue.

FINANCIAL CONTROLS

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

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

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

OTHER INFORMATION

Local economy - Major businesses located in the City include automobile dealerships, grocery markets, and hardware stores. The businesses appear to have a varied economic base. However, due to the recession, which is the worst since the Great Depression, the unemployment rate is still expected to rise but at a slower pace. During the past year, the unemployment rate rose from 13.6% to 14.3%.

Long-term financial planning – Unassigned fund balance in the general fund is \$5.6 million, a level which falls within the management budget guidelines as approved by the Council for budgetary and planning purposes.

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

Also, on March 7, 2010 the City Council approved a resolution supporting a reorganization of City personnel and consideration of adopting an amendment to the City's classification plan, compensation plan, and table of organization. The reclassification/reorganization will represent an estimated annual savings of approximately \$950,000.

Certificates of Achievements - 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, 2010. In order to receive the award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. The awards are valid for a period of one year only. We believe that our current CAFR continues to meet program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, the City also received the Distinguished Budget Presentation Award from the GFOA and Excellence in Operating Budget Award from the California Society of Municipal Finance Officers (CSMFO) for its fiscal year 2010-2011 Adopted Budget.

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



Bret Plumlee, City Manager

**CITY OF LA PUENTE, CALIFORNIA
Directory of Officials**

CITY COUNCIL

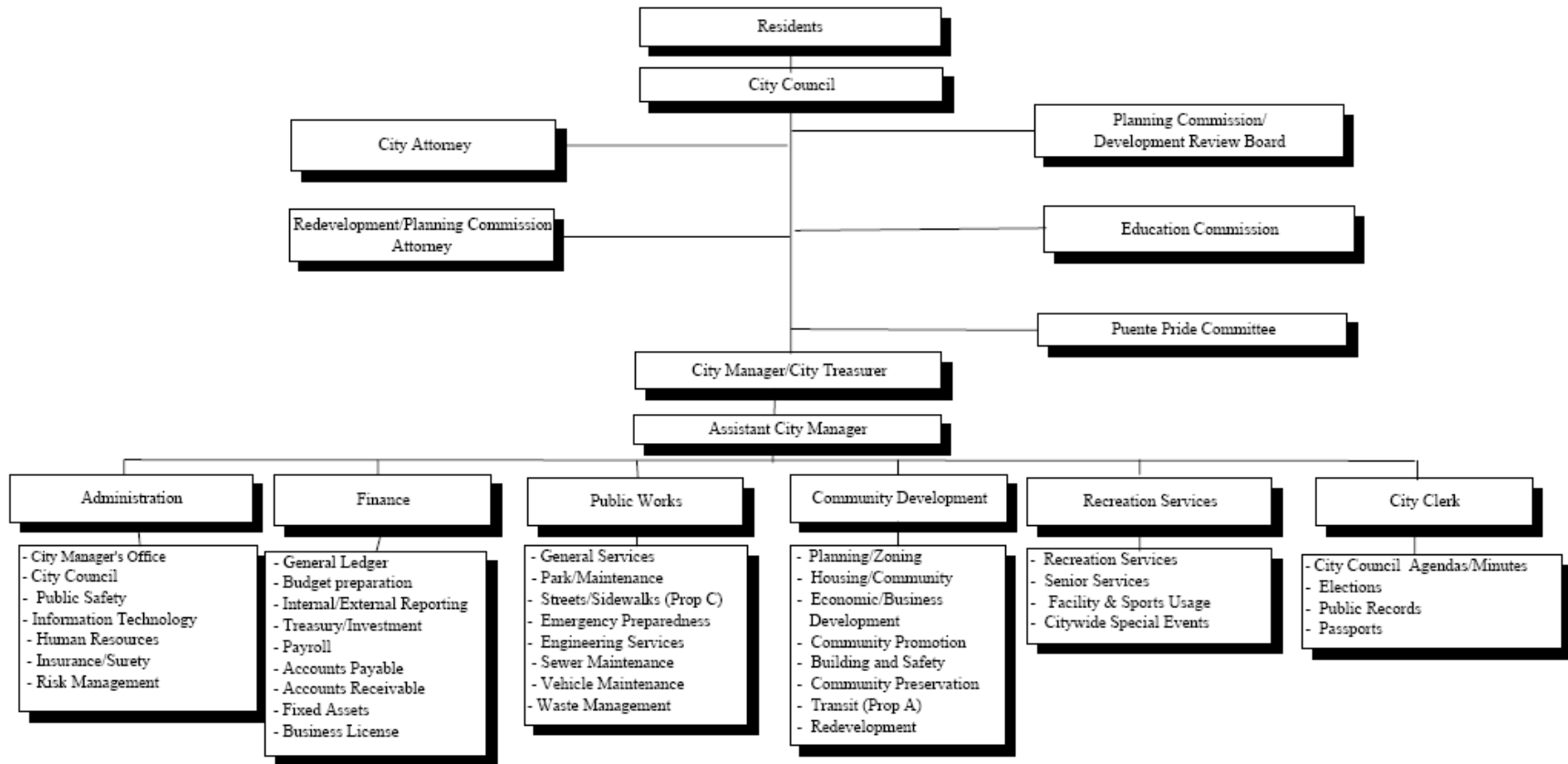
John Solis, Mayor
David Argudo, Mayor Pro Tem
Dan Holloway, Councilmember
Nadia Mendoza, Councilmember
Vince House, Councilmember

CITY OFFICIALS

City Manager/City TreasurerBret Plumlee
Interim City Attorney.....James Casso
Director of Administrative Services Ward Komers
Chief of Police.....Pete Cacheiro
Acting Finance Manager.....Sophia Leung
Acting Deputy City Clerk.....Adrian Garcia

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City of La Puente Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of La Puente
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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Report of Independent Auditors

City Council City of La Puente, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of and for the year ended June 30, 2011, which collectively comprise the City of La Puente's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of La Puente's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 6, the La Puente Community Development Commission's legal status and financial position and operations may be significantly impacted by legislation passed during the year ended June 30, 2011, and related litigation. The California Supreme Court has issued a partial stay of the effectiveness of the legislation until it can consider and rule on the issues of the matter. The outcome of the litigation and the effects of the legislation, if enacted, are not reasonably determinable.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City of La Puente has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, effective for the fiscal year ended June 30, 2011. As a result of this required implementation, fund balance classifications in the governmental fund financial statements have been changed to reflect the new fund balance classifications under GASB 54.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2011 on our consideration of the City of La Puente's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Puente's basic financial statements. The introductory section, the statements and schedules listed in the "Supplementary Information" section in the table of contents, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vargay + Company LLP

Los Angeles, California
December 14, 2011



City of La Puente

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of La Puente offers the readers of the City's basic financial statements, this narrative overview, and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on page 1 of this report and the City's basic financial statements, which begin on page 22 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 \$36,237,066. Of this, \$15,890,582 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$537,740 from the previous fiscal year.
- Citywide revenues were \$16,894,724. Total revenues are composed of \$9,237,612 in general revenue dollars, \$3,244,331 in charges for services, \$1,923,401 in operating grants and contributions, and \$2,488,930 in capital grants and contributions.
- Citywide expenses were \$16,356,534 with public safety being the largest functional area at \$4,874,645, or 31% of the total expenses.

Fund level

- The total fund balance of the City governmental funds was \$10,947,456 at the close of the fiscal year. \$22,986,645 is nonspendable and restricted and not available for spending. The unassigned fund balance is negative \$12,039,189. Additional information on the fund balance is on page 26 of this report.
- General Fund revenues were below expenditures by \$541,032 for the fiscal year ended June 30, 2011.
- Governmental fund balances decreased by \$1,188,012 during fiscal year 2010-2011.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements

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

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Assets and Statement of Activities. These two statements are designed to provide readers with a broad overview of the City of La Puente's finances

utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying events occur, regardless of the timing of related cash flows.

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

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

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

The government-wide financial statements can be found on pages 22 to 24 of this report.

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

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

The governmental fund financial statements can be found on pages 26 to 34 of this report.

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

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

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

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

The notes are on pages 35 to 58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

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

	Table 1			
	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>% Change</u>
Current and Other Assets	\$ 19,765,885	\$ 21,685,249	\$ (1,919,364)	-8.85%
Capital Assets	33,231,283	32,532,239	699,044	2.15%
Total Assets	<u>52,997,168</u>	<u>54,217,488</u>	<u>(1,220,320)</u>	-2.25%
Other Liabilities	2,539,869	3,706,922	(1,167,053)	-31.48%
Long-term Liabilities	17,272,717	17,285,982	(13,265)	-0.08%
Total Liabilities	<u>19,812,586</u>	<u>20,992,904</u>	<u>(1,180,318)</u>	-5.62%
Net Assets:				
Invested in capital assets, net of related debt	16,941,283	16,092,239	849,044	5.28%
Restricted	3,402,447	2,210,134	1,192,313	53.95%
Unrestricted	12,840,852	14,922,211	(2,081,359)	-13.95%
Total Net Assets	<u>\$ 33,184,582</u>	<u>\$ 33,224,584</u>	<u>\$ (40,002)</u>	-0.12%

Net assets may serve over time as a useful indicator of the City's financial position. The City's assets exceeded its liabilities by \$33,184,582 at the close of the fiscal year, a decrease of \$40,002 or .12% from the previous year.

The largest portion of the City's net assets (51%) is invested in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens. The capital assets are not available for future spending. Resources needed to repay the related debt outstanding must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

A portion of net assets, \$3,402,447, or 10%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* of \$12,840,852 may be used to meet the City's ongoing obligations to citizens and creditors.

**City of La Puente
Management's Discussion and Analysis
Year ended June 30, 2011**

Table 2

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>% Change</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 1,940,051	\$ 2,202,320	\$ (262,269)	-11.91%
Operating Grants and Contributions	1,923,401	1,739,023	184,378	10.60%
Capital Grants and Contributions	2,488,930	2,699,626	(210,696)	-7.80%
General Revenues:				
Taxes:				
Property Taxes	5,118,947	5,229,270	(110,323)	-2.11%
Franchise Taxes	896,989	662,966	234,023	35.30%
Sales and Use Taxes	1,779,729	1,500,841	278,888	18.58%
Property Transfer Taxes	40,608	117,126	(76,518)	-65.33%
Transient Occupancy Taxes	137,402	82,605	54,797	66.34%
Other Taxes	735,088	473,573	261,515	55.22%
Intergovernmental	377,755	170,929	206,826	121.00%
Investment Income	93,806	144,194	(50,388)	-34.94%
Other revenues	30,562	199,206	(168,644)	-84.66%
Total revenues	<u>15,563,268</u>	<u>15,221,679</u>	<u>341,589</u>	2.24%
Expenses				
General Government	3,007,718	2,747,313	260,405	9.48%
Public Safety	4,874,645	4,666,557	208,088	4.46%
Public Works	1,913,164	2,491,758	(578,594)	-23.22%
Recreation/Senior Services	1,742,028	2,581,680	(839,652)	-32.52%
Community Development	2,783,759	1,823,390	960,369	52.67%
Redevelopment and Housing	433,232	8,697,450	(8,264,218)	-95.02%
Interest on Long-Term Debt	848,724	586,160	262,564	44.79%
Total expenses	<u>15,603,270</u>	<u>23,594,308</u>	<u>(7,991,038)</u>	-33.87%
Change in net assets	(40,002)	(8,372,629)	8,332,627	-99.52%
Net assets, beginning	<u>33,224,584</u>	<u>41,597,213</u>	<u>(8,372,629)</u>	-20.13%
Net assets, ending	<u>\$ 33,184,582</u>	<u>\$ 33,224,584</u>	<u>\$ (40,002)</u>	-0.12%

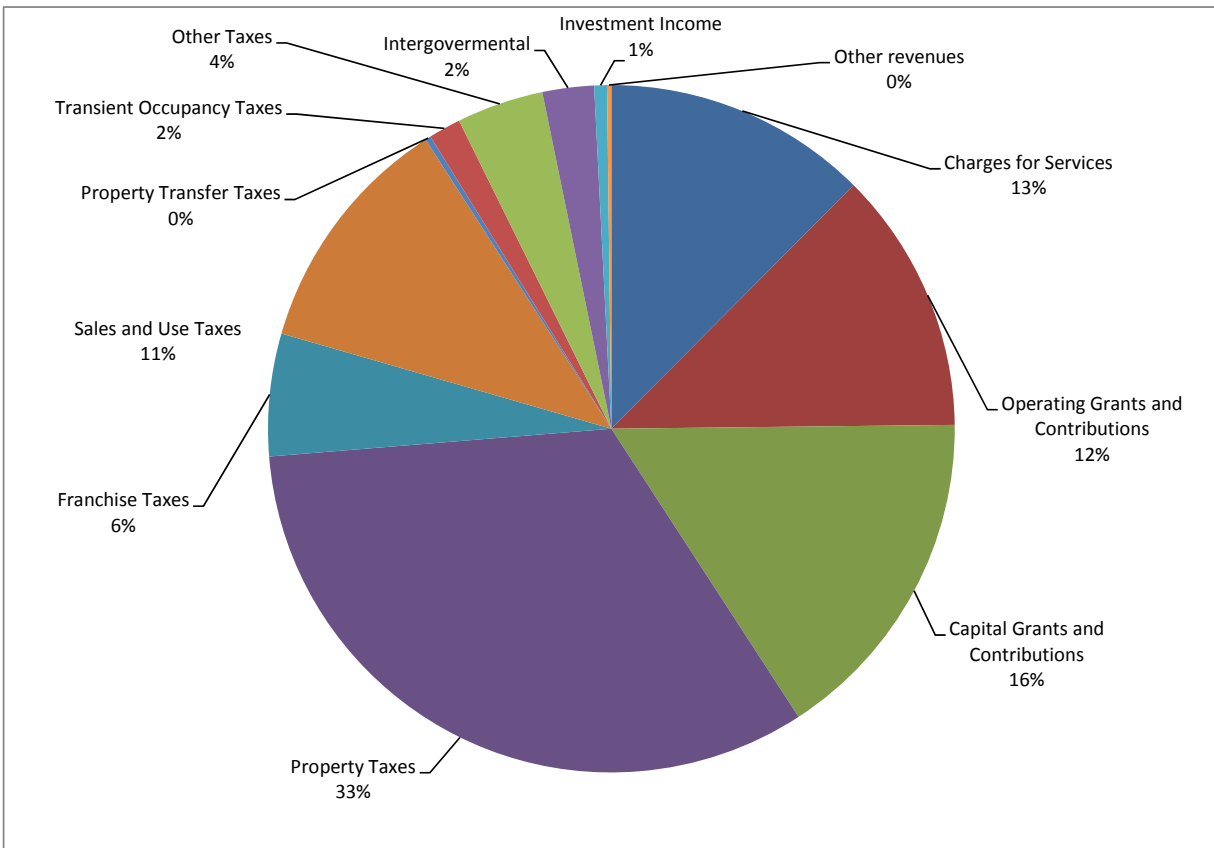
The City's net assets decreased by \$40,002 during the fiscal year as a result of expenses exceeding revenues. The total cost of all City governmental activities was \$15,603,270 for the fiscal year. Net cost of all activities was \$9,250,888.

Total revenues increased by \$341,589 mainly due to increase in operating grants and contributions, taxes and intergovernmental revenues as indicated above. The overall decrease in expenses was attributed to redevelopment and housing writing down the land held for resale to a reasonable value in the Capital Project Fund in the fiscal year 2009-2010. There were no properties written down in the fiscal year 2010-2011.

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 2010-2011:

**Figure 1
Revenues by Source – Governmental Activities**



As shown on the above pie chart, about 56% of the City's total governmental revenues are from taxes, which are comprised of property, sales and use, business license, franchise and transient occupancy taxes. Program revenues totaled 43% of the total resources and other intergovernmental, investment income, and miscellaneous income amounted to 1% of the total governmental revenues for the year.

Expense and Program Revenues:

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

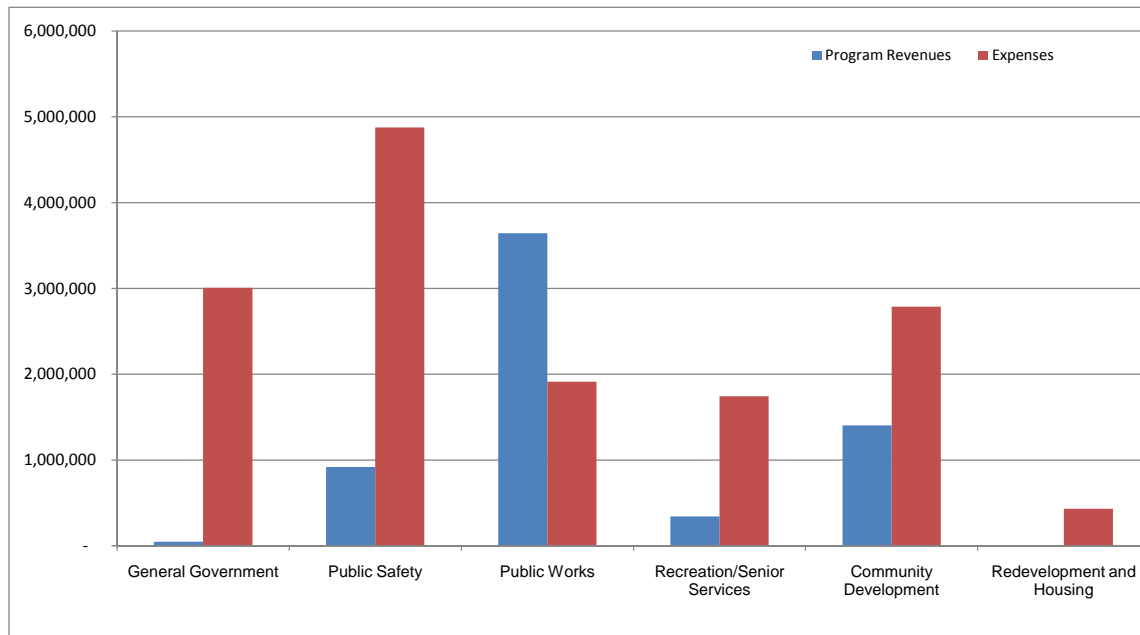
Governmental activities decrease the City's net assets by \$40,002. Key elements of this decrease are as follows:

- Total taxes increased by \$642,382 or 8% during the year.
- Operating grants and contributions increased by \$184,378 or 10.60%, while charges for services and capital grants and contributions decreased by \$262,269 or 10.60%, and \$210,696 or 7.80%, respectively.
- Total expenses decreased by \$7,991,038. In fiscal 2009-2010, the City wrote down the value of certain land held for resale. There were no properties written down in the fiscal year 2010-2011. Despite the decrease in expenses, the total cost of all city governmental activities exceeded the total revenues during the fiscal year.

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

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

**Figure 2
Expense and Program Revenues**



Business-type Activities

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

Table 3
Business-type Activities Net Assets

	2011	2010
Current and Other Assets	\$ 12,718,353	\$ 12,383,649
Total assets	12,718,353	12,383,649
Long-term liabilities outstanding	9,617,960	9,808,708
Other liabilities	47,909	100,199
Total liabilities	9,665,869	9,908,907
Net assets:		
Invested in capital assets, net of related debt	2,754	(1,115,652)
Unrestricted	3,049,730	3,590,394
Total net assets	\$ 3,052,484	\$ 2,474,742

The City's business-type revenues exceeded program expenses by \$577,742 as shown below. Revenues increased significantly during the year. However, there was also a significant increase in expenditures due to increase in interest expense during the year.

Table 4
Business-type Activities Change in Net Assets

	2011	2010
Revenues		
Charges for Services	\$ 1,304,280	\$ 885,843
Investment Income	26,726	68,983
Transfers In	641,798	-
Total revenues	1,972,804	954,826
Expenses		
Sewer Assessment	306,465	223,706
Other expenses	446,799	27,725
Transfers Out	641,798	-
Total expenses	1,395,062	251,431
Change in net assets	\$ 577,742	\$ 703,395

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, 2011, the City's Governmental Funds reported a combined fund balance of \$10,947,456, which decreased by \$1,188,012 or 10% from prior year fund balance.
- **Fund Balance Classification** – With the implementation of GASB 54, the fund balance classification has changed effective fiscal year 2010-2011.
 - The City has \$19,584,198 nonspendable fund balance as of June 30, 2011. Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples are inventories, prepaid expenses, long-term receivables, or land held for resale.
 - Restricted fund balance amounted to \$3,402,447 at June 30, 2011. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
 - The General Fund has unassigned fund balance of \$5,601,360. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.
 - The Redevelopment Agency Debt Service and Capital Project Funds have negative fund balances of \$4,569,359 and \$6,878,737, respectively, because of long-term advances by these funds from the General Fund. See also note below.

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

- **General Fund** – The General Fund ended the year with a \$18,569,801 fund balance, a decrease of \$541,032 from the previous year. With the exception of the significant events discussed in Financial Highlights, revenues and expenditures in the General Fund were within expected limits of budget projections. See Notes to financial statements for more information regarding transfers.
- **Debt Service and Capital Projects funds** are major funds of the La Puente Community Development Commission. The total fund balances of these funds are negative reflecting advances to the La Puente Community Development Commission from the City General Fund. The majority of the advances are used for the purchase of land for redevelopment purposes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of June 30, 2011 is \$42,851,997. 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 \$1,972,550. The increase is in the area of construction in progress associated with the street improvement projects and sewer construction projects. Additional information on the City's capital assets can be found in Note 4 to financial statements. Table 5 shows a summary of changes in capital assets (net of depreciation) as of June 30, 2011.

**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	1,835,755	174,257	1,227,995	782,017
Total Capital Assets Not Depreciated	<u>5,455,934</u>	<u>174,257</u>	<u>1,227,995</u>	<u>4,402,196</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	-	-	19,580,594
Equipment and Furniture	1,779,021	32,304	35,824	1,775,501
Infrastructure	25,960,639	2,993,984	-	28,954,623
Total Capital Assets Being Depreciated	<u>47,320,254</u>	<u>3,026,288</u>	<u>35,824</u>	<u>50,310,718</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,771,258)	(763,550)	-	(4,534,808)
Equipment and Furniture	(1,156,981)	(107,605)	(35,824)	(1,228,762)
Infrastructure	(15,315,710)	(402,351)	-	(15,718,061)
Total Accumulated Depreciation	<u>(20,243,949)</u>	<u>(1,273,506)</u>	<u>(35,824)</u>	<u>(21,481,631)</u>
Total Capital Assets Being Depreciated, Net	<u>27,076,305</u>	<u>1,752,782</u>	<u>-</u>	<u>28,829,087</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,532,239</u>	<u>\$ 1,927,039</u>	<u>\$ 1,227,995</u>	<u>\$ 33,231,283</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 8,693,056	\$ 927,658	\$ -	\$ 9,620,714
Business-type Activities Capital Assets, Net	<u>\$ 8,693,056</u>	<u>\$ 927,658</u>	<u>\$ -</u>	<u>\$ 9,620,714</u>

Debt Administration

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

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

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

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

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget was adjusted upward by \$307,370 or 3.50% to reflect anticipated increased revenues for the year. Actual General Fund revenues were more than the final budgeted revenues by \$594,875. The increase was primarily due to higher than budgeted amounts of taxes and charges for services.

Appropriations were increased by \$832,850 or 8.67% primarily attributed to anticipated higher expenditures in the General Fund than budgeted. Actual General Fund expenditures were less than the final budgeted expenditures by \$218,443. Expenditure levels were managed to meet city program objectives while staying within budget.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

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

For the next fiscal year, it appears signs of slow economic recovery will continue which will result in decreased General Fund revenues. However, the City is anticipating for the Redevelopment Project to be completed which may bring in more sales tax revenue to the General Fund. In addition, the City Council approved a reorganization plan to create salary savings in March 2011.

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

REQUESTS FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

City of La Puente
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Investments	\$ 10,169,195	\$ 2,273,324	\$ 12,442,519
Cash with fiscal Agent	331,465	-	331,465
Accounts Receivable	245,685	-	245,685
Interest Receivable	7,853	2,335	10,188
Loans Receivable	1,422,395	-	1,422,395
Due From Other Governments	1,201,976	29,704	1,231,680
Internal balances	(500,000)	500,000	-
Prepaid Items	475,095	-	475,095
Land Held for Resale	6,192,453	-	6,192,453
Deferred Charges	219,768	292,276	512,044
Capital Assets, Not Being Depreciated:			
Land	3,620,179	-	3,620,179
Construction In Progress	782,017	9,620,714	10,402,731
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	15,045,787	-	15,045,787
Equipment and Furniture	546,740	-	546,740
Infrastructure	13,236,560	-	13,236,560
Total Assets	<u>52,997,168</u>	<u>12,718,353</u>	<u>65,715,521</u>
Liabilities			
Accounts Payable	2,178,231	47,903	2,226,134
Accrued Payroll	478	6	484
Interest Payable	361,160	-	361,160
Deferred revenue	-	-	-
Noncurrent Liabilities:			
Due Within One Year	2,395,520	200,000	2,595,520
Due in More Than One Year	14,877,197	9,417,960	24,295,157
Total Liabilities	<u>19,812,586</u>	<u>9,665,869</u>	<u>29,478,455</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	16,941,283	2,754	16,944,037
Restricted for:			
Public Safety	32,625	-	32,625
Public Works	2,352,679	-	2,352,679
Community Development	933,572	-	933,572
Redevelopment and Housing	83,571	-	83,571
Unrestricted	12,840,852	3,049,730	15,890,582
Total Net Assets	<u>\$ 33,184,582</u>	<u>\$ 3,052,484</u>	<u>\$ 36,237,066</u>

See notes to financial statements.

**City of La Puente
Statement of Activities
Year ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,007,718	\$ 47,445	\$ -	\$ -	\$ (2,960,273)	\$ -	\$ (2,960,273)
Public safety	4,874,645	618,183	198,481	102,087	(3,955,894)	-	(3,955,894)
Public works	1,913,164	223,676	1,084,098	2,333,884	1,728,494	-	1,728,494
Recreation/senior services	1,742,028	288,248	-	52,959	(1,400,821)	-	(1,400,821)
Community development	2,783,759	762,499	640,822	-	(1,380,438)	-	(1,380,438)
Redevelopment and housing	433,232	-	-	-	(433,232)	-	(433,232)
Interest on long-term debt	848,724	-	-	-	(848,724)	-	(848,724)
Total governmental activities	<u>15,603,270</u>	<u>1,940,051</u>	<u>1,923,401</u>	<u>2,488,930</u>	<u>(9,250,888)</u>	<u>-</u>	<u>(9,250,888)</u>
Business-type activities:							
Sewer assessment	753,264	1,304,280	-	-	-	551,016	551,016
Total business-type activities	<u>753,264</u>	<u>1,304,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,016</u>	<u>551,016</u>
Total primary government	<u>\$ 16,356,534</u>	<u>\$ 3,244,331</u>	<u>\$ 1,923,401</u>	<u>\$ 2,488,930</u>	<u>(9,250,888)</u>	<u>551,016</u>	<u>(8,699,872)</u>
General revenues:							
Taxes:							
Property taxes					5,118,947	-	5,118,947
Franchise taxes					896,989	-	896,989
Sales taxes					1,779,729	-	1,779,729
Property transfer tax					40,608	-	40,608
Transient occupancy taxes					137,402	-	137,402
Business license taxes					186,303	-	186,303
In-lieu sales tax					548,785	-	548,785
Intergovernmental, unrestricted					377,755	-	377,755
Investment income					93,806	26,726	120,532
Miscellaneous revenues					30,562	-	30,562
Total general revenues					<u>9,210,886</u>	<u>26,726</u>	<u>9,237,612</u>
Change in net assets					(40,002)	577,742	537,740
Net assets - beginning					<u>33,224,584</u>	<u>2,474,742</u>	<u>35,699,326</u>
Net assets - ending					<u>\$33,184,582</u>	<u>\$3,052,484</u>	<u>\$36,237,066</u>

See notes to financial statements.

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

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

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

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

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

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

**City of La Puente
Balance Sheet
June 30, 2011**

	General	CDBG Grant Fund	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	\$ 6,126,793	\$ -	\$ 267,622	\$ 6,248	\$ 3,508,643	\$ 9,909,306
Cash with Fiscal Agent	-	-	-	-	331,465	331,465
Accounts Receivable	230,946	10,000	-	-	4,739	245,685
Interest Receivable	4,605	-	155	-	2,836	7,596
Loans Receivable	-	740,866	-	-	681,529	1,422,395
Due from Other Funds	773,999	-	-	-	-	773,999
Due from Other Governments	472,207	96,020	120,291	-	513,458	1,201,976
Prepaid Items	265,141	-	-	-	209,954	475,095
Advances to Other Funds	17,318,611	-	-	-	213,350	17,531,961
Land Held for Resale	-	-	-	6,192,453	-	6,192,453
Total Assets	<u>\$25,192,302</u>	<u>\$ 846,886</u>	<u>\$ 388,068</u>	<u>\$ 6,198,701</u>	<u>\$ 5,465,974</u>	<u>\$ 38,091,931</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	\$ 1,506,938	\$ 19,863	\$ 128,766	\$ 55,799	\$ 455,276	\$ 2,166,642
Accrued Payroll	252	162	-	-	64	478
Due to Other Funds	500,000	85,995	-	318,339	373,088	1,277,422
Deferred Revenue	4,615,311	740,866	-	-	811,795	6,167,972
Advances from Other Funds	-	-	4,828,661	12,703,300	-	17,531,961
Total Liabilities	<u>6,622,501</u>	<u>846,886</u>	<u>4,957,427</u>	<u>13,077,438</u>	<u>1,640,223</u>	<u>27,144,475</u>
Fund Balances:						
Non-spendable						
Advances to Other Funds	12,703,300	-	-	-	213,350	12,916,650
Prepaid Items	265,141	-	-	-	-	265,141
Land Held for Resale	-	-	-	6,192,453	-	6,192,453
Debt Service	-	-	-	-	209,954	209,954
Restricted	-	-	-	-	3,402,447	3,402,447
Unassigned						
General Fund	5,601,360	-	-	-	-	5,601,360
Debt Service Fund	-	-	(4,569,359)	-	-	(4,569,359)
Capital Projects Fund	-	-	-	(13,071,190)	-	(13,071,190)
Total Fund Balances	<u>18,569,801</u>	<u>-</u>	<u>(4,569,359)</u>	<u>(6,878,737)</u>	<u>3,825,751</u>	<u>10,947,456</u>
Total Liabilities and Fund Balances	<u>\$25,192,302</u>	<u>\$ 846,886</u>	<u>\$ 388,068</u>	<u>\$ 6,198,701</u>	<u>\$ 5,465,974</u>	<u>\$ 38,091,931</u>

See notes to financial statements.

City of La Puente
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Fund balances of governmental funds	\$ 10,947,456
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	33,006,636
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	6,167,972
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
2007 Tax Allocation Bonds	(3,990,000)
UBOC Escrow Agreement	(10,000,000)
2008 Taxable Refunding Loan	(2,300,000)
Compensated absences	(190,139)
Net OPEB Obligation	(792,578)
Issuance costs net of accumulated amortization were recorded as expenditures in the governmental funds.	219,768
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	(361,160)
Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	476,627
Net assets of governmental activities	\$ 33,184,582

See notes to financial statements.

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City of La Puente
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2011

	General Fund	CDBG Grant Fund	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 7,879,408	\$ -	\$ 663,484	\$ -	\$ 165,871	\$ 8,708,763
Licenses & Permits	273,183	-	-	-	-	273,183
Intergovernmental	377,755	635,251	-	-	3,932,356	4,945,362
Charges for Services	762,877	-	-	-	241,120	1,003,997
Fines & Forfeitures	327,040	-	-	-	131,637	458,677
Investment Income	28,050	-	389	261	31,904	60,604
Other Revenue	30,562	-	-	-	5,250	35,812
Total Revenues	<u>9,678,875</u>	<u>635,251</u>	<u>663,873</u>	<u>261</u>	<u>4,508,138</u>	<u>15,486,398</u>
Expenditures						
Current:						
General Government	2,837,851	-	-	-	55,618	2,893,469
Public Safety	4,387,203	-	-	-	437,566	4,824,769
Public Works	812,656	-	-	-	672,418	1,485,074
Recreation/Senior Services	872,709	85,484	-	-	-	958,193
Community Development	1,309,488	231,935	-	-	1,062,746	2,604,169
Redevelopment and Housing	-	-	213,731	180,719	66,997	461,447
Capital Outlay	-	317,832	-	10,713	1,628,609	1,957,154
Debt Service:						
Interest & Fiscal Charges	-	-	516,093	78,101	745,941	1,340,135
Principal	-	-	50,000	100,000	-	150,000
Total Expenditures	<u>10,219,907</u>	<u>635,251</u>	<u>779,824</u>	<u>369,533</u>	<u>4,669,895</u>	<u>16,674,410</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(541,032)</u>	<u>-</u>	<u>(115,951)</u>	<u>(369,272)</u>	<u>(161,757)</u>	<u>(1,188,012)</u>
Other Financing Sources (Uses)						
Transfers In	641,799	-	-	-	326,031	967,830
Transfers Out	(641,799)	-	(326,031)	-	-	(967,830)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(326,031)</u>	<u>-</u>	<u>326,031</u>	<u>-</u>
Net change in Fund Balances	<u>(541,032)</u>	<u>-</u>	<u>(441,982)</u>	<u>(369,272)</u>	<u>164,274</u>	<u>(1,188,012)</u>
Fund Balances, Beginning	<u>19,110,833</u>	<u>-</u>	<u>(4,127,377)</u>	<u>(6,509,465)</u>	<u>3,661,477</u>	<u>12,135,468</u>
Fund Balances, Ending	<u>\$18,569,801</u>	<u>\$ -</u>	<u>\$(4,569,359)</u>	<u>\$(6,878,737)</u>	<u>\$3,825,751</u>	<u>\$10,947,456</u>

See notes to financial statements.

**City of La Puente
Governmental Funds**

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

Year ended June 30, 2011

Net changes in fund balances - total governmental funds	\$ (1,188,012)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.	721,133
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in deferred revenue for the current period.	640,189
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal	150,000
Amortization of Issuance Costs	(36,433)
Accrued interest for long-term debt. This is the net change in accrued interest for the current period.	(35,476)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures. This amount represents the net change in OPEB liability and compensated absences.	(136,734)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.	<u>(154,669)</u>
Change in Net Assets of Governmental Activities	<u>\$ (40,002)</u>

See notes to financial statements.

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

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

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

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

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

City of La Puente
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Fund <u>Sewer Assessment</u>	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Cash and Investments	\$ 2,273,324	\$ 259,889
Interest Receivable	2,335	257
Due From Other Governments	29,704	-
Due From Other Funds	500,000	3,423
	<u>2,805,363</u>	<u>263,569</u>
Total Current Assets		
Noncurrent Assets:		
Deferred Charges	292,276	-
Capital Assets:		
Vehicles	-	533,790
Furniture and Equipment	-	556,343
Construction in Progress	9,620,714	-
Less Accumulated Depreciation	-	(865,486)
	<u>9,912,990</u>	<u>224,647</u>
Total Noncurrent Assets		
Total Assets		
	<u>12,718,353</u>	<u>488,216</u>
Liabilities		
Current Liabilities:		
Accounts Payable	47,909	11,589
Bonds Payable - Current	200,000	-
	<u>247,909</u>	<u>11,589</u>
Total Current Liabilities		
Noncurrent Liabilities:		
Bonds Payable (net of unamortized discount)	9,417,960	-
	<u>9,417,960</u>	<u>-</u>
Total Noncurrent Liabilities		
Total Liabilities		
	<u>9,665,869</u>	<u>11,589</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	2,754	224,647
Unrestricted	3,049,730	251,980
	<u>3,052,484</u>	<u>251,980</u>
Total Net Assets		
	<u>\$ 3,052,484</u>	<u>\$ 476,627</u>

See notes to financial statements.

City of La Puente
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2011

	<u>Business-type Activities - Enterprise Fund Sewer Assessment</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues		
Charges for Services	\$ 1,304,280	\$ 116,430
Total Operating Revenue	1,304,280	116,430
Operating Expenses		
Salaries and Benefits	124,552	118,000
Other General Expenses	181,913	101,651
Depreciation	-	54,394
Total Operating Expenses	306,465	274,045
Operating Income (Loss)	997,815	(157,615)
Nonoperating Revenues (Expenses)		
Investment Income	26,725	2,946
Interest Expense	(446,799)	-
Total Nonoperating Revenues (Expenses)	(420,074)	2,946
Income Before Contributions and Transfers	577,741	(154,669)
Transfers In	641,799	-
Transfers Out	(641,798)	-
Change in Net Assets	577,742	(154,669)
Total Net Assets, Beginning	2,474,742	631,296
Total Net Assets, Ending	\$ 3,052,484	\$ 476,627

See notes to financial statements.

City of La Puente
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2011

	Business-type Activities - Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Cash Received from Customers and Users	\$ 1,309,213	\$ 116,430
Cash Paid to Suppliers	(229,822)	(150,089)
Cash Paid to Employees	(128,933)	(122,485)
	950,458	(156,144)
Net Cash Provided (Used) by Operating Activities		
Cash flows from noncapital financing activities		
Cash Provided to Other funds	(500,000)	-
Cash Received from Other Funds	641,799	18,930
Cash Transferred to Other Funds	(641,799)	-
	(500,000)	18,930
Net Cash Provided (Used) by Noncapital Financing Activities		
Cash flows from capital and related financing activities		
Capital Asset Purchases	(927,658)	(54,394)
Principal Paid on Long-term Debt	(195,000)	-
Interest Paid	(431,588)	-
	(1,554,246)	(54,394)
Net Cash Provided (Used) by Capital and Related Financing Activities		
Cash flows from investing activities		
Interest Received on Investments	31,176	3,374
	31,176	3,374
Net Cash Provided by Investing Activities		
	31,176	3,374
Net Increase (Decrease) in Cash and Cash Equivalents		
	(1,072,612)	(188,234)
Cash and Cash Equivalents, Beginning of of Fiscal Year	3,345,936	448,123
	3,345,936	448,123
Cash and Cash Equivalents, End of Fiscal Year	\$ 2,273,324	\$ 259,889
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Cash flows from operating activities		
Operating Income (Loss)	\$ 997,815	\$ (157,615)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	54,394
Decrease in Due From Other Governments	4,933	-
Decrease in Accounts Payable	(47,909)	(48,438)
Decrease in Accrued Payroll	(4,381)	(4,485)
	(47,736)	(48,529)
Net Cash Provided (Used) By Operating Activities	\$ 950,458	\$ (156,144)

See notes to financial statements.

City of La Puente
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Assets

Cash and Investments \$ 235,570

Total Assets \$ 235,570

Liabilities

Accounts Payable \$ 20,393

Deposits Payable 215,177

Total Liabilities \$ 235,570

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

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

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

Blended Component Units

La Puente Community Development Commission

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

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

La Puente Public Financing Authority

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

Government-wide and Fund Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

General Fund

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

Community Development Block Grant

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

Debt Service Fund

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

Capital Projects Fund

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

The City reports the following major proprietary funds:

Sewer Construction/Maintenance Fund

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

Additionally, the City reports the following fund types:

Internal Service Fund

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency Funds

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

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

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

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

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

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

Receivables and Payables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Capital Assets

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

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets in proprietary funds, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated capital assets are valued at their estimated fair market value at the date of donation. At June 30, 2011 \$441,527 of capitalized interest was included in the proprietary fund's construction in progress.

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

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

Deferred Revenue

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Use of Estimates

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

Employee Leave Benefits

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

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

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

Fund Balance Reporting

During the fiscal year ended June 30, 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The City's restricted fund balances represent resources restricted for debt service, special projects, and Low/Moderate Income Housing Program.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority (City Council). The City has no committed fund balances.

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

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

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

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balances of total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.” The details of this \$6,167,972 difference are as follows:

Advances to Other Funds	\$ 4,615,311
Loans Receivable	1,422,395
Grant Revenue	<u>130,266</u>
	<u>\$ 6,167,972</u>

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

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

The details of this \$721,133 difference are as follows:

Capital Outlay	\$ 1,994,640
Depreciation Expense	<u>(1,273,507)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 721,133</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds reported an accumulated deficit in fund balance as of June 30, 2011:

		<u>Accumulated Deficit</u>
Major Funds		
Debt Service	\$	(4,569,359)
Capital Projects		(6,878,737)
Nonmajor Funds:		
County Park Act Fund		(73,714)
Safe Routes to School		(58,051)

The deficit in the Debt Service Fund and Capital Projects Fund is due to long-term advances from the General Fund recorded in those Funds. This will be eliminated by repayment to be made when funds become available. For the County Park Act Fund and Safe Routes to School Fund, the deficit will be eliminated by revenues that will become available in subsequent periods.

NOTE 4 DETAILED NOTES ON ALL FUNDS

Cash and Investments

Cash and Investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Governmental Activities:		
Cash and Investments	\$	10,169,195
Cash with Fiscal Agent		331,465
Business-type Activities		2,273,324
Fiduciary Funds		<u>235,570</u>
Total Cash and Investments	\$	<u><u>13,009,554</u></u>

At June 30, 2011, cash and investments consist of the following:

Petty Cash and Change Funds	\$	2,500
Deposits with Financial Institutions		1,384,179
Investments		<u>11,622,875</u>
Total Cash and Investments	\$	<u><u>13,009,554</u></u>

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

The table below identifies the investment types that are authorized for the City by the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Agency Securities	\$ 2,506,800	\$ -	\$ -	\$ 2,506,800	\$ -
State Investment Pool - LAIF Held by Fiscal Agent:	8,784,610	8,784,610	-	-	-
Mutual Funds	331,465	331,465	-	-	-
Total	\$ 11,622,875	\$ 9,116,075	\$ -	\$ 2,506,800	\$ -

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End	
			AA	Not Rated
Federal Agency Securities	\$ 2,506,800	N/A	\$ 2,506,800	\$ -
State Investment Pool - LAIF	8,784,610	N/A	-	8,784,610
Held by Fiscal Agent:				
Mutual Funds	331,465	N/A	-	331,465
Total	\$ 11,622,875		\$ 2,506,800	\$ 9,116,075

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
FHLMC	Federal Agency Securities	\$1,002,570
FNMA	Federal Agency Securities	1,504,230

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, 2011, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2011, 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.

Interfund Receivables, Payables and Transfers

Due to/from other funds at June 30, 2011 are as follows:

		DUE TO			Total
		General Fund	Nonmajor Governmental Funds	Governmental Internal Service Fund	
DUE FROM	CDBG/Cal Home Grant Fund	\$ 85,995	\$ -	\$ -	\$ 85,995
	Capital Projects Fund	318,339	-	-	318,339
	Nonmajor Governmental Funds	369,665	-	3,423	373,088
	Sewer Enterprise Fund	500,000	-	-	500,000
		\$ 1,273,999	\$ -	\$ 3,423	\$ 1,277,422

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Advances to/from other funds at June 30, 2011 are as follows:

		ADVANCES TO		
		Debt Service Fund	Capital Projects Fund	Total
ADVANCES FROM	General Fund Nonmajor Governmental Funds	\$ 4,615,311	\$ 12,703,300	\$ 17,318,611
		213,350	-	213,350
		\$ 4,828,661	\$ 12,703,300	\$ 17,531,961

As of June 30, 2011, the City advanced the Redevelopment Agency \$17,318,611 to assist in redevelopment activities. There is no stipulated due date, repayments are made when funds become available and interest rates are between 1.46% and 12%. Each year the interest is added to the principal.

Interfund transfers for the year ended June 30, 2011 are as follows:

		TRANSFERS IN			Total
		General Fund	Nonmajor Governmental Funds	Governmental Activities Internal Service Fund	
OUT	CDC Debt Service Fund Business-type Activities Enterprise Fund	\$ -	\$ 326,031	\$ -	\$ 326,031
		641,799	-	-	641,799
		\$ 641,799	\$ 326,031	\$ -	\$ 967,830

The CDC Debt Service Fund transferred \$326,031 to the 2007 TABS Debt Service Fund, to pay for the principal and interest of the Tax Allocation Bond. The General Fund transferred \$641,799 to the Sewer fund to fund operating expenses. The Sewer Fund transferred \$1,141,799 to the General Fund to fund governmental expenses.

Housing and Community Development Loan Program

The City uses Housing and Community Development Block Grant and Cal-Home Grant funds to provide housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate income persons to improve or rehabilitate residences. The City accounts for this program in the Special Revenue CDBG/Cal-Home Grant Fund. Rehabilitation loans receivable of \$1,422,394 at June 30, 2011 have been reflected in the accompanying financial statements as loans receivable with an offsetting deferred revenue in the fund financial statements for the recording of related grant funding.

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,620,179	\$ -	\$ -	\$ 3,620,179
Construction in Progress	<u>1,835,755</u>	<u>174,257</u>	<u>1,227,994</u>	<u>782,018</u>
Total Capital Assets Not Depreciated	<u>5,455,934</u>	<u>174,257</u>	<u>1,227,994</u>	<u>4,402,197</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	19,580,594	-	-	19,580,594
Equipment and Furniture	1,779,021	32,304	35,824	1,775,501
Infrastructure	<u>25,960,639</u>	<u>2,993,983</u>	<u>-</u>	<u>28,954,622</u>
Total Capital Assets Being Depreciated	<u>47,320,254</u>	<u>3,026,287</u>	<u>35,824</u>	<u>50,310,717</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,771,258)	(763,550)	-	(4,534,808)
Equipment and Furniture	(1,156,981)	(107,606)	(35,824)	(1,228,763)
Infrastructure	<u>(15,315,710)</u>	<u>(402,351)</u>	<u>-</u>	<u>(15,718,061)</u>
Total Accumulated Depreciation	<u>(20,243,949)</u>	<u>(1,273,507)</u>	<u>(35,824)</u>	<u>(21,481,632)</u>
Total Capital Assets Being Depreciated, Net	<u>27,076,305</u>	<u>1,752,780</u>	<u>-</u>	<u>28,829,085</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,532,239</u>	<u>\$ 1,927,037</u>	<u>\$ 1,227,994</u>	<u>\$ 33,231,282</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	<u>\$ 8,693,056</u>	<u>\$ 927,658</u>	<u>\$ -</u>	<u>\$ 9,620,714</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,693,056</u>	<u>\$ 927,658</u>	<u>\$ -</u>	<u>\$ 9,620,714</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 68,485
Transportation	343,802
Recreation/Senior Services	758,075
Community Development	48,751
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>54,394</u>
Total Depreciation Expense	<u>\$ 1,273,507</u>

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-term Liabilities

Long-term liabilities for the year ended June 30, 2011 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2007 Tax Allocation Bonds	\$ 4,040,000	\$ -	\$ (50,000)	\$ 3,990,000	\$ 50,000
UBOC Lease Agreement	10,000,000	-	-	10,000,000	-
2008 Refunding Loan	2,400,000	-	(100,000)	2,300,000	2,300,000
Compensated Absences	312,410	-	(122,270)	190,140	45,250
Net OPEB Obligation	533,572	590,760	(331,755)	792,577	-
Governmental Activities Long-term Liabilities	<u>\$ 17,285,982</u>	<u>\$ 590,760</u>	<u>\$ (604,025)</u>	<u>\$ 17,272,717</u>	<u>\$ 2,395,250</u>
Business-type Activities:					
2007 Sewer Revenue Bond	\$ 9,925,000	\$ -	\$ (195,000)	\$ 9,730,000	\$ 200,000
Discount on Bonds	(116,292)	-	4,252	(112,040)	-
Business-type Activities Long-term Liabilities	<u>\$ 9,808,708</u>	<u>\$ -</u>	<u>\$ (190,748)</u>	<u>\$ 9,617,960</u>	<u>\$ 200,000</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.

The purpose of the bonds is to finance certain redevelopment projects within the La Puente Redevelopment Project Area. The bonds are special obligations of the Commission and are payable exclusively from Pledged Tax Revenues. The bonds are not a debt, liability or obligation of the City of La Puente (the "City"), the County of Los Angeles (the "County"), the State of California or any of its political subdivisions, other than the Commission, and neither the City, the County, the State of California nor any of its political subdivisions, other than the Commission, is liable therefore. In no event shall the bonds be payable out of any funds or properties other than those of the Commission. At June 30, 2011, the Bond Reserve Fund was \$331,465 which was sufficient to cover the minimum bond reserve requirement. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ 50,000	\$ 272,594
2013	55,000	268,985
2014	60,000	265,031
2015	65,000	260,734
2016	70,000	256,094
2017-2021	430,000	1,198,659
2022-2026	600,000	1,023,001
2027-2031	845,000	777,735
2032-2036	1,205,000	427,800
2037-2038	610,000	42,625
	<u>\$ 3,990,000</u>	<u>\$ 4,793,258</u>

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

UBOC Lease Agreement

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

Under the terms of the lease, the Authority leased back the said projects to the City for lease payments as the rental for the leased property. The lease payments are payable semiannually with an interest of 4.1991% on January 8 and July 1 of each year, commencing July 1, 2008. At June 30, 2011, the annual lease payments are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ -	\$ 419,910
2013	588,235	395,209
2014	588,235	370,509
2015	588,236	345,808
2016	588,235	321,108
2017	588,235	296,407
2018	588,236	271,706
2019	588,235	247,006
2020	588,235	222,305
2021	588,236	197,605
2022	588,235	172,904
2023	588,235	148,204
2024	588,236	123,503
2025	588,235	98,802
2026	588,235	74,102
2027	588,236	49,401
2028	588,235	24,701
2029	588,235	-
	\$ 10,000,000	\$ 3,779,190

2008 Refunding Loan

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Principal payments of \$25,000 are due September 30, December 31, March 31, and June 30 through June 30, 2012. The remaining balance of \$2,300,000 is due and payable in full on June 30, 2012.

Annual principal payment requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ <u>2,300,000</u>	\$ <u>92,000</u>

2007 Sewer Revenue Bonds

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

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

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ 200,000	\$ 442,899
2013	210,000	434,899
2014	215,000	426,499
2015	225,000	417,899
2016	235,000	410,024
2017-2021	1,305,000	1,908,994
2022-2026	1,605,000	1,612,843
2027-2031	2,005,000	1,313,990
2032-2036	2,530,000	687,950
2037-2038	<u>1,200,000</u>	<u>90,750</u>
	<u>\$ 9,730,000</u>	<u>\$ 7,746,747</u>

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

Fund Balances

The City has the following fund balance classifications in accordance with GASB 54:

	<u>General</u>	<u>CDBG Grant Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:						
Nonspendable						
Advances to Other Funds	\$ 12,703,300	\$ -	\$ -	\$ -	213,350	\$ 12,916,650
Prepaid Items	265,141	-	-	-	-	265,141
Land Held for Resale	-	-	-	6,192,453	-	6,192,453
Debt Service	-	-	-	-	209,954	209,954
Restricted	-	-	-	-	3,402,447	3,402,447
Unrestricted:						
Unassigned	6,101,360	-	(4,569,359)	(13,071,190)	-	(11,539,189)
Total Fund Balances	<u>\$ 19,069,801</u>	<u>\$ -</u>	<u>\$ (4,569,359)</u>	<u>\$ (6,878,737)</u>	<u>\$ 3,825,751</u>	<u>\$ 11,447,456</u>

NOTE 5 OTHER INFORMATION

Risk Management

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

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

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

Self-Insurance Programs of the Authority

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

NOTE 5 OTHER INFORMATION (CONTINUED)

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

Insurance

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

Adequacy of Protection

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

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemental by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid. As of June 30, 2011 there were no accrued claims payable.

Defined Benefit Pension Plan

Plan Description

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

NOTE 5 OTHER INFORMATION (CONTINUED)

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is also required to make an additional contribution at an actuarially determined rate. This rate for the fiscal year was 12.246% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's contributions to PERS for the years ended June 30, 2011, 2010 and 2009 were \$277,662, \$262,110 and \$292,754, respectively, and were equal to 100% of the required contributions for each year.

Other Postemployment Benefits

Plan Description

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

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.

NOTE 5 OTHER INFORMATION (CONTINUED)

The City's annual OPEB cost, net OPEB obligation (asset) and the related information for 2011 were as follows:

Annual Required Contribution	\$ 617,266
Interest on Net Pension Obligation (Asset)	26,679
Adjustment to Annual Required Contribution	<u>(53,185)</u>
Annual OPEB Cost	590,760
Contributions Made	<u>(331,755)</u>
Increase (Decrease) in Net Pension Obligation (Asset)	259,005
Net Pension Obligation (Asset) Beginning of Year	<u>533,572</u>
Net Pension Obligation (Asset) End of Year	<u><u>\$ 792,577</u></u>

For 2011, the City's annual OPEB cost (expense) of \$590,760 for LPRHP was less than the ARC by \$26,506. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

THREE-YEAR TREND INFORMATION FOR CERBT

Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 590,760	56%	\$ 792,577
6/30/2010	644,558	57%	551,399
6/30/2009	610,000	55%	273,108

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, the date of the latest actuarial valuation report, was as follows:

Actuarial Accrued Liability (AAL)	\$ 6,592,232
Actuarial Value of Plan Assets	41,156
Unfunded Actuarial Accrued Liability (UAAL)	6,551,076
Funded Ratio (Actuarial Value of Plan Assets/AAL)	1%
Covered Payroll (Active Plan Members)	2,149,000
UAAL as a Percentage of Covered Payroll	305%

NOTE 5 OTHER INFORMATION (CONTINUED)

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

Actuarial Methods and Assumptions

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

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

Valuation Date	June 30, 2009
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 Years as of the Valuation Date
Actuarial Assumptions:	
Investment Rate of Return	5%
Projected Salary Increase	3%
Health Care Trend Rate	4%
General Inflation	3%

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

Deferred Compensation Plan

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

NOTE 5 OTHER INFORMATION (CONTINUED)

Contingent Liabilities

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

Other Contingencies and Commitments

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material. The estimated amount of remaining construction contract obligations at year-end is \$102,608.

Proposition 1A Borrowing by the State of California

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

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

NOTE 6 LA PUENTE COMMUNITY DEVELOPMENT COMMISSION

As part of the State budget, the Legislature approved and the Governor signed bills ABx1 26 and ABx1 27 (legislation). The first part of the legislation dissolves all redevelopment agencies (and the redevelopment functions of La Puente Community Development Commission (the "Commission")) and establishes mechanisms for paying existing agency debts and liquidating agency issues. The second part of this legislation allows redevelopment activity to continue and preserve the assets under a voluntary alternative redevelopment program if the City sponsoring the redevelopment agency agrees to make certain payments. As calculated by the State, the City and/or the Commission will be required to pay \$215,894 in 2012 and \$50,799 in 2013.

At their meeting of September 27, 2011, the City Council and the Commission's Board of Directors agreed to adopt a contingent ordinance to opt-in to the provisions of the voluntary alternative redevelopment program and make the required payments to be reimbursed by Commission's tax increment funds.

The California Redevelopment Association (CRA) and California League of Cities (CLC) filed a petition with the California Supreme Court, challenging the constitutionality of ABx1 26 and 27 and seeking a stay of ABx1 26 and 27 pending resolution of the Petition. The Supreme Court has agreed to hear the CRA and the CLC and stayed most of the statutes provisions, freezing or limiting redevelopment agencies activities in the interim until a ruling is made. The stay precludes redevelopment agencies from entering into new commitments and allows them to honor existing commitments, leaving the interpretation of specific actions to City and Agency Attorneys. A decision is scheduled to be made by the Supreme Court by January 15, 2012.

NOTE 7 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 14, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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City of La Puente
Schedule of Funding Progress for La Puente Retiree Healthcare Plan (LPRHP)
Year ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
06/30/09 Miscellaneous	\$ 41,156	\$ 6,592,232	\$ 6,551,076	1%	\$ 2,149,000	305%
06/30/08 Miscellaneous	\$ -	\$ 5,666,000	\$ 5,666,000	0%	\$ 2,149,000	264%
06/30/07 Miscellaneous	*	*	*	*	*	*

* GASB 45 was implemented prospectively in fiscal year 2009. The information for the years prior to implementation is unavailable.

The actuarial valuation as of June 30, 2010 has not been completed as of June 30, 2011.

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,539,000	\$ 7,690,050	\$ 7,879,408	\$ 189,358
Licenses & Permits	235,000	246,310	273,183	26,873
Intergovernmental	168,030	280,390	377,755	97,365
Charges for Services	526,820	554,290	762,877	208,587
Fines & Forfeitures	275,000	278,000	327,040	49,040
Investment Income	26,200	26,200	28,050	1,850
Other Revenue	6,960	9,140	30,562	21,422
Total Revenues	8,777,010	9,084,380	9,678,875	594,495
Expenditures				
Current:				
General Government	2,090,560	2,675,410	2,837,851	(162,441)
Public Safety	4,397,440	4,397,440	4,387,203	10,237
Public Works	738,260	738,260	812,656	(74,396)
Recreation/Senior Services	1,058,090	1,058,090	872,709	185,381
Community Development	993,320	1,241,320	1,309,488	(68,168)
Capital Outlay	327,830	327,830	-	327,830
Debt Service:				
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	9,605,500	10,438,350	10,219,907	218,443
Excess (Deficiency) of Revenues over Expenditures	(828,490)	(1,353,970)	(541,032)	812,938
Other Financing Sources (Uses)				
Transfers In	500,000	500,000	641,799	141,799
Transfers Out	-	-	(641,799)	(641,799)
Total Other Financing Sources (Uses)	500,000	500,000	-	(500,000)
Net Change in Fund Balance	(328,490)	(853,970)	(541,032)	312,938
Fund Balances, Beginning	19,110,833	19,110,833	19,110,833	-
Fund Balances, Ending	\$18,782,343	\$18,256,863	\$18,569,801	\$ 312,938

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – CDBG
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	<u>\$ 744,820</u>	<u>\$ 744,820</u>	<u>\$ 635,251</u>	<u>\$(109,569)</u>
Total Revenues	<u>744,820</u>	<u>744,820</u>	<u>635,251</u>	<u>(109,569)</u>
Expenditures				
Current:				
Recreation/Senior Services	87,450	87,450	85,484	1,966
Community Development	339,540	339,540	231,935	107,605
Capital Outlay	<u>-</u>	<u>-</u>	<u>317,832</u>	<u>(317,832)</u>
Total Expenditures	<u>426,990</u>	<u>426,990</u>	<u>635,251</u>	<u>(208,261)</u>
Excess (Deficiency) of Revenues over Expenditures	317,830	317,830	-	(317,830)
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 317,830</u></u>	<u><u>\$ 317,830</u></u>	<u><u>\$ -</u></u>	<u><u>\$(317,830)</u></u>

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

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

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

SUPPLEMENTARY INFORMATION

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Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Cal-Home Loan Grant Fund - 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.

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

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

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

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

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

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

Capital Projects Fund

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

Debt Service Fund

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

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	Special Revenue						
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP	JAG Grant
Assets							
Cash and Investments	\$ 123,822	\$ 2,769	\$ 18,232	\$ 77,503	\$ 27,399	\$ 12,903	\$ 90
Cash with Fiscal Agent	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	4,680	-	-	-
Interest Receivable	81	2	16	60	41	-	9
Loans Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	31,892	-	-	-	12,706	16,557	8,405
Prepaid items	-	-	-	-	-	-	-
Advances to Other Funds	213,350	-	-	-	-	-	-
Total Assets	\$ 369,145	\$ 2,771	\$ 18,248	\$ 82,243	\$ 40,146	\$ 29,460	\$ 8,504
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 738	\$ 750	\$ 28,551	\$ 11,300	\$ 8,405
Accrued Payroll	-	-	-	-	-	-	-
Due to Other Funds	72,224	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	72,224	-	738	750	28,551	11,300	8,405
Fund Balances:							
Nonspendable							
Advances to Other Funds	213,350	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Restricted	83,571	2,771	17,510	81,493	11,595	18,160	99
Total Fund Balances	296,921	2,771	17,510	81,493	11,595	18,160	99
Total Liabilities and Fund Balances	\$ 369,145	\$ 2,771	\$ 18,248	\$ 82,243	\$ 40,146	\$ 29,460	\$ 8,504

City of La Puente
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

Special Revenue						
Click It of Ticket	Gas Tax	Traffic Congestion Relief	County Park Act	Prop 1B	Cal-Home Grant	Local Transportation
\$ -	\$ 384,433	\$ -	\$ -	\$ 269,142	\$ 142,121	\$ -
-	-	-	-	-	-	-
-	39	163	-	71	208	-
-	-	-	-	-	681,529	-
-	-	-	-	-	-	-
1,580	129,201	-	206,960	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,580</u>	<u>\$ 513,673</u>	<u>\$ 163</u>	<u>\$ 206,960</u>	<u>\$ 269,213</u>	<u>\$ 823,858</u>	<u>\$ -</u>
\$ -	\$ 28,937	\$ -	\$ 5,336	\$ 269,213	\$ 87	\$ -
-	64	-	-	-	-	-
1,580	-	\$ 163	203,123	-	-	-
-	-	-	72,215	-	681,529	-
1,580	29,001	163	280,674	269,213	681,616	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	484,672	-	(73,714)	-	142,242	-
-	484,672	-	(73,714)	-	142,242	-
<u>\$ 1,580</u>	<u>\$ 513,673</u>	<u>\$ 163</u>	<u>\$ 206,960</u>	<u>\$ 269,213</u>	<u>\$ 823,858</u>	<u>\$ -</u>

	Special Revenue					Prop. C Transportation
	Energy Efficiency	Air Quality Improvement	ARRA Stimulus	Measure R	Prop. A Transportation	
Assets						
Cash and Investments	\$ 75,184	\$ 231,713	\$ -	\$ 245,778	\$ 543,981	\$ 785,755
Cash with Fiscal Agent	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Interest Receivable	61	163	-	232	434	535
Loans Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	10,184	37,922	-	-	-
Prepaid items	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-
Total Assets	\$ 75,245	\$ 242,060	\$ 37,922	\$ 246,010	\$ 544,415	\$ 786,290
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 101,959	\$ -
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	-	-	\$ 37,922	-	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	-	-	37,922	-	101,959	-
Fund Balances:						
Nonspendable:						
Advances to Other Funds	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Restricted	75,245	242,060	-	246,010	442,456	786,290
Total Fund Balances	75,245	242,060	-	246,010	442,456	786,290
Total Liabilities and Fund Balances	\$ 75,245	\$ 242,060	\$ 37,922	\$ 246,010	\$ 544,415	\$ 786,290

**City of La Puente
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2011**

Community Center	Special Revenue Safe Routes to School	JAG Grant ARRA Fund	Capital Projects Escrow UBOC	Debt Service 2007 TABS	Total Nonmajor Governmental Funds
\$ 382,227	\$ -	\$ -	\$ 185,497	\$ 94	\$ 3,508,643
-	-	-	-	331,465	331,465
-	-	-	-	59	4,739
547	-	25	149	-	2,836
-	-	-	-	-	681,529
-	-	-	-	-	-
-	58,051	-	-	-	513,458
209,954	-	-	-	-	209,954
-	-	-	-	-	213,350
<u>\$ 592,728</u>	<u>\$ 58,051</u>	<u>\$ 25</u>	<u>\$ 185,646</u>	<u>\$ 331,618</u>	<u>\$ 5,465,974</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,276
-	-	-	-	-	64
-	58,051	25	-	-	373,088
-	58,051	-	-	-	811,795
-	116,102	25	-	-	1,640,223
-	-	-	-	-	213,350
209,954	-	-	-	-	209,954
382,774	(58,051)	-	185,646	331,618	3,402,447
<u>592,728</u>	<u>(58,051)</u>	<u>-</u>	<u>185,646</u>	<u>331,618</u>	<u>3,825,751</u>
<u>\$ 592,728</u>	<u>\$ 58,051</u>	<u>\$ 25</u>	<u>\$ 185,646</u>	<u>\$ 331,618</u>	<u>\$ 5,465,974</u>

	Special Revenue						JAG Grant
	Low/Moderate Housing	Traffic Safety	Asset Seizure	PEG Access	State COPS	Traffic Safety LAPTOP	
Revenues							
Taxes	\$ 165,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	100,000	42,833	50,609
Charges for Services	-	-	-	17,444	-	-	-
Fines and Forfeitures	-	131,637	-	-	-	-	-
Investment Income	203	26	185	687	473	-	99
Other revenue	-	-	-	-	-	-	-
Total Revenues	166,074	131,663	185	18,131	100,473	42,833	50,708
Expenditures							
Current:							
General Government	-	-	-	9,000	-	-	-
Public Safety	-	131,638	4,429	-	100,000	42,850	51,231
Public Works	-	-	-	-	-	-	-
Recreation/Senior Services	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Redevelopment and Housing	66,997	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Interest & Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	66,997	131,638	4,429	9,000	100,000	42,850	51,231
Excess (Deficiency) of Revenues Over Expenditures	99,077	25	(4,244)	9,131	473	(17)	(523)
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	99,077	25	(4,244)	9,131	473	(17)	(523)
Fund Balances - Beginning	197,844	2,746	21,754	72,362	11,122	18,177	622
Fund Balances - Ending	\$ 296,921	\$ 2,771	\$17,510	\$81,493	\$11,595	\$18,160	\$ 99

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011

Special Revenue					
Click it or Ticket	Gas Tax	Traffic Congestion Relief	County Park Act	Prop 1B	Cal-Home Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,040	1,105,418	-	18,318	644,278	3,462
-	-	-	-	-	-
-	444	1,865	-	816	2,380
-	-	-	-	-	-
<u>5,040</u>	<u>1,105,862</u>	<u>1,865</u>	<u>18,318</u>	<u>645,094</u>	<u>5,842</u>
-	-	-	-	-	-
5,040	-	-	-	-	-
-	633,365	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	209,780
-	-	-	-	-	-
-	-	224,948	18,318	571,741	-
-	-	-	-	-	-
<u>5,040</u>	<u>633,365</u>	<u>224,948</u>	<u>18,318</u>	<u>571,741</u>	<u>209,780</u>
-	472,497	(223,083)	-	73,353	(203,938)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	472,497	(223,083)	-	73,353	(203,938)
-	12,175	223,083	(73,714)	(73,353)	346,180
<u>\$ -</u>	<u>\$ 484,672</u>	<u>\$ -</u>	<u>\$ (73,714)</u>	<u>\$ -</u>	<u>\$ 142,242</u>

	Special Revenue					
	Energy Efficiency	Air Quality Improvement	ARRA Stimulus	Measure R	Prop. A Transportation	Prop. C Transportation
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	47,386	378,568	362,830	585,202	486,325
Charges for Services	-	-	-	-	223,676	-
Fines and Forfeitures	-	-	-	-	-	-
Investment Income	703	1,869	-	2,657	4,970	6,126
Other Revenue	-	5,250	-	-	-	-
Total Revenues	703	54,505	378,568	365,487	813,848	492,451
Expenditures						
Current:						
General Government	-	-	-	39,088	7,530	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	39,053
Recreation/Senior Services	-	-	-	-	-	-
Community Development	-	-	-	-	852,966	-
Redevelopment and Housing	-	-	-	-	-	-
Capital Outlay	2,076	-	378,568	203,054	-	195,263
Debt Service:						
Interest & Fiscal Charges	-	-	-	-	-	-
Total Expenditures	2,076	-	378,568	242,142	860,496	234,316
Excess (Deficiency) of Revenues						
Over Expenditures	(1,373)	54,505	-	123,345	(46,648)	258,135
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(1,373)	54,505	-	123,345	(46,648)	258,135
Fund Balances - Beginning	76,618	187,555	-	122,665	489,104	528,155
Fund Balances - Ending	\$ 75,245	\$ 242,060	\$ -	\$ 246,010	\$ 442,456	\$ 786,290

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2011

Community Center	Safe Routes to School	JAG Grant ARRA Fund	Capital Projects Escrow UBOC	Debt Service 2007 TABS	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,871
-	-	102,087	-	-	3,932,356
-	-	-	-	-	241,120
-	-	-	-	-	131,637
6,254	-	291	1,707	149	31,904
-	-	-	-	-	5,250
<u>6,254</u>	<u>-</u>	<u>102,378</u>	<u>1,707</u>	<u>149</u>	<u>4,508,138</u>
-	-	-	-	-	55,618
-	-	102,378	-	-	437,566
-	-	-	-	-	672,418
-	-	-	-	-	-
-	-	-	-	-	1,062,746
-	-	-	-	-	66,997
-	34,641	-	-	-	1,628,609
<u>419,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,031</u>	<u>745,941</u>
<u>419,910</u>	<u>34,641</u>	<u>102,378</u>	<u>-</u>	<u>326,031</u>	<u>4,669,895</u>
<u>(413,656)</u>	<u>(34,641)</u>	<u>-</u>	<u>1,707</u>	<u>(325,882)</u>	<u>(161,757)</u>
-	-	-	-	326,031	326,031
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,031</u>	<u>326,031</u>
(413,656)	(34,641)	-	1,707	149	164,274
<u>1,006,384</u>	<u>(23,410)</u>	<u>-</u>	<u>183,939</u>	<u>331,469</u>	<u>3,661,477</u>
<u>\$ 592,728</u>	<u>\$ (58,051)</u>	<u>\$ -</u>	<u>\$ 185,646</u>	<u>\$ 331,618</u>	<u>\$ 3,825,751</u>

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Debt Service Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Property Taxes	\$ 644,170	\$ 644,170	\$ 663,484	\$ 19,314
Investment Income	-	-	389	389
Total Revenues	<u>644,170</u>	<u>644,170</u>	<u>663,873</u>	<u>19,703</u>
Expenditures				
Current:				
Redevelopment and Housing Debt Service	210,370	210,370	213,731	(3,361)
Interest & Fiscal Charges	<u>605,230</u>	<u>605,230</u>	<u>566,093</u>	<u>39,137</u>
Total Expenditures	<u>815,600</u>	<u>815,600</u>	<u>779,824</u>	<u>35,776</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(171,430)</u>	<u>(171,430)</u>	<u>(115,951)</u>	<u>55,479</u>
Other Financing Sources (Uses)				
Transfer In	36,430	36,430	-	(36,430)
Transfer Out	<u>(408,530)</u>	<u>(408,530)</u>	<u>(326,031)</u>	<u>82,499</u>
Total Other Financing Sources (Uses)	<u>(408,530)</u>	<u>(372,100)</u>	<u>(326,031)</u>	<u>46,069</u>
Net Change in Fund Balances	(579,960)	(543,530)	(441,982)	101,548
Fund Balances, Beginning	<u>(4,127,377)</u>	<u>(4,127,377)</u>	<u>(4,127,377)</u>	-
Fund Balances, Ending	<u><u>\$ (4,707,337)</u></u>	<u><u>\$ (4,670,907)</u></u>	<u><u>\$ (4,569,359)</u></u>	<u><u>\$ 101,548</u></u>

City of La Puente
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Capital Projects Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ 261	\$ 261
Total Revenues	-	-	261	261
Expenditures				
Current:				
Redevelopment and Housing	221,220	221,220	180,719	40,501
Capital Outlay	65,720	65,720	10,713	55,007
Debt Service:				
Interest & Fiscal Charges	82,490	82,490	78,101	4,389
Principal	2,400,000	2,400,000	100,000	2,300,000
Total Expenditures	2,769,430	2,769,430	369,533	2,399,897
Excess (Deficiency) of Revenues over Expenditures	(2,769,430)	(2,769,430)	(369,272)	2,400,158
Other Financing Sources (Uses)				
Transfers in	-	82,490	-	(82,490)
Proceeds from Sale of Land	4,200,000	4,200,000	-	(4,200,000)
Total Other Financing Sources (Uses)	4,200,000	4,282,490	-	(4,282,490)
Net Change in Fund Balances	1,430,570	1,513,060	(369,272)	(1,882,332)
Fund Balances, Beginning	(6,509,465)	(6,509,465)	(6,509,465)	-
Fund Balances, Ending	<u>\$ (5,078,895)</u>	<u>\$ (4,996,405)</u>	<u>\$ (6,878,737)</u>	<u>\$ (1,882,332)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Low/Moderate Housing Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 161,050	\$ 161,050	\$ 165,871	\$ 4,821
Investment Income	-	-	203	203
Total Revenues	<u>161,050</u>	<u>161,050</u>	<u>166,074</u>	<u>5,024</u>
Expenditures				
Current:				
Redevelopment and Housing	83,640	83,640	66,997	16,643
Total Expenditures	<u>83,640</u>	<u>83,640</u>	<u>66,997</u>	<u>16,643</u>
Excess (Deficiency) of Revenues over Expenditures	77,410	77,410	99,077	21,667
Other Financing Sources (Uses)				
Transfer In	36,430	36,430	-	(36,430)
Total Other Financing Sources (Uses)	<u>36,430</u>	<u>36,430</u>	<u>-</u>	<u>(36,430)</u>
Net Change in Fund Balances	113,840	113,840	99,077	(14,763)
Fund Balances, Beginning	<u>197,844</u>	<u>197,844</u>	<u>197,844</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 311,684</u></u>	<u><u>\$ 311,684</u></u>	<u><u>\$ 296,921</u></u>	<u><u>\$ (14,763)</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Safety Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 143,800	\$ 143,800	\$ 131,637	\$ (12,163)
Investment Income	-	-	26	26
Total Revenues	143,800	143,800	131,663	(12,137)
Expenditures				
Current:				
Public Safety	143,800	143,800	131,638	12,162
Total Expenditures	143,800	143,800	131,638	12,162
Excess (Deficiency) of Revenues over Expenditures	-	-	25	25
Fund Balances, Beginning	2,746	2,746	2,746	-
Fund Balances, Ending	<u>\$ 2,746</u>	<u>\$ 2,746</u>	<u>\$ 2,771</u>	<u>\$ 25</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Asset Seizure Fund
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income	\$ 230	\$ 230	\$ 185	\$ (45)
Total Revenues	<u>230</u>	<u>230</u>	<u>185</u>	<u>(45)</u>
Expenditures				
Current:				
Public Safety	<u>4,430</u>	<u>4,430</u>	<u>4,429</u>	<u>1</u>
Total Expenditures	<u>4,430</u>	<u>4,430</u>	<u>4,429</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	(4,200)	(4,200)	(4,244)	(44)
Fund Balances, Beginning	<u>21,754</u>	<u>21,754</u>	<u>21,754</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 17,554</u>	<u>\$ 17,554</u>	<u>\$ 17,510</u>	<u>\$ (44)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - PEG Access Fund
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 13,700	\$ 13,700	\$ 17,444	\$ 3,744
Investment Income	700	700	687	(13)
Total Revenues	<u>14,400</u>	<u>14,400</u>	<u>18,131</u>	<u>3,731</u>
Expenditure				
Current:				
General Government	<u>16,500</u>	<u>16,500</u>	<u>9,000</u>	<u>7,500</u>
Total Expenditures	<u>16,500</u>	<u>16,500</u>	<u>9,000</u>	<u>7,500</u>
Excess (Deficiency) of Revenues over Expenditures	(2,100)	(2,100)	9,131	11,231
Fund Balances, Beginning	<u>72,362</u>	<u>72,362</u>	<u>72,362</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 70,262</u></u>	<u><u>\$ 70,262</u></u>	<u><u>\$ 81,493</u></u>	<u><u>\$ 11,231</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - State COPS Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment Income	910	910	473	(437)
Total Revenues	100,910	100,910	100,473	(437)
Expenditures				
Current:				
Public Safety	100,000	100,000	100,000	-
Total Expenditures	100,000	100,000	100,000	-
Excess (Deficiency) of Revenues over Expenditures	910	910	473	(437)
Fund Balances, Beginning	11,122	11,122	11,122	-
Fund Balances, Ending	\$ 12,032	\$ 12,032	\$ 11,595	\$ (437)

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Safety LAPTOP Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 22,020	\$ 22,020	\$ 42,833	\$ 20,813
Total Revenues	-	22,020	42,833	20,813
Expenditures				
Current:				
General Government	22,020	-	-	-
Public Safety	-	42,860	42,850	10
Total Expenditures	22,020	42,860	42,850	10
Excess (Deficiency) of Revenues over Expenditures	(22,020)	(20,840)	(17)	20,823
Fund Balances, Beginning	18,177	18,177	18,177	-
Fund Balances, Ending	<u>\$ (3,843)</u>	<u>\$ (2,663)</u>	<u>\$ 18,160</u>	<u>\$ 20,823</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - JAG Grant Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 25,600	\$ 25,600	\$ 50,609	\$ 25,009
Investment Income	-	-	99	99
Total Revenues	25,600	25,600	50,708	25,108
Expenditures				
Current:				
Public Safety	25,940	51,240	51,231	9
Total Expenditures	25,940	51,240	51,231	9
Excess (Deficiency) of Revenues over Expenditures	(340)	(25,640)	(523)	25,117
Fund Balances, Beginning	622	622	622	-
Fund Balances, Ending	<u>\$ 282</u>	<u>\$ (25,018)</u>	<u>\$ 99</u>	<u>\$ 25,117</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Click It or Ticket
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 4,130	\$ 4,130	\$ 5,040	\$ 910
Total Revenues	<u>4,130</u>	<u>4,130</u>	<u>5,040</u>	<u>910</u>
Expenditures				
Current:				
Public Safety	<u>4,130</u>	<u>5,050</u>	<u>5,040</u>	<u>10</u>
Total Expenditures	<u>4,130</u>	<u>5,050</u>	<u>5,040</u>	<u>10</u>
Net Change in Fund Balances	-	(920)	-	920
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ -</u></u>	<u><u>\$ (920)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 920</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Gas Tax Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,113,360	\$ 1,113,360	\$ 1,105,418	\$ (7,942)
Investment Income	-	-	444	444
Total Revenues	<u>1,113,360</u>	<u>1,113,360</u>	<u>1,105,862</u>	<u>(7,498)</u>
Expenditures				
Current:				
Public Works	699,230	699,230	633,365	65,865
Capital Outlay	337,000	337,000	-	337,000
Total Expenditures	<u>1,036,230</u>	<u>1,036,230</u>	<u>633,365</u>	<u>402,865</u>
Excess (Deficiency) of Revenues over Expenditures	77,130	77,130	472,497	395,367
Fund Balances, Beginning	<u>12,175</u>	<u>12,175</u>	<u>12,175</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 89,305</u>	<u>\$ 89,305</u>	<u>\$ 484,672</u>	<u>\$ 395,367</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Traffic Congestion Relief Fund
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Income	45,850	45,850	1,865	(43,985)
Total Revenues	<u>45,850</u>	<u>45,850</u>	<u>1,865</u>	<u>(43,985)</u>
Expenditures				
Current:				
Public Works	40,000	40,000	-	40,000
Capital Outlay	351,620	351,620	224,948	126,672
Total Expenditures	<u>391,620</u>	<u>391,620</u>	<u>224,948</u>	<u>166,672</u>
Excess (Deficiency) of Revenues over Expenditures	(345,770)	(345,770)	(223,083)	122,687
Fund Balances, Beginning	<u>223,083</u>	<u>223,083</u>	<u>223,083</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ (122,687)</u></u>	<u><u>\$ (122,687)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 122,687</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - County Park Act Fund
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	<u>\$ 1,150,720</u>	<u>\$ 1,150,720</u>	<u>\$ 18,318</u>	<u>\$ (1,132,402)</u>
Total Revenues	<u>1,150,720</u>	<u>1,150,720</u>	<u>18,318</u>	<u>(1,132,402)</u>
Expenditures				
Capital Outlay	<u>1,150,720</u>	<u>1,150,720</u>	<u>18,318</u>	<u>1,132,402</u>
Total Expenditures	<u>1,150,720</u>	<u>1,150,720</u>	<u>18,318</u>	<u>1,132,402</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, Beginning	<u>(73,714)</u>	<u>(73,714)</u>	<u>(73,714)</u>	-
Fund Balances, Ending	<u><u>\$ (73,714)</u></u>	<u><u>\$ (73,714)</u></u>	<u><u>\$ (73,714)</u></u>	<u><u>\$ -</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop 1B
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 644,280	\$ 644,278	\$ (2)
Investment Income	-	-	816	816
Total Revenues	<u>-</u>	<u>644,280</u>	<u>645,094</u>	<u>814</u>
Expenditures				
Current:				
Public Works	-	-	-	-
Capital Outlay	<u>220,000</u>	<u>571,750</u>	<u>571,741</u>	<u>9</u>
Total Expenditures	<u>220,000</u>	<u>571,750</u>	<u>571,741</u>	<u>9</u>
Excess (Deficiency) of Revenues over Expenditures	(220,000)	72,530	73,353	823
Fund Balances, Beginning	<u>(73,353)</u>	<u>(73,353)</u>	<u>(73,353)</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$(293,353)</u></u>	<u><u>\$ (823)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 823</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Cal-Home Grant
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 313,800	\$ 313,800	\$ 3,462	\$ (310,338)
Investment Income	-	-	2,380	2,380
Total Revenues	<u>313,800</u>	<u>313,800</u>	<u>5,842</u>	<u>(307,958)</u>
Expenditures				
Current:				
Community Development	<u>313,000</u>	<u>313,000</u>	<u>209,780</u>	<u>103,220</u>
Total Expenditures	<u>313,000</u>	<u>313,000</u>	<u>209,780</u>	<u>103,220</u>
Excess (Deficiency) of Revenues over Expenditures	800	800	(203,938)	(204,738)
Fund Balances, Beginning	<u>346,180</u>	<u>346,180</u>	<u>346,180</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 346,980</u>	<u>\$ 346,980</u>	<u>\$ 142,242</u>	<u>\$ (204,738)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Energy Efficiency
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 16,280	\$ 16,280	\$ -	\$ (16,280)
Investment Income	-	-	703	703
Total Revenues	<u>16,280</u>	<u>16,280</u>	<u>703</u>	<u>(15,577)</u>
Expenditures				
Capital Outlay	<u>74,680</u>	<u>74,680</u>	<u>2,076</u>	<u>72,604</u>
Total Expenditures	<u>74,680</u>	<u>74,680</u>	<u>2,076</u>	<u>72,604</u>
Excess (Deficiency) of Revenues over Expenditures	(58,400)	(58,400)	(1,373)	57,027
Fund Balances, Beginning	<u>76,618</u>	<u>76,618</u>	<u>76,618</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 18,218</u></u>	<u><u>\$ 18,218</u></u>	<u><u>\$ 75,245</u></u>	<u><u>\$ 57,027</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Air Quality Improvement Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 50,340	\$ 50,340	\$ 47,386	\$ (2,954)
Investment Income	-	-	1,869	1,869
Total Revenues	50,340	50,340	49,255	(1,085)
Expenditures				
Current:				
General Government	53,730	53,730	-	53,730
Total Expenditures	53,730	53,730	-	53,730
Excess (Deficiency) of Revenues over Expenditures	(3,390)	(3,390)	49,255	52,645
Other Financing Sources (Uses)				
Sales of assets	-	-	5,250	5,250
Total Other Financing Sources (Uses)	-	-	5,250	5,250
Net Change in Fund Balances	(3,390)	(3,390)	54,505	57,895
Fund Balances, Beginning	187,555	187,555	187,555	-
Fund Balances, Ending	<u>\$ 184,165</u>	<u>\$ 184,165</u>	<u>\$ 242,060</u>	<u>\$ 57,895</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - ARRA Stimulus
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	<u>\$ 1,697,170</u>	<u>\$ 1,697,170</u>	<u>\$ 378,568</u>	<u>\$ (1,318,602)</u>
Total Revenues	<u>1,697,170</u>	<u>1,697,170</u>	<u>378,568</u>	<u>(1,318,602)</u>
Expenditures				
Capital Outlay	<u>1,697,170</u>	<u>1,697,170</u>	<u>378,568</u>	<u>1,318,602</u>
Total Expenditures	<u>1,697,170</u>	<u>1,697,170</u>	<u>378,568</u>	<u>1,318,602</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Measure R
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 362,800	\$ 362,800	\$ 362,830	\$ 30
Investment Income	-	-	2,657	2,657
Total Revenues	<u>362,800</u>	<u>362,800</u>	<u>365,487</u>	<u>2,687</u>
Expenditures				
Current:				
Public Works	59,360	59,360	39,088	20,272
Capital Outlay	<u>300,000</u>	<u>300,000</u>	<u>203,054</u>	<u>96,946</u>
Total Expenditures	<u>359,360</u>	<u>359,360</u>	<u>242,142</u>	<u>117,218</u>
Excess (Deficiency) of Revenues over Expenditures	3,440	3,440	123,345	119,905
Fund Balances, Beginning	<u>122,665</u>	<u>122,665</u>	<u>122,665</u>	-
Fund Balances, Ending	<u><u>\$ 126,105</u></u>	<u><u>\$ 126,105</u></u>	<u><u>\$ 246,010</u></u>	<u><u>\$ 119,905</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop A Transportation Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Intergovernmental	\$ 583,180	\$ 583,180	\$ 585,202	\$ 2,022
Charges for Services	201,500	201,500	223,676	22,176
Investment Income	-	-	4,970	4,970
Total Revenues	784,680	784,680	813,848	29,168
Expenditures				
Current:				
General Government	7,530	7,530	7,530	-
Community Development	1,129,850	1,129,850	852,966	276,884
Capital Outlay	23,500	23,500	-	23,500
Total Expenditures	1,160,880	1,160,880	860,496	300,384
Excess (Deficiency) of Revenues over Expenditures	(376,200)	(376,200)	(46,648)	329,552
Fund Balances, Beginning	489,104	489,104	489,104	-
Fund Balances, Ending	<u>\$ 112,904</u>	<u>\$ 112,904</u>	<u>\$ 442,456</u>	<u>\$ 329,552</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Prop C Transportation Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 483,730	\$ 483,730	\$ 486,325	\$ 2,595
Investment Income	-	-	6,126	6,126
Total Revenues	483,730	483,730	492,451	8,721
Expenditures				
Current:				
Public Works	78,990	78,990	39,053	39,937
Capital Outlay	387,380	387,380	195,263	192,117
Total Expenditures	466,370	466,370	234,316	232,054
Excess (Deficiency) of Revenues over Expenditures	17,360	17,360	258,135	240,775
Fund Balances, Beginning	528,155	528,155	528,155	-
Fund Balances, Ending	<u>\$ 545,515</u>	<u>\$ 545,515</u>	<u>\$ 786,290</u>	<u>\$ 240,775</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Community Center
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income	\$ -	\$ -	\$ 6,254	\$ 6,254
Total Revenues	-	-	6,254	6,254
Expenditures				
Debt Service:				
Interest & Fiscal Charges	419,920	419,920	419,910	10
Total Expenditures	419,920	419,920	419,910	10
Net Change in Fund Balances	(419,920)	(419,920)	(413,656)	6,264
Fund Balances, Beginning	1,006,384	1,006,384	1,006,384	-
Fund Balances, Ending	<u>\$ 586,464</u>	<u>\$ 586,464</u>	<u>\$ 592,728</u>	<u>\$ 6,264</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Safe Routes to School
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 619,470	\$ 619,470	\$ -	\$(619,470)
Total Revenues	<u>619,470</u>	<u>619,470</u>	<u>-</u>	<u>(619,470)</u>
Expenditures				
Capital Outlay	-	-	34,641	(34,641)
Total Expenditures	<u>-</u>	<u>-</u>	<u>34,641</u>	<u>(34,641)</u>
Excess (Deficiency) of Revenues over Expenditures	619,470	619,470	(34,641)	(654,111)
Fund Balances, Beginning	<u>(23,410)</u>	<u>(23,410)</u>	<u>(23,410)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 596,060</u>	<u>\$ 596,060</u>	<u>\$ (58,051)</u>	<u>\$ (654,111)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - JAG Grant ARRA Fund
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 102,090	\$ 102,090	\$ 102,087	\$ (3)
Investment Income	-	-	291	291
	<u>102,090</u>	<u>102,090</u>	<u>102,378</u>	<u>288</u>
Expenditures				
Current:				
Public Safety	102,090	102,380	102,378	2
	<u>102,090</u>	<u>102,380</u>	<u>102,378</u>	<u>2</u>
Excess (Deficiency) of Revenues over Expenditures	-	(290)	-	290
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ (290)</u>	<u>\$ -</u>	<u>\$ 290</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - Escrow UBOC
Year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Income	\$ 2,270	\$ 2,270	\$ 1,707	\$ (563)
Total Revenues	<u>2,270</u>	<u>2,270</u>	<u>1,707</u>	<u>(563)</u>
Expenditures				
Debt Service:				
Interest & Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	2,270	2,270	1,707	(563)
Fund Balances, Beginning	<u>183,939</u>	<u>183,939</u>	<u>183,939</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 186,209</u>	<u>\$ 186,209</u>	<u>\$ 185,646</u>	<u>\$ (563)</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - 2007 TABS
Year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ 149	\$ 149
Total Revenues	-	-	149	149
Expenditures				
Debt Service:				
Interest & Fiscal Charges	326,040	326,040	326,031	9
Total Expenditures	326,040	326,040	326,031	9
Excess (Deficiency) of Revenues over Expenditures	(326,040)	(326,040)	(325,882)	158
Other Financing Sources (Uses)				
Transfer In	326,040	326,040	326,031	(9)
Total Other Financing Sources (Uses)	326,040	326,040	326,031	(9)
Net Change in Fund Balances	-	-	149	149
Fund Balances, Beginning	331,469	331,469	331,469	-
Fund Balances, Ending	<u>\$ 331,469</u>	<u>\$ 331,469</u>	<u>\$ 331,618</u>	<u>\$ 149</u>

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

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

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City of La Puente
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

	Deposits	County Court Parking Fines	Totals
Assets			
Cash and Investments	\$ 215,178	\$ 20,393	\$ 235,571
Total Assets	\$ 215,178	\$ 20,393	\$ 235,571
Liabilities			
Accounts Payable	\$ -	\$ 20,393	\$ 20,393
Deposits Payable	215,177	-	215,177
Total Liabilities	\$ 215,177	\$ 20,393	\$ 235,570

City of La Puente
Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2011

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Deposits Fund				
Assets				
Cash and Investments	\$ 239,954	\$ -	\$ 24,777	\$ 215,177
Total Assets	<u>\$ 239,954</u>	<u>\$ -</u>	<u>\$ 24,777</u>	<u>\$ 215,177</u>
Liabilities				
Accounts Payable	\$ 34,222	\$ -	\$ 34,222	\$ -
Deposits Payable	205,732	9,445	-	215,177
Total Liabilities	<u>\$ 239,954</u>	<u>\$ 9,445</u>	<u>\$ 34,222</u>	<u>\$ 215,177</u>
County Court Parking Fines Fund				
Assets				
Cash and Investments	\$ 7,553	\$ 12,840	\$ -	\$ 20,393
Total Assets	<u>\$ 7,553</u>	<u>\$ 12,840</u>	<u>\$ -</u>	<u>\$ 20,393</u>
Liabilities				
Accounts Payable	\$ 7,553	\$ 12,840	\$ -	\$ 20,393
Total Liabilities	<u>\$ 7,553</u>	<u>\$ 12,840</u>	<u>\$ -</u>	<u>\$ 20,393</u>
Totals - All Agency Funds				
Assets				
Cash and Investments	\$ 247,507	\$ 12,840	\$ 24,777	\$ 235,570
Total Assets	<u>\$ 247,507</u>	<u>\$ 12,840</u>	<u>\$ 24,777</u>	<u>\$ 235,570</u>
Liabilities				
Accounts Payable	\$ 41,775	\$ 12,840	\$ 34,222	\$ 20,393
Deposits	205,732	9,445	-	215,177
Total Liabilities	<u>\$ 247,507</u>	<u>\$ 22,285</u>	<u>\$ 34,222</u>	<u>\$ 235,570</u>

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

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule by Source
June 30, 2011

Governmental Funds Capital Assets

Land	\$	3,620,179
Building and Improvements		19,580,594
Furniture and Equipment		685,368
Infrastructure		28,954,622
Construction in Progress		<u>782,018</u>

Total Governmental Funds Capital Assets	\$	<u><u>53,622,781</u></u>
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Investments in Governmental Funds Capital Assets by Source

General Fund	\$	9,010,337
Special Revenue Funds		15,309,893
Federal and State Grants		14,642,346
County Grants		4,976,386
Donated		<u>9,683,819</u>

Total Governmental Funds Capital Assets by Source	\$	<u><u>53,622,781</u></u>
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¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2011

	<u>Land</u>	<u>Building and Improvements</u>	<u>Furniture and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Totals</u>
Function and Activity						
General Government	\$ 591,008	\$ 1,056,868	\$ 260,610	\$ -	\$ -	\$ 1,908,486
Public Works	2,538,966	244,121	136,086	27,495,952	539,711	30,954,836
Recreation/Senior Services	415,620	16,096,752	183,821	-	242,306	16,938,499
Community Development	<u>74,585</u>	<u>2,182,853</u>	<u>104,851</u>	<u>1,458,671</u>	<u>-</u>	<u>3,820,960</u>
 Total Governmental Funds						
Capital Assets	<u>\$ 3,620,179</u>	<u>\$ 19,580,594</u>	<u>\$ 685,368</u>	<u>\$ 28,954,623</u>	<u>\$ 782,017</u>	<u>\$ 53,622,781</u>

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

City of La Puente
Capital Assets used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year ended June 30, 2011

	Governmental Funds Capital Assets July 1, 2010	Additions	Deletions	Governmental Funds Capital Assets June 30, 2011
Function and Activity				
General Government	\$ 1,908,486	\$ -	\$ -	\$ 1,908,486
Public Works	29,014,590	1,940,246	-	30,954,836
Recreation/Senior Services	16,938,499	-	-	16,938,499
Community Development	3,820,960	-	-	3,820,960
	<u>\$ 51,682,535</u>	<u>\$ 1,940,246</u>	<u>\$ -</u>	<u>\$ 53,622,781</u>

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

STATISTICAL SECTION

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

Contents	Page
Financial Trends	107
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	113
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	117
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	120
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	123
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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**City of La Puente
Net Assets by Component
Last Nine Fiscal Years**

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

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

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

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

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

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

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

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

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 1,180,050	\$ 1,210,493	\$ 1,425,125	\$ 5,012,337	\$ 6,946,674	\$ 11,356,449	\$ 11,943,037	\$ 14,117,346	\$ 13,017,404	\$ -
Unreserved	13,049,480	13,168,289	12,034,994	8,094,102	8,936,319	6,569,579	8,779,737	5,958,656	6,093,429	-
Total general fund	<u>\$ 14,229,530</u>	<u>\$ 14,378,782</u>	<u>\$ 13,460,119</u>	<u>\$ 13,106,439</u>	<u>\$ 15,882,993</u>	<u>\$ 17,926,028</u>	<u>\$ 20,722,774</u>	<u>\$ 20,076,002</u>	<u>\$ 19,110,833</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ 75,092	\$ 29,988	\$ -	\$ 3,511,981	\$ 5,485,664	\$ 5,537,503	\$ 11,985,341	\$ 14,239,645	\$ 7,513,002	\$ -
Unreserved, reported in:										
Special Revenue Funds	2,763,210	2,272,583	1,841,722	2,416,329	2,595,249	2,179,965	2,229,734	3,089,829	2,146,069	-
Debt Service Fund	-	(1,321,782)	(1,428,678)	(1,632,565)	(1,841,098)	(1,950,311)	(2,795,778)	(3,377,292)	(4,126,158)	-
Capital Projects Funds	6,537	(980,200)	(1,156,533)	(4,742,538)	(6,331,557)	(6,665,360)	(5,500,761)	(11,674,885)	(12,508,278)	-
Total all other governmental funds	<u>\$ 2,844,839</u>	<u>\$ 589</u>	<u>\$ (743,489)</u>	<u>\$ (446,793)</u>	<u>\$ (91,742)</u>	<u>\$ (898,203)</u>	<u>\$ 5,918,536</u>	<u>\$ 2,277,297</u>	<u>\$ (6,975,365)</u>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,968,441
Unrestricted:										
Unassigned										
General Fund	-	-	-	-	-	-	-	-	-	5,601,360
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,569,801</u>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	6,615,757
Restricted	-	-	-	-	-	-	-	-	-	3,402,447
Unrestricted:										
Unassigned	-	-	-	-	-	-	-	-	-	(17,640,549)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,622,345)</u>

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:										
Taxes	\$ 3,447,109	\$ 3,436,029	\$ 3,411,569	\$ 4,097,698	\$ 7,467,735	\$ 8,449,174	\$ 8,751,688	\$ 8,845,687	\$ 8,066,381	\$ 8,708,763
Licenses and permits	280,273	378,062	558,431	450,406	432,732	386,911	332,227	241,162	313,337	273,183
Intergovernmental	6,027,171	6,946,692	7,532,682	7,516,483	4,465,413	4,103,297	5,038,388	5,178,684	4,477,921	4,945,362
Charges for services	525,288	638,600	701,437	831,956	833,801	930,265	840,148	958,304	886,241	1,003,997
Fines and Forfeitures	473,381	501,641	509,918	568,161	606,351	625,597	665,409	603,259	547,680	458,677
Investment Income	614,229	548,769	4,051	260,671	193,146	664,921	466,760	463,456	144,194	60,604
Other revenue	57,586	173,677	67,828	92,386	63,199	122,477	171,996	108,328	714,402	35,812
Total revenues	<u>11,425,037</u>	<u>12,623,470</u>	<u>12,785,916</u>	<u>13,817,761</u>	<u>14,062,377</u>	<u>15,282,642</u>	<u>16,266,616</u>	<u>16,398,880</u>	<u>15,150,156</u>	<u>15,486,398</u>
Expenditures:										
General government	1,987,667	2,043,274	2,332,376	2,548,442	2,556,526	2,559,138	1,977,375	1,979,259	2,267,156	2,893,469
Public safety	3,754,212	4,130,287	4,053,729	3,925,328	4,243,279	4,384,287	4,726,466	4,740,578	4,666,557	4,824,769
Public Works	2,300,679	1,922,263	1,681,804	2,066,346	1,870,146	1,923,101	1,937,843	1,895,557	1,711,607	1,485,074
Recreation/Senior Services	919,464	920,144	1,056,494	1,111,718	1,280,050	1,553,937	786,704	1,252,315	988,071	958,193
Community Development	1,229,339	2,072,711	1,988,027	1,661,896	1,646,099	1,959,098	2,776,773	2,368,298	2,414,069	2,606,245
Redevelopment and Housing	-	-	-	-	97,944	293,793	355,308	634,199	9,045,803	461,447
Capital outlay	264,347	1,928,557	3,229,331	2,357,128	955,586	1,952,728	7,239,556	8,883,691	2,751,793	1,955,078
Debt service:										
Principal	-	-	-	-	-	-	-	-	100,000	100,000
Interest & Fiscal Charges	103,475	103,781	106,896	203,887	369,063	404,642	612,721	1,350,974	1,348,651	1,390,135
Cost of Issuance	-	-	-	-	-	-	252,180	82,020	-	-
Total expenditures	<u>10,559,183</u>	<u>13,121,017</u>	<u>14,448,657</u>	<u>13,874,745</u>	<u>13,018,693</u>	<u>15,030,724</u>	<u>20,664,926</u>	<u>23,186,891</u>	<u>25,293,707</u>	<u>16,674,410</u>
Excess of revenues over (under) expenditures	<u>865,854</u>	<u>(497,547)</u>	<u>(1,662,741)</u>	<u>(56,984)</u>	<u>1,043,684</u>	<u>251,918</u>	<u>(4,398,310)</u>	<u>(6,788,011)</u>	<u>(10,143,551)</u>	<u>(1,188,012)</u>
Other Financing Sources (Uses)										
Debt Issuance	-	-	-	-	-	-	14,040,000	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	2,500,000	-	-
Transfers In	-	-	-	-	162,283	88,546	7,933,410	558,430	1,598,359	967,830
Transfers Out	-	-	-	-	(162,283)	(148,890)	(7,961,615)	(558,430)	(1,672,639)	(967,830)
Total Other Financing Sources (Uses)	-	-	-	-	-	(60,344)	14,011,795	2,500,000	(74,280)	-
Special Items										
Legal Settlement	-	-	-	-	1,928,645	1,045,000	-	-	-	-
Sale of Land	-	-	-	-	397,237	-	-	-	-	-
Total Special Items	-	-	-	-	2,325,882	1,045,000	-	-	-	-
Net change in fund balances	<u>\$ 865,854</u>	<u>\$ (497,547)</u>	<u>\$ (1,662,741)</u>	<u>\$ (56,984)</u>	<u>\$ 3,369,566</u>	<u>\$ 1,236,574</u>	<u>\$ 9,613,485</u>	<u>\$ (4,288,011)</u>	<u>\$ (10,217,831)</u>	<u>\$ (1,188,012)</u>
Debt service as a percentage of noncapital expenditures	1.02%	0.94%	0.96%	1.80%	3.16%	3.19%	6.89%	11.13%	6.87%	11.26%

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

Fiscal Year	Assessed Values				Less: Tax Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other			
2002	\$ 823,093,499	\$ 145,052,345	\$ 9,360,863	\$ 42,431,133	\$ (8,421,704)	\$ 1,011,516,136	0.06421%
2003	883,681,043	152,231,540	13,914,216	39,193,002	(8,337,700)	1,080,682,101	0.06355%
2004	951,442,109	160,383,886	16,896,366	46,806,916	(8,404,874)	1,167,124,403	0.06449%
2005	1,040,930,321	165,247,308	18,645,327	35,256,503	(8,356,647)	1,251,722,812	0.06464%
2006	1,143,123,909	176,780,144	19,495,859	46,191,425	(8,409,435)	1,377,181,902	0.06529%
2007	1,300,336,565	196,103,013	20,050,753	47,742,908	(12,892,335)	1,551,340,904	0.08638%
2008	1,424,807,676	215,130,123	21,761,258	48,019,897	(12,160,956)	1,697,557,998	0.09503%
2009	1,504,488,964	247,993,848	22,599,723	49,061,668	(12,216,097)	1,811,928,106	0.10508%
2010	1,377,271,873	235,079,377	22,613,632	47,789,065	(12,216,097)	1,670,537,850	0.10809%
2011	1,335,702,403	229,938,122	23,184,803	41,811,224	(13,156,968)	1,617,479,584	0.10549%

Source: HdL, Coren & Cone; L.A. County Assessor 2010/11 Combined Tax Rolls

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

<u>Year</u>	<u>General Levy</u>	<u>Los Angeles County</u>			<u>Metropolitan Water</u>	<u>College & Districts</u>	<u>Total</u>	<u>Direct Rate</u>
		<u>General Levy</u>	<u>Flood District</u>					
2002	1.000	0.00113	0.001073	0.0077	0.1440	1.153871	0.0635	
2003	1.000	0.00103	0.000881	0.0067	0.18715	1.195764	0.0628	
2004	1.000	0.00099	0.000462	0.0061	0.15948	1.167034	0.0638	
2005	1.000	0.00092	0.000245	0.0058	0.19205	1.199018	0.0639	
2006	1.000	0.0008	0.000049	0.0052	0.26465	1.270694	0.0743	
2007	1.000	0.00066	0.000052	0.0047	0.2993	1.304715	0.086	
2008	1.000	-	-	0.0045	0.2975	1.302000	0.0947	
2009	1.000	-	-	0.0043	0.3007	1.305030	0.1045	
2010	1.000	-	-	0.0043	0.3145	1.318780	0.1081	
2011	1.000	-	-	0.0037	0.3487	1.352420	0.1055	

Note 1: For fiscal year 2010/11, General Levy is distributed as follows: L.A. County General (.243), Hacienda La Puente Unified School District (.1757), Consolidated Fire Protection District of L.A. County (.1739), Educational Augmentation Fund Impound (.1363), Educational Revenue Augmentation Fund (.0721), City of La Puente Tax District 1 (.0658), County Lighting Maintenance District No. 1744 (.0349), Mount San Antonio Community College (.030), L.A. County Library (.0231), Other (.0451).

Source: HdL Coren & Cone, Los Angeles County Assessor 2010/11 Annual Tax Increment Tables
Los Angeles County Auditor-Controller "Tax Payers' Guide 2010-2011"

**City of La Puente
Principal Property Tax Payers
Last Six Fiscal Years**

Taxpayer	2006			2007			2008			2009			2010			2011		
	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV
Hacienda Plaza JPS LLC	\$ -	-	-	\$ 15,113,950	1	0.94%	\$ 19,026,000	1	1.11%	\$ 34,425,000	1	1.89%	\$ 33,227,000	1	1.86%	\$ 30,398,000	1	1.67%
Group X Rosemead Prop.	-	-	-	-	-	-	20,348,762	10	1.19%	20,755,430	3	1.14%	21,170,228	2	1.30%	21,120,086	2	1.16%
Haeri LLC	13,908,707	4	0.98%	-	-	-	-	-	-	26,430,000	2	1.45%	14,780,718	4	0.92%	15,019,542	3	0.82%
Sunkist Shopping Center	11,568,765	2	0.82%	4,314,104	10	0.27%	12,036,120	2	0.70%	12,279,582	5	0.67%	12,525,109	5	0.77%	12,508,170	4	0.69%
Villa Las Brisas LLC	-	-	-	-	-	-	-	-	-	14,637,145	4	0.80%	14,929,887	3	0.72%	11,668,425	5	0.64%
Walnut Apartments	9,768,231	8	0.69%	-	-	-	-	-	-	10,361,971	6	0.57%	10,567,854	6	0.65%	10,542,968	6	0.58%
Wind Chime Properties	-	-	-	9,588,000	2	0.60%	9,779,759	4	0.57%	9,975,352	7	0.55%	10,174,857	7	0.62%	10,150,740	7	0.56%
Laurala Limited	9,286,911	9	0.66%	-	-	-	-	-	-	8,798,352	8	0.48%	8,974,175	8	0.55%	8,952,917	8	0.49%
EML LLC	-	-	-	-	-	-	6,857,691	5	0.40%	6,994,839	9	0.38%	7,134,732	9	0.44%	7,117,818	9	0.39%
Prince N. Dennis & I. Shan Li	-	-	-	-	-	-	-	-	-	-	-	-	6,074,442	10	0.37%	6,060,049	10	0.33%
Mahomed&A.M. Limbada	6,591,406	3	0.46%	6,723,230	5	0.42%	-	-	-	-	-	-	-	-	-	-	-	-
La Puente Plaza LLC	5,610,833	5	0.40%	5,723,049	7	0.36%	5,837,509	6	0.34%	-	-	-	-	-	-	-	-	-
Granite Hacienda LP	-	-	-	7,560,426	3	0.47%	11,374,000	3	0.67%	-	-	-	-	-	-	-	-	-
Emser International LLC	-	-	-	4,421,633	8	0.28%	4,510,064	7	0.26%	-	-	-	-	-	-	-	-	-
KNC Capital Group LLC	4,300,000	6	0.30%	4,386,000	9	0.27%	4,473,720	8	0.26%	-	-	-	-	-	-	-	-	-
Charles H Hofgaarden Trst	4,132,311	7	0.29%	-	-	-	4,299,247	9	0.25%	-	-	-	-	-	-	-	-	-
Big 5 Corporation	19,525,787	1	1.38%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Walgreen Company	3,860,564	10	0.27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royal Street Comm.	-	-	-	7,486,025	4	0.47%	-	-	-	-	-	-	-	-	-	-	-	-
Group VI S & P Properties	-	-	-	22,128,890	6	1.38%	-	-	-	-	-	-	-	-	-	-	-	-
La Puente Company LLC	-	-	-	-	-	-	-	-	-	6,975,780	10	0.38%	-	-	-	-	-	-
	<u>\$ 88,553,515</u>		<u>6.25%</u>	<u>\$ 87,445,307</u>		<u>5.46%</u>	<u>\$ 98,542,872</u>		<u>5.76%</u>	<u>\$ 151,633,451</u>		<u>8.31%</u>	<u>\$ 139,559,002</u>		<u>8.20%</u>	<u>\$ 133,538,715</u>		<u>7.32%</u>

Source: HdL Coren & Cone

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

Fiscal Year	Total Tax Levy ⁽²⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2002	\$ -	\$ -	-	\$ -	\$ -	-
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	804,303	32,624	4.1%	437	33,061	4.1%
2006	882,864	746,746	84.6%	1,931	748,677	84.8%
2007	976,622	852,795	87.3%	5,879	858,674	87.9%
2008	1,056,106	897,977	85.0%	-	897,977	85.0%
2009	1,126,953	968,444	85.9%	9,737	978,181	86.8%
2010	1,040,321	888,710	85.4%	12,259	900,969	86.6%
2011	999,478	867,546	86.8%	371	867,916	86.8%

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

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

Source: Los Angeles County

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

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	(1) & (2) Percentage of Personal Income	Per Capita ⁽¹⁾
	Tax Allocation Bond	Lease Agreement	Loan	Sewer Bonds			
2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-
2008	4,040,000	10,000,000	-	10,260,000	24,300,000	na	562
2009	4,040,000	10,000,000	2,500,000	10,085,000	26,625,000	na	615
2010	4,040,000	10,000,000	2,400,000	9,925,000	26,365,000	4.47%	608
2011	3,990,000	10,000,000	2,300,000	9,925,000	26,215,000	5.79%	657

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

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

² Information not available prior to 2010.

City of La Puente
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2011

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of La Puente	Net Bonded Debt
Direct-City of La Puente	\$ -	-	\$ -
Overlapping Debt:			
Water District:			
Metropolitan Water District	107,259,876	0.184	196,918
Mt San Antonio College:			
2001 Series A Debt Service	1,130,000	2.450	27,683
2004 Series B 04 Debt Service	8,080,000	2.450	197,945
2005 Refunding Bond	55,835,843	2.450	1,367,874
2006 Series C Debt Service	79,461,712	2.450	1,946,664
2001 DS, 2008 Series D	24,602,430	2.450	602,714
School District:			
Bassett Unified DS 2004 Series 2005A	11,203,352	7.129	798,663
Bassett Unified DS 2004 Series 2005 B	10,616,192	7.129	756,805
Bassett Unified DS 2006 Series 2007	14,139,566	7.129	1,007,979
Bassett Unified DS 2006 Series B	4,999,970	7.129	356,437
Hacienda-La Puente USD 2000 Ser A DS	2,724,899	13.329	363,211
Hacienda-La Puente USD 2000 Ser B DS	8,290,987	13.300	1,102,685
Hacienda-La Puente USD 2005 REF BDS	29,790,000	13.300	3,962,013
Hacienda-La Puente USD 2007 REF BDS	55,280,000	13.300	7,352,135
Rowland Heights USD 2000 Ser A DS	2,514,562	1.576	39,628
Rowland Heights USD 2000 Ser B DS	39,899,075	1.576	628,788
Rowland Heights USD 2005 REF BDS	15,400,173	1.576	242,698
Rowland Heights USD 2006 Ser A DS	42,400,000	1.576	668,201
Rowland Heights USD 2006 Ser B	32,422,549	1.576	510,962
Rowland Heights USD 2006 Ser B-BABS	12,000,000	1.576	189,114
West Covina Unified SD 2000 Ser C DS	8,030,000	1.024	82,200
West Covina Unified SD 2002 REF BD S-A	15,340,000	1.024	157,030
West Covina Unified SD 2000 Ser D DS	8,465,000	1.024	86,653
Total direct and overlapping debt			<u>\$ 22,645,000</u>

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

Source: HdL Coren & Cone; L.A. County Assessor and Auditor Combined 2010/11 Lien Date Tax Rolls

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 152,990,676	\$ 163,352,970	\$ 176,329,392	\$ 190,361,919	\$ 207,838,701	\$ 234,634,986	\$ 256,457,843	\$ 273,621,630	\$ 252,413,092	\$ 244,595,483
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 143,262,272</u>	<u>\$ 152,990,676</u>	<u>\$ 163,352,970</u>	<u>\$ 176,329,392</u>	<u>\$ 190,361,919</u>	<u>\$ 207,838,701</u>	<u>\$ 234,634,986</u>	<u>\$ 256,457,843</u>	<u>\$ 273,621,630</u>	<u>\$ 244,595,483</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	\$ 1,595,943,567
Add back: exempt real property	<u>34,692,985</u>
Total assessed value	1,630,636,552
Debt limit (15% of total assessed value)	244,595,483
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 244,595,483</u>

Source: HdL Coren & Cone; L.A. County Assessor 2010/11 Combined Tax Rolls

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	42,150	na	na	22,953	8.5%
2003	42,650	na	na	23,049	8.8%
2004	43,046	na	na	22,878	8.1%
2005	43,360	na	na	22,302	6.7%
2006	43,164	na	na	20,821	5.2%
2007	43,338	na	na	19,831	5.8%
2008	43,256	na	na	19,072	8.3%
2009	43,269	na	na	18,153	13.2%
2010	43,355	\$ 590,365	\$ 13,617	17,495	13.6%
2011	39,930	452,646	11,336	17,235	14.3%

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

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

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

Employer	2011		
	# of Emp.	Rank	% of Total City Employment
Northgate Supermarket	120	1	3.29%
Food 4 Less #369	77	2	2.11%
Ed Butts Ford	70	3	1.92%
Big Saver Foods #12	60	4	1.65%
Merritt's Hardware	50	5	1.37%
Burger King	37	6	1.01%
99cents Only Stores	34	7	0.93%
CVS Pharmacy #9629	33	8	0.90%
Jack in the Box	32	9	0.88%
Walgreens #05702	32	10	0.88%
Others	3,102	-	85.06%
Total	3,647		100.00%

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

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

Program/Function	2005	2006	2007	2008	2009	2010	2011*
General Government							
City Council	5.00	5.00	5.00	5.00	5.00	5.00	n/a
City Clerk/Election Services	3.66	2.68	1.73	3.65	3.80	0.98	n/a
Human Resources/Risk Management	-	-	-	0.75	0.75	1.50	n/a
Administration	2.38	2.38	1.62	1.95	1.92	0.85	n/a
Financial Services	4.36	4.36	3.83	3.45	3.86	3.35	n/a
Public Safety							
Public Safety Services	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out
Public Works Services							
General Services	0.80	1.40	0.75	0.75	1.00	1.02	n/a
Emergency Preparedness Services	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out	Contract out
Public Works Services	2.20	2.20	2.20	3.30	2.65	4.77	n/a
Measure R						0.11	n/a
Streets/Sidewalks (Prop C)	1.23	0.58	2.02	0.45	1.40	0.99	n/a
Waste Management Services	0.60	0.60	0.40	0.25	0.20	0.06	n/a
Park/Maintenance Services	5.39	5.64	5.34	5.00	6.65	4.71	n/a
Community Development							
Planning/Zoning Services	3.13	2.93	2.11	2.72	3.03	2.68	n/a
Housing/Community Services	4.18	3.94	2.65	4.23	1.84	1.70	n/a
Community Preservation Services	3.76	4.76	5.76	5.40	6.00	6.00	n/a
Public Transit Services (Prop A)	1.36	2.03	2.32	2.00	2.15	2.39	n/a
Recreation/Senior Services							
Recreation Services	3.57	2.77	2.42	2.50	2.34	2.19	n/a
Youth Activity Learning Center	-	-	-	-	0.33	-	-
Nature Education Center	-	-	-	-	1.00	2.62	n/a
Senior Services	1.38	0.73	0.94	0.90	2.83	1.19	n/a
Sewer Maintenance Fund							
Sewer Maintenance	-	-	1.11	1.10	1.80	1.79	n/a
Equipment Replacement Fund							
IT/Equipment Charges	-	-	0.80	1.00	1.20	1.50	n/a
Community Development Commission							
Low Mod Income Housing/Capital Project Fund	-	-	-	0.60	0.75	3.60	n/a
	<u>43.00</u>	<u>42.00</u>	<u>41.00</u>	<u>45.00</u>	<u>50.50</u>	<u>49.00</u>	<u>-</u>

Information prior to fiscal year 2005 is not available.

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

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

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

-The City of La Puente is a contracting city for Public Safety, Fire prevention, Public Works, Water and Waste services.

-Information prior to fiscal year 2005 is not available.

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

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

Function/Program	<u>Fiscal Year</u> <u>2011</u>
Public Safety	
Police:	
Stations	Contract out
Patrol units	Contract out
Fire stations	Contract out
Sanitation	
Collection trucks	Contract out
Highways and streets	
Streets (miles)	72.1
Streetlights	369
Traffic signals	41
Community Services	
Park acreage	23
Park	1
Community Center	1
Youth Learning Activity Center	1
Senior Center	1
Water	
Water mains (miles)	Contract out
Fire hydrants	Contract out
Maximum daily capacity (thousands of gallons)	Contract out
Sewer	
Sanitary sewers (miles)	67.5
Storm sewers (miles)	9.04
Maximum daily capacity (thousands of gallons)	Contract out
Electric	
Number of distribution stations	Contract out
Miles of service line	Contract out

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

Source: City of La Puente

