

City of La Puente Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2018



City of La Puente

California



Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2018

Prepared by:

The Administrative Services Department

City of La Puente
Comprehensive Annual Financial Report
Year Ended June 30, 2018

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INTRODUCTORY SECTION



City of La Puente

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

December 5, 2018

Honorable Mayor and City Council
City of La Puente, California

INTRODUCTION

The City of La Puente's Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2018 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, 2018, 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 unqualified (“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 over 40,000 residents. Commercial land usage is located primarily along major highways/arterials and industrial land usage is less than five percent (5%) of the City’s 3.5 square mile land area. Freeway access to the City is readily available from Interstate 10 and the 60 Freeway.

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

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in a governing 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. This includes 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 pediatrics, women's and family planning 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 by a private waste collection company. There are also 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). 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

The San Gabriel Valley has stayed the course with a solid economic performance in 2018. Virtually every industry added jobs to the employment base and, according to data compiled by the Employment Development Department employment increased an estimated 2.0% to 691,143 payroll jobs. That number was over 2008's pre-recession peak. With additional improvements anticipated, job counts are expected to reach 704,093 in 2019, further exceeding the pre-recession peak. The housing market has also improved, but obstacles remain. Median prices for existing homes continue to rise in response to limited supply and increased demand, but after seven years of price increases and anemic real wage growth, affordability continues to be an issue for many would-be home buyers. At the same time, an incremental increase in mortgage rates are expected as inflation picks up, making home loans more restrictive. New home construction has been even slower to recover, but rising median prices and a lack of inventory are finally providing builders with incentive to initiate new development projects. Residential building is expected to increase

by 8.0% by 2019 to 4,262 units. Overall the San Gabriel Valley economy should benefit from a moderate but steady pace of growth in 2019. The trajectory of the valley's economy will depend largely on the performance of the wider regional economy.

The City, like other municipalities has continually been burdened by the financial pressures and impacts imposed by Federal, State, and County governments. Since the early 1980's, these governmental units have passed on to municipalities a myriad of unfunded mandates or service/regulatory requirements and also, have eliminated or redistributed significant sources of revenue. Despite this challenge the City has managed to maintain a balanced budget without any reductions in City services.

The City relies heavily on two major revenue sources – property taxes and sales and use taxes for its general fund operating expenses. These two revenue sources comprise 73% of the General Fund revenue. Other revenue sources such as transient occupancy tax, business license taxes, real property transfer taxes, and licenses and permits fees remain stable.

The City's sales tax base saw an increase of 2.9% compared to fiscal year 2016-2017. The City continues to look for ways to expand the sales tax base. In November 2018 voters will be asked to consider a ½ cent sales tax measure that was placed on the ballot through citizen initiative. If approved, this measure will generate approximately \$1.5 million per year in additional sales tax revenues for the City.

Despite the challenges of limited vacant commercial land and retail space selection, the City continues to promote new business opportunities through marketing and outreach efforts. The City also works closely with existing businesses to assist them with regulatory issues and to foster expansion projects..

Assessed property values within the City were up 4.9% over 2016-17 resulting in an increase in the property tax received. The average home price at June 30, 2018 was \$413,846 while the median price was \$449,500. The unemployment rate continued to improve from 4.6% to 4.1% and is expected to remain the same or improve slightly as employment opportunities increase.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In July 2017, the City acquired Lighting District 1744 from Los Angeles County. With the passage of Senate Bill 361, the City will be able to expand the services of the district to include maintenance and improvements pursuant to the Landscaping and Lighting Act of 1972. Through the transfer of the Lighting District the City received \$9.4 million in accumulated fund balance from the County. The City was able to use a portion of these funds to pay off the bank loan that was used to finance and construct the community center and youth learning center. Additionally, the City used these funds to acquire approximately 1,500 street light poles in the District from Southern California Edison (SCE). The acquisition of the street light poles was completed in September 2018 and the City is now in the process of converting the existing high pressure sodium lights to LED for higher efficiency and costs savings.

LONG-TERM FINANCIAL PLANNING

The unassigned fund balance in the General Fund is \$8.0 million or 63% of General Fund expenditures and total General Fund reserves are at \$19.3 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 budgetary and planning purposes.

GFOA CERTIFICATE OF ACHIEVEMENT

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to receive the award, a government has to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. The awards are valid for a period of one year only. The City believes that the current CAFR continues to meet program requirements and the City will submit it to the GFOA to determine its eligibility for another award.

ACKNOWLEDGEMENTS

Special recognition is extended to the entire staff of Administrative Services for their ongoing dedication and efficient services provided to all City departments and citizens on a daily basis. Special appreciation is also extended specifically to Finance Division staff who contributed to and participated in the coordination and preparation of this CAFR. This document reflects the hard work, talent and commitment of City Staff and could not have been accomplished without the high level of professionalism and dedication that they bring to the City of La Puente. Further, thanks are also extended to Van Lant & Fankhanel, LLP, the City's independent auditors, who assisted and contributed in the preparation of this report.

Lastly, special acknowledgement is given to the Mayor and City Council for their continued support and interest in directing the efforts to maintain the City's strong fiscal health in a responsible and professional manner.

Respectfully submitted,



Troy Butzlaff, ICMA-CM
Administrative Services Director



Troy O. Grunklee, CPA
Finance Manager



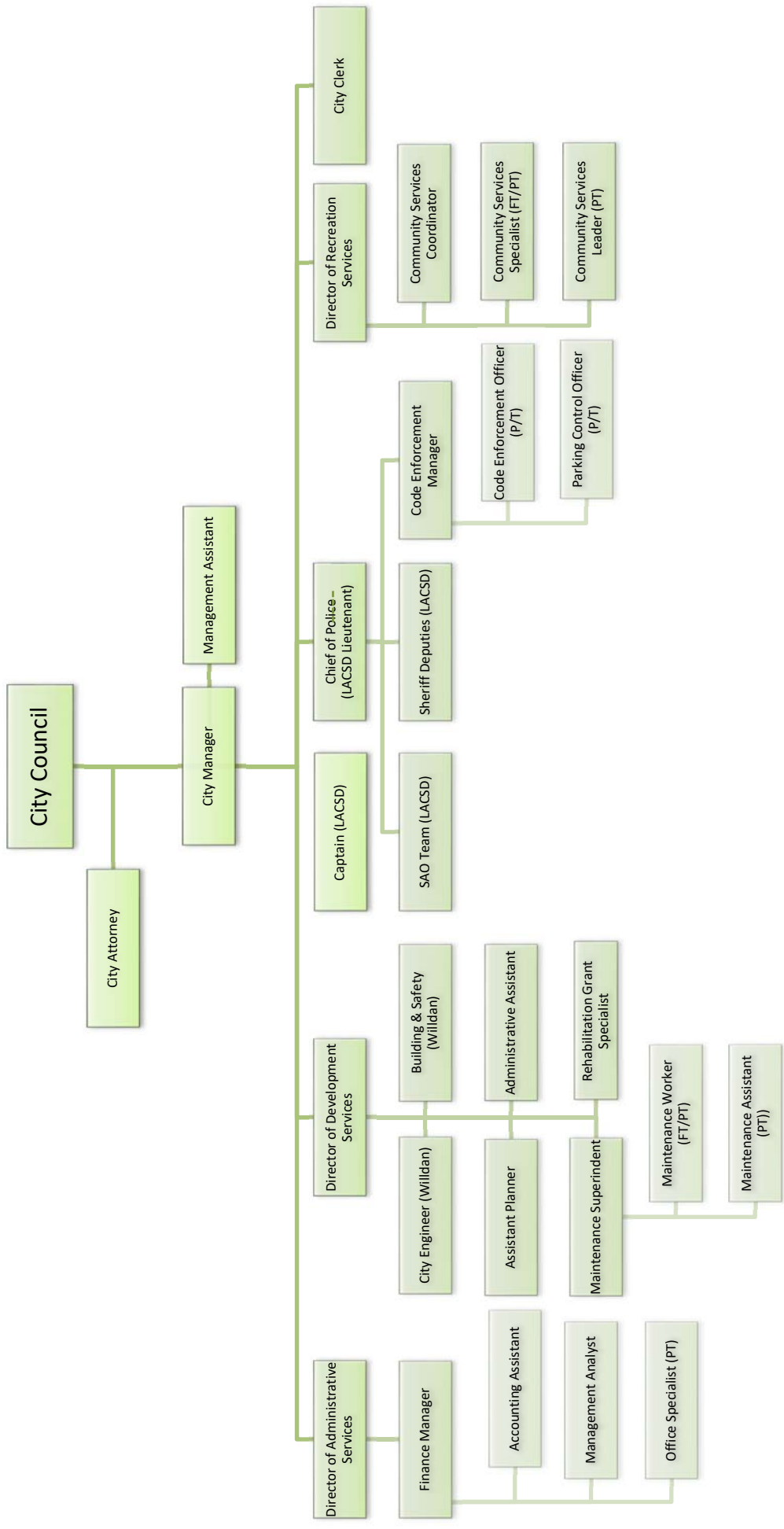
CITY OF LA PUENTE, CALIFORNIA

ELECTED OFFICIALS - CITY COUNCIL

Valerie Muñoz, Mayor
Charlie Klinakis, Mayor Pro Tem
Daniel C. Holloway, Council Member
Violeta Lewis, Council Member
John M. Solis, Council Member

CITY OFFICIALS

City Manager..... Bob Lindsey
City Attorney James Casso
City Clerk Sheryl Garcia, CMC, CPM
Director of Administrative Services/City Treasurer..... Troy Butzlaff, ICMA-CM
Director of Community Services..... Roxanne Lerma
Director of Development Services..... John Di Mario
Finance Manager Troy Grunklee, CPA
Chief of Police..... Pete Cacheiro





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, 2017

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, 2018, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Puente, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 9 to the financial statements, in 2018, the City adopted new accounting guidance, *GASBS No. 74, Financial Reporting for Postemployment Benefits Other Than Pension Plans* and *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2018, 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 & Fankhaenel, LLP

December 5, 2018

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, 2018. 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 i 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 exceeded its liabilities at the close of the fiscal year by \$62,623,207. Of this, \$16,458,039 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 \$8,949,206 from the previous fiscal year. This includes a restatement of \$2,127,049 due to the implementation of GASB 75.
- Citywide revenues were \$29,950,954. Total revenues are composed of \$21,074,543 in general revenue dollars including \$9,484,683 from the County, \$3,803,144 in charges for services, \$812,396 in operating grants and contributions, and \$4,189,959 in capital grants and contributions.
- Citywide expenses were \$18,874,699 with public safety being the largest functional area at \$7,039,317, or approximately 37% of the total expenses.

Fund level

- The total fund balance for all governmental funds was \$26,314,647 at the close of the fiscal year. Of that amount, \$11,374,648 is nonspendable and \$7,008,355 is restricted and not available for spending. The remaining \$7,931,644 is unassigned. Additional information on the fund balances for all governmental funds is on page 20 of this report.
- General Fund revenues were less than expenditures by \$80,040 for the fiscal year ended June 30, 2018.
- Governmental fund balances increased by \$3,018,763 during fiscal year 2017-2018.

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 32% 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 more narrow 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, CDBG Fund, and Lighting and Landscape Maintenance District, 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 56 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

	2018	2017	Change	% Change
Current and Other Assets	\$ 33,271,782	\$ 30,060,262	\$ 3,211,520	10.68%
Capital Assets	35,067,108	35,151,257	(84,149)	-0.24%
Total Assets	68,338,890	65,211,519	3,127,371	4.80%
Deferred Outflows of Resources	2,237,908	1,501,265	736,643	49.07%
Other Liabilities	2,583,353	3,543,059	(1,254,777)	-27.09%
Long-term Liabilities	12,227,784	15,727,550	(3,204,695)	-22.25%
Total Liabilities	14,811,137	19,270,609	(4,459,472)	-23.14%
Deferred Inflows of Resources	297,982	389,509	(91,527)	-23.50%
Net Position:				
Net investment in capital assets	33,484,552	26,447,434	7,037,118	26.61%
Restricted	5,525,088	3,687,459	1,837,629	49.83%
Unrestricted	16,458,039	16,917,773	(459,734)	-2.72%
Total Net Position	\$ 55,467,679	\$ 47,052,666	\$ 8,415,013	17.88%

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 \$55,467,679 at the close of the fiscal year, an increase of \$8,415,013 or 17.88% from the previous year. The primary reasons for the increase in net position are as follows:

- Current and Other Assets increased by \$3,211,520 as a result of the City receiving \$9.4 million from the County of Los Angeles for the transfer of County Lighting Maintenance District #1744. (see Note 6)
- Total Liabilities decreased by \$4,459,472 as a result of the City paying off the Capital One Bank Loan in the current year. The total decrease is offset by the increase in the net pension liability and net OPEB liability. (see Note 6)
- Deferred outflows related to pensions increased by \$736,643 as a result of changes in employer proportions and net differences between projected and actual earnings on plan investments. (See Note 8)

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 \$33,484,552, or 60%, 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, \$5,525,088, or 10%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,458,039, or 30%, is unrestricted. This amount includes \$11,350,632 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 \$5,107,407 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, 2018**

Table 2

	2018	2017	Change	% Change
Revenues				
Program Revenues:				
Charges for Services	\$ 2,477,665	\$ 1,960,656	\$ 517,009	26.37%
Operating Grants and Contributions	812,396	649,068	163,328	25.16%
Capital Grants and Contributions	4,189,959	2,755,890	1,434,069	52.04%
General Revenues:				
Taxes:				
Property Taxes	6,681,270	5,960,936	720,334	12.08%
Franchise Taxes	1,023,365	941,026	82,339	8.75%
Sales and Use Taxes	3,150,107	3,060,517	89,590	2.93%
Property Transfer Taxes	86,091	75,968	10,123	13.33%
Transient Occupancy Taxes	238,611	240,696	(2,085)	-0.87%
Other Taxes	120,357	119,792	565	0.47%
Investment Income	246,179	260,984	(14,805)	-5.67%
Other revenues	43,880	82,063	(38,183)	-46.53%
Total revenues	<u>19,069,880</u>	<u>16,107,596</u>	<u>2,962,284</u>	18.39%
Expenses				
General Government	2,414,218	3,344,530	(930,312)	-27.82%
Public Safety	7,039,317	6,110,053	929,264	15.21%
Public Works	3,235,695	2,653,875	581,820	21.92%
Recreation/Senior Services	1,994,224	2,085,167	(90,943)	-4.36%
Community Development	3,329,047	2,504,463	824,584	32.92%
Interest on Long-Term Debt	-	336,720	(336,720)	-100.00%
Total expenses	<u>18,012,501</u>	<u>17,034,808</u>	<u>977,693</u>	5.74%
Excess (deficiency) before special items	1,057,379	(927,212)	1,984,591	-214.04%
Special Item – Distribution from Los Angeles County for Lighting Maintenance District	<u>9,484,683</u>	-	<u>9,484,683</u>	100.00%
Increase (decrease) in net assets	10,542,062	(927,212)	11,469,274	-1236.96%
Net position, beginning	47,052,666	47,979,878	(927,212)	-1.93%
Prior Period Adjustments (Note 12)	<u>(2,127,049)</u>	-	<u>(2,127,049)</u>	100.00%
Net position, ending	<u>\$55,467,679</u>	<u>\$47,052,666</u>	<u>\$8,415,013</u>	17.88%

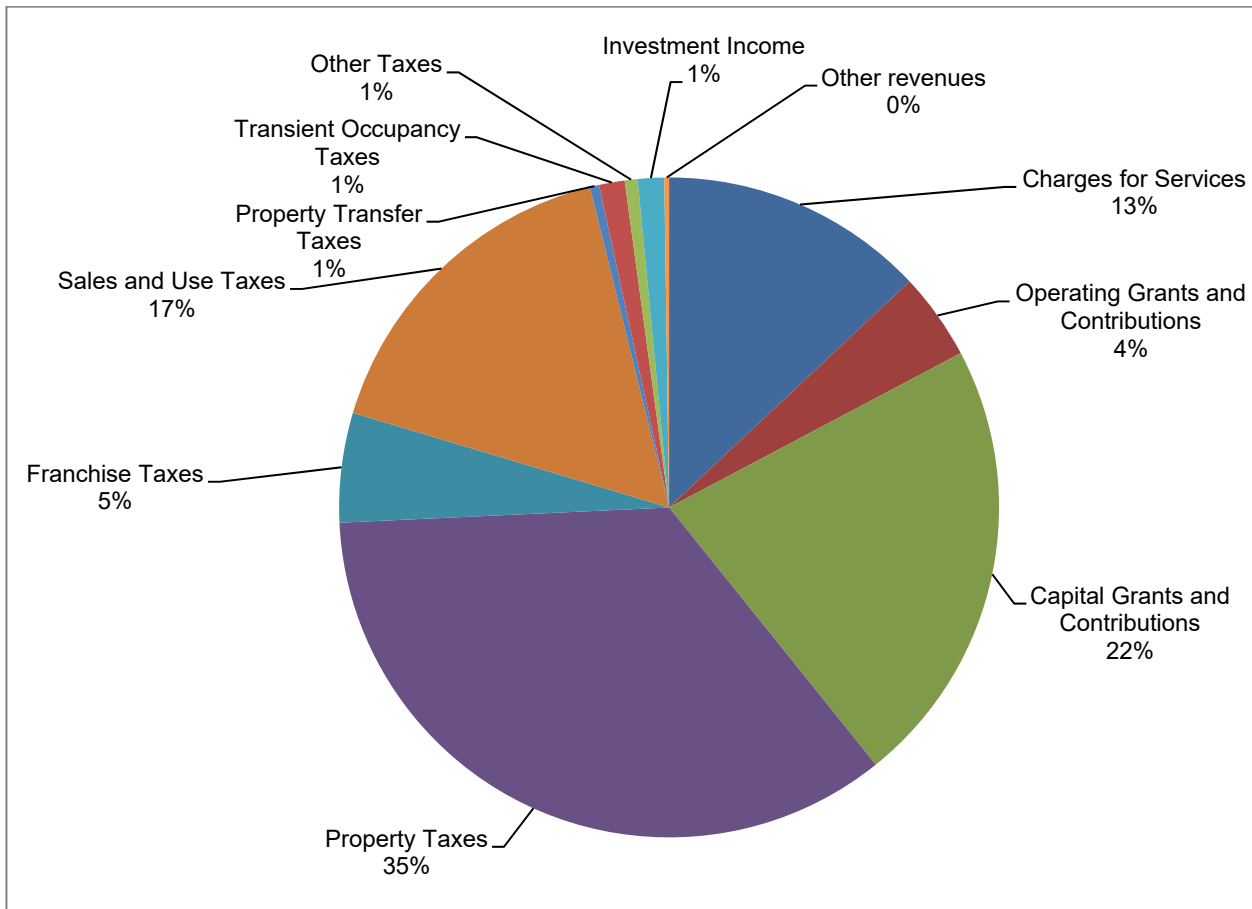
The City's net position increased by \$8,415,013 during the fiscal year as a result of revenues being greater than expenditures. The total cost of all City governmental activities was \$18,012,501 for the fiscal year. Net cost of all activities was \$10,532,481.

Total revenues increased by \$2,962,284 primarily due to the increase property taxes and capital grants and contributions as indicated above. Additionally, the City received \$9,484,683 from the County of Los Angeles for the transfer of County Lighting Maintenance District #1744. The overall increase in expenses was attributed to public safety, public works, and community development with an accompanying decrease in general government.

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, about 60% 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 39% of the total resources and investment income and miscellaneous income amounted to 1% of the total governmental revenues for the year.

Expense and Program Revenues:

The City's expenses in connection with its governmental activities are categorized by function, namely general government, public safety, public works, recreation/senior 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.

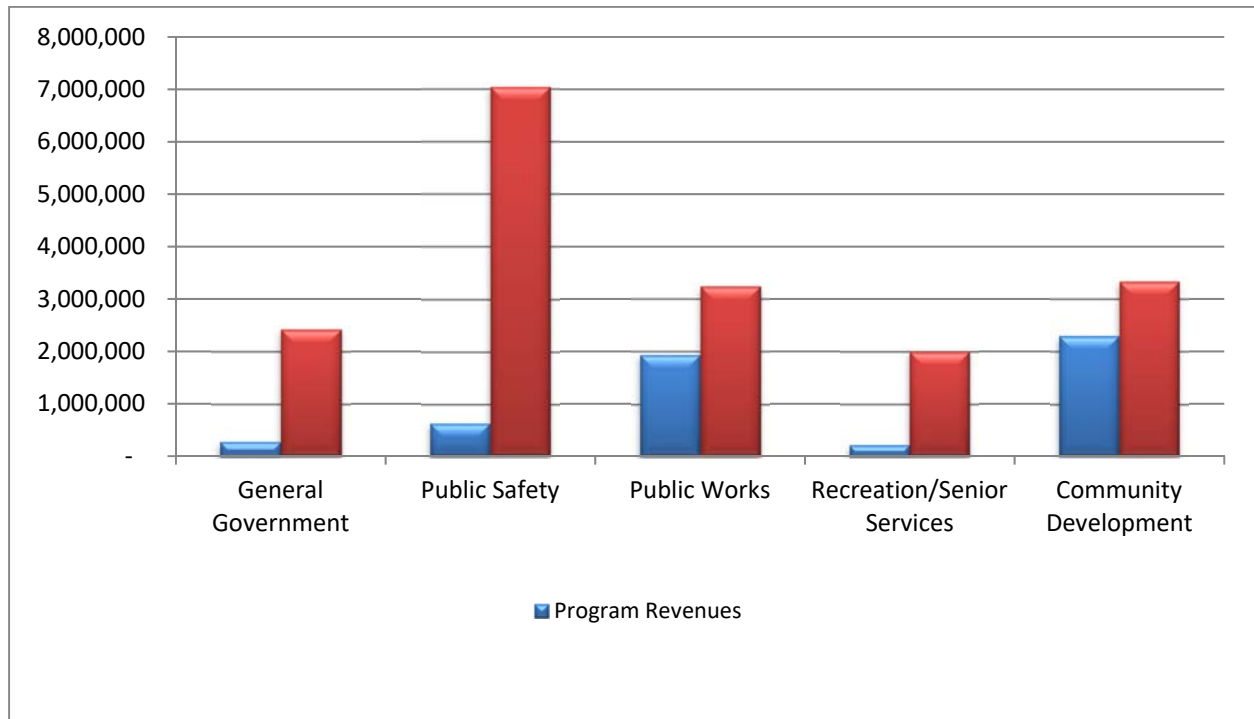
Governmental activities increased the City's net position by \$8,415,013. Key elements of this increase are as follows:

- Capital Grants and Contributions and Capital Grants and Contributions showed a net increase of \$1,434,069 as a result of new county allocations and federal grants received during fiscal year 2017-2018.
- Total expenses increased by \$977,693. This was largely due to increased expenses in public safety \$929,264, public works \$581,820, and community development \$824,584 while general government and interest on long-term debt expenses decreased (\$930,312) and (\$336,720), respectively. The public safety increase was a result of contractual increases with LA County Sheriff and LA County Animal Control. Public works increases were primarily the result of capital projects activity during the year. Community Development increases was a result of the City taking over the Lighting and Landscape District from the County and the related expenses. The decrease in the general government expenses related to a loss on disposal of capital assets in the prior year and no similar loss in the current year. Interest on long-term debt decrease due to the City paying off the Community Center lease during the current year.

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

	2018	2017
Current and Other Assets	\$ 4,960,982	\$ 4,545,351
Capital Assets	10,328,973	10,515,872
Total Assets	<u>15,289,955</u>	<u>15,061,223</u>
Deferred Amounts on Refunding	585,801	615,091
Total Deferred Outflows of Resources	<u>585,801</u>	<u>615,091</u>
Other Liabilities	350,228	359,979
Long-term Liabilities Outstanding	8,370,000	8,695,000
Total Liabilities	<u>8,720,228</u>	<u>9,054,979</u>
Net Position:		
Net Investment in Capital Assets	2,219,774	1,505,872
Restricted	4,935,754	5,115,463
Total net position	<u>\$ 7,155,528</u>	<u>\$ 6,621,335</u>

Table 4
Business-type Activities Change in Net Position

	2018	2017
Revenues		
Charges for Services	\$1,325,479	\$1,302,664
Investment Income	70,912	59,857
Total Revenues	<u>1,396,391</u>	<u>1,362,521</u>
Expenses		
Sewer Assessment	574,300	710,482
Other Expenses	287,898	189,688
Total Expenses	<u>862,198</u>	<u>900,170</u>
Excess of Revenues over Expenses	<u>534,193</u>	<u>462,351</u>
Other Financing Sources (uses)		
Transfer in	-	-
Change in Net Position	534,193	462,351
Net Position, Beginning	<u>6,621,335</u>	<u>6,158,984</u>
Net Position, Ending	<u>\$7,155,528</u>	<u>\$6,621,335</u>

The net position of the City's business-type activities increased by \$534,193. As shown in Table 3, "Current and Other Assets" reflects an increase of \$415,631. The increase is primarily a result of capital projects, which had been planned for the 2017-2018 fiscal year and would have used current resources, not commencing by year-end resulting in an increase of cash balances. Further, the City's business-type activities show a decrease in liabilities of \$334,751. This decrease is due to the current year payment of the 2016 Sewer Revenue Refunding bond payment.

The City's business-type revenues exceeded program expenses by \$534,193 as shown in Table 4. Revenues increased slightly by \$33,870 during the year due to additional property tax monies received and investment income. There was also a decrease in expenditures this year in the amount of \$37,972. There was a decrease in sewer assessment expenses of (\$136,182) as a result of sewer maintenance expenses being less than the previous year and an offsetting increase of other expenses of \$98,210 as a result of an increase in interest paid and the amortization of the deferred charges.

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, 2018, the City's Governmental Funds reported a combined fund balance of \$26,314,647, which increased by \$3,018,763 or 12.9% from the prior year fund balance.
- Fund Balance Classification
 - The City has \$11,374,648 in non-spendable fund balance as of June 30, 2018. 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 \$7,008,355 at June 30, 2018. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions.
 - The General Fund has unassigned fund balance of \$7,997,394. 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 \$19,372,042 fund balance, a decrease of \$80,040 from the previous year. The reason for the slight decrease in fund balance from fiscal year 2016-2017 was due to an increase in expenditures that offset the increase in revenues. General government and public safety expenditures increased but were offset by the fact that there were no current year debt service payments for the community center lease. This loan was paid off in the current year using the funds received the County as part of taking over the Lighting and Landscape District. See the Notes to the Financial Statements for more information.

- General Fund Revenues exceeded budgeted revenues by \$794,862. This was primarily due to property tax revenues being \$303,160 higher than projected as a result City receiving additional property tax; the receipt of higher sales tax and property tax in-lieu of VLF revenue than anticipated; higher franchise fee and transient occupancy tax than budgeted; and licenses and permits, as well as charges for services, being \$451,325 and \$275,698, respectively, higher than projected due to greater development activity during the year and performing animal licensing canvassing throughout the City. These increases were offset by an unanticipated decrease in the categories of investment income and other revenues.
- Expenditures were \$73,208 lower than budgeted amounts. Public safety and community development expenditures had unfavorable budget variances of \$158,129 and \$274,170, respectively. The public safety expenditure increase was a result of the County performing the animal licensing canvassing throughout the City that was not budgeted. The community development increase was a result of building and safety permits issued and the payment to the contractor that provides the service on behalf of the City. The unfavorable variances were offset by a decrease in expenditures totaling \$410,386 for capital projects that were budgeted, but not completed during fiscal year 2017-2018. These projects have been budgeted in the new fiscal year.
- CDBG fund revenues came in over budget due to the park improvement project that was underway in fiscal year 2017-2018. The project has been budgeted and scheduled for commencement and completion in fiscal year 2018-2019.
- Lighting and Landscape fund expenditures came in under budget due to a delay in the purchasing of the streets light and the subsequent energy efficiency improvement project. The project has been budgeted and scheduled for commencement and completion in fiscal year 2018-2019.

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, 2018 is \$45,396,081. Capital assets, net of accumulated depreciation, include land, construction in progress, buildings and improvements, equipment, furniture, fixtures, and computer software and hardware. Infrastructure assets are reported at cost, where historical records are available and at estimated cost where no historical records exist.

The net decrease (additions minus deletions) in capital assets for the fiscal year was \$271,048. 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, 2018.

Table 5
Capital Assets

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,621,179	\$ -	\$ -	\$ 3,621,179
Construction In Progress	<u>829,744</u>	<u>1,406,146</u>	<u>1,836,165</u>	<u>399,725</u>
Total Capital Assets Not Being Depreciated	<u>4,450,923</u>	<u>1,406,146</u>	<u>1,836,165</u>	<u>4,020,904</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	21,826,082	-	-	21,826,082
Equipment & Furniture	2,095,311	79,743	-	2,175,054
Infrastructure	<u>36,427,044</u>	<u>1,836,165</u>	-	<u>38,263,209</u>
Total Capital Assets Being Depreciated	<u>60,348,437</u>	<u>1,915,908</u>	-	<u>62,264,345</u>
Less Accumulated Depreciation				
Buildings and Improvements	(9,736,711)	(882,911)	-	(10,619,622)
Equipment & Furniture	(1,297,037)	(134,241)	-	(1,431,278)
Infrastructure	<u>(18,614,355)</u>	<u>(552,886)</u>	-	<u>(19,167,241)</u>
Total Accumulated Depreciation	<u>(29,648,103)</u>	<u>(1,570,038)</u>	-	<u>(31,218,141)</u>
Total Capital Assets Being Depreciated, Net	<u>30,700,334</u>	<u>345,870</u>	-	<u>31,046,204</u>
Governmental Activities Capital Assets, Net	<u>\$35,151,257</u>	<u>\$1,752,016</u>	<u>\$ 1,836,165</u>	<u>\$35,067,108</u>
Business-type Activities:				
Capital Assets Being Depreciated:				
Sewer Collection System (Lines)	\$11,213,960	\$ -	\$ -	\$11,213,960
Less Accumulated Depreciation	<u>(698,088)</u>	<u>(186,899)</u>	-	<u>(884,987)</u>
Business Type Activities Capital Assets, Net	<u>\$10,515,872</u>	<u>\$(186,899)</u>	<u>\$ -</u>	<u>\$10,328,973</u>

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 addition, the City entered into a \$10,000,000 lease agreement, which financed the construction of the Community Center and Youth Learning Activity Center in January 2008. During fiscal year ended June 30, 2013, the loan was refinanced to take advantage of lower interest rates. In July 2017, the City used funds received from the County from the transfer of County Lighting Maintenance District 1744 to pay off the lease agreement. Paying off the lease early resulted in a net savings of \$309,339 in interest payments.

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 \$1,582,556 of the loan proceeds. This figure includes an additional \$82,830 that was received in the current year that is offset by the current year payment of \$189,097. 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 will be in the amount of \$208,741.57 annually and will be made from annual Measure R funds received by the City.

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 2017-18 was \$11,901,800. Actual General Fund revenues were higher than the final budgeted revenues by \$794,862. Most categories of revenues collected were higher than the budgeted projections. "Taxes" were \$303,160 higher than projected due to sales tax, property tax and transient occupancy tax received being higher than anticipated. "Licenses and Permits" and "Charges for Services" were higher than anticipated as a result of increased development activity and animal licensing canvassing that was done by LA County Animal Care and Control. "Investment Income" revenues were lower than expected due to the market value adjustment for investments.

Appropriations were budgeted at \$12,726,800. General Fund expenditures were \$12,776,702 which includes a transfer out of \$123,110. Factoring out the transfers, General Fund expenditures were \$73,208 less than the final budgeted expenditures. Public safety and community development expenditures had unfavorable budget variances of \$158,229 and \$274,170, respectively. An increase in public safety expenditures was due to LA County Animal Care and Control performing animal licensing canvassing throughout the City which was not budgeted. The community development increase was a result of building and safety permits issued and the payment to the contractor that provides the service on behalf of the City. The unfavorable variances were offset by a decrease in expenditures totaling \$410,386 for capital projects that were budgeted, but not completed during fiscal year 2017-2018. These projects have been budgeted in the new fiscal year.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The fiscal outlook for the region comprising Los Angeles, Orange, Riverside, San Bernardino, Imperial and Ventura counties expects milder growth in 2019. Regional job creation is projected at an 119,676 annual pace over the next two years. That's off from a 143,299-a-year pace in 2016-18. The forecast sees \$10.24 billion more in taxable consumer spending per year through 2020 vs. \$10.31 billion-a-year jumps the previous two years. And homebuilding is seen dropping by an average 1,185 units planned a year through '20 vs. 5,647 per year growth in 2016-18. Inflation remains moderate. The Consumer Price Index (CPI) followed a path much like wage growth, dropping slightly to 2.7% growth in August after a high reading of 2.9% in July. These levels are high relative to the soft inflation observed in recent years. Across the region, permit activity for new homes is experiencing a modest uptick growing by 3.6% in 2017 and projected to grow 2.1% in 2018. The City is projecting a slight increase in General Fund revenues in the coming year as property values continue to recover and the resulting property taxes increase. Additionally, the City is anticipating an increase in sales tax as a result of continued economic development efforts. As costs of providing service to the residents and businesses in La Puente continue to rise, City staff will diligently pursue opportunities to increase revenues and decrease expenditures.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of La Puente's finances for all those interested in them. 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, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 14,389,417	\$ 4,924,847	\$ 19,314,264
Accounts Receivable	315,674	-	315,674
Interest Receivable	4,290,827	-	4,290,827
Loans Receivable	1,502,848	-	1,502,848
Due From Other Governments	1,392,068	36,135	1,428,203
Prepaid Items	30,316	-	30,316
Advance to Successor Agency, Net	11,350,632	-	11,350,632
Capital Assets, Not Depreciated	4,020,904	-	4,020,904
Capital Assets, Depreciated, Net	31,046,204	10,328,973	41,375,177
Total Assets	<u>68,338,890</u>	<u>15,289,955</u>	<u>83,628,845</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding	-	585,801	585,801
Deferred Outflows Related to Pensions	1,669,179	-	1,669,179
Deferred Outflows Related to OPEB	568,729	-	568,729
Total Deferred Outflows of Resources	<u>2,237,908</u>	<u>585,801</u>	<u>2,823,709</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,757,092	3,998	1,761,090
Interest Payable	-	21,230	21,230
Due to Other Agencies	531,190	-	531,190
Long-Term Liabilities			
Due Within One Year	295,071	325,000	620,071
Due in More Than One Year	12,227,784	8,370,000	20,597,784
Total Liabilities	<u>14,811,137</u>	<u>8,720,228</u>	<u>23,531,365</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	297,982	-	297,982
NET POSITION			
Net Investment in Capital Assets	33,484,552	2,219,774	35,704,326
Restricted for:			
Public Safety	19,924	-	19,924
Public Works	1,025,664	-	1,025,664
Community Development	4,479,500	-	4,479,500
Sewer Operations	-	4,935,754	4,935,754
Unrestricted	16,458,039	-	16,458,039
Total Net Position	<u>\$ 55,467,679</u>	<u>\$ 7,155,528</u>	<u>\$ 62,623,207</u>

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,414,218	\$ 289,146	\$ -	\$ -
Public Safety	7,039,317	704,424	148,931	-
Public Works	3,235,695	5,462	-	3,367,315
Recreation/Senior Services	1,994,224	180,884	29,554	-
Community Development	3,329,047	1,297,749	633,911	822,644
Total Governmental Activities	<u>18,012,501</u>	<u>2,477,665</u>	<u>812,396</u>	<u>4,189,959</u>
Business-type Activities:				
Sewer Assessment	862,198	1,325,479	-	-
Total Business-type Activities	<u>862,198</u>	<u>1,325,479</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 18,874,699</u>	<u>\$ 3,803,144</u>	<u>\$ 812,396</u>	<u>\$ 4,189,959</u>

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Property Transfer Tax

Transient Occupancy Tax

Business License Taxes

Investment Income

Other

Total General Revenues

Special Item - Distribution from Los Angeles
County for Lighting Maintenance District

Change in Net Position

Net Position - Beginning of Year

Prior Period Adjustments

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,125,072)	\$ -	\$ (2,125,072)
(6,185,962)	-	(6,185,962)
137,082	-	137,082
(1,783,786)	-	(1,783,786)
<u>(574,743)</u>	<u>-</u>	<u>(574,743)</u>
<u>(10,532,481)</u>	<u>-</u>	<u>(10,532,481)</u>
<u>-</u>	<u>463,281</u>	<u>463,281</u>
<u>-</u>	<u>463,281</u>	<u>463,281</u>
<u>(10,532,481)</u>	<u>463,281</u>	<u>(10,069,200)</u>
6,681,270	-	6,681,270
1,023,365	-	1,023,365
3,150,107	-	3,150,107
86,091	-	86,091
238,611	-	238,611
120,357	-	120,357
246,179	70,912	317,091
43,880	-	43,880
<u>11,589,860</u>	<u>70,912</u>	<u>11,660,772</u>
<u>9,484,683</u>	<u>-</u>	<u>9,484,683</u>
10,542,062	534,193	11,076,255
47,052,666	6,621,335	53,674,001
<u>(2,127,049)</u>	<u>-</u>	<u>(2,127,049)</u>
<u>\$ 55,467,679</u>	<u>\$ 7,155,528</u>	<u>\$ 62,623,207</u>

**City of La Puente
Balance Sheet
Governmental Funds
June 30, 2018**

	General Fund	CDBG Grant	Lighting and Landscape Maintenance District	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 7,811,980	\$ -	\$ 2,456,683	\$ 3,744,675	\$ 14,013,338
Accounts Receivable	293,653	-	-	22,021	315,674
Interest Receivable	4,290,827	-	-	-	4,290,827
Loans Receivable	-	531,190	-	971,658	1,502,848
Due from Other Governments	862,623	261,317	53,407	214,721	1,392,068
Due from Other Funds	204,338	-	-	1,027	205,365
Prepaid Items	24,016	-	-	-	24,016
Advances to Successor Agency	11,350,632	-	-	-	11,350,632
Total Assets	<u>\$ 24,838,069</u>	<u>\$ 792,507</u>	<u>\$ 2,510,090</u>	<u>\$ 4,954,102</u>	<u>\$ 33,094,768</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 1,264,798	\$ 99,520	\$ 174,333	\$ 203,028	\$ 1,741,679
Due to Other Agencies	-	531,190	-	-	531,190
Due to Other Funds	-	174,609	-	30,756	205,365
Total Liabilities	<u>1,264,798</u>	<u>805,319</u>	<u>174,333</u>	<u>233,784</u>	<u>2,478,234</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Interest	4,201,229	-	-	-	4,201,229
Unavailable Revenues - Grants	-	-	-	100,658	100,658
Total Deferred Inflows of Resources	<u>4,201,229</u>	<u>-</u>	<u>-</u>	<u>100,658</u>	<u>4,301,887</u>
FUND BALANCES					
Nonspendable	11,374,648	-	-	-	11,374,648
Restricted	-	-	2,335,757	4,672,598	7,008,355
Unassigned	7,997,394	(12,812)	-	(52,938)	7,931,644
Total Fund Balances	<u>19,372,042</u>	<u>(12,812)</u>	<u>2,335,757</u>	<u>4,619,660</u>	<u>26,314,647</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,838,069</u>	<u>\$ 792,507</u>	<u>\$ 2,510,090</u>	<u>\$ 4,954,102</u>	<u>\$ 33,094,768</u>

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, 2018

Fund Balances for Governmental Funds \$ 26,314,647

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

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

Capital Assets	64,892,145
Accumulated Depreciation	(30,308,230)

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, 2018 are:

Loan Agreement	(1,582,556)
Compensated Absences	(243,066)
Net Pension Liability	(6,915,558)
Net OPEB Liability	(3,781,675)

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

4,301,887

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	1,669,179
Deferred Inflows Related to Pensions	(297,982)
Deferred Outflows Related to OPEB	568,729

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

850,159

Net Position of Governmental Activities

\$ 55,467,679

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, 2018

	General Fund	CDBG Grant	Lighting and Landscape Maintenance District	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 10,485,360	\$ -	\$ 749,082	\$ -	\$ 11,234,442
Licenses and Permits	968,625	-	-	-	968,625
Intergovernmental	60,365	595,132	-	4,324,412	4,979,909
Charges for Services	947,098	-	-	178,566	1,125,664
Fines and Forfeitures	334,811	-	-	-	334,811
Investment Income	(127,230)	1,712	32,888	50,249	(42,381)
Other Revenue	27,633	-	-	-	27,633
Total Revenues	12,696,662	596,844	781,970	4,553,227	18,628,703
EXPENDITURES					
Current:					
General Government	2,372,394	-	-	16,543	2,388,937
Public Safety	6,891,729	-	-	147,588	7,039,317
Public Works	467,330	-	-	882,908	1,350,238
Recreation/Senior Services	1,207,305	-	-	-	1,207,305
Community Development	1,300,220	400,971	678,918	897,590	3,277,699
Capital Outlay	414,614	206,578	219,342	1,832,045	2,672,579
Debt Service:					
Interest and Fiscal Charges	-	-	17,636	19,645	37,281
Principal	-	-	7,015,000	189,097	7,204,097
Total Expenditures	12,653,592	607,549	7,930,896	3,985,416	25,177,453
Excess of Revenues Over (Under) Expenditures	43,070	(10,705)	(7,148,926)	567,811	(6,548,750)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	331,841	331,841
Transfers Out	(123,110)	-	-	(208,731)	(331,841)
Issuance of Debt	-	-	-	82,830	82,830
Total Other Financing Sources (Uses)	(123,110)	-	-	205,940	82,830
SPECIAL ITEM					
Distribution from Los Angeles County for Lighting Maintenance District	-	-	9,484,683	-	9,484,683
Net Change in Fund Balances	(80,040)	(10,705)	2,335,757	773,751	3,018,763
Fund Balances, Beginning of Year	19,452,082	(2,107)	-	3,845,909	23,295,884
Fund Balances, End of Year	\$ 19,372,042	\$ (12,812)	\$ 2,335,757	\$ 4,619,660	\$ 26,314,647

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 3,018,763

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	1,412,871
Depreciation Expense	(1,485,977)

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	7,204,097
Loan Proceeds	(82,830)

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

Compensated Absences	(12,761)
Net Pension Liability	(856,924)
Net OPEB Liability	(69,680)

Accrued interest for long-term debt. This is the net change in accrued interest for the current period. 112,240

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	167,914
Deferred Inflows Related to Pensions	91,527
Deferred Outflows Related to OPEB	568,729

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. 441,177

The change in net position of the internal service fund is reported with governmental activities 32,916

Change in Net Position of Governmental Activities	\$ 10,542,062
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The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities- Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,924,847	\$ 376,079
Due from Other Governments	36,135	-
Prepaid Items	-	6,300
Total Current Assets	4,960,982	382,379
Noncurrent Assets:		
Capital Assets:		
Sewer Collection Systems	11,213,960	-
Vehicles	-	953,117
Furniture and Equipment	-	439,987
Less: Accumulated Depreciation	(884,987)	(909,911)
Total Noncurrent Assets	10,328,973	483,193
Total Assets	15,289,955	865,572
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Refunding	585,801	-
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	3,998	15,413
Interest Payable	21,230	-
Bonds Payable - Current	325,000	-
Total Current Liabilities	350,228	15,413
Noncurrent Liabilities:		
Bonds Payable	8,370,000	-
Total Noncurrent Liabilities	8,370,000	-
Total Liabilities	8,720,228	15,413
NET POSITION		
Net Investment In Capital Assets	2,219,774	483,193
Unrestricted	4,935,754	366,966
Total Net Position	\$ 7,155,528	\$ 850,159

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, 2018

	<u>Business-type Activities- Enterprise Fund Sewer Assessment</u>	<u>Governmental Activities - Internal Service Fund</u>
OPERATING REVENUES		
Charges for Services	\$ 1,325,479	\$ 299,916
Total Operating Revenues	<u>1,325,479</u>	<u>299,916</u>
OPERATING EXPENSES		
Other General Expenses	387,401	188,611
Depreciation	<u>186,899</u>	<u>84,061</u>
Total Operating Expenses	<u>574,300</u>	<u>272,672</u>
Operating Income (Loss)	<u>751,179</u>	<u>27,244</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	70,912	5,672
Interest Expense	<u>(287,898)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(216,986)</u>	<u>5,672</u>
Change in Net Position	534,193	32,916
Net Position, Beginning of Year	<u>6,621,335</u>	<u>817,243</u>
Net Position, End of Year	<u>\$ 7,155,528</u>	<u>\$ 850,159</u>

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Business-type Activities- Enterprise Fund Sewer Assessment	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 1,309,134	\$ 299,916
Payments to Suppliers and Contractors	(406,383)	(191,599)
Net Cash Provided (Used) by Operating Activities	<u>902,751</u>	<u>108,317</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Purchase of Property and Equipment	-	(73,018)
Principal Paid on Long-term Debt	(315,000)	-
Interest Paid	(259,377)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(574,377)</u>	<u>(73,018)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	70,912	5,672
Net Increase (Decrease) in Cash and Cash Equivalents	399,286	40,971
Cash and Cash Equivalents - Beginning of Year	4,525,561	335,108
Cash and Cash Equivalents - End of Year	<u>\$ 4,924,847</u>	<u>\$ 376,079</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 751,179	\$ 27,244
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	186,899	84,061
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Governments	(16,345)	-
(Increase) Decrease in Prepaid Expenses	-	(6,300)
Increase (Decrease) in Accounts Payable	(18,982)	3,312
TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 902,751</u>	<u>\$ 108,317</u>
Schedule of Non-cash Capital and Related Financing Activities		
Deferred Amounts on Refunding	\$ 29,290	\$ -

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Agency Funds	Successor Agency Private-Purpose Trust Fund
ASSETS		
Cash and Investments	\$ 208,206	\$ 584,528
Cash with Fiscal Agent	-	134,634
Total Assets	\$ 208,206	719,162
LIABILITIES		
Accounts Payable	\$ 16,598	89,093
Deposits Payable	191,608	-
Interest Payable	-	62,441
Advances from the City	-	15,551,861
Bonds Payable	-	3,445,000
Total Liabilities	\$ 208,206	19,148,395
NET POSITION		
Net Position Held in Trust for Successor Agency		\$ (18,429,233)

The accompanying notes are an integral part of this statement.

City of La Puente
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

	<u>Successor Agency Private-Purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 570,391
Interest Income	<u>1,511</u>
Total Additions	<u>571,902</u>
DEDUCTIONS	
Administration and Pass-throughs	23,426
Interest on Advance from City	116,039
Interest on Bonds	<u>490,757</u>
Total Deductions	<u>630,222</u>
Change in Net Position	(58,320)
Net Position - Beginning of Year	<u>(18,370,913)</u>
Net Position - End of Year	<u><u>\$ (18,429,233)</u></u>

The accompanying notes are an integral part of this statement.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

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, 2018

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, 2018

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

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

The City reports the following major enterprise funds:

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

The City also reports the following fund types:

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

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

The Agency Funds are used to account for collection and payment of such items as performance bond deposits.

As 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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. The City pools cash from all funds in order to increase income earned through its investment program. Investment income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Investment income is allocated on a quarterly basis based on the weighted average cash balance in each fund.

F) 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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 related to the pension contributions in accordance with GASB Statement No. 68. 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 another, which is a result of the

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, *unavailable revenues*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 83 - Certain Asset Retirement Obligations: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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. It establishes a single model for lease

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 88 – Certain Disclosures Related to Debt: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

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, 2019.

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In addition, the City implemented the following GASB pronouncements as of June 30, 2018 (see Notes 9 and 12):

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions: This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

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.

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:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2018:

Statement of Net Position:	
Cash and Investments	\$ 19,314,264
Statement of Fiduciary Net Position:	
Cash and Investments	792,734
Cash and Investments with Fiscal Agent	<u>134,634</u>
 Total Cash and Investments	 <u><u>\$ 20,241,632</u></u>

Cash and investments as of June 30, 2018 consist of the following:

Petty Cash	\$ 2,200
Deposits with Financial Institutions	739,836
Investments	<u>19,499,596</u>
 Total Cash and Investments	 <u><u>\$ 20,241,632</u></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.

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25-60 Months	
U.S. Agency Securities	\$ -	\$ 491,570	\$ 3,657,700	\$ 4,149,270
Negotiable Certificates of Deposit	-	-	5,529,568	5,529,568
LAIF	8,956,334	-	-	8,956,334
Corporate Bonds	-	246,990	482,800	729,790
Held by Fiscal Agent:				
Money Market Mutual Funds	134,634	-	-	134,634
Total	\$ 9,090,968	\$ 738,560	\$ 9,670,068	\$ 19,499,596

Disclosures Relating to Credit Risk

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

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Year End		
			AAA/AA	A and A-1	Unrated
U.S. Agency Securities	\$ 4,149,270	N/A	\$ 4,149,270	\$ -	\$ -
Negotiable Certificates of Deposit	5,529,568	N/A	-	-	5,529,568
LAIF	8,956,334	N/A	-	-	8,956,334
Corporate Bonds	729,790	A	729,790	-	-
Held by Bond Trustee:					
Money Market Mutual Fund	134,634	N/A	134,634	-	-
Total	\$ 19,499,596		\$ 5,013,694	\$ -	\$ 14,485,902

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

At June 30, 2018, 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, including FHLB and FNMA.

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, 2018, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2018, 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, 2018:

- Federal Agency securities of \$4,149,270 are valued using a matrix pricing model (Level 2 inputs).
- Negotiable Certificates of Deposit of \$5,529,568 are valued using a matrix pricing model (Level 2 inputs).
- Corporate Bonds of \$729,790 are valued using a matrix pricing model (Level 2 inputs).

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

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, 2018, the General Fund is reporting \$204,338 as due from the other funds, consisting of the following: \$174,609 due from the CDBG Grant Fund, and \$29,729 due from other governmental funds. These outstanding balances between funds result from temporary borrowings to cover operating deficits.

Long-term Advances

As of June 30, 2018, the City's General Fund had advanced to the former Community Development Commission (CDC) \$15,551,861 (net of repayments), including interest receivable of \$4,201,229, to assist in redevelopment activities. In June 2011, Assembly Bill 26 (1st extraordinary session) dissolved the former CDC, effective (after some litigation on the matter) February 1, 2012. On April 26, 2013, the Department of Finance allowed the loan to be placed on the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation. The principal balance of the receivable of \$11,350,632 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 2017-18 fiscal year, the following interfund transfers were made: the General Fund transferred \$123,110 to the Housing Fund due to the Successor Agency loan repayment requirement to the City; the Measure R Fund transferred \$208,731 to the Capital Projects Fund for the payment of City of Industry loan.

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 \$1,502,848 at June 30, 2018 have been reflected in the accompanying financial statements as loans receivable.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

5) CAPITAL ASSETS

The following is a summary of changes in capital assets for the 2017-18 fiscal year:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 3,621,179	\$ -	\$ -	\$ 3,621,179
Construction in Progress	829,744	1,406,146	1,836,165	399,725
Total Capital Assets, Not Depreciated	<u>4,450,923</u>	<u>1,406,146</u>	<u>1,836,165</u>	<u>4,020,904</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	21,826,082	-	-	21,826,082
Equipment and Furniture	2,095,311	79,743	-	2,175,054
Infrastructure	36,427,044	1,836,165	-	38,263,209
Total Capital Assets, Depreciated	<u>60,348,437</u>	<u>1,915,908</u>	<u>-</u>	<u>62,264,345</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,736,711)	(882,911)	-	(10,619,622)
Equipment and Furniture	(1,297,037)	(134,241)	-	(1,431,278)
Infrastructure	(18,614,355)	(552,886)	-	(19,167,241)
Total Accumulated Depreciation	<u>(29,648,103)</u>	<u>(1,570,038)</u>	<u>-</u>	<u>(31,218,141)</u>
Net Capital Assets, Depreciated	<u>30,700,334</u>	<u>345,870</u>	<u>-</u>	<u>31,046,204</u>
Governmental Activities Capital Assets	<u>\$ 35,151,257</u>	<u>\$ 1,752,016</u>	<u>\$ 1,836,165</u>	<u>\$ 35,067,108</u>
Business-type Activities:				
Capital Assets, Not Depreciated				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets, Not Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets Being Depreciated:				
Sewer Collection System	11,213,960	-	-	11,213,960
Total Capital Assets, Depreciated	<u>11,213,960</u>	<u>-</u>	<u>-</u>	<u>11,213,960</u>
Less Accumulated Depreciation:				
Sewer Collection System	(698,088)	(186,899)	-	(884,987)
Net Capital Assets, Depreciated	<u>10,515,872</u>	<u>(186,899)</u>	<u>-</u>	<u>10,328,973</u>
Business-type Activities Capital Assets	<u>\$ 10,515,872</u>	<u>\$ (186,899)</u>	<u>\$ -</u>	<u>\$ 10,328,973</u>

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

General Government	\$ 21,961
Public Works	625,749
Recreation/Senior Services	786,919
Community Development	51,348
Capital Assets held by internal service funds are charged to the various functions their usage of the assets.	<u>84,061</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,570,038</u>

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital One Bank Loan	\$ 7,015,000	\$ -	\$ 7,015,000	\$ -	\$ -
City of Industry Loan Agreement	1,688,823	82,830	189,097	1,582,556	189,721
Compensated Absences	230,305	87,653	74,892	243,066	105,350
Net OPEB Obligation	1,584,946	-	1,584,946	-	-
Net OPEB Liability	-	3,781,675	-	3,781,675	-
Net Pension Liability	6,058,634	1,896,893	1,039,969	6,915,558	-
Total	<u>\$ 16,577,708</u>	<u>\$ 5,849,051</u>	<u>\$ 9,903,904</u>	<u>\$ 12,522,855</u>	<u>\$ 295,071</u>
Business-type Activities:					
2016 Sewer Refunding Bonds	\$ 9,010,000	\$ -	\$ 315,000	\$ 8,695,000	\$ 325,000
Total	<u>\$ 9,010,000</u>	<u>\$ -</u>	<u>\$ 315,000</u>	<u>\$ 8,695,000</u>	<u>\$ 325,000</u>

Bank Loan

In previous fiscal years, the City financed the construction and improvement of a community center and a youth learning activity center through a bank loan with Capital One Bank. Effective July 1, 2017, the City assumed control of the former Los Angeles County Lighting Maintenance District 1744 (District). As part of this transaction, the City received \$9.4 million from the County of Los Angeles. These funds represented amounts accumulated by the County for the District. In July of 2017, subsequent to receipt of these funds, the City paid off the outstanding Capital One Bank loan balance, including accrued interest of approximately \$17,600. Therefore, the loan has been removed from these financial statements.

Special Item

As noted above, the City received \$9.4 million from the County of Los Angeles as a result of a joint resolution approving the transfer of jurisdiction from the County Lighting Maintenance District #1744 to the City of La Puente Landscaping and Lighting District, and the detachment of the La Puente Zone from County Lighting District Landscaping and Lighting Act-1. The resolution approved a negotiated exchange of property tax revenue resulting from this transfer. The \$9.4 million received by the City has been reported as a special item in these financial statements.

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, 2018, the City had borrowed \$1,582,556 on this loan, net of \$189,097 in principal payments. The agreement provides for annual loan repayments of \$208,742, commencing November 1, 2017, assuming the entire \$5,952,908 is eventually borrowed. The following represents the future debt service requirements:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 189,721	\$ 19,021	\$ 208,742
2020	190,347	18,395	208,742
2021	190,975	17,766	208,741
2022	191,605	17,136	208,741
2023	192,238	16,504	208,742
2024-2028	970,747	72,961	1,043,708
2029-2033	986,870	56,838	1,043,708
2034-2038	1,003,260	121,446	1,124,706
2039-2043	1,019,925	23,784	1,043,709
2044-2047	828,123	6,844	834,967
Totals	<u>\$ 5,763,811</u>	<u>\$ 370,695</u>	<u>\$ 6,134,506</u>

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.

Pledged revenues for subsequent fiscal years through 2038 are estimated at \$11.5 million. This represents approximately 48% of the total revenues from the sewer system. The pledged revenues for the 2017-18 fiscal year amounted to approximately \$1 million, while the debt service requirements on the related debt were approximately \$575,000.

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 325,000	\$ 250,002	\$ 575,002
2020	335,000	240,333	575,333
2021	345,000	230,371	575,371
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	410,000	164,080	574,080
2028	420,000	151,921	571,921
2029	435,000	139,395	574,395
2030	450,000	126,430	576,430
2031	460,000	113,098	573,098
2032	475,000	99,400	574,400
2033	485,000	85,336	570,336
2034	505,000	70,833	575,833
2035	520,000	55,817	575,817
2036	530,000	40,434	570,434
2037	550,000	24,612	574,612
2038	565,000	8,277	573,277
Totals	<u>\$ 8,695,000</u>	<u>\$ 2,792,217</u>	<u>\$ 11,487,217</u>

Fiduciary Fund Long-term Liabilities

Long-term liabilities of the former La Puente CDC were transferred to the Successor Agency Private-purpose Trust Fund during 2011-12 as a result of the State's action to dissolve redevelopment agencies. The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Refunding Bonds:					
Series 2014A	\$ 3,550,000	\$ -	\$ 105,000	\$ 3,445,000	\$ 110,000
Total	<u>\$ 3,550,000</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 3,445,000</u>	<u>\$ 110,000</u>

2014A Tax Allocation Refunding Bonds

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES - Continued

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 to the La Puente Community Development Commission and are payable exclusively from Pledged Tax Revenues. The bonds are not a debt, liability or obligation of the City of La Puente (the "City"), the County of Los Angeles (the "County"), the State of California or any of its political subdivisions, other than the Commission. In no event shall the bonds be payable out of any funds or properties other than those of the Commission.

Future debt service requirements on the 2014A Tax Allocation Refunding Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 110,000	\$ 147,465	\$ 257,465
2020	115,000	142,571	257,571
2021	120,000	137,460	257,460
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	155,000	101,899	256,899
2028	160,000	95,048	255,048
2029	170,000	87,870	257,870
2030	180,000	80,257	260,257
2031	185,000	72,319	257,319
2032	195,000	64,054	259,054
2033	205,000	55,354	260,354
2034	215,000	46,219	261,219
2035	220,000	36,758	256,758
2036	235,000	26,861	261,861
2037	245,000	16,421	261,421
2038	255,000	5,546	260,546
Totals	<u>\$ 3,445,000</u>	<u>\$ 1,718,794</u>	<u>\$ 5,163,794</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 City of La Puente is a member of the California Joint Power Insurance Authority (Authority). The Authority was organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

7) RISK MANAGEMENT - Continued

purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the Authority

Each member pays an annual contribution 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.

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

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 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. Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$40 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 \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

7) RISK MANAGEMENT - Continued

For 2017-18 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of La Puente participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Puente. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of La Puente participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of La Puente property is currently insured according to a schedule of covered property submitted by the City of La Puente to the Authority. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

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

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City of La Puente further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Puente according to a schedule. The City of La Puente then pays for the insurance. The insurance is 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 2017-18.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

7) RISK MANAGEMENT - Continued

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.

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, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2016 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, 2018, are summarized as follows:

	Miscellaneous Prior to January 1, 2013	Misc. PEPRA On or after 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%
Required employer contribution rates	11.974% + \$316,943	7.170%

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

8) PENSION PLAN - Continued

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 \$316,943 in fiscal year 2018. The City’s contributions to the Plan for the year ended June 30, 2018 were \$458,034.

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

As of June 30, 2018, the City reported a liability of \$6,915,558 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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.17441%
Proportion - June 30, 2017	0.17543%
Change - Increase (Decrease)	0.00102%

For the year ended June 30, 2018, the City recognized pension expense of \$1,039,969. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 458,034	\$ -
Differences between actual and expected experience	-	98,690
Changes in assumptions	848,767	-
Differences between employer's contributions and proportionate share of contributions	-	199,292
Change in employer's proportions	154,577	-
Net differences between projected and actual earnings on plan investments	207,801	-
Total	\$ 1,669,179	\$ 297,982

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

8) PENSION PLAN - Continued

Items reported in the amount of \$458,034 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2019	\$ 215,805
2020	524,863
2021	295,870
2022	(123,375)
2023	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
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 underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

8) PENSION PLAN - Continued

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%

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

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

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

The following presents the City's proportionate share of the net pension liability for 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	\$ 9,944,278
Current Discount Rate	7.15%
Net Pension Liability	\$ 6,915,558
1% Increase	8.15%
Net Pension Liability	\$ 4,407,117

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

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

8) PENSION PLAN - Continued

Payable to the Pension Plan

At June 30, 2018, the City reported no payables due to the pension plan, for outstanding contributions required for the year ended June 30, 2018.

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:

	Eligible Employees
Benefit types provided	Medical, dental, vision
Duration of Benefits	Lifetime
Required Service	10 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, 2017 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	28
Active employees	26
	54

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, 2018, the City’s cash contributions were \$284,077 in payments to the trust and the payments for retiree health benefits was \$284,202 resulting in total payments of \$568,279. In a prior fiscal year, the City created a trust account with the California Public Employers’ Retiree Benefit Trust (CERBT).

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

9) OTHER POST EMPLOYMENT BENEFITS - Continued

Net OPEB Liability - The City's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
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%

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
US Large Cap	43%	7.950%
US Small Cap	23%	7.950%
Long-term Corporate Bonds	12%	5.295%
Long-term Government Bonds	6%	4.500%
Treasury Inflation Protected Securities (TIPS)	5%	7.950%
US Real Estate	8%	7.950%
All Commodities	3%	7.950%
Total	<u>100.00%</u>	

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.

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

9) OTHER POST EMPLOYMENT BENEFITS - Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2016	\$ 3,938,130	\$ 226,135	\$ 3,711,995
Changes in the year:			
Service cost	97,193	-	97,193
Interest on the total OPEB liability	269,417	-	269,417
Employer Contributions	-	273,151	(273,151)
Employee Contributions	-	-	-
Actual Investment Income	-	23,980	(23,980)
Administrative Expense	-	(201)	201
Benefit payments, including refunds	(273,151)	(273,151)	-
Other	-	-	-
Net changes	93,459	23,779	69,680
Balance at June 30, 2017	\$ 4,031,589	\$ 249,914	\$ 3,781,675

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:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB liability (asset)	\$ 4,213,889	\$ 3,781,675	\$ 3,419,504

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 (3%)	Trend - No Change (4%)	1% Increase (5%)
Net OPEB liability (asset)	\$ 3,463,859	\$ 3,781,675	\$ 4,153,773

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 Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$342,831. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of La Puente
Notes to Financial Statements
Year Ended June 30, 2018

9) OTHER POST EMPLOYMENT BENEFITS – Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to the Measurement Date	\$ 568,279	\$ -
Changes of Assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	-
Total	<u>\$ 568,279</u>	<u>\$ -</u>

The \$568,279 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2019.

10) FUND BALANCES

Details of the City's governmental fund balances at June 30, 2018, are presented below:

	<u>General Fund</u>	<u>CDBG Grant Fund</u>	<u>Lighting and Maintenance Landscape District</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Prepaid Costs	\$ 24,016	\$ -	\$ -	\$ -	\$ 24,016
Long-term Advances	11,350,632	-	-	-	11,350,632
Restricted for:					
Lighting and Landscape	-	-	2,335,757	-	2,335,757
Low Income Housing	-	-	-	1,537,141	1,537,141
Traffic Safety	-	-	-	19,263	19,263
Police	-	-	-	661	661
PEG Access	-	-	-	165,841	165,841
Street Projects	-	-	-	2,160,259	2,160,259
Air Pollution Reduction Measures	-	-	-	210,696	210,696
Transportation	-	-	-	578,737	578,737
Unassigned	<u>7,997,394</u>	<u>(12,812)</u>	<u>-</u>	<u>(52,938)</u>	<u>7,931,644</u>
Total Fund Balance	<u>\$ 19,372,042</u>	<u>\$ (12,812)</u>	<u>\$ 2,335,757</u>	<u>\$ 4,619,660</u>	<u>\$ 26,314,647</u>

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, 2018

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.

The estimated amount of remaining construction contract obligations at year-end is \$134,975.

12) PRIOR PERIOD ADJUSTMENTS

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2017-18. As a result, the beginning net position in the Statement of Activities was restated to reduce net position by \$2,127,049, to reflect the cumulative effect of applying this statement.

REQUIRED SUPPLEMENTARY INFORMATION

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2018

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

	Measurement Period
	2017
Total OPEB Liability	
Service cost	\$ 97,193
Interest on total OPEB liability	269,417
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds	(273,151)
Net change in total OPEB liability	93,459
Total OPEB liability - beginning	3,938,130
Total OPEB liability - ending (a)	\$ 4,031,589
Plan Fiduciary Net Position	
Contributions - employer	\$ 273,151
Actual Investment Income	23,980
Benefit payments	(273,151)
Administrative Expense	(201)
Net change in plan fiduciary net position	23,779
Plan fiduciary net position - beginning	226,135
Plan fiduciary net position - ending (b)	\$ 249,914
Net OPEB liability - ending (a) - (b)	\$ 3,781,675
Plan fiduciary net position as a percentage of the total OPEB liability	6.20%
Covered - employee payroll	\$ 1,732,444
Net OPEB liability as a percentage of covered-employee payroll	218.29%

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: None

*Fiscal year 2018 was the first year of implementation, therefore, not all 10 years of information is available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2018

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
2018	\$ 284,077	\$ (568,279)	\$ (284,202)	\$ 1,732,444	16.40%

*Fiscal year 2018 was the first year of implementation, therefore, not all 10 years of information is available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2018

**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 Employee Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
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, not all 10 years of information are available.

City of La Puente
Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of Plan Contributions
Last 10 Years*

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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, 6/30/2016

Changes in Assumptions: None.

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

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,182,200	\$ 10,182,200	\$ 10,485,360	\$ 303,160
Licenses and Permits	517,300	517,300	968,625	451,325
Intergovernmental	56,900	56,900	60,365	3,465
Charges for Services	671,400	671,400	947,098	275,698
Fines and Forfeitures	335,000	335,000	334,811	(189)
Investment Income	75,000	75,000	(127,230)	(202,230)
Other Revenue	64,000	64,000	27,633	(36,367)
Total Revenues	11,901,800	11,901,800	12,696,662	794,862
EXPENDITURES				
Current:				
General Government	2,499,450	2,416,350	2,372,394	43,956
Public Safety	6,723,600	6,733,600	6,891,729	(158,129)
Public Works	452,000	452,000	467,330	(15,330)
Recreation/Senior Services	1,224,000	1,273,800	1,207,305	66,495
Community Development	1,002,750	1,026,050	1,300,220	(274,170)
Capital Outlay	825,000	825,000	414,614	410,386
Total Expenditures	12,726,800	12,726,800	12,653,592	73,208
Excess (Deficiency) of Revenues over Expenditures	(825,000)	(825,000)	43,070	868,070
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(123,110)	(123,110)
Total Other Financing Sources (Uses)	-	-	(123,110)	(123,110)
Net Change in Fund Balances	(825,000)	(825,000)	(80,040)	744,960
Fund Balance, Beginning of Year	19,452,082	19,452,082	19,452,082	-
Fund Balance, End of Year	<u>\$ 18,627,082</u>	<u>\$ 18,627,082</u>	<u>\$ 19,372,042</u>	<u>\$ 744,960</u>

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - CDBG Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Orinal	Final		
REVENUES				
Intergovernmental	\$ 392,900	\$ 392,900	\$ 595,132	\$ 202,232
Investment Income	2,500	2,500	1,712	(788)
Total Revenues	<u>395,400</u>	<u>395,400</u>	<u>596,844</u>	<u>201,444</u>
EXPENDITURES				
Current:				
Community Development	388,100	388,100	400,971	(12,871)
Capital Outlay	275,000	310,000	206,578	103,422
Total Expenditures	<u>663,100</u>	<u>698,100</u>	<u>607,549</u>	<u>90,551</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(267,700)</u>	<u>(302,700)</u>	<u>(10,705)</u>	<u>291,995</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(267,700)	(302,700)	(10,705)	291,995
Fund Balance, Beginning of Year	<u>(2,107)</u>	<u>(2,107)</u>	<u>(2,107)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (269,807)</u>	<u>\$ (304,807)</u>	<u>\$ (12,812)</u>	<u>\$ 291,995</u>

City of La Puente
Budgetary Comparison Schedule
Budget and Actual - Lighting and Landscape Maintenance District Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Orinal	Final		
REVENUES				
Taxes	\$ 700,000	\$ 700,000	\$ 749,082	\$ 49,082
Investment Income	-	-	32,888	32,888
Total Revenues	<u>700,000</u>	<u>700,000</u>	<u>781,970</u>	<u>81,970</u>
EXPENDITURES				
Current:				
Community Development	443,500	644,170	678,918	(34,748)
Capital Outlay	3,190,000	3,360,305	219,342	3,140,963
Debt Service:				
Interest and Fiscal Charges	-	-	17,636	(17,636)
Principal	<u>7,345,000</u>	<u>7,345,000</u>	<u>7,015,000</u>	<u>330,000</u>
Total Expenditures	<u>10,978,500</u>	<u>11,349,475</u>	<u>7,930,896</u>	<u>3,418,579</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(10,278,500)</u>	<u>(10,649,475)</u>	<u>(7,148,926)</u>	<u>3,500,549</u>
SPECIAL ITEM				
Proceeds from Los Angeles County Lighting Maintenance District	<u>10,208,000</u>	<u>10,208,000</u>	<u>9,484,683</u>	<u>(723,317)</u>
Net Change in Fund Balance	(70,500)	(441,475)	2,335,757	2,777,232
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ (70,500)</u>	<u>\$ (441,475)</u>	<u>\$ 2,335,757</u>	<u>\$ 2,777,232</u>

City of La Puente
Notes to Required Supplementary Information
Year Ended June 30, 2018

BUDGETS AND BUDGETARY ACCOUNTING

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

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.
- The City Council approves total budgeted appropriations. The appropriated budget is prepared by fund, program and activity. Each program of the City represents a separate government function, namely: general government, public safety, transportation, culture and leisure, community development and redevelopment and housing. Accordingly, each program of the City has been identified as a separate line item in the accompanying combined statement of revenues, expenditures and changes in fund balances. The City Manager is authorized to make appropriation transfers from one activity to another leaving the total fund appropriation unchanged within the same fund. City Council approves all other amendments to appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the fund level. Budget figures used in the financial statements are the final adjusted amounts. During the fiscal year 2017-2018, the City Council made various supplemental budgetary appropriations, increasing the Lighting and Landscape Maintenance District Fund appropriations by approximately \$371,000.
- 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, 2018, 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, 2018

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

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

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

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

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

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

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.

STPL Grant Fund - To account for restricted grant funds received for various projects.

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.

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

City of La Puente
Other Governmental Funds
June 30, 2018

SPECIAL REVENUE FUNDS – Continued

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

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

Miscellaneous Grants Fund - To account for the various grants restricted for specific purposes.

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.

CAPITAL PROJECTS FUND

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

City of La Puente
Combining Balance Sheet
Other Governmental Funds
June 30, 2018

	Gas Tax	Measure M	Prop C	Asset Seizure
ASSETS				
Cash and Investments	\$ 151,463	\$ 428,920	\$ 1,098,440	\$ 661
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	85,744	-	-	-
	<u>237,207</u>	<u>428,920</u>	<u>1,098,440</u>	<u>661</u>
Total Assets	<u>\$ 237,207</u>	<u>\$ 428,920</u>	<u>\$ 1,098,440</u>	<u>\$ 661</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 73,833	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
	<u>73,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>73,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	163,374	428,920	1,098,440	661
Unassigned	-	-	-	-
	<u>163,374</u>	<u>428,920</u>	<u>1,098,440</u>	<u>661</u>
Total Fund Balances	<u>163,374</u>	<u>428,920</u>	<u>1,098,440</u>	<u>661</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 237,207</u>	<u>\$ 428,920</u>	<u>\$ 1,098,440</u>	<u>\$ 661</u>

<u>PEG Access</u>	<u>State COPS</u>	<u>Office of Traffic Safety</u>	<u>JAG Grant</u>	<u>Cal-HOME Grant</u>	<u>STPL Grant</u>	<u>Air Quality Improvement</u>
\$ 157,271	\$ -	\$ 19,263	\$ -	\$ 442,373	\$ -	\$ 197,377
22,021	-	-	-	-	-	-
-	-	-	-	971,658	-	-
-	-	-	-	-	-	-
-	48,747	-	-	-	-	13,319
<u>\$ 179,292</u>	<u>\$ 48,747</u>	<u>\$ 19,263</u>	<u>\$ -</u>	<u>\$ 1,414,031</u>	<u>\$ -</u>	<u>\$ 210,696</u>
\$ 13,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
13,451	-	-	-	-	-	-
-	48,747	-	-	-	-	-
-	48,747	-	-	-	-	-
165,841	-	19,263	-	1,414,031	-	210,696
-	-	-	-	-	-	-
165,841	-	19,263	-	1,414,031	-	210,696
<u>\$ 179,292</u>	<u>\$ 48,747</u>	<u>\$ 19,263</u>	<u>\$ -</u>	<u>\$ 1,414,031</u>	<u>\$ -</u>	<u>\$ 210,696</u>

Continued

City of La Puente
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2018

	<u>Measure R</u>	<u>Prop. A Transportation</u>	<u>Local Transportation</u>	<u>HSIP Grant</u>
ASSETS				
Cash and Investments	\$ 476,055	\$ 649,742	\$ -	\$ -
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Due From Other Funds	1,027	-	-	-
Due From Other Governments	-	-	-	37,182
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,182</u>
Total Assets	<u>\$ 477,082</u>	<u>\$ 649,742</u>	<u>\$ -</u>	<u>\$ 37,182</u>
LIABILITIES				
Accounts Payable	\$ 5,503	\$ 73,059	\$ -	\$ 37,182
Due to Other Funds	-	-	-	1,027
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,027</u>
Total Liabilities	<u>5,503</u>	<u>73,059</u>	<u>-</u>	<u>38,209</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	37,182
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,182</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,182</u>
FUND BALANCES				
Restricted	471,579	576,683	-	-
Unassigned	-	-	-	(38,209)
	<u>471,579</u>	<u>576,683</u>	<u>-</u>	<u>(38,209)</u>
Total Fund Balances	<u>471,579</u>	<u>576,683</u>	<u>-</u>	<u>(38,209)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 477,082</u>	<u>\$ 649,742</u>	<u>\$ -</u>	<u>\$ 37,182</u>

<u>Safe Routes to School</u>	<u>Miscellaneous Grants</u>	<u>Housing</u>	<u>Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ 123,110	\$ -	\$ 3,744,675
-	-	-	-	22,021
-	-	-	-	971,658
-	-	-	-	1,027
-	29,729	-	-	214,721
<u>\$ -</u>	<u>\$ 29,729</u>	<u>\$ 123,110</u>	<u>\$ -</u>	<u>\$ 4,954,102</u>
\$ -	\$ -	\$ -	\$ -	\$ 203,028
-	29,729	-	-	30,756
-	29,729	-	-	233,784
-	14,729	-	-	100,658
-	14,729	-	-	100,658
-	-	123,110	-	4,672,598
-	(14,729)	-	-	(52,938)
-	(14,729)	123,110	-	4,619,660
<u>\$ -</u>	<u>\$ 29,729</u>	<u>\$ 123,110</u>	<u>\$ -</u>	<u>\$ 4,954,102</u>

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2018

	Gas Tax	Measure M	Prop C	Asset Seizure
REVENUES				
Intergovernmental	\$ 1,088,474	\$ 425,551	\$ 624,305	\$ -
Charges for Services	-	-	-	-
Investment Income	2,092	3,369	13,861	9
Total Revenues	<u>1,090,566</u>	<u>428,920</u>	<u>638,166</u>	<u>9</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	882,908	-	-	-
Community Development	-	-	-	-
Capital Outlay	210,642	-	85,493	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal	-	-	-	-
Total Expenditures	<u>1,093,550</u>	<u>-</u>	<u>85,493</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,984)</u>	<u>428,920</u>	<u>552,673</u>	<u>9</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,984)	428,920	552,673	9
Fund Balances, Beginning of Year	<u>166,358</u>	<u>-</u>	<u>545,767</u>	<u>652</u>
Fund Balances, End of Year	<u>\$ 163,374</u>	<u>\$ 428,920</u>	<u>\$ 1,098,440</u>	<u>\$ 661</u>

<u>PEG Access</u>	<u>State COPS</u>	<u>Office of Traffic Safety</u>	<u>JAG Grant</u>	<u>Cal-HOME Grant</u>	<u>STPL Grant</u>	<u>Air Quality Improvement</u>
\$ -	\$ 139,416	\$ -	\$ 8,169	\$ 38,778	\$ -	\$ 51,795
45,002	-	-	-	-	-	-
2,227	-	280	-	6,685	-	2,558
<u>47,229</u>	<u>139,416</u>	<u>280</u>	<u>8,169</u>	<u>45,463</u>	<u>-</u>	<u>54,353</u>
13,314	-	-	-	-	-	-
-	139,416	-	8,172	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,497	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>26,811</u>	<u>139,416</u>	<u>-</u>	<u>8,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,418</u>	<u>-</u>	<u>280</u>	<u>(3)</u>	<u>45,463</u>	<u>-</u>	<u>54,353</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,418</u>	<u>-</u>	<u>280</u>	<u>(3)</u>	<u>45,463</u>	<u>-</u>	<u>54,353</u>
<u>145,423</u>	<u>-</u>	<u>18,983</u>	<u>3</u>	<u>1,368,568</u>	<u>-</u>	<u>156,343</u>
<u>\$ 165,841</u>	<u>\$ -</u>	<u>\$ 19,263</u>	<u>\$ -</u>	<u>\$ 1,414,031</u>	<u>\$ -</u>	<u>\$ 210,696</u>

Continued

City of La Puente
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2018

	<u>Measure R</u>	<u>Prop. A Transportation</u>	<u>Local Transportation</u>	<u>HSIP Grant</u>
REVENUES				
Intergovernmental	\$ 469,584	\$ 755,849	\$ -	\$ 707,491
Charges for Services	-	133,564	-	-
Investment Income	10,094	9,074	-	-
	<u>479,678</u>	<u>898,487</u>	<u>-</u>	<u>707,491</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Community Development	-	871,090	-	-
Capital Outlay	693,884	-	-	745,700
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Principal	-	-	-	-
	<u>693,884</u>	<u>871,090</u>	<u>-</u>	<u>745,700</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(214,206)</u>	<u>27,397</u>	<u>-</u>	<u>(38,209)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(208,731)	-	-	-
	<u>(208,731)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(422,937)	27,397	-	(38,209)
Fund Balances, Beginning of Year	894,516	549,286	-	-
Fund Balances, End of Year	<u>\$ 471,579</u>	<u>\$ 576,683</u>	<u>\$ -</u>	<u>\$ (38,209)</u>

<u>Safe Routes to School</u>	<u>Miscellaneous Grants</u>	<u>Housing</u>	<u>Capital Projects</u>	<u>Total</u>
\$ -	\$ 15,000	\$ -	\$ -	\$ 4,324,412
-	-	-	-	178,566
-	-	-	-	50,249
-	15,000	-	-	4,553,227
-	3,229	-	-	16,543
-	-	-	-	147,588
-	-	-	-	882,908
-	26,500	-	-	897,590
-	-	-	82,829	1,832,045
-	-	-	19,645	19,645
-	-	-	189,097	189,097
-	29,729	-	291,571	3,985,416
-	(14,729)	-	(291,571)	567,811
-	-	-	82,830	82,830
-	-	123,110	208,731	331,841
-	-	-	-	(208,731)
-	-	123,110	291,561	205,940
-	(14,729)	123,110	(10)	773,751
-	-	-	10	3,845,909
<u>\$ -</u>	<u>\$ (14,729)</u>	<u>\$ 123,110</u>	<u>\$ -</u>	<u>\$ 4,619,660</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 854,900	\$ 1,088,474	\$ 233,574
Investment Income	3,000	2,092	(908)
	<u>857,900</u>	<u>1,090,566</u>	<u>232,666</u>
EXPENDITURES			
Current:			
Public Works	872,500	882,908	(10,408)
Capital Outlay	210,000	210,642	(642)
	<u>1,082,500</u>	<u>1,093,550</u>	<u>(642)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(224,600)</u>	<u>(2,984)</u>	<u>221,616</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(224,600)	(2,984)	221,616
Fund Balance, Beginning of Year	<u>166,358</u>	<u>166,358</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (58,242)</u>	<u>\$ 163,374</u>	<u>\$ 221,616</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2018

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 477,400	\$ 425,551	\$ (51,849)
Investment Income	-	3,369	3,369
Total Revenues	<u>477,400</u>	<u>428,920</u>	<u>(48,480)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>425,000</u>	<u>-</u>	<u>425,000</u>
Total Expenditures	<u>425,000</u>	<u>-</u>	<u>425,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>52,400</u>	<u>428,920</u>	<u>376,520</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	52,400	428,920	376,520
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 52,400</u></u>	<u><u>\$ 428,920</u></u>	<u><u>\$ 376,520</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 623,500	\$ 624,305	\$ 805
Investment Income	5,000	13,861	8,861
	<u>628,500</u>	<u>638,166</u>	<u>9,666</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	1,067,000	85,493	981,507
	<u>1,067,000</u>	<u>85,493</u>	<u>981,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(438,500)</u>	<u>552,673</u>	<u>991,173</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(438,500)	552,673	991,173
Fund Balance, Beginning of Year	<u>545,767</u>	<u>545,767</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 107,267</u>	<u>\$ 1,098,440</u>	<u>\$ 991,173</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Seizure Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 9	\$ 9
Total Revenues	<u>-</u>	<u>9</u>	<u>9</u>
EXPENDITURES			
Current:			
Public Safety	<u>1,700</u>	<u>-</u>	<u>1,700</u>
Total Expenditures	<u>1,700</u>	<u>-</u>	<u>1,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,700)</u>	<u>9</u>	<u>1,709</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	(1,700)	9	1,709
Fund Balance, Beginning of Year	<u>652</u>	<u>652</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (1,048)</u>	<u>\$ 661</u>	<u>\$ 1,709</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - PEG Access Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 22,000	\$ 45,002	\$ 23,002
Investment Income	800	2,227	1,427
	<u>22,800</u>	<u>47,229</u>	<u>24,429</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	19,100	13,314	5,786
Capital Outlay	75,000	13,497	61,503
	<u>94,100</u>	<u>26,811</u>	<u>67,289</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(71,300)</u>	<u>20,418</u>	<u>91,718</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(71,300)	20,418	91,718
Fund Balance, Beginning of Year	<u>145,423</u>	<u>145,423</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 74,123</u>	<u>\$ 165,841</u>	<u>\$ 91,718</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State COPS Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 100,000	\$ 139,416	\$ 39,416
Investment Income	-	-	-
Total Revenues	<u>100,000</u>	<u>139,416</u>	<u>39,416</u>
EXPENDITURES			
Current:			
Public Safety	-	139,416	(139,416)
Total Expenditures	<u>-</u>	<u>139,416</u>	<u>(139,416)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(100,000)	-	100,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
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 - Office of Traffic Safety Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	-	280	280
	<u>-</u>	<u>280</u>	<u>280</u>
Total Revenues	-	280	280
EXPENDITURES			
Current:			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	280	280
	<u>-</u>	<u>280</u>	<u>280</u>
Net Change in Fund Balances	-	280	280
Fund Balance, Beginning of Year	18,983	18,983	-
	<u>18,983</u>	<u>18,983</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 18,983</u>	<u>\$ 19,263</u>	<u>\$ 560</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - JAG Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 10,000	\$ 8,169	\$ (1,831)
Investment Income	-	-	-
	10,000	8,169	(1,831)
EXPENDITURES			
Current:			
Public Safety	10,000	8,172	1,828
	10,000	8,172	1,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3)	(3)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	-	-	-
Net Change in Fund Balances	-	(3)	(3)
Fund Balance, Beginning of Year	3	3	-
Fund Balance, End of Year	\$ 3	\$ -	\$ (3)

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cal-HOME Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 227,000	\$ 38,778	\$ (188,222)
Investment Income	2,000	6,685	4,685
	<u>229,000</u>	<u>45,463</u>	<u>(183,537)</u>
EXPENDITURES			
Current:			
Community Development	232,000	-	232,000
Total Expenditures	<u>232,000</u>	<u>-</u>	<u>232,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,000)</u>	<u>45,463</u>	<u>48,463</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,000)	45,463	48,463
Fund Balance, Beginning of Year	<u>1,368,568</u>	<u>1,368,568</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,365,568</u>	<u>\$ 1,414,031</u>	<u>\$ 48,463</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - STPL Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
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>-</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 - Air Quality Improvement Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 55,000	\$ 51,795	\$ (3,205)
Investment Income	500	2,558	2,058
	<u>55,500</u>	<u>54,353</u>	<u>(1,147)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	55,000	-	55,000
	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>500</u>	<u>54,353</u>	<u>53,853</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	500	54,353	53,853
Fund Balance, Beginning of Year	<u>156,343</u>	<u>156,343</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 156,843</u></u>	<u><u>\$ 210,696</u></u>	<u><u>\$ 53,853</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 467,600	\$ 469,584	\$ 1,984
Investment Income	3,000	10,094	7,094
	<u>470,600</u>	<u>479,678</u>	<u>9,078</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	1,131,000	693,884	437,116
	<u>1,131,000</u>	<u>693,884</u>	<u>437,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(660,400)</u>	<u>(214,206)</u>	<u>446,194</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(208,800)	(208,731)	69
	<u>(208,800)</u>	<u>(208,731)</u>	<u>69</u>
Net Change in Fund Balances	(869,200)	(422,937)	446,263
Fund Balance, Beginning of Year	894,516	894,516	-
Fund Balance, End of Year	<u>\$ 25,316</u>	<u>\$ 471,579</u>	<u>\$ 446,263</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 751,700	\$ 755,849	\$ 4,149
Charges for Services	142,800	133,564	(9,236)
Investment Income	6,000	9,074	3,074
	<u>900,500</u>	<u>898,487</u>	<u>(2,013)</u>
EXPENDITURES			
Current:			
Community Development	1,004,700	871,090	133,610
Capital Outlay	-	-	-
	<u>1,004,700</u>	<u>871,090</u>	<u>133,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,200)</u>	<u>27,397</u>	<u>131,597</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(104,200)	27,397	131,597
Fund Balance, Beginning of Year	<u>549,286</u>	<u>549,286</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 445,086</u></u>	<u><u>\$ 576,683</u></u>	<u><u>\$ 131,597</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 34,000	\$ -	\$ (34,000)
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>34,000</u>	<u>-</u>	<u>(34,000)</u>
EXPENDITURES			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,000</u>	<u>-</u>	<u>(34,000)</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	34,000	-	(34,000)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 34,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (34,000)</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HSIP Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		(Negative)
REVENUES			
Intergovernmental	\$ 874,600	\$ 707,491	\$ (167,109)
Investment Income	-	-	-
	874,600	707,491	(167,109)
Total Revenues	874,600	707,491	(167,109)
EXPENDITURES			
Current:			
General Government	-	-	-
Capital Outlay	874,600	745,700	128,900
	874,600	745,700	128,900
Total Expenditures	874,600	745,700	128,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(38,209)	(38,209)
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	(38,209)	(38,209)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ (38,209)	\$ (38,209)

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Miscellaneous Grants Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 15,000	\$ 15,000
Investment Income	-	-	-
Total Revenues	<u>-</u>	<u>15,000</u>	<u>15,000</u>
EXPENDITURES			
Current:			
General Government	-	3,229	(3,229)
Community Development	-	26,500	(26,500)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>29,729</u>	<u>(29,729)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(14,729)</u>	<u>(14,729)</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	-	(14,729)	(14,729)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ (14,729)</u></u>	<u><u>\$ (14,729)</u></u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u> </u>	Variance with Final Budget Positive (Negative) <u> </u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	123,110	123,110
	<u>-</u>	<u>123,110</u>	<u>123,110</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>123,110</u>	<u>123,110</u>
Net Change in Fund Balances	-	123,110	123,110
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 123,110</u>	<u>\$ 123,110</u>

City of La Puente
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Capital Outlay	4,784,100	82,829	4,701,271
Debt Service:			
Interest and Fiscal Charges	19,703	19,645	58
Principal	189,097	189,097	-
	<u>4,992,900</u>	<u>291,571</u>	<u>4,701,329</u>
Total Expenditures	<u>4,992,900</u>	<u>291,571</u>	<u>4,701,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,992,900)</u>	<u>(291,571)</u>	<u>4,701,329</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	4,384,100	82,830	(4,301,270)
Transfers In	208,800	208,731	(69)
	<u>4,592,900</u>	<u>291,561</u>	<u>(4,301,339)</u>
Total Other Financing Sources (Uses)	<u>4,592,900</u>	<u>291,561</u>	<u>(4,301,339)</u>
Net Change in Fund Balances	(400,000)	(10)	399,990
Fund Balance, Beginning of Year	10	10	-
	<u>10</u>	<u>10</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (399,990)</u>	<u>\$ -</u>	<u>\$ 399,990</u>

City of La Puente
Fiduciary Funds
June 30, 2018

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

City of La Puente
Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended June 30, 2018

<u>DEPOSITS</u>	<u>Balance at</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2018</u>
ASSETS				
Cash and Investments	\$ 115,278	\$ 134,610	\$ 41,682	\$ 208,206
Total Assets	<u>\$ 115,278</u>	<u>\$ 134,610</u>	<u>\$ 41,682</u>	<u>\$ 208,206</u>
LIABILITIES				
Accounts Payable	\$ 4,178	\$ 54,000	\$ 41,580	\$ 16,598
Deposits	111,100	127,528	47,020	191,608
Total Liabilities	<u>\$ 115,278</u>	<u>\$ 181,528</u>	<u>\$ 88,600</u>	<u>\$ 208,206</u>



STATISTICAL SECTION

City of La Puente
Description of Statistical Section Contents
June 30, 2018

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	96
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	106
<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	111
<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	115
<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	118

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

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities:				
Net investment in capital assets	\$ 16,983,727	\$ 16,092,239	\$ 16,941,283	\$ 24,660,544
Restricted for:				
Public Safety	46,084	54,421	32,625	132,778
Public Works	1,507,413	962,696	2,352,679	3,480,766
Community Development	1,370,161	1,095,201	933,572	648,165
Redevelopment and Housing	240,029	197,844	83,571	-
Debt Service	1,337,441	-	-	-
Total Restricted	4,501,128	2,310,162	3,402,447	4,261,709
Unrestricted	20,112,358	14,822,183	12,840,852	6,826,170
Total governmental activities net position	<u>\$ 41,597,213</u>	<u>\$ 33,224,584</u>	<u>\$ 33,184,582</u>	<u>\$ 35,748,423</u>
 Business-type Activities				
Net investment in capital assets	\$ -	\$ (1,115,652)	\$ 2,754	\$ 198,502
Restricted	1,771,347	3,590,394	3,049,730	4,072,131
Total business-type activities net position	<u>\$ 1,771,347</u>	<u>\$ 2,474,742</u>	<u>\$ 3,052,484</u>	<u>\$ 4,270,633</u>
 Primary Government				
Net investment in capital assets	\$ 16,983,727	\$ 14,976,587	\$ 16,944,037	\$ 24,859,046
Restricted	6,272,475	5,900,556	6,452,177	8,333,840
Unrestricted	20,112,358	14,822,183	12,840,852	6,826,170
Total Primary Government Net Position	<u>\$ 43,368,560</u>	<u>\$ 35,699,326</u>	<u>\$ 36,237,066</u>	<u>\$ 40,019,056</u>

Source: Statement of Net Position

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 26,030,656	\$ 27,186,259	\$ 27,804,320	\$ 27,632,187	\$ 26,447,434	\$ 33,484,552	
133,966	38,823	30,021	23,020	19,638	19,924	
3,343,118	2,278,943	2,934,848	1,585,690	1,606,651	1,025,664	
510,581	723,622	1,041,358	1,310,428	2,061,170	4,479,500	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>3,987,665</u>	<u>3,041,388</u>	<u>4,006,227</u>	<u>2,919,138</u>	<u>3,687,459</u>	<u>5,525,088</u>	
<u>6,431,855</u>	<u>5,316,550</u>	<u>15,107,425</u>	<u>17,428,553</u>	<u>16,917,773</u>	<u>16,458,039</u>	
<u>\$ 36,450,176</u>	<u>\$ 35,544,197</u>	<u>\$ 46,917,972</u>	<u>\$ 47,979,878</u>	<u>\$ 47,052,666</u>	<u>\$ 55,467,679</u>	
\$ -	\$ 2,070,787	\$ 2,104,573	\$ 2,148,360	\$ 1,505,872	\$ 2,219,774	
<u>4,714,234</u>	<u>3,250,778</u>	<u>3,654,183</u>	<u>4,010,624</u>	<u>5,115,463</u>	<u>4,935,754</u>	
<u>\$ 4,714,234</u>	<u>\$ 5,321,565</u>	<u>\$ 5,758,756</u>	<u>\$ 6,158,984</u>	<u>\$ 6,621,335</u>	<u>\$ 7,155,528</u>	
\$ 26,030,656	\$ 29,257,046	\$ 29,908,893	\$ 29,780,547	\$ 27,953,306	\$ 35,704,326	
8,701,899	6,292,166	7,660,410	6,929,762	8,802,922	10,460,842	
<u>6,431,855</u>	<u>5,316,550</u>	<u>15,107,425</u>	<u>17,428,553</u>	<u>16,917,773</u>	<u>16,458,039</u>	
<u>\$ 41,164,410</u>	<u>\$ 40,865,762</u>	<u>\$ 52,676,728</u>	<u>\$ 54,138,862</u>	<u>\$ 53,674,001</u>	<u>\$ 62,623,207</u>	

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental activities:				
General Government	\$ 2,278,010	\$ 2,451,276	\$ 3,007,718	\$ 2,541,017
Public Safety	4,740,092	4,666,557	4,874,645	4,845,030
Public Works	2,199,934	2,241,821	1,913,164	1,780,147
Recreation/Senior Services	1,620,980	1,818,721	1,742,028	1,675,871
Community Development	2,351,984	2,591,842	2,783,759	2,206,673
Redevelopment and Housing	633,713	9,045,803	433,232	185,562
Interest on Long-Term Debt	866,783	796,115	848,724	723,961
Total governmental activities expenses	<u>14,691,496</u>	<u>23,612,135</u>	<u>15,603,270</u>	<u>13,958,261</u>
Business-type activities:				
Sewer Maintenance	356,205	251,431	753,264	1,091,411
Total business-type activities expenses	<u>356,205</u>	<u>251,431</u>	<u>753,264</u>	<u>1,091,411</u>
Total primary government expenses	<u>\$ 15,047,701</u>	<u>\$ 23,863,566</u>	<u>\$ 16,356,534</u>	<u>\$ 15,049,672</u>
Program Revenue				
Governmental activities:				
Charges for services:				
General Government	\$ 141,391	\$ 44,159	\$ 47,445	\$ 54,087
Public Safety	741,057	1,235,688	618,183	549,768
Public Works	48,417	209,605	223,676	221,072
Recreation/Senior Services	260,694	263,437	288,248	252,787
Community Development	611,166	449,431	762,499	556,668
Redevelopment and Housing	-	-	-	-
Operating Grants and Contributions	2,604,895	1,739,023	1,923,401	1,908,160
Capital Grants and Contributions	1,298,214	2,699,626	2,488,930	2,818,206
Total governmental activities program revenues	<u>5,705,834</u>	<u>6,640,969</u>	<u>6,352,382</u>	<u>6,360,748</u>
Business-type activities:				
Charges for services:				
Legal settlement	942,477	885,843	1,304,280	1,308,823
Legal settlement	-	-	-	992,500
Total business-type activities program revenues	<u>942,477</u>	<u>885,843</u>	<u>1,304,280</u>	<u>2,301,323</u>
Total primary government program revenues	<u>\$ 6,648,311</u>	<u>\$ 7,526,812</u>	<u>\$ 7,656,662</u>	<u>\$ 8,662,071</u>

Fiscal Year						
	2013	2014	2015	2016	2017	2018
\$	2,540,210	\$ 3,480,756	\$ 2,422,592	\$ 2,040,261	\$ 3,344,530	\$ 2,414,218
	4,913,590	5,000,488	5,563,600	5,845,736	6,110,053	7,039,317
	1,847,640	2,276,659	1,045,925	1,028,734	2,653,875	3,235,695
	1,670,038	1,772,731	1,910,777	2,049,066	2,085,167	1,994,224
	2,121,666	2,637,299	2,618,301	3,897,493	2,504,463	3,329,047
	-	-	-	-	-	-
	465,004	330,960	229,495	244,320	336,720	-
	<u>13,558,148</u>	<u>15,498,893</u>	<u>13,790,690</u>	<u>15,105,610</u>	<u>17,034,808</u>	<u>18,012,501</u>
	698,400	760,016	927,904	963,029	900,170	862,198
	<u>698,400</u>	<u>760,016</u>	<u>927,904</u>	<u>963,029</u>	<u>900,170</u>	<u>862,198</u>
\$	<u><u>14,256,548</u></u>	<u><u>16,258,909</u></u>	<u><u>14,718,594</u></u>	<u><u>16,068,639</u></u>	<u><u>17,934,978</u></u>	<u><u>18,874,699</u></u>
\$	53,996	\$ 60,688	\$ 435,660	\$ 507,302	\$ 284,416	\$ 289,146
	462,652	498,247	459,251	319,773	496,926	704,424
	219,396	197,430	-	-	3,945	5,462
	248,797	265,538	272,093	202,313	188,577	180,884
	750,432	743,979	674,198	1,060,915	986,792	1,297,749
	-	-	-	-	-	-
	2,344,928	2,142,823	1,734,036	1,818,607	649,068	812,396
	<u>1,860,992</u>	<u>1,919,871</u>	<u>2,333,169</u>	<u>2,413,878</u>	<u>2,755,890</u>	<u>4,189,959</u>
	5,941,193	5,828,576	5,908,407	6,322,788	5,365,614	7,480,020
	1,311,226	1,347,146	1,325,685	1,323,874	1,302,664	1,325,479
	-	-	-	-	-	-
	<u>1,311,226</u>	<u>1,347,146</u>	<u>1,325,685</u>	<u>1,323,874</u>	<u>1,302,664</u>	<u>1,325,479</u>
\$	<u><u>7,252,419</u></u>	<u><u>7,175,722</u></u>	<u><u>7,234,092</u></u>	<u><u>7,646,662</u></u>	<u><u>6,668,278</u></u>	<u><u>8,805,499</u></u>

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

	Fiscal Year			
	2009	2010	2011	2012
Net (Expense)/Revenue				
Government activities	\$ (8,985,662)	\$ (16,971,166)	\$ (9,250,888)	\$ (7,597,513)
Business-type activities	<u>586,272</u>	<u>634,412</u>	<u>551,016</u>	<u>1,209,912</u>
Total primary government net expense	<u>\$ (8,399,390)</u>	<u>\$ (16,336,754)</u>	<u>\$ (8,699,872)</u>	<u>\$ (6,387,601)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property Taxes	\$ 5,604,423	\$ 5,229,270	\$ 5,118,947	\$ 4,649,124
Franchise Taxes	970,943	662,966	896,989	915,203
Sales Taxes	1,467,084	1,500,841	1,779,729	1,779,534
Property Transfer Tax	95,248	117,126	40,608	48,832
Transient Occupancy Taxes	71,967	82,605	137,402	153,444
Business License Taxes	90,642	86,927	186,303	128,970
In-Lieu Sales Tax	545,380	386,646	548,785	609,430
Other	-	-	-	-
Total taxes	<u>8,845,687</u>	<u>8,066,381</u>	<u>8,708,763</u>	<u>8,284,537</u>
Intergovernmental	255,884	170,929	377,755	86,146
Investment Income	463,456	144,194	93,806	61,285
Miscellaneous Revenues	<u>108,328</u>	<u>199,206</u>	<u>30,562</u>	<u>242,172</u>
Total Governmental activities	<u>9,673,355</u>	<u>8,580,710</u>	<u>9,210,886</u>	<u>8,674,140</u>
Special Item - Distribution from Los Angeles County for Lighting Maintenance District	-	-	-	-
Business-type activities:				
Total business-type activities	<u>223,250</u>	<u>68,983</u>	<u>26,726</u>	<u>8,237</u>
Total primary government	<u>\$ 9,896,605</u>	<u>\$ 8,649,693</u>	<u>\$ 9,237,612</u>	<u>\$ 8,682,377</u>
Change in Net Position				
Governmental activities	\$ 687,693	\$ (8,390,456)	\$ (40,002)	\$ 1,076,627
Business-type activities	809,522	703,395	577,742	1,218,149
Prior Period Adjustments	-	-	-	-
Total primary government	<u>\$ 1,497,215</u>	<u>\$ (7,687,061)</u>	<u>\$ 537,740</u>	<u>\$ 2,294,776</u>

Source: Statement of Activities

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (7,616,955)	\$ (9,670,317)	\$ (7,882,283)	\$ (8,782,822)	\$ (11,669,194)	\$ (10,532,481)
612,826	587,130	397,781	360,845	402,494	463,281
<u>\$ (7,004,129)</u>	<u>\$ (9,083,187)</u>	<u>\$ (7,484,502)</u>	<u>\$ (8,421,977)</u>	<u>\$ (11,266,700)</u>	<u>\$ (10,069,200)</u>
\$ 4,591,293	\$ 4,793,494	\$ 4,996,279	\$ 5,336,924	\$ 5,960,936	\$ 6,681,270
981,476	942,507	974,152	888,514	941,026	1,023,365
1,767,497	1,782,617	2,040,668	2,593,802	3,060,517	3,150,107
46,120	52,324	53,669	84,006	75,968	86,091
172,369	192,100	207,306	227,690	240,696	238,611
91,961	92,207	91,025	98,671	119,792	120,357
632,735	572,155	612,837	616,383	-	-
(100,000)	-	-	-	-	-
<u>8,183,451</u>	<u>8,427,404</u>	<u>8,975,936</u>	<u>9,845,990</u>	<u>10,398,935</u>	<u>11,299,801</u>
60,404	124,139	-	-	-	-
31,786	114,002	423,177	569,168	260,984	246,179
43,067	98,793	284,213	493,306	82,063	43,880
<u>8,318,708</u>	<u>8,764,338</u>	<u>9,683,326</u>	<u>10,908,464</u>	<u>10,741,982</u>	<u>11,589,860</u>
-	-	-	-	-	9,484,683
111,951	20,201	39,410	39,383	59,857	70,912
<u>\$ 8,430,659</u>	<u>\$ 8,784,539</u>	<u>\$ 9,722,736</u>	<u>\$ 10,947,847</u>	<u>\$ 10,801,839</u>	<u>\$ 21,145,455</u>
\$ 701,753	\$ (905,979)	\$ 1,801,043	\$ 2,125,642	\$ (927,212)	\$ 10,542,062
724,777	607,331	437,191	400,228	462,351	534,193
-	-	9,572,732	(1,063,736)	-	(2,127,049)
<u>\$ 1,426,530</u>	<u>\$ (298,648)</u>	<u>\$ 11,810,966</u>	<u>\$ 1,462,134</u>	<u>\$ (464,861)</u>	<u>\$ 8,949,206</u>

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 14,117,346	\$ 13,017,404	\$ -	\$ -
Unreserved	5,958,656	6,093,429	-	-
Total General Fund	<u>\$ 20,076,002</u>	<u>\$ 19,110,833</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds				
Reserved	\$ 14,239,645	\$ 7,513,002	\$ -	\$ -
Unreserved, reported in:				
Special Revenue Funds	3,089,829	2,146,069	-	-
Debt Service Fund	(3,377,292)	(4,126,158)	-	-
Capital Projects Funds	(11,674,885)	(12,508,278)	-	-
Total all other governmental funds	<u>\$ 2,277,297</u>	<u>\$ (6,975,365)</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ 12,968,441	\$ 1,143,252
Restricted	-	-	-	1,521,681
Unrestricted:				
Unassigned	-	-	-	-
General Fund	-	-	5,601,360	4,843,455
Total Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,569,801</u>	<u>\$ 7,508,388</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ 6,615,757	\$ -
Restricted	-	-	3,402,447	4,261,709
Unrestricted:				
Unassigned	-	-	(17,640,549)	(794,854)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,622,345)</u>	<u>\$ 3,466,855</u>

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

Source: Balance Sheets - Governmental Funds

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 790,213	\$ 1,103,523	\$ 12,741,849	\$ 11,813,032	\$ 12,260,207	\$ 11,374,648	
1,527,172	-	-	-	-	-	
-	-	-	-	-	-	
<u>5,327,809</u>	<u>4,908,111</u>	<u>5,317,486</u>	<u>7,906,933</u>	<u>7,191,875</u>	<u>7,997,394</u>	
<u>\$ 7,645,194</u>	<u>\$ 6,011,634</u>	<u>\$ 18,059,335</u>	<u>\$ 19,719,965</u>	<u>\$ 19,452,082</u>	<u>\$ 19,372,042</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3,987,665	3,041,388	4,025,952	3,834,966	3,845,909	4,672,598	
(837,528)	-	(132,247)	(399,754)	(2,107)	(52,938)	
<u>\$ 3,150,137</u>	<u>\$ 3,041,388</u>	<u>\$ 3,893,705</u>	<u>\$ 3,435,212</u>	<u>\$ 3,843,802</u>	<u>\$ 4,619,660</u>	

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues:				
Taxes	\$ 8,845,687	\$ 8,066,381	\$ 8,708,763	\$ 8,284,537
Licenses and permits	241,162	313,337	273,183	356,891
Intergovernmental	5,178,684	4,477,921	4,945,362	4,344,589
Charges for services	958,304	886,241	1,003,997	806,404
Fines and Forfeitures	603,259	547,680	458,677	491,027
Investment Income	463,456	144,194	60,604	1,109,729
Other revenue	108,328	714,402	35,812	320,617
Total revenues	<u>16,398,880</u>	<u>15,150,156</u>	<u>15,486,398</u>	<u>15,713,794</u>
Expenditures:				
General government	1,979,259	2,267,156	2,893,469	2,414,268
Public safety	4,740,578	4,666,557	4,824,769	4,773,178
Public Works	1,895,557	1,711,607	1,485,074	1,189,367
Recreation/Senior Services	1,252,315	988,071	958,193	882,589
Community Development	2,368,298	2,414,069	2,606,245	1,971,871
Redevelopment and Housing	634,199	9,045,803	461,447	179,235
Capital outlay	8,883,691	2,751,793	1,955,078	2,331,483
Debt service:				
Interest & Fiscal Charges	1,350,974	1,348,651	1,390,135	2,350,000
Principal	-	100,000	100,000	724,788
Cost of Issuance	82,020	-	-	-
Total expenditures	<u>23,186,891</u>	<u>25,293,707</u>	<u>16,674,410</u>	<u>16,816,779</u>
Excess of revenues over (under) expenditures	<u>(6,788,011)</u>	<u>(10,143,551)</u>	<u>(1,188,012)</u>	<u>(1,102,985)</u>
Other Financing Sources (Uses)				
Debt Issuance	-	-	-	-
Loan Proceeds	2,500,000	-	-	-
Transfers In	558,430	1,598,359	967,830	1,242,934
Transfers Out	(558,430)	(1,672,639)	(967,830)	(1,292,934)
Total Other Financing Sources (Uses)	2,500,000	(74,280)	-	(50,000)
Special / Extraordinary Items				
Dissolution of RDA	-	-	-	1,180,772
Distirbution from LA County for LLMD	-	-	-	-
Total Special / Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,180,772</u>
Net change in fund balances	<u>\$ (4,288,011)</u>	<u>\$ (10,217,831)</u>	<u>\$ (1,188,012)</u>	<u>\$ 27,787</u>
Debt service as a percentage of noncapital expenditures	10.12%	6.40%	10.15%	20.96%

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

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 8,283,451	\$ 8,427,404	\$ 8,975,936	\$ 9,747,319	\$ 10,346,934	\$ 11,234,442	
393,005	489,130	429,681	637,990	654,710	968,625	
4,348,679	4,577,580	3,272,845	4,369,861	3,476,390	4,979,909	
942,820	933,451	1,760,488	1,108,498	938,295	1,125,664	
399,365	339,929	276,871	390,778	355,900	334,811	
43,903	225,279	106,379	215,115	(40,600)	(42,381)	
43,150	95,209	280,225	493,306	71,899	27,633	
<u>\$ 14,454,373</u>	<u>\$ 15,087,982</u>	<u>\$ 15,102,425</u>	<u>\$ 16,962,867</u>	<u>\$ 15,803,528</u>	<u>\$ 18,628,703</u>	
2,441,815	3,406,585	2,463,305	1,719,259	2,149,723	2,388,937	
4,873,055	5,000,763	5,563,600	5,845,736	6,110,053	7,039,317	
1,305,707	1,625,091	1,004,253	1,128,999	1,223,303	1,350,238	
878,004	958,390	1,372,592	1,488,370	1,278,994	1,207,305	
1,940,182	2,488,043	1,459,534	2,011,353	2,464,330	3,277,699	
-	-	-	-	-	-	
2,369,863	2,138,224	2,126,904	3,089,542	2,737,027	2,672,579	
588,235	158,195	274,400	254,320	346,640	37,281	
670,659	1,055,000	630,000	625,000	620,000	7,204,097	
-	-	-	-	-	-	
<u>15,067,520</u>	<u>16,830,291</u>	<u>14,894,588</u>	<u>16,162,579</u>	<u>16,930,070</u>	<u>25,177,453</u>	
<u>(613,147)</u>	<u>(1,742,309)</u>	<u>207,837</u>	<u>800,288</u>	<u>(1,126,542)</u>	<u>(6,548,750)</u>	
9,945,000	-	-	-	-	-	
(9,411,765)	-	-	421,574	1,267,249	82,830	
196,390	697,503	666,920	2,862	133,727	331,841	
<u>(296,390)</u>	<u>(697,503)</u>	<u>(666,920)</u>	<u>(2,862)</u>	<u>(133,727)</u>	<u>(331,841)</u>	
433,235	-	-	421,574	1,267,249	82,830	
-	-	-	-	-	-	
-	-	-	-	-	9,484,683	
-	-	-	-	-	9,484,683	
<u>\$ (179,912)</u>	<u>\$ (1,742,309)</u>	<u>\$ 207,837</u>	<u>\$ 1,221,862</u>	<u>\$ 140,707</u>	<u>\$ 3,018,763</u>	
9.80%	8.26%	6.91%	6.28%	6.39%	30.47%	

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
2009	5,604,423	1,467,084	970,943	95,248	71,967	90,642	545,380	8,845,687
2010	5,229,270	1,500,841	662,966	117,126	82,605	86,927	386,646	8,066,381
2011	5,118,947	1,779,729	896,989	40,608	137,402	186,303	548,785	8,708,763
2012	4,649,124	1,779,534	915,203	48,832	153,444	128,970	609,430	8,284,537
2013	4,591,293	1,767,497	981,476	46,120	172,369	91,961	632,735	8,283,451
2014	4,793,494	1,782,617	942,506	52,324	192,100	92,207	572,155	8,427,403
2015	4,996,279	2,040,668	974,152	53,669	207,306	91,025	612,837	8,975,936
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

Source: Statement of Activities

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			
2009	1,504,488,964	247,993,848	22,599,723	49,061,668	(12,216,097)	1,811,928,106	0.10454%
2010	1,377,271,873	235,079,377	22,613,632	47,789,065	(12,216,097)	1,670,537,850	0.10809%
2011	1,335,702,403	229,938,122	23,184,803	41,811,224	(13,156,968)	1,617,479,584	0.10549%
2012	1,383,870,463	234,556,238	23,291,279	59,488,762	(12,472,489)	1,672,773,503	0.10669%
2013	1,372,048,956	240,616,336	22,688,117	76,877,520	(9,079,536)	1,703,151,393	0.11113%
2014	1,451,168,711	253,204,927	23,578,548	65,262,798	(9,079,536)	1,784,135,448	0.06478%
2015	1,538,326,262	256,091,046	23,804,101	64,589,834	(9,079,536)	1,873,731,707	0.06486%
2016	1,620,353,447	270,292,517	24,210,705	65,304,980	(9,079,536)	1,971,082,113	0.06491%
2017	1,717,162,394	292,845,791	25,643,057	71,227,609	(8,365,536)	2,098,513,315	0.64980%
2018	1,793,686,423	310,885,940	28,732,254	70,975,250	(8,383,449)	2,195,896,418	0.10187%

Source: HdL, Coren & Cone; L.A. County Assessor 2017/18 Combined Tax Rolls

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

Agency	Fiscal Year									
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	0.08990	0.10877	0.12316	0.11628	0.12773	0.11632	0.11539	0.15770	0.16781	0.17443
Hacienda-La Puente Unified	0.05681	0.05973	0.06462	0.06430	0.06689	0.06653	0.06432	0.06394	0.06600	0.10531
Metropolitan Water District	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00035
Mt. San Antonio College	0.02333	0.02571	0.02636	0.02642	0.02896	0.02023	0.02129	0.02154	0.02400	0.02371
Rowland Heights Unified	0.07029	0.06769	0.07538	0.09195	0.10053	0.12297	0.14313	0.12426	0.10939	0.11841
Rowland Heights USD DS 2012 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01505	0.00000
West Covina Unified	0.06041	0.05258	0.05920	0.05377	0.04965	0.03626	0.05412	0.04205	0.04914	0.09514
Total Direct & Overlapping² Tax Rates	1.30502	1.31878	1.35242	1.35641	1.37725	1.36581	1.40175	1.41299	1.43489	1.52050
City's Share of 1% Levy Per Prop 13³	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.06582	0.10072
Redevelopment Rate⁴	1.00430	1.00430	1.00370	1.00370	n/a	n/a	n/a	n/a	n/a	n/a
Total Direct Rate⁵	0.10454	0.10809	0.10549	0.10669	0.11113	0.06478	0.06478	0.06491	0.06498	0.10187

Notes:

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

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

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

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

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

n/a - not applicable

Data Source: L. A. County Assessor 2008/09 - 2017/18 Tax Rate Table
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

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

<u>Taxpayer</u>	2008/09			2017/18		
	Taxable AV	Rank	% of Total Taxable AV	Taxable AV	Rank	% of Total Taxable AV
Hacienda Plaza JPS LLC	\$ 19,026,000	1	1.11%	\$ 38,961,264	1	1.77%
Group X Rosemead Properties LP	20,348,762	10	1.19%	23,475,734	2	1.07%
Jasmine Real Estate Investments LLC	-	-	-	21,396,977	3	0.97%
La Puente 104 LLC	-	-	-	19,267,800	4	0.88%
Laurala Limited	-	-	-	17,574,416	5	0.80%
Haeri Hacienda Plaza LLC	-	-	-	16,400,422	6	0.75%
PJB Sunkist LP	12,036,120	2	0.70%	13,259,564	7	0.60%
Walnut Apartments	-	-	-	11,718,475	8	0.53%
Wind Chime Properties LP	9,779,759	4	0.57%	11,345,804	9	0.52%
PI Properties	-	-	-	9,820,566	10	0.45%
Granite Hacienda I LP	11,374,000	3	0.67%	-	-	-
EML LLC	6,857,691	5	0.40%	-	-	-
La Puente Plaza LLC	5,837,509	6	0.34%	-	-	-
Emser International LLC	4,510,064	7	0.26%	-	-	-
KNC Capital Group LLC	4,473,720	8	0.26%	-	-	-
Charles H Hofgaarden Trst	4,299,247	9	0.25%	-	-	-
Top Ten Total	<u>\$ 98,542,872</u>		<u>5.76%</u>	<u>\$ 183,221,022</u>		<u>8.34%</u>
City Total				\$ 2,195,896,418		

Source: HdL Coren & Cone

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

<u>Fiscal Year</u>	<u>Total Tax Levy⁽¹⁾</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>
2009	1,126,953	968,444	85.9%	9,737	978,181	86.8%
2010	1,040,321	888,710	85.4%	12,259	900,969	86.6%
2011	999,478	867,546	86.8%	371	867,916	86.8%
2012	1,027,929	942,203	91.7%	-	942,203	91.7%
2013	1,048,173	950,591	90.7%	-	950,591	90.7%
2014	1,078,480	999,723	92.7%	-	999,723	92.7%
2015	1,152,928	1,072,238	93.0%	-	1,072,238	93.0%
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%

⁽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⁾	Lease Agreement	Loan	Sewer Bonds			
2009	4,040,000	10,000,000	2,500,000	10,085,000	26,625,000	2.20%	618
2010	4,040,000	10,000,000	2,400,000	9,925,000	26,365,000	2.32%	608
2011	3,990,000	10,000,000	2,300,000	9,730,000	26,020,000	2.31%	656
2012	3,940,000	9,411,765	-	9,530,000	22,881,765	2.75%	471
2013	-	8,890,000	270,000	9,320,000	18,480,000	3.41%	450
2014	-	8,260,000	-	9,105,000	17,365,000	3.59%	429
2015	-	7,635,000	-	8,880,000	16,515,000	3.77%	408
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

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, 2018

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of La Puente	Net Bonded Debt
Direct - City of La Puente			
City of Industry Loan Agreement	\$ 1,582,556	100.000	\$ 1,582,556
Total Direct Debt			<u>1,582,556</u>
Overlapping Debt:			
Water District:			
*330.10 METROPOLITAN WATER DISTRICT	29,354,442	0.178	52,116
Mt San Antonio College:			
MT. SAN ANTONIO CCD DS 2008 SERIES 13A	200,306,691	2.521	5,049,892
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B	7,350,000	2.521	185,299
MT. SAN ANTONIO CCD DS 2013 REF SERIES A	63,210,000	2.521	1,593,575
MT. SAN ANTONIO CCD DS 2013 REF SERIES B	37,010,000	2.521	933,052
MT. SAN ANTONIO CCD DS 2008 REF SERIES 2015C	16,750,000	2.521	422,281
MT. SAN ANTONIO CCD DS 2015 REF BONDS	19,130,000	2.526	482,283
School District:			
BASSETT USD DS 2004 SERIES 2005 A	265,953	7.319	19,465
BASSETT USD DS 2006 SER B	10,775,729	7.319	788,678
BASSETT USD DS 2014 REF SERIES A	8,220,000	7.319	601,623
BASSETT USD DS 2014 REF SERIES B	6,415,000	7.319	469,515
BASSETT USD DS 2014 SERIES A	8,530,000	7.319	624,312
BASSETT USD DS 2016 REF BONDS	8,645,000	7.319	632,729
BASSETT USD DS 2014 SERIES B	20,100,000	7.319	1,471,123
HACIENDA-LA PUENTE USD DS 2000 SERIES A	797,400	13.294	106,003
HACIENDA-LA PUENTE USD DS 2000 SERIES 2003B	891,959	13.294	118,573
HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS	22,950,000	13.294	3,050,878
HACIENDA-LA PUENTE USD DS 2007 REFUNDING	53,930,000	13.294	7,169,232
HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A	70,000,000	13.294	9,305,512
ROWLAND HEIGHTS USD DS 2000 SERIES A	952,166	1.685	16,042
ROWLAND HEIGHTS USD DS 2005 REF BONDS	8,380,456	1.685	141,192
ROWLAND HEIGHTS USD DS 2006 SERIES B	25,722,549	1.685	433,369
ROWLAND HEIGHTS USD DS 2006 SERIES C (BABS)	12,000,000	1.685	202,174
ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB	17,275,000	1.685	291,046
ROWLAND HEIGHTS USD DS 2006 SERIES E	26,280,000	1.685	442,760
ROWLAND HEIGHTS USD DS 2012 SERIES A	41,295,000	1.685	695,730
ROWLAND HEIGHTS USD DS 2013 REF BONDS	26,390,000	1.685	444,614
ROWLAND HEIGHTS USD DS 2012 SERIES B	65,999,972	1.685	1,111,955
ROWLAND HEIGHTS USD DS 2015 REF BONDS	43,430,000	1.685	731,700
WEST COVINA USD 2002 REFUNDING SERIES A	10,655,000	1.005	107,038
WEST COVINA USD DS 2012 REF BONDS	11,745,000	1.005	117,988
WEST COVINA USD DS 2016 SERIES A	74,995,000	1.005	753,383
Total Overlapping Debt			<u>38,565,132</u>
Total Direct and Overlapping Debt			<u>\$ 40,147,688</u>

2017/18 Assessed Valuation: \$2,034,703,276 after deducting \$161,193,142 incremental value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.08%
Overlapping Debt	1.90%
Total Debt	1.97%

*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 2017/18 Lien Date Tax Rolls.

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 273,621,630	\$ 252,413,092	\$ 244,595,483	\$ 255,181,011	\$ 255,472,709
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 256,457,843</u>	<u>\$ 273,621,630</u>	<u>\$ 244,595,483</u>	<u>\$ 255,181,011</u>	<u>\$ 255,472,709</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 2017/18 Combined Tax Rolls

Fiscal Year				
2014	2015	2016	2017	2018
\$ 268,982,248	\$ 282,421,686	\$ 297,024,247	\$ 316,031,828	\$ 330,641,980
-	-	-	-	-
<u>\$ 268,982,248</u>	<u>\$ 282,421,686</u>	<u>\$ 297,024,247</u>	<u>\$ 316,031,828</u>	<u>\$ 330,641,980</u>
0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 2,195,896,418
Add back: exempt real property	<u>8,383,449</u>
Total assessed value	2,204,279,867
Debt limit (15% of total assessed value)	330,641,980
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 330,641,980</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
2009	42,937	598,852	13,947	18,153	8.8%	
2010	43,105	586,965	13,617	17,495	13.6%	28.2
2011	43,355	611,219	14,098	17,235	14.8%	30.5
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

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	2009			2010		
	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
Northgate Supermarket	120	1	3.25%	120	1	3.13%
Bodega Latina Corp	-	-	0%	-	-	0%
Food 4 Less #369	75	2	2.03%	77	2	2.01%
Sunset Gardens West	75	2	2.03%	75	3	1.96%
Ed Butts Ford	70	3	1.89%	70	4	1.83%
Big Saver Foods #12	60	4	1.62%	60	5	1.57%
Merritt's Hardware	50	6	1.35%	50	7	1.30%
Burger King	37	8	1.00%	37	8	0.97%
99cents Only Stores	37	8	1.00%	37	8	0.97%
CVS Pharmacy #9629	54	5	1.46%	54	6	1.41%
Jack in the Box	32	10	0.87%	32	10	0.83%
Walgreens #05702	41	7	1.11%	32	10	0.83%
AJ Wright #218	35	9	0.95%	35	9	0.91%
Benchmark Staffing	-	-	0%	-	-	0%
Big Lots	-	-	0%	-	-	0%
Others	3,009	-	78.50%	3,154	-	86.48%
Total	3,695		97.07%	3,833		104.20%

Employer	2014			2015		
	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
Northgate Supermarket	120	1	3.47%	120	1	3.24%
Bodega Latina Corp	80	2	2.31%	80	3	2.16%
Alert Insulation	-	-	0.00%	88	2	2.38%
Walmart Stores Inc	-	-	0.00%	80	3	2.16%
Food 4 Less #369	75	3	2.17%	75	4	2.03%
Big Saver Foods #12	60	4	1.73%	60	5	1.62%
Ed Butts Ford	59	5	1.70%	59	6	1.59%
Ross Store	51	6	1.47%	49	7	1.32%
El Sushi Loco	-	-	0.00%	33	-	0.89%
Merritt's Hardware	43	7	1.24%	43	8	1.16%
In and Out Burger	-	-	0.00%	40	9	1.08%
Carpet King	-	-	0.00%	-	-	0.00%
CVS Pharmacy #9629	35	9	1.01%	35	-	0.95%
Voice LP J&L Day Care	-	-	0.00%	-	-	0.00%
99cents Only Stores	32	10	0.92%	32	-	0.86%
Jack in the Box	32	10	0.92%	32	-	0.86%
La Puente Dialysis Ctr	-	-	0.00%	-	-	0.00%
Walgreens #05702	32	10	0.92%	32	-	0.86%
Burger King	37	8	1.07%	37	10	1.00%
Others	2,805	-	81.05%	2,805	-	75.81%
Total	3,461		100.00%	3,700		100.00%

Source: City Finance Department - Business License Division

2011			2012			2013		
# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
120	1	4.02%	120	1	3.72%	120	1	3.72%
-	-	0%	80	2	2.48%	80	2	2.48%
77	2	2.58%	75	3	2.33%	75	3	2.33%
-	-	0.00%	-	-	0%	-	-	0%
70	3	2.35%	70	4	2.17%	70	4	2.17%
60	4	2.01%	60	5	1.86%	60	5	1.86%
50	5	1.68%	50	6	1.55%	43	6	1.33%
37	6	1.24%	37	7	1.15%	37	7	1.15%
34	7	1.14%	34	8	1.05%	32	9	0.99%
33	8	1.11%	33	9	1.02%	35	8	1.09%
32	9	1.07%	32	10	0.99%	32	9	0.99%
32	10	1.07%	32	10	0.99%	32	9	0.99%
-	-	0.00%	-	-	0%	-	-	0%
-	-	0%	-	-	0%	-	-	0%
-	-	0%	-	-	0%	-	-	0%
3,102	-	103.92%	2,362	-	73.25%	2,608	-	80.88%
3,647	-	122.19%	2,985	-	92.56%	3,224	-	99.98%

2016			2017			2018		
# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment	# of Emp.	Rank #	% of Total City Employment
120	1	3.26%	120	1	4.05%	120	1	3.01%
80	3	2.17%	101	2	3.41%	111	2	2.79%
88	2	2.39%	88	3	2.97%	88	3	2.21%
80	3	2.17%	80	4	2.70%	80	4	2.01%
75	4	2.04%	75	5	2.53%	75	5	1.88%
60	5	1.63%	60	6	2.03%	60	6	1.51%
59	6	1.60%	59	7	1.99%	59	7	1.48%
50	7	1.36%	44	8	1.49%	44	8	1.10%
43	8	1.17%	43	9	1.45%	43	9	1.08%
43	8	1.17%	41	10	1.38%	41	10	1.03%
40	9	1.09%	40	-	1.35%	40	-	1.00%
-	-	0.00%	-	-	0.00%	36	-	0.90%
35	10	0.95%	35	-	1.18%	35	-	0.88%
-	-	0.00%	-	-	0.00%	35	-	0.88%
32	-	0.87%	32	-	1.08%	32	-	0.80%
32	-	0.87%	32	-	1.08%	34	-	0.85%
-	-	0.00%	-	-	0.00%	28	-	0.70%
26	-	0.71%	26	-	0.88%	26	-	0.65%
18	-	0.49%	18	-	0.61%	18	-	0.45%
2,800	-	76.07%	2,068	-	69.82%	2,978	-	74.77%
3,681	-	100.00%	2,962	-	100.00%	3,983	-	100.00%

City of La Puente, California
Full-time Equivalent City Government Employees by Program/Function
As of June 30, 2018

Program/Function	Fiscal Year			
	2009	2010	2011*	2012
General Government				
City Council	5.00	5.00	n/a	5.00
City Clerk/Election Services	3.80	0.98	n/a	1.00
Human Resources/Risk Management	0.75	1.50	n/a	n/a
Administration	1.92	0.85	n/a	2.00
Financial Services	3.86	3.35	n/a	6.00
Public Safety				
Code Enforcement	-	-	-	-
Public Safety Services	Contract	Contract	Contract	Contract
Public Works Services				
General Services	1.00	1.02	n/a	n/a
Emergency Preparedness Services	Contract	Contract	Contract	Contract
Public Works Services	2.65	4.77	n/a	4.00
Measure R		0.11	n/a	n/a
Streets/Sidewalks (Prop C)	1.40	0.99	n/a	n/a
Waste Management Services	0.20	0.06	n/a	n/a
Park/Maintenance Services	6.65	4.71	n/a	n/a
Community Development				
Planning/Zoning Services	3.03	2.68	n/a	1.00
Housing/Community Services	1.84	1.70	n/a	1.00
Community Preservation Services	6.00	6.00	n/a	6.00
Public Transit Services (Prop A)	2.15	2.39	n/a	n/a
Recreation/Senior Services				
Recreation Services	2.34	2.19	n/a	2.00
Youth Activity Learning Center	0.33	-	-	-
Nature Education Center	1.00	2.62	n/a	n/a
Senior Services	2.83	1.19	n/a	1.00
Sewer Maintenance Fund				
Sewer Maintenance	1.80	1.79	n/a	n/a
Equipment Replacement Fund				
IT/Equipment Charges	1.20	1.50	n/a	n/a
Community Development Commission				
Low Mod Income Housing/Capital Project Fund	0.75	3.60	n/a	n/a
	<u>50.50</u>	<u>49.00</u>	<u>-</u>	<u>29.00</u>

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
5.00	5.00	5.00	5.00	5.00	5.00
2.00	2.00	2.00	1.00	1.00	1.00
n/a	n/a	n/a	n/a	n/a	0.50
2.00	2.00	2.00	2.00	2.00	2.50
5.00	7.00	7.50	6.50	6.50	5.00
-	-	-	Contract	6.50	7.00
Contract	Contract	Contract	Contract	Contract	Contract
n/a	n/a	n/a	n/a	n/a	n/a
Contract	Contract	Contract	Contract	Contract	Contract
6.00	6.00	4.00	5.50	5.50	6.00
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
1.00	1.00	2.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	6.00	Contract	Contract	Contract	Contract
n/a	n/a	n/a	n/a	n/a	n/a
3.00	6.50	6.50	6.50	6.50	8.00
1.00	1.00	1.00	1.00	1.00	1.00
n/a	n/a	n/a	n/a	n/a	n/a
1.00	1.00	1.00	1.00	1.00	1.00
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
<u>33.00</u>	<u>38.50</u>	<u>32.00</u>	<u>32.50</u>	<u>39.00</u>	<u>41.00</u>

City of La Puente, California
Operating Indicators by Function
As of June 30, 2018

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Public Safety*				
Physical arrests	1,887	1,781	1,772	1,160
Parking Citations Issued	9,432	5,650	6,619	6,993
Building and Safety				
Construction Valuation	6,195,378	5,624,712	3,900,556	9,935,892
Building Permits Issued	216	293	321	292
Highways and Streets*				
Street resurfacing (Square Feet)	n/a	n/a	n/a	154,660
Sanitation*				
Refuse collected (tons/day)	67.36	57.18	55.27	55.02
Recyclables collected (tons/day)	6.98	4.89	4.59	4.57
Green waste collected (tons/day)	9.36	10.99	10.97	11.23
Community Services				
Special Event-Main Street Run (number of participants)	3,653	5,190	3,500	3,330

* 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					
2013	2014	2015	2016	2017	2018
1,210	1,279	1,458	1,385	1,952	1,686
6,687	5,881	5,382	8,852	6,809	8,409
7,773,162	6,645,112	6,775,623	10,441,752	11,581,386	15,264,131
396	364	317	467	386	516
288,100	305,447	240,180	61,550	187,600	374,150
51.75	61.53	60.12	64.90	58.02	57.47
4.28	4.59	4.53	4.77	4.96	4.85
10.59	9.77	9.64	8.98	9.81	7.95
4,391	3,730	3,825	4,283	3,750	n/a

City of La Puente, California
Capital Asset Statistics by Function
As of June 30, 2018

Function/Program	Fiscal Year 2018
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 contracting city for Public Safety, Fire Prevention, Public Works, Water and Waste services. These figures represent the capital assets owned by the City. They remain the same for the past ten years other than the addition of the Youth Learning Activity Center and the recently completed Puente Creek Nature and Education Center.

Source: City of La Puente