

Fiscal Year 2021-2022

# Popular Annual Financial Report



# LA PUENTE CALIFORNIA

# INTRODUCTION

## ABOUT THIS REPORT

Thank you for your interest in the Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2022. This report offers a summary of the City's financial information for Fiscal Year 2021-2022. The purpose of the PAFR is to provide citizens with a way to learn how public resources are used throughout the community. The PAFR is informational, and it does not constitute a formal financial statement.

The data presented in the PAFR is taken directly from the audited Annual Consolidated Financial Report (ACFR), which is prepared in accordance with generally accepted accounting principles (GAAP). To view the full Annual Comprehensive Financial Report (ACFR) for the 2021/2022 Fiscal Year, please visit [lapuente.org/finance-department/](http://lapuente.org/finance-department/) or call (626) 855-1500.

## STAFF MESSAGE

Dear Honorable Mayor, Members of the City Council, and La Puente community:

Fiscal Year 2021-22 was a period of recovery in our city and in our nation. As the COVID-19 pandemic eased, public health advancements allowed for diminishing infection rates and the return to a semblance of normalcy in public affairs. Likewise, much of the economic uncertainty brought about by the pandemic was allayed, and a period of record-breaking expansion began.

With these prospects in mind, the City set out to accomplish an ambitious plan of work, backed by strong budgetary resources. The American Rescue Plan Act (ARPA), a federal allocation granted to local agencies for the purpose of promoting post-pandemic economic recovery, provided over \$4.7 million in funding to La Puente. These funds were promptly programmed for uses supporting the local community, including small business grants, aid to non-profit organizations, services for the unhoused population, community beautification, and subsidization of youth sports and activities.

As in previous years, the capital improvement program (CIP) was a large focus during FY 21/22. Over \$4.97 million was expended on construction, engineering, and related services for the local street pavement resurfacing project. Additionally, the City raised over \$3.7 million as part of the Series 2022A Certificates of Participation (COPs), a private placement debt instrument used for the purpose of funding energy efficient improvements at agency facilities.

We would like to acknowledge the City Council for its continuing attention to fiscal matters. Our final gratitude is reserved for the citizens of La Puente. The vigor with which you participate in civic life is an exemplar to communities everywhere.



Bob Lindsey  
City Manager



Troy Grunklee, CPA  
Director of Administrative Services



Alexander Merkel Medina  
Finance Manager

# LA PUENTE FAST FACTS

**74% SINGLE  
FAMILY HOMES**

**POPULATION  
37,587**

**11.8% ASIAN  
AMERICAN**

**3.5 SQUARE MILES**

**40.3%  
FOREIGN BORN**

**82.9% LATINO**

**17,826  
STUDENTS  
ENROLLED**

**INCORPORATED  
1956**

**24.2 ACRES OF  
PARKS**

**UNEMPLOYMENT  
5.2%**

**MEDIAN INCOME  
\$64,592**

**RANKED TOP 25 IN  
GREATER LA FOR  
FISCAL RESERVES  
BY STATE AUDITOR**

**64.9 TONS  
REFUSE/DAY**

**MEDIAN AGE 33**

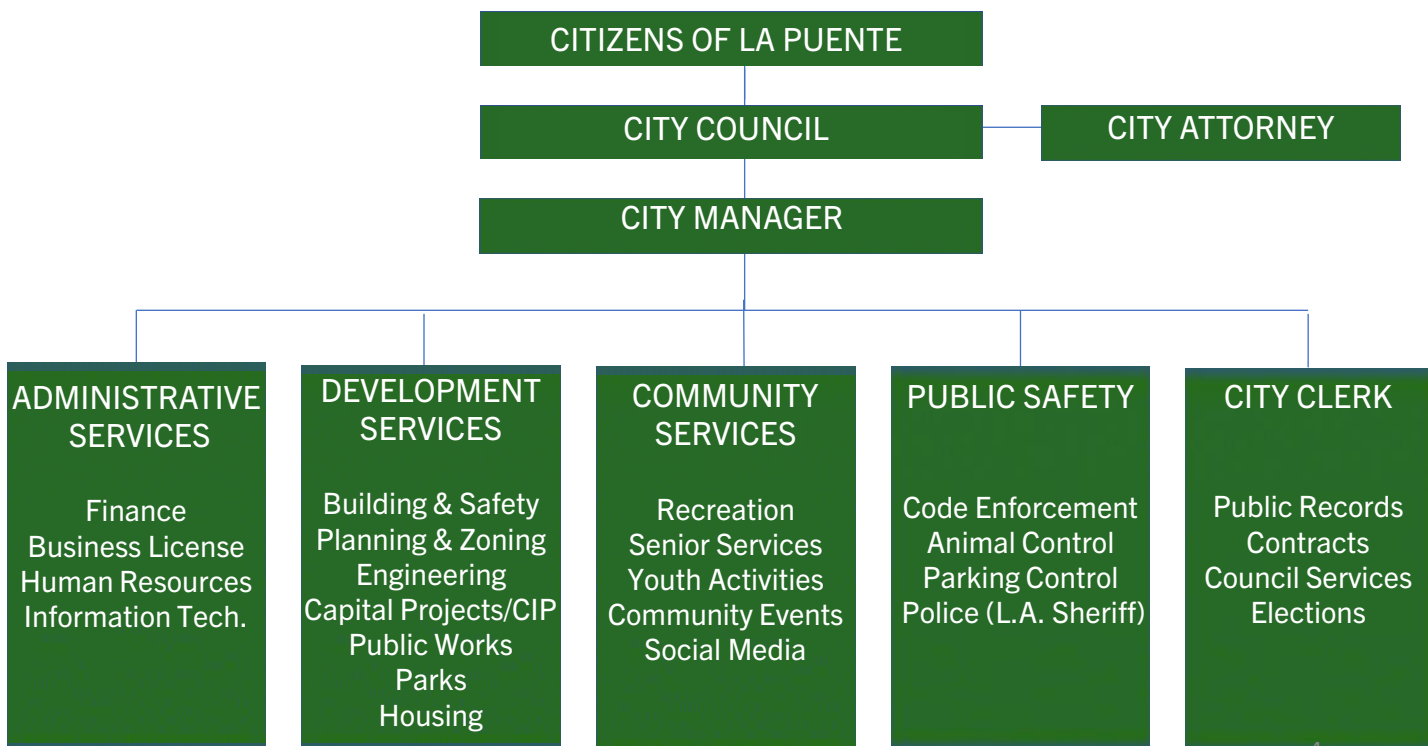
**64.3 MILES OF  
SEWER <sup>3</sup>**

# CITY GOVERNMENT

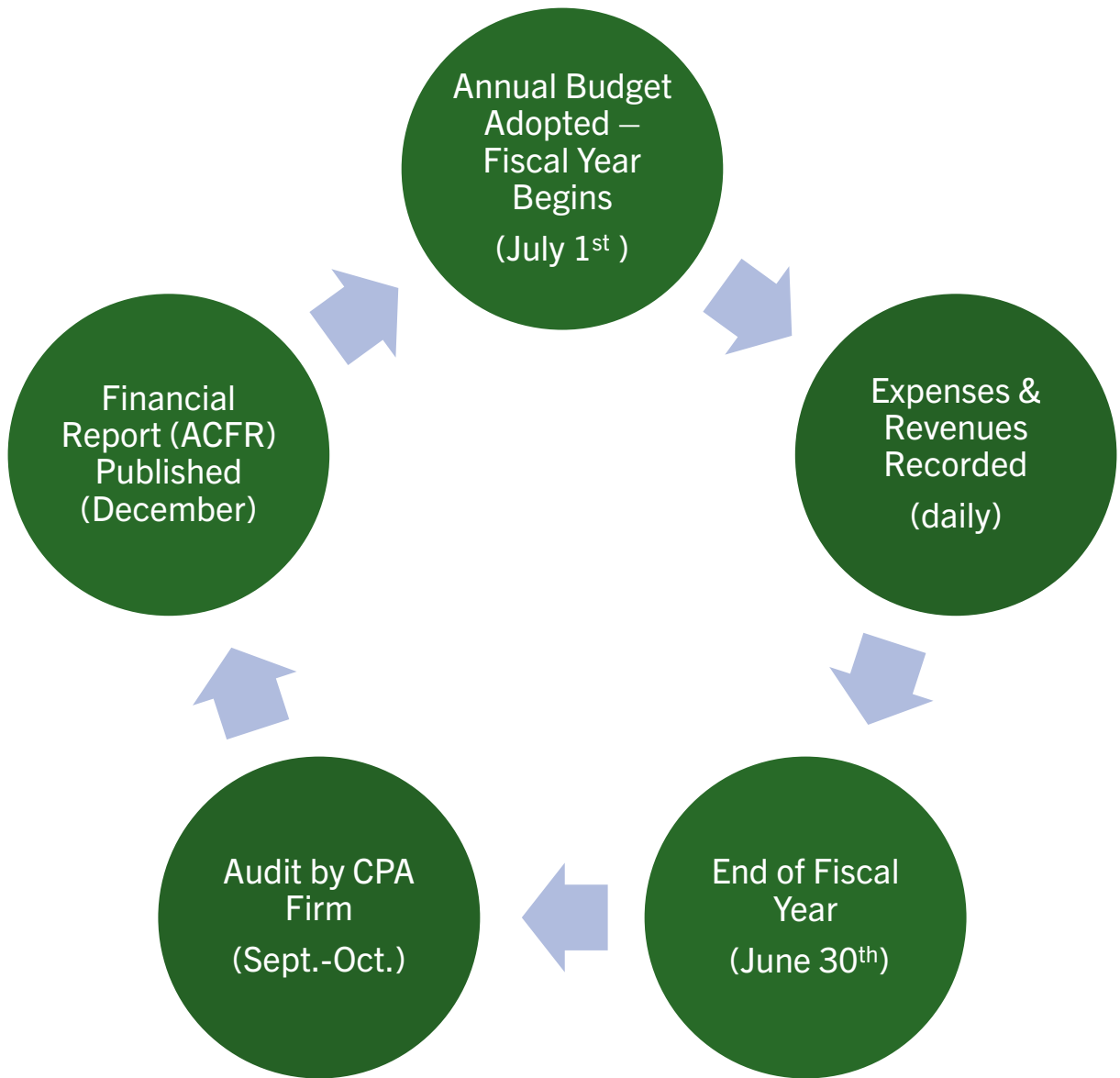
## LA PUENTE CITY COUNCIL



## ORGANIZATIONAL STRUCTURE



# FISCAL CYCLE



## KEY TERMS

**Budget** – a financial plan for the fiscal year legally authorizing the spending of City funds. Adopted by City Council prior to June 30<sup>th</sup> of each year.

**Fiscal Year** – the reporting period for financial transactions, from July 1<sup>st</sup> to June 30<sup>th</sup> of the next calendar year.

**Annual Comprehensive Financial Report (ACFR)** – formal, audited report of actual accounting<sup>5</sup> results of a fiscal year.

# REVENUES

**GOVERNMENTAL ACTIVITY REVENUES** (income received by the City) totaled \$31,729,836 in Fiscal Year 2021-22. As the chart below shows, Sales Tax and Property Tax are the largest sources.

## Revenues

### Program Revenues:

Charges for Services	\$ 1,962,983
Operating Grants and Contributions	3,117,742
Capital Grants and Contributions	10,241,303

### General Revenues:

#### Taxes:

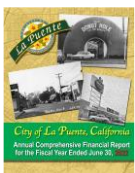
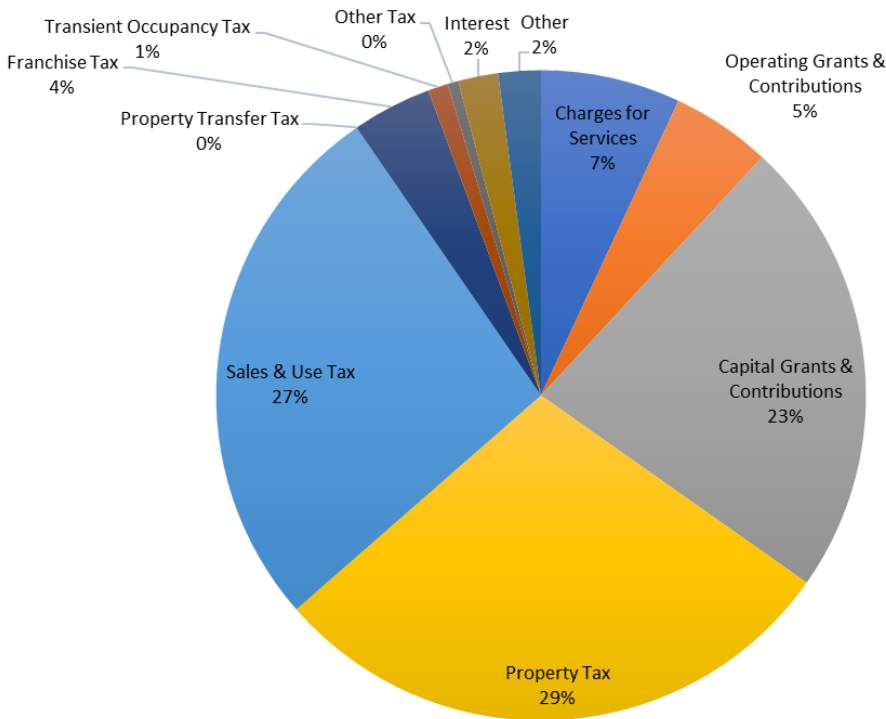
Property Taxes	8,081,850
Franchise Taxes	1,113,913
Sales and Use Taxes	7,452,307
Property Transfer Taxes	101,229
Transient Occupancy Taxes	282,519
Other Taxes	173,166

Investment Income (1,472,969)

Transfers 635,839

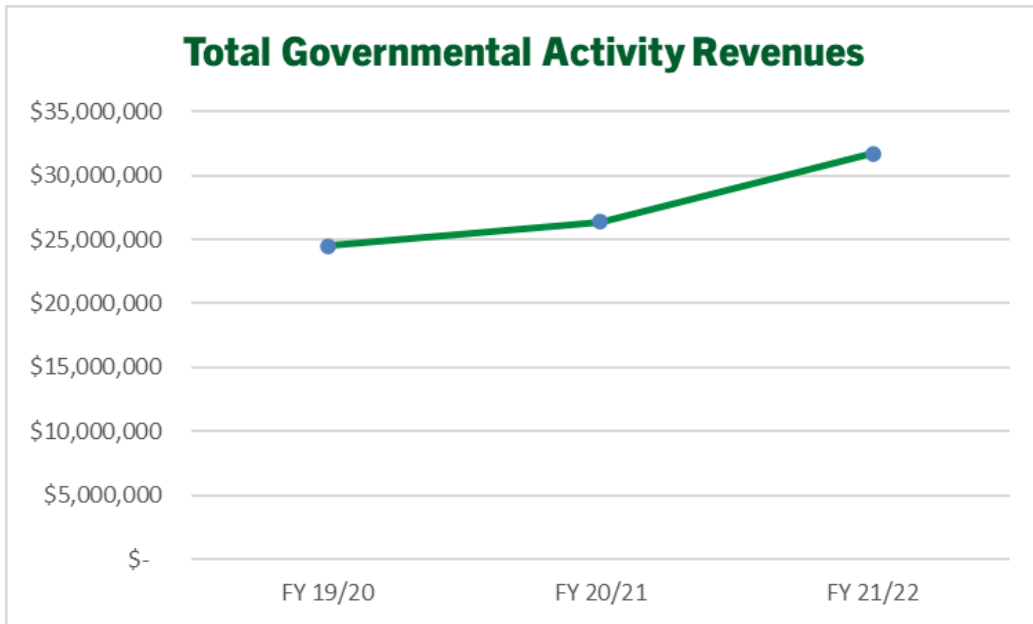
Other revenues 39,954

**Total revenues 31,729,836**

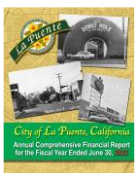


# REVENUES

**TREND ANALYSIS** the following chart depicts a 3-year historical revenue trendline for the City’s Governmental Activities (FY 19/20, FY 20/21, and FY 21/22). This data is taken directly from the ACFR for each fiscal year. Total revenues are showing a positive trend, meaning the City has earned more money each year than the previous year. This is due in large part to increases in program revenues, specifically the receipt of several large state and federal grants.



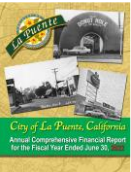
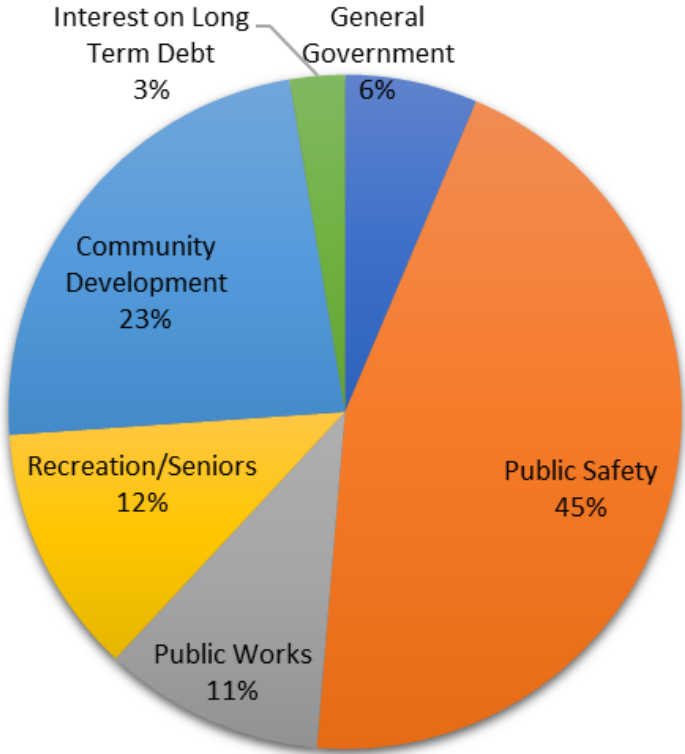
Period	Revenue	% Change
FY 19/20	\$ 24,491,293	-
FY 20/21	\$ 26,383,814	7.73%
FY 21/22	\$ 31,729,836	20.26%



# EXPENSES

**GOVERNMENTAL ACTIVITY EXPENSES** (money spent by the City throughout the Fiscal Year) totaled \$20,920,102. Public Safety is the largest expense, at 45% of total. This category includes the policing contract with the Los Angeles County Sheriff’s Department.

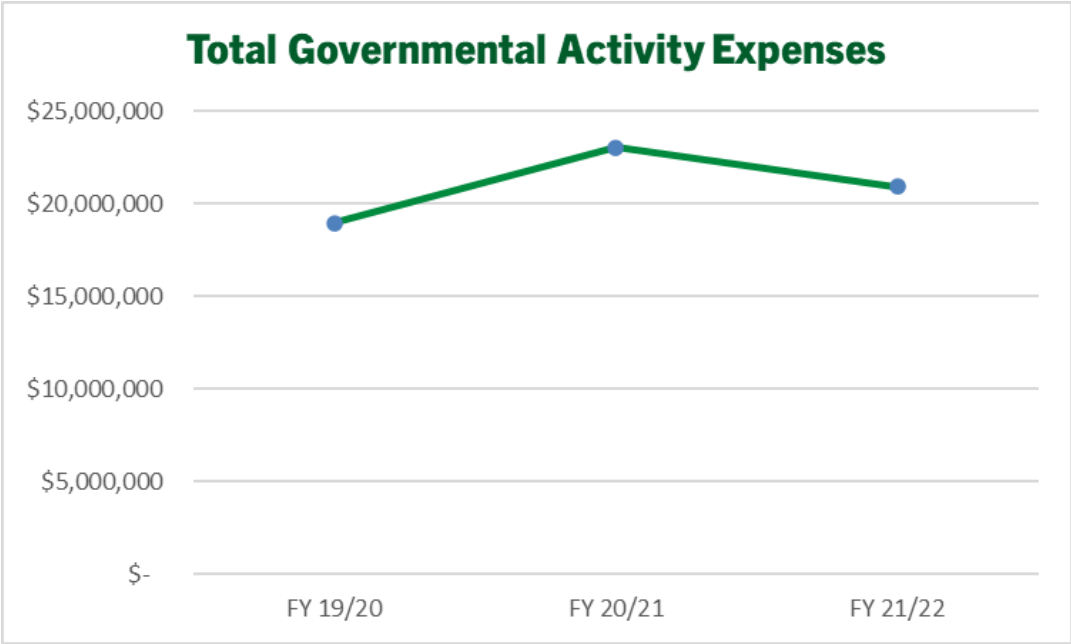
Expenses	
General Government	1,332,903
Public Safety	9,408,249
Public Works	2,215,979
Recreation/Senior Services	2,504,741
Community Development	4,904,341
Interest on Long-Term Debt	553,899
Total expenses	20,920,112





# EXPENSES

**TREND ANALYSIS** the following chart depicts a 3-year historical expense trendline for the City’s Governmental Activities (FY 19/20, FY 20/21, and FY 21/22). This data is taken directly from the ACFR for each fiscal year. Total expenses decreased in the 2021-2022 fiscal year, after having increased from FY 19/20 to FY 20/21. This is largely due to fluctuations in the General Government category related to legal expense. Over the 3-year period, the average expense remains relatively stable.



Period	Expense	% Change
FY 19/20	\$ 18,974,716	-
FY 20/21	\$ 23,026,902	21.36%
FY 21/22	\$ 20,920,112	-9.15%



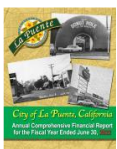
# FUND BALANCE

**FUND BALANCE** is the City's accumulated reserve of money, much like a savings account. Fund balances increase when revenues exceed expenses (surplus). They decrease when a deficit occurs, and expenses are greater than revenues. Fund balances can be spent on projects, payroll, or operating costs. Fund Balance in the General Fund decreased in FY 21-22 by **\$(799,859)**.

FUND	PURPOSE	FUND BALANCE
General Fund	Main government operating fund	\$26,078,491
Gas Tax	Street and road maintenance/ construction.	\$1,534,996
Measure M	Street and road maintenance/construction.	\$807,962
Measure R	Street and road maintenance/construction.	\$636,993
Proposition C	Transportation infrastructure/operations.	\$2,645,228
Proposition A	Transportation infrastructure/operations.	\$1,125,039
PEG Access Fund	Promotion of citizen participation.	\$69,522
Cal-Home Grant Fund	Provide grants for housing.	\$1,430,386
Air Quality Fund	Purchase of clean air fleet vehicles.	\$84,034
Housing Fund	Promote affordable housing.	\$387,067
2019 A & B Capital Project Funds	Bond funds for street construction.	\$1,171,930
Measure W	Stormwater Management	\$97,441
Landscape & Lighting Maintenance District Fund	Street lighting, construction, parkway landscaping, park and facility maintenance.	\$783,727
Miscellaneous Grants	State and federal grants for projects.	\$(4,340,071)
Capital Projects Fund	Account for special CIP projects.	\$1,272,615
Other Special Rev. Funds	Measure A and JAG Grants.	\$(85,684)
FUND	PURPOSE	NET POSITION*
Sewer Maintenance/Const.	Construction and maintenance of sewer.	\$8,392,794
Internal Service Fund	Funds City fleet vehicles and computers.	\$1,653,658
Successor Agency Fund	Former LP CDC/Redevelopment Agency.	\$(17,956,629)

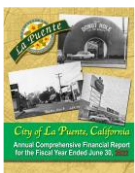
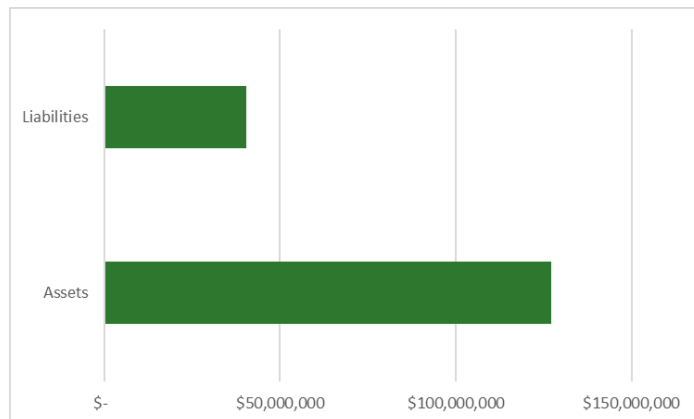
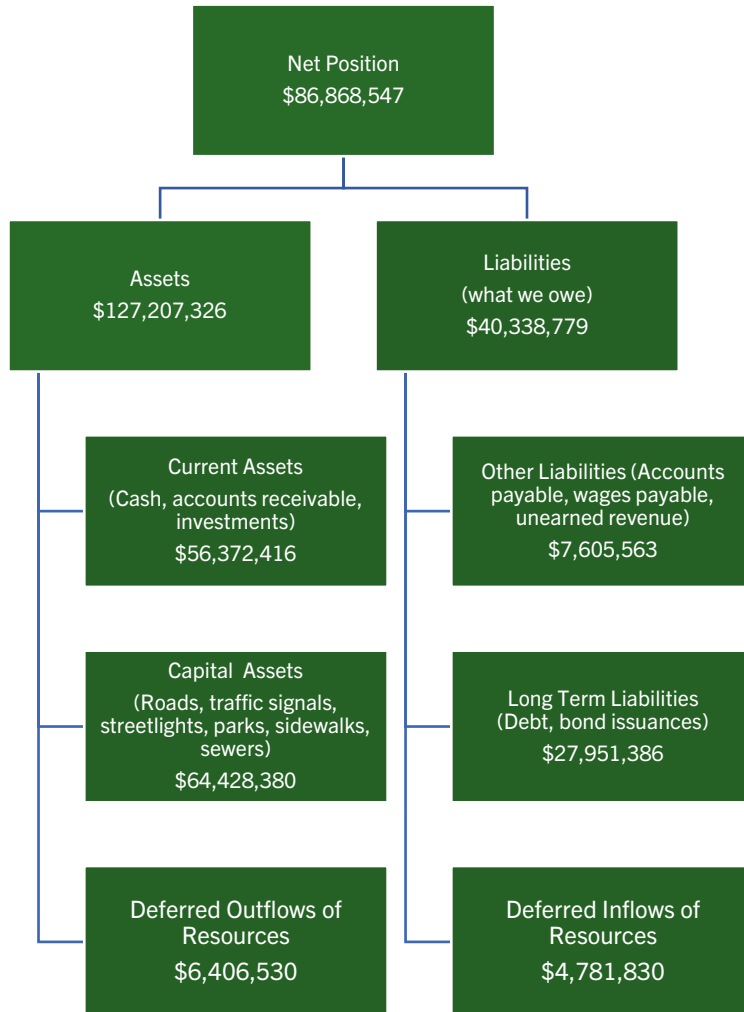
\*Proprietary and fiduciary funds use the term net position rather than fund balance

\*\*Please note-American Rescue Plan Act (ARPA) is not included due to a zero year-end fund balance based on revenue deferral



# ASSETS AND LIABILITIES

## GOVERNMENT WIDE ASSETS AND LIABILITIES (NET POSITION-TOTAL)



# FINANCE AT WORK

**\$3.7 Million**  
**Raised in 2022A**  
**Issuance for energy**  
**efficient capital**  
**improvements**



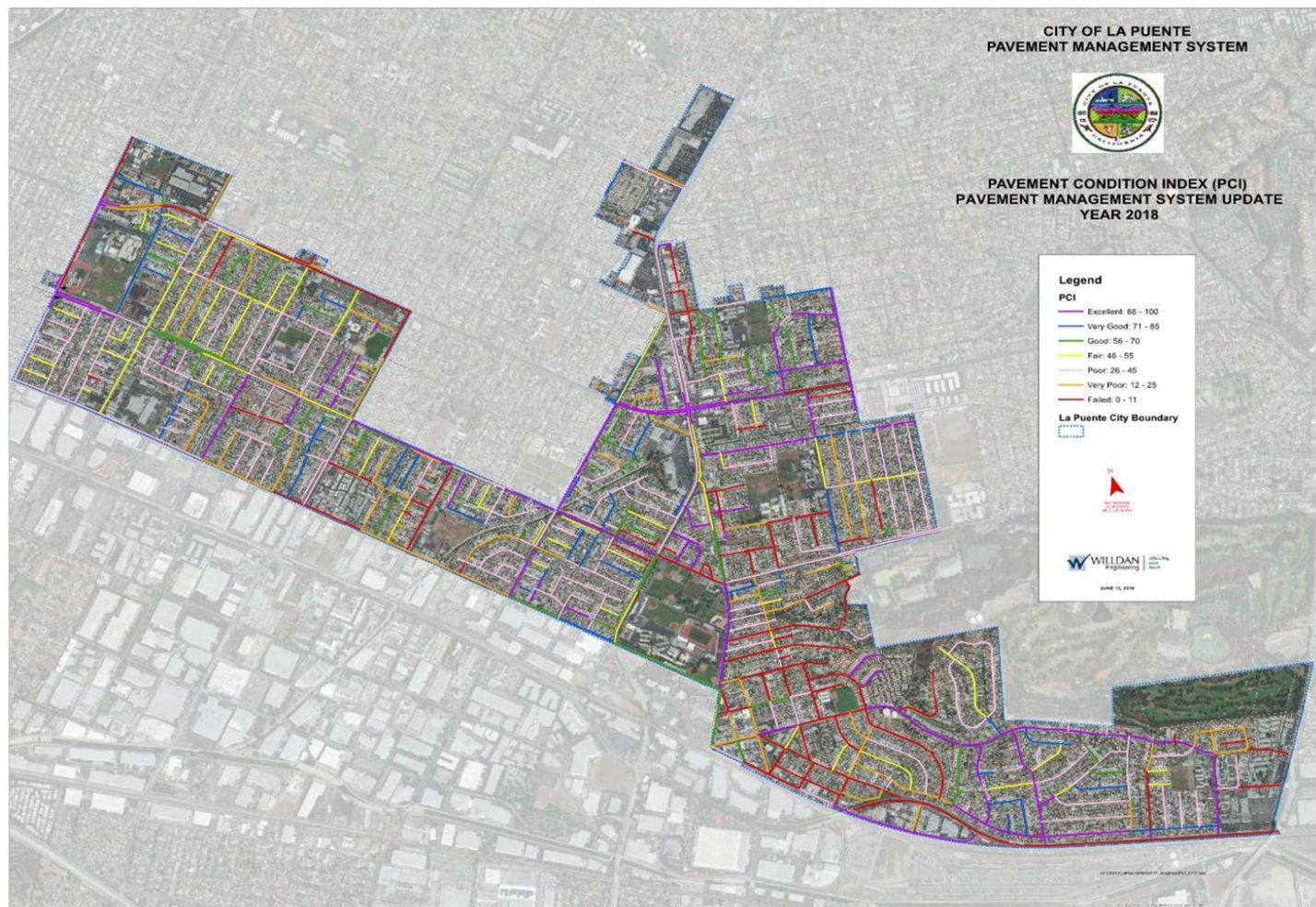
## PROJECT HIGHLIGHTS

- **Solar panel carport at Community Center parking lot will provide renewable energy for City facilities**
- **Retrofitted plumbing and electrical fixtures to reduce waste**
- **Repair to aging roof areas and improved insulation**

# FINANCE AT WORK

## \$4.97 Million

Expended during FY21/22 on  
street and road resurfacing



Financed by a matrix of 2019A & B bond funds and Road Maintenance & Rehabilitation Act funds. To learn more about projects scheduled for your neighborhood, please call City Hall at 626-855-1500.



**City of La Puente**  
**15900 E. Main Street, La Puente, CA 91744 – (626) 855-1500 – [www.lapuente.org](http://www.lapuente.org)**