



City of Walnut COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019
Walnut, California



CITY OF WALNUT, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

Prepared by:

Administrative Services Department
Karen Ogawa, Administrative Services Director
Jessica Cortez, Finance Officer

CITY OF WALNUT, CALIFORNIA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Walnut, CA 91789-2018
Telephone (909) 595-7543
FAX (909) 595-6095
www.cityofwalnut.org



Mayor, Nancy Tragarz
Mayor Pro Tem, Andrew Rodriguez
Council Member, Eric Ching
Council Member, Robert Pacheco
Council Member, Allen Wu

CITY OF WALNUT

December 23, 2019

Honorable Mayor, Members of the City Council and
Citizens of the City of Walnut
California 91788-0692

It is a pleasure to submit the Comprehensive Annual Financial Report of the City of Walnut for the fiscal year ended June 30, 2019. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Walnut. Subsequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and the City's financial records used for preparing financial statements are maintained in a reliable fashion and in conformance with the generally accepted accounting principle (GAAP). Because of the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The City's internal controls accomplishes these objectives. In our opinion, the data presented are accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Eide Bailly LLP, a firm of certified public accountants conducted the independent audit for this fiscal year. The audit was designed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. In addition, the audit was designed to comply with the requirements of the Federal Single Audit Act of 1996 and 2 CFR part 200. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

THE PROFILE OF THE CITY OF WALNUT

The City was founded in 1940 and incorporated on January 19, 1959, with a population of 1,000. The vote was 241 to 24 for approval. The size of the City at the time of incorporation was 7.5 miles. The City was named after the largest ranch, El Rancho de los Nogales (Nogales meaning "walnuts" in Spanish). The City is situated in the greater Walnut Valley, nestled in an area between San Jose Hills to the north and the Puente Hills to the south, 20

miles east of downtown Los Angeles. This picturesque valley, coupled with its colorful history, provides contemporary living. Walnut has a unique atmosphere, a pleasant mixture of country living with urban convenience. It currently occupies 8.83 square miles and serves a population of 30,551.

The City is a general law city operated under the Council-Manager form of government since 1959. Policy making and legislative authority are vested to the five-member City Council, all of whom are elected by community at large. The Council serves a four-year term with a rotating election schedule every year.

City of Walnut is a family-friendly community with a diverse population. The City was again ranked #49 on the Money Magazine's list of the "Best Places to Live" in 2015. Walnut has been on this list three previous times, once in 2009, 2011 and again in 2013. Families flock to City due to high-performing schools with Academic Performance Index (API) scores above 800's and 900's. Under the stewardship of Walnut Valley Unified School District, several elementary schools and high school received national recognition from the State of California and United States Department of Education. The U.S. Census Bureau, 2007-2011 American Community Survey found that 32.7% of residents 25 years and over have bachelor's degree and 16.8% have graduate degrees.

Residents enjoy a nice balance of commitment to family values, excellent schools, and access to active lifestyle, as well as, variety of shopping and dining options. There is a strong sense of community as residents gather at various City-sponsored events such as Concert in the Parks, July 4th Celebration, National Night Out, Snow Days, and last but not the least, the popular Walnut Family Festival. The City is home to 11 parks with area of 97 acres, 30.5 miles of equestrian/hiking trails, and 368 acres of open space. The residents value the rural atmosphere which is preserved by a well-defined general plan.

The City made contractual arrangement for major services such as engineering, building and safety services, transit services, trash collection, street maintenance, landscape and lighting maintenance, and public safety services. The Public safety services are provided by the Los Angeles County Sheriff's Department and Los Angeles County Fire Department.

The annual budget serves as the foundation for the City's financial planning and control. The budget is adopted on annual basis by the City Council in May of each year. The various departments submit revenue estimates and expenditure appropriation request for the one-year period (begin July 1). Departmental hearings are held with each department, which leads to the development of the proposed budget. The City Manager then presents the proposed budget to City Council, which is discussed with the City Council in public workshops in May and formally presented to the City Council for adoption on or before June 30 of each year. The level of budgetary control is established at the department or project level within each fund.

THE REPORTING ENTITY AND ITS SERVICES

The City of Walnut is a reporting entity, which consists of the primary government and component units. The City is the primary government. The component units are the Walnut Financing Authority and the Walnut Housing Authority.

The Walnut Public Financing Authority was established on November 9, 1988 by a joint powers agreement between the City and the Walnut Improvement Agency. Under bond law the Authority has the power to issue bonds and loan the proceeds to any local agency. The Walnut Successor Agency was established on February 1, 2012, after the dissolution of the Walnut Improvement Agency per Assembly Bill 1X 26, to wind down the recognized obligations of the dissolved Walnut Improvement Agency and is operating under the private-purpose trust. The assets and obligations of the Successor Agency are reported separately within the City of Walnut's financial statements. Additional information on this private-purpose trust fund can be found in the Notes to the financial statements (see Note 10).

The Walnut Housing Authority was established on October 9, 1996 pursuant to the State of California Health and Safety Code, Section 34200. Its purpose is to provide for new and/or improvement of existing, low and moderate housing for residents of the community.

The City is also financially accountable for both the Walnut Public Financing Authority and the Walnut Housing Authority, as a blended component of the City and therefore, has been included as an integral part of the City of Walnut's financial statement. Additional information on these legally separate component units can be found in the Notes to the financial statements (see Note 1a).

REVELANT FINANCIAL POLICIES

The City of Walnut fiscal policy provides funding to maintain the safety of the Walnut citizens at a level to insure that Walnut maintains one of the lowest crime rates in Los Angeles county, promote a mix of businesses, which contributes to a balanced community, develop program to enhance and retain existing businesses, and pursue new developments and businesses which add to the City's economic base, and utilized grants and subsidies from other agencies whenever possible. The fiscal policy, which was last updated and adopted on April 13, 2011, purpose is to reserve and maintain a minimum of 50% of the general fund budget for maintenance and operations ("rainy day fund"), maintain a \$1 million self-insured deposit fund reserve, and a \$1 million disaster recovery fund reserve for future emergencies and after the audit is completed each year, any surplus will be equally distributed between the facility maintenance fund and the capital improvement fund.

With the City of Walnut implementation of the GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City Council adopted the fund balance policy on June 8, 2011. Per the policy, there is fund balance committed to disaster recovery. In addition, the City assigned fund balance to community services recreation facility construction, other post-employment benefits, self insurance, and for maintenance and operations of City services.

LONG-TERM FINANCIAL PLANNING

The accompanying financial statements reflect an excellent financial condition. At the close of the fiscal year, the general fund has a fund balance of \$31.1 million. Of that balance, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) was \$30.7 million, which is approximately 228% of the total general fund expenditures. The total net change in the general fund balance is \$2,302,644.

The City maintains a five-year Capital Improvement Program to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. The fiscal year 2020-2024 Capital Improvement Program anticipates \$9.7 million in capital projects.

FUTURE ECONOMIC OUTLOOK

The effect of diminishing population growth as the City approaches buildout along with the reduced building related fees that have supplied a portion of the City revenue and the unstable economy will all have an impact on the future City finances. This, together with the added need for maintenance and infrastructure as the City matures, and an ever increasing public demand for services by Walnut's residential community, will require that continued prudent fiscal management not only remain desirable but absolutely necessary.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Walnut for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty (30) consecutive years that the government has achieved these prestigious awards. In order to be awarded a Certificate of Achievement, the

government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

The financial results of the City would not have been possible without the dedicated efforts of the finance division staff, as well as the audit firm of Eide Bailly LLP. Appreciation is also expressed to all members of the departments for their assistance in providing the data necessary to prepare this report. We also wish to recognize the commitment of the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Walnut's finances.

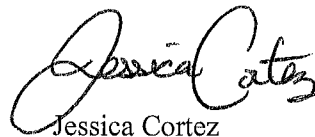
Respectfully submitted,



Robert M. Wishner
City Manager



Karen Ogawa
Administrative Services Director



Jessica Cortez
Finance Officer



Government Finance Officers Association

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

Presented to

**City of Walnut
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

**CITY OF WALNUT
OFFICIALS
June 30, 2019**

CITY COUNCIL

Andrew Rodriguez, Mayor
Bob Pacheco, Mayor Pro Tem
Eric Ching, Council Member
Nancy Tragarz, Council Member
Dr. Allen Wu, Council Member

WALNUT SUCCESSOR AGENCY

Andrew Rodriguez, Mayor
Bob Pacheco, Mayor Pro Tem
Eric Ching, Council Member
Nancy Tragarz, Council Member
Dr. Allen Wu, Council Member

CITY OFFICIALS

Robert M. Wishner, City Manager
Teresa De Dios, City Clerk
Karen Ogawa, City Treasurer

WALNUT SUCCESSOR AGENCY OFFICIALS

Robert M. Wishner, Executive Director
Teresa De Dios, Agency Secretary
Karen Ogawa, Agency Treasurer

City of Walnut Organizational Chart

The City of Walnut is a contract City which utilizes contracts with the county and private businesses to provide services to our residents. The City has an Administrative Services department that manages the administration of the City, coordinates the City Budget and purchasing functions, a Community Development department that oversees the building and planning of the City, and a Community Services department that coordinates and maintains the City's parks, recreation programs, and public works.

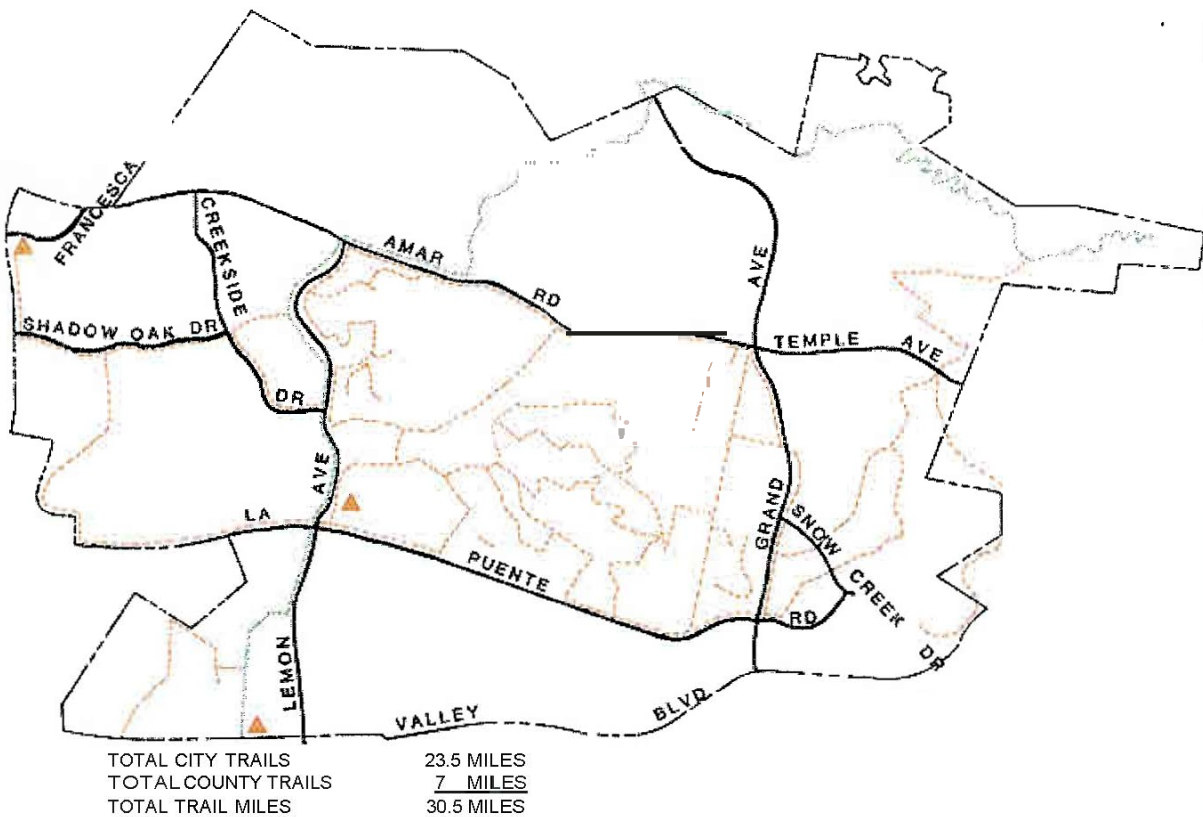


City of Walnut Trail Map



There are 30.5 miles of equestrian/hiking trails winding through Walnut's rolling hills. The area has been linked to horse-related activities for many years, and interest in an equestrian oriented lifestyle has attracted many of the City's residents to settle in this area. The scenic, natural topography provides an ideal place for riding and hiking. The equestrian/hiking trails wind through the community and take advantage of the open spaces, parks, and preserved natural areas. Along the trails are three rest areas, located on Valley Boulevard at Lemon Creek, on Nogales Street south of Francesca Drive, and on Lemon Avenue just north of La Puente Road. All three rest areas have picnic tables, trash cans, and trees to provide shade. The map below indicates the equestrian/hiking trails and rest areas.

City of Walnut
21201 La Puente Road
Walnut, CA 91789
(909) 595-7543





Independent Auditor's Report

The Honorable Members of the City Council
of the City of Walnut
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Walnut, California (City), as of and for the year ended June 30, 2019, 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, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 50 through 55, the schedule of proportionate share of the net pension liability and the schedule of contributions on pages 56 and 57, schedule of changes in the total other post-employment benefits (OPEB) liability and related ratios on page 58, 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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 combining and individual fund financial statements 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 our report dated December 23, 2019, 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 solely 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 effectiveness of the City's 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 23, 2019

Management's Discussion and Analysis

As management of the City of Walnut, we offer readers of the City of Walnut's financial statements this narrative overview and analysis of the financial activities of the City of Walnut for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City of Walnut's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$104,128,948 (net position).
- The General Fund has a fund balance of \$31.1 million.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) for the General Fund was \$30.7 million or approximately 228% of the total general fund expenditures.
- The General Fund actual resources available for appropriation (revenue inflows and fund balance) was \$16.4 million more than budget and actual appropriations (outflows) were \$2.8 million less than budget.
- At the close of the current fiscal year, the City of Walnut governmental funds reported a combined fund balance of \$39.2 million.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Walnut's basic financial statements. The City of Walnut's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Walnut's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Walnut's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 of Walnut is improving or deteriorating.

The statement of activities presents information showing how the City of Walnut's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Walnut that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City of Walnut include general government, public safety, community development, community services, and public works. The government-wide financial statements include the blending of separate legal entities the Walnut Public Financing Authority and the Walnut Housing Authority. Although legally separate, these "component units" are, in substance, part of the City's operations and are important because the City of Walnut is financially accountable for them.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Walnut, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Walnut can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City of Walnut maintains 24 individual governmental funds. 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, four special revenue funds, and one capital project fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Walnut adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

The City of Walnut maintains two different types of fiduciary funds. The Agency funds reports resources held by the City of Walnut in a custodial capacity for individuals, and private organizations. The Private-purpose trust fund is used to accounts for all the financial transactions of the Successor Agency of the former redevelopment agency.

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

Combining Statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to the required supplementary information.

Government-wide Overall Financial Analysis

Our analysis focuses on the net position and changes in net position of the City's governmental activities.

City of Walnut Net Position (In Thousands)

	Governmental Activities	
	2019	2018
Current and other assets	\$ 41,822	\$ 39,015
Capital assets	72,284	73,720
Total assets	114,105	112,735
Deferred outflows of resources	1,786	1,934
Current liabilities	2,917	2,613
Noncurrent liabilities	8,159	8,633
Total liabilities	11,076	11,246
Deferred inflows of resources	687	3,269
Net Position		
Net investment in capital assets	72,284	73,720
Restricted	7,716	7,321
Unrestricted	24,129	19,113
Total net position	\$ 104,129	\$ 100,154

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$104,128,948 at the close of the fiscal year.

The largest portion of the City of Walnut's net position (69%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures, equipment, and infrastructures), less any related outstanding debt that was used to acquire those assets. The City of Walnut uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Walnut's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$24,129,411 is unrestricted and maybe used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Walnut is able to report positive balances in all reported categories of net position, both for the government as a whole, as wells as for its separate government activities. The same situation held true for the prior fiscal year.

The City of Walnut overall net position increased \$3,975,073. The following is an explanation of the major changes:

- The City of Walnut entered into a purchase and sale agreement in 2016 that included a selling price profit sharing whereby the City of Walnut is to receive a percentage of the excess of net profits from the sale of 18 properties. The City of Walnut received \$2.2 million from the selling price profit sharing agreement, which accounts for the majority of the current and other assets increase of \$2.8 million.
- Capital assets decreased \$1.4 million net of depreciation. The decrease was attributed to the infrastructures, furniture, and equipment that were fully depreciated and retired during the year. The changes are as follows:

City of Walnut Asset Type

Construction in progress	\$ 153,869
Building and improvements	221,568
Furniture and equipment	(98,070)
Infrastructure	<u>(1,713,689)</u>
Capital asset net decrease	<u><u>\$ (1,436,322)</u></u>

- Deferred inflows and outflows of resources and noncurrent liabilities decreased mainly as a result to pension activities.

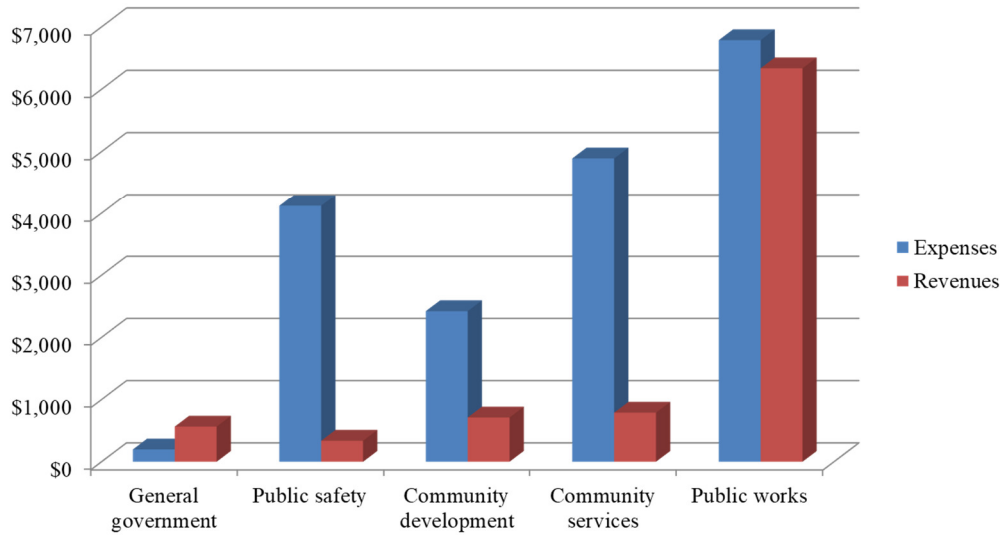
Governmental Activities. Governmental activities increased the City of Walnut net position by \$3,975,073. Key elements of the changes are as follow:

- The increases in operating and capital contributions and grants of \$548,162 is primarily due to the increase in transit and transportation funding.
- General revenues decreased by \$9,665,494 due to prior year sale of donated property (\$12.5 million) coupled with the current year selling price profit sharing agreement (\$2.2 million).

City of Walnut Changes in Net Position
(In Thousands)

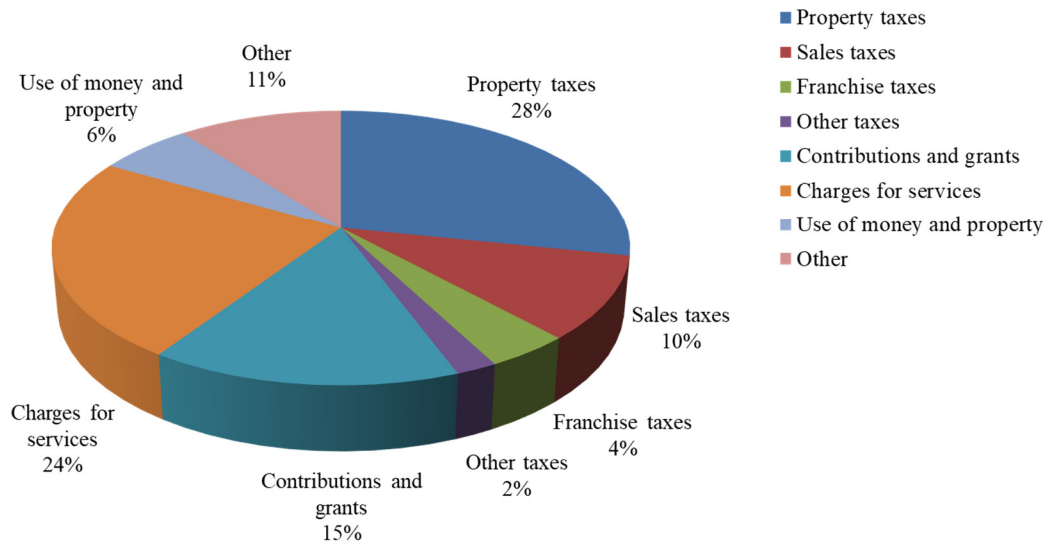
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 5,343	\$ 5,175
Operating contributions and grants	1,492	1,157
Capital contributions and grants	1,907	1,693
General revenues:		
Taxes:		
Property taxes	6,328	6,010
Sales taxes	2,205	2,064
Franchise taxes	928	926
Business license taxes	121	125
Other taxes	332	398
Use of money and property	1,366	730
Other	2,373	576
Special item - sale of donated property	-	12,487
Total revenues	<u>22,395</u>	<u>31,343</u>
Expenses:		
General government	199	5,858
Public safety	4,120	4,033
Community development	2,422	2,435
Community services	4,891	5,273
Public works	6,788	5,766
Total expenses	<u>18,420</u>	<u>23,365</u>
Change in net position	3,975	7,978
Beginning net position	100,153	92,175
Ending Net Position	<u>\$ 104,128</u>	<u>\$ 100,153</u>

**City of Walnut Government Activities
Expense and Program Revenues
(In Thousands)**



- General government expenses decreased by \$5.7 million primarily due to pension and other post-employment benefit related expenses.
- Public Work expenses increased \$1.0 million mainly due to more public works projects this year compared to last fiscal year.

**City of Walnut Governmental Activities
Revenue by Source
(% of Total Revenues)**



Financial Analysis of the City's Funds

As noted earlier, the City of Walnut uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Walnut's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City of Walnut's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Walnut's governmental funds reported combined fund balances of \$39,262,968. An increase of \$2,861,345 in comparison to prior year. Of this balance 1% (\$424,745) are nonspendable balances for notes and loans, advances to other funds, and prepaid costs; 20% (\$7,715,804) are legally restricted to fund such areas as low and moderate housing projects, public safety, community services, and public works; 5% (\$2,000,000) are committed to disaster recovery and self-insurance; 58% (\$22,886,396) are assigned to community services, maintenance and operations, and other post-employment benefits; and the remaining 16% (\$6,236,023) are unassigned.

The general fund is the chief operating fund of the City of Walnut. At the end of the current fiscal year, the general fund reflects a fund balance of \$31,119,194. The unassigned fund balance of the general fund is \$6,236,023, which represents approximately 45% compared to the general fund expenditures, while the total fund balance represents approximately 226% of the general fund expenditures. The general fund balance increased \$2,302,644 in comparison to last year. Key factors and components that led to this change are as follows:

- General fund revenues increased by 25% (\$3,152,887). The use of money and property increase by \$492,000 primarily due to the increase in investments from proceeds of the prior year sale of donated property (\$12.5 million).
- General fund revenues includes \$2.2 million from a selling price profit sharing agreement whereby the City of Walnut received a percentage of the excess of net profits from the sale of 18 properties.
- General fund expenditures increased by 3% (\$355,579). General government, public safety and community development each increased by 2%. Public works increased by 27% due to increase public works activities.

The Landscape Open Space Maintenance District (LOSMD) fund accounts for assessments levied by the City to residents who have property maintained by the City. The assessments related to the LOSMD exceeds the costs by \$208,941. The assessments do not have a provision for rate increases and expenses to maintain the property continue to increase each year.

The gas tax funds are primarily used for street maintenance. Expenditures exceed revenues by \$76,733 due to increases in street maintenance costs.

The capital improvement fund accounts for major capital outlay and infrastructures improvements for the City. Revenues exceeded expenditures by \$163,690 primarily due to the \$280,712 general fund transfer of funds for capital projects.

The non-major governmental fund balance increased by \$229,123. Increase primarily due to measure M and proposition A higher allocation from the Los Angeles County for the ½ cent sales tax for transit and transportation projects.

General Fund Budgetary Highlights

The actual charges to appropriations for the general fund at year-end were \$2.4 million less than the final budget. The budget to actual variance in appropriations was due to delays in capital projects, lower park and building activities, and close control by management on spending actual revenues compared favorably to the final budget with a \$2.3 million excess. This positive variance was due to the selling price profit sharing agreement, increase in use of money and property and the decrease in license and permits. Budget amendments and supplemental appropriation were made during the year to increase appropriations for unanticipated expenditures after adoption of the original budget in the amount of \$3 million, which is primarily due to relocation of funding from maintenance and capital projects.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ended June 30, 2019, the City had \$72,283,733 invested in a broad range of capital assets including land, buildings, infrastructures, furniture, and equipment. The amount represents a net decrease of \$1.4 million over last year. This decrease is mainly due to the depreciation of infrastructure assets.

**City of Walnut Capital Assets
Net of Depreciation
(In Thousands)**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 10,793	\$ 10,793
Construction in progress	1,097	944
Building and improvements	13,266	13,045
Furniture and equipment	1,484	1,582
Infrastructure	<u>45,644</u>	<u>47,357</u>
Total	<u>\$ 72,284</u>	<u>\$ 73,721</u>

The City’s five-year Capital Improvement Program projects spending \$9.7 million through fiscal year 2023-24. Funding will come from current fund balances committed for capital projects and projected revenues over the next five years. The most significant projects include the design and construction of a future recreation facility, slurry seal and park improvement projects.

Additional information on the capital assets can be found in Note 3 of this report.

Long-term Liabilities. At the end of the current fiscal year, the City of Walnut had total accrued employee benefits of \$455,755, which is \$23,102 more than prior year.

Economic Factors and Next Year's Budgets and Rates

The revenue and expenditure projections provided for the 2019-20 budget is based upon economic forecasts and trends for the area in which the City is located. It is based on the information supplied by outside agencies, such as the State Department of Finance, State Board of Equalization, and the Los Angeles County Assessor's Office, to predict revenues for entitlement, grants, state subventions, sales tax and property tax. The revenue and expenditure projections are intended to serve as a guide in planning for the future.

This year, the assumptions used for forecasting the revenues included a flat sales tax projection for the next couple of years with a 2% increase on the property taxes. These projections were based on the current economic situation and uncertainty in the market.

The building related revenues such as plan checks and building permits have been projected to have no changes due to new development project(s) that are currently in the beginning stages and since the City does not have definite details about the projected start dates.

The assumptions used for forecasting expenditures included a projected increase of 3% for all expenditures related to personnel and 2% increase for operations of the City. All expenditures for the City's public safety program, which includes payment for the Los Angeles County Sheriff services, have been projected to increase 5% per year. All liability and property insurance costs are projected to increase by 4%. In addition, where ever possible, any expenditures which are not "on-going", such as expenditures identified for certain capital or fixed asset items, have not been carried forward as expenditures in following years. Also taken into consideration are any costs for contracted services, in which the City has an agreement with the provider, where the fees are to remain constant for a specified number of years.

A priority of the City is to maintain a high quality of services while adopting a balanced budget. Once again the budget is balanced for the coming year.

Request for Information

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Walnut finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Division, at the City of Walnut, 2102 La Puente Road, Walnut, California 91789.

BASIC FINANCIAL STATEMENTS

CITY OF WALNUT, CALIFORNIA

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 38,885,032
Receivables:	
Accounts	239,179
Accrued interest	234,886
Deferred loans	755,061
Prepaid costs	388,918
Due from other governments	764,457
Restricted assets:	
Cash with fiscal agent	554,000
Capital assets not being depreciated	11,889,898
Capital assets, net of depreciation	<u>60,393,835</u>
Total Assets	<u>114,105,266</u>
Deferred Outflows of Resources	
Deferred amount related to pensions	1,783,082
Deferred amount related to OPEB	<u>3,391</u>
Total Deferred Outflows of Resources	<u>1,786,473</u>
Liabilities	
Current liabilities:	
Accounts payable	1,432,169
Accrued liabilities	296,823
Unearned revenue	160,024
Due to other governments	669,549
Compensated absences	<u>358,314</u>
Total current liabilities	<u>2,916,879</u>
Noncurrent liabilities:	
Compensated absences	97,441
Net pension liability	6,656,634
Total OPEB liability	<u>1,405,152</u>
Total noncurrent liabilities	<u>8,159,227</u>
Total Liabilities	<u>11,076,106</u>
Deferred Inflows of Resources	
Deferred amounts related to pensions	606,751
Deferred amounts related to OPEB	<u>79,934</u>
Total Deferred Inflows of Resources	<u>686,685</u>
Net Position	
Net investment in capital assets	72,283,733
Restricted for:	
Community development projects	3,223,238
Public safety	294,935
Community services	719,991
Public works	3,477,640
Unrestricted	<u>24,129,411</u>
Total Net Position	<u>\$ 104,128,948</u>

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants		
Governmental Activities:					
General government	\$ 199,215	\$ 510,179	\$ 55,649	\$ -	\$ 366,613
Public safety	4,120,065	189,444	148,747	-	(3,781,874)
Community development	2,422,267	1,738	105,343	604,973	(1,710,213)
Community services	4,727,263	789,858	-	-	(3,937,405)
Public works	6,951,774	3,852,219	1,182,336	1,302,259	(614,960)
Total Governmental Activities	\$ 18,420,584	\$ 5,343,438	\$ 1,492,075	\$ 1,907,232	(9,677,839)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					6,328,288
Sales taxes					2,204,841
Franchise taxes					927,083
Business taxes					121,447
Other taxes					331,742
Use of money and property					1,366,080
Other					2,373,431
Total General Revenues					13,652,912
Change in Net Position					3,975,073
Net Position, Beginning of Year					100,153,875
Net Position, End of Year					\$ 104,128,948

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds		
	General	Community Development Block Grant	LOSMD
Assets			
Pooled cash and investments	\$ 30,465,276	\$ -	\$ 828,219
Receivables:			
Accounts	223,863	-	-
Accrued interest	218,643	-	-
Deferred loans	-	664,412	-
Prepaid costs	388,918	-	-
Due from other governments	528,056	5,006	30,689
Due from other funds	40,179	-	-
Advances to other funds	35,827	-	-
Restricted assets:			
Cash and investments with fiscal agents	554,000	-	-
Total Assets	<u>\$ 32,454,762</u>	<u>\$ 669,418</u>	<u>\$ 858,908</u>
Liabilities and Fund Balances			
Accounts payable	\$ 881,013	\$ 630	\$ 167,882
Accrued liabilities	294,531	-	-
Unearned revenues	160,024	-	-
Due to other governments	-	664,412	-
Due to other funds	-	4,376	-
Advances from other funds	-	-	35,827
Total Liabilities	<u>1,335,568</u>	<u>669,418</u>	<u>203,709</u>
Fund Balances			
Nonspendable	424,745	-	-
Restricted	-	-	655,199
Committed	2,000,000	-	-
Assigned	22,458,426	-	-
Unassigned	6,236,023	-	-
Total Fund Balances	<u>31,119,194</u>	<u>-</u>	<u>655,199</u>
Total Liabilities and Fund Balances	<u>\$ 32,454,762</u>	<u>\$ 669,418</u>	<u>\$ 858,908</u>

See Notes to Financial Statements.

Special Revenue Funds		Capital Projects Fund		Other Governmental Funds	Total Governmental Funds
Low and Moderate Income Housing Fund	Gas Tax	Capital Improvements			
\$ 1,975,386	\$ 6,535	\$ 499,630	\$ 5,109,986	\$ 38,885,032	
-	-	-	15,316	239,179	
-	-	-	16,243	234,886	
-	-	-	90,649	755,061	
-	-	-	-	388,918	
-	55,866	-	144,840	764,457	
-	-	-	-	40,179	
-	-	-	-	35,827	
-	-	-	-	554,000	
<u>\$ 1,975,386</u>	<u>\$ 62,401</u>	<u>\$ 499,630</u>	<u>\$ 5,377,034</u>	<u>\$ 41,897,539</u>	
\$ -	\$ 56,220	\$ 71,660	\$ 254,764	\$ 1,432,169	
-	-	-	2,292	296,823	
-	-	-	-	160,024	
-	-	-	5,137	669,549	
-	-	-	35,803	40,179	
-	-	-	-	35,827	
-	56,220	71,660	297,996	2,634,571	
-	-	-	-	424,745	
1,975,386	6,181	-	5,079,038	7,715,804	
-	-	-	-	2,000,000	
-	-	427,970	-	22,886,396	
-	-	-	-	6,236,023	
<u>1,975,386</u>	<u>6,181</u>	<u>427,970</u>	<u>5,079,038</u>	<u>39,262,968</u>	
<u>\$ 1,975,386</u>	<u>\$ 62,401</u>	<u>\$ 499,630</u>	<u>\$ 5,377,034</u>	<u>\$ 41,897,539</u>	

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund Balances of Governmental Funds	\$ 39,262,968
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 governmental fund activity.	72,283,733
Compensated absences have not been included in the governmental fund activity	(455,755)
Governmental funds report all pension contributions to the plan as expenditures, however, in the statement of net position contributions are recorded as deferred outflows of resources to reduce the net pension liability at a future date. Additionally, the pension liability is recorded in the statement of net position as a long-term liability. The following reconciles adjustments related to the net pension liability:	
Deferred outflows related to pensions	1,783,082
Net pension liability	(6,656,634)
Deferred inflows related to pensions	(606,751)
Governmental funds report all OPEB payments to beneficiaries as expenditures, however, in the statement of net position such amounts are recorded as deferred outflows of resources to reduce the total OPEB liability at a future date. Additionally, the OPEB liability is recorded in the statement of net position as a long-term liability. The following reconciles adjustments related to the total OPEB liability:	
Deferred outflows related to OPEB	3,391
Total OPEB liability	(1,405,152)
Deferred inflows related to OPEB	(79,934)
Net Position of Governmental Activities	<u>\$ 104,128,948</u>

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		
	General	Community Development Block Grant	LOSMD
Revenues			
Taxes	\$ 9,891,270	\$ -	\$ -
Assessments	-	-	2,613,020
Licenses and permits	895,016	-	-
Intergovernmental	22,131	83,852	-
Charges for services	1,448,413	-	-
Use of money and property	1,180,019	-	-
Fines and forfeitures	28,567	-	-
Miscellaneous	2,465,952	-	-
Total Revenues	15,931,368	83,852	2,613,020
Expenditures			
Current:			
General government	2,592,697	-	-
Public safety	3,958,372	-	-
Community development	1,595,969	83,852	-
Community services	4,009,835	-	-
Public works	1,355,164	-	2,315,502
Capital outlay	-	-	88,577
Total Expenditures	13,512,037	83,852	2,404,079
Excess (deficiency) of revenues over (under) expenditures	2,419,331	-	208,941
Other Financing Sources (Uses)			
Transfers in	164,025	-	-
Transfers out	(280,712)	-	-
Total Other Financing Sources (Uses)	(116,687)	-	-
Net Changes in Fund Balances	2,302,644	-	208,941
Fund Balances, Beginning of Year	28,816,550	-	446,258
Fund Balances, End of Year	\$ 31,119,194	\$ -	\$ 655,199

See Notes to Financial Statements.

Special Revenue Funds		Capital Projects Fund		Other	Total
Low and Moderate				Governmental	Governmental
Income		Capital		Funds	Funds
Housing Fund	Gas Tax	Improvements			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,891,270
-	-	-	-	38,910	2,651,930
-	-	-	-	-	895,016
-	589,463	-	-	2,817,627	3,513,073
-	-	-	-	-	1,448,413
33,680	3,003	-	-	134,016	1,350,718
-	-	-	-	98,668	127,235
-	-	-	-	52,050	2,518,002
<u>33,680</u>	<u>592,466</u>	<u>-</u>	<u>-</u>	<u>3,141,271</u>	<u>22,395,657</u>
-	-	-	-	-	2,592,697
-	-	-	-	153,569	4,111,941
-	-	-	-	742,446	2,422,267
-	-	-	-	211,238	4,221,073
-	669,199	100,378	-	1,598,935	6,039,178
-	-	16,644	-	41,935	147,156
<u>-</u>	<u>669,199</u>	<u>117,022</u>	<u>-</u>	<u>2,748,123</u>	<u>19,534,312</u>
<u>33,680</u>	<u>(76,733)</u>	<u>(117,022)</u>	<u>-</u>	<u>393,148</u>	<u>2,861,345</u>
-	-	280,712	-	-	444,737
-	-	-	(164,025)	-	(444,737)
<u>-</u>	<u>-</u>	<u>280,712</u>	<u>(164,025)</u>	<u>-</u>	<u>-</u>
33,680	(76,733)	163,690	229,123	-	2,861,345
<u>1,941,706</u>	<u>82,914</u>	<u>264,280</u>	<u>4,849,915</u>	<u>-</u>	<u>36,401,623</u>
<u>\$ 1,975,386</u>	<u>\$ 6,181</u>	<u>\$ 427,970</u>	<u>\$ 5,079,038</u>	<u>\$ -</u>	<u>\$ 39,262,968</u>

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 2,861,345

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. Adjustments for capital outlay net of asset deletions and the net depreciation is reported in the governmental activities (1,436,322)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents the net change in the compensated absences liability. (23,102)

Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as a change in the total OPEB liability and the amortization of deferred outflows and inflows. This amount represents the change in OPEB related amounts. (83,476)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as a change in the net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the change in pension related amounts. 2,656,628

Change in Net Position of Governmental Activities \$ 3,975,073

CITY OF WALNUT, CALIFORNIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Agency Fund	Private Purpose Trust Fund <u>Successor Agency of the Former RDA</u>
Assets		
Pooled cash and investments	\$ 1,991,032	\$ 178,071
Receivables:		
Accrued interest	-	467
Total Assets	<u>\$ 1,991,032</u>	<u>178,538</u>
Liabilities		
Accounts payable	14,853	-
Accrued interest	-	-
Deposits payable	1,976,179	-
Total Liabilities	<u>\$ 1,991,032</u>	<u>-</u>
Net Position (Deficit)		
Held in trust for other purposes		178,538
Total Net Deficit		<u>\$ 178,538</u>

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Private Purpose Trust Fund
	<u>Successor Agency of the Former RDA</u>
Additions	
Taxes	\$ 2,528,275
Interest and change in fair value of investments	10,064
Total Additions	<u>2,538,339</u>
Deductions	
Administrative expenses	<u>253,350</u>
Total Deductions	<u>253,350</u>
Changes in Net Position	2,284,989
Net Position - Beginning of the Year	<u>(2,106,451)</u>
Net Position - End of the Year	<u><u>\$ 178,538</u></u>

See Notes to Financial Statements.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

I. SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Description of Reporting Entity

The City of Walnut is a reporting entity, which consists of the primary government and component units:

Reporting Entity:

Primary Government:
City of Walnut

Component Unit:
Walnut Public Financing Authority
Walnut Housing Authority

As required by generally accepted accounting principles, these financial statements present the City of Walnut (the primary government) and its component units. Component units are entities for which the government is considered to be financially accountable either because the component unit will provide a financial benefit or impose a financial burden on the primary government.

The City of Walnut was incorporated on January 19, 1959, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City.

The Walnut Public Financing Authority was established on November 9, 1988, by a joint exercise of powers agreement between the City and the Improvement Agency. Under the bond law the Authority has the power to issue bonds and loan the proceeds to any local agency.

The Walnut Housing Authority was established on October 9, 1996, pursuant to the State of California Health and Safety Code, Section 34200. Its purpose is to provide for new and/or improvement of existing low and moderate housing stock for residents of the community.

Blended Component Units

The Walnut Public Financing Authority and the Walnut Housing Authority, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City of Walnut.

The component units are governed by the City Council of the City of Walnut. The economic resources received or held by the Walnut Public Financing Authority and the Walnut Housing Authority are entirely or almost entirely for the direct benefit of the City. The City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the Walnut Public Financing Authority and the Walnut Housing Authority. Therefore, they are included in this financial presentation using the blending method.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 on the government as a whole. They include the City of Walnut and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those 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 not properly included among program revenues are reported instead as general revenues.

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

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported on the accrual basis of accounting.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Community Development Block Grant (CDBG) Fund is a federal grant administered by the County of Los Angeles Department of Community Development under the provisions of the 1974 Housing and Community Development Act. The funds are available to cities and restricted to provide improvements to those considered “blighted” under the definitions set forth by the Act.
- The Lighting and Open Space Maintenance District (LOSMD) is comprised of approximately 369 acres of landscape areas throughout the City that is divided into twelve zones and generates revenue based on property tax assessments per zone. The funds are restricted for the landscape maintenance, rodent control, weed abatement, and other related expenses within the LOSMD.
- The Low & Moderate Income Housing Fund accounts for resources received from the Redevelopment Property Tax Trust Fund and are restricted for the implementation, administration and monitoring of the Low and Moderate income housing affordability and other requirements of the State housing and redevelopment.
- The Gas Tax Fund accounts for the City’s proportionate share of gas tax monies collected by the State of California, which are restricted for street construction and maintenance.
- The Capital Improvement Fund accounts for purchases of land, major capital outlay and infrastructure improvements.

Additionally, the government reports the following fiduciary funds:

- The Agency Fund is used to report resources held by the City in a purely custodial capacity which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City has one Agency Fund. The Agency Fund accounts for refundable deposits.
- The Private Purpose Trust fund accounts for the activities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

d. Policy for Eliminating Internal Activity in Government-Wide Statement of Activities

Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities and Net Position or Equity

1. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Governmental Funds.

Investments for the City as well as for its component units are reported at fair value. The City's policy is generally to hold investments until maturity. The State Treasurer's and Los Angeles County's Investment Pools operate in accordance with appropriate state laws and regulations. The investment pools value participant shares on an amortized costs basis during the year and adjusts to fair value at year-end.

Fair Value Measurements

Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurements and Application*, provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The City categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: 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.

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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).

Advances between funds, as reported in the general fund financial statements, are offset by a nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due, and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1, the second installment is due February 1. All taxes are delinquent if unpaid on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities and Net Position or Equity (Continued)

3. Prepaid Costs

Payments to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items. A portion of the relevant funds' balances equal to the prepaid items is shown as nonspendable to indicate that it is not available for appropriation. The City utilizes the consumption method of accounting for purchases, and accounts for prepaid costs in the period that the benefit was received and recognizes expenditures or expenses as consumed.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Infrastructure assets have a capitalization threshold of \$25,000. General infrastructure assets acquired in current and prior years have been reported. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 - 50*
Building improvements	25
Infrastructure	30 - 50
Vehicles	7
Office equipment	7
Computer equipment	7
Furniture	10

* Buildings acquired before June 30, 2002, are depreciated over 40 years.
Buildings built after July 1, 2003, are depreciated over 50 years.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities and Net Position or Equity (Continued)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pensions and OPEB.

In addition to liabilities, the statement of financial position reports 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. In the government-wide statement of net position, the government reports deferred inflows of resources for pensions.

6. Net Pension Liabilities

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

7. Total OPEB Liability

The City provides healthcare benefits for all eligible retirees and their spouses through the Public Employees' Medical and Hospital Care Act (PEMHCA). The other postemployment benefit (OPEB) plan is a single-employer defined benefit healthcare plan administered by the California Public Employees Retirement System (PERS). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

8. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon separation of employment, upon completion of one year of service. Sick leave is payable when an employee is unable to work because of illness. Sick leave accruals over 160 hours may be paid at the rate of 50 percent in December of each calendar year.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities and Net Position or Equity (Continued)

8. Compensated Absences (Continued)

Upon separation, sick leave accrued will be paid based on the following:

- Up to five years of continuous service, employee will be paid all accrued sick leave over 160 hours at the rate of one-half of the employee's current rate of pay.
- After five years of continuous service, employee will be paid all accrued sick leave at the rate of one-half of the employee's current rate of pay.

Each full time classified employee has the option on an annual basis to cash out up to 40 hours of vacation time at the employee's current rate of pay. To be eligible for the cash out option, employees must have used at least 40 hours of vacation time within the preceding calendar year, and must have a balance of 160 vacation hours after the cash out.

Any or all of the vacation cash out will be paid, upon written request of the employee, once a year at the employee's current wage at the time of payment. Said payment is to be made on the first day of February, or at such time as the City Manager may determine at his/her absolute discretion as appropriate.

All vacation and sick leave pay is accrued when incurred in the government-wide 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. Compensated absences are paid, if matured, out of the general fund.

9. Net Position Flow Assumption

Sometimes the government 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 government-wide 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 net position to have been depleted before unrestricted net position is applied.

10. Fund Equity and Flow Assumptions

The City Council adopts fund balance policies that amend committed fund balance amounts through a resolution. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through the Municipal Code and the adoption of the budget. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Unearned Revenue

Revenues were received in the General Fund of \$160,024 for advance payment of class registration and other various fees that have been recorded as unearned revenue until such time as those revenues meet the recognition criteria.

g. New GASB Pronouncements

Accounting Pronouncements Effective in the Current Year

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The Statement is effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has determined that the requirements of this statement do not have a material impact on the financial statements.

GASB Statement No. 88 – *Certain Disclosures Related to Debts, including Direct Borrowings and Direct Replacements*. The Statement is effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has determined that the requirements of this statement effective in the current year do not have a material impact on the financial statements.

Accounting Pronouncements Effective Future Fiscal Years

The effect of these statements is currently under review by the City:

GASB Statement No. 84 – *Fiduciary Activities*. The Statement is effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year.

GASB Statement No. 87 – *Leases*. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year.

GASB Statement No. 90 – *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. The Statement is effective for the reporting periods beginning after December 15, 2018, or 2019-2020 fiscal year.

GASB Statement No. 91 – *Conduit Debt Obligations*. The Statement is effective for periods beginning after December 15, 2020.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

II. DETAILED NOTES ON ALL FUNDS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 38,885,032
Cash with fiscal agent	554,000
Statement of fiduciary net position:	
Cash and investments	2,169,103
Total Cash and Investments	<u>\$ 41,608,135</u>

Cash and investments as of June 30, 2019, consists of the following:

Cash on hand	\$ 2,081,832
Petty cash	1,300
Cash with fiscal agent	554,000
Investments	38,971,003
Total Cash and Investments	<u>\$ 41,608,135</u>

The City of Walnut maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

At June 30, 2019, the carrying amount of the City's deposits was \$2,081,832 and the bank balance was \$2,182,509. The \$100,677 difference represents outstanding checks and other reconciling items.

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

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Certificates of Deposit (or time deposits)
- Local Agency Investment Fund (State Pool)
- Securities of the U.S. Government or its Agencies
- Bankers Acceptances
- Commercial Paper
- Passbook Savings Account Demand Deposits
- Los Angeles County Treasurer's Investment Pool
- Money Market Mutual Fund
- Medium-Term Notes

Fair Value Measurements

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Generally Accepted Accounting Principles (GAAP) require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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.

Deposits and withdrawals in the County Investment Pool and LAIF are made on the basis of \$1 and not fair value. The investments in money market funds are valued at net asset value \$1 per share (amortized cost). Accordingly, under the fair value hierarchy, the investments held by the City at June 30, 2019 are uncategorized.

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments 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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon 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. LAIF is not registered with the Securities and Exchange Commission and is not rated.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Los Angeles County Pooled Investment Fund

The City is also a voluntary participant in the Los Angeles County Pooled Investment Fund. The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the County of Los Angeles Board of Supervisors, and administered by the County of Los Angeles Treasurer and Tax Collector. Investments in LACPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. LACPIF imposes a minimum investment limit of \$50,000. As of June 30, 2019, the City's participation is 0.014 percent. LACPIF has a weighted average maturity of 547 days.

Pool detail is included in the County of Los Angeles' Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Los Angeles Auditor-Controller's Office at 500 West Temple Street, Los Angeles, California 90012.

Credit Risk

As of June 30, 2019, the City's investment in LAIF and LACPIF are unrated.

Concentration of Credit Risk

The City's investment policy does not impose restrictions for certain types of investments with any one issuer beyond that stipulated by the California Government Code.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's portfolio to maturities of less than five years.

The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2019, the City had the following investments and original maturities:

	Remaining Investment Maturities	
	6 months or less	Fair Value
Los Angeles County Investment Pool	\$ 4,603,396	\$ 4,603,396
California Local Agency Investment Fund	34,367,607	34,367,607
Money Market Account	554,000	554,000
	<u>\$ 39,525,003</u>	<u>\$ 39,525,003</u>

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 10,792,506	\$ -	\$ -	\$ 10,792,506
Construction in progress	943,523	1,097,392	943,523	1,097,392
Total capital assets not being depreciated	11,736,029	1,097,392	943,523	11,889,898
Capital assets being depreciated:				
Buildings	22,332,224	791,769	-	23,123,993
Equipment	5,135,136	206,413	253,932	5,087,617
Infrastructure	103,403,036	24,998	-	103,428,034
Total capital assets being depreciated	130,870,396	1,023,180	253,932	131,639,644
Less accumulated depreciation for:				
Buildings	9,287,632	570,201	-	9,857,833
Equipment	3,553,114	286,019	235,468	3,603,665
Infrastructure	56,045,624	1,738,687	-	57,784,311
Total accumulated depreciation	68,886,370	2,594,907	235,468	71,245,809
Total capital assets being depreciated, net	61,984,026	(1,571,727)	18,464	60,393,835
Governmental activities capital assets, net	\$ 73,720,055	\$ (474,335)	\$ 961,987	\$ 72,283,733

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 168,314
Public safety	9,049
Community services	563,808
Public works	1,853,736
Total Depreciation Expense - Governmental Activities	\$ 2,594,907

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – COMPENSATED ABSENCES

Changes in Compensated Absences

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Beginning Balance July 1, 2018	Additions	Deletions	Ending Balance June 30, 2019	Due within one year
Governmental Activities:					
Compensated Absences	\$ 432,653	\$ 363,254	\$ 340,152	\$ 455,755	\$ 358,314

For the governmental activities, compensated absences benefits are generally liquidated by the General Fund.

NOTE 5 – INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to Other Funds	Due From Other Funds	Amount
CDBG	General Fund	\$ 4,376
Non-major Governmental Funds	General Fund	35,803
		<u>\$ 40,179</u>

The due to the General Fund of \$40,179 from various funds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers In	Transfers Out	Amount
General Fund	Non-major Governmental Funds	\$ 164,025
Capital Improvement Fund	General Fund	280,712
		<u>\$ 444,737</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances to Other Funds	Advances From Other Funds	Amount
General Fund	LOSMD	\$ 35,827
		<u>\$ 35,827</u>

The purpose of the \$35,827 advance from the General Fund is to fund various expenditures in the LOSMD Fund.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 – FUND BALANCE

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance – This amount indicates the portion of fund balances which cannot be spent because they are either not in spendable form, such as prepaid cost, inventories, land held for resale, notes and loans, Advances to other funds, or legally or contractually required to be maintained intact.

Restricted Fund Balance – This amount indicates the portion of fund balances which has been restricted for amounts that are a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other government or b) imposed by law through constitutional provisions or enabling legislation. The City uses the restricted fund balances for the following purposes within each function.

- Community development purposes such as implementation and monitoring of affordable housing, implementation of air quality programs to reduce mobile pollution.
- Public works purposes such as maintenance of the landscape and lighting assessment district, engineering, general maintenance of street, storm drains, traffic signals, update the pavement management system, and transit related street projects.
- Community services purposes such as park maintenance and improvements, transportation for recreation excursions and maintenance of the Senior Center.
- Public Safety purpose such as law enforcement, crime prevention, traffic safety and vehicle code and citizen option for public safety programs.

Committed Fund Balance – This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution of the City Council. The City maintains a disaster recovery reserve of \$1,000,000 and a self-insurance reserve of \$1,000,000 included in the general fund. The purpose of this reserve is to meet unexpected circumstances such as a natural disaster or other catastrophic event.

Assigned Fund Balance – This amount indicates the portion of fund balances which is constrained by the City’s intent to be used for specific purpose, but it is neither restricted nor committed. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through the Municipal Code and the adoption of the budget.

Unassigned Fund Balance – This amount indicates the amount in excess of what can be properly classified as nonspendable, restricted, committed, or assigned to specific purposes for the general fund.

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – FUND BALANCE (CONTINUED)

	Special Revenue Funds					Capital Projects Fund	Other Governmental Funds	Totals
	General	Community Development Block Grant	LOSMD	Low and Moderate Income Housing	Gas Tax	Capital Improvement		
Nonspendable:								
Prepaid items	\$ 388,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,918
Advances to other funds	35,827	-	-	-	-	-	-	35,827
Total Nonspendable	424,745	-	-	-	-	-	-	424,745
Restricted:								
Community development	-	-	-	1,975,386	-	-	1,247,852	3,223,238
Public safety	-	-	-	-	-	-	294,935	294,935
Community services	-	-	-	-	-	-	719,991	719,991
Public works	-	-	655,199	-	6,181	-	2,816,260	3,477,640
Total Restricted	-	-	655,199	1,975,386	6,181	-	5,079,038	7,715,804
Committed:								
Disaster recovery	1,000,000	-	-	-	-	-	-	1,000,000
Self insurance	1,000,000	-	-	-	-	-	-	1,000,000
Total Committed	2,000,000	-	-	-	-	-	-	2,000,000
Assigned:								
Community services	14,838,444	-	-	-	-	-	-	14,838,444
Maintenance & operations	6,871,759	-	-	-	-	-	-	6,871,759
Capital projects	-	-	-	-	-	427,970	-	427,970
OPEB	748,223	-	-	-	-	-	-	748,223
Total Assigned	22,458,426	-	-	-	-	427,970	-	22,886,396
Unassigned:								
Unassigned	6,236,023	-	-	-	-	-	-	6,236,023
Total	\$ 31,119,194	\$ -	\$ 655,199	\$ 1,975,386	\$ 6,181	\$ 427,970	\$ 5,079,038	\$ 39,262,968

NOTE 7 – PENSION PLAN

General Information about the Pension Plan

Plan Descriptions

The City contributes to the California Public Employee Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan that acts as a common investment and administrative agent for participating entities within the State of California. The CalPERS plan consists of a miscellaneous plan and safety plan (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Fund C (PERF C). CalPERS provides retirement, disability, and death benefits to plan members and beneficiaries. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues publicly available reports that includes a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website at www.calpers.ca.gov.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – PENSIONS PLAN (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees Pension Reform Act of 2013 (PEPRA) became effective January 1, 2013. This means that the City now has two defined benefit pension plan "tiers" for eligible employees. Tier 1 (established on July 1, 2003), provides a defined benefit plan formula for Miscellaneous employees of 2.0 percent at 55. Tier 1 applies to all eligible employees hired on or before January 1, 2013.

The PEPRA Tier (Tier 2) is in effect for new employees hired after January 1, 2013, who have a sixth-month break in CalPERS service or have never worked for a CalPERS covered agency. Miscellaneous employees have a benefit formula of 2.0 percent at 62.

The Plans’ provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	7.0%	6.25%
Required employer contribution rates	9.41%	6.842%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employees 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 Miscellaneous Plan 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 the unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan were \$671,490 for the year ended June 30, 2019.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – PENSIONS PLAN (CONTINUED)

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

As of June 30, 2019, the City of Walnut reported net pension liabilities for its proportionate share of the net pension liability of the plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 6,656,634

The City of Walnut’s net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The City's net pension liability for the Plan is measured as of June 30, 2018, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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 net pension liability for the Miscellaneous Plan as of June 30, 2017 and 2018 were as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2017	0.0686%
Proportion - June 30, 2018	0.0691%
Change - Increase (Decrease)	<u>0.0005%</u>

For the year ended June 30, 2019, the City of Walnut recognized a pension credit of \$1,985,138. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan</u>		
Changes of assumptions	\$ 758,876	\$ 185,986
Differences between expected and actual experience	255,403	86,912
Net difference between projected and actual earnings on pension plan investments	32,909	-
Differences between employer's contributions and proportionate share of contributions	-	333,853
Change in employer's proportion	64,404	-
Pension contributions made subsequent to measurement date	671,490	-
Total	<u>\$ 1,783,082</u>	<u>\$ 606,751</u>

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – PENSIONS PLAN (CONTINUED)

The amount of \$671,490 reported 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 530,628
2021	275,445
2022	(241,360)
2023	(59,872)
	<u>\$ 504,841</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2017 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds

All other actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study from December 2017, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employment rate. Based on the assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – PENSIONS PLAN (CONTINUED)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11 + (2)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(1) An expected inflation of 2.00% used for this period

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
City's proportionate share of the net pension liability	\$ 10,444,976	\$ 6,656,634	\$ 3,529,421

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS’ financial reports.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City provides OPEB through the Public Employees’ Medical and Hospital Care Act (PEMHCA), a single-employer defined benefit healthcare plan administered by the California Public Employees Retirement System (PERS). Benefit provisions are established pursuant to memoranda of understanding between the City and its employer bargaining units and can be amended by renegotiating the MOUs. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The plan provides lifetime healthcare insurance for eligible retirees and their spouses. Employees may retire directly from the City under CalPERS (age 50 and 5 years of CalPERS services, age 52 and 5 years of CalPERS service for hires after 1/1/2013), and receive a City contribution. The City contributes the PEMHCA minimum under the unequal method. The contribution was \$74.80 per month for retirees for the fiscal year ending June 30, 2019.

Employees Covered by Benefit Terms

At June 30, 2017, the most recent valuation date, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	10
Active employees	34
Total Participants Covered by OPEB Plan	<u>44</u>

Total OPEB Liability

The City’s total OPEB liability of \$1,405,152 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate (A)	3.62%
Salary Increases	3.00%
Inflation Rate	3.00%
Healthcare Trend Rate	5% for 2018 and later years

The discount rate was based on the Bond Buyer 20-Bond GO Index.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Changes in the Total OPEB Liability

The changes in the total OPEB liability measured as of June 30, 2019 is as follows:

	<u>Total OPEB Liability</u>
Total OPEB Liability, July 1	<u>\$ 1,401,197</u>
Service cost	55,330
Interest	43,767
Changes in assumptions	(89,337)
Benefit payments	<u>(5,805)</u>
Net changes	<u>3,955</u>
Total OPEB Liability, June 30	<u><u>\$ 1,405,152</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	Current Discount	
<u>1% Decrease (2.62%)</u>	<u>Rate (3.62%)</u>	<u>1% Increase (4.62%)</u>
\$ 1,597,516	\$ 1,405,152	\$ 1,247,597

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
<u>(4% after 2019)</u>	<u>(5% after 2019)</u>	<u>(6% after 2019)</u>
\$ 1,224,008	\$ 1,405,152	\$ 1,630,076

CITY OF WALNUT, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$83,694. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB benefits paid subsequent to measurement date as they became due	\$ 3,391	
Changes in assumptions or other inputs		\$ (73,934)
	<u>\$ 3,391</u>	<u>\$ (73,934)</u>

The amount of \$3,391 reported as deferred outflows of resources is related to OPEB payments made subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows related to OPEB will be recognized in OPEB expense as follow:

Yeard Ended June 30,	
2020	\$ (15,403)
2021	(15,403)
2022	(15,403)
2023	(15,403)
2024	(12,322)
	<u>\$ (73,934)</u>

NOTE 9 – RISK MANAGEMENT

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Walnut is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9 – RISK MANAGEMENT (CONTINUED)

b. 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 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. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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 have a sublimit of \$40 million per occurrence.

Workers' Compensation

In the workers' compensation program 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.

For 2018-19, 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, 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.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9 – RISK MANAGEMENT (CONTINUED)

c. Purchased Insurance

Property Insurance

The City of Walnut participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Walnut property is currently insured according to a schedule of covered property submitted by the City of Walnut to the Authority. City of Walnut property currently has all-risk property insurance protection in the amount of \$31,664,928. 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.

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City of Walnut 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 Walnut according to a schedule. The City of Walnut then pays for the insurance. The insurance is facilitated by the Authority.

d. 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 2018-19.

The CJPIA has published its own financial report for the year ended June 30, 2019, which can be obtained from California Joint Powers Insurance Authority, La Palma, California.

NOTE 10 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Walnut that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 25, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	<u><u>\$ 178,071</u></u>
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b. Long-term Debt

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Beginning Balance July 1, 2018	Additions	Deletions	Ending Balance June 30, 2019	Due Within One Year
Fiduciary Activities:					
2013 Tax Allocation					
Refunding Bond	\$ 2,165,000	\$ -	\$ 2,165,000	\$ -	\$ -
SERAF Loan	1,592,127	-	1,592,127	-	-
Unamortized Bond					
Premiums/Discounts	160,041	-	160,041	-	-
Total	<u><u>\$ 3,917,168</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,917,168</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

b. Long-term Debt (Continued)

A description of individual issues of bonds (excluding defeased bonds) of the Successor Agency of the former redevelopment agency outstanding as of June 30, 2019 follows:

On November 9, 1988, the City of Walnut and the Walnut Improvement Agency created the Walnut Public Financing Authority by a Joint Exercise of Power Agreement. Under the bond law, the Authority has the power to issue bonds and loan the proceeds to any local agency.

2013 Tax Allocation Refunding Bond

On July 30, 2013, the Walnut Successor Agency issued the 2013 Tax Allocation Refunding Bond to refund and defease the \$26,645,000 outstanding 1999 Agency Tax Allocation Bond and 2002 Authority Bond. The issuance of the Bond and the Indenture was authorized by the Successor Agency pursuant to Resolution No. SA 13-17 adopted on April 10, 2013 and by the Oversight Board for the Successor Agency pursuant to Resolution No. OB 2013-03 adopted on April 24, 2013, based on the positive assessment of the refunding opportunity which is estimated to result in a significant savings to be shared among all taxing agencies. The written notice of the Oversight Board resolution was sent to the Department of Finance (DOF) for review and approval. The Department of Finance approved the issuance on June 7, 2013. As a result of the refunding, the Walnut Housing Authority transferred back the \$6,150,000 of unspent bond proceeds to the Successor Agency. As of June 30, 2019, the amount outstanding is \$0.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$0. For the current year, the total property tax revenue recognized by the City as the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$4,047,619 and the debt service payments were \$2,273,250.

CITY OF WALNUT, CALIFORNIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

c. Improvement Agency Contingency

The Walnut Improvement Agency has had an annual limitation on its tax increment of \$4,000,000 in its redevelopment plan since 1981. The State Controller's Office's legal counsel has indicated that annual limitations in the plan are not allowed and computed the SERAF payment on the total increment rather than the \$4,000,000. The Agency paid the SERAF for 2009-10 and 2010-11 based on the \$4,000,000 but the State Department of Finance and the State Controller's Office are requesting that they pay the SERAF on the total increment. The Agency is working with its legislator to intervene on its behalf or sponsor special legislation to eliminate the SERAF difference.

d. Insurance

The Successor Agency is covered under the City of Walnut's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 9.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,448,829	\$ 14,718,416	\$ 28,816,550	\$ 14,098,134
Resources (Inflows)				
Taxes	9,771,000	9,771,000	9,891,270	120,270
Licenses and permits	1,313,000	1,313,000	895,016	(417,984)
Intergovernmental	26,000	26,000	22,131	(3,869)
Charges for services	1,423,200	1,423,200	1,448,413	25,213
Use of money and property	441,920	441,920	1,180,019	738,099
Fines and forfeitures	25,000	25,000	28,567	3,567
Miscellaneous	124,500	124,500	2,465,952	2,341,452
Transfers in	668,292	668,292	164,025	(504,267)
Amounts Available for Appropriations	<u>29,241,741</u>	<u>28,511,328</u>	<u>44,911,943</u>	<u>16,400,615</u>
Charges to Appropriations (Outflows)				
General government				
City council	99,300	96,500	91,092	5,408
City manager	208,270	207,270	206,801	469
Personnel	70,680	78,670	77,132	1,538
Risk management	266,000	320,130	267,044	53,086
City clerk	275,500	275,500	266,363	9,137
Elections	46,100	46,100	39,578	6,522
City treasurer	62,920	52,420	48,451	3,969
Finance	703,750	711,750	703,195	8,555
Computer services	-	4,830	-	4,830
City attorney	121,120	154,480	154,470	10
Administrative services	486,490	447,970	439,971	7,999
Community promotions	18,800	17,530	16,779	751
Family festival	53,250	53,250	50,264	2,986
Cable TV administration	4,080	3,080	1,713	1,367
Planning	663,550	681,430	628,120	53,310
Code enforcement	308,380	350,080	306,726	43,354
Building and safety	573,500	573,500	445,627	127,873
Environmental services	321,610	358,760	214,005	144,755
Successor agency admin	250,000	250,000	229,839	20,161
Economic development	5,400	1,800	1,488	312
Engineering admin	96,375	175,935	171,981	3,954

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works admin	\$ -	\$ 316,270	\$ 287,285	\$ 28,985
Veterans Memorial	-	216,804	215,367	1,437
Street R-O-W maintenance	481,940	460,280	450,527	9,753
LOSMD	608,480	293,710	230,003	63,707
Public safety administration	168,840	168,840	153,756	15,084
Business license enforcement	65,970	68,470	67,142	1,328
General law enforcement	3,417,050	3,417,050	3,411,710	5,340
Helicopter services	2,000	1,500	-	1,500
Crime prevention	149,600	149,600	146,059	3,541
Animal control	120,000	115,000	78,519	36,481
Emergency preparedness	33,100	36,550	31,347	5,203
Hazard mitigation	-	47,500	13,750	33,750
Weed abatement	45,000	60,300	55,476	4,824
Volunteers on patrol	700	1,200	626	574
Recreation services	413,590	421,255	407,603	13,652
July 4 fireworks	66,940	64,359	49,984	14,375
Park maintenance	1,383,250	1,373,390	1,254,310	119,080
Equestrian trial maintenance	129,920	131,120	124,323	6,797
Building maintenance	17,500	526,430	463,152	63,278
Special events	142,560	145,140	128,103	17,037
Aquatics	116,640	116,640	103,201	13,439
Excursions	82,270	82,290	69,527	12,763
Sports & gymnasium	605,311	589,756	548,481	41,275
Leisure classes	109,200	116,220	112,216	4,004
Senior citizens center	435,525	434,045	425,938	8,107
Teen center	198,560	203,960	194,275	9,685
After school programs	23,260	23,260	20,974	2,286
Future rec facility	-	1,508,000	107,744	1,400,256
Transfers out	220,905	679,815	280,712	399,103
Total Charges to Appropriations	<u>13,673,186</u>	<u>16,629,739</u>	<u>13,792,749</u>	<u>2,836,990</u>
Budgetary Fund Balance, End of Year	<u>\$ 15,568,555</u>	<u>\$ 11,881,589</u>	<u>\$ 31,119,194</u>	<u>\$ 19,237,605</u>

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Intergovernmental	190,270	190,270	83,852	(106,418)
Amounts Available for Appropriations	190,270	190,270	83,852	(106,418)
Charges to Appropriations (Outflows)				
Community development	190,270	190,270	83,852	106,418
Total Charges to Appropriations	190,270	190,270	83,852	106,418
Budgetary Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 LIGHTING AND OPEN SPACE MAINTENANCE DISTRICT
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 241,118	\$ 219,618	\$ 446,258	\$ 226,640
Resources (Inflows)				
Assessments	2,512,250	2,512,250	2,613,020	100,770
Amounts Available for Appropriations	2,753,368	2,731,868	3,059,278	327,410
Charges to Appropriations (Outflows)				
Public works	2,498,400	2,492,150	2,315,502	176,648
Capital outlay	98,160	114,210	88,577	25,633
Total Charges to Appropriations	2,596,560	2,606,360	2,404,079	202,281
Budgetary Fund Balance, End of Year	\$ 156,808	\$ 125,508	\$ 655,199	\$ 529,691

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 LOW AND MODERATE INCOME HOUSING FUND
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,941,706	\$ 1,941,706	\$ 1,941,706	\$ -
Resources (Inflows)				
Use of money and property	-	-	33,680	33,680
Amounts Available for Appropriations	1,941,706	1,941,706	1,975,386	33,680
Budgetary Fund Balance, End of Year	\$ 1,941,706	\$ 1,941,706	\$ 1,975,386	\$ 33,680

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GAS TAX FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 58	\$ (170,942)	\$ 82,914	\$ 253,856
Resources (Inflows)				
Intergovernmental	638,500	638,500	589,463	(49,037)
Use of money and property	500	500	3,003	2,503
Amounts Available for Appropriations	<u>639,058</u>	<u>468,058</u>	<u>675,380</u>	<u>207,322</u>
Charges to Appropriates (Outflows)				
Public works	691,140	691,140	669,199	21,941
Total Charges to Appropriations	<u>691,140</u>	<u>691,140</u>	<u>669,199</u>	<u>21,941</u>
Budgetary Fund Balance, End of Year	<u>\$ (52,082)</u>	<u>\$ (223,082)</u>	<u>\$ 6,181</u>	<u>\$ 229,263</u>

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST TEN YEARS*
 JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Miscellaneous Plan</u>					
Proportion of the net pension liability	0.0691%	0.0686%	0.0676%	0.0651%	0.0685%
Proportionate share of the net pension liability	\$ 6,656,634	\$ 6,798,916	\$ 5,847,350	\$ 4,464,984	\$ 4,261,023
Covered Payroll	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602	\$ 2,802,665
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	203.50%	231.68%	191.56%	150.10%	152.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	73.3%	74.06%	78.40%	79.82%

Notes to Schedule:

* Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation; therefore, only five years are shown.

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 COST SHARING MULTIPLE EMPLOYER BENEFIT PLAN
 SCHEDULE OF CONTRIBUTIONS
 LAST TEN YEARS*
 JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Miscellaneous Plan</u>					
Actuarially Determined Contribution	\$ 671,490	\$ 570,892	\$ 515,915	\$ 464,293	\$ 339,472
Contribution in Relation to the Actuarially Determined Contribution	<u>(671,490)</u>	<u>(570,892)</u>	<u>(515,915)</u>	<u>(464,293)</u>	<u>(339,472)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,416,878	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602
Contributions as a Percentage of Covered Payroll	19.65%	17.45%	17.58%	15.21%	11.41%

* Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation; therefore, only five years are shown.

CITY OF WALNUT, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
 AND RELATED RATIOS
 LAST TEN YEARS*
 JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 55,330	\$ 53,718
Interest on the total OPEB liability	43,767	40,976
Changes in assumptions	(89,337)	-
Benefit payments	(5,805)	(5,228)
Net change in total OPEB liability	<u>3,955</u>	<u>89,466</u>
Total OPEB Liability - beginning	<u>1,401,197</u>	<u>1,311,731</u>
Total OPEB Liability - ending	<u><u>\$ 1,405,152</u></u>	<u><u>\$ 1,401,197</u></u>
Covered-employee payroll	\$ 3,225,250	\$ 3,102,220
Total OPEB liability as a percentage of covered-employee payroll	44%	45%

Notes to Schedule:

Funding Policy: The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

* Fiscal year 2018 was the first year of implementation.

CITY OF WALNUT, CALIFORNIA

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTE 1 – GENERAL BUDGET POLICIES

The City Council approves each year’s budget submitted by the City Manager prior to the beginning of the new fiscal year. The Council conducts public meetings prior to its adoption. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, when required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager.

In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations at the departmental level lapse and any remaining amounts are credited to their respective fund balances. During the year, several supplementary appropriations were necessary.

Basis of Accounting:

Budget for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SUPPLEMENTAL SCHEDULE

CITY OF WALNUT, CALIFORNIA

NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE

The Road Maintenance Rehabilitation Fund accounts for monies received from the State related to Senate Bill 1 (SB1), to address deferred maintenance on the state highway system and the local street and road system.

The Traffic Safety Fund accounts for the vehicle code fines expended for traffic safety enforcement.

The Park Improvement Fund accounts for fees charged to residential and commercial developers for park development purposes.

The Citizen's Options for Public Safety (COPS) Fund accounts for the distribution of funds to local agencies on a per capita basis for the purpose of first line law enforcement services. AB 3229 authorized this distribution in July, 1996.

The Air Quality Improvements Fund accounts for the City's portion of the imposition of an additional motor vehicle registration fee of two dollars to be used to reduce air pollution from motor vehicles as approved by the State of California.

The Waste Management Administration Fund accounts for funds received as part of the resident's refuse bill to fund the City's source reduction and recycling programs.

The Proposition C Fund accounts for the City's portion of the additional ½ cents sales tax approved in Los Angeles County for public transit purposes.

The Bikeway Fund accounts for Senate Bill 821 monies from the State for the construction of bikeways, ramps and pedestrian facilities.

The Measure M Fund accounts for the City's portion of the additional ½ cent sales tax approved in Los Angeles County for transportation projects.

The Proposition A Fund accounts for the City's share of the ½ cent sales tax levied in Los Angeles County for local transit.

The State Park Grant Fund accounts for various grant monies restricted for park purposes.

The Traffic Congestion Fund accounts for monies received from the State related to Senate Bill 1 (SB1), requires loan repayments pursuant to Government Code (GC) section 16321.

The Used Oil Recycling Grant Fund accounts for monies received from the California Integrated Waste Management Board to be spent on used motor oil recycling and awareness programs.

The General Recycling Grant Fund accounts for monies received from the State Department of Conservation to be spent on recycling and waste reduction programs.

The Cable TV Education Fund accounts for franchise and other fees designated for Cable TV.

The Walnut Housing Authority (WHA) accounts for new and/or improvement of existing low and moderate housing stock for residents of the community.

The Los Angeles County Metropolitan Transportation Authority (LACMTA) accounts for the receipt of STP-L federal funds.

The Measure R Fund accounts for the City's portion of the ½ cent sales tax approved during the November 2008 election in Los Angeles County for transportation projects.

CITY OF WALNUT, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds			
	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement	COPS
Assets				
Pooled cash and investments	\$ 126,911	\$ -	\$ 521,059	\$ 304,697
Receivables:				
Accounts	-	6,395	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	99,680	2,148	-	-
Total Assets	<u>\$ 226,591</u>	<u>\$ 8,543</u>	<u>\$ 521,059</u>	<u>\$ 304,697</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 82,517	\$ 3,591	\$ 15,000	\$ 9,762
Accrued liabilities	-	1,919	-	-
Due to other governments	-	-	-	-
Due to other funds	-	3,033	-	-
Total Liabilities	<u>82,517</u>	<u>8,543</u>	<u>15,000</u>	<u>9,762</u>
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	294,935
Community services	-	-	506,059	-
Public works	144,074	-	-	-
Total Fund Balances	<u>144,074</u>	<u>-</u>	<u>506,059</u>	<u>294,935</u>
Total Liabilities and Fund Balances	<u>\$ 226,591</u>	<u>\$ 8,543</u>	<u>\$ 521,059</u>	<u>\$ 304,697</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds			
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeway
Assets				
Pooled cash and investments	\$ 4,393	\$ -	\$ 433,782	\$ -
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	10,242	-	-	21,490
Total Assets	<u>\$ 14,635</u>	<u>\$ -</u>	<u>\$ 433,782</u>	<u>\$ 21,490</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,283	\$ -	\$ 4,417	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	21,490
Total Liabilities	<u>1,283</u>	<u>-</u>	<u>4,417</u>	<u>21,490</u>
Fund Balances:				
Restricted for:				
Community development	13,352	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	429,365	-
Total Fund Balances	<u>13,352</u>	<u>-</u>	<u>429,365</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 14,635</u>	<u>\$ -</u>	<u>\$ 433,782</u>	<u>\$ 21,490</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds			
	Measure M	Proposition A	State Park Grant	Traffic Congestion
Assets				
Pooled cash and investments	\$ 262,753	\$ 1,838,104	\$ -	\$ 69,938
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	-	11,280	-
Total Assets	<u>\$ 262,753</u>	<u>\$ 1,838,104</u>	<u>\$ 11,280</u>	<u>\$ 69,938</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 10,331	\$ 67,151	\$ -	\$ -
Accrued liabilities	-	373	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	11,280	-
Total Liabilities	<u>10,331</u>	<u>67,524</u>	<u>11,280</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	252,422	1,770,580	-	69,938
Total Fund Balances	<u>252,422</u>	<u>1,770,580</u>	<u>-</u>	<u>69,938</u>
Total Liabilities and Fund Balances	<u>\$ 262,753</u>	<u>\$ 1,838,104</u>	<u>\$ 11,280</u>	<u>\$ 69,938</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds			
	Used Oil Recycling Grant	General Recycling Grant	Cable TV Education	Walnut Housing Authority
Assets				
Pooled cash and investments	\$ 16,704	\$ 15,575	\$ 197,248	\$ 1,159,556
Receivables:				
Accounts	-	-	8,921	-
Accrued interest	-	-	-	16,243
Deferred loans	-	-	-	90,649
Due from other governments	-	-	-	-
Total Assets	<u>\$ 16,704</u>	<u>\$ 15,575</u>	<u>\$ 206,169</u>	<u>\$ 1,266,448</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 8,352	\$ 7,792	\$ 20	\$ 33,619
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	5,137
Due to other funds	-	-	-	-
Total Liabilities	<u>8,352</u>	<u>7,792</u>	<u>20</u>	<u>38,756</u>
Fund Balances:				
Restricted for:				
Community development	-	-	-	1,227,692
Public safety	-	-	-	-
Community services	-	7,783	206,149	-
Public works	8,352	-	-	-
Total Fund Balances	<u>8,352</u>	<u>7,783</u>	<u>206,149</u>	<u>1,227,692</u>
Total Liabilities and Fund Balances	<u>\$ 16,704</u>	<u>\$ 15,575</u>	<u>\$ 206,169</u>	<u>\$ 1,266,448</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	LACMTA Exchange	Measure R	
Assets			
Pooled cash and investments	\$ 6,808	\$ 152,458	\$ 5,109,986
Receivables:			
Accounts	-	-	15,316
Accrued interest	-	-	16,243
Deferred loans	-	-	90,649
Due from other governments	-	-	144,840
Total Assets	<u>\$ 6,808</u>	<u>\$ 152,458</u>	<u>\$ 5,377,034</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 10,929	\$ 254,764
Accrued liabilities	-	-	2,292
Due to other governments	-	-	5,137
Due to other funds	-	-	35,803
Total Liabilities	<u>-</u>	<u>10,929</u>	<u>297,996</u>
Fund Balances:			
Restricted for:			
Community development	6,808	-	1,247,852
Public safety	-	-	294,935
Community services	-	-	719,991
Public works	-	141,529	2,816,260
Total Fund Balances	<u>6,808</u>	<u>141,529</u>	<u>5,079,038</u>
Total Liabilities and Fund Balances	<u>\$ 6,808</u>	<u>\$ 152,458</u>	<u>\$ 5,377,034</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds			
	Road			
	Maintenance	Park		
	Rehabilitation	Traffic Safety	Improvement	COPS
Revenues				
Assessments	\$ -	\$ -	\$ 38,910	\$ -
Intergovernmental	558,526	-	-	148,747
Use of money and property	8,185	-	-	8,302
Fines and forfeitures	-	98,668	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>566,711</u>	<u>98,668</u>	<u>38,910</u>	<u>157,049</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	86,741	-	66,828
Community development	-	-	-	-
Community services	-	-	174,904	-
Public works	599,233	-	-	-
Capital outlay	-	-	-	13,898
Total Expenditures	<u>599,233</u>	<u>86,741</u>	<u>174,904</u>	<u>80,726</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(32,522)</u>	<u>11,927</u>	<u>(135,994)</u>	<u>76,323</u>
Other Financing Sources (Uses)				
Transfers out	-	(11,927)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,927)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(32,522)	-	(135,994)	76,323
Fund Balances, Beginning of Year	<u>176,596</u>	<u>-</u>	<u>642,053</u>	<u>218,612</u>
Fund Balances, End of Year	<u>\$ 144,074</u>	<u>\$ -</u>	<u>\$ 506,059</u>	<u>\$ 294,935</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds			
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeways
Revenues				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	39,505	-	501,808	21,490
Use of money and property	-	-	17,469	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	52,050	-	-
Total Revenues	<u>39,505</u>	<u>52,050</u>	<u>519,277</u>	<u>21,490</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	37,321	-	-	-
Community services	-	-	-	21,490
Public works	-	-	479,282	-
Capital outlay	-	-	-	-
Total Expenditures	<u>37,321</u>	<u>-</u>	<u>479,282</u>	<u>21,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,184</u>	<u>52,050</u>	<u>39,995</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	-	(52,050)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(52,050)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,184	-	39,995	-
Fund Balances, Beginning of Year	<u>11,168</u>	<u>-</u>	<u>389,370</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 13,352</u>	<u>\$ -</u>	<u>\$ 429,365</u>	<u>\$ -</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds			
	Measure M	Proposition A	State Park Grant	Traffic Congestion
Revenues				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	423,987	604,973	56,013	34,347
Use of money and property	3,733	50,449	-	1,312
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>427,720</u>	<u>655,422</u>	<u>56,013</u>	<u>35,659</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	366,363	-	-
Community services	-	-	14,844	-
Public works	116,419	-	-	-
Capital outlay	-	15,693	-	-
Total Expenditures	<u>116,419</u>	<u>382,056</u>	<u>14,844</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>311,301</u>	<u>273,366</u>	<u>41,169</u>	<u>35,659</u>
Other Financing Sources (Uses)				
Transfers out	(58,879)	-	(41,169)	-
Total Other Financing Sources (Uses)	<u>(58,879)</u>	<u>-</u>	<u>(41,169)</u>	<u>-</u>
Net Change in Fund Balances	252,422	273,366	-	35,659
Fund Balances, Beginning of Year	<u>-</u>	<u>1,497,214</u>	<u>-</u>	<u>34,279</u>
Fund Balances, End of Year	<u>\$ 252,422</u>	<u>\$ 1,770,580</u>	<u>\$ -</u>	<u>\$ 69,938</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds			
	Used Oil Recycling Grant	General Recycling Grant	Cable TV Education	Walnut Housing Authority
Revenues				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,352	7,792	35,623	-
Use of money and property	-	-	5,260	27,653
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>8,352</u>	<u>7,792</u>	<u>40,883</u>	<u>27,653</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	8,267	-	-	330,495
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	7,792	4,552	-
Total Expenditures	<u>8,267</u>	<u>7,792</u>	<u>4,552</u>	<u>330,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>85</u>	<u>-</u>	<u>36,331</u>	<u>(302,842)</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	85	-	36,331	(302,842)
Fund Balances, Beginning of Year	<u>8,267</u>	<u>7,783</u>	<u>169,818</u>	<u>1,530,534</u>
Fund Balances, End of Year	<u>\$ 8,352</u>	<u>\$ 7,783</u>	<u>\$ 206,149</u>	<u>\$ 1,227,692</u>

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	LACMTA Exchange	Measure R	
Revenues			
Assessments	\$ -	\$ -	\$ 38,910
Intergovernmental	-	376,464	2,817,627
Use of money and property	1,759	9,894	134,016
Fines and forfeitures	-	-	98,668
Miscellaneous	-	-	52,050
Total Revenues	<u>1,759</u>	<u>386,358</u>	<u>3,141,271</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	153,569
Community development	-	-	742,446
Community services	-	-	211,238
Public works	-	404,001	1,598,935
Capital outlay	-	-	41,935
Total Expenditures	<u>-</u>	<u>404,001</u>	<u>2,748,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,759</u>	<u>(17,643)</u>	<u>393,148</u>
Other Financing Sources (Uses)			
Transfers out	-	-	(164,025)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(164,025)</u>
Net Change in Fund Balances	1,759	(17,643)	229,123
Fund Balances, Beginning of Year	<u>5,049</u>	<u>159,172</u>	<u>4,849,915</u>
Fund Balances, End of Year	<u>\$ 6,808</u>	<u>\$ 141,529</u>	<u>\$ 5,079,038</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE REHABILITATION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ 171,000	\$ 176,596	\$ 5,596
Resources (Inflows)				
Intergovernmental	511,000	511,000	558,526	47,526
Use of money and property	500	500	8,185	7,685
Amounts Available for Appropriations	<u>511,500</u>	<u>682,500</u>	<u>743,307</u>	<u>60,807</u>
Charges to Appropriates (Outflows)				
Public works	676,000	840,025	599,233	240,792
Total Charges to Appropriations	<u>676,000</u>	<u>840,025</u>	<u>599,233</u>	<u>240,792</u>
Budgetary Fund Balance, End of Year	<u>\$ (164,500)</u>	<u>\$ (157,525)</u>	<u>\$ 144,074</u>	<u>\$ 301,599</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,177	\$ (2,923)	\$ -	\$ 2,923
Resources (Inflows)				
Fines and forfeitures	109,010	109,010	98,668	(10,342)
Amounts Available for Appropriations	<u>117,187</u>	<u>106,087</u>	<u>98,668</u>	<u>(7,419)</u>
Charges to Appropriates (Outflows)				
Public safety	96,410	96,410	86,741	9,669
Transfer out	12,960	12,960	11,927	1,033
Total Charges to Appropriations	<u>109,370</u>	<u>109,370</u>	<u>98,668</u>	<u>10,702</u>
Budgetary Fund Balance, End of Year	<u>\$ 7,817</u>	<u>\$ (3,283)</u>	<u>\$ -</u>	<u>\$ 3,283</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PARK IMPROVEMENT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 720,387	\$ 284,571	\$ 642,053	\$ 357,482
Resources (Inflows)				
Assessment	-	-	38,910	38,910
Amounts Available for Appropriations	<u>720,387</u>	<u>284,571</u>	<u>680,963</u>	<u>396,392</u>
Charges to Appropriates (Outflow)				
Community services	<u>205,000</u>	<u>400,360</u>	<u>174,904</u>	<u>225,456</u>
Total Charges to Appropriations	<u>205,000</u>	<u>400,360</u>	<u>174,904</u>	<u>225,456</u>
Budgetary Fund Balance, End of Year	<u>\$ 515,387</u>	<u>\$ (115,789)</u>	<u>\$ 506,059</u>	<u>\$ 621,848</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COPS
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 150,910	\$ 150,910	\$ 218,612	\$ 67,702
Resources (Inflows)				
Intergovernmental	140,000	140,000	148,747	8,747
Use of money and property	4,000	4,000	8,302	4,302
Amounts Available for Appropriations	<u>294,910</u>	<u>294,910</u>	<u>375,661</u>	<u>80,751</u>
Charges to Appropriates (Outflows)				
Public safety	87,470	101,970	66,828	35,142
Capital outlay	-	21,500	13,898	7,602
Total Charges to Appropriations	<u>87,470</u>	<u>123,470</u>	<u>80,726</u>	<u>42,744</u>
Budgetary Fund Balance, End of Year	<u>\$ 207,440</u>	<u>\$ 171,440</u>	<u>\$ 294,935</u>	<u>\$ 123,495</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENTS
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,536	\$ 5,536	\$ 11,168	\$ 5,632
Resources (Inflows)				
Intergovernmental	36,900	36,900	39,505	2,605
Use of money and property	500	500	-	(500)
Amounts Available for Appropriations	<u>42,936</u>	<u>42,936</u>	<u>50,673</u>	<u>7,737</u>
Charges to Appropriates (Outflows)				
Community development	39,000	39,000	37,321	1,679
Total Charges to Appropriations	<u>39,000</u>	<u>39,000</u>	<u>37,321</u>	<u>1,679</u>
Budgetary Fund Balance, End of Year	<u>\$ 3,936</u>	<u>\$ 3,936</u>	<u>\$ 13,352</u>	<u>\$ 9,416</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
WASTE MANAGEMENT ADMINISTRATION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,605	\$ 25,605	\$ -	\$ (25,605)
Resources (Inflows)				
Miscellaneous	85,970	85,970	52,050	(33,920)
Amounts Available for Appropriations	<u>111,575</u>	<u>111,575</u>	<u>52,050</u>	<u>(59,525)</u>
Charges to Appropriates (Outflows)				
Transfer out	85,970	85,970	52,050	33,920
Total Charges to Appropriations	<u>85,970</u>	<u>85,970</u>	<u>52,050</u>	<u>33,920</u>
Budgetary Fund Balance, End of Year	<u>\$ 25,605</u>	<u>\$ 25,605</u>	<u>\$ -</u>	<u>\$ (25,605)</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 819,757	\$ 369,197	\$ 389,370	\$ 20,173
Resources (Inflows)				
Intergovernmental	489,230	489,230	501,808	12,578
Use of money and property	5,000	5,000	17,469	12,469
Amounts Available for Appropriations	<u>1,313,987</u>	<u>863,427</u>	<u>908,647</u>	<u>45,220</u>
Charges to Appropriates (Outflows)				
Public works	591,140	735,540	479,282	256,258
Total Charges to Appropriations	<u>591,140</u>	<u>735,540</u>	<u>479,282</u>	<u>256,258</u>
Budgetary Fund Balance, End of Year	<u>\$ 722,847</u>	<u>\$ 127,887</u>	<u>\$ 429,365</u>	<u>\$ 301,478</u>

CITY OF WALNUT, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

BIKEWAY

YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,910	\$ 38,910	\$ -	\$ (38,910)
Resources (Inflows)				
Intergovernmental	21,490	21,490	21,490	-
Amounts Available for Appropriations	60,400	60,400	21,490	(38,910)
Charges to Appropriates (Outflows)				
Community services	21,490	21,490	21,490	-
Total Charges to Appropriations	21,490	21,490	21,490	-
Budgetary Fund Balance, End of Year	\$ 38,910	\$ 38,910	\$ -	\$ (38,910)

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ (375,600)	\$ -	\$ 375,600
Resources (Inflows)				
Intergovernmental	415,850	415,850	423,987	8,137
Use of money and property	500	500	3,733	3,233
Amounts Available for Appropriations	<u>416,350</u>	<u>40,750</u>	<u>427,720</u>	<u>386,970</u>
Charges to Appropriates (Outflows)				
Public works	407,710	137,710	116,419	21,291
Transfer out	-	-	58,879	(58,879)
Total Charges to Appropriations	<u>407,710</u>	<u>137,710</u>	<u>175,298</u>	<u>(37,588)</u>
Budgetary Fund Balance, End of Year	<u>\$ 8,640</u>	<u>\$ (96,960)</u>	<u>\$ 252,422</u>	<u>\$ 349,382</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,481,373	\$ 1,354,903	\$ 1,497,214	\$ 142,311
Resources (Inflows)				
Intergovernmental	589,810	589,810	604,973	15,163
Use of money and property	20,000	20,000	50,449	30,449
Amounts Available for Appropriations	<u>2,091,183</u>	<u>1,964,713</u>	<u>2,152,636</u>	<u>187,923</u>
Charges to Appropriates (Outflows)				
Community development	287,500	536,535	366,363	170,172
Capital outlay	-	20,495	15,693	4,802
Total Charges to Appropriations	<u>287,500</u>	<u>557,030</u>	<u>382,056</u>	<u>174,974</u>
Budgetary Fund Balance, End of Year	<u>\$ 1,803,683</u>	<u>\$ 1,407,683</u>	<u>\$ 1,770,580</u>	<u>\$ 362,897</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
STATE PARK GRANT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Intergovernmental	20,000	20,000	56,013	36,013
Amounts Available for Appropriations	<u>20,000</u>	<u>20,000</u>	<u>56,013</u>	<u>36,013</u>
Charges to Appropriates (Outflows)				
Community services	20,000	20,000	14,844	5,156
Transfers out	-	-	41,169	(41,169)
Total Charges to Appropriations	<u>20,000</u>	<u>20,000</u>	<u>56,013</u>	<u>(36,013)</u>
Budgetary Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONGESTION RELIEF
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 34,279	\$ 34,279
Resources (Inflows)				
Intergovernmental	34,300	34,300	34,347	47
Use of money and property	-	-	1,312	1,312
Amounts Available for Appropriations	<u>34,300</u>	<u>34,300</u>	<u>69,938</u>	<u>35,638</u>
Budgetary Fund Balance, End of Year	<u>\$ 34,300</u>	<u>\$ 34,300</u>	<u>\$ 69,938</u>	<u>\$ 35,638</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
USED OIL RECYCLING GRANT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 8,267	\$ 8,267
Resources (Inflows)				
Intergovernmental	8,270	8,270	8,352	82
Amounts Available for Appropriations	<u>8,270</u>	<u>8,270</u>	<u>16,619</u>	<u>8,349</u>
Charges to Appropriates (Outflows)				
Community development	8,270	8,270	8,267	3
Total Charges to Appropriations	<u>8,270</u>	<u>8,270</u>	<u>8,267</u>	<u>3</u>
Budgetary Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,352</u>	<u>\$ 8,352</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL RECYCLING GRANT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 7,783	\$ 7,783
Resources (Inflows)				
Intergovernmental	7,790	7,792	7,792	-
Amounts Available for Appropriations	<u>7,790</u>	<u>7,792</u>	<u>15,575</u>	<u>7,783</u>
Charges to Appropriates (Outflows)				
Capital outlay	7,790	7,792	7,792	-
Total Charges to Appropriations	<u>7,790</u>	<u>7,792</u>	<u>7,792</u>	<u>-</u>
Budgetary Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,783</u>	<u>\$ 7,783</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CABLE TV EDUCATION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 117,083	\$ 117,083	\$ 169,818	\$ 52,735
Resources (Inflows)				
Intergovernmental	35,000	35,000	35,623	623
Use of money and property	3,000	3,000	5,260	2,260
Amounts Available for Appropriations	<u>155,083</u>	<u>155,083</u>	<u>210,701</u>	<u>55,618</u>
Charges to Appropriates (Outflows)				
Capital outlay	28,550	28,550	4,552	23,998
Total Charges to Appropriations	<u>28,550</u>	<u>28,550</u>	<u>4,552</u>	<u>23,998</u>
Budgetary Fund Balance, End of Year	<u>\$ 126,533</u>	<u>\$ 126,533</u>	<u>\$ 206,149</u>	<u>\$ 79,616</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
WALNUT HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,123,006	\$ 1,071,706	\$ 1,530,534	\$ 458,828
Resources (Inflows)				
Use of money and property	-	-	27,653	27,653
Amounts Available for Appropriations	<u>1,123,006</u>	<u>1,071,706</u>	<u>1,558,187</u>	<u>486,481</u>
Charges to Appropriates (Outflows)				
Community development	<u>350,580</u>	<u>350,580</u>	<u>330,495</u>	<u>20,085</u>
Total Charges to Appropriations	<u>350,580</u>	<u>350,580</u>	<u>330,495</u>	<u>20,085</u>
Budgetary Fund Balance, End of Year	<u>\$ 772,426</u>	<u>\$ 721,126</u>	<u>\$ 1,227,692</u>	<u>\$ 506,566</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LACMTA EXCHANGE
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 836	\$ (519,164)	\$ 5,049	\$ 524,213
Resources (Inflows)				
Use of money and property	-	-	1,759	1,759
Amounts Available for Appropriations	836	(519,164)	6,808	525,972
Budgetary Fund Balance, End of Year	\$ 836	\$ (519,164)	\$ 6,808	\$ 525,972

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 64,986	\$ 154,986	\$ 159,172	\$ 4,186
Resources (Inflows)				
Intergovernmental	366,930	366,930	376,464	9,534
Use of money and property	5,000	5,000	9,894	4,894
Amounts Available for Appropriations	<u>436,916</u>	<u>526,916</u>	<u>545,530</u>	<u>18,614</u>
Charges to Appropriates (Outflows)				
Public works	<u>484,000</u>	<u>754,000</u>	<u>404,001</u>	<u>349,999</u>
Total Charges to Appropriations	<u>484,000</u>	<u>754,000</u>	<u>404,001</u>	<u>349,999</u>
Budgetary Fund Balance, End of Year	<u>\$ (47,084)</u>	<u>\$ (227,084)</u>	<u>\$ 141,529</u>	<u>\$ 368,613</u>

CITY OF WALNUT, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (2,113,867)	\$ (167,246)	\$ 264,280	\$ 431,526
Resources (Inflows)				
Transfers in	110,453	110,453	280,712	170,259
Amounts Available for Appropriations	<u>(2,003,414)</u>	<u>(56,793)</u>	<u>544,992</u>	<u>601,785</u>
Charges to Appropriates (Outflows)				
Public works	125,510	239,560	100,378	139,182
Capital outlay	40,000	40,000	16,644	23,356
Total Charges to Appropriations	<u>165,510</u>	<u>279,560</u>	<u>117,022</u>	<u>162,538</u>
Budgetary Fund Balance, End of Year	<u>\$ (2,168,924)</u>	<u>\$ (336,353)</u>	<u>\$ 427,970</u>	<u>\$ 764,323</u>

CITY OF WALNUT

AGENCY FUNDS

June 30, 2019

Agency Funds are used to account for assets held by the City as trustee or agent individuals, private organizations, other governmental units and/or other funds.

The Agency Funds accounts for various refundable deposits.

CITY OF WALNUT, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Pooled cash and investments	\$ 2,044,413	\$ 182,681	\$ 236,062	\$ 1,991,032
Receivables:				
Accounts	-	5,300	5,300	-
Total Assets	<u>\$ 2,044,413</u>	<u>\$ 187,981</u>	<u>\$ 241,362</u>	<u>\$ 1,991,032</u>
Liabilities				
Accounts payable	\$ 86,917	\$ 146,656	\$ 218,721	\$ 14,853
Deposits payable	<u>1,957,496</u>	<u>185,074</u>	<u>166,391</u>	<u>1,976,179</u>
Total Liabilities	<u>\$ 2,044,413</u>	<u>\$ 331,730</u>	<u>\$ 385,112</u>	<u>\$ 1,991,032</u>

STATISTICAL SECTION

CITY OF WALNUT
Miscellaneous Statistics
June 30, 2019
(Unaudited)

Financial Trend Information – These schedules contain trend information to assist readers to understand how the City of Walnut’s financial position has changed over time.

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CITY OF WALNUT
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	\$ 42,601,776	\$ 48,251,887	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972
Restricted	15,843,757	13,095,293	14,388,254	13,450,385	8,289,678
Unrestricted	27,948,295	24,845,765	21,046,710	22,305,101	21,025,425
Total governmental activities net position	<u>\$ 86,393,828</u>	<u>\$ 86,192,945</u>	<u>\$ 113,529,459</u>	<u>\$ 111,034,272</u>	<u>\$ 102,928,075</u>
Primary government:					
Net investment in capital assets	\$ 42,601,776	\$ 48,251,887	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972
Restricted	15,843,757	13,095,293	14,388,254	13,450,385	8,289,678
Unrestricted	27,948,295	24,845,765	21,046,710	22,305,101	21,025,425
Total primary government net position	<u>\$ 86,393,828</u>	<u>\$ 86,192,945</u>	<u>\$ 113,529,459</u>	<u>\$ 111,034,272</u>	<u>\$ 102,928,075</u>

Note:

In fiscal year 2011-12, Per State of California ABX1 26 all redevelopment agency in California was dissolved effective February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City of Walnut as the Successor Agency for the Walnut Improvement Agency.

CITY OF WALNUT
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2015	2016	2017	2018	2019
\$ 73,439,900	\$ 72,963,855	\$ 71,066,062	\$ 73,720,055	\$ 72,283,733
8,212,469	7,115,326	10,917,855	7,320,794	7,715,804
14,584,364	15,184,940	10,661,289	19,113,026	24,129,411
<u>\$ 96,236,733</u>	<u>\$ 95,264,121</u>	<u>\$ 92,645,206</u>	<u>\$ 100,153,875</u>	<u>\$ 104,128,948</u>

\$ 73,439,900	\$ 72,963,855	\$ 71,066,062	\$ 73,720,055	\$ 72,283,733
8,212,469	7,115,326	10,917,855	7,320,794	7,715,804
14,584,364	15,184,940	10,661,289	19,113,026	24,129,411
<u>\$ 96,236,733</u>	<u>\$ 95,264,121</u>	<u>\$ 92,645,206</u>	<u>\$ 100,153,875</u>	<u>\$ 104,128,948</u>

CITY OF WALNUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses:				
Governmental activities:				
General government	\$ 4,772,852	\$ 3,345,592	\$ 3,850,781	\$ 2,408,514
Public safety	3,521,482	3,592,626	3,465,289	3,613,692
Community development	2,281,597	2,549,053	1,879,309	1,936,171
Public works	5,721,516	6,652,419	6,574,810	7,910,304
Community services	3,638,317	3,540,411	3,539,714	3,527,499
Interest on long-term debt	1,658,288	1,557,845	255,031	-
Total governmental activities	<u>21,594,052</u>	<u>21,237,946</u>	<u>19,564,934</u>	<u>19,396,180</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 435,446	\$ 355,674	\$ 343,681	\$ 688,295
Public safety	767,047	666,807	550,996	645,562
Community development	1,412	1,832	101,770	351,829
Public works	3,550,745	4,045,899	3,348,448	3,302,673
Community services	693,213	737,898	782,859	770,891
Operating contributions and grants	1,294,198	1,508,654	1,338,736	1,339,739
Capital contributions and grants	2,116,179	1,269,905	1,383,509	1,207,294
Total governmental activities	<u>8,858,240</u>	<u>8,586,669</u>	<u>7,849,999</u>	<u>8,306,283</u>
Net (expenses) revenues				
Governmental Activities	(12,735,812)	(12,651,277)	(11,714,935)	(11,089,897)
Total Net Expense	<u>\$ (12,735,812)</u>	<u>\$ (12,651,277)</u>	<u>\$ (11,714,935)</u>	<u>\$ (11,089,897)</u>

CITY OF WALNUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019
\$	2,555,368	\$ 2,618,229	\$ 2,559,043	\$ 3,086,260	\$ 5,857,903	\$ 199,215
	3,619,393	3,581,460	3,772,824	3,900,642	4,032,897	4,120,065
	8,238,967	2,192,492	2,248,657	2,879,006	2,435,173	2,422,267
	7,909,282	6,929,084	5,778,712	7,219,860	5,766,110	6,951,774
	3,623,037	3,711,593	5,441,949	4,069,437	5,273,197	4,727,263
	-	-	-	-	-	-
	<u>25,946,047</u>	<u>19,032,858</u>	<u>19,801,185</u>	<u>21,155,205</u>	<u>23,365,280</u>	<u>18,420,584</u>
\$	580,639	\$ 595,221	\$ 539,554	\$ 563,889	\$ 590,870	\$ 510,179
	726,423	330,047	380,909	233,541	253,506	189,444
	1,934	1,541	2,868	1,942	1,960	1,738
	3,375,124	3,186,757	3,759,518	4,304,184	3,504,523	3,852,219
	929,590	583,746	840,018	664,425	824,103	789,858
	1,491,009	1,292,365	956,559	985,419	1,157,759	1,492,075
	1,337,784	1,797,984	1,334,924	1,878,825	1,693,386	1,907,232
	<u>8,442,503</u>	<u>7,787,661</u>	<u>7,814,350</u>	<u>8,632,225</u>	<u>8,026,107</u>	<u>8,742,745</u>
	(17,503,544)	(11,245,197)	(11,986,835)	(12,522,980)	(15,339,173)	(9,677,839)
\$	<u>(17,503,544)</u>	<u>(11,245,197)</u>	<u>(11,986,835)</u>	<u>(12,522,980)</u>	<u>(15,339,173)</u>	<u>(9,677,839)</u>

CITY OF WALNUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:				
Governmental activities:				
Taxes				
Property taxes	\$ 9,027,185	\$ 9,108,449	\$ 9,347,081	\$ 5,641,664
Sales tax	1,176,710	1,410,358	1,322,741	1,413,944
Franchise tax	844,511	850,101	872,593	902,198
Business license tax	103,168	101,437	102,540	105,198
Other taxes	299,952	304,384	285,819	316,607
Motor vehicle in lieu, unrestricted	106,989	184,471	25,938	24,158
Use of money and property	741,999	477,150	496,394	158,230
Other general revenues	546,539	14,044	78,242	32,711
Transfers	-	-	-	-
Proceeds from sale of donated property	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	26,520,101	-
Total general revenues, transfers, & special item	<u>\$ 12,847,053</u>	<u>\$ 12,450,394</u>	<u>\$ 39,051,449</u>	<u>\$ 8,594,710</u>
Change in net position				
Governmental activities	<u>111,241</u>	<u>(200,883)</u>	<u>27,336,514</u>	<u>(2,495,187)</u>
Total Change in net position	<u>\$ 111,241</u>	<u>\$ (200,883)</u>	<u>\$ 27,336,514</u>	<u>\$ (2,495,187)</u>

Note:

In fiscal year 2011-12, the extraordinary gain/(loss) is mainly due to the transfer of assets and obligations of the former Walnut Improvement Agency that was dissolved on 02/01/2012 per ABX1 26 of the State of California dissolution of all redevelopment agency. The City of Walnut elected to become the Successor Agency for the dissolved Walnut Improvement Agency.

CITY OF WALNUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019
\$	5,995,275	\$ 6,238,354	\$ 6,408,855	\$ 5,700,002	\$ 6,009,959	\$ 6,328,288
	1,345,722	1,573,976	1,890,516	1,962,759	2,065,336	2,204,841
	950,452	963,244	936,650	897,264	926,430	927,083
	104,661	99,520	109,615	126,642	124,843	121,447
	325,627	330,536	359,008	386,766	398,431	331,742
	24,386	24,009	22,377	23,307	-	-
	582,911	468,085	447,621	468,435	729,648	1,366,080
	68,313	18,248	839,581	338,890	576,349	2,373,431
	-	-	-	-	-	-
	-	-	-	-	12,487,410	-
	-	-	-	-	-	-
\$	<u>9,397,347</u>	<u>\$ 9,715,972</u>	<u>\$ 11,014,223</u>	<u>\$ 9,904,065</u>	<u>\$ 23,318,406</u>	<u>\$ 13,652,912</u>
	<u>(8,106,197)</u>	<u>(1,529,225)</u>	<u>(972,612)</u>	<u>(2,618,915)</u>	<u>7,979,233</u>	<u>3,975,073</u>
\$	<u><u>(8,106,197)</u></u>	<u><u>(1,529,225)</u></u>	<u><u>(972,612)</u></u>	<u><u>(2,618,915)</u></u>	<u><u>7,979,233</u></u>	<u><u>3,975,073</u></u>

CITY OF WALNUT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid costs	363,158	343,093	348,764	363,096	388,722
Notes and loans	-	-	-	-	-
Advances to other Funds	114,690	121,470	121,470	146,470	250,870
Long term receivable	-	95,948	95,948	95,948	-
Committed to:					
Disaster recovery	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Self-insurance	1,000,000	1,000,000	400,000	1,000,000	1,000,000
Facility maintenance	4,226,617	3,916,439	3,457,687	2,922,039	2,805,957
Assigned to:					
Three Oaks Recreation Facility	2,350,000	2,350,000	2,450,000	2,800,000	2,800,000
Maintenance and operations	11,398,050	5,400,817	5,489,465	5,682,585	6,047,785
Other post-employment benefits	775,000	774,840	763,637	763,331	762,422
Self Insurance	-	-	-	-	-
Unassigned	724,857	-	89,005	670,835	1,247,058
Total General Fund	<u>\$ 21,952,372</u>	<u>\$ 15,002,607</u>	<u>\$ 14,215,976</u>	<u>\$ 15,444,304</u>	<u>\$ 16,302,814</u>
All other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Nonspendable:					
Prepaid costs	1,537	-	-	-	-
Notes and loans	220,188	165,972	2,121,598	2,111,948	1,940,827
Advances to other Funds	1,622,009	1,955,626	-	-	-
Restricted for:					
Community development	13,302,416	10,495,156	9,910,551	9,054,401	2,992,384
Public safety	37,815	50,922	103,733	95,674	71,092
Community services	95,835	127,786	106,197	130,906	155,615
Public works	1,447,121	2,078,885	2,146,175	2,640,498	3,129,760
Capital projects	359,673	-	-	-	-
Debt service	600,897	342,544	-	-	-
Committed to:					
Capital projects	4,199,124	7,651,616	7,072,472	6,630,620	5,180,132
Assigned to:					
Capital Projects	-	-	-	-	-
Unassigned	(77,080)	(172,254)	(190,021)	-	-
Total all other governmental funds	<u>\$ 21,809,535</u>	<u>\$ 22,696,253</u>	<u>\$ 21,270,705</u>	<u>\$ 20,664,047</u>	<u>\$ 13,469,810</u>

Note:

In fiscal year 2011-12, Upon dissolution of the redevelopment agency on 02/01/12. The non-spendable Advances to other funds and the restricted for debt service fund balances were transferred to the Successor Agency private-purpose trust fund in the City's financial statement.

CITY OF WALNUT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
33,268	626,512	303,719	12,066	388,918
-	-	-	-	-
250,870	250,870	250,870	250,870	35,827
-	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	-	1,000,000	1,000,000	1,000,000
2,764,643	-	-	-	-
2,799,845	2,766,250	2,666,801	14,946,188	14,838,444
6,311,725	8,467,719	8,149,560	7,227,578	6,871,759
760,142	757,275	754,593	751,614	748,223
-	1,000,000	-	-	-
1,179,125	2,010,433	2,775,032	3,628,234	6,236,023
<u>\$ 16,099,618</u>	<u>\$ 16,879,059</u>	<u>\$ 16,900,575</u>	<u>\$ 28,816,550</u>	<u>\$ 31,119,194</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,738	-	-	-
1,935,130	1,848,575	90,649	-	-
-	-	-	-	-
2,958,326	2,079,538	3,832,963	3,488,456	3,223,238
78,868	134,169	162,113	218,613	294,935
140,630	1,026,385	1,327,325	819,654	719,991
3,099,515	3,875,234	4,160,230	2,794,070	3,477,640
-	-	-	-	-
-	-	-	-	-
4,088,292	-	-	-	-
-	2,065,878	1,456,260	264,280	427,970
(13,348)	-	(10,516)	-	-
<u>\$ 12,287,413</u>	<u>\$ 11,032,517</u>	<u>\$ 11,019,024</u>	<u>\$ 7,585,073</u>	<u>\$ 8,143,774</u>

CITY OF WALNUT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:					
Taxes	\$ 11,407,058	\$ 11,630,777	\$ 11,948,178	\$ 8,401,800	\$ 8,774,933
Assessments	1,741,026	1,734,099	2,395,879	2,528,470	2,279,176
Licenses and permits	1,574,924	2,145,139	763,812	551,181	754,435
Intergovernmental	3,428,712	2,828,261	2,722,436	2,818,365	2,910,075
Charges for services	1,055,010	1,022,936	1,094,615	1,374,600	1,602,320
Use of money and property	741,999	477,150	496,394	158,230	582,911
Developer participation	-	-	-	-	-
Fines and forfeitures	633,644	546,526	412,855	513,458	555,806
Miscellaneous	957,482	340,414	596,470	796,899	433,390
Total Revenues	<u>21,539,855</u>	<u>20,725,302</u>	<u>20,430,639</u>	<u>17,143,003</u>	<u>17,893,046</u>
Expenditures					
Current:					
General government	4,497,970	3,100,614	3,630,711	2,176,693	2,371,357
Public safety	3,510,790	3,582,217	3,436,171	3,552,795	3,573,524
Community development	2,281,597	2,489,606	1,879,309	1,874,757	2,030,856
Community services	3,206,592	3,115,808	3,105,704	3,122,136	3,214,069
Public works	3,363,288	3,774,075	3,737,040	5,099,226	4,732,064
Capital outlay	3,947,995	7,273,355	1,935,343	695,726	2,156,903
Debt service:					
Principal	1,835,000	1,865,000	1,935,000	-	-
Interest ¹ and fiscal charges	1,634,696	1,587,674	776,240	-	-
Refunding bond issuance costs	-	-	-	-	-
Total Expenditures	<u>24,277,928</u>	<u>26,788,349</u>	<u>20,435,518</u>	<u>16,521,333</u>	<u>18,078,773</u>
Excess (deficiency) of Revenues over Expenditures	<u>(2,738,073)</u>	<u>(6,063,047)</u>	<u>(4,879)</u>	<u>621,670</u>	<u>(185,727)</u>
Other financing sources (uses):					
Transfer in	2,217,414	8,711,865	6,754,359	291,609	2,614,325
Transfer out	(2,217,414)	(8,711,865)	(6,754,359)	(291,609)	(2,614,325)
Long-term debt	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Premium of refunding bonds issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Contribution to Successor Agency	-	-	-	-	(6,150,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,150,000)</u>
Special Item:					
Proceeds from sale of donated property	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of improvement agency²					
	-	-	(2,207,300)	-	-
Net change in fund balances	<u>\$ (2,738,073)</u>	<u>\$ (6,063,047)</u>	<u>\$ (2,212,179)</u>	<u>\$ 621,670</u>	<u>\$ (6,335,727)</u>
Debt service as a percentage of noncapital expenditures	17.01%	17.14%	14.28%	0.00%	0.00%

Note:

¹ In fiscal year 2011-12, this is the Interest payment made on the final seven months of redevelopment activities before the transfer of obligation to the Successor Agency.

² In fiscal year 2011-12, this is the extraordinary gain/(loss), is mainly due to the transfer of assets and obligations of the former Walnut Improvement Agency that was dissolved on 02/01/2012 per ABX1 26 of the State of California dissolution of all redevelopment agency. The City of Walnut elected to become the Successor Agency for the dissolved Walnut Improvement Agency.

CITY OF WALNUT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
\$	9,093,952	\$ 9,614,804	\$ 9,274,951	\$ 9,499,733	\$ 9,891,270
	2,159,654	3,107,981	2,562,970	2,500,410	2,651,930
	785,402	961,563	1,829,914	805,839	895,016
	3,127,876	2,368,358	2,924,159	2,951,513	3,513,073
	1,174,295	1,839,232	1,297,286	1,457,384	1,448,413
	468,085	446,575	466,272	721,284	1,350,718
	-	-	-	-	-
	205,560	277,011	131,631	157,374	127,235
	363,783	372,189	250,625	328,692	2,518,002
	<u>17,378,607</u>	<u>18,987,713</u>	<u>18,737,808</u>	<u>18,422,229</u>	<u>22,395,657</u>
	2,382,053	2,536,035	2,392,349	2,547,402	2,592,697
	3,570,802	3,765,218	3,894,564	4,025,458	4,111,941
	2,135,562	2,248,657	2,879,006	2,435,173	2,422,267
	3,302,231	5,006,833	3,586,537	4,815,620	4,221,073
	4,709,398	5,385,612	5,789,502	8,657,998	6,039,178
	2,664,154	520,813	187,827	380,964	147,156
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>18,764,200</u>	<u>19,463,168</u>	<u>18,729,785</u>	<u>22,862,615</u>	<u>19,534,312</u>
	(1,385,593)	(475,455)	8,023	(4,440,386)	2,861,345
	896,984	209,969	541,537	448,808	444,737
	(896,984)	(209,969)	(541,537)	(448,808)	(444,737)
	-	-	-	-	-
	-	-	-	435,000	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	435,000	-
	-	-	-	12,487,410	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>(1,385,593)</u>	<u>(475,455)</u>	<u>8,023</u>	<u>8,482,024</u>	<u>2,861,345</u>
	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF WALNUT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	2010	2011	2012	2013	2014
Residential	3,275,950	3,477,315	3,593,986	3,754,176	3,990,406
Commercial	156,814	161,741	164,172	163,934	168,050
Industrial	96,260	95,932	96,149	97,942	100,711
Government Owned	-	-	-	-	-
Institutional	10,708	10,682	15,638	11,375	15,777
Miscellaneous	245	393	396	710	415
Recreational	-	-	-	-	-
Vacant	148,177	17,762	72,477	57,513	53,830
SBE Nonunitary	168	168	168	168	168
Cross Reference	243	147	181	628	492
Unsecured	39,920	37,997	35,539	37,569	41,643
Exempt	(17,729)	(8,728)	(8,728)	(8,728)	(8,728)
Grand Total	<u>3,710,756</u>	<u>3,802,137</u>	<u>3,978,706</u>	<u>4,124,015</u>	<u>4,371,492</u>
Total Direct Rate	0.65709%	0.65386%	0.63601%	0.62656%	0.07616%

Note:

- 1 Exempt values are not included in Total.
- 2 Includes City and Successor Agency Project Area
- 3 In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL, Coren & Cone, L.A. County Assessor 2009/10-2018/19 Combined Tax Rolls

CITY OF WALNUT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

2015	2016	2017	2018	2019
4,201,218	4,419,416	4,583,083	4,805,033	5,049,771
170,585	175,748	181,003	190,586	222,309
106,086	109,988	112,303	114,888	112,516
-	-	-	-	-
12,184	11,916	11,319	11,530	13,641
257	262	266	272	277
-	-	-	-	-
62,733	69,406	98,475	100,501	115,226
168	168	168	168	168
421	237	218	269	656
36,556	35,976	36,800	38,656	45,441
(8,728)	(8,596)	(8,596)	(8,596)	(8,455)
4,590,208	4,823,117	5,023,635	5,261,903	5,560,005
0.07479%	0.07362%	0.07264%	0.07047%	0.06783%

CITY OF WALNUT
Special Benefit Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	2010	2011	2012	2013	2014
Assessment Billings	\$ 1,723,680	\$ 1,723,680	\$ 2,392,180	\$ 2,522,580	\$ 2,274,560
Assessment Collected	1,741,027	1,734,099	2,395,879	2,538,270	2,279,177
Percentage Collected	101.0%	100.6%	100.2%	100.6%	100.2%

Source: City Finance Department

CITY OF WALNUT
Special Benefit Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

2015	2016	2017	2018	2019
\$ 2,138,800	\$ 2,138,800	\$ 2,139,080	\$ 2,373,930	\$ 2,512,250
2,159,654	2,109,527	2,265,338	2,381,316	2,613,019
101.0%	98.6%	105.9%	100.3%	104.0%

CITY OF WALNUT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Years	2010	2011	2012	2013	2014
City Direct Rates:					
General Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:					
Metropolitan Water District	0.00430	0.00370	0.00370	0.00350	0.00350
Mt. San Antonio Community College	0.02571	0.02636	0.02642	0.02896	0.02023
Covina Valley Unified School District	0.08592	0.09003	0.08999	0.09500	0.11472
Pomona Valley Unified School District	0.14546	0.17721	0.14943	0.18488	0.16407
Pomona Usd 2008 Series C	0.00000	0.00000	0.02421	0.00000	0.00000
Rowland Unified School District	0.06769	0.07538	0.09195	0.10053	0.12297
Rowland Unified School District 2012 Series	0.00000	0.00000	0.00000	0.00000	0.00000
Walnut Valley Unified School District	0.11674	0.11839	0.11735	0.12554	0.11342
Total Direct and Overlapping² Tax Rates	1.44582	1.49107	1.50305	1.53841	1.53892
City's Share of 1% Levy Per Prop 13 ³	0.05202	0.05202	0.05202	0.05202	0.05202
General Obligation Debt Rate	-	-	-	-	-
Redevelopment Rate ⁴	1.00430	1.00370	1.00370	-	-
Total Direct Rate⁵	0.65709%	0.65386%	0.63601%	0.62656%	0.07616%

Note:

- 1 In 1978, California voters passed Proposition 13 which sets 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.
- 2 Overlapping rates are those of local and county governments that apply to property owners within the City of Walnut. Not all overlapping rates apply to all City of Walnut property owners.
- 3 City's share of 1% Levy is based on the City of Walnut's share of the general fund tax rate area with the largest net taxable value within the City of Walnut. ERAF general fund tax shifts may not be included in tax ratio figures.
- 4 Redevelopment rate is based on the largest RDA tax rate area (TRA) and only includes 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 State of California for the fiscal year 2012-13 and years thereafter.
- 5 Since basic and debt rates vary by tax rate area individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the City of Walnut.

Source: HdL, Coren & Cone, L.A. County Assessor 2009/10-2018/19 Tax Rate Table

CITY OF WALNUT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

2015	2016	2017	2018	2019
1.00000	1.00000	1.00000	1.00000	1.00000
0.00350	0.00350	0.00350	0.00350	0.00350
0.02129	0.02154	0.02400	0.02371	0.02435
0.11426	0.11062	0.12581	0.14205	0.13976
0.16599	0.15364	0.14368	0.17292	0.16942
0.00000	0.00000	0.00000	0.00000	0.00000
0.14313	0.12426	0.10939	0.11841	0.11861
0.00000	0.00000	0.01505	0.00000	0.00000
0.11510	0.09285	0.06601	0.07388	0.10582
1.56328	1.50641	1.48744	1.53448	1.56146
0.05202	0.05202	0.05202	0.05202	0.05202
-	-	-	-	-
-	-	-	-	-
0.07479%	0.07362%	0.07264%	0.07047%	0.07077%

CITY OF WALNUT
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2019		2010		Business Type
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	
Wesco Properties Inc	\$ 36,081,072	0.65%	\$ -	0.00%	Commercial
Essex CA WA Limited Partnership	30,467,477	0.55%	26,806,145	0.72%	Apartments
Sunjoint Development LLC	28,519,183	0.51%	-	0.00%	Vacant
Snow Creek Village West Partners	23,451,699	0.42%	16,278,103	0.44%	Commercial
Walnut Tech Business Center	21,060,481	0.38%	18,610,240	0.50%	Industrial/Commercial
Vogel Properties, Inc.	20,769,375	0.37%	18,102,599	0.49%	Industrial/Commercial
9429 Walnut Cake LLC	14,247,685	0.26%	12,588,836	0.34%	Commercial
Pacwall LLC	14,198,400	0.26%	-	0.00%	Commercial
Orange Grove Service Inc	13,894,443	0.25%	12,276,718	0.33%	Commercial
Vons Companies Inc	10,167,935	0.18%	-	0.00%	Commercial
Ruey Cher & Tsu Kao	-	0.00%	18,685,237	0.50%	Commercial (Stater Bros)
Henn's Investment Company	-	0.00%	8,808,366	0.24%	Industrial
Extra Space Properties Twenty One LLC	-	0.00%	7,093,567	0.19%	Self storage spaces
Standard Pacific of Walnut Hills	-	0.00%	50,108,432	1.35%	Residential
Total	\$ 212,857,750	3.83%	\$ 189,358,243	5.10%	

Note:

The amounts shown above include assessed value data for both the City and the Successor Agency.

Per State of California ABX1 26 all redevelopment agency in California was dissolved effective February 1, 2012.

Source: Hdl, Coren & Cone, L.A. County Assessor 2018/19 Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF WALNUT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
Taxes levied for the fiscal year	\$ 1,211,478	\$ 1,226,747	\$ 1,278,806	\$ 1,315,489
Collected within the fiscal year:				
Amount	1,056,079	1,125,382	1,117,322	1,260,893
Percent of Levy	87%	92%	87%	96%
Total Tax Collection				
Amount	1,056,079	1,125,382	1,117,322	1,260,893
Delinquent Tax Collection	1,684	1,442	(22)	1,651
Collection in subsequent years	N/A	N/A	N/A	N/A
Total Collection to date in Dollars	N/A	N/A	N/A	N/A
Total Collection to date as a percentage of levy	N/A	N/A	N/A	N/A

Note:

The amounts presented include City Property taxes, not Successor Agency property taxes.

Per State of California ABX1 26 all redevelopment agency in California was dissolved effective February 1, 2012.

Source: County of Los Angeles, Auditor-Controller

CITY OF WALNUT
Property Tax Levies and Collections
Last Ten Fiscal Years

2014	2015	2016	2017	2018	2019
\$ 1,390,157	\$ 1,435,551	\$ 1,399,452	\$ 2,718,998	\$ 1,497,691	\$ 1,555,482
1,348,701	1,384,713	1,367,680	2,348,388	1,468,139	1,519,185
97%	96%	98%	86%	98%	98%
1,348,701	1,384,713	1,367,680	2,348,388	1,468,139	1,519,185
1,325	1,082	1,079	(2,041)	(2,345)	(7,822)
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

CITY OF WALNUT
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014
Walnut Improvement Agency: ¹					
Tax Allocation Refunding Bonds, Series 1999A	11,570,000	10,840,000	-	-	-
Walnut Public Financing Authority:					
Tax Allocation Revenue Bonds, Series 1992	-	-	-	-	-
Tax Allocation Revenue Bonds, Series 2002	20,890,000	19,755,000	-	-	-
Total Governmental Activities	32,460,000	30,595,000	-	-	-
Personal Income City of Walnut (in thousands) ²	1,017,320	1,022,357	985,249	996,456	1,019,743
Ratio of outstanding debt	3.19%	2.99%	0.00%	0.00%	0.00%
Population	32,659	29,439	29,661	29,947	30,112
Total debt per capita	994	1,039	-	-	-

Note:

1 As a result of the dissolution of all the redevelopment agency in California, indebtedness of the former Walnut Improvement Agency was transferred to the Successor Agency. Note 11 of the notes to the financial statements on page 46-49 will provide in depth information on the Successor Agency Trust for assets of former redevelopment agency.

2 Schedule of Demographics Statistics for personal income data for calendar year 2018.

Source: California Department of Finance, U.S. Bureau of Census decennial census data, HdI, Coren & Cone

CITY OF WALNUT
Ratios of Outstanding Debt
Last Ten Fiscal Years

2015	2016	2017	2018	2019
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,041,477	1,045,685	1,077,615	1,099,822	1,105,292
0.00%	0.00%	0.00%	0.00%	0.00%
30,257	30,152	30,134	30,457	30,551
-	-	-	-	-

CITY OF WALNUT
Direct and Overlapping Debt
June 30, 2019

	Outstanding Debt 6/30/19	Percentage Applicable To City	Estimated Share of Overlapping Debt
Metropolitan Water District*	23,317,224	0.190%	\$ 44,303
Mt. San Antonio CCD DS 2008 Series 13A	200,306,691	6.019%	12,056,885
Mt. San Antonio CCD DS 2008 Series 2013B	6,215,000	6.019%	374,094
Mt. San Antonio CCD DS 2013 Ref Series A	58,265,000	6.019%	3,507,094
Mt. San Antonio CCD DS 2013 Ref Series B	32,415,000	6.019%	1,951,128
Mt. San Antonio CCD DS 2008 Ref Series 2015C	32,515,000	6.019%	1,957,147
Mt. San Antonio CCD DS 2015 Ref Bonds	310,700,000	6.019%	18,701,692
Pomona USD DS Refunding 2000 Series A	11,805	0.122%	14,344
Pomona USD DS Refunding 2001 Series A	10,015,000	0.122%	12,169
Pomona USD DS 2008 Series A	1,255,000	0.122%	1,525
Pomona USD DS 2008 Series B	2,305,000	0.122%	2,801
Pomona USD DS 2008 Series C	38,835,000	0.122%	47,187
Pomona USD DS 2012 Refunding Bond Series A	515,000	1.220%	626
Pomona USD DS 2012 Refunding Bond Series B	20,030,000	0.122%	24,338
Pomona USD DS 2008 Series D QSCBS	20,715,000	0.122%	25,170
Pomona USD DS 2008 Series E	13,340,000	0.122%	16,209
Pomona USD DS 2008 Series F	21,550,000	0.122%	26,185
Pomona USD DS 2015 Ref Bonds	15,955,000	0.122%	19,386
Pomona USD DS 2016 Ref Bonds Series B	19,860,311	0.122%	24,132
Pomona USD DS 2008 Series G	24,370,000	0.122%	29,611
Pomona USD DS 2016 Ref Bonds	5,925,000	0.122%	7,199
Pomona USD DS 2016 Series A	55,400,000	0.122%	67,314
Pomona USD DS 2016 Series B	55,000,000	0.122%	66,828
Rowland Heights USD DS 2005 Ref Bonds	8,283,505	10.513%	870,856
Rowland Heights USD DS 2006 Series B	24,322,549	10.513%	2,557,063
Rowland Heights USD DS 2006 Series C (BABS)	12,000,000	10.513%	1,261,576
Rowland Heights USD DS 2006 Series D QSCB	15,725,000	10.513%	1,653,191
Rowland Heights USD DS 2006 Series E	557,451	10.513%	58,606
Rowland Heights USD DS 2012 Series A	40,870,000	10.513%	4,296,719
Rowland Heights USD DS 2013 Ref Bonds	25,240,000	10.513%	2,653,516
Rowland Heights USD DS 2012 Series B	65,999,972	10.513%	6,938,667
Rowland Heights USD DS 2015 Ref Bonds	42,505,000	10.513%	4,468,609
Walnut Valley USD DS 2011 Refunding	21,396,993	33.672%	7,204,795
Walnut Valley USD DS 2007 Series B Meas. S	15,937,573	33.672%	5,366,499
Walnut Valley USD DS 2012 Ref Bonds	705,000	33.672%	237,388
Walnut Valley USD DS 2007 Series C	15,000,000	33.672%	5,050,799
Walnut Valley USD DS 2014 Ref Bonds Series A	3,260,000	33.672%	1,097,707
Walnut Valley USD DS 2014 Ref Bonds Series B	3,875,000	33.672%	1,304,790
Walnut Valley USD DS 2016 Ref Bonds	40,010,000	33.672%	13,472,165
Walnut Valley USD DS 2016 Series A	43,765,000	33.672%	14,736,549
Total Overlapping Bonded Debt			\$ 112,206,862
Total Direct and Overlapping Bonded Debt			\$ 112,206,862

2018-19 Assessed Valuation:

\$2,312,599,569 after deducting \$3,247,405,491 Incremental value

Debt to Assessed Valuation Ratios:	0.00%
	4.85%
	4.85%

Note:

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

This report reflects debt which is being repaid through voter-approved 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 of Walnut.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Walnut. 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 of Walnut boundaries and dividing it by each unit's total taxable assessed value.

Source: HdL, Coren & Cone, L.A. County Assessor and Auditor Combined 2018/19 Lien Date Tax Rolls

CITY OF WALNUT
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014
Assessed valuation	\$ 3,728,485,982	\$ 3,802,137,343	\$ 3,978,706,380	\$ 4,124,015,117	\$ 4,371,491,627
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	932,121,496	950,534,336	994,676,595	1,031,003,779	1,092,872,907
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	139,818,224	142,580,150	149,201,489	154,650,567	163,930,936
Total net debt applicable to limit: General Obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 139,818,224</u>	<u>\$ 142,580,150</u>	<u>\$ 149,201,489</u>	<u>\$ 154,650,567</u>	<u>\$ 163,930,936</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. This is 3.75% of full market value.

The City of Walnut has no bonded indebtedness.

Source: HdL, Coren & Cone, L.A. County Assessor 2018/19 Combined Tax Rolls

CITY OF WALNUT
Legal Debt Margin Information
Last Ten Fiscal Years

2015	2016	2017	2018	2019
\$ 4,590,208,614	\$ 4,823,117,151	\$ 5,023,635,701	\$ 5,261,903,783	\$ 5,560,005,060
25%	25%	25%	25%	25%
1,147,552,154	1,205,779,288	1,255,908,925	1,315,475,946	1,390,001,265
15%	15%	15%	15%	15%
172,132,823	180,866,893	188,386,339	197,321,392	208,500,190
-	-	-	-	-
\$ 172,132,823	\$ 180,866,893	\$ 188,386,339	\$ 197,321,392	\$ 208,500,190
0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF WALNUT
Demographics Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	2010	2011	2012	2013	2014
Square Miles ¹	8.83	8.83	8.83	8.83	8.83
Number of Housing Units ²	8,713	8,808	8,867	8,908	8,909
Population (City of Walnut) ²	32,659	29,439	29,661	29,947	30,112
Personal Income City of Walnut (in thousands) ³	1,017,320	1,022,357	985,249	996,456	1,019,743
Per Capita Personal Income City of Walnut ³	31,432	31,304	33,217	33,274	33,865
Unemployment Rate City of Walnut ⁴	5.6%	6.2%	6.0%	4.5%	3.6%
Average Annual Population % change ²	0.53%	-9.86%	0.75%	0.96%	0.55%

Source:

- 1 City Finance Department
- 2 Population: California State Department of Finance
- 3 California State Department of Finance. U.S. Bureau of Census. ESRI-Demographic Estimates are based on the last available Census. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries.
- 4 Unemployment Data: California Employment Development Department

CITY OF WALNUT
Demographics Statistics
Last Ten Fiscal Years (Unaudited)

2015	2016	2017	2018	2019
8.83	8.83	8.83	8.83	8.83
8,911	8,925	8,937	9,022	9,046
30,257	30,152	30,134	30,457	30,551
1,041,477	1,045,685	1,077,615	1,099,822	1,105,292
34,573	34,680	35,760	36,110	36,178
5.9%	4.8%	3.7%	3.5%	3.6%
0.48%	-0.35%	-0.06%	1.07%	0.31%

CITY OF WALNUT
Principal Employer
Current Year and Nine Years Ago

<u>Employer</u>	<u>2019</u>		<u>Product/Services</u>	<u>2010</u>	
	<u>Number of Employees</u>	<u>Percent of Employment</u>		<u>Number of Employees</u>	<u>Percent of Employment</u>
Mount San Antonio College	3,837	49%	Community College	3,113	52%
Ninas Mexican Foods, Inc.	180	2%	Manufacturer	80	1%
Ronsin Photocopy Inc.	124	2%	Photocopy Manufacturer	105	2%
Edro Engineering Company, Inc.	109	1%	Engineering	77	1%
Fairway Injections Molds, Inc	96	1%	Manufacture Mold Bases	-	0%
Vons #2167	76	1%	Grocery Store	62	1%
Stater Brothers Market	74	1%	Grocery Store	61	1%
Applebee's Neighborhood Grill	71	1%	Restaurant	56	1%
McDonald's	69	1%	Fast-food	-	0%
Sodexo, Inc	69	1%	Food Services Mgmt.	-	0%
TJ Maxx #682	66	1%	Retail	57	1%
24 Hour Fitness	60	1%	Health Fitness Facility	-	0%
Alliance Industrial Refrigeration	51	1%	Industrial Refrigeration	-	0%
Ten Ren's Tea Time	49	1%	Restaurant	-	0%
Panera Bread #1630	48	1%	Restaurant	-	0%
Mwave.com/Multiwave	35	0%	Computer Wholesales	70	1%
Albertsons #6888	-	0%	Grocery Store	70	1%
Able Hands Home HealthCare	4	0%	Home Health Care	-	0%

Source: City Finance Department & HDL, Coren & Cone 2018-19 Business License Data

**CITY OF WALNUT
Full-Time Employees
Last Ten Fiscal Years**

Fiscal Year	2010	2011	2012	2013	2014
Function:					
General government	12	12	12	11	10
Public safety	2	2	2	2	2
Public works	4	4	4	4	4
Community development	9	9	9	9	9
Community services	13	13	11	11	11
Total	40	40	38	37	36

Note:

Public safety which includes police and fire services were provided by Los Angeles County.

Source: City Finance Department

**CITY OF WALNUT
Full-Time Employees
Last Ten Fiscal Years**

2015	2016	2017	2018	2019
9	9	9	10	10
2	2	2	2	2
6	6	6	6	6
9	10	10	10	10
10	10	10	10	10
36	37	37	38	38

CITY OF WALNUT
Construction and Bank Deposit Activity
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
Number of New Residential Units	45	121	2	3
Building Permit Valuation				
Residential	\$ 36,861,834	\$ 57,836,267	\$ 10,016,161	\$ 7,162,387
Non-Residential	4,640,346	282,322	1,298,793	652,506
Total	<u>\$ 41,502,180</u>	<u>\$ 58,118,589</u>	<u>\$ 11,314,954</u>	<u>\$ 7,814,893</u>
Number of Building Permit Issued	401	476	466	450
Bank Deposits	\$ 636,939,000	\$ 656,199,000	\$ 580,175,000	\$ 689,651,000

Source: FDIC: Deposit Market Share Report June 30, 2019, City of Walnut Finance Department, and City of Walnut Building Department

CITY OF WALNUT
Construction and Bank Deposit Activity
Last Ten Fiscal Years

2014	2015	2016	2017	2018	2019
4	14	22	97	72	18
\$ 6,956,379	\$ 12,822,312	\$ 15,959,112	\$ 39,160,875	\$ 11,597,194	\$ 16,206,324
1,654,042	397,517	573,580	1,982,436	628,931	514,493
\$ 8,610,421	\$ 13,219,829	\$ 16,532,692	\$ 41,143,311	\$ 12,226,125	\$ 16,720,817
441	434	689	587	511	414
\$ 766,390,000	\$ 860,801,000	\$ 1,023,415,000	\$ 1,211,609,000	\$ 1,379,363,000	\$ 1,444,420,000

CITY OF WALNUT
Insurance in Force
June 30, 2019
(Unaudited)

<u>CARRIER</u>	<u>POLICY #</u>	<u>COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>	<u>TERM</u>
Alliant Insurance	ACIPCRIME1719	Public Employees "O"	\$ 1,000,000	07/01/2017-06/30/2019
		Theft "C"	\$ 1,000,000	
		Forgery "B"	\$ 1,000,000	
		Computer Fraud "F"	\$ 1,000,000	
California Joint Powers Insurance Authority	B128410009W18	Property	\$ 31,664,928	07/01/2018-06/30/2019
		Earthquake & Flood	No Coverage	
		Other Vehicles Physical Damage	\$ 429,146	
		Mechanical Breakdown	\$ 28,484,533	
		Fire and Ambulance Physical Damage	No Coverage	
California Joint Powers Insurance Authority		General Liability	\$ 30,000,000	07/01/2018-06/30/2019
		Auto Liability	\$ 30,000,000	
		Workers' Compensation	\$ 10,000,000	
		Environmental/Pollution	No Coverage	
		Cyber Liability	\$ 1,000,000	

Source: City Risk Management

CITY OF WALNUT
Operating Indicators by Function
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
Public Safety:				
Number of employees trained on Emergency Operation	16	16	60	60
Number of volunteers on patrol	14	15	12	9
Parking Citation Issued	3,723	2,490	2,423	1,779
Community Development:				
Planning Application Processed	111	153	148	136
Code Enforcement Complaint Response	439	453	535	601
Dial-A-Ride Members	3,869	4,192	4,447	4,618
Metrolink Passes Sold	2,616	2,328	2,264	2,028
Public Works:				
Street Resurfacing (square feet)	1,093,392	661,025	301,545	21,000
Parks and recreation:				
Number of recreation classes	300	400	236	500
Number of youth registered	4,939	4,800	4,706	6,000

Source: City of Walnut Departments

CITY OF WALNUT
Operating Indicators by Function
Last Ten Fiscal Years

2014	2015	2016	2017	2018	2019
60	50	50	50	50	46
12	15	30	20	13	15
1,436	2,275	3,688	1,337	2,223	1,514
150	154	156	105	148	128
789	775	801	817	846	1,061
4,069	4,338	4,521	4,645	4,834	5,094
1,729	1,524	1,421	1,368	1,347	1,110
228,360	1,944,687	2,303,654	3,234,562	3,234,562	2,674,770
750	683	650	757	935	817
6,500	5,500	5,250	5,821	4,200	5,175

CITY OF WALNUT
Capital Assets Statistics by Function
Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014
Public Works:					
Street (Miles)	111	112	112	112	111
Street lights	1,784	1,814	1,831	1,835	1,853
Traffic signals	38	39	40	40	40
Parks and recreation:					
Parks	11	11	11	11	11
Teen Center	1	1	1	1	1
Senior Center	1	1	1	1	1
Total	1,946	1,978	1,996	2,000	2,017

Source: City Finance Department, RKA Civil Engineers, Inc., and Southern California Edison Company

CITY OF WALNUT
Capital Assets Statistics by Function
Last Ten Fiscal Years

2015	2016	2017	2018	2019
111	111	111	111	111
1,934	1,934	1,934	1,912	1,920
40	40	41	41	41
11	11	11	11	11
1	1	1	1	1
1	1	1	1	1
2,098	2,098	2,099	2,077	2,085

CITY OF WALNUT
Miscellaneous Statistics
June 30, 2019
(Unaudited)

Walnut incorporated January 19, 1959 and is located in the greater Walnut Valley, nestled in the area between the San Jose Hills to the north and the Puente Hills to the south, 20 miles east of downtown Los Angeles.

The climate of Walnut is mild and dry, with the average temperatures ranging from 54 degrees in the winter to 79 degrees in the summer. The annual rainfall for the area is 17 inches.

Elevation is 519 feet above sea level with gently rolling hills in the south rising to the rugged, steep hills of 1,375 to the north. The impressive backdrop of the Walnut Valley is the towering San Gabriel mountain range, with snow-capped Mt. Baldy as well as the San Gorgonio and San Jacinto ranges.

Type of City	General Law-January 19, 1959
Form of Government	Council/Manager
Population	30,551
Land Area	8.83 Square Miles
Number of Parks	11
Park Areas	97 Acres
Equestrian/Hiking Trails	30.5 Miles
Water Utility	Walnut Valley Water District Suburban Water Systems Golden State Water Company
Electric Utility	Southern California Edison Company
Gas Utility	Southern California Gas Company
Employees	38 Full-time
Cost per Capita	\$639

Source: City Finance Department



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