



City of La Puente, California

**Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021**

City of La Puente

California



Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2021

Prepared by:

The Administrative Services Department

City of La Puente
Annual Comprehensive Financial Report
Year Ended June 30, 2021

TABLE OF CONTENTS

PAGE

I.	INTRODUCTORY SECTION		
	Letter of Transmittal		i - vi
	Directory of Officials		vii
	Organization Chart		viii
	Certificate of Achievement for Excellence in Financial Reporting		ix
II.	FINANCIAL SECTION		
	Independent Auditor's Report		1 - 3
	Management's Discussion & Analysis		4 - 16
	Basic Financial Statements:		
	Government-wide Financial Statements:		
	Statement of Net Position		17
	Statement of Activities		18 - 19
	Fund Financial Statements:		
	Governmental Funds:		
	Balance Sheet		20
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		21
	Statement of Revenues, Expenditures and Changes in Fund Balances		22
	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		23
	Proprietary Funds:		
	Statement of Net Position		24
	Statement of Revenues, Expenses and Changes in Net Position		25
	Statement of Cash Flows		26
	Fiduciary Funds:		
	Statement of Net Position		27
	Statement of Changes in Net Position		28
	Notes to Financial Statements		29 - 57
	Required Supplementary Information:		
	Schedule of Changes in the City's Net OPEB Liability and Related Ratios		58
	Schedule of Plan Contributions for the City's OPEB Plan		59
	Schedule of Proportionate Share of the Net Pension liability		60
	Schedule of Plan Contributions		61
	Major Governmental Funds:		
	Budgetary Comparison Schedules:		
	General Fund		62
	Notes to Required Supplementary Information		63
	Supplementary Information:		
	Other Governmental Funds:		64 - 65
	Combining Balance Sheet		66 - 69
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances		70 - 73
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
	Gas Tax Fund		74
	Measure M Fund		75
	Prop. C Transportation Fund		76
	PEG Access Fund		77
	State COPS Fund		78

City of La Puente
Annual Comprehensive Financial Report
Year Ended June 30, 2021

TABLE OF CONTENTS - Continued

	PAGE
Supplementary Information - Continued:	
Cal-HOME Grant Fund	79
CDBG Grant Fund	80
Air Quality Improvement Fund	81
Measure R Fund	82
Prop. A Transportation Fund	83
Housing Fund	84
Measure W Fund	85
LLMD Fund	86
Miscellaneous Grants Fund	87
Capital Projects Fund	88
2019A Measure M Capital Project Fund	89
2019B Measure R Capital Project Fund	90
2019A Measure M Debt Service Fund	91
2019 B Measure R Debt Service Fund	92
III. STATISTICAL SECTION	
Description of Statistical Section Contents	93
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	94 - 95
Changes in Net Position - Last Ten Years	96 - 99
Government Activities Tax Revenue by Source - Last Ten Years	100
Fund Balances of Governmental Funds - Last Ten Fiscal Years	101 - 102
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	103 - 104
Revenue Capacity:	
Assessed Value of Taxable Property by Use - Last Ten Fiscal Years	105
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	106
Principal Property Tax Payers (Top Ten) - Current Year and Nine Years Ago	107
Property Tax Levies and Collections - Last Ten Fiscal Years	108
Debt Capacity:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	109
Direct and Overlapping Debt	110
Legal Debt Margin Information - Last Ten Fiscal Years	111 - 112
Demographic and Economic Information:	
Demographic and Economic Statistics	113
Principal Employers - Current Year and Nine Years Ago	114 - 115
Operating Information:	
Full-time Equivalent City Employees by Function - Last Ten Fiscal Years	116 - 117
Operating Indicators by Function - Last Ten Calendar Years	118 - 119
Capital Asset Statistics by Function - Last Ten Fiscal Years	120



INTRODUCTORY SECTION



City of La Puente

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December 16, 2021

Honorable Mayor and City Council
City of La Puente, California

INTRODUCTION

The City of La Puente's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 is transmitted herewith in compliance with State law and the relevant requirements of Governmental Accounting, Auditing and Financial Reporting published by the Governmental Finance Officers Association ("GFOA") of the United States and Canada. The information contained in this report offers a comprehensive scope of information which can be utilized by a large segment of the community, and is presented in a manner which will enable each reader to better understand all of the City's financial activities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Department.

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

The City's financial statements have been audited by the independent certified public accounting firm of Van Lant & Fankhanel, LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts

and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors have issued an unmodified (“clean”) opinion on these financial statements. The auditors’ report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors. The Statistical Section includes selected financial, demographic and other relevant information.

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

PROFILE OF THE CITY OF LA PUENTE

The City of La Puente (“City”) 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 nearly 40,000 residents. Commercial land usage is located primarily along major highways/arterials and industrial land usage is less than five percent (5%) of the City’s 3.5 square mile land area. Freeway access to the City is readily available from Interstate 10 and the 60 Freeway.

The City is a general law city, incorporated on August 1, 1956; however, the history of the community extends back much further. The City’s original name “Puente” means *bridge* in 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 49,000-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 what would become the City.

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in a governing City Council consisting of five council members one of which is elected by the council to a one-year term as mayor and one as mayor pro-tem. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring both the City Manager and a contract City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations and for appointing heads of departments.

The City is a contract city and as such contracts for many of its services. These include law enforcement services, building and safety services, engineering, road maintenance and landscape maintenance. Law enforcement services are provided by the Los Angeles County Sheriff's Department.

The Los Angeles County Fire District provides fire protection. The County also provides library services through a Library District, as well as sewer and sanitation services through a Sanitation District and public health services through a health center in the City. Funds for district services are collected through property tax bills and are disbursed directly by the Los Angeles County Tax Collector's Office.

Water services for the City are provided by La Puente Valley County Water District, San Gabriel Valley Water Company and Suburban Water Systems. Refuse collection is provided through a franchise agreement with a private waste collection company. There are seventeen public and private schools serving the City's residents. Public schools are operated by the Hacienda La Puente Unified School District.

The City provides a number of in-house programs and functions including: City Clerk's Office, Development Services, Administrative Services, Recreation Services, and Public Safety (Code Enforcement, Parking Enforcement, and Animal Control). The City also operates various facilities to serve the community. These include a Community Center, Youth Learning Activity Center, Senior Center, La Puente Park and Puente Creek Nature and Education Center.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. Each year, a proposed budget is submitted to the City Council and several public meetings are conducted to obtain taxpayer comments. The budget is subsequently adopted by the Council through the passage of a resolution. All annual appropriations lapse at fiscal year-end. Certain multi-year project appropriations are re-budgeted by the City Council as part of the adoption process of the subsequent year's budget. The level of budgetary control is maintained at the fund level.

LOCAL ECONOMY AND ECONOMIC OUTLOOK

Fiscal Year 2020-2021 commenced in the midst of the COVID-19 pandemic. Stay-at-home orders and restricted retail capacities had profound effects on the economy in Los Angeles County and across the nation. Due to the slowdown of economic activity and the shuttering of businesses deemed non-essential, unemployment locally peaked between April and August of 2020, hovering around 18% (source: US Bureau of Labor Statistics).

In light of the looming economic downturn, City officials had significant concerns about possible revenue losses. Slowed retail sales were the basis for reduced expectations for sales and use tax collections, a critical component of the City of La Puente's general fund revenue portfolio. In preparing the Fiscal Year 2020-2021 budget, staff and City Council adopted a perspective of conservatism, forecasting reduced revenues in all major

categories. This was conducted in order to avoid possible shortfalls considering the uncertain timeframe of the pandemic's economic effects.

Midway through the fiscal year, the burden of the pandemic lightened. Vaccines for COVID-19 began widespread distribution, and infection rates fell. Accompanying these milestones was the relaxation of retail capacity and indoor dining restrictions, allowing local businesses to re-open and economic activity to increase. Sales and Use Tax and Measure LP returned to normal levels, further bolstered by substantial online sales that allowed the City to capture a larger share of the total tax charged. By the end of the fiscal year these two segments combined to surpass their budget by over 50%, reflecting the change in economic condition.

As of the publication date of this report, the local economy appears to be in full rebound. Unemployment in the region is around 8%, and wages have grown by 6.3% in the past 12 months (source: US Bureau of Labor Statistics). These are extremely important indicators for Sales and Use Tax and Measure LP revenues, which rely entirely on consumer spending.

The growth of prices in the local real estate market is also an important signal for City revenues moving into the new fiscal year. Overall, net taxable assessed value grew by 4.98% in FY 2020-2021 (source: HdL Companies). This increase in value, combined with a larger volume of home sales, provides a strong bolster to property taxes, a vital source of general fund revenue.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Throughout the 2020-2021 fiscal year, the capital improvement program (CIP) was a focal point of activity for the City. The City embarked on an ambitious pavement rehabilitation program, repairing selected streets and roads in deteriorating condition after years of deferred maintenance. The project employs both slurry seal and grind-and-overlay techniques depending on the condition of the individual street. The lifespan of this project is expected to continue for several more fiscal cycles and has little direct budgetary impact since it is financed primarily by a debt issuance that took place in a prior fiscal year. In total, approximately \$8 million is slated to be spent on the design, project management, and construction of these streets and roads. In addition to repairing damage that has already taken place, this project will preserve public roadways in an improved condition moving forward, saving annual maintenance costs from the operating budget.

The second point of emphasis for the City's capital improvement efforts is the continuation of the La Puente Park Master Plan. This multiyear project saw substantial headway during FY 2020/2021, including the completion of the La Puente Skatepark, football field, softball and baseball fields, placement of grass, and athletic field lighting. The complex has begun use and attracts users from a wide variety of surrounding communities. During the fiscal year the City finalized two grants for the park from the California Natural Resources Agency. The park modernization project is forecasted to last at least another year, with soccer and other facilities planned for construction.

The COVID-19 pandemic presented the local community with unprecedented challenges in fiscal year 2020-2021. The City implemented several new programs during the fiscal year

to support local residents and business owners in this time of need. Using federal funding sources including Community Development Block Grant, the City of La Puente initiated a business assistance grant program in which qualifying proprietors received \$2,500 grants to maintain operations. Additionally, a Senior Nutrition program was established, allowing the City to partner with a local restaurant to provide healthy meals to senior citizens impacted by the pandemic.

Developing a strategy for funding long-term retirement-related costs has been a priority for the City, and several concrete actions have been effectuated. During the fall of 2020 the City issued Series 2020A Pension Obligation Bonds. The total proceeds raised through Certificates of Participation for this issuance was \$8,517,000. The purpose of this issuance was to pay down the City's Unfunded Actuarial Liability (UAL) and Other Post Employment Benefits (OPEB) liabilities with the California Public Employees Retirement System (CalPERS). After funding was received, it was disbursed to CalPERS shortly thereafter. By voluntarily liquidating these liabilities before their legal maturity, the City stands to save thousands of dollars in interest expense over the next several decades. In place of annual payments to CalPERS for UAL costs, the City will make debt service payments on the interest and principal going forward.

Continuing in the theme of long-term planning, the City also established a Section 115 pension stabilization trust. This financial vehicle allows the City to set aside funds to help pay down future retirement-related liabilities and invest these funds, growing them with a prudent rate of return. The City made an initial opening contribution to these trusts. In the future, the City has the flexibility to make discretionary contributions based on budgetary conditions in any given fiscal year.

LONG-TERM FINANCIAL PLANNING

The unassigned fund balance in the General Fund is \$16.4 million or 109% of General Fund expenditures and total General Fund balances is \$26.8 million. The City adopted a balanced budget policy in Fiscal Year 2015-2016 which requires a General Fund reserve of 25% of budgeted expenditures, a \$1.0 million emergency reserve and a \$1.0 million economic uncertainty reserve. The current reserve amount falls within the management budget guidelines as approved by the City Council for planning purposes.

GFOA CERTIFICATE OF ACHIEVEMENT

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to receive the award, a government has to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both GAAP and applicable legal requirements. The awards are valid for a period of one year only. The City believes that the current Annual Comprehensive Financial Report continues to meet program requirements and the City will submit it to the GFOA to determine its eligibility for another award.

ACKNOWLEDGEMENTS

Special recognition is extended to the staff of the Administrative Services Department and Finance Division for coordinating and preparing this Annual Comprehensive Financial Report. Their dedication in managing the City’s resources on a daily basis is the object of our appreciation. Additionally, our gratitude extends to the firm Van Lant and Fankhanel, LLP, for their assistance in the publication of this document.

Our final acknowledgement is reserved for the Mayor and City Council. Their commitment to transparency and attention to financial matters form the cornerstone of the agency’s healthy fiscal condition and will enable the City to continue providing critical community services for years to come.

Respectfully submitted,



Troy Grunklee, CPA
Administrative Services Director



Alexander Merkel Medina
Finance Manager



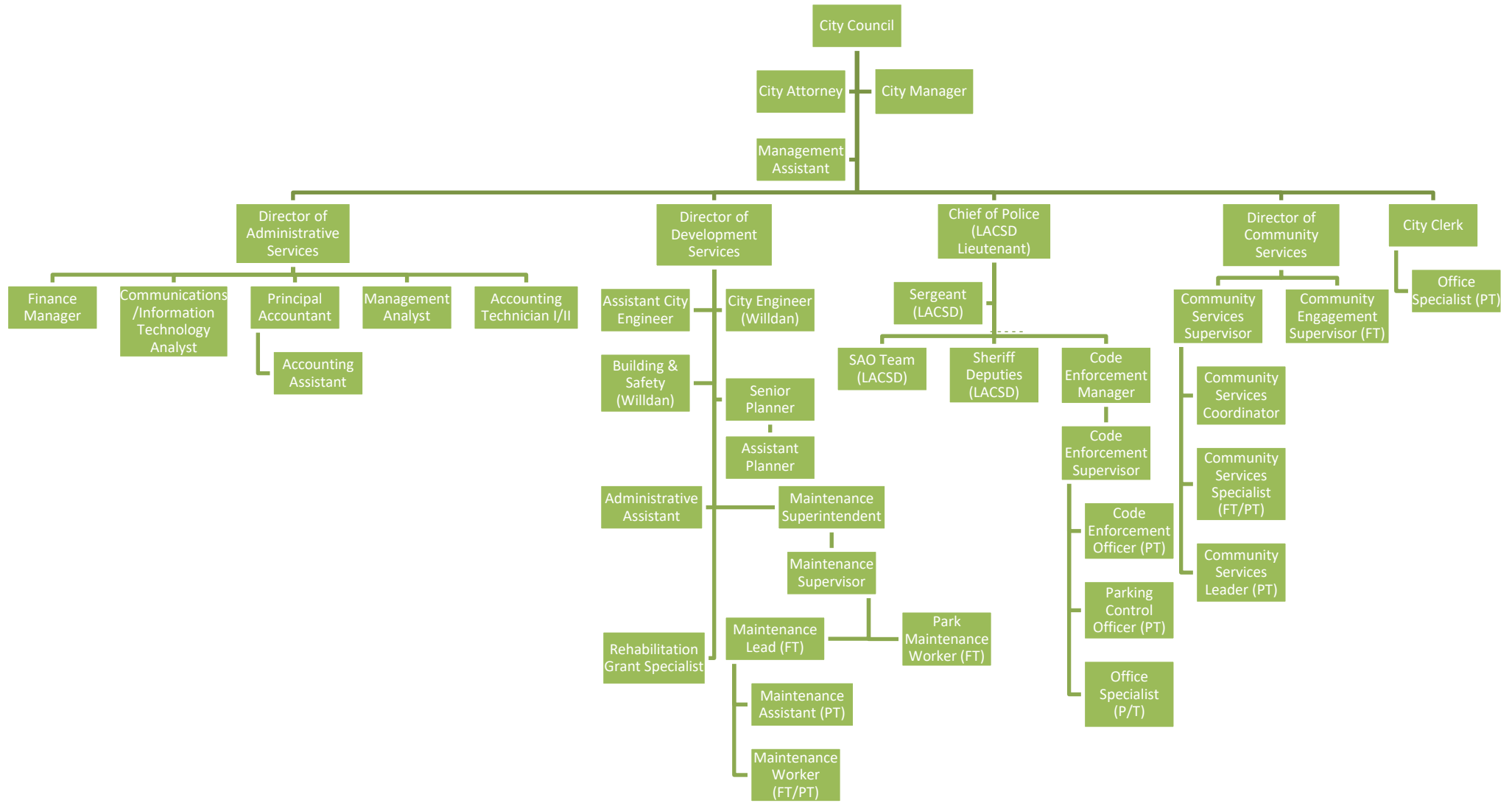
CITY OF LA PUENTE, CALIFORNIA

ELECTED OFFICIALS - CITY COUNCIL

Charlie Klinakis, Mayor
Valerie Muñoz, Mayor Pro Tem
David Argudo, Council Member
Gabriel Quiñones, Council Member

CITY OFFICIALS

City Manager..... Bob Lindsey
City Attorney Victor Ponto
City Clerk Sheryl Garcia, CMC, CPM
Director of Administrative Services/City Treasurer..... Troy Grunklee, CPA
Director of Development Services..... John Di Mario
Finance Manager Alexander Merkel-Medina





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of La Puente
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



Independent Auditor's Report

The Honorable City Council
City of La Puente, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Van Lant & Fankhanel, LLP

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Murrieta, CA 92563
909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, schedules listed in the supplementary information section of the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhaed, LLP

December 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of La Puente's financial performance provides a narrative overview and analysis of the financial activities of the City of La Puente (City) for the fiscal year ended June 30, 2021. Our analysis includes information regarding the City's overall financial position and results of operations to assist users in evaluating the City's financial position, a discussion of significant changes that occurred in funds, and information regarding significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. We end our discussion and analysis with a description of currently known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Readers are encouraged 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 17 of this report.

FINANCIAL HIGHLIGHTS

Government-wide

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$76,201,631 (net position). Of this, \$23,624,236 is in unrestricted funds that may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,294,142 from the previous fiscal year.
- Citywide revenues were \$27,846,254. Total revenues are composed of \$17,093,180 in general revenue dollars, \$3,206,321 in charges for services, \$1,418,905 in operating grants and contributions, and \$6,127,848 in capital grants and contributions.
- Citywide expenses were \$24,552,112 with public safety being the largest functional area at \$8,117,393 or approximately 33% of the total expenses.

Fund level

- The total fund balance for all governmental funds was \$40,211,613 at the close of the fiscal year. Of that amount, \$10,456,792 is nonspendable and \$13,416,579 is restricted and not available for spending. The remaining \$16,338,242 is unassigned. Additional information on the fund balances for all governmental funds is on page 20 of this report.
- General Fund net change in fund balance increased by \$2,034,644 for the fiscal year ended June 30, 2021.
- Governmental fund balances decreased by \$(164,585) during fiscal year 2020-2021.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components as follows:

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

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

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

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

The Government-wide Financial Statements can be found on pages 17 to 19 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-two individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Citywide Debt Service Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds and capital projects fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 20 to 23 of this report.

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

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

The fiduciary fund financial statements can be found on page 27 and 28 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 29 to 57 of this report.

In addition to the basic financial statements and notes, this report contains other supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

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

Table 1

	2021	2020	Change	% Change
Current and Other Assets	\$ 51,168,828	\$ 49,683,774	\$ 1,485,054	2.99%
Capital Assets	39,854,215	36,078,427	3,775,788	10.47%
Total Assets	91,023,043	85,762,201	5,260,842	6.13%
Deferred Outflows of Resources	10,121,718	2,050,231	8,071,487	393.69%
Other Liabilities	5,775,884	3,927,290	1,848,594	47.07%
Long-term Liabilities	27,379,525	19,078,133	8,301,392	43.51%
Total Liabilities	33,155,409	23,005,423	10,149,986	44.12%
Deferred Inflows of Resources	323,323	497,892	(174,569)	-35.06%
Net Position:				
Net investment in capital assets	38,528,613	34,704,073	3,824,540	11.02%
Restricted	5,513,180	9,341,625	(3,828,445)	-40.98%
Unrestricted	23,624,236	20,263,419	3,360,817	16.59%
Total Net Position	\$ 67,666,029	\$ 64,309,117	\$ 3,356,912	5.22%

Net position may serve over time as a useful indicator of the City's financial position. The City's governmental assets exceeded its liabilities by \$67,666,029 at the close of the fiscal year, an increase of \$3,356,912 or 5.22% from the previous year. The primary reasons for the increase in net position are as follows:

- Current and Other Assets increased by \$1,485,054 or 2.99% as a result of the following:
 - An increase in proceeds from Sales and Use Tax and Measure LP revenues
 - Increases in amounts Due from Other Governments due to CARES Act reimbursement for COVID-19 related expenses and also a recycling grant from the state of California.
- Capital Assets increased by \$3,775,788 or 10.47 % primarily due to completion of significant portions of the La Puente Park Master Plan including the La Puente Skatepark.
- Total Liabilities increased by \$10,149,986 or 44.12% based mostly on the issuance of the 2020A Pension Obligation Bonds.

The largest portion of the City's net position is net investment in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) valued at \$38,528,613 (56.9% of total net position), 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 position, \$5,513,180, or 8%, represents resources that are subject to external restrictions on how they may be used (shown as "restricted" in Table 1). The remaining balance of \$23,624,236, or 35%, is unrestricted. This amount includes \$10,425,518 which represents the advances for the loans between the former Redevelopment Agency and the City and is not in spendable form. The remaining amount is \$13,198,718 and may be used to meet the City's ongoing obligations to citizens and creditors.

**City of La Puente
Management Discussion and Analysis
June 30, 2021**

Table 2

	2021	2020	Change	% Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,792,850	\$ 2,473,452	\$ (680,602)	-27.52%
Operating Grants and Contributions	1,418,905	743,530	675,375	90.83%
Capital Grants and Contributions	6,127,848	5,360,957	766,891	14.31%
General Revenues:				
Taxes:				
Property Taxes	7,756,848	7,391,137	365,711	4.95%
Franchise Taxes	1,059,799	1,000,525	59,274	5.92%
Sales and Use Taxes	7,065,541	5,928,799	1,136,742	19.17%
Property Transfer Taxes	70,989	63,652	7,337	11.53%
Transient Occupancy Taxes	205,661	217,209	(11,548)	-5.32%
Other Taxes	149,476	146,475	3,001	2.05%
Investment Income	577,290	1,009,858	(432,568)	-42.83%
Other revenues	158,607	155,699	2,908	1.87%
Total revenues	<u>26,383,814</u>	<u>24,491,293</u>	<u>1,892,521</u>	7.73%
Expenses				
General Government	3,102,274	2,716,718	385,556	14.19%
Public Safety	8,117,393	7,714,703	402,690	5.22%
Public Works	5,086,569	2,438,985	2,647,584	108.55%
Recreation/Senior Services	2,130,122	2,159,441	(29,319)	-1.36%
Community Development	4,292,118	3,790,988	501,130	13.22%
Interest on Long-Term Debt	298,426	153,881	144,545	93.93%
Total expenses	<u>23,026,902</u>	<u>18,974,716</u>	<u>4,052,186</u>	21.36%
Increase (decrease) in net assets	3,356,912	5,516,577	(2,159,665)	-39.15%
Net position, beginning	<u>64,309,117</u>	<u>58,792,540</u>	<u>5,516,577</u>	9.38%
Net position, ending	<u>\$ 67,666,029</u>	<u>\$ 64,309,117</u>	<u>\$ 3,356,912</u>	5.22%

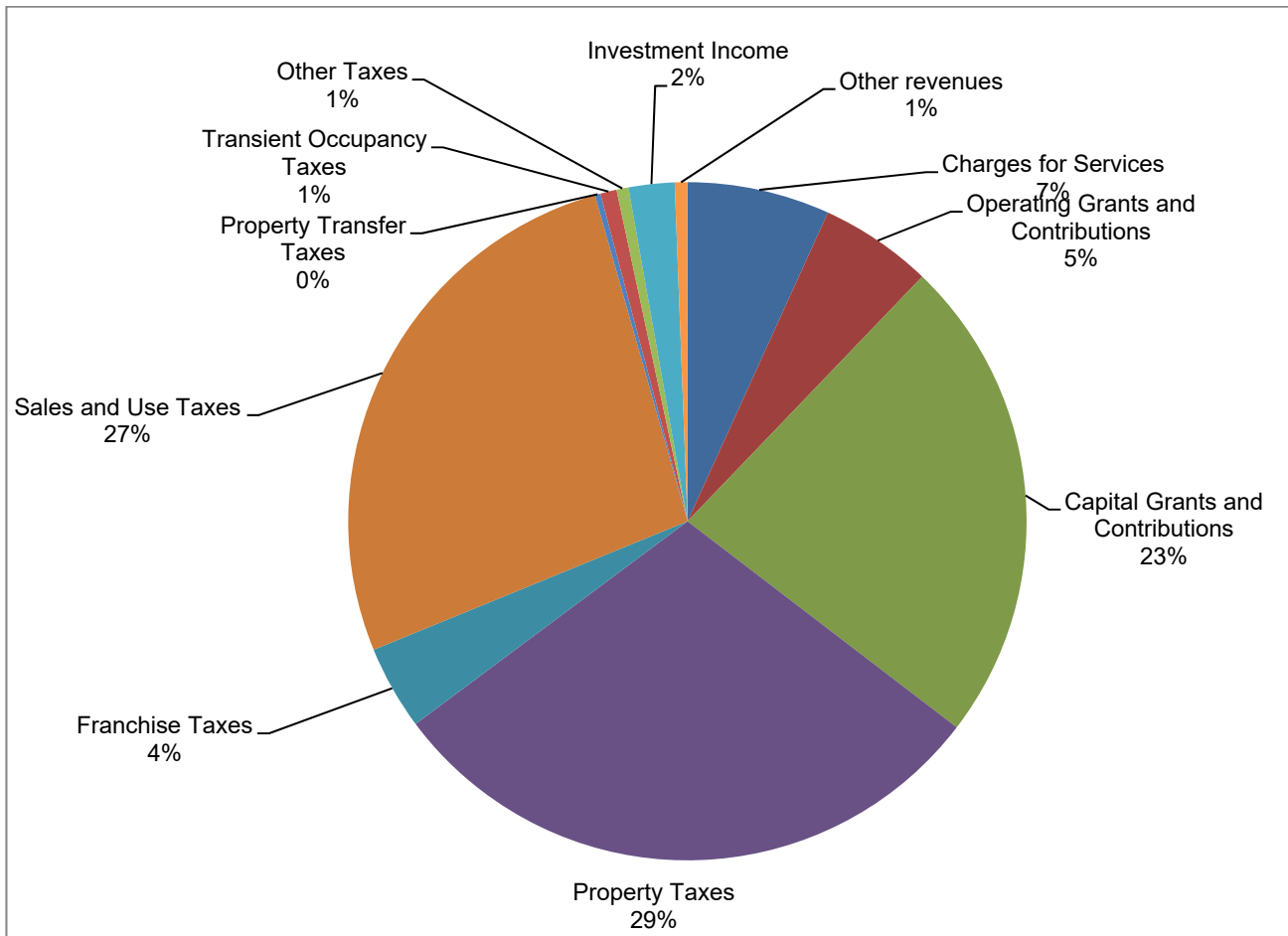
The City's net position increased by \$3,356,912 during the fiscal year as a result of revenues being greater than expenses. The total cost of all City governmental activities was \$23,026,902 for the fiscal year. Net gain of all governmental activities was \$3,356,912.

Total revenues increased by \$1,892,521 primarily due to the increase in property taxes, sales and use taxes, and other revenues as indicated above. Overall, there was an increase in expenses due to increase debt service costs stemming from a recent bond issuance, as well as rising public safety costs, community development programs related to COVID-19, and public works expenditures in the form of capital improvements.

Revenue Sources:

The revenue sources from governmental activities presented in Table 2 are illustrated in Figure 1 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
Revenues by Source – Governmental Activities



As shown in Figure 1, over 62% of the City's total governmental revenues are from taxes, which are primarily comprised of property, sales and use, transient occupancy, and franchise taxes. Program revenues totaled 35% of the total resources and investment income and miscellaneous income amounted to 3% of the total governmental revenues for the year. This has not changed in any significant way from last fiscal year.

Expense and Program Revenues:

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

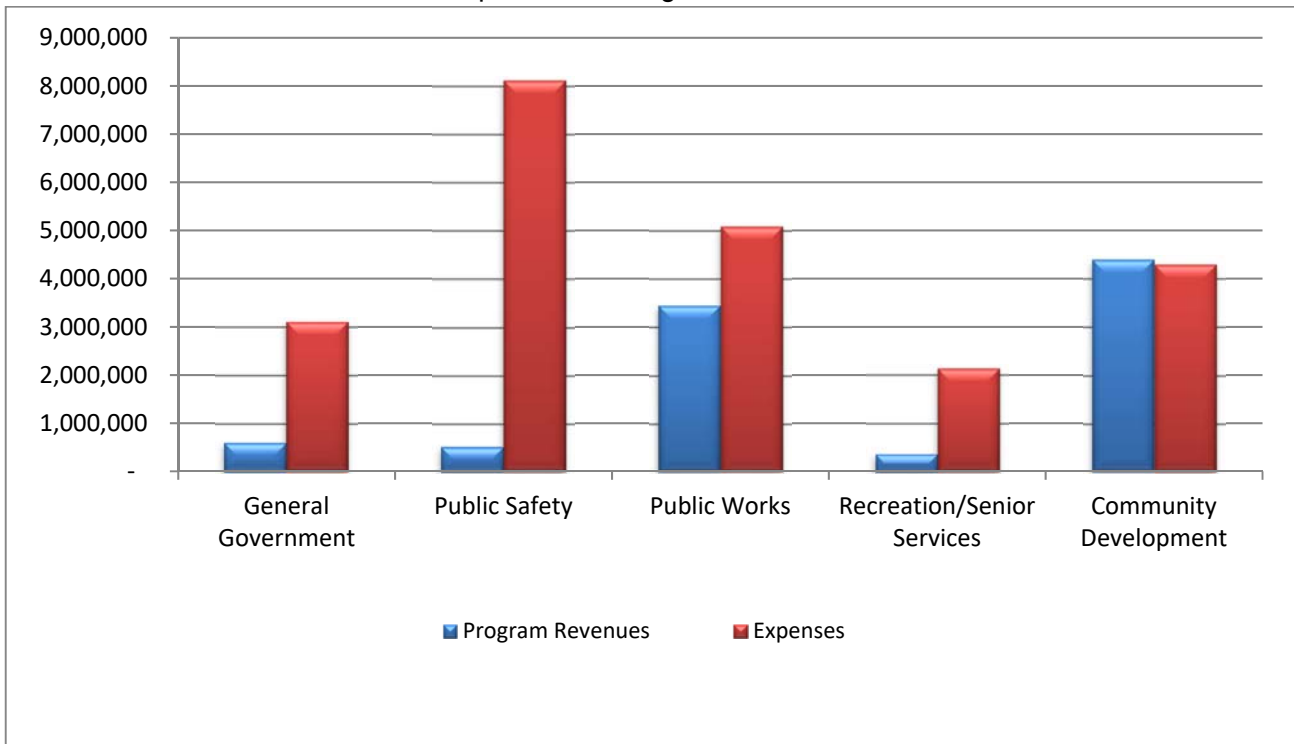
Governmental activities increased the City's net position by \$3,356,912. Key elements of this increase are as follows:

- Sales and Use Taxes increased by \$1,136,742, a year-over-year increase of over 19.17%. This increase was due in part to an increase in online retail activities during the COVID-19 stay-at-home orders.
- Property Tax increased by \$365,711 – almost 5% - driven by strong performance in the local real estate market in the latter portion of the fiscal year.
- Capital Grants and Contributions increased by 14.31% or \$766,891 due to revenue derived from two state grants for the renovation of La Puente Park.
- Operating Grants and Contributions increased by 90.83% or \$675,375. This is in large part due to state and federal CARES Act funding offsetting costs related to mitigation of the COVID-19 pandemic.
- Overall, expense increased from the prior fiscal year by 21.36% owing primarily to long-term investment of resources in the following categories:
 - A noteworthy increase (108% year-over-year) is posted within the Public Works department, stemming from significant expenditures on capital projects including ambitious road repaving throughout the City and improvements at La Puente Park.
 - Interest on Long Term Debt increased by \$144,545 or 93% due to the issuance of the 2020A Pension Obligation Bonds, allowing the City to save on interest expense by paying down its CalPERS Unfunded Actuarial Liability (UAL).

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

Public works and community development services are largely funded by program revenues. The general government, public safety, and recreation/senior services receive limited program revenue and are primarily funded with general revenues of the City. It is typical for governmental programs to be subsidized by General Fund revenues, as the program revenues are generally not adequate to finance the governmental programs.

Figure 2
Expense and Program Revenues



Business-type Activities

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

Table 3
Business-type Activities Net Position

	2021	2020
Current and Other Assets	\$ 2,113,330	\$ 3,579,468
Capital Assets	13,808,079	12,887,859
Total Assets	15,921,409	16,467,327
Deferred Amounts on Refunding	497,931	527,221
Total Deferred Outflows of Resources	497,931	527,221
Other Liabilities	548,738	706,176
Long-term Liabilities Outstanding	7,335,000	7,690,000
Total Liabilities	7,883,738	8,396,176
Net Position:		
Net investment in capital assets	6,616,010	5,380,080
Restricted	1,919,592	3,218,292
Total net position	\$ 8,535,602	\$ 8,598,372

Table 4
Business-type Activities Change in Net Position

	2021	2020
Revenues		
Charges for services	\$ 1,413,471	\$ 1,394,987
Investment & Other Income	48,969	94,654
Total revenues	<u>1,462,440</u>	<u>1,489,641</u>
Expenses		
Sewer assessment	1,266,391	535,665
Other expenses	258,819	268,805
Total expenses	<u>1,525,210</u>	<u>804,470</u>
Excess of revenues over expenses	<u>(62,770)</u>	<u>685,171</u>
Change in net position	(62,770)	685,171
Net position, beginning	<u>8,598,372</u>	<u>7,913,201</u>
Net position, ending	<u><u>\$ 8,535,602</u></u>	<u><u>\$ 8,598,372</u></u>

The net position of the City's business-type activities decreased by \$62,770. As shown in Table 3, "Current and Other Assets" reflects a decrease of \$1,466,138. The decrease is primarily a result of outlays related to capital projects.

The City's business-type expenses exceeded program revenues by \$62,770 as shown in Table 4. This is due in large part to capital asset contributions made to other funds that were paid for by the Sewer Fund, the agency's only business-type activity.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds – Fund Level

The City 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, 2021, the City's Governmental Funds reported a combined fund balance of \$40,211,613, which decreased by \$(164,585) from the prior year fund balance.
- Fund Balance Classification
 - The City has \$10,456,792 in non-spendable fund balance as of June 30, 2021. Non-spendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be

maintained intact. Examples are inventories, prepaid expenses, long-term receivables, or land held for resale.

- Restricted fund balance amounted to \$13,416,579 at June 30, 2021. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
- The General Fund has unassigned fund balance of \$16,431,295. Unassigned fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications.

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

- General Fund – The General Fund ended the year with a \$26,878,350 fund balance, an increase of \$2,034,644 from the previous year. The reason for the increase in fund balance from fiscal year 2019-2020 rests primarily with increased revenues in Sales and Use Tax, Measure LP, and Property Tax. Additionally, many expenditures were eligible for reimbursement under COVID-19 related legislation.
- General Fund Revenues exceeded budgeted revenues by \$2,801,971. This was primarily due to total tax revenues being \$2,706,111 higher than projected as a result of the City receiving additional Sales and Use Tax and Measure LP collections. Other General Fund revenue categories that exceeded their anticipated budgets include License and Permits, Intergovernmental, and Investment Income. Charges for Services, Fines & Forfeitures, and Other Revenue all experiences actual revenue results lower than their respective budgets. The main catalyst for this phenomenon was the continuation of the COVID-19 pandemic throughout the first half of the fiscal year, causing a decrease in applicants for service as well as more lenient policies with regards to fines and penalties.
- General Fund Expenditures were \$3,284,280 less than budgeted amounts. This favorable budget variance was driven by savings in Public Safety, due to staffing vacancies, as well as delayed implementation of increased deputy staffing levels that were planned for with budget amendments. Recreation/Senior Services experienced facility closures due to COVID-19, and thus less payroll costs were incurred. Substantial savings were also realized in the Capital Outlay category due to incomplete capital improvement projects.
- The Citywide Debt Service Fund, a new fund in Fiscal Year 2020-2021, was created as a result of the 2020A Pension Obligation Bond issuance. The fund earned \$8,517,708 in revenue through the debt issuance and expended \$8,503,356 in the form of payments to CalPERS, paying down the agency's Unfunded Actuarial Liability (UAL) and Other Post Employment Benefit (OPEB) liabilities. After payments to CalPERS and debt service expenses, the fund retains a year end balance of \$14,352 which will offset future debt service payments. In future fiscal periods, the debt service fund is expected to display a fund balance of zero, and all principal and interest expenditures will be financed by transfers-in from the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2021 is \$53,662,294. 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.

**City of La Puente
Management Discussion and Analysis
June 30, 2021**

The net increase (additions minus deletions) in capital assets for the fiscal year was \$4,696,008 owing in large part to work completed at La Puente Park. Additional information on the City's capital assets can be found in Note 5 of the financial statements. Table 5 shows a summary of changes in capital assets (net of depreciation) as of June 30, 2021.

Table 5
Capital Assets

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 3,621,179	\$ -	\$ -	\$ 3,621,179
Construction in Progress	2,699,217	4,338,733	5,610,107	1,427,843
Total Capital Assets, Not Depreciated	6,320,396	4,338,733	5,610,107	5,049,022
Capital Assets Being Depreciated:				
Buildings and Improvements	22,097,348	3,953,381	642,159	25,408,570
Equipment and Furniture	2,465,507	547,182	141,749	2,870,940
Infrastructure	39,501,933	2,340,014	-	41,841,947
Total Capital Assets, Depreciated	64,064,788	6,840,577	783,908	70,121,457
Less Accumulated Depreciation:				
Buildings and Improvements	(12,326,002)	(944,036)	(607,659)	(12,662,379)
Equipment and Furniture	(1,632,080)	(167,342)	(139,727)	(1,659,695)
Infrastructure	(20,348,675)	(645,515)	-	(20,994,190)
Total Accumulated Depreciation	(34,306,757)	(1,756,893)	(747,386)	(35,316,264)
Net Capital Assets, Depreciated	29,758,031	5,083,684	36,522	34,805,193
Governmental Activities Capital Assets	\$ 36,078,427	\$ 9,422,417	\$ 5,646,629	\$ 39,854,215
Business-type Activities:				
Capital Assets, Not Depreciated				
Construction in Progress	\$ 2,932,684	\$ 1,135,829	\$ (3,445,122)	\$ 623,391
Total Capital Assets, Not Depreciated	2,932,684	1,135,829	(3,445,122)	623,391
Capital Assets Being Depreciated:				
Sewer Collection System	11,213,960	3,445,122	-	14,659,082
Total Capital Assets, Depreciated	11,213,960	3,445,122	-	14,659,082
Less Accumulated Depreciation:				
Sewer Collection System	(1,258,785)	(215,609)	-	(1,474,394)
Net Capital Assets, Depreciated	9,955,175	3,229,513	-	13,184,688
Business-type Activities Capital Assets	\$ 12,887,859	\$ 4,365,342	\$ (3,445,122)	\$ 13,808,079

Debt Administration

In November 2007 the City issued the 2007 Sewer Revenue Bonds for \$10,260,000. The City refinanced the bonds in August 2016 (2016 Sewer Refunding Bonds) to take advantage of lower interest rates. The refunding of the 2007 Sewer Revenue Bonds resulted in an annual savings of approximately \$62,000 in debt service payments through 2037. The debt service payment on the bonds will be made by the sewer fees collected from the City residents on their property tax bills.

In October 2015, the City signed an agreement with the City of Industry for a \$5,952,908 loan to be used for Valley Boulevard improvements. To date, the City has received \$1,422,945 of the loan proceeds. This figure includes an additional \$30,110 that was received in the current year that is offset by the current year payment of \$189,721. The loan has a term of 30 years at a simple interest rate of .33% (the LAIF interest rate at the time of signing). Payments on the loan were to be in the amount of \$208,741.57 annually and will be made from annual Measure R funds received by the City, however during the 2018-19 fiscal year; the City will not draw on any additional funds on this loan. A new amortization schedule was developed and approved by the City of Industry in October 2019 and the new annual payment will be \$53,287.

In November 2019, the City issued Series 2019A and Series 2019B Bonds, the proceeds of which were \$3,910,000 and \$3,470,000, respectively. The purpose of this debt issuance is to finance deferred capital costs related to street resurfacing throughout the City. The annual debt service, including principal and interest, is funded by Measure R and Measure M Local Return revenues received from the Los Angeles County Metropolitan Transportation Authority. Interest rates on this debt range from 2.75% to 4.00%, with semiannual payments from \$125,000 to \$225,000 over the next twenty years.

In 2020, the City issued Series 2020A Pension Obligation Bonds, raising \$8,517,708 in certificates of participation. The proceeds were disbursed shortly after issuance to the California Public Employees Retirement System (CalPERS) for liquidation of the City's Unfunded Actuarial Liability (UAL) and Other Post Employment Benefit (OPEB) liabilities. This action allows the City to save thousands of dollars over the next several decades and take advantage of favorable interest rates. Payments will be made twice per year until 2039 at a rate of 3.05%. Total principal and interest payments over the life of the debt are \$10,888,092.

Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

GENERAL FUND BUDGETARY ANALYSIS

The revenue budget for fiscal year 2020-2021 was \$14,881,700. Actual General Fund revenues were higher than the final budgeted revenues by \$2,801,971 for a total of \$17,683,671. Several categories of revenues collected were higher than the budgeted projections. "Taxes" were \$2,706,111 higher than projected due to sales tax and property tax received being higher than anticipated. Management budgeted conservatively at the outset of the COVID-19 pandemic, however, increases in online sales allowed the City to realize significant increases in Measure LP and Sales & Use Taxes. "Charges for Services" and "Fines and Forfeitures" were lower than anticipated as a result of slowed development activity and relaxed enforcement of parking provisions during the pandemic period. "Investment Income" revenues were higher than expected due to the market value adjustment for investments.

Expenditure appropriations were originally adopted at \$16,602,100. Budget Amendments conducted throughout the fiscal year brought the final budget total to \$18,264,932 with adjustments being made for increased public safety staffing levels and capital improvements at La Puente Park. General Fund expenditures were \$14,980,652, plus a transfer out of \$668,375. Factoring out the transfers, General Fund expenditures were \$3,284,280 less than the final

budgeted expenditures. Savings in public safety (due to vacant positions) as well as incomplete work in capital improvement projects drove the majority of the savings.

In the General Fund, the fund balance increased by \$2,034,644 due the excess of revenues over expenditures.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

As public health restrictions related to the COVID-19 pandemic recede, the City expects a slow return to normalcy in the realm of budgeting and financial reporting. The resumption of full indoor restaurant and retail capacity serves as a harbinger of strong sales and use tax returns. Since the *Measure LP* transaction tax has been fully implemented for several fiscal cycles, management has a stronger grasp on the budgetary impact of this increasingly important revenue source and has strong expectations moving forward. Adversely, recent federal court decisions have required sales taxes collected from online transactions to be shared with jurisdictions housing distribution facilities and not just the final delivery point. The City is aware of this matter and will account for its possible effects in formulating future financial plans.

Throughout the United States, inflation rates continue to increase for a wide variety of goods and services, from food to medication to manufactured goods. The effects this may have on the City's budgetary position are several. Increased prices of retail goods lead to a corresponding increase in sales tax revenue, benefitting the General Fund. Rising prices also lead to increased expenditures for the City, however, especially in the form of construction materials for capital improvement projects. Lastly, constituent difficulties in facing an increasing consumer price index may require prolonged supportive action on the part of the City, to include business assistance grants, food banks, and the like.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

City of La Puente
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 24,394,851	\$ 2,063,798	\$ 26,458,649
Cash and Investments with Fiscal Agent	6,967,986	-	6,967,986
Accounts Receivable	310,910	25,487	336,397
Interest Receivable	5,218,102	-	5,218,102
Loans Receivable	1,284,564	-	1,284,564
Due From Other Governments	2,172,350	24,045	2,196,395
Prepaid Items	31,274	-	31,274
Advance to Successor Agency, Net	10,425,518	-	10,425,518
Restricted Cash	363,273	-	388,760
Capital Assets, Not Depreciated	5,049,022	623,391	5,672,413
Capital Assets, Depreciated, Net	34,805,193	13,184,688	47,989,881
Total Assets	<u>91,023,043</u>	<u>15,921,409</u>	<u>106,944,452</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding	-	497,931	497,931
Deferred Outflows Related to Pensions	7,100,298	-	7,100,298
Deferred Outflows Related to OPEB	3,021,420	-	3,021,420
Total Deferred Outflows of Resources	<u>10,121,718</u>	<u>497,931</u>	<u>10,619,649</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	4,128,238	174,962	4,303,200
Interest Payable	19,020	18,776	37,796
Unearned Revenues	75,999	-	75,999
Due to Other Agencies	496,768	-	496,768
Deposits	363,273	-	363,273
Long-Term Liabilities			
Due Within One Year	692,586	355,000	1,047,586
Due in More Than One Year	27,379,525	7,335,000	34,714,525
Total Liabilities	<u>33,155,409</u>	<u>7,883,738</u>	<u>41,039,147</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	240,953	-	240,953
Deferred Inflows Related to OPEB	82,370	-	82,370
Total Deferred Inflows of Resources	<u>323,323</u>	<u>-</u>	<u>323,323</u>
NET POSITION			
Net Investment in Capital Assets	38,528,613	6,616,010	45,144,623
Restricted for:			
Street Projects	1,524,428	-	1,524,428
Public Works	1,797,385	-	1,797,385
Housing	1,747,011	-	1,747,011
Community Development	444,356	-	444,356
Sewer Operations	-	1,919,592	1,919,592
Unrestricted	23,624,236	-	23,624,236
Total Net Position	<u>\$ 67,666,029</u>	<u>\$ 8,535,602</u>	<u>\$ 76,201,631</u>

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 3,102,274	\$ 236,290	\$ 369,298	\$ -
Public Safety	8,117,393	353,068	168,762	-
Public Works	5,086,569	16,589	-	3,427,449
Recreation/Senior Services	2,130,122	-	228,432	145,716
Community Development	4,292,118	1,186,903	652,413	2,554,683
Interest Expense	298,426	-	-	-
Total Governmental Activities	23,026,902	1,792,850	1,418,905	6,127,848
Business-type Activities:				
Sewer Assessment	1,525,210	1,413,471	-	-
Total Business-type Activities	1,525,210	1,413,471	-	-
Total Primary Government	\$ 24,552,112	\$ 3,206,321	\$ 1,418,905	\$ 6,127,848

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Property Transfer Tax

Transient Occupancy Tax

Business License Taxes

Investment Income

Other

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,496,686)	\$ -	\$ (2,496,686)
(7,595,563)	-	(7,595,563)
(1,642,531)	-	(1,642,531)
(1,755,974)	-	(1,755,974)
101,881	-	101,881
(298,426)	-	(298,426)
<u>(13,687,299)</u>	<u>-</u>	<u>(13,687,299)</u>
<u>-</u>	<u>(111,739)</u>	<u>(111,739)</u>
<u>-</u>	<u>(111,739)</u>	<u>(111,739)</u>
<u>(13,687,299)</u>	<u>(111,739)</u>	<u>(13,799,038)</u>
7,756,848	-	7,756,848
1,059,799	-	1,059,799
7,065,541	-	7,065,541
70,989	-	70,989
205,661	-	205,661
149,476	-	149,476
577,290	23,482	600,772
158,607	25,487	184,094
<u>17,044,211</u>	<u>48,969</u>	<u>17,093,180</u>
3,356,912	(62,770)	3,294,142
<u>64,309,117</u>	<u>8,598,372</u>	<u>72,907,489</u>
<u>\$ 67,666,029</u>	<u>\$ 8,535,602</u>	<u>\$ 76,201,631</u>

**City of La Puente
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Citywide Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 16,571,040	\$ -	\$ 7,276,101	\$ 23,847,141
Cash with Fiscal Agent	-	14,352	6,953,634	6,967,986
Accounts Receivable	285,870	-	25,040	310,910
Interest Receivable	5,218,102	-	-	5,218,102
Loans Receivable	-	-	1,284,564	1,284,564
Due from Other Governments	1,577,047	-	595,303	2,172,350
Due from Other Funds	524,494	-	-	524,494
Restricted Cash	363,273	-	-	363,273
Prepaid Items	21,537	-	9,737	31,274
Advances to Successor Agency	10,425,518	-	-	10,425,518
Total Assets	\$ 34,986,881	\$ 14,352	\$ 16,144,379	\$ 51,145,612
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,442,063	\$ -	\$ 1,658,490	\$ 4,100,553
Due to Other Agencies	-	-	496,768	496,768
Unearned Revenue	75,999	-	-	75,999
Deposits	363,273	-	-	363,273
Due to Other Funds	-	-	524,494	524,494
Total Liabilities	2,881,335	-	2,679,752	5,561,087
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Interest	5,227,196	-	-	5,227,196
Unavailable Revenues - Grants	-	-	145,716	145,716
Total Deferred Inflows of Resources	5,227,196	-	145,716	5,372,912
FUND BALANCES				
Nonspendable	10,447,055	-	9,737	10,456,792
Restricted	-	14,352	13,402,227	13,416,579
Unassigned	16,431,295	-	(93,053)	16,338,242
Total Fund Balances	26,878,350	14,352	13,318,911	40,211,613
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,986,881	\$ 14,352	\$ 16,144,379	\$ 51,145,612

The accompanying notes are an integral part of this statement.

City of La Puente
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund Balances for Governmental Funds \$ 40,211,613

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

Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the funds.

Capital Assets	73,151,829
Accumulated Depreciation	(34,273,749)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2020 are:

Loan Agreement	(1,325,602)
Compensated Absences	(402,769)
Net Pension Liability	(7,796,766)
Net OPEB Liability	(2,871,545)
2020A Certificates of Participation	(8,517,708)
2019A Sales Tax Revenue Bonds	(3,575,000)
2019B Sales Tax Revenue Bonds	(3,175,000)
Premium on Bonds	(407,721)

Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(19,020)
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Long-term receivables are not available to pay for current period expenditures and, therefore, are report as unavailable revenue in the funds.	5,372,912
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Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds.

Deferred Outflows Related to Pensions	7,100,298
Deferred Inflows Related to Pensions	(240,953)
Deferred Outflows Related to OPEB	3,021,420
Deferred Inflows Related to OPEB	(82,370)

The internal service fund is used by management to charge the costs of equipment purchases to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	1,496,160
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Net Position of Governmental Activities	\$ 67,666,029
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The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Citywide Debt Service	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 15,359,011	\$ -	\$ 859,127	\$ 16,218,138
Licenses and Permits	860,542	-	-	860,542
Intergovernmental	270,221	-	7,150,365	7,420,586
Charges for Services	677,374	-	69,824	747,198
Fines and Forfeitures	253,437	-	-	253,437
Investment Income	195,854	-	74,631	270,485
Other Revenue	67,232	-	20,172	87,404
Total Revenues	17,683,671	-	8,174,119	25,857,790
EXPENDITURES				
Current:				
General Government	2,538,735	8,272,391	29,301	10,840,427
Public Safety	7,960,666	-	156,727	8,117,393
Public Works	471,262	-	1,527,090	1,998,352
Recreation/Senior Services	1,386,410	-	-	1,386,410
Community Development	1,438,706	-	2,823,245	4,261,951
Capital Outlay	1,184,873	-	5,576,455	6,761,328
Debt Service:				
Bond Issuance Costs	-	230,965	-	230,965
Interest and Fiscal Charges	-	85,153	236,523	321,676
Principal	-	-	313,752	313,752
Total Expenditures	14,980,652	8,588,509	10,663,093	34,232,254
Excess of Revenues Over (Under) Expenditures	2,703,019	(8,588,509)	(2,488,974)	(8,374,464)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	85,153	825,668	910,821
Transfers Out	(668,375)	-	(550,275)	(1,218,650)
Issuance of Debt	-	8,517,708	-	8,517,708
Total Other Financing Sources (Uses)	(668,375)	8,602,861	275,393	8,209,879
Net Change in Fund Balances	2,034,644	14,352	(2,213,581)	(164,585)
Fund Balances, Beginning of Year	24,843,706	-	15,532,492	40,376,198
Fund Balances, End of Year	\$ 26,878,350	\$ 14,352	\$ 13,318,911	\$ 40,211,613

The accompanying notes are an integral part of this statement.

City of La Puente
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (164,585)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This the amount by which capital outlays exceeded depreciation in the current period and also the net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations):

Capital Expenditures	4,408,115
Donated Capital Assets	683,288
Depreciation Expense	(1,623,847)
Loss on Disposal	(34,500)

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

Principal Payments	313,752
Debt Incurred	(8,517,708)
Premium on Bonds	22,651

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

Compensated Absences	(98,285)
Net Pension Liability	(461,969)
Net OPEB Liability	311,975

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

Deferred Outflows Related to Pensions	5,721,188
Deferred Inflows Related to Pensions	179,731
Deferred Outflows Related to OPEB	2,350,299
Deferred Inflows Related to OPEB	(5,162)

Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds. (157,264)

Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the period. 599

The change in net position of the internal service fund is reported with governmental activities. 428,634

Change in Net Position of Governmental Activities \$ 3,356,912

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities- Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and Investments	\$ 2,063,798	\$ 547,710
Due from Other Governments	24,045	-
Accounts Receivable	25,487	-
Total Current Assets	2,113,330	547,710
Noncurrent Assets:		
Capital Assets, Not Being Depreciated:		
Construction in Progress	623,391	-
Capital Assets, Being Depreciated:		
Sewer Collection Systems	14,659,082	-
Vehicles	-	1,617,964
Furniture and Equipment	-	400,686
Less: Accumulated Depreciation	(1,474,394)	(1,042,515)
Total Noncurrent Assets	13,808,079	976,135
Total Assets	15,921,409	1,523,845
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Refunding	497,931	-
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	174,962	27,685
Interest Payable	18,776	-
Bonds Payable - Current	355,000	-
Total Current Liabilities	548,738	27,685
Noncurrent Liabilities:		
Bonds Payable	7,335,000	-
Total Noncurrent Liabilities	7,335,000	-
Total Liabilities	7,883,738	27,685
NET POSITION		
Net Investment In Capital Assets	6,616,010	976,135
Unrestricted	1,919,592	520,025
Total Net Position	\$ 8,535,602	\$ 1,496,160

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	<u>Business-type Activities- Enterprise Fund Sewer Assessment</u>	<u>Governmental Activities - Internal Service Fund</u>
OPERATING REVENUES		
Charges for Services	\$ 1,413,471	\$ 413,245
Total Operating Revenues	1,413,471	413,245
OPERATING EXPENSES		
Other General Expenses	1,050,782	162,700
Depreciation	215,609	133,046
Total Operating Expenses	1,266,391	295,746
Operating Income (Loss)	147,080	117,499
NONOPERATING REVENUES (EXPENSES)		
Loss on Disposal	-	(2,022)
Miscellaneous Income	25,487	-
Interest Income	23,482	5,328
Interest Expense	(258,819)	-
Total Nonoperating Revenues (Expenses)	(209,850)	3,306
OTHER FINANCING SOURCES (USES)		
Transfers In	-	307,829
Total Financing Sources (Uses)	-	307,829
Change in Net Position	(62,770)	428,634
Net Position, Beginning of Year	8,598,372	1,067,526
Net Position, End of Year	\$ 8,535,602	\$ 1,496,160

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities- Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 1,405,948	\$ 413,245
Payments to Suppliers and Contractors	<u>(1,217,767)</u>	<u>(144,745)</u>
Net Cash Provided (Used) by Operating Activities	<u>188,181</u>	<u>268,500</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received From Other Funds	<u>-</u>	<u>307,829</u>
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>-</u>	<u>307,829</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Purchase of Property and Equipment	(1,135,829)	(477,800)
Principal Paid on Long-term Debt	(345,000)	-
Interest Paid	<u>(229,982)</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,710,811)</u>	<u>(477,800)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>23,482</u>	<u>5,328</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,499,148)	103,857
Cash and Cash Equivalents - Beginning of Year	<u>3,562,946</u>	<u>443,853</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,063,798</u>	<u>\$ 547,710</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 147,080	\$ 117,499
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	215,609	133,046
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Governments	(7,523)	-
Increase (Decrease) in Accounts Payable	<u>(166,985)</u>	<u>17,955</u>
TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 188,181</u>	<u>\$ 268,500</u>
Schedule of Non-cash Capital and Related Financing Activities		
Amortization of Deferred Amounts on Refunding	\$ 29,290	\$ -

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Successor Agency Private-Purpose Trust Fund</u>
ASSETS	
Cash and Investments	\$ 581,734
Cash with Fiscal Agent	<u>133,554</u>
Total Assets	<u>715,288</u>
LIABILITIES	
Interest Payable	104,824
Advances from the City	15,595,380
Bonds Payable	<u>3,100,000</u>
Total Liabilities	<u>18,800,204</u>
NET POSITION	
Held in Trust for Successor Agency	<u><u>\$ (18,084,916)</u></u>

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2021

	<u>Successor Agency Private-Purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 644,574
Interest Income	<u>70</u>
Total Additions	<u>644,644</u>
DEDUCTIONS	
Administration and Pass-throughs	7,969
Interest on Advance from City	92,278
Interest on Bonds	<u>448,051</u>
Total Deductions	<u>548,298</u>
Change in Net Position	96,346
Net Position - Beginning of Year	<u>(18,181,262)</u>
Net Position - End of Year	<u><u>\$ (18,084,916)</u></u>

The accompanying notes are an integral part of this statement.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

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

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

Blended Component Units

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

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

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

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Classifications

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

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

The Citywide Debt Service Fund is used to account for the administration of principal and interest payments for the 2020A Certificates of Participation note.

The City reports the following major enterprise funds:

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

The City also reports the following fund types:

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

The Successor Agency Private-Purpose Trust Fund accounts for the activities of the former La Puente Community Development Commission.

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

D) Cash and Cash Equivalents

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

E) Investments

Investments are reported in the accompanying financial statements at fair value (which represents the quoted or stated market 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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) 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 received prior to the implementation of GASB Statement No. 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

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

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

G) Compensated Absences

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

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

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H) Claims and Judgments

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

I) Receivables and Payables

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

As a no-low property tax City, the City is allocated the minimum amount (6.6%) required by law. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied provided that the revenue is collected during the year or within 60 days of year-end. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on November 1 and February 1. Such taxes become delinquent on December 10 and April 10, respectively.

J) Use of Estimates

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

K) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows relating to the Net Pension Liability and also the Net OPEB Liability. In addition, the City reports deferred outflows relating to the 2016 Revenue Refunding Bonds.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and others relating to the Net Pension Liability and Net OPEB Liability, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, *unavailable revenues*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L) Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

M) Net Position Flow Assumption

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

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

N) Fund Balances

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

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

GASB has issued the following Statements, which may impact the City's financial reporting requirements in the future:

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

P) Pensions

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Q) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis.

For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within curtailed defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

2) CASH AND INVESTMENTS

Cash and investments at June 30, 2021 are summarized as follows:

Statement of Net Position:	
Cash and Investments	\$ 26,458,649
Cash and Investments with Fiscal Agent	6,967,986
Restricted Cash and Investments	363,273
Statement of Fiduciary Net Position:	
Cash and Investments	581,734
Cash and Investments with Fiscal Agent	133,554
Total Cash and Investments	<u>\$ 34,505,196</u>
Petty Cash	\$ 2,200
Deposits with Financial Institutions	2,084,967
Investments	32,418,029
Total Cash and Investments	<u>\$ 34,505,196</u>

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

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Authorized Investment Type	Maximum Maturity	Maximum Allowable Investment Percentage	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	15%	2%
Repurchase Agreements	7 days	15%	None
Money Market Savings Accounts	N/A	None	\$250,000
Money Market Mutual Funds	N/A	15%	5%
County Pooled Investment Funds	N/A	5% of Pool	None
Certificates of Deposit	5 years	30%	\$250,000
Negotiable Certificates of Deposit	5 years	30%	\$250,000
Medium Term Notes	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65,000,000

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 this risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25-60 Months	
US Treasury Obligations	\$ -	\$ -	\$ 1,480,655	\$ 1,480,655
Federal Farm Credit Bank	-	-	1,502,307	1,502,307
Federal Home Loan Bank	-	-	3,850,631	3,850,631
Federal Home Loan Mortgage Corp	250,303	-	746,102	996,405
Federal National Mortgage Assoc.	-	-	1,491,895	1,491,895
Local Agency Obligations	-	260,715	240,874	501,589
Negotiable Certificates of Deposit	2,518,411	515,908	3,831,426	6,865,745
LAIF	7,344,263	-	-	7,344,263
Corporate Bonds	504,298	259,905	518,795	1,282,998
Held by Fiscal Agent:				
Money Market Mutual Funds	7,101,541	-	-	7,101,541
Total	<u>\$ 17,718,816</u>	<u>\$ 1,036,528</u>	<u>\$ 13,662,685</u>	<u>\$ 32,418,029</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year-end for each investment type.

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Year End		
			AAA/AA	A and A-1	Unrated
US Treasury Obligations	\$ 1,480,655		\$ 1,480,655	\$ -	\$ -
Federal Farm Credit Bank	1,502,307	N/A	1,502,307	-	-
Federal Home Loan Bank	3,850,631	N/A	3,850,631	-	-
Federal Home Loan Mortgage Corp	996,405	N/A	996,405	-	-
Federal National Mortgage Assoc.	1,491,895	N/A	1,491,895	-	-
Local Agency Obligations	501,589	N/A	501,589	-	-
Negotiable Certificates of Deposit	6,865,745	N/A	-	-	6,865,745
LAIF	7,344,263	N/A	-	-	7,344,263
Corporate Bonds	1,282,998	A	504,298	778,700	-
Held by Bond Trustee:					
Money Market Mutual Fund	7,101,541	N/A	7,101,541	-	-
Total	<u>\$ 32,418,029</u>		<u>\$ 17,429,321</u>	<u>\$ 778,700</u>	<u>\$ 14,210,008</u>

Concentration of Credit Risk

At June 30, 2021, the City had no investments in any one issuer (other than LAIF) that represent 5% or more of total City investments, except for investments in federal agency securities.

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, 2021, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2021, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2021:

- US Treasury Obligations of \$1,480,655 are valued using a matrix pricing model (Level 2 inputs).
- Federal Agency securities of \$7,841,238 are valued using a matrix pricing model (Level 2 inputs).
- Local Agency Obligations of \$501,589 are valued using a matrix pricing model (Level 2 inputs).
- Negotiable Certificates of Deposit of \$6,865,745 are valued using a matrix pricing model (Level 2 inputs).
- Corporate Bonds of \$1,282,998 are valued using a matrix pricing model (Level 2 inputs).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Entity's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Information regarding LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts Due To and Due From Other Funds

As of June 30, 2021, the General Fund is reporting \$524,494 as due from the other governmental funds. These outstanding balances between funds result from temporary borrowings to cover operating deficits.

Long-term Advances

As of June 30, 2021, the City's General Fund had advanced to the former Community Development Commission (CDC) \$15,595,380 (net of repayments), including interest receivable of \$5,169,862, to assist in redevelopment activities. In June 2011, Assembly Bill 26 (1st extraordinary session) dissolved the former CDC, effective (after some litigation on the matter) February 1, 2012.

On April 26, 2013, the Department of Finance allowed the loan to be placed on the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The principal balance of the receivable of \$10,425,518 accrues simple interest of 3% per year in accordance with Senate Bill 107. Repayment of the advance by the Successor Agency is contingent upon excess property taxes received by the Successor Agency after paying all other enforceable obligations. There is no established repayment schedule due to the uncertainty of the amounts available for repayment in a given year.

The entire principal portion of the receivable is included in non-spendable fund balance in the General Fund and the accrued interest receivable is included in deferred inflows as unavailable revenue.

Transfers In and Transfers Out

During the 2020-21 fiscal year, the following interfund transfers were made:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	Citywide Debt Service Fund	Other Governmental Funds	Internal Service Fund	
General Fund	\$ 85,153	\$ 275,393	\$ 307,829	\$ 668,375
Other Governmental Funds	-	550,275	-	550,275
Total	<u>\$ 85,153</u>	<u>\$ 825,668</u>	<u>\$ 307,829</u>	<u>\$1,218,650</u>

The General Fund transferred \$275,393 to the Other Governmental Funds for the Housing Successor Fund and other project costs; the Measure M and Measure R Funds transferred a total of \$550,275 to the Capital Projects Fund and the Measure M and Measure R Debt Funds to pay loan and bond payments. In addition, the General Fund transferred \$307,829 to the Internal Service Fund for equipment costs.

4) LOANS RECEIVABLE

The City uses Housing and Community Development Block Grant and Cal-Home Grant funds to provide deferred payment housing rehabilitation loans to eligible applicants. Such loans are made to low- and moderate-income persons to improve or rehabilitate residences.

Loan repayments are deferred until homes are sold or change title. The City accounts for this program in the Special Revenue CDBG and Cal-Home Grant Funds. Rehabilitation loans receivable of \$1,284,564 at June 30, 2021 have been reflected in the accompanying financial statements as loans receivable.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

5) CAPITAL ASSETS

The following is a summary of changes in capital assets for the 2020-21 fiscal year:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,621,179	\$ -	\$ -	\$ 3,621,179
Construction in Progress	2,699,217	4,338,733	5,610,107	1,427,843
Total Capital Assets, Not Depreciated	<u>6,320,396</u>	<u>4,338,733</u>	<u>5,610,107</u>	<u>5,049,022</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	22,097,348	3,953,381	642,159	25,408,570
Equipment and Furniture	2,465,507	547,182	141,749	2,870,940
Infrastructure	39,501,933	2,340,014	-	41,841,947
Total Capital Assets, Depreciated	<u>64,064,788</u>	<u>6,840,577</u>	<u>783,908</u>	<u>70,121,457</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(12,326,002)	(944,036)	(607,659)	(12,662,379)
Equipment and Furniture	(1,632,080)	(167,342)	(139,727)	(1,659,695)
Infrastructure	(20,348,675)	(645,515)	-	(20,994,190)
Total Accumulated Depreciation	<u>(34,306,757)</u>	<u>(1,756,893)</u>	<u>(747,386)</u>	<u>(35,316,264)</u>
Net Capital Assets, Depreciated	<u>29,758,031</u>	<u>5,083,684</u>	<u>36,522</u>	<u>34,805,193</u>
Governmental Activities Capital Assets	<u>\$ 36,078,427</u>	<u>\$ 9,422,417</u>	<u>\$ 5,646,629</u>	<u>\$ 39,854,215</u>
Business-type Activities:				
Capital Assets, Not Depreciated				
Construction in Progress	\$ 2,932,684	\$ 1,135,829	\$ (3,445,122)	\$ 623,391
Total Capital Assets, Not Depreciated	<u>2,932,684</u>	<u>1,135,829</u>	<u>(3,445,122)</u>	<u>623,391</u>
Capital Assets Being Depreciated:				
Sewer Collection System	11,213,960	3,445,122	-	14,659,082
Total Capital Assets, Depreciated	<u>11,213,960</u>	<u>3,445,122</u>	<u>-</u>	<u>14,659,082</u>
Less Accumulated Depreciation:				
Sewer Collection System	(1,258,785)	(215,609)	-	(1,474,394)
Net Capital Assets, Depreciated	<u>9,955,175</u>	<u>3,229,513</u>	<u>-</u>	<u>13,184,688</u>
Business-type Activities Capital Assets	<u>\$ 12,887,859</u>	<u>\$ 4,365,342</u>	<u>\$ (3,445,122)</u>	<u>\$ 13,808,079</u>

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

General Government	\$ 149,464
Public Works	700,504
Recreation/Senior Services	743,712
Community Development	30,167
Capital Assets held by internal service funds are charged to the various functions based on usage of the assets	133,046
Total Depreciation Expense - Governmental Activities	<u>\$ 1,756,893</u>

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Loan Payable from Direct Borrowing:					
City of Industry Loan Agreement	\$ 1,374,354	\$ -	\$ 48,752	\$ 1,325,602	\$ 48,913
2020A Certificates of Participation	-	8,517,708	-	8,517,708	373,673
2019A Sales Tax Revenue Bonds	3,715,000	-	140,000	3,575,000	145,000
2019B Sales Tax Revenue Bonds	3,300,000	-	125,000	3,175,000	125,000
Premium on Bonds	430,372	-	22,651	407,721	-
Compensated Absences	304,484	141,720	43,435	402,769	-
Net OPEB Liability	3,183,520	399,995	711,970	2,871,545	-
Net Pension Liability	7,334,797	1,145,346	683,377	7,796,766	-
Total	<u>\$ 19,642,527</u>	<u>\$ 10,204,769</u>	<u>\$ 1,775,185</u>	<u>\$ 28,072,111</u>	<u>\$ 692,586</u>
Business-type Activities:					
Bonds payable from Direct Borrowing:					
2016 Sewer Refunding Bonds	\$ 8,035,000	\$ -	\$ 345,000	\$ 7,690,000	\$ 355,000
Total	<u>\$ 8,035,000</u>	<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 7,690,000</u>	<u>\$ 355,000</u>

Pension and OPEB liabilities are typically liquidated by the General Fund.

City of Industry Loan Agreement

In October of 2015, the City entered into an agreement to borrow funds from the City of Industry to finance construction of a sound wall and other improvements on Valley Boulevard. The City of Industry has agreed to lend the City of La Puente up to \$5,952,908 for these improvements, at a simple interest rate of .33%. As of June 30, 2019, the City has borrowed \$1,422,945 on this loan, net of \$378,818 in principal payments. The agreement provides for annual loan repayments of \$208,742, commencing November 1, 2017. However, during the 2018-19 fiscal year, the City decided not to draw down any additional funds on this loan. A new amortization schedule was developed and approved by the City of Industry in October 2019. The following represents the future debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 48,913	\$ 4,374	\$ 53,287
2023	49,074	4,213	53,287
2024	49,236	4,051	53,287
2025	49,399	3,888	53,287
2026	49,562	3,725	53,287
2027-2031	250,272	16,163	266,435
2032-2036	254,428	12,007	266,435
2037-2041	258,654	7,781	266,435
2042-2046	262,951	3,484	266,435
2047	53,113	174	53,287
Totals	<u>\$ 1,325,602</u>	<u>\$ 59,860</u>	<u>\$ 1,385,462</u>

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

2020 Certificates of Participation, Series A

On December 1, 2020, the City (Lessee) entered into a lease agreement (Lease) with the Public Property Financing Corporation of California (Lessor), whereby the Lessor has agreed to finance all or a portion of the Lessee’s outstanding pension and/or OPEB liabilities, and the Lessee has agreed to lease certain property from the Lessor; and, the Lessee and the Lessor authorized the execution and delivery of \$8,517,708 in certificates of participation (Certificates), each evidencing and representing an undivided and proportionate interest of the Certificate holders in the lease payments to be made by the Lessee under the Lease.

The net proceeds obtained through the execution, sale and delivery of the Certificates were deposited with a Trustee under a Trust Agreement and used in part by the Lessor to finance all or a portion of the Lessee’s outstanding pension and/or OPEB liabilities on behalf of the Lessee. The Lessee is required to make lease payments at least equal to the fair rental value of the leased property in amounts sufficient to pay the principal and interest components evidenced and represented by all outstanding Certificates.

Interest (3.05% per annum) is payable on April 1 and October 1 of each year, commencing April 1, 2021. The following represents the future debt service requirements for the Certificates:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 373,673	\$ 254,092	\$ 627,765
2023	352,102	243,024	595,126
2024	374,850	231,937	606,787
2025	398,533	220,143	618,676
2026	423,182	207,612	630,794
2027-2031	2,521,982	822,135	3,344,117
2032-2036	3,304,509	379,716	3,684,225
2037-2039	768,877	11,725	780,602
Totals	\$ 8,517,708	\$ 2,370,384	\$ 10,888,092

2019 Sales Tax Revenue Bonds Series A and B

In November of 2019, the La Puente Financing Authority (a component unit of the City of La Puente) issued \$3,910,000 2019 Series A Bonds (2019A) and \$3,470,000 2019 Series B Bonds (2019B). Proceeds of the 2019A Bonds will be used to finance certain transportation projects of the City of La Puente, purchase a reserve surety for the bonds, and pay issuance costs. Proceeds of the 2019B Bonds will be used to finance costs associated with certain transportation projects of the City, purchase a reserve surety for the bonds, and pay issuance costs.

The 2019A Bonds mature in amounts from \$140,000 to \$255,000 annually from 2020 to 2039, with interest payments ranging from 2.75% to 4.0% payable semi-annually on June 1 and December 1 of each year. The 2019B Bonds mature in amounts from \$125,000 to \$225,000 annually from 2020 to 2039, with interest payments ranging from 2.75% to 4.0% payable semi-annually on June 1 and December 1 of each year. The 2019A Bonds are secured by pledged Measure M revenues that are derived from a retail transactions and use tax (Measure M Sales Tax) imposed in the County of Los Angeles.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

The City has pledged the Measure M revenues to the payment of the 2019A Bonds pursuant to a Pledge Agreement dated November 1, 2019 by and between the City and Authority. The 2019B Bonds are secured by the pledged Measure R revenues that are derived from a retail transactions and use tax imposed in the County of Los Angeles. The City has pledged the Measure R revenues to the payment of the 2019B Bond pursuant to a Pledge Agreement dated November 1, 2019 by and between the City and Authority.

Pledged Measure M revenues for the 2019A Bonds for subsequent fiscals through 2039 are estimated at \$5.0 million. This represents approximately 45% of the total Measure M revenues. The pledged Measure M revenues for the 2020-21 fiscal year were \$579,351. Pledged Measure R revenues for the 2019B Bonds for subsequent fiscal years through 2039 are estimated at \$4.4 million. This represents approximately 45% of total Measure R revenues. The pledged Measure R revenues for the 2020-21 fiscal year were \$511,326. Future debt service requirements on the 2019A and 2019B Bonds are as follows:

2019A Measure M Bonds			
Fiscal Year Ending			
June 30,	Principal	Interest	Total
2022	\$ 145,000	\$ 118,637	\$ 263,637
2023	150,000	112,838	262,838
2024	155,000	106,837	261,837
2025	160,000	100,638	260,638
2026	170,000	94,237	264,237
2027-2031	940,000	366,538	1,306,538
2032-2036	1,110,000	204,287	1,314,287
2037-2039	745,000	41,388	786,388
Totals	\$ 3,575,000	\$ 1,145,400	\$ 4,720,400

2019B Measure R Bonds			
Fiscal Year Ending			
June 30,	Principal	Interest	Total
2022	\$ 125,000	\$ 105,400	\$ 230,400
2023	135,000	100,400	235,400
2024	140,000	95,000	235,000
2025	145,000	89,400	234,400
2026	150,000	83,600	233,600
2027-2031	840,000	325,150	1,165,150
2032-2036	980,000	180,750	1,160,750
2037-2039	660,000	36,575	696,575
Totals	\$ 3,175,000	\$ 1,016,275	\$ 4,191,275

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

2016 Sewer Revenue Refunding Bonds

In August of 2016, the La Puente Financing Authority (a component unit of the City of La Puente) issued \$9,340,000 in Sewer Revenue Refunding Bonds to refund the 2007 Sewer Revenue Bonds. Proceeds from the 2016 bonds were placed in escrow to refund in full the 2007 bonds, and to pay costs of issuance. As a result, the 2007 bonds are considered defeased and the liability has been removed from these financial statements.

The 2016 bonds mature in amounts from \$315,000 to \$565,000 annually from 2017 to 2038, with interest payments of 2.93% 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.

Future debt service requirements on the 2016 Sewer Revenue Refunding Bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2022	\$ 355,000	\$ 220,116	\$ 575,116
2023	365,000	209,568	574,568
2024	375,000	198,727	573,727
2025	390,000	187,520	577,520
2026	400,000	175,947	575,947
2027-2031	2,175,000	694,923	2,869,923
2032-2036	2,515,000	351,820	2,866,820
2037-2038	1,115,000	32,889	1,147,889
Totals	<u>\$ 7,690,000</u>	<u>\$ 2,071,510</u>	<u>\$ 9,761,510</u>

Pledged revenues for subsequent fiscal years through 2038 are estimated at \$11.0 million. This represents approximately 48% of the total revenues from the sewer system. The pledged net revenues for the 2020-21 fiscal year amounted to approximately \$1.1 million, while the debt service requirements on the related debt were approximately \$575,000.

The City is subject to a legal debt margin of approximately \$371 million. Currently, the only debt of the City that is applicable to the legal debt margin is the 2020A Pension Obligation Bonds with a total of \$10,888,092 subject to the limit.

Fiduciary Fund Long-term Liabilities

Long-term liabilities of the former La Puente CDC were transferred to the Successor Agency Private-purpose Trust Fund during 2011-12 as a result of the State's action to dissolve redevelopment agencies. The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2021:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Refunding Bonds:					
Series 2014A	\$ 3,220,000	\$ -	\$ 120,000	\$ 3,100,000	\$ 125,000
Total	<u>\$ 3,220,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 3,100,000</u>	<u>\$ 125,000</u>

2014A Tax Allocation Refunding Bonds

In August 2014, the Successor Agency \$3,760,000 Tax Allocation Revenue Refunding Bonds, Series 2014, which mature in amounts from \$100,000 to \$255,000 annually until 2038 with interest payments of 4.35% payable semi-annually on February 1 and August 1 of each year. The purpose of the bonds was to refund the 2007 Tax Allocation Bonds issued by the former La Puente Community Development Commission. The bonds are special obligations of the Successor Agency and are payable exclusively from Pledged Tax Revenues. The bonds are not a debt, liability or obligation of the City of La Puente (the “City”), the County of Los Angeles (the “County”), the State of California or any of its political subdivisions, other than the Commission. In no event shall the bonds be payable out of any funds or properties other than those of the Commission. Future debt service requirements on the 2014A Tax Allocation Refunding Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 125,000	\$ 132,131	\$ 257,131
2023	130,000	126,585	256,585
2024	135,000	120,821	255,821
2025	145,000	114,731	259,731
2026	145,000	108,424	253,424
2027-2031	850,000	437,393	1,287,393
2032-2036	1,070,000	229,246	1,299,246
2037-2038	500,000	21,967	521,967
Totals	<u>\$ 3,100,000</u>	<u>\$ 1,291,298</u>	<u>\$ 4,391,298</u>

7) RISK MANAGEMENT

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

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

7) RISK MANAGEMENT - Continued

Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Liability

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$50 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Worker's Compensation

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of La Puente participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Puente. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

7) RISK MANAGEMENT - Continued

Property Insurance

The City of La Puente participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Puente property is currently insured according to a schedule of covered property submitted by the City of La Puente to the Authority. City of La Puente property currently has all-risk property insurance protection in the amount of \$26,359,498. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of La Puente purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

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

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

Claims and Judgments

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

8) PENSION PLAN

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. The City sponsors two rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

8) PENSION PLAN - Continued

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications. The rate plan provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Misc. PEPR
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Last 12 Mos. of Service	Last 36 Mos. of Service
Required employee contribution rates	8%	7.50%
Required employer contribution rates	14.054% + \$524,158	8.239% + \$4,090

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$528,248 in fiscal year 2021. The City’s contributions to the Plan for the year ended June 30, 2021 were \$6,396,905.

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

As of June 30, 2021, the City reported a liability of \$7,796,766 for its proportionate share of the net pension liability. The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures.

The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the Plan’s net pension liability as of June 30, 2019 and 2020 was as follows:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

8) PENSION PLAN - Continued

Proportion - June 30, 2019	0.07158%
Proportion - June 30, 2020	<u>0.07166%</u>
Change - Increase (Decrease)	<u><u>0.00008%</u></u>

For the year ended June 30, 2021, the City recognized pension expense of \$957,955. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 6,396,905	\$ -
Differences between actual and expected experience	401,791	-
Changes in assumptions	-	55,610
Differences between employer's contributions and proportionate share of contributions	-	123,119
Change in employer's proportions	69,987	62,224
Net differences between projected and actual earnings on plan investments	<u>231,615</u>	<u>-</u>
Total	<u><u>\$ 7,100,298</u></u>	<u><u>\$ 240,953</u></u>

The \$6,396,905 reported as deferred outflows related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2022	\$	(18,039)
2023		197,634
2024		171,755
2025		111,090
2026		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

8) PENSION PLAN - Continued

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

8) PENSION PLAN – Continued

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 11,002,743
Current Discount Rate	7.15%
Net Pension Liability	\$ 7,796,766
1% Increase	8.15%
Net Pension Liability	\$ 5,147,768

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

Payable to the Pension Plan

At June 30, 2021, the City reported no payables due to the pension plan, for outstanding contributions.

9) OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description – The City has established the La Puente Retiree Healthcare Plan (LPRHCP), and participates in an agent multiple-employer defined benefit retiree healthcare plan. A separate financial report is not prepared for the LPRHCP.

Benefits Provided – Under the LPRHCP, retirees are eligible for benefits as follows:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POST EMPLOYMENT BENEFITS - Continued

	Eligible Employees
Benefit types provided	Medical, dental, vision
Duration of Benefits	Lifetime
Required Service	5 years*
Minimum Age	50
Dependent Coverage	Yes
City Contribution	50% of employer contribution at 10 years of service for medical plus 5% per additional year to 100% at 20 or more years of service
City Cap	\$2,000 per year in dental and vision expenses

*Those hired prior to 8/1/08 require only CalPERS retirement to receive 100% of employer contribution.

Employees Covered by Benefit Terms – As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the LPRHCP:

Retirees or spouses of retirees currently receiving benefits	30
Active employees	30
	60

Contributions – The LPRHCP plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021, the City's cash contributions were \$2,700,000 in payments to the trust and the payments for retiree health benefits was \$271,909 resulting in total payments of \$2,971,909. In a prior fiscal year, the City created a trust account with the California Public Employers' Retiree Benefit Trust (CERBT). The CERBT issues a publicly available report that can be found on the CalPERS website.

Net OPEB Liability - The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	2014 CalPERS Active Mortality for Miscellaneous Employees
Age at Retirement	52
Health Care Trend Rate	4.00%
Inflation Rate	2.75%
Salary Changes	2.75%
Discount Rate	7.00%

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POST EMPLOYMENT BENEFITS - Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
All Equities	59%	7.675%
All Fixed Income	25%	4.380%
Real Estate Investment Trusts	8%	7.380%
All Commodities	3%	7.675%
Treasury Inflation Protected Securities (TIPS)	5%	3.130%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2019	\$ 4,150,550	\$ 967,030	\$ 3,183,520
Changes in the year:			
Service cost	115,710	-	115,710
Interest on the total OPEB liability	284,285	-	284,285
Employer Contributions	-	656,412	(656,412)
Employee Contributions	-	-	-
Actual Investment Income	-	81,182	(81,182)
Investment Gains/Losses	-	(49,005)	49,005
Administrative Expense	-	(478)	478
Benefit payments, including refunds	(294,371)	(270,512)	(23,859)
Experience (Gains)/Losses	-	-	-
Net changes	105,624	417,599	(311,975)
Balance at June 30, 2020	\$ 4,256,174	\$ 1,384,629	\$ 2,871,545

Sensitivity of the Net OPEB Liability to changes in the Discount Rate - The following presents the net OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POST EMPLOYMENT BENEFITS - Continued

	1% Decrease (3%)	Trend - No Change (4%)	1% Increase (5%)
Net OPEB liability (asset)	\$ 2,499,562	\$ 2,871,545	\$ 3,310,874

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB liability (asset)	\$ 3,325,378	\$ 2,871,545	\$ 2,490,404

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employers' Retirement System (CalPERS) website.

OPEB Expense and Recognition of Deferred Outflows/Inflows of Resources Related to OPEB

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments:	5 years
All other amounts:	Expected average remaining service lifetime (EARSL) (6.0 years at June 30, 2019)

For the year ended June 30, 2021, the City recognized OPEB expense of \$314,797. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 2,971,909	\$ -
Changes of Assumptions	-	-
Investment Gain/Loss	49,511	-
Net differences between projected and actual earnings on plan investments	-	82,370
Total	\$ 3,021,420	\$ 82,370

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POST EMPLOYMENT BENEFITS - Continued

The \$2,971,909 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2022	\$ (4,494)
2023	(4,497)
2024	(7,390)
2025	(8,896)
2026	(6,817)
Thereafter	(765)

10) FUND BALANCES

Details of the City's governmental fund balances at June 30, 2021, are presented below:

	General Fund	Citywide Debt Service Fund	Other Governmental Funds	Total
Nonspendable:				
Prepaid Costs	\$ 21,537	\$ -	\$ 9,737	\$ 31,274
Long-term Advances	10,425,518	-	-	10,425,518
Restricted for:				
Debt	-	14,352	-	14,352
Lighting and Landscape	-	-	734,379	734,379
Low Income Housing	-	-	1,747,011	1,747,011
PEG Access	-	-	160,826	160,826
Street Projects	-	-	8,672,412	8,672,412
Safe Clean Water	-	-	207,140	207,140
CARES	-	-	23,460	23,460
Air Pollution Reduction Measures	-	-	59,614	59,614
Transportation	-	-	1,797,385	1,797,385
Unassigned	16,431,295	-	(93,053)	16,338,242
Total Fund Balance	\$ 26,878,350	\$ 14,352	\$ 13,318,911	\$ 40,211,613

The Miscellaneous Grants Fund has a deficit fund balance of \$93,053, respectively, as of June 30, 2021. This deficit will be eliminated when unavailable revenues are realized in the next fiscal year.

11) OTHER INFORMATION

Contingent Liabilities

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2021

11) OTHER INFORMATION - Continued

Other Commitments and Contingencies

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities.

The estimated amount of remaining construction contract obligations at year-end is \$235,854.

12) SUBSEQUENT EVENTS

In July 2021, the City received its first allocation of fifty percent of the American Rescue Plan Act (ARPA) funds, a federal economic stimulus intended to assist with the effects of the coronavirus outbreak. The City plans to expend these funds in compliance with guidelines provided by the federal government. In July of 2022, the City is scheduled to receive its second and final allocation of the ARPA funds.

In December 2021, subsequent to the end of the fiscal year, the City Council authorized the issuance of a tax-exempt municipal lease in the amount of \$3,586,056. The lease will be privately issued and will be used to finance several energy conservation and energy generation improvements at City locations.



REQUIRED SUPPLEMENTARY
INFORMATION

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of Changes in the City's
Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	Measurement Period			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 115,710	\$ 102,612	\$ 99,866	\$ 97,193
Interest on total OPEB liability	284,285	282,007	275,764	269,417
Changes in Assumptions	-	(65,672)	-	-
Changes in Benefits	-	-	-	-
Benefit payments, including refunds	(294,371)	(291,539)	(284,077)	(273,151)
Net change in total OPEB liability	105,624	27,408	91,553	93,459
Total OPEB liability - beginning	4,150,550	4,123,142	4,031,589	3,938,130
Total OPEB liability - ending (a)	<u>\$ 4,256,174</u>	<u>\$ 4,150,550</u>	<u>\$ 4,123,142</u>	<u>\$ 4,031,589</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 656,412	\$ 640,755	\$ 568,154	\$ 273,151
Expected Investment Income	81,182	51,475	27,419	23,980
Investment Gains/Losses	(49,005)	(7,542)	(14,462)	-
Benefit payments	(270,512)	(265,155)	(284,077)	(273,151)
Administrative Expense	(478)	(129)	(505)	(201)
Other	-	-	1,183	-
Net change in plan fiduciary net position	417,599	419,404	297,712	23,779
Plan fiduciary net position - beginning	967,030	547,626	249,914	226,135
Plan fiduciary net position - ending (b)	<u>\$ 1,384,629</u>	<u>\$ 967,030</u>	<u>\$ 547,626</u>	<u>\$ 249,914</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 2,871,545</u>	<u>\$ 3,183,520</u>	<u>\$ 3,575,516</u>	<u>\$ 3,781,675</u>
Plan fiduciary net position as a percentage of the total OPEB liability	32.53%	23.30%	13.28%	6.20%
Covered-employee payroll	\$ 2,274,945	\$ 2,074,085	\$ 1,845,731	\$ 1,732,444
Net OPEB liability as a percentage of covered-employee payroll	126.22%	153.49%	193.72%	218.29%

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: None

*Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of Plan Contributions
For the City's OPEB Plan
Last 10 Years*

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 271,909	\$ (2,971,909)	\$ (2,700,000)	\$ 2,581,351	10.53%
2020	292,520	(656,412)	(363,892)	2,274,945	12.86%
2019	291,539	(640,755)	(349,216)	2,074,085	14.06%
2018	284,077	(568,154)	(284,077)	1,845,731	15.39%

*Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years*

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2020	0.18484%	\$ 7,796,766	\$ 2,274,945	342.72%	67.64%
2019	0.18316%	7,334,797	2,074,085	353.64%	68.72%
2018	0.18164%	6,845,330	1,845,731	370.87%	69.44%
2017	0.17543%	6,915,558	1,732,444	399.18%	68.59%
2016	0.17441%	6,058,634	1,708,926	354.53%	69.59%
2015	0.17990%	4,935,366	1,469,397	335.88%	76.07%
2014	0.14530%	3,590,581	1,689,344	212.54%	83.03%

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

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of Pension Plan Contributions
Last 10 Years*

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 777,000	\$ (6,396,905)	\$ (5,619,905)	\$ 2,581,351	30.10%
2020	683,377	(683,377)	-	2,274,945	30.04%
2019	536,963	(536,963)	-	2,074,085	25.89%
2018	458,034	(458,034)	-	1,845,731	24.82%
2017	454,011	(454,011)	-	1,732,444	26.20%
2016	412,824	(412,824)	-	1,708,926	24.16%
2015	268,333	(268,333)	-	1,469,397	18.26%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16, 6/30/17, 6/30/18, 6/30/19

Changes in Assumptions: None.

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 12,652,900	\$ 12,652,900	\$ 15,359,011	\$ 2,706,111
Licenses and Permits	745,500	745,500	860,542	115,042
Intergovernmental	67,500	67,500	270,221	202,721
Charges for Services	824,300	804,400	677,374	(127,026)
Fines and Forfeitures	280,000	280,000	253,437	(26,563)
Investment Income	120,000	120,000	195,854	75,854
Other Revenue	191,500	211,400	67,232	(144,168)
	<u>14,881,700</u>	<u>14,881,700</u>	<u>17,683,671</u>	<u>2,801,971</u>
EXPENDITURES				
Current:				
General Government	3,144,200	3,144,200	2,538,735	605,465
Public Safety	8,451,800	8,886,800	7,960,666	926,134
Public Works	442,600	442,600	471,262	(28,662)
Recreation/Senior Services	1,792,500	1,792,500	1,386,410	406,090
Community Development	1,366,100	1,366,100	1,438,706	(72,606)
Capital Outlay	1,404,900	2,632,732	1,184,873	1,447,859
	<u>16,602,100</u>	<u>18,264,932</u>	<u>14,980,652</u>	<u>3,284,280</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,720,400)</u>	<u>(3,383,232)</u>	<u>2,703,019</u>	<u>6,086,251</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	385,700	385,700	-	(385,700)
Transfers Out	(70,200)	(70,200)	(668,375)	(598,175)
	<u>315,500</u>	<u>315,500</u>	<u>(668,375)</u>	<u>(983,875)</u>
Net Change in Fund Balances	(1,404,900)	(3,067,732)	2,034,644	5,102,376
Fund Balance, Beginning of Year	<u>24,843,706</u>	<u>24,843,706</u>	<u>24,843,706</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 23,438,806</u></u>	<u><u>\$ 21,775,974</u></u>	<u><u>\$ 26,878,350</u></u>	<u><u>\$ 5,102,376</u></u>

City of La Puente
Notes to Required Supplementary Information
Year Ended June 30, 2021

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, except for the Citywide Debt Service Fund and CARES Act Special Revenue Fund. 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 fund level. Budget figures used in the financial statements are the final adjusted amounts.
- 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, 2021, 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.



SUPPLEMENTARY INFORMATION

City of La Puente
Other Governmental Funds
June 30, 2021

SPECIAL REVENUE FUNDS

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

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.

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

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

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.

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

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

CARES Act Fund - To account for the funds received from the State of California for Coronavirus Relief Funds (CRF) provided in the Federal CARES Act.

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

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

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

Housing Fund - The Housing Fund is used to account for revenues received and expenditures made for affordable housing. The primary sources of revenue are from loan repayments generated from the use of the former Community Development Commission's Low and Moderate-Income Housing Funds.

Measure W - To account for revenues from the County-wide parcel tax that provides local, dedicated funding for rainwater and urban runoff management to increase the region's local water supply, improve water quality, and protect public health.

Lighting and Landscape Maintenance District Fund (LLMD) – The LLMD is used to account for special benefit assessments levied on property owners and used to pay for street lighting and landscape maintenance.

City of La Puente
Other Governmental Funds
June 30, 2021

SPECIAL REVENUE FUNDS - Continued

Miscellaneous Grant Fund – The Miscellaneous Grant Fund is used to account for various grants restricted for specific projects and operations.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – To account for loan proceeds restricted for certain capital projects, and other related expenditures.

2019A Measure M Fund – To account for the bond proceeds from the 2019A restricted for certain projects related to City-wide street pavement improvement projects.

2019B Measure R Fund – To account for the bond proceeds from the 2019B restricted for certain projects related to City-wide street pavement improvement projects.

DEBT SERVICE FUNDS

2019A Measure M Fund – To account for the administration of principal and interest payments for the 2019A bonds.

2019B Measure R Fund – To account for the administration of principal and interest payments for the 2019B bonds.

City of La Puente
Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Gas Tax	Measure M	Prop C	PEG Access
ASSETS				
Cash and Investments	\$ 1,200,912	\$ 528,519	\$ 2,070,425	\$ 150,818
Cash with Fiscal Agent	-	-	-	-
Accounts Receivable	15,032	-	-	10,008
Loans Receivable	-	-	-	-
Prepaid Items	-	-	-	-
Due From Other Governments	137,049	-	-	-
Total Assets	<u>\$ 1,352,993</u>	<u>\$ 528,519</u>	<u>\$ 2,070,425</u>	<u>\$ 160,826</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 396,561	\$ 10,592	\$ 273,040	\$ -
Due to Other Agencies	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>396,561</u>	<u>10,592</u>	<u>273,040</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	956,432	517,927	1,797,385	160,826
Unassigned	-	-	-	-
Total Fund Balances	<u>956,432</u>	<u>517,927</u>	<u>1,797,385</u>	<u>160,826</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,352,993</u>	<u>\$ 528,519</u>	<u>\$ 2,070,425</u>	<u>\$ 160,826</u>

Special Revenue Funds

State COPS	Cal-HOME Grant	CDBG Grant	CARES Act	Air Quality Improvement	Measure R	Prop. A Transportation
\$ -	\$ 640,459	\$ -	\$ -	\$ 46,145	\$ 444,375	\$ 873,094
-	-	-	-	-	-	-
-	787,796	496,768	-	-	-	-
-	-	-	-	-	-	9,737
-	-	124,103	102,395	13,469	-	-
<u>\$ -</u>	<u>\$ 1,428,255</u>	<u>\$ 620,871</u>	<u>\$ 102,395</u>	<u>\$ 59,614</u>	<u>\$ 444,375</u>	<u>\$ 882,831</u>
\$ -	\$ -	\$ 4,850	\$ -	\$ -	\$ 19	\$ 57,189
-	-	496,768	-	-	-	-
-	-	119,253	78,935	-	-	-
-	-	620,871	78,935	-	19	57,189
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,737
-	1,428,255	-	23,460	59,614	444,356	815,905
-	-	-	-	-	-	-
-	1,428,255	-	23,460	59,614	444,356	825,642
<u>\$ -</u>	<u>\$ 1,428,255</u>	<u>\$ 620,871</u>	<u>\$ 102,395</u>	<u>\$ 59,614</u>	<u>\$ 444,375</u>	<u>\$ 882,831</u>

Continued

City of La Puente
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2021

	Special Revenue			
	Housing	Measure W	LLMD	Miscellaneous Grants
ASSETS				
Cash and Investments	\$ 318,756	\$ 237,027	\$ 765,571	\$ -
Cash with Fiscal Agent	-	-	-	-
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Prepaid Items	-	-	-	-
Due From Other Governments	-	-	20,733	197,554
Total Assets	\$ 318,756	\$ 237,027	\$ 786,304	\$ 197,554
LIABILITIES				
Accounts Payable	\$ -	\$ 29,887	\$ 51,925	\$ 12,071
Due to Other Agencies	-	-	-	-
Due to Other Funds	-	-	-	132,820
Total Liabilities	-	29,887	51,925	144,891
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	145,716
Total Deferred Inflows of Resources	-	-	-	145,716
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	318,756	207,140	734,379	-
Unassigned	-	-	-	(93,053)
Total Fund Balances	318,756	207,140	734,379	(93,053)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 318,756	\$ 237,027	\$ 786,304	\$ 197,554

Capital Projects	Capital Projects		Debt Service		Total
	2019A Measure M	2019B Measure R	2019A Measure M	2019B Measure R	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,276,101
-	3,703,754	3,249,880	-	-	6,953,634
-	-	-	-	-	25,040
-	-	-	-	-	1,284,564
-	-	-	-	-	9,737
-	-	-	-	-	595,303
<u>\$ -</u>	<u>\$ 3,703,754</u>	<u>\$ 3,249,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,144,379</u>
\$ -	\$ 411,178	\$ 411,178	\$ -	\$ -	\$ 1,658,490
-	-	-	-	-	496,768
-	96,743	96,743	-	-	524,494
-	507,921	507,921	-	-	2,679,752
-	-	-	-	-	145,716
-	-	-	-	-	145,716
-	-	-	-	-	9,737
-	3,195,833	2,741,959	-	-	13,402,227
-	-	-	-	-	(93,053)
-	3,195,833	2,741,959	-	-	13,318,911
<u>\$ -</u>	<u>\$ 3,703,754</u>	<u>\$ 3,249,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,144,379</u>

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue			
	Gas Tax	Measure M	Prop C	PEG Access
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,635,741	579,351	680,824	-
Charges for Services	-	-	-	40,700
Investment Income	9,238	7,351	21,697	2,101
Other Revenue	15,032	-	-	-
Total Revenues	<u>1,660,011</u>	<u>586,702</u>	<u>702,521</u>	<u>42,801</u>
EXPENDITURES				
Current:				
General Government	-	-	-	29,301
Public Safety	-	-	-	-
Public Works	1,033,475	172,795	84,720	-
Community Development	-	-	-	-
Capital Outlay	1,468,528	172,978	839,753	60,727
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal	-	-	-	-
Total Expenditures	<u>2,502,003</u>	<u>345,773</u>	<u>924,473</u>	<u>90,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(841,992)</u>	<u>240,929</u>	<u>(221,952)</u>	<u>(47,227)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	197,304	-	-	-
Transfers Out	-	(262,838)	-	-
Total Other Financing Sources (Uses)	<u>197,304</u>	<u>(262,838)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(644,688)</u>	<u>(21,909)</u>	<u>(221,952)</u>	<u>(47,227)</u>
Fund Balances, Beginning of Year	<u>1,601,120</u>	<u>539,836</u>	<u>2,019,337</u>	<u>208,053</u>
Fund Balances, End of Year	<u>\$ 956,432</u>	<u>\$ 517,927</u>	<u>\$ 1,797,385</u>	<u>\$ 160,826</u>

Special Revenue						
State COPS	Cal-HOME Grant	CDBG Grant	CARES Act	Air Quality Improvement	Measure R	Prop. A Transportation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156,727	-	550,018	471,693	52,973	511,326	820,800
-	-	-	-	-	-	29,124
-	6,572	-	-	265	5,591	8,919
-	-	-	-	-	-	-
<u>156,727</u>	<u>6,572</u>	<u>550,018</u>	<u>471,693</u>	<u>53,238</u>	<u>516,917</u>	<u>858,843</u>
-	-	-	-	-	-	-
156,727	-	-	-	-	-	-
-	-	-	-	1,099	166,663	-
-	-	550,018	456,084	-	-	761,401
-	-	-	-	116,429	207,185	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>156,727</u>	<u>-</u>	<u>550,018</u>	<u>456,084</u>	<u>117,528</u>	<u>373,848</u>	<u>761,401</u>
-	6,572	-	15,609	(64,290)	143,069	97,442
-	-	-	7,851	-	-	-
-	-	-	-	-	(287,437)	-
-	-	-	7,851	-	(287,437)	-
-	6,572	-	23,460	(64,290)	(144,368)	97,442
-	1,421,683	-	-	123,904	588,724	728,200
<u>\$ -</u>	<u>\$ 1,428,255</u>	<u>\$ -</u>	<u>\$ 23,460</u>	<u>\$ 59,614</u>	<u>\$ 444,356</u>	<u>\$ 825,642</u>

Continued

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue			Miscellaneous Grants
	Housing	Measure W	LLMD	
REVENUES				
Taxes	\$ -	\$ -	\$ 859,127	\$ -
Intergovernmental	-	339,072	-	1,351,840
Charges for Services	-	-	-	-
Investment Income	3,406	1,341	7,760	-
Other Revenue	-	-	-	-
Total Revenues	<u>3,406</u>	<u>340,413</u>	<u>866,887</u>	<u>1,351,840</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	68,338	-	-
Community Development	-	-	1,055,742	-
Capital Outlay	-	64,935	141,215	771,813
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal	-	-	-	-
Total Expenditures	<u>-</u>	<u>133,273</u>	<u>1,196,957</u>	<u>771,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,406</u>	<u>207,140</u>	<u>(330,070)</u>	<u>580,027</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	70,238	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>70,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>73,644</u>	<u>207,140</u>	<u>(330,070)</u>	<u>580,027</u>
Fund Balances, Beginning of Year	<u>245,112</u>	<u>-</u>	<u>1,064,449</u>	<u>(673,080)</u>
Fund Balances, End of Year	<u>\$ 318,756</u>	<u>\$ 207,140</u>	<u>\$ 734,379</u>	<u>\$ (93,053)</u>

Capital Projects	Capital Projects		Debt Service		Total
	2019A Measure M	2019B Measure R	2019A Measure M	2019B Measure R	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859,127
-	-	-	-	-	7,150,365
-	-	-	-	-	69,824
-	207	183	-	-	74,631
5,140	-	-	-	-	20,172
<u>5,140</u>	<u>207</u>	<u>183</u>	<u>-</u>	<u>-</u>	<u>8,174,119</u>
-	-	-	-	-	29,301
-	-	-	-	-	156,727
-	-	-	-	-	1,527,090
-	-	-	-	-	2,823,245
143	867,642	865,107	-	-	5,576,455
4,535	-	-	122,838	109,150	236,523
48,752	-	-	140,000	125,000	313,752
<u>53,430</u>	<u>867,642</u>	<u>865,107</u>	<u>262,838</u>	<u>234,150</u>	<u>10,663,093</u>
<u>(48,290)</u>	<u>(867,435)</u>	<u>(864,924)</u>	<u>(262,838)</u>	<u>(234,150)</u>	<u>(2,488,974)</u>
53,287	-	-	262,838	234,150	825,668
-	-	-	-	-	(550,275)
<u>53,287</u>	<u>-</u>	<u>-</u>	<u>262,838</u>	<u>234,150</u>	<u>275,393</u>
4,997	(867,435)	(864,924)	-	-	(2,213,581)
<u>(4,997)</u>	<u>4,063,268</u>	<u>3,606,883</u>	<u>-</u>	<u>-</u>	<u>15,532,492</u>
<u>\$ -</u>	<u>\$ 3,195,833</u>	<u>\$ 2,741,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,318,911</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 1,618,400	\$ 1,635,741	\$ 17,341
Investment Income	5,000	9,238	4,238
Other Income	46,000	15,032	(30,968)
	<u>1,669,400</u>	<u>1,660,011</u>	<u>(9,389)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	958,800	1,033,475	(74,675)
Capital Outlay	1,499,210	1,468,528	30,682
	<u>2,458,010</u>	<u>2,502,003</u>	<u>30,682</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(788,610)</u>	<u>(841,992)</u>	<u>(53,382)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	197,304	197,304
Transfers Out	-	-	-
	<u>-</u>	<u>197,304</u>	<u>197,304</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(788,610)	(644,688)	143,922
Fund Balance, Beginning of Year	<u>1,601,120</u>	<u>1,601,120</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 812,510</u>	<u>\$ 956,432</u>	<u>\$ 143,922</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 485,100	\$ 579,351	\$ 94,251
Investment Income	5,000	7,351	2,351
	<u>490,100</u>	<u>586,702</u>	<u>96,602</u>
EXPENDITURES			
Current:			
Public Works	209,900	172,795	37,105
Capital Outlay	<u>366,000</u>	<u>172,978</u>	<u>193,022</u>
	<u>575,900</u>	<u>345,773</u>	<u>193,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(85,800)</u>	<u>240,929</u>	<u>326,729</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(262,800)</u>	<u>(262,838)</u>	<u>(38)</u>
	<u>(262,800)</u>	<u>(262,838)</u>	<u>(38)</u>
Net Change in Fund Balances	(348,600)	(21,909)	326,691
Fund Balance, Beginning of Year	<u>539,836</u>	<u>539,836</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 191,236</u></u>	<u><u>\$ 517,927</u></u>	<u><u>\$ 326,691</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Prop C Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 570,600	\$ 680,824	\$ 110,224
Investment Income	15,000	21,697	6,697
	<u>585,600</u>	<u>702,521</u>	<u>116,921</u>
EXPENDITURES			
Current:			
Public Works	71,400	84,720	(13,320)
Capital Outlay	1,325,000	839,753	485,247
	<u>1,396,400</u>	<u>924,473</u>	<u>485,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(810,800)</u>	<u>(221,952)</u>	<u>588,848</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(810,800)	(221,952)	588,848
Fund Balance, Beginning of Year	<u>2,019,337</u>	<u>2,019,337</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,208,537</u>	<u>\$ 1,797,385</u>	<u>\$ 588,848</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - PEG Access Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Charges for Services	\$ 35,000	\$ 40,700	\$ 5,700
Investment Income	1,500	2,101	601
	<u>36,500</u>	<u>42,801</u>	<u>6,301</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	87,600	29,301	58,299
Capital Outlay	56,000	60,727	(4,727)
	<u>143,600</u>	<u>90,028</u>	<u>53,572</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,100)</u>	<u>(47,227)</u>	<u>59,873</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(107,100)	(47,227)	59,873
Fund Balance, Beginning of Year	<u>208,053</u>	<u>208,053</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 100,953</u>	<u>\$ 160,826</u>	<u>\$ 59,873</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State COPS Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 100,000	\$ 156,727	\$ 56,727
Investment Income	-	-	-
Total Revenues	<u>100,000</u>	<u>156,727</u>	<u>56,727</u>
EXPENDITURES			
Current:			
Public Safety	<u>100,000</u>	<u>156,727</u>	<u>(56,727)</u>
Total Expenditures	<u>100,000</u>	<u>156,727</u>	<u>(56,727)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cal-HOME Grant Fund
Year Ended June 30, 2021

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	4,000	6,572	2,572
	4,000	6,572	2,572
Total Revenues	4,000	6,572	2,572
EXPENDITURES			
Current:			
Community Development	205,000	-	205,000
	205,000	-	205,000
Total Expenditures	205,000	-	205,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,000)	6,572	207,572
OTHER FINANCING SOURCES (USES)			
Transfers Out	(10,700)	-	10,700
	(10,700)	-	10,700
Total Other Financing Sources (Uses)	(10,700)	-	10,700
Net Change in Fund Balances	(211,700)	6,572	218,272
Fund Balance, Beginning of Year	1,421,683	1,421,683	-
Fund Balance, End of Year	\$ 1,209,983	\$ 1,428,255	\$ 218,272

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Grant Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 443,800	\$ 550,018	\$ 106,218
Investment Income	1,800	-	(1,800)
Total Revenues	<u>445,600</u>	<u>550,018</u>	<u>104,418</u>
EXPENDITURES			
Current:			
Community Development	<u>485,300</u>	<u>550,018</u>	<u>(64,718)</u>
Total Expenditures	<u>485,300</u>	<u>550,018</u>	<u>(64,718)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(39,700)</u>	<u>-</u>	<u>39,700</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(39,700)	-	39,700
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (39,700)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,700</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Quality Improvement Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 51,000	\$ 52,973	\$ 1,973
Investment Income	2,000	265	(1,735)
	<u>53,000</u>	<u>53,238</u>	<u>238</u>
EXPENDITURES			
Current:			
Public Works	900	1,099	(199)
Capital Outlay	<u>30,000</u>	<u>116,429</u>	<u>(86,429)</u>
	<u>30,900</u>	<u>117,528</u>	<u>(86,628)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,100</u>	<u>(64,290)</u>	<u>(86,390)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,100	(64,290)	(86,390)
Fund Balance, Beginning of Year	<u>123,904</u>	<u>123,904</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 146,004</u></u>	<u><u>\$ 59,614</u></u>	<u><u>\$ (86,390)</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure R Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 428,000	\$ 511,326	\$ 83,326
Investment Income	8,700	5,591	(3,109)
	<u>436,700</u>	<u>516,917</u>	<u>80,217</u>
EXPENDITURES			
Current:			
Public Works	195,600	166,663	28,937
Capital Outlay	225,000	207,185	17,815
	<u>420,600</u>	<u>373,848</u>	<u>46,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,100</u>	<u>143,069</u>	<u>126,969</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(287,700)	(287,437)	263
	<u>(287,700)</u>	<u>(287,437)</u>	<u>263</u>
Net Change in Fund Balances	(271,600)	(144,368)	127,232
Fund Balance, Beginning of Year	588,724	588,724	-
Fund Balance, End of Year	<u>\$ 317,124</u>	<u>\$ 444,356</u>	<u>\$ 127,232</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Prop A Transportation Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 687,900	\$ 820,800	\$ 132,900
Charges for Services	131,900	29,124	(102,776)
Investment Income	8,000	8,919	919
	<u>827,800</u>	<u>858,843</u>	<u>31,043</u>
EXPENDITURES			
Current:			
Community Development	965,300	761,401	203,899
Capital Outlay	230,000	-	230,000
	<u>1,195,300</u>	<u>761,401</u>	<u>433,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(367,500)</u>	<u>97,442</u>	<u>464,942</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(367,500)	97,442	464,942
Fund Balance, Beginning of Year	<u>728,200</u>	<u>728,200</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 360,700</u></u>	<u><u>\$ 825,642</u></u>	<u><u>\$ 464,942</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Income	\$ -	\$ 3,406	\$ 3,406
Total Revenues	<u>-</u>	<u>3,406</u>	<u>3,406</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>3,406</u>	<u>3,406</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>70,200</u>	<u>70,238</u>	<u>38</u>
Total Other Financing Sources (Uses)	<u>70,200</u>	<u>70,238</u>	<u>38</u>
Net Change in Fund Balances	70,200	73,644	3,444
Fund Balance, Beginning of Year	<u>245,112</u>	<u>245,112</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 315,312</u>	<u>\$ 318,756</u>	<u>\$ 3,444</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure W
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 340,000	\$ 339,072	\$ (928)
Investment Income	1,000	1,341	341
	<u>341,000</u>	<u>340,413</u>	<u>(587)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	150,000	68,338	81,662
Capital Outlay	-	64,935	(64,935)
	<u>150,000</u>	<u>133,273</u>	<u>16,727</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>191,000</u>	<u>207,140</u>	<u>16,140</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	191,000	207,140	16,140
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ 191,000</u>	<u>\$ 207,140</u>	<u>\$ 16,140</u>

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - Lighting and Landscape Maintenance District Fund
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 819,600	\$ 859,127	\$ 39,527
Investment Income	20,000	7,760	(12,240)
Total Revenues	839,600	866,887	27,287
EXPENDITURES			
Current:			
Community Development	892,400	1,055,742	(163,342)
Capital Outlay	125,800	141,215	(15,415)
Total Expenditures	1,018,200	1,196,957	(178,757)
Excess (Deficiency) of Revenues Over (under) Expenditures	(178,600)	(330,070)	(151,470)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(178,600)	(330,070)	(151,470)
Fund Balance, Beginning of Year	1,064,449	1,064,449	-
Fund Balance, End of Year	\$ 885,849	\$ 734,379	\$ (151,470)

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - Miscellaneous Grants Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 838,400	\$ 1,351,840	\$ 513,440
Total Revenues	<u>838,400</u>	<u>1,351,840</u>	<u>513,440</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Capital Outlay	<u>789,500</u>	<u>771,813</u>	<u>17,687</u>
Total Expenditures	<u>789,500</u>	<u>771,813</u>	<u>17,687</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>48,900</u>	<u>580,027</u>	<u>531,127</u>
Net Change in Fund Balance	48,900	580,027	531,127
Fund Balance, Beginning of Year	<u>(673,080)</u>	<u>(673,080)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (624,180)</u></u>	<u><u>\$ (93,053)</u></u>	<u><u>\$ 531,127</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, 2021

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Other Income	\$ -	\$ 5,140	\$ 5,140
Total Revenues	<u>-</u>	<u>5,140</u>	<u>5,140</u>
EXPENDITURES			
Capital Outlay	15,000	143	14,857
Debt Service:			
Interest and Fiscal Charges	-	4,535	(4,535)
Principal	<u>53,500</u>	<u>48,752</u>	<u>4,748</u>
Total Expenditures	<u>68,500</u>	<u>53,430</u>	<u>15,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,500)</u>	<u>(48,290)</u>	<u>20,210</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>68,500</u>	<u>53,287</u>	<u>(15,213)</u>
Total Other Financing Sources (Uses)	<u>68,500</u>	<u>53,287</u>	<u>(15,213)</u>
Net Change in Fund Balances	-	4,997	4,997
Fund Balance, Beginning of Year	<u>(4,997)</u>	<u>(4,997)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (4,997)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,997</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 2019A Measure M Capital Projects Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 207	\$ 207
Other Income	-	-	-
Total Revenues	<u>-</u>	<u>207</u>	<u>207</u>
EXPENDITURES			
Capital Outlay	<u>2,200,000</u>	<u>867,642</u>	<u>1,332,358</u>
Total Expenditures	<u>2,200,000</u>	<u>867,642</u>	<u>1,332,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,200,000)</u>	<u>(867,435)</u>	<u>1,332,565</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,200,000)	(867,435)	1,332,565
Fund Balance, Beginning of Year	<u>4,063,268</u>	<u>4,063,268</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,863,268</u></u>	<u><u>\$ 3,195,833</u></u>	<u><u>\$ 1,332,565</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 2019B Measure R Capital Projects Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 183	\$ 183
Other Income	-	-	-
Total Revenues	<u>-</u>	<u>183</u>	<u>183</u>
EXPENDITURES			
Capital Outlay	<u>2,200,000</u>	<u>865,107</u>	<u>1,334,893</u>
Total Expenditures	<u>2,200,000</u>	<u>865,107</u>	<u>1,334,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,200,000)</u>	<u>(864,924)</u>	<u>1,335,076</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,200,000)	(864,924)	1,335,076
Fund Balance, Beginning of Year	<u>3,606,883</u>	<u>3,606,883</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,406,883</u></u>	<u><u>\$ 2,741,959</u></u>	<u><u>\$ 1,335,076</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 2019A Measure M Debt Service Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Other Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service:			
Interest and Fiscal Charges	122,800	122,838	(38)
Principal	140,000	140,000	-
	<u>262,800</u>	<u>262,838</u>	<u>(38)</u>
Total Expenditures	<u>262,800</u>	<u>262,838</u>	<u>(38)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(262,800)</u>	<u>(262,838)</u>	<u>(38)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	262,800	262,838	38
	<u>262,800</u>	<u>262,838</u>	<u>38</u>
Total Other Financing Sources (Uses)	<u>262,800</u>	<u>262,838</u>	<u>38</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 2019B Measure R Debt Service Fund
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Other Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service:			
Interest and Fiscal Charges	109,200	109,150	50
Principal	<u>125,000</u>	<u>125,000</u>	<u>-</u>
	<u>234,200</u>	<u>234,150</u>	<u>50</u>
Total Expenditures	<u>234,200</u>	<u>234,150</u>	<u>50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(234,200)</u>	<u>(234,150)</u>	<u>50</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>234,200</u>	<u>234,150</u>	<u>(50)</u>
Total Other Financing Sources (Uses)	<u>234,200</u>	<u>234,150</u>	<u>(50)</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



STATISTICAL SECTION

City of La Puente
Description of Statistical Section Contents
June 30, 2021

This part of the City of La Puente's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	94
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	105
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	109
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	113
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	116

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities:				
Net investment in capital assets	\$ 24,660,544	\$ 26,030,656	\$ 27,186,259	\$ 27,804,320
Restricted for:				
Public Safety	132,778	133,966	38,823	30,021
Public Works	3,480,766	3,343,118	2,278,943	2,934,848
Community Development	648,165	510,581	723,622	1,041,358
Redevelopment and Housing	-	-	-	-
Housing	-	-	-	-
Street Projects	-	-	-	-
Debt Service	-	-	-	-
Total Restricted	<u>4,261,709</u>	<u>3,987,665</u>	<u>3,041,388</u>	<u>4,006,227</u>
Unrestricted	<u>6,826,170</u>	<u>6,431,855</u>	<u>5,316,550</u>	<u>15,107,425</u>
Total governmental activities net position	<u>\$ 35,748,423</u>	<u>\$ 36,450,176</u>	<u>\$ 35,544,197</u>	<u>\$ 46,917,972</u>
 Business-type Activities				
Net investment in capital assets	\$ 198,502	\$ -	\$ 2,070,787	\$ 2,104,573
Restricted	<u>4,072,131</u>	<u>4,714,234</u>	<u>3,250,778</u>	<u>3,654,183</u>
Total business-type activities net position	<u>\$ 4,270,633</u>	<u>\$ 4,714,234</u>	<u>\$ 5,321,565</u>	<u>\$ 5,758,756</u>
 Primary Government				
Net investment in capital assets	\$ 24,859,046	\$ 26,030,656	\$ 29,257,046	\$ 29,908,893
Restricted	8,333,840	8,701,899	6,292,166	7,660,410
Unrestricted	<u>6,826,170</u>	<u>6,431,855</u>	<u>5,316,550</u>	<u>15,107,425</u>
Total Primary Government Net Position	<u>\$ 40,019,056</u>	<u>\$ 41,164,410</u>	<u>\$ 40,865,762</u>	<u>\$ 52,676,728</u>

Source: Statement of Net Position

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 27,632,187	\$ 26,447,434	\$ 33,484,552	\$ 33,313,131	\$ 34,704,073	\$ 38,528,613	
23,020	19,638	19,924	-	-	-	
1,585,690	1,606,651	1,025,664	1,692,971	2,019,337	1,797,385	
1,310,428	2,061,170	4,479,500	465,431	588,724	444,356	
-	-	-	-	-	-	
-	-	-	1,594,037	1,666,795	1,747,011	
-	-	-	3,029,306	5,066,769	1,524,428	
-	-	-	-	-	-	
2,919,138	3,687,459	5,525,088	6,781,745	9,341,625	5,513,180	
17,428,553	16,917,773	16,458,039	18,697,664	20,263,419	23,624,236	
<u>\$ 47,979,878</u>	<u>\$ 47,052,666</u>	<u>\$ 55,467,679</u>	<u>\$ 58,792,540</u>	<u>\$ 64,309,117</u>	<u>\$ 67,666,029</u>	
\$ 2,148,360	\$ 1,505,872	\$ 2,219,774	\$ 2,372,895	\$ 5,380,080	\$ 6,616,010	
4,010,624	5,115,463	4,935,754	5,540,306	3,218,292	1,919,592	
<u>\$ 6,158,984</u>	<u>\$ 6,621,335</u>	<u>\$ 7,155,528</u>	<u>\$ 7,913,201</u>	<u>\$ 8,598,372</u>	<u>\$ 8,535,602</u>	
\$ 29,780,547	\$ 27,953,306	\$ 35,704,326	\$ 35,686,026	\$ 40,084,153	\$ 45,144,623	
6,929,762	8,802,922	10,460,842	12,322,051	12,559,917	7,432,772	
17,428,553	16,917,773	16,458,039	18,697,664	20,263,419	23,624,236	
<u>\$ 54,138,862</u>	<u>\$ 53,674,001</u>	<u>\$ 62,623,207</u>	<u>\$ 66,705,741</u>	<u>\$ 72,907,489</u>	<u>\$ 76,201,631</u>	

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General Government	\$ 2,541,017	\$ 2,540,210	\$ 3,480,756	\$ 2,422,592
Public Safety	4,845,030	4,913,590	5,000,488	5,563,600
Public Works	1,780,147	1,847,640	2,276,659	1,045,925
Recreation/Senior Services	1,675,871	1,670,038	1,772,731	1,910,777
Community Development	2,206,673	2,121,666	2,637,299	2,618,301
Redevelopment and Housing	185,562	-	-	-
Interest on Long-Term Debt	723,961	465,004	330,960	229,495
Total governmental activities expenses	<u>13,958,261</u>	<u>13,558,148</u>	<u>15,498,893</u>	<u>13,790,690</u>
Business-type activities:				
Sewer Maintenance	1,091,411	698,400	760,016	927,904
Total business-type activities expenses	<u>1,091,411</u>	<u>698,400</u>	<u>760,016</u>	<u>927,904</u>
Total primary government expenses	<u>\$ 15,049,672</u>	<u>\$ 14,256,548</u>	<u>\$ 16,258,909</u>	<u>\$ 14,718,594</u>
Program Revenue				
Governmental activities:				
Charges for services:				
General Government	\$ 54,087	\$ 53,996	\$ 60,688	\$ 435,660
Public Safety	549,768	462,652	498,247	459,251
Public Works	221,072	219,396	197,430	-
Recreation/Senior Services	252,787	248,797	265,538	272,093
Community Development	556,668	750,432	743,979	674,198
Redevelopment and Housing	-	-	-	-
Operating Grants and Contributions	1,908,160	2,344,928	2,142,823	1,734,036
Capital Grants and Contributions	2,818,206	1,860,992	1,919,871	2,333,169
Total governmental activities program revenues	<u>6,360,748</u>	<u>5,941,193</u>	<u>5,828,576</u>	<u>5,908,407</u>
Business-type activities:				
Charges for services:				
Legal settlement	1,308,823	1,311,226	1,347,146	1,325,685
Legal settlement	992,500	-	-	-
Total business-type activities program revenues	<u>2,301,323</u>	<u>1,311,226</u>	<u>1,347,146</u>	<u>1,325,685</u>
Total primary government program revenues	<u>\$ 8,662,071</u>	<u>\$ 7,252,419</u>	<u>\$ 7,175,722</u>	<u>\$ 7,234,092</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,040,261	\$ 3,344,530	\$ 2,414,218	\$ 2,614,669	\$ 2,716,718	\$ 3,102,274
5,845,736	6,110,053	7,039,317	7,210,847	7,714,703	8,117,393
1,028,734	2,653,875	3,235,695	2,482,313	2,438,985	5,086,569
2,049,066	2,085,167	1,994,224	2,056,944	2,159,441	2,130,122
3,897,493	2,504,463	3,329,047	3,288,029	3,790,988	4,292,118
-	-	-	-	-	-
244,320	336,720	-	19,021	153,881	298,426
<u>15,105,610</u>	<u>17,034,808</u>	<u>18,012,501</u>	<u>17,671,823</u>	<u>18,974,716</u>	<u>23,026,902</u>
963,029	900,170	862,198	855,985	804,470	1,525,210
<u>963,029</u>	<u>900,170</u>	<u>862,198</u>	<u>855,985</u>	<u>804,470</u>	<u>1,525,210</u>
<u>\$ 16,068,639</u>	<u>\$ 17,934,978</u>	<u>\$ 18,874,699</u>	<u>\$ 18,527,808</u>	<u>\$ 19,779,186</u>	<u>\$ 24,552,112</u>
\$ 507,302	\$ 284,416	\$ 289,146	\$ 234,071	\$ 285,480	\$ 236,290
319,773	496,926	704,424	459,802	439,926	353,068
-	3,945	5,462	27,686	136,967	16,589
202,313	188,577	180,884	201,109	125,342	-
1,060,915	986,792	1,297,749	1,432,878	1,485,737	1,186,903
-	-	-	-	-	-
1,818,607	649,068	812,396	623,826	743,530	1,418,905
<u>2,413,878</u>	<u>2,755,890</u>	<u>4,189,959</u>	<u>4,190,243</u>	<u>5,360,957</u>	<u>6,127,848</u>
6,322,788	5,365,614	7,480,020	7,169,615	8,577,939	9,339,603
1,323,874	1,302,664	1,325,479	1,519,628	1,394,987	1,413,471
-	-	-	-	-	-
<u>1,323,874</u>	<u>1,302,664</u>	<u>1,325,479</u>	<u>1,519,628</u>	<u>1,394,987</u>	<u>1,413,471</u>
<u>\$ 7,646,662</u>	<u>\$ 6,668,278</u>	<u>\$ 8,805,499</u>	<u>\$ 8,689,243</u>	<u>\$ 9,972,926</u>	<u>\$ 10,753,074</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Net (Expense)/Revenue				
Government activities	\$ (7,597,513)	\$ (7,616,955)	\$ (9,670,317)	\$ (7,882,283)
Business-type activities	1,209,912	612,826	587,130	397,781
Total primary government net expense	<u>\$ (6,387,601)</u>	<u>\$ (7,004,129)</u>	<u>\$ (9,083,187)</u>	<u>\$ (7,484,502)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property Taxes	\$ 4,649,124	\$ 4,591,293	\$ 4,793,494	\$ 4,996,279
Franchise Taxes	915,203	981,476	942,507	974,152
Sales Taxes	1,779,534	1,767,497	1,782,617	2,040,668
Property Transfer Tax	48,832	46,120	52,324	53,669
Transient Occupancy Taxes	153,444	172,369	192,100	207,306
Business License Taxes	128,970	91,961	92,207	91,025
In-Lieu Sales Tax	609,430	632,735	572,155	612,837
Other	-	(100,000)	-	-
Total taxes	<u>8,284,537</u>	<u>8,183,451</u>	<u>8,427,404</u>	<u>8,975,936</u>
Intergovernmental	86,146	60,404	124,139	-
Investment Income	61,285	31,786	114,002	423,177
Miscellaneous Revenues	242,172	43,067	98,793	284,213
Total Governmental activities	<u>8,674,140</u>	<u>8,318,708</u>	<u>8,764,338</u>	<u>9,683,326</u>
Special Item - Distribution from Los Angeles County for Lighting Maintenance District	-	-	-	-
Business-type activities:				
Total business-type activities	8,237	111,951	20,201	39,410
Total primary government	<u>\$ 8,682,377</u>	<u>\$ 8,430,659</u>	<u>\$ 8,784,539</u>	<u>\$ 9,722,736</u>
Change in Net Position				
Governmental activities	\$ 1,076,627	\$ 701,753	\$ (905,979)	\$ 1,801,043
Business-type activities	1,218,149	724,777	607,331	437,191
Prior Period Adjustments	-	-	-	9,572,732
Total primary government	<u>\$ 2,294,776</u>	<u>\$ 1,426,530</u>	<u>\$ (298,648)</u>	<u>\$ 11,810,966</u>

Source: Statement of Activities

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (8,782,822)	\$ (11,669,194)	\$ (10,532,481)	\$ (10,502,208)	\$ (10,396,777)	\$ (13,687,299)
360,845	402,494	463,281	663,643	590,517	(111,739)
<u>\$ (8,421,977)</u>	<u>\$ (11,266,700)</u>	<u>\$ (10,069,200)</u>	<u>\$ (9,838,565)</u>	<u>\$ (9,806,260)</u>	<u>\$ (13,799,038)</u>
\$ 5,336,924	\$ 5,960,936	\$ 6,681,270	\$ 7,014,532	\$ 7,391,137	\$ 7,756,848
888,514	941,026	1,023,365	1,024,742	1,000,525	1,059,799
2,593,802	3,060,517	3,150,107	4,082,950	5,928,799	7,065,541
84,006	75,968	86,091	66,951	63,652	70,989
227,690	240,696	238,611	240,783	217,209	205,661
98,671	119,792	120,357	144,822	146,475	149,476
616,383	-	-	-	-	-
-	-	-	-	-	-
<u>9,845,990</u>	<u>10,398,935</u>	<u>11,299,801</u>	<u>12,574,780</u>	<u>14,747,797</u>	<u>16,308,314</u>
-	-	-	-	-	-
569,168	260,984	246,179	943,308	1,009,858	577,290
493,306	82,063	43,880	308,981	155,699	158,607
<u>10,908,464</u>	<u>10,741,982</u>	<u>11,589,860</u>	<u>13,827,069</u>	<u>15,913,354</u>	<u>17,044,211</u>
-	-	9,484,683	-	-	-
39,383	59,857	70,912	94,030	94,654	48,969
<u>\$ 10,947,847</u>	<u>\$ 10,801,839</u>	<u>\$ 21,145,455</u>	<u>\$ 13,921,099</u>	<u>\$ 16,008,008</u>	<u>\$ 17,093,180</u>
\$ 2,125,642	\$ (927,212)	\$ 10,542,062	\$ 3,324,861	\$ 5,516,577	\$ 3,356,912
400,228	462,351	534,193	757,673	685,171	(62,770)
(1,063,736)	-	(2,127,049)	-	-	-
<u>\$ 1,462,134</u>	<u>\$ (464,861)</u>	<u>\$ 8,949,206</u>	<u>\$ 4,082,534</u>	<u>\$ 6,201,748</u>	<u>\$ 3,294,142</u>

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Property Transfer Tax	Transient Occupancy Taxes	Business License Taxes	In-Lieu Sales Tax	Total
2012	4,649,124	1,779,534	915,203	48,832	153,444	128,970	609,430	8,284,537
2013	4,591,293	1,767,497	981,476	46,120	172,369	91,961	632,735	8,283,451
2014	4,793,494	1,782,617	942,506	52,324	192,100	92,207	572,155	8,427,403
2015	4,996,279	2,040,668	974,152	53,669	207,306	91,025	612,837	8,975,936
2016	5,336,924	2,593,802	888,514	84,006	227,690	98,671	616,383	9,845,990
2017	5,960,936	3,060,517	941,026	75,968	240,696	119,792	-	10,398,935
2018	6,681,270	3,150,107	1,023,365	86,091	238,611	120,357	-	11,299,801
2019	7,014,532	4,082,950	1,024,742	66,951	240,783	144,822	-	12,574,780
2020	7,391,137	5,928,799	1,000,525	63,652	217,209	146,475	-	14,747,797
2021	7,756,848	7,065,541	1,059,799	70,989	205,661	149,476	-	16,308,314

Source: Statement of Activities

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 1,143,252	\$ 790,213	\$ 1,103,523	\$ 12,741,849
Restricted	1,521,681	1,527,172	-	-
Unrestricted:				
Unassigned				
General Fund	<u>4,843,455</u>	<u>5,327,809</u>	<u>4,908,111</u>	<u>5,317,486</u>
Total Fund Balances	<u>\$ 7,508,388</u>	<u>\$ 7,645,194</u>	<u>\$ 6,011,634</u>	<u>\$ 18,059,335</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	4,261,709	3,987,665	3,041,388	4,025,952
Unrestricted:				
Unassigned	<u>(794,854)</u>	<u>(837,528)</u>	<u>-</u>	<u>(132,247)</u>
	<u>\$ 3,466,855</u>	<u>\$ 3,150,137</u>	<u>\$ 3,041,388</u>	<u>\$ 3,893,705</u>

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

Source: Balance Sheets - Governmental Funds

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 11,813,032	\$ 12,260,207	\$ 11,374,648	\$ 11,480,704	\$ 10,788,035	\$ 10,447,055	
-	-	-	-	-	-	
<u>7,906,933</u>	<u>7,191,875</u>	<u>7,997,394</u>	<u>9,772,265</u>	<u>14,055,671</u>	<u>16,431,295</u>	
\$ <u>19,719,965</u>	\$ <u>19,452,082</u>	\$ <u>19,372,042</u>	\$ <u>21,252,969</u>	\$ <u>24,843,706</u>	\$ <u>26,878,350</u>	
\$ -	\$ -	\$ -	\$ -	\$ 10,058	\$ 9,737	
3,834,966	3,845,909	7,008,355	8,323,281	16,200,511	13,416,579	
<u>(399,754)</u>	<u>(2,107)</u>	<u>(65,750)</u>	<u>(4,976)</u>	<u>(678,077)</u>	<u>(93,053)</u>	
\$ <u>3,435,212</u>	\$ <u>3,843,802</u>	\$ <u>6,942,605</u>	\$ <u>8,318,305</u>	\$ <u>15,532,492</u>	\$ <u>13,333,263</u>	

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 8,284,537	\$ 8,283,451	\$ 8,427,404	\$ 8,975,936
Licenses and permits	356,891	393,005	489,130	429,681
Intergovernmental	4,344,589	4,348,679	4,577,580	3,272,845
Charges for services	806,404	942,820	933,451	1,760,488
Fines and Forfeitures	491,027	399,365	339,929	276,871
Investment Income	1,109,729	43,903	225,279	106,379
Other revenue	320,617	43,150	95,209	280,225
Total revenues	<u>15,713,794</u>	<u>\$ 14,454,373</u>	<u>\$ 15,087,982</u>	<u>\$ 15,102,425</u>
Expenditures:				
General government	2,414,268	2,441,815	3,406,585	2,463,305
Public safety	4,773,178	4,873,055	5,000,763	5,563,600
Public Works	1,189,367	1,305,707	1,625,091	1,004,253
Recreation/Senior Services	882,589	878,004	958,390	1,372,592
Community Development	1,971,871	1,940,182	2,488,043	1,459,534
Redevelopment and Housing	179,235	-	-	-
Capital outlay	2,331,483	2,369,863	2,138,224	2,126,904
Debt service:				
Interest & Fiscal Charges	2,350,000	588,235	158,195	274,400
Principal	724,788	670,659	1,055,000	630,000
Cost of Issuance	-	-	-	-
Total expenditures	<u>16,816,779</u>	<u>15,067,520</u>	<u>16,830,291</u>	<u>14,894,588</u>
Excess of revenues over (under) expenditures	<u>(1,102,985)</u>	<u>(613,147)</u>	<u>(1,742,309)</u>	<u>207,837</u>
Other Financing Sources (Uses)				
Debt Issuance	-	9,945,000	-	-
Loan Proceeds	-	(9,411,765)	-	-
Premium on Bonds	-	-	-	-
Transfers In	1,242,934	196,390	697,503	666,920
Transfers Out	<u>(1,292,934)</u>	<u>(296,390)</u>	<u>(697,503)</u>	<u>(666,920)</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>433,235</u>	<u>-</u>	<u>-</u>
Special / Extraordinary Items				
Dissolution of RDA	1,180,772	-	-	-
Distirbution from LA County for LLMD	-	-	-	-
Total Special / Extraordinary Items	<u>1,180,772</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 27,787</u>	<u>\$ (179,912)</u>	<u>\$ (1,742,309)</u>	<u>\$ 207,837</u>
Debt service as a percentage of noncapital expenditures	20.74%	9.74%	8.31%	7.09%

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

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 9,747,319	\$ 10,346,934	\$ 11,234,442	\$ 12,487,322	\$ 14,659,701	\$ 16,218,138	
637,990	654,710	968,625	917,616	845,245	860,542	
4,369,861	3,476,390	4,979,909	4,885,384	5,473,867	7,420,586	
1,108,498	938,295	1,125,664	1,135,489	1,258,641	747,198	
390,778	355,900	334,811	351,735	300,067	253,437	
215,115	(40,600)	(42,381)	685,509	819,480	270,485	
493,306	71,899	27,633	283,856	155,776	87,404	
<u>\$ 16,962,867</u>	<u>\$ 15,803,528</u>	<u>\$ 18,628,703</u>	<u>\$ 20,746,911</u>	<u>\$ 23,512,777</u>	<u>\$ 25,857,790</u>	
1,719,259	2,149,723	2,388,937	2,582,672	2,523,190	10,840,427	
5,845,736	6,110,053	7,039,317	7,210,847	7,714,703	8,117,393	
1,128,999	1,223,303	1,350,238	1,415,086	1,771,627	1,998,352	
1,488,370	1,278,994	1,207,305	1,266,993	1,414,574	1,386,410	
2,011,353	2,464,330	3,277,699	3,247,896	3,445,500	4,261,951	
-	-	-	-	-	-	
3,089,542	2,737,027	2,672,579	1,588,158	2,956,929	6,761,328	
254,320	346,640	37,281	19,021	134,262	321,676	
625,000	620,000	7,204,097	189,721	413,591	313,752	
-	-	-	-	143,849	230,965	
<u>16,162,579</u>	<u>16,930,070</u>	<u>25,177,453</u>	<u>17,520,394</u>	<u>20,518,225</u>	<u>34,232,254</u>	
<u>800,288</u>	<u>(1,126,542)</u>	<u>(6,548,750)</u>	<u>3,226,517</u>	<u>2,994,552</u>	<u>(8,374,464)</u>	
-	-	-	-	7,380,000	8,517,708	
421,574	1,267,249	82,830	30,110	-	-	
-	-	-	-	430,372	-	
2,862	133,727	331,841	321,604	628,647	910,821	
<u>(2,862)</u>	<u>(133,727)</u>	<u>(331,841)</u>	<u>(321,604)</u>	<u>(628,647)</u>	<u>(1,218,650)</u>	
421,574	1,267,249	82,830	30,110	7,810,372	8,209,879	
-	-	-	-	-	-	
-	-	9,484,683	-	-	-	
-	-	9,484,683	-	-	-	
<u>\$ 1,221,862</u>	<u>\$ 140,707</u>	<u>\$ 3,018,763</u>	<u>\$ 3,256,627</u>	<u>\$ 10,804,924</u>	<u>\$ (164,585)</u>	
6.13%	6.55%	30.98%	1.30%	2.83%	2.01%	

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

Fiscal Year	Assessed Values				Less: Tax Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other			
2012	1,383,870,463	234,556,238	23,291,279	59,488,762	(12,472,489)	1,672,773,503	0.10669%
2013	1,372,048,956	240,616,336	22,688,117	76,877,520	(9,079,536)	1,703,151,393	0.11113%
2014	1,451,168,711	253,204,927	23,578,548	65,262,798	(9,079,536)	1,793,214,984	0.06478%
2015	1,538,326,262	256,091,046	23,804,101	64,589,834	(9,079,536)	1,882,811,243	0.06486%
2016	1,620,353,447	270,292,517	24,210,705	65,304,980	(9,079,536)	1,980,161,649	0.06491%
2017	1,717,162,394	292,845,791	25,643,057	71,227,609	(8,365,536)	2,106,878,851	0.64980%
2018	1,793,686,423	310,885,940	28,732,254	70,975,250	(8,383,449)	2,204,279,867	0.10187%
2019	1,884,223,438	322,438,855	29,306,878	77,946,527	(8,383,449)	2,313,915,698	0.10106%
2020	1,988,742,347	337,655,218	30,642,798	72,027,974	(8,383,449)	2,429,068,337	0.10223%
2021	2,089,193,961	345,305,201	31,414,746	72,313,776	(8,383,449)	2,538,227,684	0.10249%

Source: HdL, Coren & Cone; L.A. County Assessor 2020/21 Combined Tax Rolls

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

Agency	Fiscal Year									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Bassett Unified School Dist	0.11628	0.12773	0.11632	0.11539	0.15770	0.16781	0.17443	0.16349	0.14196	0.14705
Hacienda-La Puente Unified	0.06430	0.06689	0.06653	0.06432	0.06394	0.06600	0.10531	0.10706	0.08252	0.08261
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00035	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02642	0.02896	0.02023	0.02129	0.02154	0.02400	0.02371	0.02435	0.04781	0.04459
Rowland Heights Unified	0.09195	0.10053	0.12297	0.14313	0.12426	0.10939	0.11841	0.11861	0.10760	0.10905
Rowland Heights USD DS 2012 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.01505	0.00000	0.00000	0.00000	0.00000
West Covina Unified	0.05377	0.04965	0.03626	0.05412	0.04205	0.04914	0.09514	0.09795	0.08192	0.09980
Total Direct & Overlapping² Tax Rates	1.35641	1.37725	1.36581	1.40175	1.41299	1.43489	1.52050	1.51496	1.46531	1.48659
City's Share of 1% Levy Per Prop 13³	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.10072	0.10072	0.10072	0.10072
Redevelopment Rate⁴	1.00370	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Direct Rate⁵	0.10669	0.11113	0.06478	0.06478	0.06491	0.06498	0.10187	0.10117	0.10223	0.10249

Notes:

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

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

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

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

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

n/a - not applicable

Data Source: L. A. County Assessor 2011/12 - 2020/21 Tax
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**City of La Puente, California
Principal Property Taxpayers
Current Year and Ten Years Ago**

<u>Taxpayer</u>	2011/12			2020/21		
	Taxable <u>AV</u>	<u>Rank</u>	% of Total Taxable <u>AV</u>	Taxable <u>AV</u>	<u>Rank</u>	% of Total Taxable <u>AV</u>
Hacienda Plaza JPS LLC	\$ 30,398,000	1	1.82%	\$ 41,345,975	1	1.63%
Group X Rosemead Properties LP	21,279,002	2	1.27%	24,916,869	2	0.98%
Jasmine Real Estate Investments LLC				22,706,626	3	0.89%
La Puente 104 LLC				21,395,975	4	0.84%
Laurala Limited	9,020,274	8	0.54%	18,649,655	5	0.73%
Haeri Hacienda Plaza LLC	15,132,636	3	0.90%	17,404,254	6	0.69%
PJB Sunkist LP				13,965,432	7	0.55%
Walnut Apartments	10,621,845	6	0.63%	12,431,586	8	0.49%
Wind Chime Properties LP	10,277,874	7	0.61%	12,040,251	9	0.47%
PI Properties				10,419,099	10	0.41%
Sunkist Shopping Center Limited	12,602,239	4	0.75%			
Villa Las Brisas LLC	11,338,790	5	0.68%			
EML LLC	7,171,411	9	0.43%			
La Puente Gardens	6,259,855	10	0.37%			
Top Ten Total	<u>\$ 134,101,926</u>		<u>8.00%</u>	<u>\$ 195,275,722</u>		<u>7.68%</u>
City Total				\$ 2,538,227,684		

Source: HdL Coren & Cone

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

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2012	1,027,929	942,203	91.7%	-	942,203	91.7%
2013	1,048,173	950,591	90.7%	-	950,591	90.7%
2014	1,078,480	999,723	92.7%	-	999,723	92.7%
2015	1,152,928	1,072,238	93.0%	-	1,072,238	93.0%
2016	1,208,236	1,124,478	93.1%	-	1,124,478	93.1%
2017	1,282,303	1,181,417	92.1%	-	1,181,417	92.1%
2018	1,353,426	1,236,795	91.4%	-	1,236,795	91.4%
2019	1,402,596	1,301,556	92.8%	-	1,301,556	92.8%
2020	1,497,216	1,380,946	92.2%	-	1,380,946	92.2%
2021	1,575,043	1,449,368	92.0%	-	1,449,368	92.0%

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

Source: Los Angeles County

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

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	Tax Allocation Bond ⁽¹⁾	Pension Obligation Bonds	Sales Tax Revenue Bonds	Lease Agreement	Loan	Sewer Bonds				
2012	3,940,000	-	-	9,411,765	-	9,530,000	22,881,765	2.75%	471	
2013	-	-	-	8,890,000	270,000	9,320,000	18,480,000	3.41%	450	
2014	-	-	-	8,260,000	-	9,105,000	17,365,000	3.59%	429	
2015	-	-	-	7,635,000	-	8,880,000	16,515,000	3.77%	408	
2016	-	-	-	7,635,000	421,574	8,645,000	16,701,574	3.75%	412	
2017	-	-	-	7,015,000	1,688,823	9,010,000	17,713,823	3.75%	437	
2018	-	-	-	-	1,582,556	8,695,000	10,277,556	3.85%	253	
2019	-	-	-	-	1,422,945	8,370,000	9,792,945	7.12%	240	
2020	-	-	7,445,372	-	1,374,354	8,035,000	16,854,726	4.46%	415	
2021	-	8,517,708	7,157,721	-	1,325,602	7,690,000	24,691,031	3.22%	616	

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

¹ Debt is related to dissolved Community Development Commission

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

City of La Puente, California
Computation of Direct and Overlapping Bonded Debt
June 30, 2021

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of La Puente	Net Bonded Debt
Direct - City of La Puente			
2020 Series A Certificates of Participation	\$ 8,517,708	100.000	\$ 8,517,708
City of Industry Loan Agreement	1,325,602	100.000	<u>1,325,602</u>
Total Direct Debt			<u>9,843,310</u>
Overlapping Debt:			
Water District:			
*330.10 METROPOLITAN WATER DISTRICT	13,101,783	0.159	20,880
Mt San Antonio College:	12		
MT. SAN ANTONIO CCD DS 2008 SERIES 13A	161,337,332	2.517	4,061,253
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B	2,610,000	2.517	65,700
MT. SAN ANTONIO CCD DS 2013 REF SERIES A	18,045,000	2.517	454,237
MT. SAN ANTONIO CCD DS 2013 REF SERIES B	21,260,000	2.517	535,166
MT. SAN ANTONIO CCD DS 2008 REF SERIES 2015C	7,315,000	2.517	184,136
MT. SAN ANTONIO CCD DS 2015 REF BONDS	16,415,000	2.517	413,205
MT. SAN ANTONIO CCD DS 2018 SERIES 2019A	288,690,000	2.517	7,267,029
MT. SAN ANTONIO CCD DS 2020 SERIES 2020A	180,433,674	2.517	4,541,954
School District:			
BASSETT USD DS 2006 SER B	10,375,729	7.100	736,653
BASSETT USD DS 2014 REF SERIES A	7,600,000	7.100	539,583
BASSETT USD DS 2014 REF SERIES B	5,520,000	7.100	391,907
BASSETT USD DS 2014 SERIES A	8,435,000	7.100	598,866
BASSETT USD DS 2016 REF BONDS	6,240,000	7.100	443,026
BASSETT USD DS 2014 SERIES B	19,530,000	7.100	1,386,585
HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS	16,150,000	13.543	2,187,260
HACIENDA-LA PUENTE USD DS 2007 REFUNDING	48,225,000	13.543	6,531,307
HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A	57,895,000	13.543	7,840,954
ROWLAND HEIGHTS USD DS 2005 REF BONDS	5,702,988	1.577	89,910
ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB	12,375,000	1.577	195,097
ROWLAND HEIGHTS USD DS 2006 SERIES E	19,272,549	1.577	303,839
ROWLAND HEIGHTS USD DS 2012 SERIES A	557,451	1.577	8,788
ROWLAND HEIGHTS USD DS 2013 REF BONDS	375,000	1.577	5,912
ROWLAND HEIGHTS USD DS 2012 SERIES B	22,215,000	1.577	350,228
ROWLAND HEIGHTS USD DS 2015 REF BONDS	106,139,972	1.577	1,673,336
ROWLAND HEIGHTS USD DS 2019 REF BONDS	58,560,000	1.577	923,220
WEST COVINA USD 2002 REFUNDING SERIES A	8,075,000	0.913	73,716
WEST COVINA USD DS 2012 REF BONDS	8,915,000	0.913	81,385
WEST COVINA USD DS 2016 SERIES A	68,205,000	0.913	622,642
WEST COVINA USD DS 2016 SERIES B	32,435,000	0.913	<u>296,098</u>
Total Overlapping Debt			<u>42,823,872</u>
Total Direct and Overlapping Debt			<u>\$ 52,667,182</u>

2020/21 Assessed Valuation: \$2,340,087,435 after deducting \$198,140,249 incremental value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.42%
Overlapping Debt	1.83%
Total Debt	2.25%

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

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

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

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 255,181,011	\$ 255,472,709	\$ 268,982,248	\$ 282,421,686	\$ 297,024,247
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 255,181,011</u>	<u>\$ 255,472,709</u>	<u>\$ 268,982,248</u>	<u>\$ 282,421,686</u>	<u>\$ 297,024,247</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Source: HdL Coren & Cone; L.A. County Assessor 2020/21 Combined Tax Rolls

Fiscal Year				
2017	2018	2019	2020	2021
\$ 316,031,828	\$ 330,641,980	\$ 347,087,355	\$ 364,360,251	\$ 381,991,670
-	-	-	-	10,888,092
<u>\$ 316,031,828</u>	<u>\$ 330,641,980</u>	<u>\$ 347,087,355</u>	<u>\$ 364,360,251</u>	<u>\$ 371,103,578</u>
0%	0%	0%	0%	3%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 2,538,227,684
Add back: exempt real property	<u>8,383,449</u>
Total assessed value	2,546,611,133
Debt limit (15% of total assessed value)	381,991,670
Debt applicable to limit:	
General obligation bonds	10,888,092
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>10,888,092</u>
Legal debt margin	<u>\$ 371,103,578</u>

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

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment ⁽¹⁾	Unemployment Rate	Median Age
2012	39,987	601,364	15,039	20,708	14.4%	29.8
2013	40,222	629,796	15,658	20,783	10.9%	30.7
2014	40,478	630,526	15,577	20,032	9.0%	31.6
2015	40,496	623,314	15,392	19,642	7.3%	31.8
2016	40,521	625,683	15,440	19,367	5.9%	31.8
2017	40,455	664,145	16,416	18,883	4.6%	32.5
2018	40,686	682,356	16,771	18,438	4.2%	33.2
2019	40,795	697,710	17,102	18,097	4.8%	32.8
2020	40,568	751,512	18,524	21,100	4.5%	32.9
2021	40,087	796,046	19,857	17,826	13.0%	33.0

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

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

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

Employer	2012			2013		
	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
Northgate Supermarket	120	1	4.02%	120	1	3.72%
Alert Insulation	-	-	0.00%	-	-	0.00%
Bodega Latina Corp	80	2	2.68%	80	2	2.48%
Walmart Stores Inc.	-	-	0.00%	-	-	0.00%
Food 4 Less #369	75	3	2.51%	75	3	2.33%
Big Saver Foods #12	60	5	2.01%	60	5	1.86%
Ed Butts Ford	70	4	2.35%	70	4	2.17%
Ross Store	-	-	0.00%	-	-	0.00%
Merritt's Hardware	50	6	1.68%	43	6	1.33%
In And Out Burger	-	-	0.00%	-	-	0.00%
Burger King	37	7	1.24%	37	7	1.15%
99 Cents Only Stores	34	8	1.14%	32	9	0.99%
CVS Pharmacy #9629	33	9	1.11%	35	8	1.09%
Jack in the Box	32	10	1.07%	32	9	0.99%
Walgreens #05702	32	10	1.07%	32	9	0.99%
El Sushi Loco	-	-	0.00%	-	-	0.00%
Others	2,362	-	79.13%	2,608	-	80.89%
Total	2,985		100.00%	3,224		100.00%

Employer	2017			2018		
	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
Bodega Latina Corp	101	2	3.53%	111	2	2.87%
Northgate Supermarket	120	1	4.19%	120	1	3.10%
Alert Insulation	88	3	3.08%	88	3	2.27%
Walmart Stores Inc.	80	4	2.80%	80	4	2.07%
Food 4 Less #369	75	5	2.62%	75	5	1.94%
Mc Donald's	-	-	0.00%	-	-	0.00%
Ed Butts Ford	59	7	2.06%	59	7	1.52%
Big Saver Foods #12	60	6	2.10%	60	6	1.55%
Ross Store	44	8	1.54%	44	8	1.14%
Merritt's Hardware	41	10	1.43%	41	10	1.06%
In and Out Burger	40	-	1.40%	40	-	1.03%
Carpet King	-	-	0.00%	36	-	0.93%
CVS Pharmacy #9629	35	-	1.22%	35	-	0.90%
Jack in the Box	32	-	1.12%	34	-	0.88%
99cents Only Stores	32	-	1.12%	32	-	0.83%
El Sushi Loco	43	9	1.50%	43	9	1.11%
Burger King	18	-	0.63%	18	-	0.46%
R Ranch Market #11	-	-	0.00%	-	-	0.00%
Taco Bell	-	-	0.00%	-	-	0.00%
Others	2,094	-	73.19%	3,067	-	79.21%
Total	2,861		100.00%	3,872		100.00%

Source: City Finance Department - Business License Division

2014			2015			2016		
# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
120	1	3.68%	120	1	3.24%	120	1	3.26%
-	-	0.00%	88	2	2.38%	88	2	2.39%
80	2	2.45%	80	3	2.16%	80	3	2.17%
-	-	0.00%	80	3	2.16%	80	3	2.17%
75	3	2.30%	75	4	2.03%	75	4	2.04%
60	4	1.84%	60	5	1.62%	60	5	1.63%
59	5	1.81%	59	6	1.59%	59	6	1.60%
51	6	1.56%	49	7	1.32%	50	7	1.36%
43	7	1.32%	43	8	1.16%	43	8	1.17%
-	-	0.00%	40	9	1.08%	40	9	1.09%
37	8	1.13%	37	10	1.00%	18	-	0.49%
32	10	0.98%	32	-	0.86%	32	-	0.87%
35	9	1.07%	35	-	0.95%	35	10	0.95%
32	10	0.98%	32	-	0.86%	32	-	0.87%
32	10	0.98%	-	-	0.00%	-	-	-
-	-	0.00%	-	-	0.00%	43	8	1.17%
2,608	-	79.90%	2,870	-	77.57%	2,826	-	76.77%
3,264	-	100.00%	3,700	-	100.00%	3,681	-	100.00%

2019			2020			2021		
# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
111	2	2.80%	111	2	3.08%	126	1	3.31%
118	1	2.98%	112	1	3.11%	112	2	2.94%
88	3	2.22%	88	3	2.44%	88	3	2.31%
80	4	2.02%	80	4	2.22%	80	4	2.10%
75	5	1.89%	75	5	2.08%	75	5	1.97%
68	6	1.72%	68	6	1.89%	68	6	1.79%
59	8	1.49%	63	7	1.75%	63	7	1.66%
60	7	1.51%	60	8	1.66%	60	8	1.58%
46	9	1.16%	46	9	1.28%	46	9	1.21%
41	-	1.03%	41	10	1.14%	41	10	1.08%
40	-	1.01%	40	-	1.11%	40	-	1.05%
36	-	0.91%	36	-	1.00%	36	-	0.95%
35	-	0.88%	35	-	0.97%	35	-	0.92%
34	-	0.86%	34	-	0.94%	34	-	0.89%
32	-	0.81%	30	-	0.83%	30	-	0.79%
43	10	1.08%	26	-	0.72%	26	-	0.68%
18	-	0.45%	18	-	0.50%	18	-	0.47%
-	-	0.00%	-	-	0.00%	30	-	0.79%
-	-	0.00%	-	-	0.00%	32	-	0.84%
3,091	-	77.98%	2,753	-	76.37%	2,891	-	75.98%
3,964	-	100.00%	3,605	-	100.00%	3,805	-	100.00%

City of La Puente, California
Full-time Equivalent City Government Employees by Program/Function
As of June 30, 2021

Program/Function	Fiscal Year			
	2012	2013	2014	2015
General Government				
City Council	5.00	5.00	5.00	5.00
City Clerk/Election Services	1.00	2.00	2.00	2.00
Human Resources/Risk Management Administration	n/a	n/a	n/a	n/a
Financial Services	2.00	2.00	2.00	2.00
Financial Services	6.00	5.00	7.00	7.50
Public Safety				
Code Enforcement	-	-	-	-
Animal Services	-	-	-	-
Public Safety Services	Contract	Contract	Contract	Contract
Public Works Services				
General Services	n/a	n/a	n/a	n/a
Emergency Preparedness Services	Contract	Contract	Contract	Contract
Public Works Services	4.00	6.00	6.00	4.00
Measure R	n/a	n/a	n/a	n/a
Streets/Sidewalks (Prop C)	n/a	n/a	n/a	n/a
Waste Management Services	n/a	n/a	n/a	n/a
Park/Maintenance Services	n/a	n/a	n/a	n/a
Community Development				
Planning/Zoning Services	1.00	1.00	1.00	2.00
Housing/Community Services	1.00	1.00	1.00	1.00
Community Preservation Services	6.00	6.00	6.00	Contract
Public Transit Services (Prop A)	n/a	n/a	n/a	n/a
Recreation/Senior Services				
Recreation Services	2.00	3.00	6.50	6.50
Youth Activity Learning Center	-	1.00	1.00	1.00
Nature Education Center	n/a	n/a	n/a	n/a
Senior Services	1.00	1.00	1.00	1.00
Sewer Maintenance Fund				
Sewer Maintenance	n/a	n/a	n/a	n/a
Equipment Replacement Fund				
IT/Equipment Charges	n/a	n/a	n/a	n/a
Community Development Commission				
Low Mod Income Housing/Capital Project Fund	n/a	n/a	n/a	n/a
	<u>29.00</u>	<u>33.00</u>	<u>38.50</u>	<u>32.00</u>

Source: City of La Puente

Fiscal Year					
2016	2017	2018	2019	2020	2021
5.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.50	1.50
n/a	n/a	0.50	0.50	0.50	0.50
2.00	2.00	2.50	2.50	3.50	3.00
6.50	6.50	5.00	5.50	5.00	5.50
Contract	6.50	7.00	10.50	12.00	15.50
-	-	-	6.50	3.50	5.50
Contract	Contract	Contract	Contract	Contract	Contract
n/a	n/a	n/a	n/a	n/a	n/a
Contract	Contract	Contract	Contract	Contract	Contract
5.50	5.50	6.00	10.50	11.50	17.00
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
3.00	3.00	3.00	3.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
Contract	Contract	Contract	Contract	Contract	Contract
n/a	n/a	n/a	n/a	n/a	n/a
6.50	6.50	8.00	10.50	10.50	9.50
1.00	1.00	1.00	5.00	5.50	5.50
n/a	n/a	n/a	n/a	n/a	n/a
1.00	1.00	1.00	2.00	2.00	1.50
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
<u>32.50</u>	<u>39.00</u>	<u>41.00</u>	<u>63.50</u>	<u>65.50</u>	<u>75.00</u>

City of La Puente, California
Operating Indicators by Function
As of June 30, 2021

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Public Safety*				
Physical arrests	1,160	1,210	1,279	1,458
Parking Citations Issued	6,993	6,687	5,881	5,382
Building and Safety				
Construction Valuation	9,935,892	7,773,162	6,645,112	6,775,623
Building Permits Issued	292	396	364	317
Highways and Streets*				
Street resurfacing (Square Feet)	154,660	288,100	305,447	240,180
Sanitation*				
Refuse collected (tons/day)	55.02	51.75	61.53	60.12
Recyclables collected (tons/day)	4.57	4.28	4.59	4.53
Green waste collected (tons/day)	11.23	10.59	9.77	9.64
Community Services				
Special Event-Main Street Run (number of participants)	3,330	4,391	3,730	3,825
City Clerk				
Public Records Act Requests (number responded)	n/a	n/a	n/a	n/a

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

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
1,385	1,952	1,686	1,427	1,488	2,648
8,852	6,809	8,409	8,065	6,183	6,737
10,441,752	11,581,386	15,264,131	16,443,171	17,475,132	28,045,379
467	386	516	452	330	1,165
61,550	187,600	374,150	-	170,000	211,200
64.90	58.02	57.47	69.00	61.03	63.32
4.77	4.96	4.85	14.00	3.00	5.09
8.98	9.81	7.95	8.00	9.05	9.15
4,283	3,750	n/a	n/a	n/a	n/a
n/a	n/a	n/a	94	108	120

City of La Puente, California
Capital Asset Statistics by Function
As of June 30, 2021

Function/Program	Fiscal Year 2020-2021
General Government	
City Hall	1
Public Safety	
Police:	
Stations	Contract out
Patrol units	Contract out
Fire stations	Contract out
Sanitation	
Collection trucks	Contract out
Highways and streets	
Streets (miles)	71.5
Streetlights	1421
Traffic signals	43
Community Services	
Park acreage	24.2
Park	2
Community Center	1
Youth Learning Activity Center	1
Senior Center	1
Water	
Water mains (miles)	Non City-Owned
Fire hydrants	Non City-Owned
Maximum daily capacity (thousands of gallons)	N/A
Sewer	
Sanitary sewers (miles)	64.3
Storm drains (miles)	11.5
Electric	
Number of distribution stations	Contract out
Miles of service line	Contract out

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

Source: City of La Puente