

# CITY OF WALNUT



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
WALNUT, CALIFORNIA**





**CITY OF WALNUT, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

Prepared by:

Administrative Services Department  
Karen Ogawa, Administrative Services Director



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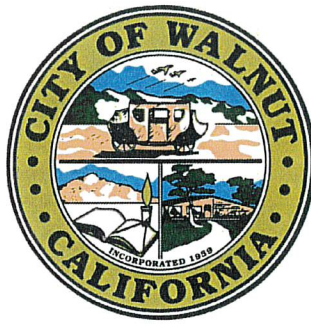
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P.O. Box 682, Walnut, CA 91788-0682  
21201 La Puente Road  
Walnut, CA 91789-2018  
Telephone (909) 595-7543  
FAX (909) 595-6095  
www.cityofwalnut.org



# CITY OF WALNUT

February 23, 2022

Honorable Mayor, Members of the City Council and  
Citizens of the City of Walnut  
California 91789-2018

It is a pleasure to submit the Annual Comprehensive Financial Report of the City of Walnut (City) for the fiscal year ended June 30, 2021. 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. 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 is 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 independent auditor's report is located at the front of the financial section of this 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 29,835.

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 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 4<sup>th</sup> 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).

## **RELEVANT 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 \$30.1 million. Of that balance, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) was \$28.1 million, which is approximately 207% of the total general fund expenditures. The total net change in the general fund balance is a decrease of \$1.4 million.

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 2022-2026 Capital Improvement Program anticipates \$12.2 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 due to the uncertainties of Novel Corona Virus Disease (COVID-19) 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-two (32) 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 ACFR 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 ACFR 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.

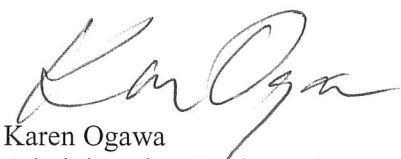
**ACKNOWLEDGEMENT**

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,



Tom Weiner  
City Manager



Karen Ogawa  
Administrative Services Director



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, 2020

*Christopher P. Morrill*

Executive Director/CEO

**CITY OF WALNUT  
OFFICIALS  
June 30, 2021**

**CITY COUNCIL**

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

**CITY OFFICIALS**

Tom Weiner, City Manager  
Teresa De Dios, City Clerk  
Karen Ogawa, City 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.

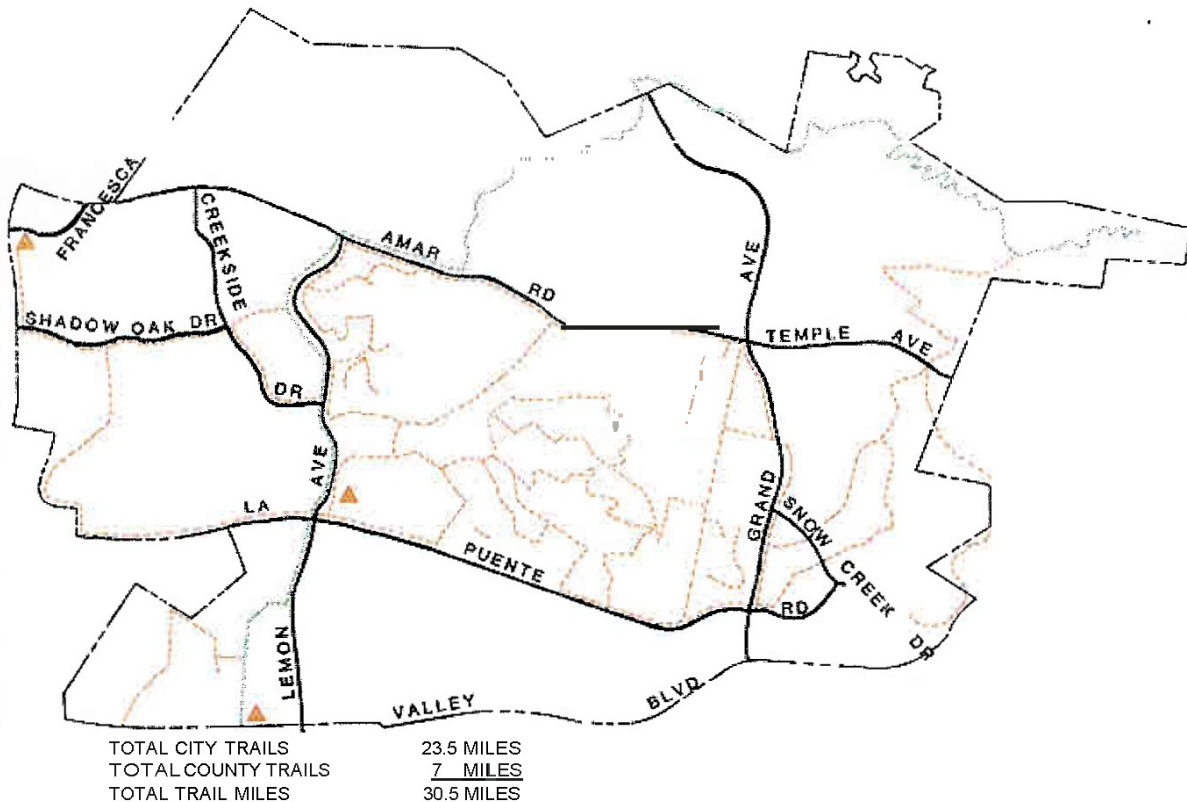


# City of Walnut Trail Map



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



## FINANCIAL SECTION

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## 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **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, 2021, 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.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the City has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in the reporting of the City's refundable deposits within the general fund effective July 1, 2020. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the budgetary comparison information on pages 51 through 54 the schedule of proportionate share of the net pension liability and the schedule of contributions on pages 55 and 56, schedule of changes in the total other post-employment benefits (OPEB) liability and related ratios on page 57, 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, combining and 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 February 23, 2022, 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 Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 23, 2022

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## 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, 2021. 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 \$99.2 million (net position).
- The General Fund has a fund balance of \$30.1 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 \$28.1 million or approximately 207% of the total general fund expenditures.
- The General Fund actual resources available for appropriation (revenue inflows and fund balance) was \$19.0 million more than budget and actual appropriations (outflows) were \$5.4 million less than budget.
- At the close of the current fiscal year, the City of Walnut governmental funds reported a combined fund balance of \$37.6 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 27 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, two special revenue funds, and one capital project fund, all of which are considered to be major funds. Data from the other 24 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 and special revenue funds. A budgetary comparison statements have been provided for the general fund and special revenue funds 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 one fiduciary fund. The Private-purpose trust fund is used to account 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**

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the City of Walnut, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99,189,719 at the close of the fiscal year. 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	
	June 30, 2021	June 30, 2020
Current and other assets	\$ 42,287	\$ 42,709
Capital assets	70,436	71,060
Total assets	112,723	113,769
Deferred outflows of resources	1,963	1,872
Current liabilities	4,968	4,150
Noncurrent liabilities	9,671	8,637
Total liabilities	14,639	12,787
Deferred inflows of resources	857	1,117
Net Position		
Net investment in capital assets	70,436	71,060
Restricted	9,513	7,010
Unrestricted	19,241	23,667
Total net position	\$ 99,190	\$ 101,737

The largest portion of the City of Walnut’s net position (71%) 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 (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,240,635 is unrestricted and may be 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 well as for its separate government activities. The same situation held true for the prior fiscal year.

The City of Walnut overall net position decreased \$2,547,096. The following is an explanation of the major changes:

- Current liabilities increased \$817,104 primarily due to the timing of payments for law enforcement and capital improvement projects.
- Noncurrent liabilities increased by \$1 million due to the increase in compensated absences, net pension liabilities and OPEB liabilities.
- Capital assets decreased \$624,320 net of depreciation. The decrease was attributed to the infrastructure, furniture, and equipment that were fully depreciated. The changes are as follows:

**City of Walnut Asset Type**

Construction in progress	\$ 270,282
Building and improvements	(613,994)
Furniture and equipment	(155,977)
Infrastructure	<u>(124,631)</u>
Capital asset net decrease	<u>\$ (624,320)</u>

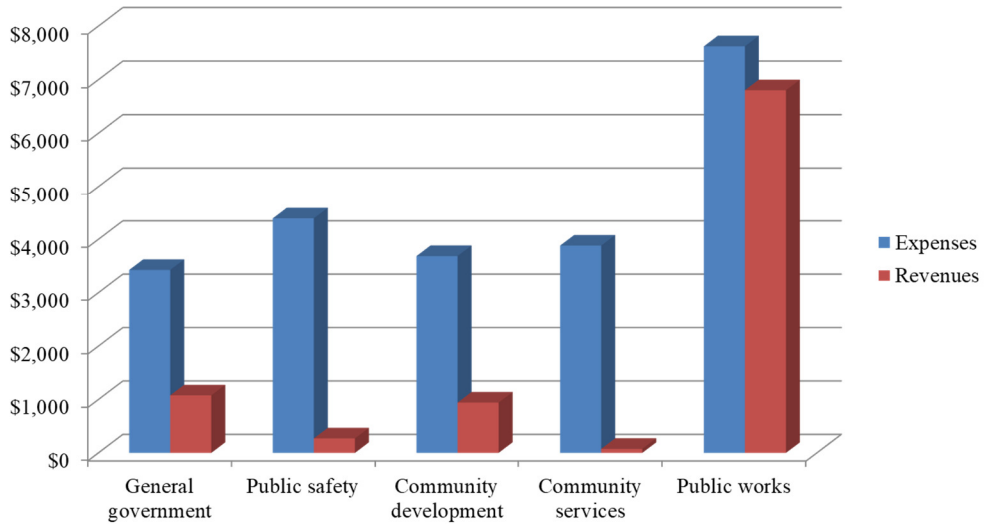
**Governmental Activities.** Governmental activities decreased the City of Walnut’s net position by \$2,547,096. The key element of the changes is due to expenses exceeding revenues. Refer to the analysis on the next page.



**City of Walnut Changes in Net Position**  
(In Thousands)

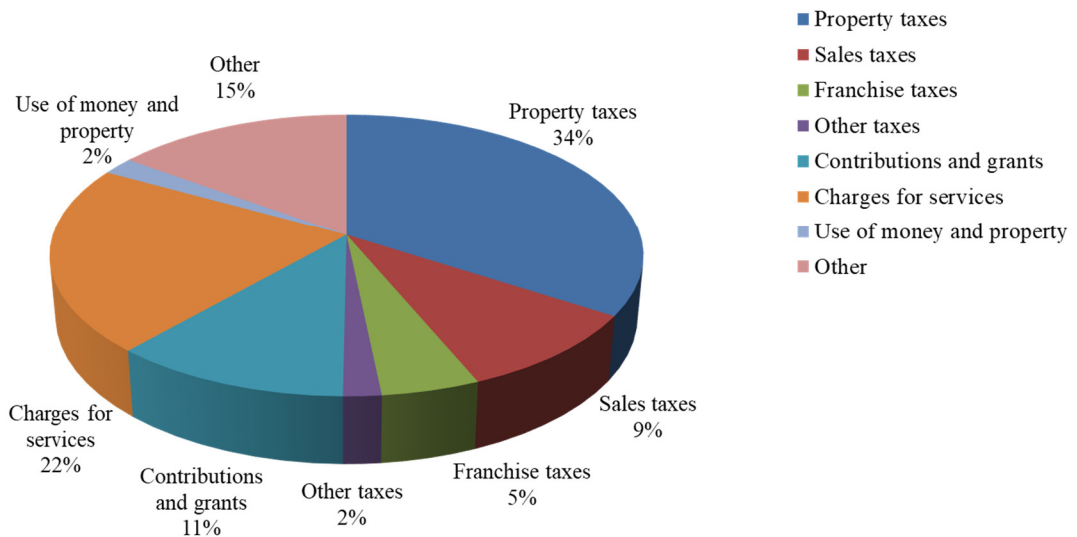
	<u>Governmental Activities</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,416	\$ 4,787
Operating contributions and grants	2,321	1,979
Capital contributions and grants	2,436	1,844
General revenues:		
Taxes:		
Property taxes	6,992	6,790
Sales taxes	1,947	1,852
Franchise taxes	958	926
Business license taxes	119	123
Other taxes	370	301
Use of money and property	408	1,210
Other	499	578
Total revenues	<u>20,466</u>	<u>20,390</u>
Expenses:		
General government	3,426	3,798
Public safety	4,395	4,421
Community development	3,686	2,970
Community services	3,883	6,126
Public works	7,623	5,468
Total expenses	<u>23,013</u>	<u>22,783</u>
Change in net position	(2,547)	(2,393)
Beginning net position	101,737	104,129
Ending Net Position	<u>\$ 99,190</u>	<u>\$ 101,736</u>

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



- Community Services expenses decreased by \$2.2 million primarily due to reduction of recreation activities due to the COVID-19 restrictions.
- Public Works expenses increased \$2.2 million mainly due to more public works projects this year compared to prior 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 \$37,613,323, a decrease of \$1.3 million in comparison to prior year. Of this balance 0.1% (\$36,027) are nonspendable balances for notes and loans, advances to other funds, and prepaid costs; 7% (\$2,021,362) are legally restricted to fund such areas as low and moderate housing projects, public safety, community services, and public works; 7% (\$2,000,000) are committed to disaster recovery and self-insurance; 76% (\$23,026,533) are assigned to community services, maintenance and operations, and other post-employment benefits; and the remaining 10% (\$3,037,764) 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 \$30,121,686. The unassigned fund balance of the general fund is \$3,037,764, which represents approximately 22% compared to the general fund expenditures, while the total fund balance represents approximately 222% of the general fund expenditures. The general fund balance decreased \$1.45 million. Key factor and components that led to this change was due to the transfer to capital improvement fund of \$1.6 million per the fiscal policy which requires prior year's general fund surplus to be distributed to facility maintenance fund and capital improvement fund.

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 exceed the costs by \$260,965. The assessments do not have a provision for rate increases and expenses to maintain the property continue to increase each year.

The non-major governmental fund balance increased by \$399,255. Increase primarily due to General Fund transfer to capital project fund per fiscal policy.

### **General Fund Budgetary Highlights**

The actual charges to appropriations for the general fund at year-end were \$5,437,117 less than the final budget. Also, transfers out was \$3.9M less than final budget. The budget to actual variance in appropriations was due to lower recreation activities and close control by management on spending. Actual revenues were \$700,181 less than anticipated, which is primarily due to lower plan check fees, inspection fees, and interest earnings. 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 \$2,779,712 of which \$2.0 million was to establish a Section 115 pension trust fund.

## Capital Asset and Debt Administration

**Capital Assets.** At the end of the fiscal year ended June 30, 2021, the City had \$70,436,085 invested in a broad range of capital assets including land, buildings, infrastructures, furniture, and equipment. The amount represents a net decrease of \$0.6 million over last year. This decrease is mainly due to depreciation.

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

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Land	\$ 10,793	\$ 10,793
Construction in progress	718	448
Building and improvements	12,526	13,140
Furniture and equipment	1,131	1,287
Infrastructure	<u>45,268</u>	<u>45,392</u>
Total	<u>\$ 70,436</u>	<u>\$ 71,060</u>

The City's five-year Capital Improvement Program projects spending \$12.2 million through fiscal year 2025-26. Funding will come from current fund balances assigned for capital projects and projected revenues over the next five years. The most significant projects include the flood plain rehabilitation, 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 compensated absences of \$648,706, which is \$90,283 more than prior year. Additional information can be found in Note 4.

### Economic Factors and Next Year's Budgets and Rates

On March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in California as a result of the threat of Novel Corona Virus Disease (COVID-19) and on March 13, 2020 the President of the United States declared a National Emergency. The City of Walnut proclaimed a local emergency on March 17, 2020. The state of emergency continued through fiscal year 2020-21. The City of Walnut was allocated \$7.1 million in American Rescue Plan Act Funds (ARPA) and received \$3.6 million in July 2021. The City will expend the funds in accordance to the federal regulations. The revenue and expenditure projections provided for the 2021-22 budget were based upon economic forecasts, trends for the area in which the City is located and the uncertainties from COVID-19. The City used 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.

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, wherever 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.

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City of Walnut, California  
Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 37,968,984
Receivables:	
Accounts	224,067
Accrued interest	31,009
Deferred loans	681,743
Prepaid costs	200
Due from other governments	801,414
Restricted cash and investments	2,579,362
Total current assets	42,286,779
Noncurrent assets	
Capital assets not being depreciated	11,510,775
Capital assets, net of depreciation	58,925,310
Total noncurrent assets	70,436,085
Total assets	112,722,864
Deferred Outflows of Resources	
Deferred amount related to pensions	1,768,255
Deferred amount related to OPEB	194,769
Total deferred outflows of resources	1,963,024
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,037,494
Deposits Payable	1,498,417
Accrued liabilities	405,303
Unearned revenue	78,314
Due to other governments	653,928
Compensated absences	294,071
Total current liabilities	4,967,527
Noncurrent liabilities:	
Compensated absences	354,635
Net pension liability	7,905,055
Total OPEB liability	1,411,525
Total noncurrent liabilities	9,671,215
Total liabilities	14,638,742
Deferred Inflows of Resources	
Deferred amounts related to pensions	477,150
Deferred amounts related to OPEB	380,277
Total deferred inflows of resources	857,427
<b>Net Position</b>	
Net investment in capital assets	70,436,085
Restricted for:	
Community development projects	1,945,155
Public safety	448,371
Community services	427,873
Public works	4,670,238
Section 115 trust	2,021,362
Unrestricted	19,240,635
Total net position	\$ 99,189,719

City of Walnut, California  
Statement of Activities  
Year Ended June 30, 2021

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	\$ 3,426,121	\$ 403,914	\$ 674,081	\$ -	\$ (2,348,126)
Public safety	4,394,513	115,847	156,727	-	(4,121,939)
Community development	3,686,498	234	327,555	614,690	(2,744,019)
Community services	3,883,235	76,327	-	-	(3,806,908)
Public works	7,623,175	3,819,585	1,162,577	1,821,132	(819,881)
Total governmental activities	<u>\$ 23,013,542</u>	<u>\$ 4,415,907</u>	<u>\$ 2,320,940</u>	<u>\$ 2,435,822</u>	<u>(13,840,873)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					6,992,655
Sales taxes					1,946,958
Franchise taxes					958,206
Business taxes					119,228
Other taxes					
Realty stamp					154,367
Development					17,740
Public Safety Augmentation Fund (PSAF)					197,795
Use of money and property					407,790
Other					499,038
Total General Revenues					<u>11,293,777</u>
Change in Net Position					<u>(2,547,096)</u>
Net Position, Beginning of Year					<u>101,736,815</u>
Net Position, End of Year					<u>\$ 99,189,719</u>



City of Walnut, California  
Balance Sheet – Governmental Funds  
June 30, 2021

	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
	General	Community Development Block Grant	LOSMD		
<b>Assets</b>					
Pooled cash and investments	\$ 29,923,624	\$ -	\$ 461,359	\$ 7,584,001	\$ 37,968,984
Receivables:					
Accounts	212,207	-	-	11,860	224,067
Accrued interest	29,516	-	-	1,493	31,009
Deferred loans	-	638,244	-	43,499	681,743
Prepaid costs	200	-	-	-	200
Due from other governments	594,094	79,454	44,967	82,899	801,414
Due from other funds	119,991	-	-	-	119,991
Advances to other funds	35,827	-	-	-	35,827
Restricted cash and investments	2,575,362	4,000	-	-	2,579,362
<b>Total assets</b>	<b>\$ 33,490,821</b>	<b>\$ 721,698</b>	<b>\$ 506,326</b>	<b>\$ 7,723,752</b>	<b>\$ 42,442,597</b>
<b>Liabilities and Fund Balances</b>					
Accounts payable	\$ 1,392,138	\$ 27,349	\$ 173,934	\$ 444,073	\$ 2,037,494
Deposits payable	1,498,417	-	-	-	1,498,417
Accrued liabilities	400,266	-	-	5,037	405,303
Unearned revenues	78,314	-	-	-	78,314
Due to other governments	-	638,244	-	15,684	653,928
Due to other funds	-	56,105	-	63,886	119,991
Advances from other funds	-	-	35,827	-	35,827
<b>Total liabilities</b>	<b>3,369,135</b>	<b>721,698</b>	<b>209,761</b>	<b>528,680</b>	<b>4,829,274</b>
<b>Fund Balances</b>					
Nonspendable	36,027	-	-	-	36,027
Restricted	2,021,362	-	296,565	5,376,595	7,694,522
Committed	2,000,000	-	-	-	2,000,000
Assigned	23,026,533	-	-	1,818,477	24,845,010
Unassigned	3,037,764	-	-	-	3,037,764
<b>Total fund balances</b>	<b>30,121,686</b>	<b>-</b>	<b>296,565</b>	<b>7,195,072</b>	<b>37,613,323</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,490,821</b>	<b>\$ 721,698</b>	<b>\$ 506,326</b>	<b>\$ 7,723,752</b>	<b>\$ 42,442,597</b>

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

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Fund Balances of Governmental Funds	\$ 37,613,323
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.	70,436,085
Compensated absences have not been included in the governmental fund activity	(648,706)
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	1,768,255
Net pension liability	(7,905,055)
Deferred inflows related to pensions	(477,150)
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	194,769
Total OPEB liability	(1,411,525)
Deferred inflows related to OPEB	(380,277)
Net Position of Governmental Activities	<u>\$ 99,189,719</u>

City of Walnut, California  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
	General	Community Development Block Grant	LOSMD		
Revenues					
Taxes	\$ 10,356,755	\$ -	\$ -	\$ -	\$ 10,356,755
Assessments	-	-	2,397,019	-	2,397,019
Licenses and permits	932,147	-	-	-	932,147
Intergovernmental	660,194	309,555	-	3,909,429	4,879,178
Charges for services	617,404	-	-	-	617,404
Use of money and property	404,019	-	-	3,771	407,790
Fines and forfeitures	23,033	-	-	35,860	58,893
Miscellaneous	766,810	-	-	50,450	817,260
<b>Total revenues</b>	<b>13,760,362</b>	<b>309,555</b>	<b>2,397,019</b>	<b>3,999,510</b>	<b>20,466,446</b>
Expenditures					
Current:					
General government	2,657,459	-	-	-	2,657,459
Public safety	4,288,123	-	-	98,339	4,386,462
Community development	1,865,017	309,555	-	1,511,926	3,686,498
Community services	3,210,176	-	-	92,505	3,302,681
Public works	1,546,975	-	2,566,890	2,706,696	6,820,561
Capital outlay	20,964	-	91,094	817,338	929,396
<b>Total expenditures</b>	<b>13,588,714</b>	<b>309,555</b>	<b>2,657,984</b>	<b>5,226,804</b>	<b>21,783,057</b>
Excess (Deficiency) of Revenues over (Under) Expenditures	171,648	-	(260,965)	(1,227,294)	(1,316,611)
Other Financing Sources (Uses)					
Transfers in	137,811	-	-	1,764,360	1,902,171
Transfers out	(1,764,360)	-	-	(137,811)	(1,902,171)
<b>Total other financing sources (uses)</b>	<b>(1,626,549)</b>	<b>-</b>	<b>-</b>	<b>1,626,549</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(1,454,901)</b>	<b>-</b>	<b>(260,965)</b>	<b>399,255</b>	<b>(1,316,611)</b>
Fund Balances, Beginning of Year	31,576,587	-	557,530	6,795,817	38,929,934
Fund Balances, End of Year	<u>\$ 30,121,686</u>	<u>\$ -</u>	<u>\$ 296,565</u>	<u>\$ 7,195,072</u>	<u>\$ 37,613,323</u>

City of Walnut, California

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

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Net Change in Fund Balances - Total Governmental Funds		\$ (1,316,611)
Amounts reported for governmental activities in the statement of 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.		(624,320)
Capital assets, net of gains/loss on disposal	\$ 2,026,085	
Depreciation	<u>(2,650,405)</u>	
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.		(90,283)
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.		(69,832)
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.		<u>(446,050)</u>
Change in Net Position of Governmental Activities		<u>\$ (2,547,096)</u>

City of Walnut, California  
Statement of Fiduciary Net Position – Fiduciary Fund  
June 30, 2021

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	Private Purpose Trust Fund
	<u>Successor Agency of the Former RDA</u>
Assets	
Total assets	<u>\$ -</u>
Liabilities	
Total liabilities	<u>-</u>
Net Position	
Restricted for other governments	<u><u>\$ -</u></u>

City of Walnut, California  
Statement of Changes in Fiduciary Net Position – Fiduciary Fund  
Year Ended June 30, 2021

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	Private Purpose Trust Fund Successor Agency of the Former RDA
Deductions	
Contractual services	\$ 33,575
Total deductions	33,575
Changes in Fiduciary Net Position	(33,575)
Net Position - Beginning of the Year	33,575
Net Position - End of the Year	\$ -

**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1 - Summary of Significant Accounting Policies**

**a. Description of Reporting Entity**

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

Reporting Entity:

Primary Government:  
City of Walnut

Component Units:  
Walnut Public Financing Authority  
Walnut Housing Authority

As required by generally accepted accounting principles, these financial statements present the City (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 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. 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.

**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 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, special assessments, 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 fund is reported using the economic resources measurement focus and the accrual basis of accounting.



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.

Additionally, the government reports the following fiduciary fund:

- 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.

**e. Assets, Liabilities, Deferred Outflows/Inflows, 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

The City categorizes 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 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.

### 3. Prepaid Costs

Payments to vendors for services that will benefit future periods, 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
Public domain infrastructure	25 - 100
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.

#### 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 the government-wide statement of net position, the government reports deferred inflows of resources for pensions and OPEB.

#### 6. Net Pension Liability

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.

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.

## 11. Unearned Revenue

Revenues were received in the General Fund of \$78,314 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.

## 12. Use of Estimates

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

## 13. New GASB Pronouncements

### *Accounting Pronouncements Effective in the Current Year*

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2019. The City adopted the standard as of July 1, 2020. This Statement did not have a material impact to the City's financial statements.

GASB Statement No. 90 – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2019. The City has determined that there was no material impact on the City's financial statements.

GASB Statement No. 98 – In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The Statement established the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement is effective for fiscal years ending after December 15, 2021. The City has implemented this standard and accordingly is using the term annual comprehensive financial report or ACFR on a go forward basis.

*Accounting Pronouncements Effective Future Fiscal Years*

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

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice. The Statement is effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021.

**II. DETAILED NOTES ON ALL FUNDS**

**Note 2 - Cash and Investments**

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 37,968,984
Restricted cash and investments	<u>2,579,362</u>
Total cash and investments	<u><u>\$ 40,548,346</u></u>

Cash and investments as of June 30, 2021, consists of the following:

Cash on hand	\$ 4,811,592
Petty cash	<u>1,300</u>
Total cash	<u>4,812,892</u>
Los Angeles County Investment Pool	28,454,285
California Local Agency Investment Fund	<u>4,701,807</u>
Total investments	<u>33,156,092</u>
Escrow deposit (Sweep account)	<u>558,000</u>
Section 115 trust	
Government money market	26,149
Mutual funds - fixed	1,354,844
Mutual funds - equity	<u>640,369</u>
Total section 115 trust	<u>2,021,362</u>
Total cash and investments	<u><u>\$ 40,548,346</u></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.

### **Cash Deposits**

At June 30, 2021, the carrying amount of the City's deposits was \$4,811,592 and the bank balance was \$4,947,509. The \$135,917 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 Los Angeles Investment Fund 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, these investments are not categorized. Investments in mutual funds are measured using Level 1 inputs.

### **Investment in Section 115 Trust**

The City entered into an agreement with Public Agency Retirement Services (PARS) to establish a Section 115 Trust. PARS is the Trust Administrator while U.S. Bank was appointed as an investment manager or trustee. Investments in the Section 115 Trust follows investment strategy/guidelines outlined within the agreement between the trust administrator, the trustee and the City.

### **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.

### **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, 2021, the City's participation is 0.012 percent. LACPIF has a weighted average maturity of 590 days.

Pool detail is included in the County of Los Angeles' Annual Comprehensive Financial Report. Copies of the Annual Comprehensive Financial Report 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, 2021, the City’s investment in money market funds, mutual funds, 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, 2021, the City had the following investments and original maturities:

	Remaining Investment Maturities	Fair Value
	6 months or less	
Los Angeles County Investment Pool	\$ 4,701,807	\$ 4,701,807
California Local Agency Investment Fund	28,454,285	28,454,285
Section 115 trust		
Government money market	26,149	26,149
Mutual funds - fixed	1,354,844	1,354,844
Mutual funds - equity	640,369	640,369
	\$ 35,177,454	\$ 35,177,454

**Note 3 - Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 10,792,506	\$ -	\$ -	\$ 10,792,506
Construction in progress	447,987	718,269	(447,987)	718,269
Total capital assets not being depreciated	<u>11,240,493</u>	<u>718,269</u>	<u>(447,987)</u>	<u>11,510,775</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	23,587,347	21,580	-	23,608,927
Equipment	5,131,963	105,619	-	5,237,582
Infrastructure	104,919,270	1,628,604	-	106,547,874
Total capital assets being depreciated	<u>133,638,580</u>	<u>1,755,803</u>	<u>-</u>	<u>135,394,383</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	10,447,193	635,574	-	11,082,767
Equipment	3,844,571	261,596	-	4,106,167
Infrastructure	59,526,904	1,753,235	-	61,280,139
Total accumulated depreciation	<u>73,818,668</u>	<u>2,650,405</u>	<u>-</u>	<u>76,469,073</u>
Total Capital Assets Being Depreciated, Net	<u>59,819,912</u>	<u>(894,602)</u>	<u>-</u>	<u>58,925,310</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,060,405</u>	<u>\$ (176,333)</u>	<u>\$ (447,987)</u>	<u>\$ 70,436,085</u>

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

<b>Governmental Activities:</b>	
General government	\$ 162,497
Public safety	8,051
Community services	580,554
Public works	<u>1,899,303</u>
Total depreciation expense - governmental activities	<u>\$ 2,650,405</u>

**Note 4 - Compensated Absences**

**Changes in Compensated Absences**

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance July 1, 2020	Additions	Deletions	Ending Balance June 30, 2021	Due within one year
Compensated Absences	\$ 558,423	\$ 343,427	\$ 253,144	\$ 648,706	\$ 294,071
Total	<u>\$ 558,423</u>	<u>\$ 343,427</u>	<u>\$ 253,144</u>	<u>\$ 648,706</u>	<u>\$ 294,071</u>

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, 2021, is as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	CDBG	\$ 56,105
General Fund	Non-major Governmental Funds	63,886
		<u>\$ 119,991</u>

The due to the General Fund of \$56,106 from the CDBG fund and \$63,886 from non-major governmental 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	\$ 137,811
Non-major Governmental Funds	General Fund	1,764,360
		<u>\$ 1,902,171</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

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

## 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.
- Section 115 Trust purpose is to fund City's pension obligations.

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. The general fund is the only fund that reports a positive unassigned fund balance amount.

	Special Revenue Funds				Totals
	General	Community Development Block Grant	LOSMD	Other Governmental Funds	
<b>Nonspendable:</b>					
Prepaid items	\$ 200	\$ -	\$ -	\$ -	\$ 200
Advances to other funds	35,827	-	-	-	35,827
Total nonspendable	<u>36,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,027</u>
<b>Restricted:</b>					
Community development	-	-	-	1,945,155	1,945,155
Public safety	-	-	-	448,371	448,371
Community services	-	-	-	427,873	427,873
Public works	-	-	296,565	2,555,196	2,851,761
Section 115 trust	2,021,362	-	-	-	2,021,362
Total restricted	<u>2,021,362</u>	<u>-</u>	<u>296,565</u>	<u>5,376,595</u>	<u>7,694,522</u>
<b>Committed:</b>					
Disaster recovery	1,000,000	-	-	-	1,000,000
Self insurance	1,000,000	-	-	-	1,000,000
Total committed	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
<b>Assigned:</b>					
Community services	14,787,452	-	-	-	14,787,452
Maintenance & operations	7,499,137	-	-	-	7,499,137
Capital projects	-	-	-	1,818,477	1,818,477
OPEB	739,944	-	-	-	739,944
Total assigned	<u>23,026,533</u>	<u>-</u>	<u>-</u>	<u>1,818,477</u>	<u>24,845,010</u>
Unassigned:	<u>3,037,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,037,764</u>
Total	<u>\$ 30,121,686</u>	<u>\$ -</u>	<u>\$ 296,565</u>	<u>\$ 7,195,072</u>	<u>\$ 37,613,323</u>

## **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](http://www.calpers.ca.gov).

### **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, 2021, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA</u>
	Prior to	Miscellaneous
	January 1, 2013	On or after
	January 1, 2013	January 1, 2013
Hire Date	2.0% @ 55	2.0% @ 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	55 and up	62
Retirement age	2.0%	2.0%
Monthly benefits, as a % of eligible compensation	7.0%	6.75%
Required employee contribution rates	11.031%	7.732%
Required employer contribution rates		

### 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 \$881,904 for the year ended June 30, 2021.

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the plan as follows:

	<u>Proportionate Share</u>
	<u>of Net Pension Liability</u>
Miscellaneous	\$ <u><u>7,905,055</u></u>

The City's net pension liability for the Plan is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.



The City's proportionate share of the net pension liability for the Miscellaneous Plan as of June 30, 2020 and 2021 were as follows:

	Miscellaneous
Proportion - June 30, 2020	0.07100%
Proportion - June 30, 2021	0.07265%
Change - Increase (Decrease)	0.00165%

For the year ended June 30, 2021, the City recognized a pension expense of \$1,327,954. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Changes of assumptions	\$ -	\$ 56,382
Differences between expected and actual experience	407,371	-
Net difference between projected and actual earnings on pension plan investments	234,832	-
Differences between employer's contributions and proportionate share of contributions	-	420,768
Change in employer's proportion	244,148	-
Pension contributions made subsequent to measurement date	881,904	-
Total	\$ 1,768,255	\$ 477,150

The amount of \$881,904 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, 2022. 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
2022	\$ (11,593)
2023	160,051
2024	148,111
2025	112,632
Total	\$ 409,201

Actuarial Methods and Assumptions Used to Determine Total Pension Liability.

The total pension liabilities in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

All other actuarial assumptions used in the June 30, 2019 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.

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	<u>100.0%</u>		

(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 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	\$ 12,222,662	\$ 7,905,055	\$ 4,337,552

#### Pension Plan Fiduciary Net Position

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

#### 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 55 and 5 years of CalPERS services, age 62 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 \$83.40 per month for retirees for the fiscal year ending June 30, 2021.

**Employees Covered by Benefit Terms**

At June 30, 2019, 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	4
Active employees	<u>45</u>
 Total Participants Covered by OPEB Plan	 <u><u>49</u></u>

**Total OPEB Liability**

The City’s total OPEB liability of \$1,411,525 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

**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	2.45%
Salary Increases	3.00%
Inflation Rate	3.00%
Healthcare Trend Rate	5.90% for 2020; 5.80% for 2021; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2029 and later years

The discount rate was based on the Bond Buyer 20-Bond GO Index. The rate decreased from 3.13% to 2.45%.

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 as of June 30, 2021 is as follows:

	Total OPEB Liability
Total OPEB Liability, July 1	\$ 1,175,141
Service cost	72,571
Interest	38,949
Changes in assumptions	131,647
Benefit payments	(6,783)
Net changes	236,384
Total OPEB Liability, June 30	\$ 1,411,525

**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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
\$ 1,646,843	\$ 1,411,525	\$ 1,224,550

**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.

1% Decrease (4.90% for 2020, 4% ultimate, 3% at Medicare ages)	Current Trend (5.90% for 2020, 5% ultimate, 4% at Medicare ages)	1% Increase (6.90% 2020, 6% ultimate, 5% at Medicare ages)
\$ 1,192,296	\$ 1,411,525	\$ 1,695,284

**OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended June 30, 2021, the City recognized OPEB expense of \$72,568. At June 30, 2021, 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
Difference between expected and actual experience	\$ -	\$ 337,149
Changes in assumptions or other inputs	194,769	43,128
	\$ 194,769	\$ 380,277

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2022	\$	(38,952)
2023		(38,952)
2024		(35,871)
2025		(23,549)
2026		(23,529)
Thereafter		(97,597)
Total	\$	(258,450)

**Note 9 - Risk Management**

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

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The 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.

**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.

### **Primary 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 \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

### **Primary 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 \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

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

### **c. Purchased Insurance**

#### **Pollution Legal Liability Insurance**

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

### **Property Insurance**

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City of Walnut property currently has all-risk property insurance protection in the amount of \$33,316,840. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

### **Crime Insurance**

The City 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 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 according to a schedule. The City 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 2020-21.

The CJPIA has published its own financial report for the year ended June 30, 2021, 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 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.



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.

The City of Walnut Successor Agency was dissolved effective February 1, 2021, and the remaining assets were remitted back to the Los Angeles County.

**a. Insurance**

The Successor Agency is covered under the City'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.

**Note 10 - Section 115 Trust**

In March 2021, the City Council approved the creation of a Section 115 trust Agreement with U.S. Bank National Association, and Public Agency Retirement Services (PARS), Trust Administrator. The Section 115 trust was established as a means to set aside monies to fund the City's pension obligations. Contributions to Section 115 trust are irrevocable, the assets are held to reduce pension contributions in the future, and the assets are protected from creditors of the City. The purpose of the creation of the Section 115 trust was to address the City's pension obligations by accumulating assets. In accordance with generally accepted accounting principles, the assets in the Section 115 trust are considered assets of the City. Accordingly, the Section 115 trust's assets are recorded as restricted for pension benefits in the General Fund rather than assets of the Pension plan during the measurement of the net pension liability. The assets held in the trust will be considered assets of the pension plan at the time they are transferred out of the trust into the plan. At the time the trust was created, the City deposited \$2,000,000 into the trust. As of June 30, 2021, the trust holds a total of \$2,021,362.

**Note 11 - Subsequent Event**

U.S. Congress passed the American Rescue Plan Act (ARPA), which authorized the U.S. Department of Treasury to make payments to certain recipients from the Coronavirus State and Local Fiscal Recovery Funds (CSLRF). The City of Walnut was allocated \$7,101,283 of ARPA funds and received \$3,550,641 on July 14, 2021.

Required Supplementary Information  
June 30, 2021

**City of Walnut, California**

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City of Walnut, California  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,479,435	\$ 11,890,602	\$ 31,576,587	\$ 19,685,985
<b>Resources (Inflows)</b>				
Taxes	9,486,200	9,486,200	10,356,755	870,555
Licenses and permits	597,400	597,400	932,147	334,747
Intergovernmental	382,400	872,400	660,194	(212,206)
Charges for services	1,114,600	1,224,600	617,404	(607,196)
Use of money and property	703,150	703,150	404,019	(299,131)
Fines and forfeitures	20,500	20,500	23,033	2,533
Miscellaneous	900,800	1,641,004	766,810	(874,194)
Transfers in	53,100	53,100	137,811	84,711
<b>Total Resources</b>	<b>13,258,150</b>	<b>14,598,354</b>	<b>13,898,173</b>	<b>(700,181)</b>
<b>Amounts Available for Appropriations</b>	<b>28,737,585</b>	<b>26,488,956</b>	<b>45,474,760</b>	<b>18,985,804</b>
<b>Charges to Appropriations (Outflows)</b>				
<b>General government</b>				
City council	100,220	100,840	88,904	11,936
City manager	267,810	267,810	266,514	1,296
Human resources	127,770	147,055	139,734	7,321
Risk management	445,460	473,400	463,576	9,824
City clerk	302,760	301,999	288,328	13,671
Elections	50,600	51,361	51,360	1
City treasurer	62,830	54,930	49,189	5,741
Finance	779,740	778,840	741,100	37,740
Computer services	-	17,568	-	17,568
City attorney	121,120	121,120	116,334	4,786
Administrative services	485,440	480,010	444,783	35,227
Community promotions	16,780	16,780	15,816	964
Cable TV administration	2,800	2,800	93	2,707
Planning	774,680	876,435	727,059	149,376
Code enforcement	326,970	335,470	330,794	4,676
Building and safety	336,840	456,470	455,925	545
Environmental services	149,510	175,210	141,127	34,083
Successor agency admin	-	5,000	4,485	515
Economic development	4,600	211,600	210,112	1,488
Engineering admin	72,750	323,160	323,150	10

City of Walnut, California  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works admin	\$ 335,620	\$ 335,620	\$ 326,970	\$ 8,650
Fuente/Forecastle Traffic Signal	-	210,670	123,380	87,290
Street R-O-W maintenance	534,580	498,540	478,446	20,094
LOSMD	288,640	306,640	295,029	11,611
Public safety administration	160,930	161,480	82,817	78,663
Business license enforcement	73,290	72,740	69,027	3,713
General law enforcement	3,810,300	3,810,300	3,796,279	14,021
Helicopter services	10,000	10,000	-	10,000
S.T.A.R. program	165,700	165,700	162,495	3,205
Animal control	190,000	78,320	68,875	9,445
Emergency preparedness	41,320	41,320	35,404	5,916
Weed abatement	50,000	73,230	73,226	4
Volunteers on patrol	1,200	1,200	-	1,200
Recreation services	430,870	392,440	362,212	30,228
July 4 fireworks	21,280	6,270	-	6,270
Park maintenance	1,395,960	1,375,550	1,329,354	46,196
Equestrian trial maintenance	131,150	131,150	122,128	9,022
Building maintenance	514,270	523,524	462,691	60,833
Special events	124,070	138,570	61,090	77,480
Aquatics	118,950	117,950	7,940	110,010
Excursions	86,960	86,960	36,463	50,497
Sports & gymnasium	622,220	507,320	271,465	235,855
Leisure classes	112,220	112,220	38,942	73,278
Senior citizens center	438,140	510,680	363,546	147,134
Teen center	206,450	202,050	122,734	79,316
After school programs	7,620	11,830	10,504	1,326
Future rec facility	49,910	49,910	29,314	20,596
Transfers out	3,660,149	5,660,149	1,764,360	3,895,789
<b>Total Charges to Appropriations</b>	<b>18,010,479</b>	<b>20,790,191</b>	<b>15,353,074</b>	<b>5,437,117</b>
<b>Budgetary Fund Balance, End of Year</b>	<b>\$ 10,727,106</b>	<b>\$ 5,698,765</b>	<b>\$ 30,121,686</b>	<b>\$ 24,422,921</b>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Community Development Block Grant  
 Year Ended June 30, 2021

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ (211,500)	\$ -	\$ 211,500
Resources (Inflows)				
Intergovernmental	<u>338,830</u>	<u>414,369</u>	<u>309,555</u>	<u>(104,814)</u>
Amounts available for appropriations	<u>338,830</u>	<u>202,869</u>	<u>309,555</u>	<u>106,686</u>
Charges to Appropriations (Outflows)				
Community development	<u>338,830</u>	<u>364,504</u>	<u>309,555</u>	<u>54,949</u>
Total charges to appropriations	<u>338,830</u>	<u>364,504</u>	<u>309,555</u>	<u>54,949</u>
Budgetary Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ (161,635)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 161,635</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Lighting and Open Space Maintenance District  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (73,012)	\$ (104,312)	\$ 557,530	\$ 661,842
Resources (Inflows)				
Assessments	<u>2,768,771</u>	<u>2,768,771</u>	<u>2,397,019</u>	<u>(371,752)</u>
Amounts available for appropriations	<u>2,695,759</u>	<u>2,664,459</u>	<u>2,954,549</u>	<u>290,090</u>
Charges to Appropriations (Outflows)				
Public works	2,662,210	2,662,210	2,566,890	95,320
Capital outlay	<u>133,260</u>	<u>133,260</u>	<u>91,094</u>	<u>42,166</u>
Total charges to appropriations	<u>2,795,470</u>	<u>2,795,470</u>	<u>2,657,984</u>	<u>137,486</u>
Budgetary Fund Balance, End of Year	<u><u>\$ (99,711)</u></u>	<u><u>\$ (131,011)</u></u>	<u><u>\$ 296,565</u></u>	<u><u>\$ 427,576</u></u>



City of Walnut, California  
 Cost Sharing Multiple Employer Benefit Plan  
 Schedule of Proportionate Share of the Net Pension Liability  
 Last Ten Years\*  
 June 30, 2021

<b>Miscellaneous Plan</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.0727%	0.0710%	0.0691%	0.0686%	0.0676%	0.0651%	0.0685%
Proportionate share of the net pension liability	\$ 7,905,055	\$ 7,274,916	\$ 6,656,634	\$ 6,798,916	\$ 5,847,350	\$ 4,464,984	\$ 4,261,023
Covered Payroll	\$ 3,497,623	\$ 3,416,878	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602	\$ 2,802,665
Proportionate share of the net pension liability as a percentage of covered payroll	226.01%	212.91%	203.50%	231.68%	191.56%	150.10%	152.03%
Plan Fiduciary Net Position							
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	77.71%	77.73%	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. However, until ten years of data is available, the City will present information only for those years for which information is available.

City of Walnut, California  
 Cost Sharing Multiple Employer Benefit Plan  
 Schedule of Contributions  
 Last Ten Years\*  
 June 30, 2021

<b>Miscellaneous Plan</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 881,904	\$ 780,912	\$ 671,490	\$ 570,892	\$ 515,915	\$ 464,293	\$ 339,472
Contribution in Relation to the Actuarially Determined	<u>(881,904)</u>	<u>(780,912)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,468,572	\$ 3,497,623	\$ 3,416,878	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602
Contributions as a Percentage of Covered Payroll	25.43%	22.33%	19.65%	17.45%	17.58%	15.21%	11.41%

\* Historical information is required only for measurement for which GASB 68 is applicable. However, until ten years of data is available, the City will present information only for those years for which information is available.

City of Walnut, California  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Last Ten Years\*  
June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 72,571	\$ 61,417	\$ 55,330	\$ 53,718
Interest on the total OPEB liability	38,949	52,971	43,767	40,976
Differences between actual and expected experience	-	(442,509)	-	-
Changes in assumptions	131,647	104,720	(89,337)	-
Benefit payments	(6,783)	(6,610)	(5,805)	(5,228)
Net change in total OPEB liability	236,384	(230,011)	3,955	89,466
Total OPEB liability - beginning	1,175,141	1,405,152	1,401,197	1,311,731
Total OPEB liability - ending	<u>\$ 1,411,525</u>	<u>\$ 1,175,141</u>	<u>\$ 1,405,152</u>	<u>\$ 1,401,197</u>
Covered-employee payroll	\$ 3,468,572	\$ 3,401,309	\$ 3,225,250	\$ 3,102,220
Total OPEB liability as a percentage of covered-employee payroll	41%	35%	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. However, until ten years of data is available, the City will present information only for those years for which information is available.

**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. The Non-Major Funds below exceeded amounts available for appropriation as of June 30, 2021.

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess Over Appropriation</u>
<b>Non-Major Fund</b>			
ARPA	\$ -	\$ 19,942	\$ (19,942)
Walnut Housing Authority	420,420	437,231	(16,811)

**Basis of Accounting:**

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

Supplementary Information

June 30, 2021

**City of Walnut, California**

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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 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 American Rescue Plan Act of 2021 (ARPA) Fund – The American Rescue Plan Act (ARPA) Fund accounts for monies received from the United States Department of the Treasury for purposes authorized under the applicable regulations, such as community assistance, small businesses support, revenue replacement to maintain critical government services, housing and homelessness, community health, transit, and infrastructure.

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 Low and 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 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.

The Measure A (M&S) Fund accounts for annual special tax of 1.5 cents per square foot of building floor area on all taxable real property in the County. Funds are in accordance with the LA County, Clean Neighborhood Parks and Beaches Measure of 2016

The Measure W Fund accounts for accounts for the City's portion of a 2.5 cent per square foot parcel tax collected from property taxes approved during the 2018 election in Los Angeles County for the Safe Clean Water Program to improve local water supply and quality.

The Capital Improvement Fund accounts for purchases of land, major capital outlay and infrastructure improvements.



City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement
<b>Assets</b>				
Pooled cash and investments	\$ 299,039	\$ -	\$ 3,834	\$ 223,396
Receivables				
Accounts	-	-	2,695	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	54,086	876	-
<b>Total assets</b>	<b>\$ 299,039</b>	<b>\$ 54,086</b>	<b>\$ 7,405</b>	<b>\$ 223,396</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 48,680	\$ -	\$ 4,473	\$ -
Accrued liabilities	-	-	2,932	-
Due to other governments	-	-	-	-
Due to other funds	-	54,086	-	-
<b>Total liabilities</b>	<b>48,680</b>	<b>54,086</b>	<b>7,405</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	223,396
Public works	250,359	-	-	-
<b>Assigned to</b>				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>250,359</b>	<b>-</b>	<b>-</b>	<b>223,396</b>
<b>Total liabilities and fund balances</b>	<b>\$ 299,039</b>	<b>\$ 54,086</b>	<b>\$ 7,405</b>	<b>\$ 223,396</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			
	COPS	ARPA	Air Quality Improvements	Waste Management Administration
<b>Assets</b>				
Pooled cash and investments	\$ 450,148	\$ 19,958	\$ 15,355	\$ -
Receivables				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	-	9,937	-
<b>Total assets</b>	<b>\$ 450,148</b>	<b>\$ 19,958</b>	<b>\$ 25,292</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,745	\$ 19,942	\$ 60	\$ -
Accrued liabilities	48	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>1,793</b>	<b>19,942</b>	<b>60</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	-	25,232	-
Public safety	448,355	16	-	-
Community services	-	-	-	-
Public works	-	-	-	-
<b>Assigned to</b>				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>448,355</b>	<b>16</b>	<b>25,232</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 450,148</b>	<b>\$ 19,958</b>	<b>\$ 25,292</b>	<b>\$ -</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			
	Proposition C	Bikeway	Measure M	Proposition A
<b>Assets</b>				
Pooled cash and investments	\$ 696,212	\$ -	\$ 407,536	\$ 1,023,322
Receivables				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	18,000	-	-
<b>Total assets</b>	<b>\$ 696,212</b>	<b>\$ 18,000</b>	<b>\$ 407,536</b>	<b>\$ 1,023,322</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 87,286	\$ 8,200	\$ 68,134	\$ 29,379
Accrued liabilities	-	-	-	2,057
Due to other governments	-	-	-	-
Due to other funds	-	9,800	-	-
<b>Total liabilities</b>	<b>87,286</b>	<b>18,000</b>	<b>68,134</b>	<b>31,436</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	608,926	-	339,402	991,886
<b>Assigned to</b>				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>608,926</b>	<b>-</b>	<b>339,402</b>	<b>991,886</b>
<b>Total liabilities and fund balances</b>	<b>\$ 696,212</b>	<b>\$ 18,000</b>	<b>\$ 407,536</b>	<b>\$ 1,023,322</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			
	State Park Grant	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant
<b>Assets</b>				
Pooled cash and investments	\$ -	\$ 83,228	\$ 13,321	\$ 13,206
Receivables				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 83,228</b>	<b>\$ 13,321</b>	<b>\$ 13,206</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 8,321	\$ 5,397
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>8,321</b>	<b>5,397</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	7,809
Public works	-	83,228	5,000	-
<b>Assigned to</b>				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>83,228</b>	<b>5,000</b>	<b>7,809</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 83,228</b>	<b>\$ 13,321</b>	<b>\$ 13,206</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			
	Cable TV Education	Walnut Housing Authority	Low and Moderate Income Housing Fund	LACMTA Exchange
<b>Assets</b>				
Pooled cash and investments	\$ 188,033	\$ 485,951	\$ 1,447,381	\$ 6,967
Receivables				
Accounts	9,165	-	-	-
Accrued interest	-	1,493	-	-
Deferred loans	-	43,499	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 197,198</b>	<b>\$ 530,943</b>	<b>\$ 1,447,381</b>	<b>\$ 6,967</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 530	\$ 49,684	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	15,684	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>530</b>	<b>65,368</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	465,575	1,447,381	6,967
Public safety	-	-	-	-
Community services	196,668	-	-	-
Public works	-	-	-	-
<b>Assigned to</b>				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>196,668</b>	<b>465,575</b>	<b>1,447,381</b>	<b>6,967</b>
<b>Total liabilities and fund balances</b>	<b>\$ 197,198</b>	<b>\$ 530,943</b>	<b>\$ 1,447,381</b>	<b>\$ 6,967</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

	Special Revenue Funds			Capital Projects Fund
	Measure R	Measure A (M&S)	Measure W	Capital Improvements
<b>Assets</b>				
Pooled cash and investments	\$ 101,435	\$ -	\$ 264,639	\$ 1,841,040
Receivables				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 101,435</b>	<b>\$ -</b>	<b>\$ 264,639</b>	<b>\$ 1,841,040</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 89,679	\$ 22,563
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>89,679</b>	<b>22,563</b>
<b>Fund Balances:</b>				
<b>Restricted for</b>				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	101,435	-	174,960	-
<b>Assigned to</b>				
Capital projects	-	-	-	1,818,477
<b>Total fund balances</b>	<b>101,435</b>	<b>-</b>	<b>174,960</b>	<b>1,818,477</b>
<b>Total liabilities and fund balances</b>	<b>\$ 101,435</b>	<b>\$ -</b>	<b>\$ 264,639</b>	<b>\$ 1,841,040</b>

City of Walnut, California  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2021

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	Total Nonmajor Governmental Funds
<b>Assets</b>	
Pooled cash and investments	\$ 7,584,001
Receivables	
Accounts	11,860
Accrued interest	1,493
Deferred loans	43,499
Due from other governments	82,899
 Total assets	 \$ 7,723,752
 <b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 444,073
Accrued liabilities	5,037
Due to other governments	15,684
Due to other funds	63,886
 Total liabilities	 528,680
 <b>Fund Balances:</b>	
Restricted for	
Community development	1,945,155
Public safety	448,371
Community services	427,873
Public works	2,555,196
Assigned to	
Capital projects	1,818,477
 Total fund balances	 7,195,072
 Total liabilities and fund balances	 \$ 7,723,752

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement
<b>Revenues</b>				
Intergovernmental	\$ 654,759	\$ 507,818	\$ -	\$ -
Use of money and property	593	-	-	-
Fines and forfeitures	-	-	35,860	-
Miscellaneous	-	-	-	-
Total revenues	<u>655,352</u>	<u>507,818</u>	<u>35,860</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	81,151	-
Community development	-	-	-	-
Community services	-	-	-	50,146
Public works	585,099	745,612	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>585,099</u>	<u>745,612</u>	<u>81,151</u>	<u>50,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,253</u>	<u>(237,794)</u>	<u>(45,291)</u>	<u>(50,146)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	35,848	54,361	-
Transfers out	-	-	(9,070)	-
Total other financing sources (uses)	<u>-</u>	<u>35,848</u>	<u>45,291</u>	<u>-</u>
Net Change in Fund Balances	70,253	(201,946)	-	(50,146)
Fund Balances, Beginning of Year	<u>180,106</u>	<u>201,946</u>	<u>-</u>	<u>273,542</u>
Fund Balances, End of Year	<u>\$ 250,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,396</u>



City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			
	COPS	ARPA	Air Quality Improvements	Waste Management Administration
<b>Revenues</b>				
Intergovernmental	\$ 156,727	\$ -	\$ 39,081	\$ -
Use of money and property	393	16	11	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	50,450
Total revenues	<u>157,120</u>	<u>16</u>	<u>39,092</u>	<u>50,450</u>
<b>Expenditures</b>				
Current				
Public safety	17,188	-	-	-
Community development	-	-	30,080	-
Community services	-	-	-	-
Public works	-	19,942	-	-
Capital outlay	60,750	-	-	-
Total expenditures	<u>77,938</u>	<u>19,942</u>	<u>30,080</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>79,182</u>	<u>(19,926)</u>	<u>9,012</u>	<u>50,450</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	19,942	-	-
Transfers out	-	-	-	(50,450)
Total other financing sources (uses)	<u>-</u>	<u>19,942</u>	<u>-</u>	<u>(50,450)</u>
Net Change in Fund Balances	79,182	16	9,012	-
Fund Balances, Beginning of Year	<u>369,173</u>	<u>-</u>	<u>16,220</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 448,355</u>	<u>\$ 16</u>	<u>\$ 25,232</u>	<u>\$ -</u>

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			
	Proposition C	Bikeways	Measure M	Proposition A
<b>Revenues</b>				
Intergovernmental	\$ 509,863	\$ 18,000	\$ 433,870	\$ 614,690
Use of money and property	-	-	372	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>509,863</u>	<u>18,000</u>	<u>434,242</u>	<u>614,690</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Community development	-	-	-	1,032,744
Community services	-	18,000	-	-
Public works	137,959	-	440,877	20,029
Capital outlay	-	-	-	16,468
Total expenditures	<u>137,959</u>	<u>18,000</u>	<u>440,877</u>	<u>1,069,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>371,904</u>	<u>-</u>	<u>(6,635)</u>	<u>(454,551)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	371,904	-	(6,635)	(454,551)
Fund Balances, Beginning of Year	<u>237,022</u>	<u>-</u>	<u>346,037</u>	<u>1,446,437</u>
Fund Balances, End of Year	<u>\$ 608,926</u>	<u>\$ -</u>	<u>\$ 339,402</u>	<u>\$ 991,886</u>

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			
	State Park Grant	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant
<b>Revenues</b>				
Intergovernmental	\$ 34,843	\$ -	\$ 5,000	\$ -
Use of money and property	-	100	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>34,843</u>	<u>100</u>	<u>5,000</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Community development	-	-	8,321	-
Community services	-	-	-	-
Public works	-	23,208	-	-
Capital outlay	-	-	-	5,397
Total expenditures	<u>-</u>	<u>23,208</u>	<u>8,321</u>	<u>5,397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,843</u>	<u>(23,108)</u>	<u>(3,321)</u>	<u>(5,397)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(34,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(34,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(23,108)	(3,321)	(5,397)
Fund Balances, Beginning of Year	<u>-</u>	<u>106,336</u>	<u>8,321</u>	<u>13,206</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 83,228</u>	<u>\$ 5,000</u>	<u>\$ 7,809</u>

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			
	Cable TV Education	Walnut Housing Authority	Low and Moderate Income Housing Fund	LACMTA Exchange
<b>Revenues</b>				
Intergovernmental	\$ 37,202	\$ -	\$ -	\$ -
Use of money and property	-	-	1,610	2
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>37,202</u>	<u>-</u>	<u>1,610</u>	<u>2</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Community development	3,550	437,231	-	-
Community services	10,827	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	568,753	-
Total expenditures	<u>14,377</u>	<u>437,231</u>	<u>568,753</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,825</u>	<u>(437,231)</u>	<u>(567,143)</u>	<u>2</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,825	(437,231)	(567,143)	2
Fund Balances, Beginning of Year	<u>173,843</u>	<u>902,806</u>	<u>2,014,524</u>	<u>6,965</u>
Fund Balances, End of Year	<u>\$ 196,668</u>	<u>\$ 465,575</u>	<u>\$ 1,447,381</u>	<u>\$ 6,967</u>

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Fund
	Measure R	Measure A (M&S)	Measure W	Capital Improvements
<b>Revenues</b>				
Intergovernmental	\$ 382,927	\$ 20,178	\$ 494,471	\$ -
Use of money and property	674	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>383,601</u>	<u>20,178</u>	<u>494,471</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	13,532	-	-
Public works	437,729	-	296,241	-
Capital outlay	-	-	-	165,970
Total expenditures	<u>437,729</u>	<u>13,532</u>	<u>296,241</u>	<u>165,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,128)</u>	<u>6,646</u>	<u>198,230</u>	<u>(165,970)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	13,532	-	1,640,677
Transfers out	-	(20,178)	(23,270)	-
Total other financing sources (uses)	<u>-</u>	<u>(6,646)</u>	<u>(23,270)</u>	<u>1,640,677</u>
Net Change in Fund Balances	(54,128)	-	174,960	1,474,707
Fund Balances, Beginning of Year	<u>155,563</u>	<u>-</u>	<u>-</u>	<u>343,770</u>
Fund Balances, End of Year	<u>\$ 101,435</u>	<u>\$ -</u>	<u>\$ 174,960</u>	<u>\$ 1,818,477</u>

City of Walnut, California  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Non-Major Governmental Funds  
Year Ended June 30, 2021

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	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>	
Intergovernmental	\$ 3,909,429
Use of money and property	3,771
Fines and forfeitures	35,860
Miscellaneous	<u>50,450</u>
Total revenues	<u>3,999,510</u>
<b>Expenditures</b>	
Current	
Public safety	98,339
Community development	1,511,926
Community services	92,505
Public works	2,706,696
Capital outlay	<u>817,338</u>
Total expenditures	<u>5,226,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,227,294)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in	1,764,360
Transfers out	<u>(137,811)</u>
Total other financing sources (uses)	<u>1,626,549</u>
Net Change in Fund Balances	399,255
Fund Balances, Beginning of Year	<u>6,795,817</u>
Fund Balances, End of Year	<u><u>\$ 7,195,072</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Gas Tax Fund  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (27,682)	\$ (198,682)	\$ 180,106	\$ 378,788
Resources (Inflows)				
Intergovernmental	693,000	693,000	654,759	(38,241)
Use of money and property	2,100	2,100	593	(1,507)
Amounts available for appropriations	667,418	496,418	835,458	339,040
Charges to Appropriations (Outflows)				
Public works	613,350	613,350	585,099	28,251
Total charges to appropriations	613,350	613,350	585,099	28,251
Budgetary Fund Balance, End of Year	\$ 54,068	\$ (116,932)	\$ 250,359	\$ 367,291

City of Walnut, California  
 Budgetary Comparison Schedule  
 Road Maintenance Rehabilitation  
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (153,000)	\$ (152,005)	\$ 201,946	\$ 353,951
Resources (Inflows)				
Intergovernmental	570,000	570,000	507,818	(62,182)
Use of money and property	3,300	3,300	-	(3,300)
Transfers in	-	-	35,848	(35,848)
Amounts available for appropriations	<u>420,300</u>	<u>421,295</u>	<u>745,612</u>	<u>324,317</u>
Charges to Appropriations (Outflows)				
Public works	<u>510,000</u>	<u>762,990</u>	<u>745,612</u>	<u>17,378</u>
Total charges to appropriations	<u>510,000</u>	<u>762,990</u>	<u>745,612</u>	<u>17,378</u>
Budgetary Fund Balance, End of Year	<u>\$ (89,700)</u>	<u>\$ (341,695)</u>	<u>\$ -</u>	<u>\$ 341,695</u>



City of Walnut, California  
 Budgetary Comparison Schedule  
 Traffic Safety  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,817	\$ (3,283)	\$ -	\$ 3,283
Resources (Inflows)				
Fines and forfeitures	104,980	104,980	35,860	(69,120)
Transfers in	-	-	54,361	54,361
	<u>112,797</u>	<u>101,697</u>	<u>90,221</u>	<u>(11,476)</u>
Amounts available for appropriations				
Charges to Appropriations (Outflows)				
Public safety	104,980	104,980	81,151	23,829
Transfer out	-	-	9,070	(9,070)
	<u>104,980</u>	<u>104,980</u>	<u>90,221</u>	<u>14,759</u>
Total charges to appropriations				
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, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 170,387	\$ (460,789)	\$ 273,542	\$ 734,331
Resources (Inflows)				
Assessment	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Amounts available for appropriations	<u>370,387</u>	<u>(260,789)</u>	<u>273,542</u>	<u>534,331</u>
Charges to Appropriations (Outflow)				
Community services	<u>-</u>	<u>50,230</u>	<u>50,146</u>	<u>84</u>
Total charges to appropriations	<u>-</u>	<u>50,230</u>	<u>50,146</u>	<u>84</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 370,387</u></u>	<u><u>\$ (311,019)</u></u>	<u><u>\$ 223,396</u></u>	<u><u>\$ 534,415</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 COPS Fund  
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 253,930	\$ 221,930	\$ 369,173	\$ 147,243
Resources (Inflows)				
Intergovernmental	150,000	150,000	156,727	6,727
Use of money and property	5,200	5,200	393	(4,807)
Amounts available for appropriations	<u>409,130</u>	<u>377,130</u>	<u>526,293</u>	<u>149,163</u>
Charges to Appropriations (Outflows)				
Public safety	97,940	162,940	17,188	145,752
Capital outlay	-	-	60,750	(60,750)
Total charges to appropriations	<u>97,940</u>	<u>162,940</u>	<u>77,938</u>	<u>85,002</u>
Budgetary Fund Balance, End of Year	<u>\$ 311,190</u>	<u>\$ 214,190</u>	<u>\$ 448,355</u>	<u>\$ 234,165</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 ARPA Fund  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Use of money and property	-	-	16	16
Transfers in	-	-	19,942	19,942
Amounts available for appropriations	-	-	19,958	19,958
Charges to Appropriations (Outflows)				
Public safety	-	-	19,942	(19,942)
Total charges to appropriations	-	-	19,942	(19,942)
Budgetary Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Air Quality Improvements  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,836	\$ 1,836	\$ 16,220	\$ 14,384
Resources (Inflows)				
Intergovernmental	36,900	36,900	39,081	2,181
Use of money and property	-	-	11	11
Amounts available for appropriations	<u>38,736</u>	<u>38,736</u>	<u>55,312</u>	<u>16,576</u>
Charges to Appropriations (Outflows)				
Community development	<u>39,000</u>	<u>39,000</u>	<u>30,080</u>	<u>8,920</u>
Total charges to appropriations	<u>39,000</u>	<u>39,000</u>	<u>30,080</u>	<u>8,920</u>
Budgetary Fund Balance, End of Year	<u>\$ (264)</u>	<u>\$ (264)</u>	<u>\$ 25,232</u>	<u>\$ 25,496</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Waste Management Administration  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 25,605	\$ 25,605	\$ -	\$ (25,605)
Resources (Inflows)				
Miscellaneous	<u>53,100</u>	<u>53,100</u>	<u>50,450</u>	<u>(2,650)</u>
Amounts available for appropriations	<u>78,705</u>	<u>78,705</u>	<u>50,450</u>	<u>(28,255)</u>
Charges to Appropriations (Outflows)				
Transfer out	<u>53,100</u>	<u>53,100</u>	<u>50,450</u>	<u>2,650</u>
Total charges to appropriations	<u>53,100</u>	<u>53,100</u>	<u>50,450</u>	<u>2,650</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 25,605</u></u>	<u><u>\$ 25,605</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (25,605)</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Proposition C  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 584,667	\$ (242,979)	\$ 237,022	\$ 480,001
Resources (Inflows)				
Intergovernmental	522,030	522,030	509,863	(12,167)
Use of money and property	6,000	6,000	-	(6,000)
Amounts available for appropriations	<u>1,112,697</u>	<u>285,051</u>	<u>746,885</u>	<u>461,834</u>
Charges to Appropriations (Outflows)				
Public works	<u>100,000</u>	<u>142,090</u>	<u>137,959</u>	<u>4,131</u>
Total charges to appropriations	<u>100,000</u>	<u>142,090</u>	<u>137,959</u>	<u>4,131</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 1,012,697</u></u>	<u><u>\$ 142,961</u></u>	<u><u>\$ 608,926</u></u>	<u><u>\$ 465,965</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Bikeways  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 38,910	\$ 38,910	\$ -	\$ (38,910)
Resources (Inflows)				
Intergovernmental	<u>18,500</u>	<u>18,500</u>	<u>18,000</u>	<u>(500)</u>
Amounts available for appropriations	<u>57,410</u>	<u>57,410</u>	<u>18,000</u>	<u>(39,410)</u>
Charges to Appropriations (Outflows)				
Community services	<u>25,000</u>	<u>25,000</u>	<u>18,000</u>	<u>7,000</u>
Total charges to appropriations	<u>25,000</u>	<u>25,000</u>	<u>18,000</u>	<u>7,000</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 32,410</u></u>	<u><u>\$ 32,410</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (32,410)</u></u>



City of Walnut, California  
 Budgetary Comparison Schedule  
 Measure M  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 102,230	\$ (120,460)	\$ 346,037	\$ 466,497
Resources (Inflows)				
Intergovernmental	442,900	442,900	433,870	(9,030)
Use of money and property	3,200	3,200	372	(2,828)
Amounts available for appropriations	<u>548,330</u>	<u>325,640</u>	<u>780,279</u>	<u>454,639</u>
Charges to Appropriations (Outflows)				
Public works	<u>537,710</u>	<u>561,130</u>	<u>440,877</u>	<u>120,253</u>
Total charges to appropriations	<u>537,710</u>	<u>561,130</u>	<u>440,877</u>	<u>120,253</u>
Budgetary Fund Balance, End of Year	<u>\$ 10,620</u>	<u>\$ (235,490)</u>	<u>\$ 339,402</u>	<u>\$ 574,892</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Proposition A  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,927,743	\$ 287,823	\$ 1,446,437	\$ 1,158,614
Resources (Inflows)				
Intergovernmental	629,340	629,340	614,690	(14,650)
Use of money and property	<u>13,700</u>	<u>13,700</u>	<u>-</u>	<u>(13,700)</u>
Amounts available for appropriations	<u>2,570,783</u>	<u>930,863</u>	<u>2,061,127</u>	<u>1,130,264</u>
Charges to Appropriations (Outflows)				
Community development	827,180	1,290,210	1,032,744	257,466
Public Works			20,029	(20,029)
Capital outlay	<u>63,500</u>	<u>20,500</u>	<u>16,468</u>	<u>4,032</u>
Total charges to appropriations	<u>890,680</u>	<u>1,310,710</u>	<u>1,069,241</u>	<u>241,469</u>
Budgetary Fund Balance, End of Year	<u>\$ 1,680,103</u>	<u>\$ (379,847)</u>	<u>\$ 991,886</u>	<u>\$ 1,371,733</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 State Park Grant  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ (4,843)	\$ -	\$ 4,843
Resources (Inflows)				
Intergovernmental	-	-	34,843	34,843
Amounts available for appropriations	-	(4,843)	34,843	39,686
Charges to Appropriations (Outflows)				
Transfers out	-	34,900	34,843	57
Total charges to appropriations	-	34,900	34,843	57
Budgetary Fund Balance, End of Year	\$ -	\$ (39,743)	\$ -	\$ 39,743

City of Walnut, California  
 Budgetary Comparison Schedule  
 Traffic Congestion Relief  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 69,800	\$ (30,200)	\$ 106,336	\$ 136,536
Resources (Inflows)				
Use of money and property	<u>70</u>	<u>70</u>	<u>100</u>	<u>30</u>
Amounts available for appropriations	<u>69,870</u>	<u>(30,130)</u>	<u>106,436</u>	<u>136,566</u>
Charges to Appropriations (Outflows)				
Public works	<u>100,000</u>	<u>100,000</u>	<u>23,208</u>	<u>76,792</u>
Total charges to appropriations	<u>100,000</u>	<u>100,000</u>	<u>23,208</u>	<u>76,792</u>
Budgetary Fund Balance, End of Year	<u><u>\$ (30,130)</u></u>	<u><u>\$ (130,130)</u></u>	<u><u>\$ 83,228</u></u>	<u><u>\$ 213,358</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Used Oil Recycling Grant  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 8,321	\$ 8,321
Resources (Inflows)				
Intergovernmental	<u>8,320</u>	<u>8,320</u>	<u>5,000</u>	<u>(3,320)</u>
Amounts available for appropriations	<u>8,320</u>	<u>8,320</u>	<u>13,321</u>	<u>5,001</u>
Charges to Appropriations (Outflows)				
Community development	<u>8,320</u>	<u>8,320</u>	<u>8,321</u>	<u>(1)</u>
Total charges to appropriations	<u>8,320</u>	<u>8,320</u>	<u>8,321</u>	<u>(1)</u>
Budgetary Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 General Recycling Grant  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 13,206	\$ 13,206
Resources (Inflows)				
Intergovernmental	7,800	7,800	-	(7,800)
Amounts available for appropriations	7,800	7,800	13,206	5,406
Charges to Appropriations (Outflows)				
Capital outlay	7,800	7,800	5,397	2,403
Total charges to appropriations	7,800	7,800	5,397	2,403
Budgetary Fund Balance, End of Year	\$ -	\$ -	\$ 7,809	\$ 7,809

City of Walnut, California  
 Budgetary Comparison Schedule  
 Cable TV Education  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 134,983	\$ 87,983	\$ 173,843	\$ 85,860
Resources (Inflows)				
Intergovernmental	35,000	35,000	37,202	2,202
Use of money and property	2,700	2,700	-	(2,700)
Amounts available for appropriations	<u>172,683</u>	<u>125,683</u>	<u>211,045</u>	<u>85,362</u>
Charges to Appropriations (Outflows)				
Community development	3,550	3,550	3,550	-
Community services	25,000	25,000	10,827	14,173
Total charges to appropriations	<u>28,550</u>	<u>28,550</u>	<u>14,377</u>	<u>14,173</u>
Budgetary Fund Balance, End of Year	<u>\$ 144,133</u>	<u>\$ 97,133</u>	<u>\$ 196,668</u>	<u>\$ 99,535</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Walnut Housing Authority  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 772,426	\$ 714,236	\$ 902,806	\$ 188,570
Resources (Inflows)				
Intergovernmental	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>
Amounts available for appropriations	<u>796,426</u>	<u>738,236</u>	<u>902,806</u>	<u>164,570</u>
Charges to Appropriations (Outflows)				
Community development	<u>420,420</u>	<u>420,420</u>	<u>437,231</u>	<u>(16,811)</u>
Total charges to appropriations	<u>420,420</u>	<u>420,420</u>	<u>437,231</u>	<u>(16,811)</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 376,006</u></u>	<u><u>\$ 317,816</u></u>	<u><u>\$ 465,575</u></u>	<u><u>\$ 147,759</u></u>



City of Walnut, California  
 Budgetary Comparison Schedule  
 Low and Moderate Income Housing Fund  
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,941,706	\$ 1,941,706	\$ 2,014,524	\$ 72,818
Resources (Inflows)				
Use of money and property	32,000	32,000	1,610	(30,390)
Amounts available for appropriations	1,973,706	1,973,706	2,016,134	42,428
Charges to Appropriations (Outflows)				
Capital outlay	-	580,000	568,753	11,247
Total charges to appropriations	-	580,000	568,753	11,247
Budgetary Fund Balance, End of Year	<u>\$ 1,973,706</u>	<u>\$ 1,393,706</u>	<u>\$ 1,447,381</u>	<u>\$ 53,675</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 LACMTA Exchange  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 836	\$ (519,164)	\$ 6,965	\$ 526,129
Resources (Inflows)				
Use of money and property	<u>100</u>	<u>100</u>	<u>2</u>	<u>98</u>
Amounts Available for Appropriations	<u>936</u>	<u>(519,064)</u>	<u>6,967</u>	<u>526,227</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 936</u></u>	<u><u>\$ (519,064)</u></u>	<u><u>\$ 6,967</u></u>	<u><u>\$ 526,031</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Measure R  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 328,076	\$ (191,924)	\$ 155,563	\$ 347,487
Resources (Inflows)				
Intergovernmental	391,400	391,400	382,927	(8,473)
Use of money and property	300	300	674	374
Amounts available for appropriations	<u>719,776</u>	<u>199,776</u>	<u>539,164</u>	<u>339,388</u>
Charges to Appropriations (Outflows)				
Public works	<u>540,000</u>	<u>540,000</u>	<u>437,729</u>	<u>102,271</u>
Total charges to appropriations	<u>540,000</u>	<u>540,000</u>	<u>437,729</u>	<u>102,271</u>
Budgetary Fund Balance, End of Year	<u><u>\$ 179,776</u></u>	<u><u>\$ (340,224)</u></u>	<u><u>\$ 101,435</u></u>	<u><u>\$ 441,659</u></u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Measure A (M&S)  
 Year Ended June 30, 2021

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	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 350	\$ 350	\$ -	\$ (350)
Resources (Inflows)				
Intergovernmental	25,320	25,320	20,178	(5,142)
Use of money and property	-	-	-	-
Transfers in	-	-	13,532	13,532
Amounts available for appropriations	<u>25,670</u>	<u>25,670</u>	<u>33,710</u>	<u>8,040</u>
Charges to Appropriations (Outflows)				
Community services	25,000	13,620	13,532	88
Transfers out	-	20,180	20,178	2
Total charges to appropriations	<u>25,000</u>	<u>33,800</u>	<u>33,710</u>	<u>90</u>
Budgetary Fund Balance, End of Year	<u>\$ 670</u>	<u>\$ (8,130)</u>	<u>\$ -</u>	<u>\$ (8,130)</u>

City of Walnut, California  
 Budgetary Comparison Schedule  
 Measure W  
 Year Ended June 30, 2021

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	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 165,000	\$ 165,000	\$ -	\$ (165,000)
Resources (Inflows)				
Intergovernmental	<u>500,000</u>	<u>500,000</u>	<u>494,471</u>	<u>(5,529)</u>
Amounts available for appropriations	<u>665,000</u>	<u>665,000</u>	<u>494,471</u>	<u>(170,529)</u>
Charges to Appropriations (Outflows)				
Public Works	500,000	476,730	296,241	180,489
Transfers out	<u>-</u>	<u>23,270</u>	<u>23,270</u>	<u>-</u>
Total charges to appropriations	<u>500,000</u>	<u>500,000</u>	<u>319,511</u>	<u>180,489</u>
 Budgetary Fund Balance, End of Year	 <u>\$ 165,000</u>	 <u>\$ 165,000</u>	 <u>\$ 174,960</u>	 <u>\$ (9,960)</u>

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Statistical Section

June 30, 2021

City of Walnut, California

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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, California  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972	\$ 73,439,900
Restricted	14,388,254	13,450,385	8,289,678	8,212,469
Unrestricted	21,046,710	22,305,101	21,025,425	14,584,364
<b>Total governmental activities net position</b>	<b>\$ 113,529,459</b>	<b>\$ 111,034,272</b>	<b>\$ 102,928,075</b>	<b>\$ 96,236,733</b>
 <b>Primary government:</b>				
Net investment in capital assets	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972	\$ 73,439,900
Restricted	14,388,254	13,450,385	8,289,678	8,212,469
Unrestricted	21,046,710	22,305,101	21,025,425	14,584,364
<b>Total primary government net position</b>	<b>\$ 113,529,459</b>	<b>\$ 111,034,272</b>	<b>\$ 102,928,075</b>	<b>\$ 96,236,733</b>

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, California  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 72,963,855	\$ 71,066,062	\$ 73,720,055	\$ 72,283,733	\$ 71,060,405	\$ 70,436,085
7,115,326	10,917,855	7,320,794	7,715,804	7,009,577	9,512,999
15,184,940	10,661,289	19,113,026	24,129,411	23,666,833	19,240,635
<b>\$ 95,264,121</b>	<b>\$ 92,645,206</b>	<b>\$ 100,153,875</b>	<b>\$ 104,128,948</b>	<b>\$ 101,736,815</b>	<b>\$ 99,189,719</b>

\$ 72,963,855	\$ 71,066,062	\$ 73,720,055	\$ 72,283,733	\$ 71,060,405	\$ 70,436,085
7,115,326	10,917,855	7,320,794	7,715,804	7,009,577	9,512,999
15,184,940	10,661,289	19,113,026	24,129,411	23,666,833	19,240,635
<b>\$ 95,264,121</b>	<b>\$ 92,645,206</b>	<b>\$ 100,153,875</b>	<b>\$ 104,128,948</b>	<b>\$ 101,736,815</b>	<b>\$ 99,189,719</b>

City of Walnut, California  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:				
Governmental activities:				
General government	\$ 3,850,781	\$ 2,408,514	\$ 2,555,368	\$ 2,618,229
Public safety	3,465,289	3,613,692	3,619,393	3,581,460
Community development	1,879,309	1,936,171	8,238,967	2,192,492
Public works	6,574,810	7,910,304	7,909,282	6,929,084
Community services	3,539,714	3,527,499	3,623,037	3,711,593
Interest on long-term debt	255,031	-	-	-
Total governmental activities	<u>19,564,934</u>	<u>19,396,180</u>	<u>25,946,047</u>	<u>19,032,858</u>
 Total expenses	 <u>19,564,934</u>	 <u>19,396,180</u>	 <u>25,946,047</u>	 <u>19,032,858</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	343,681	688,295	580,639	595,221
Public safety	550,996	645,562	726,423	330,047
Community development	101,770	351,829	1,934	1,541
Public works	3,348,448	3,302,673	3,375,124	3,186,757
Community services	782,859	770,891	929,590	583,746
Operating contributions and grants	1,338,736	1,339,739	1,491,009	1,292,365
Capital contributions and grants	1,383,509	1,207,294	1,337,784	1,797,984
Total governmental activities	<u>7,849,999</u>	<u>8,306,283</u>	<u>8,442,503</u>	<u>7,787,661</u>
 Total program revenues	 <u>7,849,999</u>	 <u>8,306,283</u>	 <u>8,442,503</u>	 <u>7,787,661</u>
 Net (expenses) revenues				
Governmental Activities	(11,714,935)	(11,089,897)	(17,503,544)	(11,245,197)
 Total Net Expense	 <u>(11,714,935)</u>	 <u>(11,089,897)</u>	 <u>(17,503,544)</u>	 <u>(11,245,197)</u>

City of Walnut, California  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2,559,043	\$ 3,086,260	\$ 5,857,903	\$ 199,215	\$ 3,799,571	\$ 3,426,121
3,772,824	3,900,642	4,032,897	4,120,065	4,421,574	4,394,513
2,248,657	2,879,006	2,435,173	2,422,267	2,969,602	3,686,498
5,778,712	7,219,860	5,766,110	6,951,774	4,788,315	3,883,235
5,441,949	4,069,437	5,273,197	4,727,263	6,803,798	7,623,175
-	-	-	-	-	-
<u>19,801,185</u>	<u>21,155,205</u>	<u>23,365,280</u>	<u>18,420,584</u>	<u>22,782,860</u>	<u>23,013,542</u>
<u>19,801,185</u>	<u>21,155,205</u>	<u>23,365,280</u>	<u>18,420,584</u>	<u>22,782,860</u>	<u>23,013,542</u>
539,554	563,889	590,870	510,179	389,180	403,914
380,909	233,541	253,506	189,444	192,452	115,847
2,868	1,942	1,960	1,738	1,308	234
3,759,518	4,304,184	3,504,523	3,852,219	3,682,827	3,819,585
840,018	664,425	824,103	789,858	521,120	76,327
956,559	985,419	1,157,759	1,492,075	1,979,224	2,320,940
1,334,924	1,878,825	1,693,386	1,907,232	1,844,458	2,435,822
<u>7,814,350</u>	<u>8,632,225</u>	<u>8,026,107</u>	<u>8,742,745</u>	<u>8,610,569</u>	<u>9,172,669</u>
<u>7,814,350</u>	<u>8,632,225</u>	<u>8,026,107</u>	<u>8,742,745</u>	<u>8,610,569</u>	<u>9,172,669</u>
(11,986,835)	(12,522,980)	(15,339,173)	(9,677,839)	(14,172,291)	(13,840,873)
<u>(11,986,835)</u>	<u>(12,522,980)</u>	<u>(15,339,173)</u>	<u>(9,677,839)</u>	<u>(14,172,291)</u>	<u>(13,840,873)</u>

City of Walnut, California  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:				
Governmental activities:				
Taxes				
Property taxes	\$ 9,347,081	\$ 5,641,664	\$ 5,995,275	\$ 6,238,354
Sales tax	1,322,741	1,413,944	1,345,722	1,573,976
Franchise tax	872,593	902,198	950,452	963,244
Business license tax	102,540	105,198	104,661	99,520
Other taxes	285,819	316,607	325,627	330,536
Motor vehicle in lieu, unrestricted	25,938	24,158	24,386	24,009
Use of money and property	496,394	158,230	582,911	468,085
Other general revenues	78,242	32,711	68,313	18,248
Proceeds from sale of donated property	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	26,520,101	-	-	-
Total general revenues, transfers, & special item	<u>39,051,449</u>	<u>8,594,710</u>	<u>9,397,347</u>	<u>9,715,972</u>
Total primary government	<u>39,051,449</u>	<u>8,594,710</u>	<u>9,397,347</u>	<u>9,715,972</u>
Change in net position				
Governmental activities	<u>27,336,514</u>	<u>(2,495,187)</u>	<u>(8,106,197)</u>	<u>(1,529,225)</u>
Total Change in net position	<u>\$27,336,514</u>	<u>\$(2,495,187)</u>	<u>\$(8,106,197)</u>	<u>\$(1,529,225)</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, California  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,408,855	\$ 5,700,002	\$ 6,009,959	\$ 6,328,288	\$ 6,789,500	\$ 6,992,655
1,890,516	1,962,759	2,065,336	2,204,841	1,851,982	1,946,958
936,650	897,264	926,430	927,083	926,347	958,206
109,615	126,642	124,843	121,447	123,188	119,228
359,008	386,766	398,431	331,742	300,941	369,902
22,377	23,307	-	-	-	-
447,621	468,435	729,648	1,366,080	1,210,197	407,790
839,581	338,890	576,349	2,373,431	578,003	499,038
-	-	12,487,410	-	-	-
-	-	-	-	-	-
<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>	<u>13,652,912</u>	<u>11,780,158</u>	<u>11,293,777</u>
<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>	<u>13,652,912</u>	<u>11,780,158</u>	<u>11,293,777</u>
<u>(972,612)</u>	<u>(2,618,915)</u>	<u>7,979,233</u>	<u>3,975,073</u>	<u>(2,392,133)</u>	<u>(2,547,096)</u>
<u>\$ (972,612)</u>	<u>\$ (2,618,915)</u>	<u>\$ 7,979,233</u>	<u>\$ 3,975,073</u>	<u>\$ (2,392,133)</u>	<u>\$ (2,547,096)</u>

City of Walnut, California  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund:</b>				
Nonspendable:				
Prepaid costs	\$ 348,764	\$ 363,096	\$ 388,722	\$ 33,268
Advances to other Funds	121,470	146,470	250,870	250,870
Long term receivable	95,948	95,948	-	-
Restricted for:				
Section 115 trust	-	-	-	-
Committed to:				
Disaster recovery	1,000,000	1,000,000	1,000,000	1,000,000
Self-insurance	400,000	1,000,000	1,000,000	1,000,000
Facility maintenance	3,457,687	2,922,039	2,805,957	2,764,643
Assigned to:				
Recreation facility	2,450,000	2,800,000	2,800,000	2,799,845
Maintenance and operations	5,489,465	5,682,585	6,047,785	6,311,725
Other post-employment benefits	763,637	763,331	762,422	760,142
Self Insurance	-	-	-	-
Unassigned	89,005	670,835	1,247,058	1,179,125
<b>Total General Fund</b>	<u>\$ 14,215,976</u>	<u>\$ 15,444,304</u>	<u>\$ 16,302,814</u>	<u>\$ 16,099,618</u>
<b>All other governmental funds:</b>				
Nonspendable:				
Prepaid costs	\$ -	\$ -	\$ -	\$ -
Notes and loans	2,121,598	2,111,948	1,940,827	1,935,130
Restricted for:				
Community development	9,910,551	9,054,401	2,992,384	2,958,326
Public safety	103,733	95,674	71,092	78,868
Community services	106,197	130,906	155,615	140,630
Public works	2,146,175	2,640,498	3,129,760	3,099,515
Committed to:				
Capital projects	7,072,472	6,630,620	5,180,132	4,088,292
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	(190,021)	-	-	(13,348)
<b>Total all other governmental funds</b>	<u>\$ 21,270,705</u>	<u>\$ 20,664,047</u>	<u>\$ 13,469,810</u>	<u>\$ 12,287,413</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, California  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 626,512	\$ 303,719	\$ 12,066	\$ 388,918	\$ 398,960	\$ 200
250,870	250,870	250,870	35,827	35,827	35,827
-	-	-	-	-	-
-	-	-	-	-	2,021,362
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	1,000,000	1,000,000
-	-	-	-	-	-
2,766,250	2,666,801	14,946,188	14,838,444	14,816,767	14,787,452
8,467,719	8,149,560	7,227,578	6,871,759	6,274,070	7,499,137
757,275	754,593	751,614	748,223	744,176	739,944
1,000,000	-	-	-	-	-
2,010,433	2,775,032	3,628,234	6,236,023	7,306,787	3,037,764
<u>\$ 16,879,059</u>	<u>\$ 16,900,575</u>	<u>\$ 28,816,550</u>	<u>\$ 31,119,194</u>	<u>\$ 31,576,587</u>	<u>\$ 30,121,686</u>
\$ 2,738	\$ -	\$ -	\$ -	\$ -	\$ -
1,848,575	90,649	-	-	-	-
2,079,538	3,832,963	3,488,456	3,223,238	2,940,515	1,945,155
134,169	162,113	218,613	294,935	369,173	448,371
1,026,385	1,327,325	819,654	719,991	460,591	427,873
3,875,234	4,160,230	2,794,070	3,477,640	3,239,298	2,851,761
-	-	-	-	-	-
2,065,878	1,456,260	264,280	427,970	343,770	1,818,477
-	(10,516)	-	-	-	-
<u>\$ 11,032,517</u>	<u>\$ 11,019,024</u>	<u>\$ 7,585,073</u>	<u>\$ 8,143,774</u>	<u>\$ 7,353,347</u>	<u>\$ 7,491,637</u>

City of Walnut, California  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Taxes	\$ 11,948,178	\$ 8,401,800	\$ 8,774,933	\$ 9,093,952	\$ 9,614,804
Assessments	2,395,879	2,528,470	2,279,176	2,159,654	3,107,981
Licenses and permits	763,812	551,181	754,435	785,402	961,563
Intergovernmental	2,722,436	2,818,365	2,910,075	3,127,876	2,368,358
Charges for services	1,094,615	1,374,600	1,602,320	1,174,295	1,839,232
Use of money and property	496,394	158,230	582,911	468,085	446,575
Fines and forfeitures	412,855	513,458	555,806	205,560	277,011
Miscellaneous	596,470	796,899	433,390	363,783	372,189
Total Revenues	<u>20,430,639</u>	<u>17,143,003</u>	<u>17,893,046</u>	<u>17,378,607</u>	<u>18,987,713</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	3,630,711	2,176,693	2,371,357	2,382,053	2,536,035
Public safety	3,436,171	3,552,795	3,573,524	3,570,802	3,765,218
Community development	1,879,309	1,874,757	2,030,856	2,135,562	2,248,657
Community services	3,105,704	3,122,136	3,214,069	3,302,231	5,006,833
Public works	3,737,040	5,099,226	4,732,064	4,709,398	5,385,612
Capital outlay	1,935,343	695,726	2,156,903	2,664,154	520,813
<b>Debt service:</b>					
Principal	1,935,000	-	-	-	-
Interest <sup>1</sup> and fiscal charges	776,240	-	-	-	-
Total Expenditures	<u>20,435,518</u>	<u>16,521,333</u>	<u>18,078,773</u>	<u>18,764,200</u>	<u>19,463,168</u>
Excess (deficiency) of Revenues over Expenditures	<u>(4,879)</u>	<u>621,670</u>	<u>(185,727)</u>	<u>(1,385,593)</u>	<u>(475,455)</u>
<b>Other financing sources (uses):</b>					
Transfer in	6,754,359	291,609	2,614,325	896,984	209,969
Transfer out	(6,754,359)	(291,609)	(2,614,325)	(896,984)	(209,969)
Sale of capital assets	-	-	-	-	-
Contribution to Successor Agency	-	-	(6,150,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,150,000)</u>	<u>-</u>	<u>-</u>
<b>Special Item:</b>					
Proceeds from sale of donated property	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of improvement agency <sup>2</sup>	(2,207,300)	-	-	-	-
Net change in fund balances	<u>\$ (2,212,179)</u>	<u>\$ 621,670</u>	<u>\$ (6,335,727)</u>	<u>\$ (1,385,593)</u>	<u>\$ (475,455)</u>
Debt service as a percentage of noncapital expenditures	14.28%	0.00%	0.00%	0.00%	0.00%

Note:

<sup>1</sup> 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.

<sup>2</sup> 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, California  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$	9,274,951	\$ 9,499,733	\$ 9,891,270	\$ 9,959,422	\$ 10,356,755
	2,562,970	2,500,410	2,651,930	2,602,235	2,397,019
	1,829,914	805,839	895,016	669,135	932,147
	2,924,159	2,951,513	3,513,073	3,893,035	4,879,178
	1,297,286	1,457,384	1,448,413	1,453,707	617,404
	466,272	721,284	1,350,718	1,210,158	407,790
	131,631	157,374	127,235	101,670	58,893
	250,625	328,692	2,518,002	501,365	817,260
	<u>18,737,808</u>	<u>18,422,229</u>	<u>22,395,657</u>	<u>20,390,727</u>	<u>20,466,446</u>
	2,392,349	2,547,402	2,592,697	2,803,967	2,657,459
	3,894,564	4,025,458	4,111,941	4,412,772	4,386,462
	2,879,006	2,435,173	2,422,267	2,969,602	3,686,498
	3,586,537	4,815,620	4,221,073	4,250,928	3,302,681
	5,789,502	8,657,998	6,039,178	6,052,775	6,820,561
	187,827	380,964	147,156	233,717	929,396
	-	-	-	-	-
	-	-	-	-	-
	<u>18,729,785</u>	<u>22,862,615</u>	<u>19,534,312</u>	<u>20,723,761</u>	<u>21,783,057</u>
	8,023	(4,440,386)	2,861,345	(333,034)	(1,316,611)
	541,537	448,808	444,737	138,911	1,902,171
	(541,537)	(448,808)	(444,737)	(138,911)	(1,902,171)
	-	435,000	-	-	-
	-	-	-	-	-
	-	435,000	-	-	-
	-	12,487,410	-	-	-
	-	-	-	-	-
\$	<u>8,023</u>	<u>\$ 8,482,024</u>	<u>\$ 2,861,345</u>	<u>\$ (333,034)</u>	<u>\$ (1,316,611)</u>
	0.00%	0.00%	0.00%	0.00%	0.00%

City of Walnut, California  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential	\$ 3,593,986	\$ 3,754,176	\$ 3,990,406	\$ 4,201,218	\$ 4,419,416
Commercial	164,172	163,934	168,050	170,585	175,748
Industrial	96,149	97,942	100,711	106,086	109,988
Institutional	15,638	11,375	15,777	12,184	11,916
Miscellaneous	396	710	415	257	262
Vacant	72,477	57,513	53,830	62,733	69,406
SBE Nonunitary	168	168	168	168	168
Cross Reference	181	628	492	421	237
Unsecured	35,539	37,569	41,643	36,556	35,976
Exempt	[8,728]	[8,728]	[8,728]	[8,728]	[8,596]
Grand Total	<u>\$ 3,978,706</u>	<u>\$ 4,124,015</u>	<u>\$ 4,371,492</u>	<u>\$ 4,590,208</u>	<u>\$ 4,823,117</u>
Total Direct Rate	0.63601%	0.62656%	0.07616%	0.07479%	0.07362%

Note:

1 Includes City and Successor Agency Project Area

2 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 2011/12-2020/21 Combined Tax Rolls

City of Walnut, California  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (in thousands of dollars)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 4,583,083	\$ 4,805,033	\$ 5,049,771	\$ 5,270,204	\$ 5,435,577
181,003	190,586	222,309	229,933	232,531
112,303	114,888	112,516	115,071	120,294
11,319	11,530	13,641	11,996	14,357
266	272	277	282	288
98,475	100,501	115,226	118,954	119,317
168	168	168	-	-
218	269	656	1,547	1,418
36,800	38,656	45,441	48,273	49,912
[8,596]	(8,596)	(8,455)	(8,455)	(8,455)
<u>\$ 5,023,635</u>	<u>\$ 5,261,903</u>	<u>\$ 5,551,550</u>	<u>\$ 5,787,805</u>	<u>\$ 5,965,239</u>
0.07264%	0.07047%	0.06783%	0.06968%	0.06900%

City of Walnut, California  
Special Benefit Assessment Billings and Collections  
Last Ten Fiscal Years  
(Unaudited)

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Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessment Billings	\$ 2,392,180	\$ 2,522,580	\$ 2,274,560	\$ 2,138,800	\$ 2,138,800
Assessment Collected	\$ 2,395,879	\$ 2,538,270	\$ 2,279,177	\$ 2,159,654	\$ 2,109,527
Percentage Collected	100.2%	100.6%	100.2%	101.0%	98.6%

Source: City Finance Department

City of Walnut, California  
Special Benefit Assessment Billings and Collections  
Last Ten Fiscal Years  
(Unaudited)

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$2,139,080	\$2,373,930	\$2,512,250	\$2,487,970	\$2,768,771
\$2,265,338	\$2,381,316	\$2,613,019	\$2,377,816	\$2,397,019
105.9%	100.3%	104.0%	95.6%	86.6%

City of Walnut, California  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

Fiscal Years	2012	2013	2014	2015	2016
City Direct Rates:					
General Levy <sup>1</sup>	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:					
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350
Mt. San Antonio Community College	0.02642	0.02896	0.02023	0.02129	0.02154
Covina Valley Unified School District	0.08999	0.09500	0.11472	0.11426	0.11062
Pomona Valley Unified School District	0.14943	0.18488	0.16407	0.16599	0.15364
Pomona Usd 2008 Series C	0.02421	0.00000	0.00000	0.00000	0.00000
Rowland Unified School District	0.09195	0.10053	0.12297	0.14313	0.12426
Rowland Unified School District 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
Walnut Valley Unified School District	0.11735	0.12554	0.11342	0.11510	0.09285
Total Direct and Overlapping <sup>2</sup> Tax Rates	1.50305	1.53841	1.53892	1.56328	1.50641
City's Share of 1% Levy Per Prop 13 <sup>3</sup>	0.05202	0.05202	0.05202	0.05202	0.05202
General Obligation Debt Rate	-	-	-	-	-
Redevelopment Rate <sup>4</sup>	1.00370	-	-	-	-
Total Direct Rate <sup>5</sup>	0.63601%	0.62656%	0.07616%	0.07479%	0.07362%

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 2011/12-2020/21 Tax Rate Table



City of Walnut, California  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.00350	0.00350	0.00350	0.00350	0.00350
0.02400	0.02371	0.02435	0.04781	0.04459
0.12581	0.14205	0.13976	0.13521	0.12658
0.14368	0.17292	0.16942	0.20671	0.15081
0.00000	0.00000	0.00000	0.00000	0.00000
0.10939	0.11841	0.11861	0.10760	0.10905
0.01505	0.00000	0.00000	0.00000	0.00000
<u>0.06601</u>	<u>0.07388</u>	<u>0.10582</u>	<u>0.09538</u>	<u>0.09893</u>
<u>1.48744</u>	<u>1.53448</u>	<u>1.56146</u>	<u>1.59621</u>	<u>1.53346</u>
0.05202	0.05202	0.05202	0.05202	0.05202
-	-	-	-	-
-	-	-	-	-
0.07264%	0.07047%	0.07077%	0.06968%	0.06900%

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City of Walnut, California  
Principal Property Tax Payers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	<b>2021</b>		<b>2012</b>		<u>Business Type</u>
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	
Wesco Properties Inc	\$ 37,538,744	0.63%	\$ -	0.00%	Commercial
Essex CA WA Limited Partnership	31,715,378	0.53%	21,783,857	0.55%	Apartments
Sunjoint Development LLC	29,671,355	0.50%	-	0.00%	Vacant
Snow Creek Village West Partners	24,399,127	0.41%	20,827,780	0.52%	Commercial
Walnut Tech Business Center	21,911,317	0.37%	18,705,928	0.47%	Industrial/Commercial
Vogel Properties, Inc.	21,657,209	0.36%	18,201,596	0.46%	Industrial/Commercial
9429 Walnut Cake LLC	14,823,283	0.25%	12,653,561	0.32%	Commercial
Pacwall LLC	14,772,014	0.25%	-	0.00%	Commercial
Orange Grove Service Inc	14,455,771	0.24%	8,150,000	0.20%	Commercial
EDRO Engineering Company Inc.	11,365,073	0.19%	-	0.00%	Unsecured
Canton M Elizabeth Cotrustee					
Canon Family	-	0.00%	-	0.00%	Commercial
Ruey Cher & Tsu Kao	-	0.00%	12,793,022	0.32%	Commercial (Stater Bros)
Henn's Investment Company	-	0.00%	8,923,309	0.22%	Industrial
Margaret Wang Trust	-	0.00%	8,060,240	0.20%	Commerical
Standard Pacific of Walnut Hills	-	0.00%	12,970,969	0.33%	Residential
<b>Total</b>	<b>\$ 222,309,271</b>	<b>3.73%</b>	<b>\$ 143,070,262</b>	<b>3.596%</b>	

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 2020/21 Combined Tax Rolls and the SBE Non Unitary Tax Roll

City of Walnut, California  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxes levied for the fiscal year	\$ 1,278,806	\$ 1,315,489	\$ 1,390,157	\$ 1,435,551
Collected within the fiscal year:				
Amount	\$ 1,117,322	\$ 1,260,893	\$ 1,348,701	\$ 1,384,713
Percent of Levy	87%	96%	97%	96%
Total Tax Collection				
Amount	\$ 1,117,322	\$ 1,260,893	\$ 1,348,701	\$ 1,384,713
Delinquent Tax Collection	(22)	1,651	1,325	1,082
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, California  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,399,452	\$ 2,718,998	\$ 1,497,691	\$ 1,555,482	\$ 1,623,343	\$ 1,661,609
\$ 1,367,680	\$ 2,348,388	\$ 1,468,139	\$ 1,519,185	\$ 1,558,394	\$ 1,616,925
98%	86%	98%	98%	96%	97%
\$ 1,367,680	\$ 2,348,388	\$ 1,468,139	\$ 1,519,185	\$ 1,558,394	\$ 1,616,925
1,079	(2,041)	(2,345)	(7,822)	(7,256)	(10,387)
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, California  
Ratios of Outstanding Debt  
Last Ten Fiscal Years

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Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Personal Income City of Walnut (in thousands) <sup>2</sup>	\$ 985,249	\$ 996,456	\$ 1,019,743	\$ 1,041,477
Ratio of outstanding debt	0.00%	0.00%	0.00%	0.00%
Population	29,661	29,947	30,112	30,257

Note:

1 Schedule of Demographics Statistics for personal income data for calendar year 2020.

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

City of Walnut, California  
 Ratios of Outstanding Debt  
 Last Ten Fiscal Years

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<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 1,045,685	\$ 1,077,615	\$ 1,099,822	\$ 1,105,292	\$ 1,173,576	\$ 1,232,966
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30,152	30,134	30,457	30,551	29,929	29,835

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City of Walnut, California  
Direct and Overlapping Debt  
June 30, 2021

	Outstanding Debt 6/30/21	Percentage Applicable To City	Estimated Share of Overlapping Debt
Metropolitan Water District*	\$ 13,101,783	0.375%	\$ 49,141
Mt. San Antonio CCD DS 2008 Series 2013A	161,337,332	5.924%	9,558,120
Mt. San Antonio CCD DS 2008 Series 2013B	2,610,000	5.924%	154,624
Mt. San Antonio CCD DS 2013 Ref Series A	18,045,000	5.924%	1,069,041
Mt. San Antonio CCD DS 2013 Ref Series B	21,260,000	5.924%	1,259,508
Mt. San Antonio CCD DS 2008 Ref Series 2015C	7,315,000	5.924%	433,363
Mt. San Antonio CCD DS 2015 Ref Bonds	16,415,000	5.924%	972,475
Mt. San Antonio CCD DS 2018 Series 2019A	288,690,000	5.924%	17,102,884
Mt. San Antonio CCD DS 2020 Ref Series A	180,433,674	5.924%	10,689,446
Pomona USD DS Refunding 2000 Series A	9,995,000	0.114%	11,404
Pomona USD DS Refunding 2001 Series A	133,280,000	0.114%	150,927
Pomona USD DS 2008 Series B	1,630,000	0.114%	1,860
Pomona USD DS 2008 Series C	1,030,000	0.114%	1,175
Pomona USD DS 2012 Refunding Bond Series B	16,275,000	0.114%	18,569
Pomona USD DS 2008 Series D QSCBS	19,225,000	0.114%	21,935
Pomona USD DS 2008 Series E	13,055,000	0.114%	14,895
Pomona USD DS 2008 Series F	21,550,000	0.114%	24,588
Pomona USD DS 2015 Ref Bonds	14,170,000	0.114%	16,167
Pomona USD DS 2016 Ref Bonds Series B	19,614,533	0.114%	22,379
Pomona USD DS 2008 Series G	22,965,000	0.114%	26,202
Pomona USD DS 2016 Ref Bonds	5,245,000	0.114%	5,984
Pomona USD DS 2016 Series A	42,095,000	0.114%	48,029
Pomona USD DS 2016 Series C	49,300,000	0.114%	56,249
Rowland Heights USD DS 2005 Ref Bonds	5,702,988	10.473%	597,263
Rowland Heights USD DS 2006 Series D QSCB	12,375,000	10.473%	1,296,010
Rowland Heights USD DS 2006 Series E	19,272,549	10.473%	2,018,377
Rowland Heights USD DS 2012 Series A	557,451	10.473%	58,381
Rowland Heights USD DS 2013 Ref Bonds	375,000	10.473%	39,273
Rowland Heights USD DS 2012 Series B	22,215,000	10.473%	2,326,534
Rowland Heights USD DS 2015 Ref Bonds	106,139,972	10.473%	11,115,834
Rowland Heights USD DS 2019	58,560,000	10.473%	6,132,876
Walnut Valley USD DS 2000 Series D	10,749,084	33.464%	3,597,101
Walnut Valley USD DS 2000 Series E	4,123,484	33.464%	1,379,893
Walnut Valley USD DS 2011 Refunding	380,000	33.464%	127,164
Walnut Valley USD DS 2007 Series B Measure S	10,004,472	33.464%	3,347,922
Walnut Valley USD DS 2014 Ref Bonds Series A	3,260,000	33.464%	1,090,935
Walnut Valley USD DS 2014 Ref Bonds Series B	1,535,000	33.464%	513,676
Walnut Valley USD DS 2016 Ref Bonds	38,260,000	33.464%	12,803,425
Walnut Valley USD DS 2016 Ref Bonds Series A	38,440,000	33.464%	12,863,661
Walnut Valley USD DS 2019 REF BDS	25,360,000	33.464%	8,486,536
Walnut Valley USD DS 2016 Ref Bonds Series B	47,900,000	33.464%	16,029,380
<b>Total Overlapping Bonded Debt</b>			<b><u>125,533,206</u></b>
<b>Total Direct and Overlapping Bonded Debt</b>			<b><u>\$ 125,533,206</u></b>

2020-21 Assessed Valuation:

\$2,507,145,325 after deducting \$3,466,549,374 Incremental Value

Debt to Assessed Valuation Ratios:	0.00%
	5.01%
	5.01%

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 2020/21 Lien Date Tax Rolls

City of Walnut, California  
 Computation of Legal Debt Margin Information  
 Last Ten Fiscal Years

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed valuation	\$ 3,978,706,380	\$ 4,124,015,117	\$ 4,371,491,627	\$ 4,590,208,614	\$ 4,823,117,151
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	994,676,595	1,031,003,779	1,092,872,907	1,147,552,154	1,205,779,288
Debt limit percentage	15%	15%	15%	15%	15%
Debt Limit	<u>149,201,489</u>	<u>154,650,567</u>	<u>163,930,936</u>	<u>172,132,823</u>	<u>180,866,893</u>
Legal debt margin	<u>\$ 149,201,489</u>	<u>\$ 154,650,567</u>	<u>\$ 163,930,936</u>	<u>\$ 172,132,823</u>	<u>\$ 180,866,893</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 2020/21 Combined Tax Rolls

City of Walnut, California  
 Computation of Legal Debt Margin Information  
 Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 5,023,635,701	\$ 5,261,903,783	\$ 5,560,005,060	\$ 5,796,260,647	\$ 5,973,694,699
25%	25%	25%	25%	25%
1,255,908,925	1,315,475,946	1,390,001,265	1,449,065,162	1,493,423,675
15%	15%	15%	15%	15%
<u>188,386,339</u>	<u>197,321,392</u>	<u>208,500,190</u>	<u>217,359,774</u>	<u>224,013,551</u>
<u>\$ 188,386,339</u>	<u>\$ 197,321,392</u>	<u>\$ 208,500,190</u>	<u>\$ 217,359,774</u>	<u>\$ 224,013,551</u>
0.0%	0.0%	0.0%	0.0%	0.0%

City of Walnut, California  
Demographic Statistics  
Last Ten Fiscal Years (Unaudited)

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Square Miles <sup>1</sup>	8.83	8.83	8.83	8.83
Number of Housing Units <sup>2</sup>	8,867	8,908	8,909	8,911
Population (City of Walnut) <sup>2</sup>	29,661	29,947	30,112	30,257
Personal Income City of Walnut (in thousands) <sup>3</sup>	\$ 985,249	\$ 996,456	\$ 1,019,743	\$ 1,041,477
Per Capita Personal Income City of Walnut <sup>3</sup>	\$ 33,217	\$ 33,274	\$ 33,865	\$ 34,573
Unemployment Rate City of Walnut <sup>4</sup>	6.0%	4.5%	3.6%	5.9%
Average Annual Population % change <sup>2</sup>	0.75%	0.96%	0.55%	0.48%

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, California  
Demographic Statistics  
Last Ten Fiscal Years (Unaudited)

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<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
8.83	8.83	8.83	8.83	8.83	8.83
8,925	8,937	9,022	9,046	9,061	9,074
30,152	30,134	30,457	30,551	29,929	29,835
\$ 1,045,685	\$ 1,077,615	\$ 1,099,822	\$ 1,105,292	\$ 1,173,576	\$ 1,232,966
\$ 34,680	\$ 35,760	\$ 36,110	\$ 36,178	\$ 39,211	\$ 41,326
4.8%	3.7%	3.5%	3.6%	3.4%	10.2%
-0.35%	-0.06%	1.07%	0.31%	-2.04%	-0.31%

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City of Walnut, California  
Principal Employers  
Current Year and Nine Years Ago

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<u>Employer</u>	<u>2021</u>		<u>Product/Services</u>	<u>2012</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	3,234	45%	Community College	3,103	52%
Ninas Mexican Foods, Inc.	140	2%	Manufacturer	114	2%
Edro Engineering Company, Inc.	100	1%	Engineering	80	1%
Stater Brothers Market #168	74	1%	Grocery Store	66	1%
Vons #2167	81	1%	Grocery Store	56	1%
Ronsin Photocopy Inc.	72	1%	Photocopy Manufacturer	122	2%
Applebee's Neighborhood Grill	50	1%	Restaurant	72	1%
Home Goods #282	41	1%	Retail	-	0%
Alliance Industrial Refrigeration	75	1%	Industrial Refrigeration	-	0%
XLB Dumpling Bar	18	0%	Restaurant	-	0%
TJ Maxx #682	53	1%	Retail	-	0%
McDonald's	54	1%	Fast-food	62	1%
Fairway Injections Molds, Inc	43	1%	Manufacture Mold Bases	61	1%
24 Hour Fitness	16	0%	Health Fitness Facility	-	0%
Sodexo, Inc	56	1%	Food Services Mgmt.	-	0%
Panera Bread #1630	34	0%	Restaurant	-	0%
Ten Ren's Tea Time	24	0%	Restaurant	-	0%
Albertsons #6888	-	0%	Grocery Store	68	1%

Source: City Finance Department & HDL, Coren & Cone 2020-21 Business License Data

City of Walnut, California  
Full-Time Employees  
Last Ten Fiscal Years

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Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function:				
General government	12	11	10	9
Public safety	2	2	2	2
Public works	4	4	4	6
Community development	9	9	9	9
Community services	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>
Total	<u>38</u>	<u>37</u>	<u>36</u>	<u>36</u>

Note:

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

Source: City Finance Department



City of Walnut, California  
Full-Time Employees  
Last Ten Fiscal Years

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
9	9	10	10	11	11
2	2	2	2	1	1
6	6	6	6	6	6
10	10	10	10	10	10
10	10	10	10	10	10
<u>37</u>	<u>37</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>

City of Walnut, California  
Construction and Bank Deposit Activity  
Last Ten Fiscal Years

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of New Residential Units	2	3	4	14
Building Permit Valuation				
Residential	\$ 10,016,161	\$ 7,162,387	\$ 6,956,379	\$ 12,822,312
Non-Residential	1,298,793	652,506	1,654,042	397,517
Total	<u>\$ 11,314,954</u>	<u>\$ 7,814,893</u>	<u>\$ 8,610,421</u>	<u>\$ 13,219,829</u>
Number of Building Permit Issued	466	450	441	434
Bank Deposits	\$ 580,175,000	\$ 689,651,000	\$ 766,390,000	\$ 860,801,000

Source: FDIC: Deposit Market Share Report June 30, 2021, City of Walnut Finance Department, and City of Walnut Building Department

City of Walnut, California  
 Construction and Bank Deposit Activity  
 Last Ten Fiscal Years

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
22	97	72	18	3	29
\$ 15,959,112	\$ 39,160,875	\$ 11,597,194	\$ 16,206,324	\$ 8,672,560	\$ 18,467,667
573,580	1,982,436	628,931	514,493	2,046,217	607,366
<u>\$ 16,532,692</u>	<u>\$ 41,143,311</u>	<u>\$ 12,226,125</u>	<u>\$ 16,720,817</u>	<u>\$ 10,718,777</u>	<u>\$ 19,075,033</u>
689	587	511	414	948	456
\$1,023,415,000	\$1,211,609,000	\$1,379,363,000	\$1,444,420,000	\$1,773,297,000	\$2,133,975,000

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City of Walnut, California  
Insurance in Force  
June 30, 2020 (Unaudited)

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<u>CARRIER</u>	<u>POLICY #</u>	<u>COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>	<u>TERM</u>
Alliant Insurance	01-544-10-04	Public Employees "O"	\$ 1,000,000	07/01/2020-06/30/2021
		Theft "C"	\$ 1,000,000	
		Forgery "B"	\$ 1,000,000	
		Computer Fraud "F"	\$ 1,000,000	
California Joint Powers Insurance Authority	B128410009W18	Property	\$ 33,316,840	07/01/2020-06/30/2021
		Earthquake & Flood	No Coverage	
		Other Vehicles Physical Damage	\$ 420,652	
		Mechanical Breakdown	\$ 29,970,379	
		Fire and Ambulance Physical Damage	No Coverage	
California Joint Powers Insurance Authority		General Liability	\$ 30,000,000	07/01/2020-06/30/2021
		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, California  
 Operating Indicators by Function  
 Last Ten Fiscal Years

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Public Safety:</b>				
Number of employees trained on Emergency Operation	60	60	60	50
Number of volunteers on patrol	12	9	12	15
Parking Citation Issued	2,423	1,779	1,436	2,275
<b>Community Development:</b>				
Planning Application Processed	148	136	150	154
Code Enforcement Complaint Response	535	601	789	775
Dial-A-Ride Members	4,447	4,618	4,069	4,338
Metrolink Passes Sold	2,264	2,028	1,729	1,524
<b>Public Works:</b>				
Street Resurfacing (square feet)	301,545	21,000	228,360	1,944,687
<b>Parks and recreation:</b>				
Number of recreation classes	236	500	750	683
Number of youth registered	4,706	6,000	6,500	5,500

Source: City of Walnut Departments

City of Walnut, California  
 Operating Indicators by Function  
 Last Ten Fiscal Years

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
50	50	50	46	63	73
30	20	13	15	18	17
3,688	1,337	2,223	1,514	1,026	675
156	105	148	128	88	132
801	817	846	1,061	763	894
4,521	4,645	4,834	5,094	5,162	5,173
1,421	1,368	1,347	1,110	745	25
2,303,654	3,234,562	3,234,562	2,674,770	2,862,703	185,500
650	757	935	817	575	125
5,250	5,821	4,200	5,175	2,931	901

City of Walnut, California  
 Capital Assets Statistics by Function  
 Last Ten Fiscal Years

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Works:					
Street (Miles)	112	112	111	111	111
Street lights	1,831	1,835	1,853	1,934	1,934
Traffic signals	40	40	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	<u>1,996</u>	<u>2,000</u>	<u>2,017</u>	<u>2,098</u>	<u>2,098</u>

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



City of Walnut, California  
 Capital Assets Statistics by Function  
 Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
111	111	111	111	111
1,934	1,912	1,920	1,916	1,924
41	41	41	41	41
11	11	11	11	11
1	1	1	1	1
1	1	1	1	1
<u>2,099</u>	<u>2,077</u>	<u>2,085</u>	<u>2,081</u>	<u>2,089</u>

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	29,835
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	\$730

Source: City Finance Department



21201 La Puente Road, Walnut, CA 91789  
[www.CityofWalnut.org](http://www.CityofWalnut.org)



#CityofWalnut