

# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015



WALNUT, CALIFORNIA



Comprehensive Annual Financial Report  
For the fiscal year ended  
June 30, 2015

Prepared by:  
City of Walnut, Administrative Services  
Finance Division

CITY OF WALNUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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# **Introductory Section**

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# CITY OF WALNUT

December 1, 2015

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

It is a pleasure to submit the Comprehensive Annual Financial Report of the City of Walnut for the fiscal year ended June 30, 2015. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

Lance, Soll, & Lunghard, LLP, 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 related Office of Management and Budget's (OMB) Circular A-133. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of the report.

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

## **THE PROFILE OF THE CITY OF WALNUT**

The City was founded in 1940 and incorporated on January 19, 1959, with a population of 1,000. The vote was 241 to 24 for approval. The size of the City at the time of incorporation was 7.5 miles. The City was named after the largest ranch, El Rancho de los Nogales (Nogales meaning “walnuts” in Spanish). The City is situated in the greater Walnut Valley, nestled in an area between San Jose Hills to the north and the Puente Hills to the south, 20 miles east of downtown Los Angeles. This picturesque valley, coupled with its colorful history, provides contemporary living. Walnut with its unique atmosphere, a pleasant mixture of country living with urban convenience. It currently occupies 8.83 square miles and serves a population of 30,257.

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. This year, 2015, the City was again ranked #49 on the Money Magazine’s list of the “Best Places to Live.” 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 residence 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 held in October each year. The City is home to 11 parks with area of 95 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 Sheriff Department and Los Angeles County Fire District.

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 11).

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, self-insurance, other post-employment benefits, capital project and facility maintenance. In addition, the City Council assigned fund to community services recreation facility construction 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 \$16 million. Of that balance the unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) was \$15.8 million, which is approximately 134% of the total general fund expenditures. The total net change in the general fund balance is \$(203,196), which is mainly due to the LOSMD expenses for arterials and collectors.

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 2016-2020 Capital Improvement Program anticipates \$4,485,000 in capital projects.

## **FUTURE ECONOMIC OUTLOOK**

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

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Walnut for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-six (26<sup>th</sup>) consecutive years that the government has achieved these prestigious awards. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

## **ACKNOWLEDGEMENT**

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

Respectfully submitted,



Robert M. Wishner  
City Manager



Karen Ogawa  
Administrative Services Director



Marie Santos  
Finance Officer



Government Finance Officers Association

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

Presented to

**City of Walnut  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

CITY OF WALNUT  
OFFICIALS

June 30, 2015

**CITY COUNCIL**

Nancy Tragarz, Mayor  
Eric Ching, Mayor Pro Tem  
Tony Cartagena, Councilmember  
Bob Pacheco, Councilmember  
Mary Su, Councilmember

**WALNUT SUCCESSOR AGENCY**

Nancy Tragarz, Mayor  
Eric Ching, Mayor Pro Tem  
Tony Cartagena, Councilmember  
Bob Pacheco, Councilmember  
Mary Su, Councilmember

**CITY OFFICIALS**

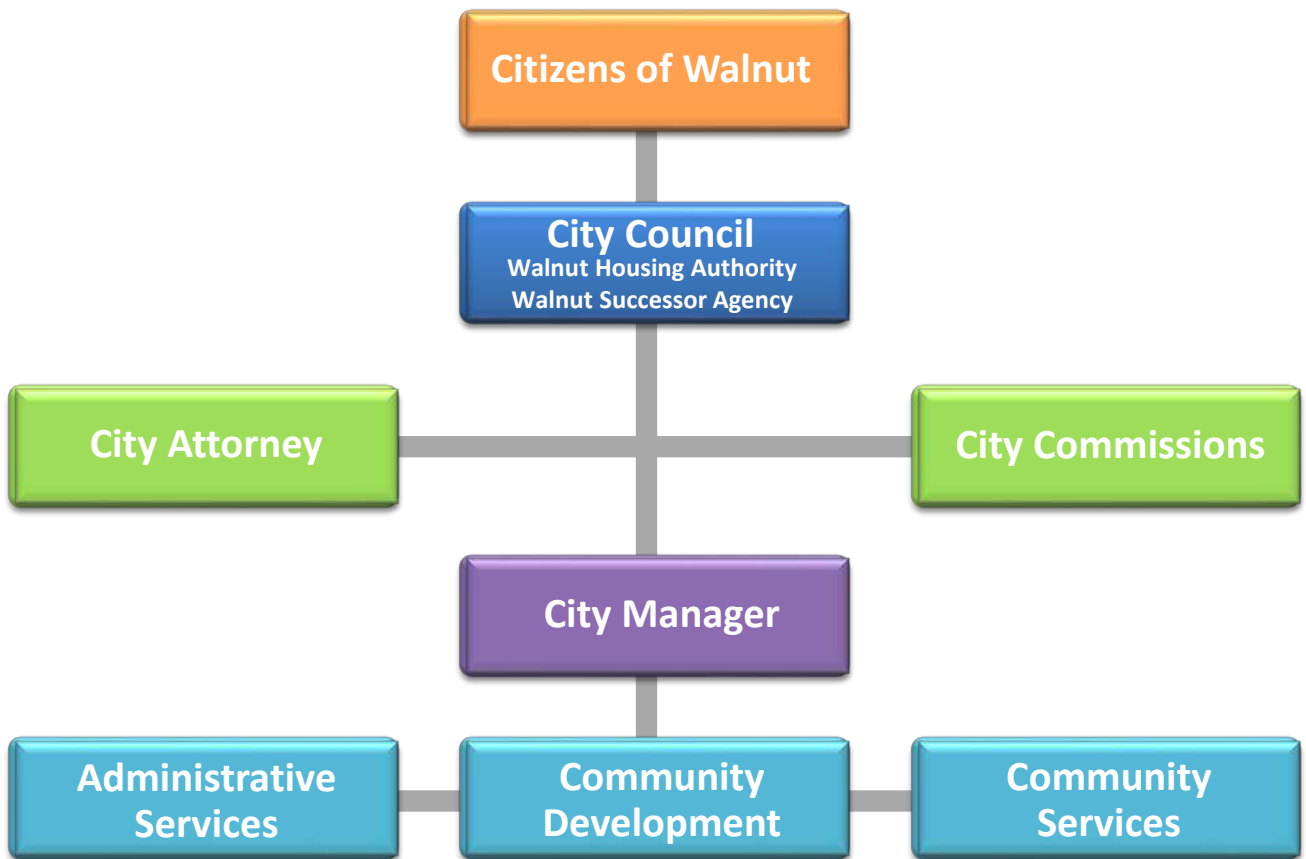
Robert M. Wishner, City Manager  
Teresa De Dios, City Clerk  
Karen Ogawa, City Treasurer

**WALNUT SUCCESSOR AGENCY OFFICIALS**

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

# City of Walnut Organizational Chart

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



City Clerk  
Public Safety  
Human Resources  
Risk Management  
Public Relations  
Cable Television  
Records Management  
Emergency  
Preparedness

Accounting  
Treasury  
Business License  
Parking Citations  
Parking Permits  
Budget  
Passport Services  
Information  
Technology

Planning & Zoning  
Building & Safety  
Code Enforcement  
Engineering  
Economic  
Development  
Housing/CDBG

Park Maintenance  
LOSMD Maintenance  
Recreation  
Aquatics  
Graffiti Removal  
Public Works  
Street Sweeping  
Public Operations  
Building Maintenance  
Senior Services

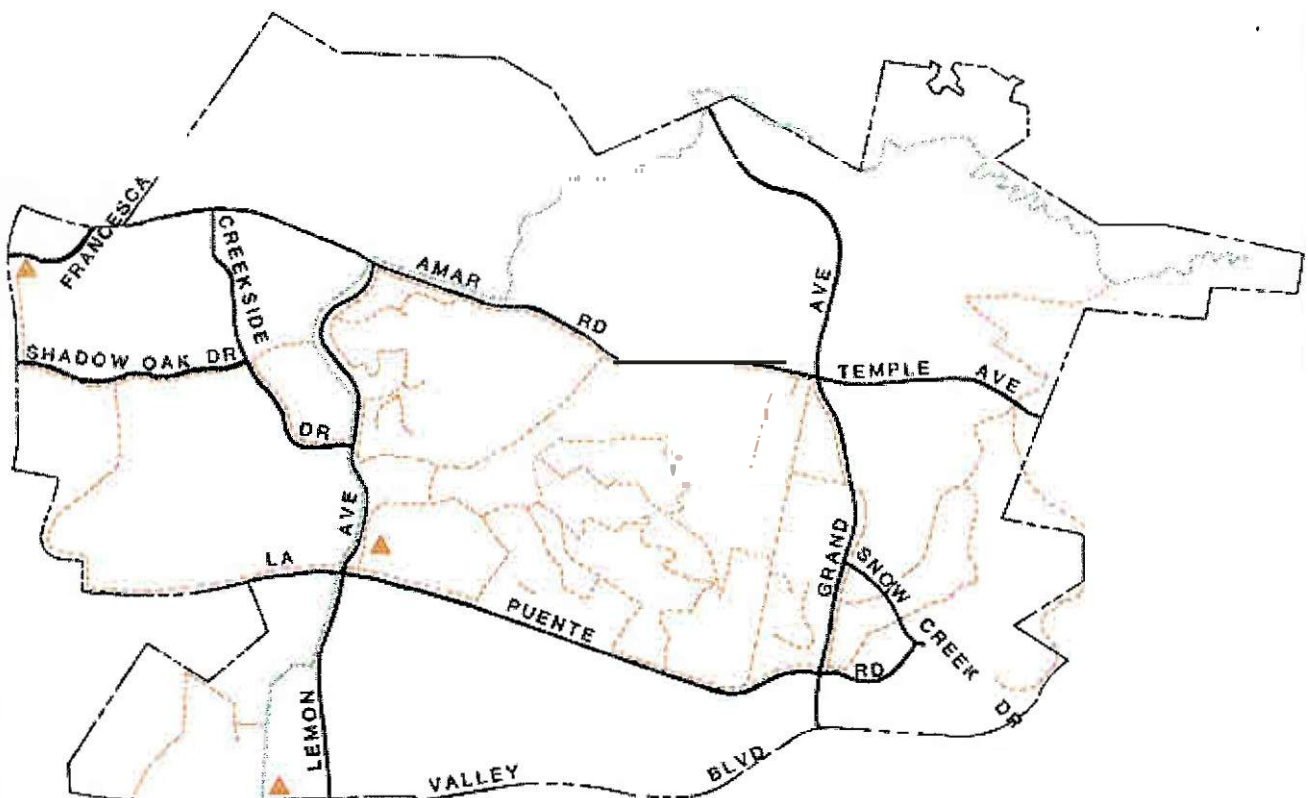
# City of Walnut Trail Map



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

City of Walnut  
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(909) 595-7543

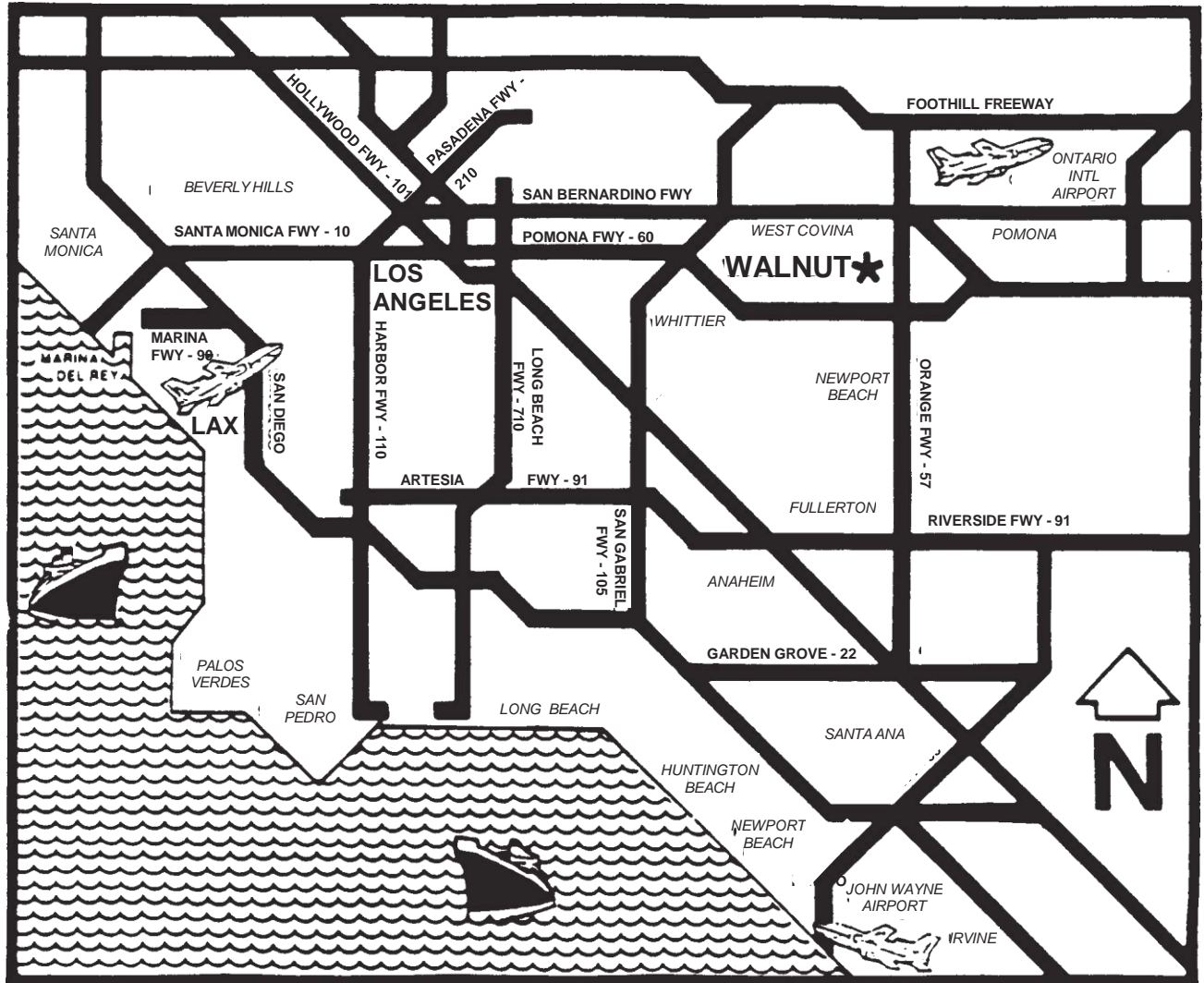
of the open spaces, parks, and preserved natural areas. Along the trails are three rest areas, located on Valley Boulevard at Lemon Creek, on Nogales Street south of Francesca Drive, and on Lemon Avenue just north of La Puente Road. All three rest areas have picnic tables, trash cans, and trees to provide shade. The map below indicates the equestrian/hiking trails and rest areas.



TOTAL CITY TRAILS	23.5 MILES
TOTAL COUNTY TRAILS	7 MILES
TOTAL TRAIL MILES	30.5 MILES

# Southern California

## City of Walnut



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# **Financial Section**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of 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 City of Walnut, California, (the City) as of and for the year ended June 30, 2015, 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.



To the Honorable Mayor and Members of the City Council  
City of Walnut, California

### **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 of Walnut, California, as of June 30, 2015, 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.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison schedules for the General Fund, the Community Development Block Grant Fund, the Lighting and Open Space Maintenance District (LOSMD) Fund and the Low and Moderate Income Housing Fund; the schedules of proportionate share of net pension liability; and the schedules of contributions 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 nonmajor 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 nonmajor fund financial 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 nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council  
City of Walnut, California

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 November 4, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 "Lance, Solt &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Brea California  
November 4, 2015

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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, 2015. 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 \$96,236,733 (net position).
- The General Fund has a fund balance of \$16.1 million.
- The General Fund actual resources available for appropriation (revenue inflows and fund balance) exceeded final budget by \$882,514 while actual appropriations (outflows) were \$406,861 less than budget.
- At the close of the current fiscal year, the City of Walnut governmental funds reported a combined fund balances of \$28,387,031.
- 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 \$15.8 million or approximately 134% of the total general fund expenditures.

### 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 comprise 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 21 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, three special revenue funds, and one capital project fund, all of which are considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

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

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

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

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

**Government-wide Overall Financial Analysis**

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

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

	Governmental Activities	
	2015	2014
Current and other assets	\$ 31,103	\$ 31,787
Capital assets	73,440	73,613
Total assets	104,543	105,400
Total deferred outflows of resources	420	-
Long-term liabilities outstanding	5,063	693
Other liabilities	2,355	1,779
Total Liabilities	7,418	2,472
Total deferred inflows of resources	1,308	-
Net position:		
Net investments in capital assets	73,440	73,613
Restricted	8,213	8,290
Unrestricted	14,584	21,025
Total net position	\$ 96,237	\$ 102,928

The City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,236,733 at the close of the fiscal year.

The largest portion of the City of Walnut’s net position (76.3%) 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 (8.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,584,364 is unrestricted and maybe used to meet the government’s ongoing obligations to its citizens and creditors.

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



The City of Walnut overall net position decreased \$6,691,342 mainly due to the restatement of the beginning net position in the amount of \$5,162,117 when the City implemented the GASB 68 –Accounting and Financial reporting for pension and the decreased of \$1,529,225 is mainly due to the various street related projects constructed during the year, as well as, changes as a result of operation as recorded in the statement of activities and reflected in the statement of net positions. The following is an explanation of the major changes:

- Current and other assets decreased by \$684,714. Cash and investments decreased due to the payment of several capital projects that were completed during the year. Prepaid cost decrease \$355,454 as compared to prior year. Due from other governments also decreased due to lower grant receivable outstanding at end of the year when compared to last year.
- Capital assets decreased \$173,072 net of depreciation. The decrease was attributed to the infrastructures, furniture, and equipment that were fully depreciated and retired during the year. The Amar Street (East) resurfacing, miscellaneous street lights installation, accounting software upgrade, Senior Center sound system, and cable room broadcast equipment are the capital assets completed during the fiscal year. Construction in progress increased due to the irrigation controller installation project, phone system, and the website redesign projects which are still on-going. The changes are as follows:

**City of Walnut Asset Type  
(In Thousands)**

Land	\$ -
Construction in progress	1,103
Building and improvements	(487)
Furniture and equipment	(49)
Infrastructure	(740)
Capital assets net decrease	\$ (173)

- The City of Walnut uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.
- Long-term debt outstanding increased \$4,369,422 mainly due to the recording of the net pension obligation as required per GASB 68 regulation. The other post-employment benefit obligation increased by \$83,002 and accrued employee benefits increased \$25,183 during the year.
- Deferred outflows and inflows of resources related to net pension obligation increased as a result of the implementation of GASB 68 during the fiscal year.
- Other liabilities increased \$575,852, mainly due to increase in Accounts payable related to various capital improvement projects that are completed during the year, In addition, there is also an increased in Accrued benefits related to health premiums and cost of living allowance during the year.

**Governmental Activities.** Governmental activities decreased the City of Walnut net position by \$6,691,342. Key elements of the changes are as follow:

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

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 4,697	\$ 5,614
Operating contributions and grants	1,292	1,491
Capital contributions and grants	1,798	1,338
General revenues:		
Taxes		
Property taxes	6,238	5,995
Sales taxes	1,574	1,346
Franchise taxes	963	950
Business license taxes	100	105
Other taxes	331	326
Motor vehicle in lieu	24	24
Use of money and property	468	583
Other	18	68
Total revenues	17,503	17,840
Expenses		
General government	\$ 2,618	\$ 2,555
Public safety	3,581	3,619
Community development	2,192	8,240
Community services	3,712	3,623
Public works	6,929	7,909
Total expenses	19,032	25,946
Decrease in net position	\$ (1,529)	\$ (8,106)
Beginning Net Position	102,928	111,034
Restatement of net position	(5,162)	-
Ending Net Position	\$ 96,237	\$ 102,928

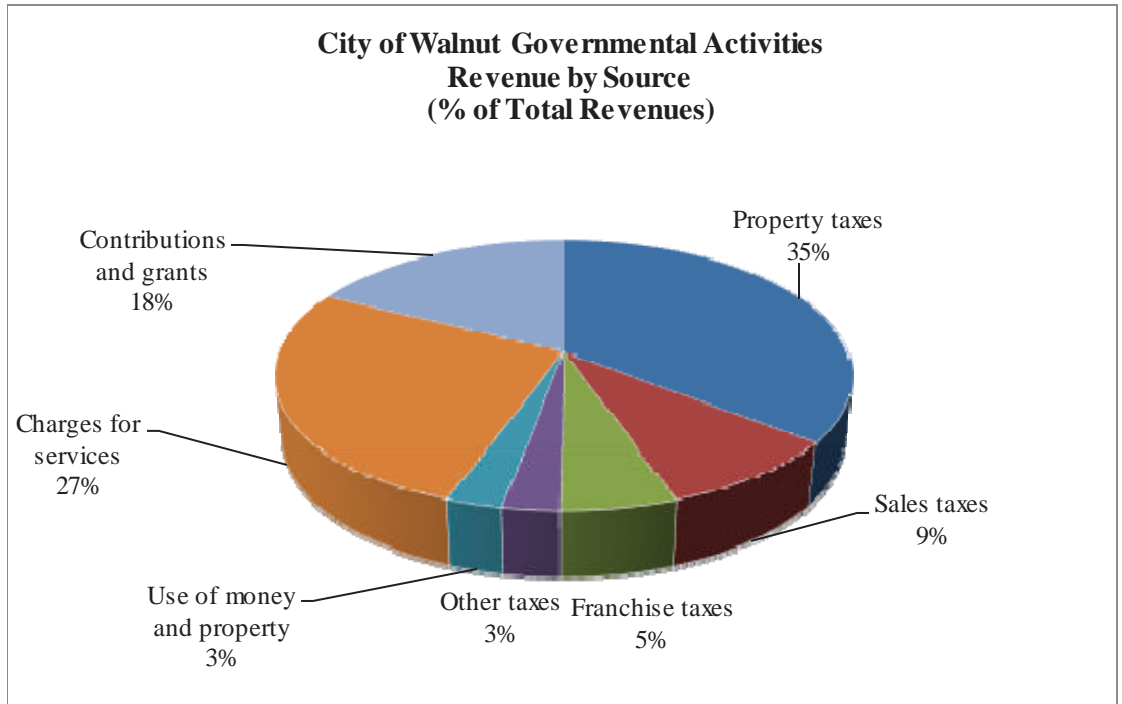
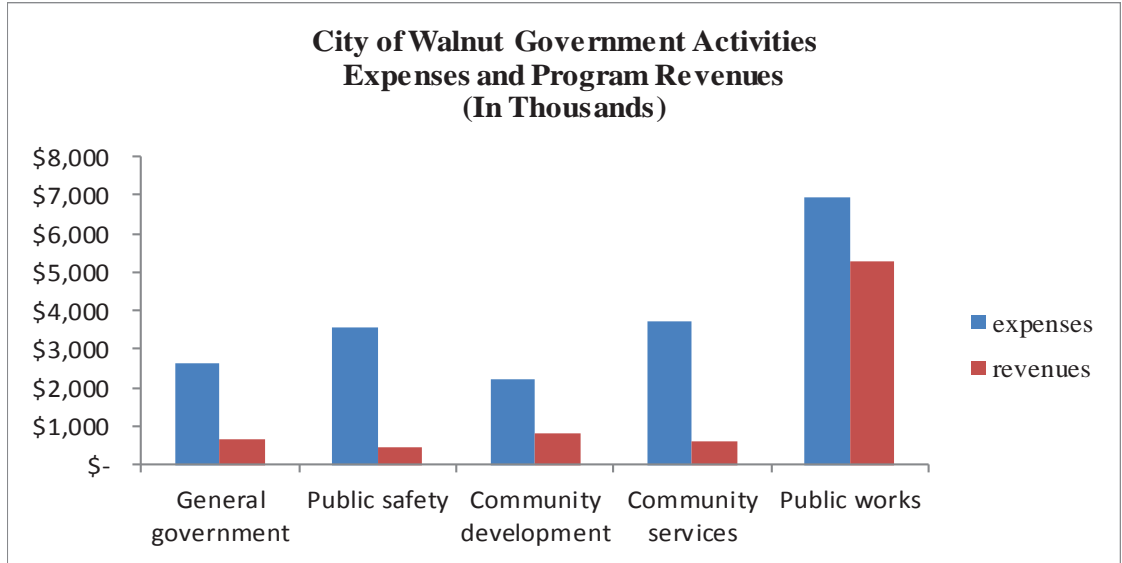
- The decrease of \$916,398 in charges for services is due to lower revenues received from the animal licensing, general code fines, vehicle code fines, sports leagues, aquatic program, as compared to last year. The assessment for LOSMD Zone 9 revenue decreased by \$126,433 due to adjustment of

the assessment not needed for the current year. However, there is a modest increase in other revenues such as passport, vehicle code fines related to parking. Also, the City received \$24,562 partial payment of the state mandated cost reimbursement and a \$99,705 general liability insurance refund.

- The decrease of \$198,644 in operating contributions and grants is mainly due to lower gas tax revenues received from the State and lower Community Development Block Grant (CDBG) revenues received this year as compared to the prior year. In addition, a water rebate totaling \$121,330 was received from SoCalMart Metropolitan Water District (MWD) for the installation of weather based irrigation controller.
- The capital contribution and grants increased by \$460,200 mainly due to the revenues received from Caltrans for the Amar Street resurfacing project. Also, there is a slight increase on the proposition A revenue received this year as compared to last year.
- Property tax increased by \$243,079 as compared to last year, a 4% increase attributed to the increase of property tax -VLF and continued increase in property values. The city also received the property tax administration fee settlement during the year.
- Sales tax increased by \$228,254 as compared to last year mainly due to increase in the triple flip revenues received from the state and the market continue to show positive trend toward recovery.
- Franchise tax revenues received increased modestly by \$12,791 compared to last year due to higher demand for services.
- Other taxes revenues increased by \$4,909 due to higher Public Safety Augmentation Fund (PSAF) and development tax received during the year. However, the documentary stamp tax revenues received this year is lower as compared to last year.
- The decrease of \$114,826 in use of money and property from last year is mainly due to the recording of the market valuation adjustment of the investments as required by GASB 31. Also investment earnings is still at the lower rate. However, revenues received from telecommunication lease increased \$18,931 compared to prior year.
- Other revenues decreased by \$50,065 as compared to prior year due to no one time reimbursement received this year.
- General government expenses increased by \$62,861 due to increase in special legal expenses and the addition of permanent part time positions at the City Clerk, Finance, and Administration department.
- Public safety expenses decreased 62,861 mainly due to lower animal control services, weed abatement services, as well as, the elimination of red light camera last fiscal year reduced the expenses during the year. In addition, the law enforcement contractual services increased 6% as compared to prior year.
- Community development expenses decreased by \$6,046,473. The decrease is mainly due to the \$6,150,000 transfer by the Successor Walnut Housing Authority to the Walnut Successor Agency of the unspent bond proceeds including interest when the outstanding bonds were defeased last fiscal year. However, the expenses for professional services increased due to the transfer of the

CDBG administration cost to planning. The code enforcement related special legal expenses increased when compared to last year.

- Public Work expenses decrease \$980,200 mainly due to lower depreciation expense recorded for this year compared to last fiscal year.



**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 \$28,387,031. A decrease of \$1,385,593 in comparison to prior year.

Of this balance 22% (\$6,277,339) are legally restricted to fund such areas as low and moderate housing projects, public safety, community services, and public works; 34% (\$9,613,077) are committed to capital projects, other post-employment benefits, disaster recovery, self-insurance and facility maintenance; 32% (\$9,111,570) are assigned to community services and maintenance and operations, 8% (\$2,219,268) are nonspendable balances for Notes and loans, advances to other funds, and prepaid costs; 4% (\$1,165,777) 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 \$16,099,618. The unassigned fund balance of the general fund is \$1,179,125, which represents approximately 10% compared to the general fund expenditures, while the total fund balance represents approximately 136% of the general fund expenditures. The general fund balance decreased \$203,196 in comparison to last year is mainly due to the transfer of the arterial and collector expenses from the Landscape and Open Maintenance District (LOSMD) and decrease in recreation program revenues as mentioned earlier.

The capital improvement fund accounts for major capital outlay and infrastructures improvements for the City. The fund balance at the end of the year is \$4,088,292, a decreased of \$971,840 as a result of the various capital items and projects completed during the year. These projects were Amar Street (East) resurfacing, installation of miscellaneous street lights, accounting software upgrade, and the construction in progress for the irrigation controller installation, telephone installation, and website redesign project that will be completed next fiscal year.

The non-major governmental fund balance relating to the gas tax fund received from the State and the Citizen Option for Public Safety (COPS) grant fund balance increased. Also, the proposition A, proposition C fund increased during the year due to higher allocation received from Los Angeles County for the City's share of the ½ cents sales tax levied for local transit and public transit purposes.

### **General Fund Budgetary Highlights**

The actual charges to appropriations for the general fund at year end were \$406,861 less than the final budget. The budget to actual variance in appropriations was due close control by management on spending and savings realized due to decrease in staffing level through normal attrition. Actual revenues compared favorably to the final budget with a \$882,514 excess. This positive variance was due to the increased revenues as mentioned earlier. In addition, this increase is also attributed to the increased revenues received from franchise tax, building related plan check, inspections fees, and passports. 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 \$482,771.

## Capital Asset and Debt Administration

**Capital Assets.** At the end of the fiscal year ended June 30, 2015, the City had \$135,839,151 invested in a broad range of capital assets including land, buildings, infrastructures, furniture, and equipment. The amount represents a net increase of \$2,082,820 over last year. This increase is mainly due to the various capital items purchase and capital improvement projects completed during the year.

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

	Governmental Activities	
	2015	2014
Land	\$ 10,793	\$ 10,793
Construction in progress	1,103	-
Building and improvements	13,408	13,894
Furniture and equipment	755	805
Infrastructure	47,381	48,121
Total	<u>\$ 73,440</u>	<u>\$ 73,613</u>

The City's five-year Capital Improvement Plans projects spending \$4.5 million through fiscal year 2019-20. Funding will come from current fund balances committed for capital projects and projected revenues over the next five years. The most significant projects include the design and construction of a future recreation facility, Suzanne Park East parking lot improvement, Creekside Park playground equipment renovation, Area 5 slurry seal maintenance.

Additional information on the capital assets can be found in Note 3 on page 38 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City of Walnut had total accrued employee benefits, net pension obligation and other post-employment benefit (OPEB) obligation of \$5,062,575.

### City of Walnut Outstanding Debt (In Thousands)

	Governmental Activities	
	2015	2014
OPEB obligation	\$ 436	\$ 353
Net Pension Obligation, restated	4,261	5,508
Accrued employee benefits	365	340
Total	<u>\$ 5,062</u>	<u>\$ 6,201</u>

Additional information on long-term debt can be found in Note 4 on page 39 of this report.

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

The revenue and expenditure projections provided for the 2015-16 budget is based upon economic forecasts and trends for the area in which the City is located. It is based on the information supplied by outside agencies, such as the State Department of Finance, State Board of Equalization, and the Los Angeles County Assessor's Office, to predict revenues for entitlement, grants, state subventions, sales tax and property tax. The revenue and expenditure projections are intended to serve as a guide in planning for the future.

This year, the assumptions used for forecasting the revenues included a flat sales tax projection for the next couple of years with a 2% increase projected in years 3 through 5, 2% increase on the property taxes and franchise taxes and 5% increase in the telecommunication lease revenue. These projections were based on the current economic situation and uncertainty in the market.

The building related revenues such as plan checks and building permits have been projected to have a slight increase due to new development project(s) that are currently in the beginning stages; however, no increases are projected for the years thereafter 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 1% 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 3% in year 2 and 3 and 4% thereafter. All liability and property insurance costs are projected to increase by 4%. In addition, where ever possible, any expenditures which are not "on-going", such as expenditures identified for certain capital or fixed asset items, have not been carried forward as expenditures in following years. Also taken into consideration are any costs for contracted services, in which the City has an agreement with the provider, where the fees are to remain constant for a specified number of years.

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

## **Request for Information**

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Walnut finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Division, at the City of Walnut, P.O. Box 682, Walnut, CA 91788-0682.

# **Basic Financial Statements**



CITY OF WALNUT

STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Primary Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 26,797,619
Receivables:	
Accounts	324,449
Notes and loans	1,796,512
Accrued interest	21,981
Deferred loans	735,277
Prepaid costs	33,268
Due from other governments	839,633
Restricted assets:	
Cash with fiscal agent	554,000
Capital assets not being depreciated	11,895,802
Capital assets, net of depreciation	<u>61,544,098</u>
<b>Total Assets</b>	<b><u>104,542,639</u></b>
<b>Deferred Outflows of Resources:</b>	
Deferred pension related items	<u>419,916</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>419,916</u></b>
<b>Liabilities:</b>	
Accounts payable	1,095,243
Accrued liabilities	222,156
Unearned revenue	416,167
Due to other governments	596,659
Due to Successor Agency	24,825
Noncurrent liabilities:	
Due within one year	312,473
Due in more than one year	52,488
Net pension obligation	4,261,237
Net OPEB obligation	<u>436,377</u>
<b>Total Liabilities</b>	<b><u>7,417,625</u></b>
<b>Deferred Inflows of Resources:</b>	
Deferred pension related items	<u>1,308,197</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,308,197</u></b>
<b>Net Position:</b>	
Net Investment in capital assets	73,439,900
Restricted for:	
Community development projects	4,893,456
Public safety	78,868
Community services	140,630
Public works	3,099,515
Unrestricted	<u>14,584,364</u>
<b>Total Net Position</b>	<b><u>\$ 96,236,733</u></b>

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CITY OF WALNUT

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

	Program Revenues			Primary Government	
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
				Net (Expenses) Revenues and Changes in Net Position	
				Governmental Activities	
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 2,618,229	\$ 595,221	\$ 53,935	\$ -	\$ (1,969,073)
Public safety	3,581,460	330,047	106,230	-	(3,145,183)
Community development	2,192,492	1,541	284,003	529,621	(1,377,327)
Community services	3,711,593	583,746	27,560	-	(3,100,287)
Public works	6,929,084	3,186,757	820,637	1,268,363	(1,653,327)
<b>Total Governmental Activities</b>	<b>19,032,858</b>	<b>4,697,312</b>	<b>1,292,365</b>	<b>1,797,984</b>	<b>(11,245,197)</b>
<b>Total Primary Government</b>	<b>\$ 19,032,858</b>	<b>\$ 4,697,312</b>	<b>\$ 1,292,365</b>	<b>\$ 1,797,984</b>	<b>(11,245,197)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					6,238,354
Sales taxes					1,573,976
Franchise taxes					963,244
Business licenses taxes					99,520
Other taxes					330,536
Motor vehicle in lieu - unrestricted					24,009
Use of money and property					468,085
Other					18,248
<b>Total General Revenues</b>					<b>9,715,972</b>
Change in Net Position					(1,529,225)
Net Position at Beginning of Year					102,928,075
Restatement of Net Position					(5,162,117)
<b>Net Position at End of Year</b>					<b>\$ 96,236,733</b>

CITY OF WALNUT

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Community Development Block Grant</b>	<b>LOSMD</b>	<b>Low and Moderate Income Housing Fund</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 15,932,667	\$ -	\$ 1,286,835	\$ 147,163
Receivables:				
Accounts	267,349	-	23,667	-
Notes and loans	-	-	-	1,796,512
Accrued interest	20,509	-	-	-
Deferred loans	-	596,659	-	-
Prepaid costs	33,268	-	-	-
Due from other governments	683,381	81,440	27,484	-
Due from other funds	144,774	-	-	-
Advances to other funds	250,870	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	554,000	-	-	-
<b>Total Assets</b>	<b>\$ 17,886,818</b>	<b>\$ 678,099</b>	<b>\$ 1,337,986</b>	<b>\$ 1,943,675</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 840,595	\$ 7,468	\$ 8,714	\$ -
Accrued liabilities	218,869	-	-	-
Unearned revenues	355,601	-	-	-
Due to other governments	-	596,659	-	-
Due to other funds	-	73,972	-	1,969
Due to Successor Agency	24,825	-	-	-
Advances from other funds	-	-	250,870	-
<b>Total Liabilities</b>	<b>1,439,890</b>	<b>678,099</b>	<b>259,584</b>	<b>1,969</b>
<b>Deferred Inflows of resources:</b>				
Unavailable revenues	347,310	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>347,310</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	284,138	-	-	1,796,512
Restricted	-	-	1,078,402	145,194
Committed	5,524,785	-	-	-
Assigned	9,111,570	-	-	-
Unassigned	1,179,125	-	-	-
<b>Total Fund Balances</b>	<b>16,099,618</b>	<b>-</b>	<b>1,078,402</b>	<b>1,941,706</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,886,818</b>	<b>\$ 678,099</b>	<b>\$ 1,337,986</b>	<b>\$ 1,943,675</b>

CITY OF WALNUT

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>Capital Projects Funds</u>		
	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Pooled cash and investments	\$ 4,110,022	\$ 5,320,932	\$ 26,797,619
Receivables:			
Accounts	606	32,827	324,449
Notes and loans	-	-	1,796,512
Accrued interest	-	1,472	21,981
Deferred loans	-	138,618	735,277
Prepaid costs	-	-	33,268
Due from other governments	-	47,328	839,633
Due from other funds	-	-	144,774
Advances to other funds	-	-	250,870
Restricted assets:			
Cash and investments with fiscal agents	-	-	554,000
<b>Total Assets</b>	<b><u>\$ 4,110,628</u></b>	<b><u>\$ 5,541,177</u></b>	<b><u>\$ 31,498,383</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 22,336	\$ 216,130	\$ 1,095,243
Accrued liabilities	-	3,287	222,156
Unearned revenues	-	60,566	416,167
Due to other governments	-	-	596,659
Due to other funds	-	68,833	144,774
Due to Successor Agency	-	-	24,825
Advances from other funds	-	-	250,870
<b>Total Liabilities</b>	<b><u>22,336</u></b>	<b><u>348,816</u></b>	<b><u>2,750,694</u></b>
<b>Deferred Inflows of resources:</b>			
Unavailable revenues	-	13,348	360,658
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>13,348</u></b>	<b><u>360,658</u></b>
<b>Fund Balances:</b>			
Nonspendable	-	138,618	2,219,268
Restricted	-	5,053,743	6,277,339
Committed	4,088,292	-	9,613,077
Assigned	-	-	9,111,570
Unassigned	-	(13,348)	1,165,777
<b>Total Fund Balances</b>	<b><u>4,088,292</u></b>	<b><u>5,179,013</u></b>	<b><u>28,387,031</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 4,110,628</u></b>	<b><u>\$ 5,541,177</u></b>	<b><u>\$ 31,498,383</u></b>

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CITY OF WALNUT

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

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Fund balances of governmental funds	\$ 28,387,031
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.	73,439,900
Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2014, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions.	388,624
Adjustment due to the changes in the proportionate share of the pension plan are recorded as deferred outflows of resources and amortized over the remaining service life.	31,292
Compensated absences have not been included in the governmental fund activity.	(364,961)
Governmental funds report all pension contributions as expenditures, however in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability.	(4,261,237)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as assets or liability.	(436,377)
The difference between the proportionate share of the projected and actual earnings on the pension plan investments is reported as deferred inflows of resources and amortized over the remaining service life.	(1,182,260)
The difference between the actual contributions and the proportionate share of contributions is reported as deferred inflows of resources and amortized over the remaining service life.	(125,937)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>360,658</u>
<b>Net Position of governmental activities</b>	<b><u>\$ 96,236,733</u></b>

## CITY OF WALNUT

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Community Development Block Grant</b>	<b>LOSMD</b>	<b>Low and Moderate Income Housing Fund</b>
<b>Revenues:</b>				
Taxes	\$ 9,093,952	\$ -	\$ -	\$ -
Assessments	-	-	2,159,654	-
Licenses and permits	785,402	-	-	-
Intergovernmental	145,339	138,393	-	-
Charges for services	1,174,295	-	-	-
Use of money and property	427,327	-	-	-
Fines and forfeitures	33,666	-	-	-
Miscellaneous	286,848	-	-	-
<b>Total Revenues</b>	<b>11,946,829</b>	<b>138,393</b>	<b>2,159,654</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	2,382,053	-	-	-
Public safety	3,414,628	-	-	-
Community development	1,372,500	138,393	-	13,920
Community services	3,192,321	-	-	-
Public works	1,326,515	-	2,120,664	-
Capital outlay	111,934	-	43,037	-
<b>Total Expenditures</b>	<b>11,799,951</b>	<b>138,393</b>	<b>2,163,701</b>	<b>13,920</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	146,878	-	(4,047)	(13,920)
<b>Other Financing Sources (Uses):</b>				
Transfers in	273,455	-	-	-
Transfers out	(623,529)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(350,074)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(203,196)	-	(4,047)	(13,920)
Fund Balances, Beginning of Year	16,302,814	-	1,082,449	1,955,626
<b>Fund Balances, End of Year</b>	<b>\$ 16,099,618</b>	<b>\$ -</b>	<b>\$ 1,078,402</b>	<b>\$ 1,941,706</b>



## CITY OF WALNUT

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<u>Capital Projects Funds</u>		
	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 9,093,952
Assessments	-	-	2,159,654
Licenses and permits	-	-	785,402
Intergovernmental	-	2,844,144	3,127,876
Charges for services	-	-	1,174,295
Use of money and property	-	40,758	468,085
Fines and forfeitures	-	171,894	205,560
Miscellaneous	-	76,935	363,783
<b>Total Revenues</b>	<b>-</b>	<b>3,133,731</b>	<b>17,378,607</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	2,382,053
Public safety	-	156,174	3,570,802
Community development	-	610,749	2,135,562
Community services	58,070	51,840	3,302,231
Public works	-	1,262,219	4,709,398
Capital outlay	1,455,944	1,053,239	2,664,154
<b>Total Expenditures</b>	<b>1,514,014</b>	<b>3,134,221</b>	<b>18,764,200</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,514,014)	(490)	(1,385,593)
<b>Other Financing Sources (Uses):</b>			
Transfers in	623,529	-	896,984
Transfers out	(81,355)	(192,100)	(896,984)
<b>Total Other Financing Sources (Uses)</b>	<b>542,174</b>	<b>(192,100)</b>	<b>-</b>
Net Change in Fund Balances	(971,840)	(192,590)	(1,385,593)
Fund Balances, Beginning of Year	5,060,132	5,371,603	29,772,624
<b>Fund Balances, End of Year</b>	<b>\$ 4,088,292</b>	<b>\$ 5,179,013</b>	<b>\$ 28,387,031</b>

**CITY OF WALNUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015**

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Net change in fund balances - total governmental funds \$ (1,385,593)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital assets	\$ 2,574,909	
Depreciation	(2,747,981)	(173,072)

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. (25,183)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (83,002)

Pension obligation 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. 12,599

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 125,026

**Change in net position of governmental activities \$ (1,529,225)**

CITY OF WALNUT

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Agency Fund <u>Trust and Agency Fund</u>	Private Purpose Trust Fund <u>Successor Agency of the Former RDA</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 649,185	\$ 180,722
Receivables:		
Accrued interest	-	111
Due from City	-	24,825
Restricted assets:		
Cash and investments with fiscal agents	-	252,233
<b>Total Assets</b>	<b>649,185</b>	<b>457,891</b>
<b>Deferred Outflows of Resources:</b>		
Deferred loss on debt refunding		12,697
<b>Total Deferred Outflows of Resources</b>		<b>12,697</b>
<b>Liabilities:</b>		
Accounts payable	10,446	-
Accrued interest	-	168,150
Deposits payable	638,739	-
Long-term liabilities:		
Due in one year	-	3,170,000
Due in more than one year	-	11,336,679
<b>Total Liabilities</b>	<b>\$ 649,185</b>	<b>14,674,829</b>
<b>Net Position:</b>		
Held in trust for other purposes		(14,204,241)
<b>Total Net Position</b>		<b>\$ (14,204,241)</b>

CITY OF WALNUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Private Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 3,852,503
Interest and change in fair value of investments	<u>1,509</u>
<b>Total Additions</b>	<b><u>3,854,012</u></b>
<b>Deductions:</b>	
Administrative expenses	228,176
Contractual services	1,250
Interest expense	<u>428,781</u>
<b>Total Deductions</b>	<b><u>658,207</u></b>
<b>Changes in Net Position</b>	<b>3,195,805</b>
Net Position - Beginning of the Year	<u>(17,400,046)</u>
<b>Net Position - End of the Year</b>	<b><u><u>\$ (14,204,241)</u></u></b>

# **Notes To Financial Statements**

**I. SIGNIFICANT ACCOUNTING POLICIES**

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

**a. Description of the Reporting Entity**

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

Reporting Entity:

Primary Government:  
City of Walnut

Component Unit:  
Walnut Public Financing Authority  
Walnut Housing Authority

As required by generally accepted accounting principles, these financial statements present the City of Walnut (the primary government) and its component units. Component units are entities for which the government is considered to be financially accountable.

The City of Walnut, the primary government, 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 primary government.

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

**Note 1: Summary of Significant Accounting Policies (Continued)**

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statements No. 14, 39 and 61. The City of Walnut is the primary governmental unit. Component units are those entities which are financially accountable to the primary government, either because the component unit will provide financial benefit or impose a financial burden on the primary government.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report on the government as a whole. They include the City of Walnut and its component units, except that neither fiduciary funds nor the component units that are fiduciary in nature are included. 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. Agency funds are reported on the accrual basis of accounting.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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 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 used for the landscape maintenance, rodent control, weed abatement, and other related expenses within the LOSMD.
- The Low & Moderate Income Housing Fund accounts for resources received from the Redevelopment Property Tax Trust Fund for the implementation, administration and monitoring of the Low and Moderate income housing affordability and other reporting requirements of the State housing and redevelopment.
- The Capital Improvement Fund accounts for purchases of land, major capital outlay and infrastructure improvements.

Additionally the government reports the following fund type:

- The Agency Fund is used to report resources held by the City in a purely custodial capacity which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City has one Agency Fund. The Trust and Agency Fund accounts for refundable deposits.
- The Private Purpose Trust fund accounts for the assets and liabilities 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.

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



**Note 1: Summary of Significant Accounting Policies (Continued)**

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

Administrative overhead charges are made to funds and programs and are thereby included in the direct expenses of those funds and programs.

**e. Assets, Liabilities and Net Position or Equity**

**1. Cash and Investments**

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

Investments for the City as well as for its component units are reported at fair value. The City's policy is generally to hold investments until maturity or until fair values equal or exceed cost. The State Treasurer's and Los Angeles County's Investment Pools operate in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

**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). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds 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.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due, and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceeding 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

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**Note 1: Summary of Significant Accounting Policies (Continued)**

3. Prepaid Costs

Payments to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items. A portion of the relevant funds' balances equal to the prepaid items has been reserved 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 governmental activities column 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 \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Infrastructure assets have a capitalization threshold of \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in prior and current years.

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:

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50*
Building improvements	25
Public domain infrastructure	25 - 100
System infrastructure	25 - 100
Vehicles	10
Office equipment	10
Computer equipment	10

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

**Note 1: Summary of Significant Accounting Policies (Continued)**

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date and for actuarial adjustments due to the proportionate share of the contributions made to the pension liability. These actuarial adjustments are deferred and amortized over a five year period. The government also reports deferred outflows for loss on debt refunding which is the result of the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide statement of net position, the government reports deferred inflows of resources for pension related items due to net differences between the projected and actual earnings on pension plan investments and due to changes in pension assumptions or other inputs. These amounts are deferred and amortized over a five year period. The governmental fund balance sheet also reports one item under deferred inflows of resources, which arises only under the modified accrual basis of accounting. The item, unavailable revenue from sales tax and grant reimbursements is reported only in the governmental funds balance sheet and will be recognized as an inflow of resources in the period when the amounts become available.

6. Net Pension Liabilities

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

**Note 1: Summary of Significant Accounting Policies (Continued)**

7. 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 termination of employment, upon completion of one year of service. Sick leave is payable when an employee is unable to work because of illness. Accruals over 160 hours may be paid at the rate of 50% in December of each calendar year.

Upon termination, 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.

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.

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 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.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Note 1: Summary of Significant Accounting Policies (Continued)**

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, 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 and a minute action. 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.

**f. Unearned Revenue**

Revenues totaling \$355,601 which were received in the General Fund and \$60,566 which were received in other nonmajor governmental funds for advance payment of business licenses and other various fees have been recorded as unearned revenue until such time as those revenues meet the recognition criteria.

**g. Effect of New Accounting Standards**

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

**GASB Statement No. 68** – *Accounting and financial Reporting for Pensions—an Amendment of GASB Statement No. 27* will improve the decision-usefulness of information in local government employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

**GASB Statement No. 71** – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**II. DETAILED NOTES ON ALL FUNDS**

**Note 2: Cash and Investments**

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 26,797,619
Cash with fiscal agent	554,000
Statement of Fiduciary Net Position:	
Cash and investments	829,907
Cash with fiscal agent	<u>252,233</u>
Total cash and investments	<u><u>\$ 28,433,759</u></u>

Cash and investments as of June 30, 2015, consists of the following:

Cash on hand	\$ 701,368
Deposits with fiscal agent	806,233
Investments	<u>26,926,158</u>
Total cash and investments	<u><u>\$ 28,433,759</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 on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

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, 2015, the carrying amount of the City's deposits was \$701,368 and the bank balance was \$814,430. The \$113,062 difference represents outstanding checks and other reconciling items.

**Note 2: Cash and Investments (Continued)**

Investments Authorized by the California Government Code and the Entity'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

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

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 anytime without penalty. LACPIF imposes a minimum investment limit of \$50,000.

The County of Los Angeles' bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Los Angeles' Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Los Angeles Auditor-Controller's Office — 500 West Temple Street — Los Angeles, CA 90012.

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 2: Cash and Investments (Continued)**

Credit Risk

The City's investment policy does not limit investments in Federal Agency Securities and Medium term notes to ratings issued by nationally recognized statistical rating organizations. As of June 30, 2015, the City's investments in Federal Agency Securities consisted of investments with Federal Home Loan Bank Bonds and Federal Farm Credit Bonds and were rated "AA+" by Standard and Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2015, the City's investment in the General Electric medium term note was rated "A+" by Fitch rating. As of June 30, 2015, the City's investment in LAIF and LACPIF are unrated.

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.

As of June 30, 2015, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy does not impose restrictions for certain types of investments with any one issuer.

In accordance with GASB 40 requirements, the City is exposed to concentration risk whenever it has invested more than 5% of its total investments in any one issuer. As of June 30, 2015, the City has investments with the following issuers which exceed 5% of the total investment value:

<u>Security Description</u>	<u>Amount</u>	<u>Percentage</u>
Federal Home Loan Bank	\$ 3,005,475	11%
Federal Farm Credit Bank	2,992,030	11%

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

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. Investment maturities are limited as follows:

<u>Maturity</u>	<u>Maximum Investment</u>
Less than one year	25%
Up to 5 years	30%



CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 2: Cash and Investments (Continued)**

The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2015, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Federal Agency Securities:					
Federal Home Loan Bank	\$ 1,004,115	\$ -	\$ 2,001,360	\$ -	\$ 3,005,475
Federal Farm Credit Bank	-	-	2,992,030	-	2,992,030
General Electric Capital Corporation	-	-	507,444	-	507,444
Los Angeles County Investment Pool	3,404,865	-	-	-	3,404,865
California Local Agency Investment Fund	17,016,344	-	-	-	17,016,344
Cash with Fiscal Agents:					
Federal Home Loan Bank	554,000	-	-	-	554,000
Money Market	252,233	-	-	-	252,233
	<u>\$ 22,231,557</u>	<u>\$ -</u>	<u>\$ 5,500,834</u>	<u>\$ -</u>	<u>\$ 27,732,391</u>

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Adjustments *	Adjusted Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 10,792,506	\$ -	\$ 10,792,506	\$ -	\$ -	\$ 10,792,506
Construction-in-progress	-	-	-	1,103,296	-	1,103,296
Total Capital Assets, Not Being Depreciated	<u>10,792,506</u>	<u>-</u>	<u>10,792,506</u>	<u>1,103,296</u>	<u>-</u>	<u>11,895,802</u>
Capital assets, being depreciated:						
Buildings and improvements	21,030,801	-	21,030,801	36,077	-	21,066,878
Furniture, fixtures and equipment	4,129,425	-	4,129,425	116,538	17,388	4,228,575
Infrastructure	97,803,599	(474,701)	97,328,898	1,318,998	-	98,647,896
Total Capital Assets, Being Depreciated	<u>122,963,825</u>	<u>(474,701)</u>	<u>122,489,124</u>	<u>1,471,613</u>	<u>17,388</u>	<u>123,943,349</u>
Less accumulated depreciation:						
Buildings and improvements	7,136,158	-	7,136,158	522,999	-	7,659,157
Furniture, fixtures and equipment	3,324,354	-	3,324,354	166,465	17,388	3,473,431
Infrastructure	49,682,847	(474,701)	49,208,146	2,058,517	-	51,266,663
Total Accumulated Depreciation	<u>60,143,359</u>	<u>(474,701)</u>	<u>59,668,658</u>	<u>2,747,981</u>	<u>17,388</u>	<u>62,399,251</u>
Total Capital Assets, Being Depreciated, Net	<u>62,820,466</u>	<u>-</u>	<u>62,820,466</u>	<u>(1,276,368)</u>	<u>-</u>	<u>61,544,098</u>
Governmental Activities Capital Assets, Net	<u>\$ 73,612,972</u>	<u>\$ -</u>	<u>\$ 73,612,972</u>	<u>\$ (173,072)</u>	<u>\$ -</u>	<u>\$ 73,439,900</u>

\*The adjustment relates to an infrastructure valuation.

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 3: Capital Assets (Continued)**

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

Governmental Activities:	
General government	\$ 150,455
Community development	56,930
Public works	2,130,338
Public safety	10,658
Community services	399,600
Total Depreciation Expense - Governmental Activities	<u>\$ 2,747,981</u>

A summary of capital assets by sources follows:

General Fund	\$ 89,504,162
Gas Tax	31,812
Park Dedication Fund	1,047,775
COPS	52,683
Air Quality Improvement Fund	363,410
CDBG	259,053
Proposition C Fund	2,021,365
Bikeway Fund	30,050
LOSMD Fund	15,584
Proposition A Fund	475,259
Capital Purchases/Replacements	26,253,493
Park Grants Fund	695,020
LLEBG	81,119
Recycling Grant	53,898
Cable TV Education Fund	91,380
Walnut Housing Authority	14,863,088
Total Investment in Capital Assets	<u>\$ 135,839,151</u>

**Note 4: Long-Term Debt**

**Changes in Long-Term Debt**

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance July 1, 2014	Restatement *	Additions	Deletions	Ending Balance June 30, 2015	Due Within One Year
Governmental Activities:						
OPEB obligation	\$ 353,375	\$ -	\$ 85,283	\$ 2,281	\$ 436,377	\$ -
Net pension obligation	-	5,508,405	-	1,247,168	4,261,237	-
Accrued employee benefits	339,778	-	316,094	290,911	364,961	312,473
Total	<u>\$ 693,153</u>	<u>\$ 5,508,405</u>	<u>\$ 401,377</u>	<u>\$ 1,540,360</u>	<u>\$ 5,062,575</u>	<u>\$ 312,473</u>

\* The restatement of the net pension liabilities is due to the implementation of GASB Statement No. 68.

For the governmental activities, accrued employee benefits, net pension obligation and the OPEB obligation are generally liquidated by the General Fund.

III OTHER DISCLOSURES

**Note 5: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

Funds	Due From Other Funds General Fund
Due To Other Funds	
CDBG	\$ 73,972
Low and Moderate Income Housing Fund	1,969
Other Governmental Funds	68,833
Total	\$ 144,774

The due to the General Fund of \$144,774 from various funds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Funds	Transfers Out			Total
	General Fund	Capital Improvement	Other Governmental Funds	
Transfers In:				
General	\$ -	\$ 81,355	\$ 192,100	\$ 273,455
Capital Improvement	623,529	-	-	623,529
	\$ 623,529	\$ 81,355	\$ 192,100	\$ 896,984

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, (2) move receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Funds	Advances From Other Funds LOSMD
Advances To Other Funds:	
General	\$ 250,870
	\$ 250,870

The purpose of the \$250,870 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:

Non spendable 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 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 functions.

Community development purposes such as implementation and monitoring of affordable housing, implementation of air quality programs to reduce mobile pollution.

Public works purposes such as maintenance of the landscape and lighting assessment district, engineering, general maintenance of street, storm drains, traffic signals, update the pavement management system, and transit related street projects.

Community services purposes such as park maintenance and improvements, transportation for recreation excursions and maintenance of the Senior Center.

Public Safety purpose such as law enforcement, crime prevention, traffic safety and vehicle code and citizen option for public safety programs.

Committed Fund Balance – This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution and a minute action of the City Council.

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 or 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. The City assigned fund balances for Maintenance and operations, and community services future recreation facility.

When an expenditures is incurred for purposes for which both the restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

Note 6. Fund Balance (Continued)

	General	Community Development Block Grant	LOSMD	Low and Moderate Income Housing Fund	Capital Improvement	Other Governmental Funds	Total
<b>Nonspendable:</b>							
Prepaid items	\$ 33,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,268
Notes and loans	-	-	-	1,796,512	-	138,618	1,935,130
Advances to other funds	250,870	-	-	-	-	-	250,870
<b>Total nonspendable</b>	<b>284,138</b>	<b>-</b>	<b>-</b>	<b>1,796,512</b>	<b>-</b>	<b>138,618</b>	<b>2,219,268</b>
<b>Restricted:</b>							
Community development	-	-	-	145,194	-	2,813,132	2,958,326
Public safety	-	-	-	-	-	78,868	78,868
Community services	-	-	-	-	-	140,630	140,630
Public works	-	-	1,078,402	-	-	2,021,113	3,099,515
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>1,078,402</b>	<b>145,194</b>	<b>-</b>	<b>5,053,743</b>	<b>6,277,339</b>
<b>Committed:</b>							
Capital projects	-	-	-	-	4,088,292	-	4,088,292
Disaster recovery	1,000,000	-	-	-	-	-	1,000,000
Self insurance	1,000,000	-	-	-	-	-	1,000,000
Other post employment benefits	760,142	-	-	-	-	-	760,142
Facility maintenance	2,764,643	-	-	-	-	-	2,764,643
<b>Total committed</b>	<b>5,524,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,088,292</b>	<b>-</b>	<b>9,613,077</b>
<b>Assigned:</b>							
Community services	2,799,845	-	-	-	-	-	2,799,845
Maintenance & operations	6,311,725	-	-	-	-	-	6,311,725
<b>Total assigned</b>	<b>9,111,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,111,570</b>
<b>Unassigned:</b>							
General Fund	1,179,125	-	-	-	-	-	1,179,125
Other Governmental Funds	-	-	-	-	-	(13,348)	(13,348)
<b>Total unassigned</b>	<b>1,179,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,348)</b>	<b>1,165,777</b>
<b>Total</b>	<b>\$ 16,099,618</b>	<b>\$ -</b>	<b>\$ 1,078,402</b>	<b>\$ 1,941,706</b>	<b>\$ 4,088,292</b>	<b>\$ 5,179,013</b>	<b>\$ 28,387,031</b>

Note 7: Pension Plan

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City of Walnut Miscellaneous and PEPRM Miscellaneous Employee Pension Plans, cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Pension Plan (Continued)**

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 Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	6.891%	6.308%
Required employer contribution rates	12.590%	6.250%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each plan were as follows:

	Miscellaneous	PEPRA Miscellaneous
	Contributions - employer	\$ 366,699
Contributions - employee (paid by employer)	187,361	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

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Note 7: Pension Plan (Continued)

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

As of June 30, 2015, the City of Walnut reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 4,261,023
PEPRA Miscellaneous	214
Total Net Pension Liability	<u>\$ 4,261,237</u>

The City of Walnut's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 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 plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014, was as follows:

Proportions as a percentage of the CalPERS total plan (Miscellaneous & Safety):

	Miscellaneous	PEPRA Miscellaneous
Proportion - June 30, 2013	0.06833%	0.00001%
Proportion - June 30, 2014	0.06848%	0.00001%
Change - Increase (Decrease)	<u>0.00015%</u>	<u>0.00000%</u>

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous	PEPRA Miscellaneous
Proportion - June 30, 2013	0.16810%	0.00001%
Proportion - June 30, 2014	0.17241%	0.00001%
Change - Increase (Decrease)	<u>0.00431%</u>	<u>0.00000%</u>

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Pension Plan (Continued)**

For the year ended June 30, 2015, the City of Walnut recognized pension expense of \$376,025. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 366,699	\$ -
Differences between actual contributions and the proportionate share of contributions	-	(125,937)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(1,182,188)
Adjustment due to Difference in Proportions	<u>22,128</u>	<u>-</u>
Total	<u>388,827</u>	<u>(1,308,125)</u>
<u>PEPRA Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	21,925	-
Differences between actual contributions and the proportionate share of contributions	6,788	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(72)
Adjustment due to Difference in Proportions	<u>2,376</u>	<u>-</u>
Total	<u>31,089</u>	<u>(72)</u>
Total	<u>\$ 419,916</u>	<u>\$ (1,308,197)</u>

\$366,699 and \$21,925 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Pension Plan (Continued)**

Measurement Period Ended June30:	Deferred Outflows/(Inflows) of Resources	
	PEPRA	
	Miscellaneous	Miscellaneous
2015	\$ (320,785)	\$ 2,617
2016	(320,785)	2,617
2017	(322,366)	2,446
2018	(322,061)	1,412

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, 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 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**Note 7: Pension Plan (Continued)**

discount rate of 7.50% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, staff 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.

CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 7: Pension Plan (Continued)**

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

City of Walnut Miscellaneous Plan	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 7,109,537	\$ 4,261,023	\$ 1,897,027

City of Walnut PEPRA Miscellaneous Plan	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 381	\$ 214	\$ 75

**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: Post-employment Benefits**

**Plan Description**

The City provides other postemployment benefits (OPEB) through the Public Employees' Medical and Hospital Care Act (PEMHCA), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees Retirement System (PERS). The plan provides lifetime healthcare insurance for eligible retirees and their spouses. Benefit provisions are established pursuant to memoranda of understanding between the City and its

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 8: Post-employment Benefits (Continued)**

employee bargaining units and can be amended by renegotiating the MOUs. The plan does not issue a publicly available financial report.

The City chose to provide a minimum employer PEMHCA contribution of \$1 per month per retiree. This contribution is increased by 5% each year until, in the 20<sup>th</sup> year of the plan, the City contribution for retired employees is equal to that made for active employees. The current year contribution for retirees is \$42.70 and for active employees is \$122. Currently, the City has ten retirees but only five participating in the plan.

**Funding Policy**

The City pays for these benefits on a pay-as-you-go basis, as opposed to the pre-funded approach. The funding policy is established by the City's management. The City committed \$ 760,142 of fund balance for postemployment benefits.

GASB Statement 45 requires public entities to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and trust set aside to pre-fund these benefits. The City has not set up a trust.

According to this Statement, an alternative measurement method that differs from a full actuarial valuation is permitted for employers with fewer than one hundred plan members.

Entities that qualify and use the alternative measurement method should perform new calculations at least every three (3) years and they should disclose that that method has been used to estimate amounts reported in the financial statements. The City of Walnut has less than one hundred plan members and has used the alternative measurement method.

The annual required contribution (ARC) presented below is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$ 81,749
Interest on OPEB obligation	17,669
Adjustment to ARC	<u>(14,135)</u>
Annual OPEB cost	85,283
Contributions	<u>2,281</u>
Increase (Decrease) in net OPEB obligation	83,002
Net OPEB obligation (asset) June 30, 2013	<u>353,375</u>
Net OPEB obligation (asset) June 30, 2014	<u><u>\$ 436,377</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**
**Note 8: Post-employment Benefits (Continued)****Annual OPEB Costs and Net OPEB Obligation (Asset)**

For fiscal year 2014-2015, the City's annual OPEB cost (expense) was \$85,283. Information for the current year and previous two years is presented below:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/13	\$ 53,175	\$ 307	0.58%	\$ 269,426
6/30/14	84,857	908	1.07%	353,375
6/30/15	85,283	2,281	2.67%	436,377

**Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities or benefits. The plan was implemented in fiscal year 2008-2009 and an actuarial valuation was performed during the year. The City is required to have an actuarial valuation performed every three years.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percent of Covered Payroll
7/1/11	\$ -	\$ 401,901	\$ 401,901	0.00%	\$ 2,926,848	13.73%
7/1/14	-	564,730	564,730	0.00%	2,752,098	20.52%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation (latest available), the entry age actuarial cost method is used. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after 10 years. Both rates include a 5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of the short-term volatility in the market value of investments over a three-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2015, was 23 years.

**Note 9: Risk Management**

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

The City of Walnut is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 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. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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

**Liability**

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

**Note 9: Risk Management (Continued)**

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sublimit of \$30 million per occurrence.

**Workers' Compensation**

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

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**c. Purchased Insurance**

**Property Insurance**

The City of Walnut participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Walnut property is currently insured according to a schedule of covered property submitted by the City of Walnut to the Authority. City of Walnut property currently has all-risk property insurance protection in the amount of \$29,499,962. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

**Earthquake and Flood Insurance**

The City of Walnut purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Walnut property currently has earthquake protection in the amount of \$0. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

**Crime Insurance**

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

**Note 9: Risk Management (Continued)**

**Special Event Tenant User Liability Insurance**

The City of Walnut further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Walnut according to a schedule. The City of Walnut then pays for the insurance. The insurance is arranged 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 2014-15.

The CJPIA has published its own financial report for the year ended June 30, 2015, which can be obtained from California Joint Powers Insurance Authority, La Palma, California.

**Note 10: Net Position Restatement**

Beginning net position of governmental activities on the Statement of Activities has been restated by \$(5,162,117) due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*

**Note 11: Successor Agency Trust for Assets of Former Redevelopment Agency**

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

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

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



CITY OF WALNUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 11: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

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

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

**a. Cash and Investments**

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

Cash and investments pooled with the City	\$ 180,722
Cash with fiscal agent	<u>252,233</u>
	<u>\$ 432,955</u>

**b. Long-term Debt**

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance July 1, 2014	Additions	Deletions	Ending Balance June 30, 2015	Due Within One Year
Fiduciary Activities:					
2013 Tax Allocation					
Refunding Bond	\$ 15,115,000	\$ -	\$ 3,045,000	\$ 12,070,000	\$ 3,170,000
SERAF Loan	1,796,512	-	-	1,796,512	-
Unamortized Bond premiums/discounts	<u>800,209</u>	<u>-</u>	<u>160,042</u>	<u>640,167</u>	<u>-</u>
Total	<u>\$ 17,711,721</u>	<u>\$ -</u>	<u>\$ 3,205,042</u>	<u>\$ 14,506,679</u>	<u>\$ 3,170,000</u>

A description of individual issues of bonds (excluding defeased bonds) of the Successor Agency of the former redevelopment agency outstanding as of June 30, 2015, follows:

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**Note 11: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**2013 Tax Allocation Refunding Bond**

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

**Debt Service Requirements**

The following schedule illustrates the debt service requirements to maturity for bonds outstanding as of June 30:

Year Ending June 30,	2013 Tax Allocation Refunding Bonds	
	Principal	Interest
2016	\$ 3,170,000	\$ 504,450
2017	3,300,000	377,650
2018	3,435,000	245,650
2019	2,165,000	108,250
Total	<u>\$ 12,070,000</u>	<u>\$ 1,236,000</u>

**Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$13,306,000 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City as the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,852,503 and the debt service obligation on the bond was \$3,671,250.

**Conduit Debt**

The following issue of Commercial Revenue Bonds is *not* reflected in the basic financial statements because this bond is a special obligation payable solely from

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2015

**Note 11: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

and secured by specific revenue sources described in the bond resolution and official statement of the respective issue. Neither the faith and credit nor the taxing power of the City, the Successor Agency for the former Walnut Improvement Agency, the State of California or any political subdivision thereof, is pledged for the payment of this bond:

<u>Title</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2015</u>
Walnut Improvement Agency 1984 Commercial Revenue Bond	\$2,100,000	\$ 0

This bond was issued on December 1, 1984, to provide funding for the acquisition and development of certain commercial facilities located in the City of Walnut known as the Commercial Ventures Project.

**c. Improvement Agency Contingency**

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

**d. Insurance**

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

**Note 12: Subsequent Event**

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all the asset transfers made by the Walnut Improvement Agency (RDA) to the City of Walnut (City) or any other public agency after January 1, 2011. The review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. The SCO also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed. The review found that the RDA transferred \$12,460,594 in assets after January 1, 2011, including unallowable transfers totaling \$6,342,042 of the transferred assets. The unallowable transfers included \$442,129 to the City and \$5,899,913 to the Walnut Housing Authority. However, on December 20, 2013, the Walnut Housing Authority turned over \$5,899,913 plus interest to the Successor Agency. The remaining \$442,129 was determined to be unallowable where the SCO is requesting the monies turned over to the Successor Agency. As of the date of this report, the City is still waiting for a determination from the California Department of Finance.

CITY OF WALNUT

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,302,814	\$ 16,302,814	\$ 16,302,814	\$ -
<b>Resources (Inflows):</b>				
Taxes	8,700,000	8,700,000	9,093,952	393,952
Licenses and permits	597,530	597,530	785,402	187,872
Intergovernmental	21,200	21,200	145,339	124,139
Charges for services	1,398,390	1,398,390	1,174,295	(224,095)
Use of money and property	351,920	351,920	427,327	75,407
Fines and forfeitures	149,000	149,000	33,666	(115,334)
Miscellaneous	119,730	119,730	286,848	167,118
Transfers in	-	-	273,455	273,455
<b>Amounts Available for Appropriations</b>	<b>27,640,584</b>	<b>27,640,584</b>	<b>28,523,098</b>	<b>882,514</b>
<b>Charges to Appropriations (Outflow):</b>				
General government				
City council	117,270	116,949	101,026	15,923
City manager	193,210	194,094	192,478	1,616
Personnel	104,750	329,941	116,904	213,037
Risk management	345,600	308,195	305,115	3,080
City clerk	184,140	187,285	184,753	2,532
Elections	1,000	1,000	949	51
City treasurer	15,310	13,785	12,749	1,036
Finance	541,150	558,298	551,937	6,361
Computer services	-	6,301	3,609	2,692
City Attorney	132,900	152,115	150,922	1,193
Administration	617,950	636,200	600,583	35,617
Community promotion	20,800	26,870	21,663	5,207
Family festival	50,460	50,460	47,431	3,029
Cable TV administration	79,850	92,813	91,934	879
Public safety administration	126,470	127,235	127,233	2
Business license enforcement	80,910	73,801	70,011	3,790
General law enforcement	2,940,500	2,920,187	2,906,470	13,717
Helicopter services	1,500	1,500	761	739
Crime prevention	138,350	138,350	134,900	3,450
Animal control	115,000	120,050	108,189	11,861
Emergency preparedness	40,150	40,409	37,000	3,409
Volunteers on patrol	700	700	-	700
Weed abatement	55,000	26,750	20,787	5,963
Hazard mitigation	-	11,707	9,277	2,430
Planning	528,260	547,790	539,634	8,156
Code enforcement	164,050	201,581	183,719	17,862
Building and safety	320,530	320,380	346,749	(26,369)
Environmental	323,500	453,353	296,838	156,515
Economic development	20,500	5,700	5,560	140
Recreation services	330,310	330,728	330,715	13
July 4 fireworks	52,830	65,615	42,660	22,955
Park maintenance	1,550,990	1,576,938	1,309,148	267,790
Equestrian trial maintenance	112,450	111,450	99,727	11,723
Special events	102,760	109,948	108,936	1,012
Aquatics	116,670	115,507	78,696	36,811
Excursions	77,260	76,533	74,782	1,751
Sports & Gymnasium	524,850	525,782	511,952	13,830
Leisure classes	70,450	77,757	77,388	369
Senior citizens center	372,670	374,500	361,678	12,822
Teen Center	185,140	188,747	176,805	11,942
After school programs	20,510	20,073	19,834	239
Engineering and P.W.admin.	365,440	363,340	324,187	39,153
Street R-O-W maintenance	379,900	374,652	370,189	4,463
Building maintenance	368,140	368,227	359,481	8,746
PW - Public works	332,390	289,058	272,658	16,400
Capital outlay	125,000	197,687	111,934	85,753
Transfers out	-	-	623,529	(623,529)
<b>Total Charges to Appropriations</b>	<b>12,347,570</b>	<b>12,830,341</b>	<b>12,423,480</b>	<b>406,861</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,293,014</b>	<b>\$ 14,810,243</b>	<b>\$ 16,099,618</b>	<b>\$ 1,289,375</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	141,170	141,170	138,393	(2,777)
<b>Amounts Available for Appropriations</b>	<b>141,170</b>	<b>141,170</b>	<b>138,393</b>	<b>(2,777)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	141,170	141,170	138,393	2,777
<b>Total Charges to Appropriations</b>	<b>141,170</b>	<b>141,170</b>	<b>138,393</b>	<b>2,777</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 LOSMD  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,082,449	\$ 1,082,449	\$ 1,082,449	\$ -
<b>Resources (Inflows):</b>				
Assessments	2,138,800	2,138,800	2,159,654	20,854
<b>Amounts Available for Appropriations</b>	<b>3,221,249</b>	<b>3,221,249</b>	<b>3,242,103</b>	<b>20,854</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	2,200,300	2,248,025	2,120,664	127,361
Capital outlay	95,550	102,863	43,037	59,826
<b>Total Charges to Appropriations</b>	<b>2,295,850</b>	<b>2,350,888</b>	<b>2,163,701</b>	<b>187,187</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 925,399</b>	<b>\$ 870,361</b>	<b>\$ 1,078,402</b>	<b>\$ 208,041</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 LOW AND MODERATE INCOME HOUSING FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,955,626	\$ 1,955,626	\$ 1,955,626	\$ -
<b>Amounts Available for Appropriations</b>	<b>1,955,626</b>	<b>1,955,626</b>	<b>1,955,626</b>	<b>-</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	-	165,029	13,920	151,109
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>165,029</b>	<b>13,920</b>	<b>151,109</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,955,626</b>	<b>\$ 1,790,597</b>	<b>\$ 1,941,706</b>	<b>\$ 151,109</b>

CITY OF WALNUT

**COST SHARING MULTIPLE EMPLOYER BENEFIT PLANS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

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	<u>2015</u>
<b><u>Miscellaneous Plan</u></b>	
Proportion of the Net Pension Liability	0.06848%
Proportionate Share of the Net Pension Liability	\$ 4,261,023
Covered-Employee Payroll	\$ 2,802,665
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	152.03%
Plan Fiduciary Net Position	\$ 17,210,827
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.16%
 <b><u>PEPRA Miscellaneous Plan</u></b>	
Proportion of the Net Pension Liability	0.00%
Proportionate Share of the Net Pension Liability	\$ 214
Covered-Employee Payroll	\$ 27,423
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	0.78%
Plan Fiduciary Net Position	\$ 1,045
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.00%

**Notes to Schedule:**

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.



CITY OF WALNUT

**COST SHARING MUPLTIPLE EMPLOYER BENEFIT PLANS  
SCHEDULE OF CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
<b><u>Miscellaneous Plan</u></b>	
Actuarially Determined Contribution	\$ 339,472
Contribution in Relation to the Actuarially Determinde Contribution	(339,472)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,802,665
Contributions as a Percentage of Covered-Employee Payroll	12.11%
 <b><u>PEPRA Miscellaneous Plan</u></b>	
Actuarially Determined Contribution	\$ 6,816
Contribution in Relation to the Actuarially Determined Contribution	(6,816)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 27,423
Contributions as a Percentage of Covered-Employee Payroll	24.86%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**Note to Schedule:**

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal cost method
Amortization method	Level percentage of payroll
Assets valuation method	Market value
Actuarial Assumption:	
Discount	7.50%
Projected Salary Increases	3.30% to 14.205 depending on Age, Service and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%
Mortality rate table	Derived using CalPERS' membership data for all funds
Post retirement benefit	Contract COLA up to 2.75% until purchase power protection allowance floor on purchasing power applies, 2.75 thereafter

CITY OF WALNUT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015

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**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 departmental level. At fiscal year-end, all operating budget appropriations lapse. During the year, several supplementary appropriations were necessary.

Budget Basis of Accounting:

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

The Park Improvement Fund did not adopt a budget in fiscal year 2014-2015.

Excess Budget:

Fund	Budget	Actual	Excess*
Major Governmental Funds:			
General Fund:			
Building and Safety	\$ 320,380	\$ 346,749	\$ 26,369

\*The excess of expenditures over appropriations were offset by increased revenues resulting from an increase in dog license canvassing and permit activities during the current year.

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# **Supplemental Schedules**

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE

The **Gas Tax Fund** accounts for the City's proportionate share of gas tax monies collected by the state of California, which are used for street construction and maintenance.

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

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

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

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

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

The **Proposition C Fund** accounts for the City's portion of the additional 1/2 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 **Proposition A Fund** accounts for the City's share of the 1/2 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 **Used Oil Recycling Grant Fund** accounts for monies received from the California Integrated Waste Management Board to be spent on used motor oil recycling and awareness programs.

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

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

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

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

The **Proposition R Fund** accounts for the city's portion of the 1/2 cent sales tax approved during the November 2008 election in Los Angeles County for transportation projects.

CITY OF WALNUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<b>Special Revenue Funds</b>			
	<b>Gas Tax</b>	<b>Traffic Safety</b>	<b>Park Improvement</b>	<b>COPS</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 609,468	\$ -	\$ 5,143	\$ 93,435
Receivables:				
Accounts	-	11,227	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 609,468</b>	<b>\$ 11,227</b>	<b>\$ 5,143</b>	<b>\$ 93,435</b>
<b>Liabilities, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 31,949	\$ 2,566	\$ -	\$ 14,567
Accrued liabilities	-	1,415	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	7,246	-	-
<b>Total Liabilities</b>	<b>31,949</b>	<b>11,227</b>	<b>-</b>	<b>14,567</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Notes and loans	-	-	-	-
<b>Restricted for:</b>				
Community development	-	-	-	-
Public safety	-	-	-	78,868
Community services	-	-	5,143	-
Public works	577,519	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>577,519</b>	<b>-</b>	<b>5,143</b>	<b>78,868</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 609,468</b>	<b>\$ 11,227</b>	<b>\$ 5,143</b>	<b>\$ 93,435</b>

CITY OF WALNUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeway
<b>Assets:</b>				
Pooled cash and investments	\$ 51,398	\$ 36,230	\$ 1,042,390	\$ -
Receivables:				
Accounts	-	15,000	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	9,700	-	-	24,280
<b>Total Assets</b>	<b>\$ 61,098</b>	<b>\$ 51,230</b>	<b>\$ 1,042,390</b>	<b>\$ 24,280</b>
<b>Liabilities, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 558	\$ -	\$ 7,317	\$ -
Accrued liabilities	-	-	308	-
Unearned revenues	-	51,230	-	-
Due to other funds	-	-	-	24,280
<b>Total Liabilities</b>	<b>558</b>	<b>51,230</b>	<b>7,625</b>	<b>24,280</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Notes and loans	-	-	-	-
<b>Restricted for:</b>				
Community development	60,540	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	1,034,765	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>60,540</b>	<b>-</b>	<b>1,034,765</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 61,098</b>	<b>\$ 51,230</b>	<b>\$ 1,042,390</b>	<b>\$ 24,280</b>



CITY OF WALNUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds			
	Proposition A	State Park Grant	Used Oil Recycling Grant	General Recycling Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 702,969	\$ -	\$ 8,500	\$ -
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Deferred loans	-	-	-	-
Due from other governments	-	13,348	-	-
<b>Total Assets</b>	<b>\$ 702,969</b>	<b>\$ 13,348</b>	<b>\$ 8,500</b>	<b>\$ -</b>
<b>Liabilities, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 20,556	\$ 1,248	\$ -	\$ -
Accrued liabilities	1,300	-	-	-
Unearned revenues	-	-	8,500	-
Due to other funds	-	12,100	-	-
<b>Total Liabilities</b>	<b>21,856</b>	<b>13,348</b>	<b>8,500</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	13,348	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>13,348</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Notes and loans	-	-	-	-
<b>Restricted for:</b>				
Community development	681,113	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>(13,348)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>681,113</b>	<b>(13,348)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 702,969</b>	<b>\$ 13,348</b>	<b>\$ 8,500</b>	<b>\$ -</b>

## CITY OF WALNUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Cable TV Education	Walnut Housing Authority	LACMTA Exchange	Proposition "R"
<b>Assets:</b>				
Pooled cash and investments	\$ 129,270	\$ 2,095,214	\$ 836	\$ 546,079
Receivables:				
Accounts	6,600	-	-	-
Accrued interest	-	1,472	-	-
Deferred loans	-	138,618	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 135,870</b>	<b>\$ 2,235,304</b>	<b>\$ 836</b>	<b>\$ 546,079</b>
<b>Liabilities, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 383	\$ -	\$ -	\$ 136,986
Accrued liabilities	-	-	-	264
Unearned revenues	-	-	836	-
Due to other funds	-	25,207	-	-
<b>Total Liabilities</b>	<b>383</b>	<b>25,207</b>	<b>836</b>	<b>137,250</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Notes and loans	-	138,618	-	-
<b>Restricted for:</b>				
Community development	-	2,071,479	-	-
Public safety	-	-	-	-
Community services	135,487	-	-	-
Public works	-	-	-	408,829
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>135,487</b>	<b>2,210,097</b>	<b>-</b>	<b>408,829</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 135,870</b>	<b>\$ 2,235,304</b>	<b>\$ 836</b>	<b>\$ 546,079</b>

CITY OF WALNUT

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 5,320,932
Receivables:	
Accounts	32,827
Accrued interest	1,472
Deferred loans	138,618
Due from other governments	47,328
	<hr/>
<b>Total Assets</b>	<b>\$ 5,541,177</b>
	<hr/>
<b>Liabilities, and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 216,130
Accrued liabilities	3,287
Unearned revenues	60,566
Due to other funds	68,833
	<hr/>
<b>Total Liabilities</b>	<b>348,816</b>
	<hr/>
<b>Deferred Inflows of Resources:</b>	
Unavailable revenues	\$ 13,348
	<hr/>
<b>Total Deferred Inflows of Resources:</b>	<b>13,348</b>
	<hr/>
<b>Fund Balances:</b>	
<b>Nonspendable:</b>	
Notes and loans	138,618
<b>Restricted for:</b>	
Community development	2,813,132
Public safety	78,868
Community services	140,630
Public works	2,021,113
<b>Unassigned</b>	(13,348)
	<hr/>
<b>Total Fund Balances</b>	<b>5,179,013</b>
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<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,541,177</b>
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CITY OF WALNUT

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>Gas Tax</b>	<b>Traffic Safety</b>	<b>Park Improvement</b>	<b>COPS</b>
<b>Revenues:</b>				
Intergovernmental	\$ 820,637	\$ -	\$ -	\$ 106,230
Use of money and property	5,618	-	-	991
Fines and forfeitures	-	171,894	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>826,255</b>	<b>171,894</b>	<b>-</b>	<b>107,221</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	56,729	-	99,445
Community development	-	-	-	-
Community services	-	-	-	-
Public works	692,498	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>692,498</b>	<b>56,729</b>	<b>-</b>	<b>99,445</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	133,757	115,165	-	7,776
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(115,165)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(115,165)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	133,757	-	-	7,776
Fund Balances, Beginning of Year	443,762	-	5,143	71,092
<b>Fund Balances, End of Year</b>	<b>\$ 577,519</b>	<b>\$ -</b>	<b>\$ 5,143</b>	<b>\$ 78,868</b>

## CITY OF WALNUT

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeway
<b>Revenues:</b>				
Intergovernmental	\$ 37,235	\$ -	\$ 440,808	\$ 24,280
Use of money and property	583	-	11,327	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	76,935	-	-
<b>Total Revenues</b>	<b>37,818</b>	<b>76,935</b>	<b>452,135</b>	<b>24,280</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	59,536	-	-	-
Community services	-	-	-	24,280
Public works	-	-	148,789	-
Capital outlay	-	-	250,000	-
<b>Total Expenditures</b>	<b>59,536</b>	<b>-</b>	<b>398,789</b>	<b>24,280</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,718)	76,935	53,346	-
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	(76,935)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(76,935)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(21,718)	-	53,346	-
Fund Balances, Beginning of Year	82,258	-	981,419	-
<b>Fund Balances, End of Year</b>	<b>\$ 60,540</b>	<b>\$ -</b>	<b>\$ 1,034,765</b>	<b>\$ -</b>

CITY OF WALNUT

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>Proposition A</b>	<b>State Park Grant</b>	<b>Used Oil Recycling Grant</b>	<b>General Recycling Grant</b>
<b>Revenues:</b>				
Intergovernmental	\$ 529,621	\$ 14,212	\$ 8,570	\$ 8,130
Use of money and property	6,848	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>536,469</b>	<b>14,212</b>	<b>8,570</b>	<b>8,130</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	295,472	-	8,570	-
Community services	-	27,560	-	-
Public works	-	-	-	-
Capital outlay	3,645	-	-	8,130
<b>Total Expenditures</b>	<b>299,117</b>	<b>27,560</b>	<b>8,570</b>	<b>8,130</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	237,352	(13,348)	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	237,352	(13,348)	-	-
Fund Balances, Beginning of Year	443,761	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ 681,113</b>	<b>\$ (13,348)</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF WALNUT

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

(Continued)

	Special Revenue Funds			
	Cable TV Education	Walnut Housing Authority	LACMTA Exchange	Proposition "R"
<b>Revenues:</b>				
Intergovernmental	\$ 26,866	\$ -	\$ 498,000	\$ 329,555
Use of money and property	1,613	5,702	-	8,076
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>28,479</b>	<b>5,702</b>	<b>498,000</b>	<b>337,631</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	247,171	-	-
Community services	-	-	-	-
Public works	-	-	-	420,932
Capital outlay	43,464	-	498,000	250,000
<b>Total Expenditures</b>	<b>43,464</b>	<b>247,171</b>	<b>498,000</b>	<b>670,932</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,985)	(241,469)	-	(333,301)
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(14,985)	(241,469)	-	(333,301)
Fund Balances, Beginning of Year	150,472	2,451,566	-	742,130
<b>Fund Balances, End of Year</b>	<b>\$ 135,487</b>	<b>\$ 2,210,097</b>	<b>\$ -</b>	<b>\$ 408,829</b>



CITY OF WALNUT

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Intergovernmental	\$ 2,844,144
Use of money and property	40,758
Fines and forfeitures	171,894
Miscellaneous	76,935
	<hr/>
<b>Total Revenues</b>	<b>3,133,731</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
Public safety	156,174
Community development	610,749
Community services	51,840
Public works	1,262,219
Capital outlay	1,053,239
	<hr/>
<b>Total Expenditures</b>	<b>3,134,221</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(490)
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers out	(192,100)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(192,100)</b>
	<hr/>
Net Change in Fund Balances	(192,590)
	<hr/>
Fund Balances, Beginning of Year	5,371,603
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 5,179,013</b>
	<hr/> <hr/>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 443,762	\$ 443,762	\$ 443,762	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	824,000	824,000	820,637	(3,363)
Use of money and property	500	500	5,618	5,118
<b>Amounts Available for Appropriations</b>	<b>1,268,262</b>	<b>1,268,262</b>	<b>1,270,017</b>	<b>1,755</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	734,390	734,922	692,498	42,424
<b>Total Charges to Appropriations</b>	<b>734,390</b>	<b>734,922</b>	<b>692,498</b>	<b>42,424</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 533,872</b>	<b>\$ 533,340</b>	<b>\$ 577,519</b>	<b>\$ 44,179</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Fines and forfeitures	250,000	250,000	171,894	(78,106)
<b>Amounts Available for Appropriations</b>	<b>250,000</b>	<b>250,000</b>	<b>171,894</b>	<b>(78,106)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	60,470	62,120	56,729	5,391
Transfers out	-	-	115,165	(115,165)
<b>Total Charges to Appropriations</b>	<b>60,470</b>	<b>62,120</b>	<b>171,894</b>	<b>(109,774)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 189,530</b>	<b>\$ 187,880</b>	<b>\$ -</b>	<b>\$ (187,880)</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 COPS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,092	\$ 71,092	\$ 71,092	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	106,230	6,230
Use of money and property	250	250	991	741
<b>Amounts Available for Appropriations</b>	<b>171,342</b>	<b>171,342</b>	<b>178,313</b>	<b>6,971</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	100,450	100,450	99,445	1,005
<b>Total Charges to Appropriations</b>	<b>100,450</b>	<b>100,450</b>	<b>99,445</b>	<b>1,005</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 70,892</b>	<b>\$ 70,892</b>	<b>\$ 78,868</b>	<b>\$ 7,976</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY IMPROVEMENTS  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 82,258	\$ 82,258	\$ 82,258	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	36,900	36,900	37,235	335
Use of money and property	500	500	583	83
<b>Amounts Available for Appropriations</b>	<b>119,658</b>	<b>119,658</b>	<b>120,076</b>	<b>418</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	60,360	60,360	59,536	824
Capital outlay	-	10,000	-	10,000
<b>Total Charges to Appropriations</b>	<b>60,360</b>	<b>70,360</b>	<b>59,536</b>	<b>10,824</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 59,298</b>	<b>\$ 49,298</b>	<b>\$ 60,540</b>	<b>\$ 11,242</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 WASTE MANAGEMENT ADMINISTRATION  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	95,970	95,970	76,935	(19,035)
<b>Amounts Available for Appropriations</b>	<b>95,970</b>	<b>95,970</b>	<b>76,935</b>	<b>(19,035)</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	-	-	76,935	(76,935)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>76,935</b>	<b>(76,935)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 95,970</b>	<b>\$ 95,970</b>	<b>\$ -</b>	<b>\$ (95,970)</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 981,419	\$ 981,419	\$ 981,419	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	420,000	420,000	440,808	20,808
Use of money and property	5,000	5,000	11,327	6,327
<b>Amounts Available for Appropriations</b>	<b>1,406,419</b>	<b>1,406,419</b>	<b>1,433,554</b>	<b>27,135</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	162,420	153,880	148,789	5,091
Capital outlay	-	250,000	250,000	-
<b>Total Charges to Appropriations</b>	<b>162,420</b>	<b>403,880</b>	<b>398,789</b>	<b>5,091</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,243,999</b>	<b>\$ 1,002,539</b>	<b>\$ 1,034,765</b>	<b>\$ 32,226</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 BIKEWAY  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	24,280	24,280	24,280	-
<b>Amounts Available for Appropriations</b>	<b>24,280</b>	<b>24,280</b>	<b>24,280</b>	<b>-</b>
<b>Charges to Appropriations (Outflow):</b>				
Parks and recreation	24,280	24,280	24,280	-
<b>Total Charges to Appropriations</b>	<b>24,280</b>	<b>24,280</b>	<b>24,280</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 443,761	\$ 443,761	\$ 443,761	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	500,000	500,000	529,621	29,621
Use of money and property	500	500	6,848	6,348
<b>Amounts Available for Appropriations</b>	<b>944,261</b>	<b>944,261</b>	<b>980,230</b>	<b>35,969</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	295,950	296,306	295,472	834
Capital outlay	-	3,645	3,645	-
<b>Total Charges to Appropriations</b>	<b>295,950</b>	<b>299,951</b>	<b>299,117</b>	<b>834</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 648,311</b>	<b>\$ 644,310</b>	<b>\$ 681,113</b>	<b>\$ 36,803</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 STATE PARK GRANT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	27,560	27,560	14,212	(13,348)
<b>Amounts Available for Appropriations</b>	<b>27,560</b>	<b>27,560</b>	<b>14,212</b>	<b>(13,348)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community services	27,560	27,560	27,560	-
<b>Total Charges to Appropriations</b>	<b>27,560</b>	<b>27,560</b>	<b>27,560</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,348)</b>	<b>\$ (13,348)</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 USED OIL RECYCLING GRANT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	8,580	8,580	8,570	(10)
<b>Amounts Available for Appropriations</b>	<b>8,580</b>	<b>8,580</b>	<b>8,570</b>	<b>(10)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	8,580	8,580	8,570	10
<b>Total Charges to Appropriations</b>	<b>8,580</b>	<b>8,580</b>	<b>8,570</b>	<b>10</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 GENERAL RECYCLING GRANT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	8,130	8,130	-
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>8,130</b>	<b>8,130</b>	<b>-</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	8,130	8,130	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>8,130</b>	<b>8,130</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 CABLE TV EDUCATION  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 150,472	\$ 150,472	\$ 150,472	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	20,000	20,000	26,866	6,866
Use of money and property	500	500	1,613	1,113
<b>Amounts Available for Appropriations</b>	<b>170,972</b>	<b>170,972</b>	<b>178,951</b>	<b>7,979</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	45,000	44,534	43,464	1,070
<b>Total Charges to Appropriations</b>	<b>45,000</b>	<b>44,534</b>	<b>43,464</b>	<b>1,070</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 125,972</b>	<b>\$ 126,438</b>	<b>\$ 135,487</b>	<b>\$ 9,049</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 WALNUT HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,451,566	\$ 2,451,566	\$ 2,451,566	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	6,000	6,000	5,702	(298)
<b>Amounts Available for Appropriations</b>	<b>2,457,566</b>	<b>2,457,566</b>	<b>2,457,268</b>	<b>(298)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	265,070	265,070	247,171	17,899
<b>Total Charges to Appropriations</b>	<b>265,070</b>	<b>265,070</b>	<b>247,171</b>	<b>17,899</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,192,496</b>	<b>\$ 2,192,496</b>	<b>\$ 2,210,097</b>	<b>\$ 17,601</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 LACMTA EXCHANGE  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	498,000	498,000
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>-</b>	<b>498,000</b>	<b>498,000</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	498,000	498,000	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>498,000</b>	<b>498,000</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ (498,000)</b>	<b>\$ -</b>	<b>\$ 498,000</b>

CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION R  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 742,130	\$ 742,130	\$ 742,130	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	300,000	300,000	329,555	29,555
Use of money and property	2,500	2,500	8,076	5,576
<b>Amounts Available for Appropriations</b>	<b>1,044,630</b>	<b>1,044,630</b>	<b>1,079,761</b>	<b>35,131</b>
<b>Charges to Appropriations (Outflow):</b>				
Public works	9,940	9,940	420,932	(410,992)
Capital outlay	500,000	750,000	250,000	500,000
<b>Total Charges to Appropriations</b>	<b>509,940</b>	<b>759,940</b>	<b>670,932</b>	<b>89,008</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 534,690</b>	<b>\$ 284,690</b>	<b>\$ 408,829</b>	<b>\$ 124,139</b>



CITY OF WALNUT

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,060,132	\$ 5,060,132	\$ 5,060,132	\$ -
<b>Resources (Inflows):</b>				
Transfers in	-	-	623,529	623,529
<b>Amounts Available for Appropriations</b>	<b>5,060,132</b>	<b>5,060,132</b>	<b>5,683,661</b>	<b>623,529</b>
<b>Charges to Appropriations (Outflow):</b>				
Community services	75,720	137,735	58,070	79,665
Capital outlay	2,380,000	2,764,171	1,455,944	1,308,227
Transfers out	-	-	81,355	(81,355)
<b>Total Charges to Appropriations</b>	<b>2,455,720</b>	<b>2,901,906</b>	<b>1,595,369</b>	<b>1,306,537</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,604,412</b>	<b>\$ 2,158,226</b>	<b>\$ 4,088,292</b>	<b>\$ 1,930,066</b>

## **AGENCY FUNDS**

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

The **Trust and Agency Fund** accounts for various refundable deposits.

CITY OF WALNUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 TRUST AND AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2015</u>
<b><u>Trust and Agency</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 515,805	\$ 328,600	\$ 195,220	\$ 649,185
Receivables:				
Accounts	-	1,470	1,470	-
<b>Total Assets</b>	<b><u>\$ 515,805</u></b>	<b><u>\$ 330,070</u></b>	<b><u>\$ 196,690</u></b>	<b><u>\$ 649,185</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,000	\$ 194,620	\$ 185,174	\$ 10,446
Deposits payable	514,805	322,795	198,861	638,739
<b>Total Liabilities</b>	<b><u>\$ 515,805</u></b>	<b><u>\$ 517,415</u></b>	<b><u>\$ 384,035</u></b>	<b><u>\$ 649,185</u></b>

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# **Statistical Section**

CITY OF WALNUT  
 STATISTICAL SECTION  
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CITY OF WALNUT  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	2006	2007	2008	2009
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 35,902,801	\$ 34,921,027	\$ 36,798,039	\$ 38,410,650
Restricted	9,267,306	18,036,990	26,653,736	20,089,665
Unrestricted	32,432,673	27,336,676	18,838,004	26,378,106
<b>Total governmental activities net position</b>	<b>\$ 77,602,780</b>	<b>\$ 80,294,693</b>	<b>\$ 82,289,779</b>	<b>\$ 84,878,421</b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 35,902,801	\$ 34,921,027	\$ 36,798,039	\$ 38,410,650
Restricted	9,267,306	18,036,990	26,653,736	20,089,665
Unrestricted	32,432,673	27,336,676	18,838,004	26,378,106
<b>Total primary government net position</b>	<b>\$ 77,602,780</b>	<b>\$ 80,294,693</b>	<b>\$ 82,289,779</b>	<b>\$ 84,878,421</b>

Note:

- 1 In fiscal year 2011-2012, Per State of California AB 1X26 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.
  
- 2 The City of Walnut implemented GASB 63 for the fiscal year ended 06/30/13.
  
- 3 The City of Walnut implemented GASB 68 and GASB 71 for the fiscal year ended 06/30/15.

2010	2011	2012	2013	2014	2015
\$ 42,601,776	\$ 48,251,887	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972	\$ 73,439,900
15,843,757	13,095,293	14,388,254	13,450,385	8,289,678	8,212,469
27,948,295	24,845,765	21,046,710	22,305,101	21,025,425	14,584,364
<u>\$ 86,393,828</u>	<u>\$ 86,192,945</u>	<u>\$ 113,529,459</u>	<u>\$ 111,034,272</u>	<u>\$ 102,928,075</u>	<u>\$ 96,236,733</u>

\$ 42,601,776	\$ 48,251,887	\$ 78,094,495	\$ 75,278,786	\$ 73,612,972	\$ 73,439,900
15,843,757	13,095,293	14,388,254	13,450,385	8,289,678	8,212,469
27,948,295	24,845,765	21,046,710	22,305,101	21,025,425	14,584,364
<u>\$ 86,393,828</u>	<u>\$ 86,192,945</u>	<u>\$ 113,529,459</u>	<u>\$ 111,034,272</u>	<u>\$ 102,928,075</u>	<u>\$ 96,236,733</u>



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

Fiscal Year	2006	2007	2008	2009
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 5,054,406	\$ 2,991,143	\$ 2,769,726	\$ 3,226,303
Public safety	2,989,829	3,088,598	3,329,302	3,340,472
Community development	45,838	1,997,573	1,202,761	2,178,134
Public works	8,835,467	5,229,276	7,445,082	7,371,765
Community services	3,023,509	3,335,099	3,483,986	3,772,843
Interest on long-term debt	1,894,069	1,895,126	1,842,909	1,753,614
Total governmental activities	<u>21,843,118</u>	<u>18,536,815</u>	<u>20,073,766</u>	<u>21,643,131</u>
Total expenses	<u>21,843,118</u>	<u>18,536,815</u>	<u>20,073,766</u>	<u>21,643,131</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	593,366	418,788	436,607	252,838
Public safety	284,052	461,071	659,740	476,624
Community development	-	1,587	691	2,351,423
Public works	2,472,515	3,103,468	3,251,964	2,748,454
Community services	666,013	612,060	641,497	665,589
Operating contributions and grants	2,435,678	1,251,766	1,651,646	1,581,554
Capital contributions and grants	-	1,103,303	1,396,095	2,816,128
Total governmental activities	<u>6,451,624</u>	<u>6,952,043</u>	<u>8,038,240</u>	<u>10,892,610</u>
Total program revenues	<u>6,451,624</u>	<u>6,952,043</u>	<u>8,038,240</u>	<u>10,892,610</u>
Net (expenses) revenues				
Governmental Activities	(15,391,494)	(11,584,772)	(12,035,526)	(10,750,521)
Total Net Expense	<u>(15,391,494)</u>	<u>(11,584,772)</u>	<u>(12,035,526)</u>	<u>(10,750,521)</u>
<b>General revenues</b>				
Governmental activities:				
Taxes				
Property taxes	11,579,427	8,928,958	9,037,419	9,206,489
Sales tax	1,918,201	1,604,594	1,381,501	1,211,247
Franchise tax	770,143	896,022	805,605	895,972
Business license tax	97,711	102,722	113,472	103,799
Other taxes	324,366	260,610	270,597	301,285
Motor vehicle in lieu, unrestricted	217,427	221,039	148,638	99,881
Use of money and property	1,350,857	2,300,378	2,207,738	1,429,481
Gain/(loss) on sale of assets	(4,534)	-	-	-
Other general revenues	39,628	4,443	12,833	91,009
Transfers	-	-	-	-
Extraordinary gain/(loss) on dissolution of redevelopment agency <sup>1</sup>	-	-	-	-
Total general revenues, transfers, and special item	<u>16,293,226</u>	<u>14,318,766</u>	<u>13,977,803</u>	<u>13,339,163</u>
Total primary government	<u>16,293,226</u>	<u>14,318,766</u>	<u>13,977,803</u>	<u>13,339,163</u>
Change in net position				
Governmental activities	<u>901,732</u>	<u>2,733,994</u>	<u>1,942,277</u>	<u>2,588,642</u>
Total Change in net position	<u>\$ 901,732</u>	<u>\$ 2,733,994</u>	<u>\$ 1,942,277</u>	<u>\$ 2,588,642</u>

<sup>1</sup>In fiscal year 2011-2012, 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 AB1X26 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.

Note:

The City of Walnut implemented GASB 63 for the fiscal year ended 06/30/13.  
The City of Walnut implemented GASB 68 and GASB 71 for the fiscal year ended 06/30/15.

2010	2011	2012	2013	2014	2015
\$ 4,772,852	\$ 3,345,592	\$ 3,850,781	\$ 2,408,514	\$ 2,555,368	\$ 2,618,229
3,521,482	3,592,626	3,465,289	3,613,692	3,619,393	3,581,460
2,281,597	2,549,053	1,879,309	1,936,171	8,238,967	2,192,492
5,721,516	6,652,419	6,574,810	7,910,304	7,909,282	6,929,084
3,638,317	3,540,411	3,539,714	3,527,499	3,623,037	3,711,593
1,658,288	1,557,845	255,031	-	-	-
<u>21,594,052</u>	<u>21,237,946</u>	<u>19,564,934</u>	<u>19,396,180</u>	<u>25,946,047</u>	<u>19,032,858</u>
21,594,052	21,237,946	19,564,934	19,396,180	25,946,047	19,032,858
435,446	355,674	343,681	688,295	580,639	595,221
767,047	666,807	550,996	645,562	726,423	330,047
1,412	1,832	101,770	351,829	1,934	1,541
3,550,745	4,045,899	3,348,448	3,302,673	3,375,124	3,186,757
693,213	737,898	782,859	770,891	929,590	583,746
1,294,198	1,508,654	1,338,736	1,339,739	1,491,009	1,292,365
2,116,179	1,269,905	1,383,509	1,207,294	1,337,784	1,797,984
<u>8,858,240</u>	<u>8,586,669</u>	<u>7,849,999</u>	<u>8,306,283</u>	<u>8,442,503</u>	<u>7,787,661</u>
8,858,240	8,586,669	7,849,999	8,306,283	8,442,503	7,787,661
(12,735,812)	(12,651,277)	(11,714,935)	(11,089,897)	(17,503,544)	(11,245,197)
<u>(12,735,812)</u>	<u>(12,651,277)</u>	<u>(11,714,935)</u>	<u>(11,089,897)</u>	<u>(17,503,544)</u>	<u>(11,245,197)</u>
9,027,185	9,108,449	9,347,081	5,641,664	5,995,275	6,238,354
1,176,710	1,410,358	1,322,741	1,413,944	1,345,722	1,573,976
844,511	850,101	872,593	902,198	950,452	963,244
103,168	101,437	102,540	105,198	104,661	99,520
299,952	304,384	285,819	316,607	325,627	330,536
106,989	184,471	25,938	24,158	24,386	24,009
741,999	477,150	496,394	158,230	582,911	468,085
-	-	-	-	-	-
546,539	14,044	78,242	32,711	68,313	18,248
-	-	-	-	-	-
-	-	26,520,101	-	-	-
<u>12,847,053</u>	<u>12,450,394</u>	<u>39,051,449</u>	<u>8,594,710</u>	<u>9,397,347</u>	<u>9,715,972</u>
12,847,053	12,450,394	39,051,449	8,594,710	9,397,347	9,715,972
111,241	(200,883)	27,336,514	(2,495,187)	(8,106,197)	(1,529,225)
<u>\$ 111,241</u>	<u>\$ (200,883)</u>	<u>\$27,336,514</u>	<u>\$ (2,495,187)</u>	<u>\$ (8,106,197)</u>	<u>\$ (1,529,225)</u>

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

Fiscal Year	2006	2007	2008	2009
General Fund:				
Reserved	\$ 644,221	\$ 803,550	\$ 328,238	\$ 524,422
Unreserved	20,803,557	17,627,999	19,240,088	21,171,230
Nonspendable:				
Prepaid costs	-	-	-	-
Notes and loans	-	-	-	-
Advances to other Funds	-	-	-	-
Long term receivable	-	-	-	-
Committed to:				
Disaster recovery	-	-	-	-
Self-insurance	-	-	-	-
Other post-employment benefits	-	-	-	-
Facility maintenance	-	-	-	-
Assigned to:				
Three Oaks Recreation Facility	-	-	-	-
Maintenance and operations	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 21,447,778</u>	<u>\$ 18,431,549</u>	<u>\$ 19,568,326</u>	<u>\$ 21,695,652</u>
All other governmental funds:				
Reserved	\$ 11,656,136	\$ 7,916,720	\$ 8,622,231	\$ 8,529,296
Unreserved, reported in:				
Special Revenue Funds	6,060,260	6,355,428	6,756,155	5,419,127
Debt Service Fund	1,921,620	1,926,700	2,056,878	2,148,160
Capital Project Funds	1,168,550	10,295,167	9,335,739	8,707,745
Nonspendable:				
Prepaid costs	-	-	-	-
Notes and loans	-	-	-	-
Advances to other Funds <sup>1</sup>	-	-	-	-
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service <sup>1</sup>	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 20,806,566</u>	<u>\$ 26,494,015</u>	<u>\$ 26,771,003</u>	<u>\$ 24,804,328</u>

<sup>1</sup> In fiscal year 2011-2012, 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.

The City of Walnut implemented GASB 54 for the fiscal year ended 06/30/10. Information prior to the implementation of GASB 54 is not available.

The City of Walnut implemented GASB 68 and GASB 71 for the fiscal year ended 06/30/15.

2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
363,158	343,093	348,764	363,096	388,722	33,268
-	-	-	-	-	-
114,690	121,470	121,470	146,470	250,870	250,870
-	95,948	95,948	95,948	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	400,000	1,000,000	1,000,000	1,000,000
775,000	774,840	763,637	763,331	762,422	760,142
4,226,617	3,916,439	3,457,687	2,922,039	2,805,957	2,764,643
2,350,000	2,350,000	2,450,000	2,800,000	2,800,000	2,799,845
11,398,050	5,400,817	5,489,465	5,682,585	6,047,785	6,311,725
724,857	-	89,005	670,835	1,247,058	1,179,125
<u>\$ 21,952,372</u>	<u>\$ 15,002,607</u>	<u>\$ 14,215,976</u>	<u>\$ 15,444,304</u>	<u>\$ 16,302,814</u>	<u>\$ 16,099,618</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,537	-	-	-	-	-
220,188	165,972	2,121,598	2,111,948	1,940,827	1,935,130
1,622,009	1,955,626	-	-	-	-
13,302,416	10,495,156	9,910,551	9,054,401	2,992,384	2,958,326
37,815	50,922	103,733	95,674	71,092	78,868
95,835	127,786	106,197	130,906	155,615	140,630
1,447,121	2,078,885	2,146,175	2,640,498	3,129,760	3,099,515
359,673	-	-	-	-	-
600,897	342,544	-	-	-	-
4,199,124	7,651,616	7,072,472	6,630,620	5,180,132	4,088,292
(77,080)	(172,254)	(190,021)	-	-	(13,348)
<u>\$ 21,809,535</u>	<u>\$ 22,696,253</u>	<u>\$ 21,270,705</u>	<u>\$ 20,664,047</u>	<u>\$ 13,469,810</u>	<u>\$ 12,287,413</u>

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

Fiscal Year	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$ 13,091,332	\$ 11,518,871	\$ 12,115,450	\$ 11,737,578
Assessments	1,726,214	1,720,596	1,725,028	1,729,903
Licenses and permits	476,759	895,101	1,227,528	748,964
Fines and forfeitures	261,156	393,921	639,872	422,324
Use of money and property	1,350,857	2,300,378	2,207,738	1,429,481
Developer participation	-	-	-	2,350,000
Intergovernmental	4,313,520	2,875,705	2,948,869	4,536,819
Charges for services	917,215	1,165,393	964,889	980,571
Other	433,768	405,880	371,726	312,789
Total Revenues	<u>22,570,821</u>	<u>21,275,845</u>	<u>22,201,100</u>	<u>24,248,429</u>
<b>Expenditures</b>				
Current:				
General government	5,004,389	2,419,162	2,532,964	2,928,689
Public safety	2,922,965	3,073,687	3,318,783	3,331,531
Community development	-	1,997,573	2,186,114	2,178,134
Public works	7,940,572	3,101,371	5,333,110	4,838,161
Community services	2,968,011	2,937,080	3,067,167	3,327,550
Debt service:				
Principal	1,675,000	1,730,000	1,790,000	1,810,000
Interest <sup>1</sup> and fiscal charges	1,964,745	1,920,805	1,856,295	1,767,554
Refunding bond issuance costs	-	-	-	-
Capital outlay	469,652	1,584,417	932,242	4,015,830
Total Expenditures	<u>22,945,334</u>	<u>18,764,095</u>	<u>21,016,675</u>	<u>24,197,449</u>
Excess (deficiency) of Revenues over Expenditures	<u>(374,513)</u>	<u>2,511,750</u>	<u>1,184,425</u>	<u>50,980</u>
<b>Other financing sources (uses):</b>				
Transfer in	2,159,266	6,726,187	2,291,082	1,353,392
Transfer out	(2,159,266)	(6,726,187)	(2,291,082)	(1,353,392)
Long-term debt	188,821	201,551	176,531	109,671
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Contribution to Successor Agency	-	-	-	-
Total other financing sources (uses)	<u>188,821</u>	<u>201,551</u>	<u>176,531</u>	<u>109,671</u>
Extraordinary gain/(loss) on dissolution of improvement agency <sup>2</sup>	-	-	-	-
Net change in fund balances	<u>\$ (185,692)</u>	<u>\$ 2,713,301</u>	<u>\$ 1,360,956</u>	<u>\$ 160,651</u>
Debt service as a percentage of noncapital expenditures	17.41%	20.82%	19.09%	17.44%

<sup>1</sup> In fiscal year 2011-2012, 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 2011-2012, 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 AB1X26 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.

Note:

The City of Walnut implemented GASB 63 for the fiscal year ended 06/30/13.

The City of Walnut implemented GASB 68 and GASB 71 for the fiscal year ended 06/30/15.

	2010	2011	2012	2013	2014	2015
\$	11,407,058	\$ 11,630,777	\$ 11,948,178	\$ 8,401,800	\$ 8,774,933	\$ 9,093,952
	1,741,026	1,734,099	2,395,879	2,528,470	2,279,176	2,159,654
	1,574,924	2,145,139	763,812	551,181	754,435	785,402
	633,644	546,526	412,855	513,458	555,806	205,560
	741,999	477,150	496,394	158,230	582,911	468,085
	-	-	-	-	-	-
	3,428,712	2,828,261	2,722,436	2,818,365	2,910,075	3,127,876
	1,055,010	1,022,936	1,094,615	1,374,600	1,602,320	1,174,295
	957,482	340,414	596,470	796,899	433,390	363,783
	21,539,855	20,725,302	20,430,639	17,143,003	17,893,046	17,378,607
	4,497,970	3,100,614	3,630,711	2,176,693	2,371,357	2,382,053
	3,510,790	3,582,217	3,436,171	3,552,795	3,573,524	3,570,802
	2,281,597	2,489,606	1,879,309	1,874,757	2,030,856	2,135,562
	3,363,288	3,774,075	3,737,040	5,099,226	4,732,064	4,709,398
	3,206,592	3,115,808	3,105,704	3,122,136	3,214,069	3,302,231
	1,835,000	1,865,000	1,935,000	-	-	-
	1,634,696	1,587,674	776,240	-	-	-
	-	-	-	-	-	-
	3,947,995	7,273,355	1,935,343	695,726	2,156,903	2,664,154
	24,277,928	26,788,349	20,435,518	16,521,333	18,078,773	18,764,200
	(2,738,073)	(6,063,047)	(4,879)	621,670	(185,727)	(1,385,593)
	2,217,414	8,711,865	6,754,359	291,609	2,614,325	896,984
	(2,217,414)	(8,711,865)	(6,754,359)	(291,609)	(2,614,325)	(896,984)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(6,150,000)	-
	-	-	-	-	(6,150,000)	-
	-	-	(2,207,300)	-	-	-
\$	(2,738,073)	\$ (6,063,047)	\$ (2,212,179)	\$ 621,670	\$ (6,335,727)	\$ (1,385,593)
	17.01%	17.14%	14.28%	0.00%	0.00%	0.00%

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

Fiscal Year	2006	2007	2008	2009
Residential	\$ 2,844,453	\$ 3,056,035	\$ 3,227,492	\$ 3,391,832
Commercial	118,690	123,929	145,469	151,021
Industrial	81,042	87,788	90,332	94,007
Government Owned	-	-	-	-
Institutional	11,308	7,656	7,809	7,965
Miscellaneous	251	371	379	386
Recreational	-	-	-	-
Vacant	14,194	13,527	13,645	16,254
SBE Nonunitary	1,199	1,199	101	101
Cross Reference	287	291	434	420
Unsecured	38,143	39,901	37,943	41,880
Exempt	[15,869]	[15,869]	[15,869]	[18,889]
Grand Total	<u>\$ 3,109,567</u>	<u>\$ 3,330,697</u>	<u>\$ 3,523,604</u>	<u>\$ 3,703,866</u>
Total Direct Rate	0.68599%	0.67863%	0.67793%	0.66247%

Notes:

Exempt values are not included in Total.

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.

Includes City and Successor Agency Project Area

Source: Hdl, Coren & Cone, L.A. County Assessor 2005/06-2014/15 Combined Tax Rolls

	2010	2011	2012	2013	2014	2015
\$	3,406,167	\$ 3,477,315	\$ 3,593,986	\$ 3,754,176	\$ 3,990,406	\$ 4,201,218
	156,814	161,741	164,172	163,934	168,050	170,585
	-	95,932	96,149	97,942	100,711	106,086
	-	-	-	-	-	-
	10,708	10,682	15,638	11,375	15,777	12,184
	394	393	396	710	415	257
	-	-	-	-	-	-
	17,812	17,762	72,477	57,513	53,830	62,733
	168	168	168	168	168	168
	243	147	181	628	492	421
	39,920	37,997	35,539	37,569	41,643	36,556
	[17,729]	[8,728]	[8,728]	[8,728]	[8,728]	[8,728]
\$	<u>3,632,226</u>	<u>\$ 3,802,137</u>	<u>\$ 3,978,706</u>	<u>\$ 4,124,015</u>	<u>\$ 4,371,492</u>	<u>\$ 4,590,208</u>
	0.65709%	0.65386%	0.63601%	0.62656%	0.07616%	0.07479%



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

Fiscal Year	2006	2007	2008	2009
Assessment Billings	\$ 1,723,676	\$ 1,723,680	\$ 1,723,710	\$ 1,723,680
Assessment Collected	1,726,215	1,720,595	1,725,027	1,729,902
Percentage Collected	100.1%	99.8%	100.1%	100.4%

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 1,723,680	\$ 1,723,680	\$ 2,392,180	\$ 2,522,580	\$ 2,274,560	\$ 2,138,800
1,741,027	1,734,099	2,395,879	2,538,270	2,279,177	2,159,654
101.0%	100.6%	100.2%	100.6%	100.2%	101.0%

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

Fiscal Years	2006	2007	2008	2009
City Direct Rates:				
General Levy <sup>1</sup>	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:				
Los Angeles County	0.00080	0.00066	0.00000	0.00000
Flood Control District	0.00005	0.00005	0.00000	0.00000
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430
Mt. San Antonio Community College	0.02122	0.02184	0.01750	
Covina Valley Unified School District	0.03793	0.08419	0.07870	0.07862
Pomona Valley Unified School District	0.12488	0.12401	0.11379	0.11577
Pomona Usd 2008 Series C	0.00000	0.00000	0.00000	0.00000
Rowland Unified School District	0.03633	0.07429	0.06943	0.07028
Walnut Valley Unified School District	0.09140	0.08749	0.08463	0.11296
Total Direct and Overlapping <sup>2</sup> Tax Rates	1.31779	1.39723	1.36855	1.38193
City's Share of 1% Levy Per Prop 13 <sup>3</sup>	0.05202	0.05202	0.05202	0.05202
General Obligation Debt Rate	-	-	-	-
Redevelopment Rate <sup>4</sup>	1.00604	1.00541	1.00450	1.00430
Total Direct Rate <sup>5</sup>	0.68599%	0.67863%	0.67793%	0.66247%

Notes:

<sup>1</sup>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.

<sup>2</sup>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.

<sup>3</sup>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.

<sup>4</sup>RDA 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 AB1X 26 eliminated Redevelopment from State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>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 2005/06-2014/15 Tax Rate Table

2010	2011	2012	2013	2014	2015
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00430	0.00370	0.00370	0.00350	0.00350	0.00350
0.02571	0.02636	0.02642	0.02896	0.02023	0.02129
0.08592	0.09003	0.08999	0.09500	0.11472	0.11426
0.14546	0.17721	0.14943	0.18488	0.16407	0.16599
0.00000	0.00000	0.02421	0.00000	0.00000	0.00000
0.06769	0.07538	0.09195	0.10053	0.12297	0.14313
0.11674	0.11839	0.11735	0.12554	0.11342	0.11510
<u>1.44582</u>	<u>1.49107</u>	<u>1.50305</u>	<u>1.53841</u>	<u>1.53891</u>	<u>1.56327</u>
0.05202	0.05202	0.05202	0.05202	0.05202	0.05202
-	-	-	-	-	-
1.004300	1.003700	1.003700	-	-	-
0.65709%	0.65386%	0.63601%	0.62656%	0.07616%	0.07479%

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

Taxpayer	2015		2006		Business Type
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	
Essex CA WA Limited Partnership	\$ 28,302,373	0.62%	\$ 24,735,000	0.80%	Apartments
Snow Creek Village West Partners	21,767,572	0.47%	19,143,269	0.62%	Commercial
Ruey Cher & Tsu Kao	19,628,786	0.43%	17,262,278	0.56%	Commercial (Stater Bros)
Walnut Tech Business Center	19,549,989	0.43%	-	0.00%	Light Industrial/Commercial
Vogel Properties, Inc.	19,025,564	0.41%	16,522,935	0.53%	Light Industrial/Commercial
9429 Walnut Cake LLC	13,224,519	0.29%	-	0.00%	Commercial
Henns Investment Company	9,372,427	0.20%	7,883,525	0.25%	Industrial
Margaret Wang Trust	8,423,942	0.18%	-	0.00%	Commercial (Albertson's Store)
Orange Grove Services	8,150,000	0.18%	-	0.00%	Commercial
Extra Space Properties Twenty One LLC	-	0.00%	6,567,120	0.21%	Self storage spaces
Fairway Injection Mold	7,686,008	0.17%	-	0.00%	Industrial
Vons Companies	-	0.00%	-	0.00%	Grocery Store
Walnut Hills Development 268 LLC	-	0.00%	10,003,491	0.32%	Commercial/Residential
San Jose Hills Road LLC	-	0.00%	-	0.00%	Apartment
Signal Walnut Partneship Limited	-	0.00%	-	0.00%	Commercial
Patrizio Rossi Trust	-	0.00%	6,819,816	0.22%	Commercial
Roman Catholic Archbishop of L.A.	-	0.00%	-	0.00%	Church
Walnut Senior Housing LLC	-	0.00%	5,850,280	0.19%	Developer
Urban Development Agency of Industry	-	0.00%	4,814,898	0.15%	Residential/Vacant
<b>Total</b>	<b>\$ 155,131,180</b>	<b>3.38%</b>	<b>\$ 119,602,612</b>	<b>3.85%</b>	

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

Per State of California AB 1X26 all redevelopment agency in California was dissolved effective February 1, 2012.

Source: City Finance Department, Hdl, Coren & Cone, L.A. County Assessor

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

Fiscal Year	2006	2007	2008	2009
Taxes levied for the fiscal year	\$ 1,068,599	\$ 1,120,941	\$ 1,152,549	\$ 1,199,873
Collected within the fiscal year:				
Amount	984,350	943,478	978,703	1,029,059
Percent of Levy	92%	84%	85%	86%
Total Tax Collection				
Amount	984,350	943,478	978,703	1,029,059
Delinquent Tax Collection	54,356	(2,560)	(1,552)	2,077
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 AB 1X26 all redevelopment agency in California was dissolved effective February 1, 2012.

Source: County of Los Angeles, Auditor-Controller

2010	2011	2012	2013	2014	2015
\$ 1,211,478	\$ 1,226,747	\$ 1,278,806	\$ 1,315,489	\$ 1,390,157	\$ 1,435,551
1,056,079	1,125,382	1,117,322	1,260,893	1,348,701	1,384,713
87%	92%	87%	96%	97%	96%
1,056,079	1,125,382	1,117,322	1,260,893	1,348,701	1,384,713
1,684	1,442	(22)	1,651	1,325	1,082
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A



CITY OF WALNUT  
Ratios of Outstanding Debt  
Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
Walnut Improvement Agency: <sup>1</sup>				
Tax Allocation Refunding Bonds, Series 1999A	\$ 13,000,000	\$ 12,330,000	\$ 12,085,000	\$ 11,830,000
Walnut Public Financing Authority:				
Tax Allocation Revenue Bonds, Series 1992	2,989,403	3,190,953	2,197,484	1,137,155
Tax Allocation Revenue Bonds, Series 2002	23,110,000	22,050,000	21,675,000	21,290,000
Total Governmental Activities	<u>\$ 39,099,403</u>	<u>\$ 37,570,953</u>	<u>\$ 35,957,484</u>	<u>\$ 34,257,155</u>
Personal Income City of Walnut (in thousands) <sup>2</sup>				
	\$ 914,714	\$ 986,046	\$ 1,025,427	\$ 1,037,202
Ratio of outstanding debt	4.27%	3.81%	3.51%	3.30%
Population	32,148	32,297	32,299	32,486
Total debt per capita	1,216	1,163	1,113	1,055

Note: Details regarding outstanding debt can be found on Note 4 of the notes to the financial statements on page 39.

<sup>1</sup> As a result of the dissolution of all the redevelopment agency in California, indebtedness of the former Walnut page 53-56 will provide in depth information on the Successor Agency Trust for assets of former redevelopment agency.

<sup>2</sup> See the Schedule of Demographics Statistics on page 118 for personal income data for calendar year 2014.

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

2010	2011	2012	2013	2014	2015
\$ 11,570,000	\$ 10,840,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>20,890,000</u>	<u>19,755,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 32,460,000</u>	<u>\$ 30,595,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 1,017,320	\$ 1,022,357	\$ 985,249	\$ 996,456	\$ 1,019,743	\$ 1,041,477
3.19%	2.99%	0.00%	0.00%	0.00%	0.00%
32,659	29,439	29,661	29,947	30,112	30,257
994	1,039	-	-	-	-

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CITY OF WALNUT  
Direct and Overlapping Debt

June 30, 2015

	Percentage Applicable	Outstanding Debt 6/30/15	Estimated Share of Overlapping Debt
Metropolitan Water District*	0.196%	\$ 53,296,395	\$ 104,726
Mt. San Antonio CCD DS 2001, 2006 Series C	6.091%	1,975,000	120,301
Mt. San Antonio CCD DS 2001, 2008 Series D	6.091%	21,706,654	1,322,194
Mt. San Antonio CCD DS 2008 Series 13A	6.091%	203,861,691	12,417,604
Mt. San Antonio CCD DS 2008 Series 2013B	6.091%	10,640,000	648,103
Mt. San Antonio CCD DS 2013 Ref Series A	6.091%	73,910,000	4,501,999
Mt. San Antonio CCD DS 2013 Ref Series B	6.091%	47,085,000	2,868,037
Pomona USD DS Refunding 2000 Series A	0.007%	14,800,000	1,074
Pomona USD DS Refunding 2001 Series A	0.007%	14,305,000	1,038
Pomona USD DS 2002 Series D	0.007%	7,711,052	560
Pomona USD DS 2002 Series E	0.007%	31,185,000	2,263
Pomona USD DS 2007 Ref Bds	0.007%	42,040,000	3,051
Pomona USD DS 2008 Series A	0.007%	15,170,000	1,101
Pomona USD DS 2008 Series B	0.007%	26,675,000	1,936
Pomona USD DS 2008 Series C	0.007%	14,000,000	1,016
Pomona USD DS 2012 Refunding Bond Series A	0.007%	23,000,000	1,669
Pomona USD DS 2012 Refunding Bond Series B	0.007%	19,650,000	1,426
Pomona USD DS 2008 Series D QSCBS	0.007%	24,590,000	1,784
Rowland Heights USD DS 2000 Series A	10.750%	2,023,650	217,541
Rowland Heights USD DS 2000 Series B	10.750%	8,719,075	937,294
Rowland Heights USD DS 2005 Ref Bonds	10.750%	10,164,210	1,092,645
Rowland Heights USD DS 2006 Series A	10.750%	41,190,000	4,427,896
Rowland Heights USD DS 2006 Series B	10.750%	29,122,549	3,130,654
Rowland Heights USD DS 2006 Series C (BABS)	10.750%	12,000,000	1,289,992
Rowland Heights USD DS 2006 Series D QSCB	10.750%	21,475,000	2,308,548
Rowland Heights USD DS 2006 Series E	10.750%	557,451	59,926
Rowland Heights USD DS 2012 Series A	10.750%	46,600,000	5,009,468
Rowland Heights USD DS 2013 Ref Bonds	10.750%	28,635,000	3,078,243
Rowland Heights USD DS 2012 Series B	10.750%	67,999,972	7,309,950
Walnut Valley USD DS 2000 Series E	33.898%	11,428,114	3,873,879
Walnut Valley USD DS 2005 Ref Bond	33.898%	5,266,837	1,785,342
Walnut Valley USD DS 2007 Ser A (Measure S)	33.898%	620,000	210,166
Walnut Valley USD DS 2007 Ser A (Measure Y)	33.898%	27,145,000	9,201,558
Walnut Valley USD DS 2011 Refunding	33.898%	11,525,000	3,906,721
Walnut Valley USD DS 2007 Series B Measure S	33.898%	6,355,887	2,154,506
Walnut Valley USD DS 2007 Series B Measure Y	33.898%	27,658,541	9,375,637
Walnut Valley USD DS 2012 Ref Bonds	33.898%	35,565,000	12,055,751
<b>Total Direct and Overlapping Bonded Debt</b>			<b>\$ 93,425,599</b>

2014/15 Assessed Valuation:

\$1,910,870,653 after deducting \$2,679,337,961 Incremental value

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	4.89%
Total Debt	4.89%

\*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 2014/15 Lien Date Tax Rolls

CITY OF WALNUT  
Legal Debt Margin Information  
Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
Assessed valuation	\$3,109,566,717	\$3,330,697,846	\$3,523,603,651	\$3,703,865,728
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	777,391,679	832,674,462	880,900,913	925,966,432
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	116,608,752	124,901,169	132,135,137	138,894,965
Total net debt applicable to limit: General Obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 116,608,752</u>	<u>\$ 124,901,169</u>	<u>\$ 132,135,137</u>	<u>\$ 138,894,965</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Notes:

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: City Finance Department, L.A. County Assessor 2014/15 Combined Tax Rolls

2010	2011	2012	2013	2014	2015
\$3,728,485,982	\$ 3,802,137,343	\$ 3,978,706,380	\$ 4,124,015,117	\$4,371,491,627	\$ 4,590,208,614
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
932,121,496	950,534,336	994,676,595	1,031,003,779	1,092,872,907	1,147,552,154
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
139,818,224	142,580,150	149,201,489	154,650,567	163,930,936	172,132,823
-	-	-	-	-	-
<u>\$ 139,818,224</u>	<u>\$ 142,580,150</u>	<u>\$ 149,201,489</u>	<u>\$ 154,650,567</u>	<u>\$ 163,930,936</u>	<u>\$ 172,132,823</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Fiscal Year	2006	2007	2008	2009
Square Miles <sup>1</sup>	8.83	8.83	8.83	8.83
Number of Housing Units <sup>2</sup>	8,589	8,597	8,624	8,681
Population (City of Walnut) <sup>2</sup>	32,148	32,297	32,299	32,486
Personal Income City of Walnut (in thousands) <sup>3</sup>	914,714	986,046	1,025,427	1,037,202
Per Capita Personal Income City of Walnut <sup>3</sup>	28,880	30,789	32,058	32,351
Unemployment Rate City of Walnut <sup>4</sup>	2.5%	2.2%	2.4%	3.6%
Average Annual Population % change <sup>2</sup>	0.78%	0.46%	0.01%	0.58%

Sources:

<sup>1</sup> City Finance Department

<sup>2</sup> State Department of Finance. The population decrease due to new 2010 census information.

<sup>3</sup> U.S. Bureau of Census decennial census data. ESRI-Demographic Estimates are based on the last available census from calendar 2010. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries.

<sup>4</sup> State of California Employment Development Department.

2010	2011	2012	2013	2014	2015
8.83	8.83	8.83	8.83	8.83	8.83
8,713	8,808	8,867	8,908	8,909	8,911
32,659	29,439	29,661	29,947	30,112	30,257
1,017,320	1,022,357	985,249	996,456	1,019,743	1,041,477
31,432	31,304	33,217	33,274	33,865	34,573
5.6%	6.2%	6.0%	4.5%	3.6%	5.9%
0.53%	-9.86%	0.75%	0.96%	0.55%	0.48%



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CITY OF WALNUT

Principal Employer

Current Year and Nine Years Ago

<u>Employer</u>	<u>2015</u>		<u>Product/Services</u>	<u>2006</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	3,353	49%	Community College	2,700	-
Ninas Mexican Foods, Inc.	133	2%	Manufacturer	-	-
Ronsin Photocopy Inc.	121	2%	Photocopy Manufacturer	95	-
Edro Engineering Company, Inc.	96	1%	Manufacture Mold Bases	96	-
Stater Brothers	88	1%	Grocery Store	65	-
Vons #2167	71	1%	Grocery Store	65	-
McDonald	59	1%	Fastfood	-	-
Fairway Injection Molding System	58	1%	Manufacture Mold Bases	65	-
Applebee's Neighborhood Grill	55	1%	Restaurant	65	-
Mwave.com/Multiwave	54	1%	Computer Wholesales	98	-
Albertsons #6588	-	0%	Grocery Store	86	-
Royal Pacific Mortgage	-	0%	Mortgage Company	60	-

Source: City Finance Department

CITY OF WALNUT  
Full-time Employees  
Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
Function:				
General government	14	14	12	12
Public safety <sup>1</sup>	1	1	2	2
Public works	4	4	4	4
Community development	10	10	9	9
Community services	14	14	14	13
Total	43	43	41	40

<sup>1</sup> Police and fire services were provided by Los Angeles County.

Source: City Finance Department

2010	2011	2012	2013	2014	2015
12	12	12	11	10	9
2	2	2	2	2	2
4	4	4	4	4	6
9	9	9	9	9	9
13	13	11	11	11	10
40	40	38	37	36	36

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

Fiscal Year	2006	2007	2008	2009
Number of New Residential Units	8	33	67	18
Building Permit Valuation				
Residential	3,232,868	19,426,995	30,315,730	13,018,727
Non-Residential	560,430	1,504,145	1,545,030	1,234,263
Total	<u>3,793,298</u>	<u>20,931,140</u>	<u>31,860,760</u>	<u>14,252,990</u>
Number of Building Permit Issued	341	353	368	293
Bank Deposits	486,601,000	525,709,000	526,864,000	634,254,000

Source: City Finance Department, Building Department

2010	2011	2012	2013	2014	2015
45	121	2	3	4	14
36,861,834	57,836,267	10,016,161	7,162,387	6,956,379	12,822,312
4,640,346	282,322	1,298,793	652,506	1,654,042	397,517
<u>41,502,180</u>	<u>58,118,589</u>	<u>11,314,954</u>	<u>7,814,893</u>	<u>8,610,421</u>	<u>13,219,829</u>
401	476	466	450	441	434
636,939,000	656,199,000	580,175,000	689,651,000	766,390,000	860,801,000

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CITY OF WALNUT

Insurance in Force

June 30, 2015

(Unaudited)

<u>CARRIER</u>	<u>POLICY #</u>	<u>COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>	<u>TERM</u>
Alliant Insurance	CRIME1415	Public Employees "O" Theft "C" Forgery "B" Computer Fraud "F"	\$25,000 - \$1,000,000 \$25,000 - \$1,000,000 \$25,000 - \$1,000,000 \$25,000 - \$1,000,000	07/01/14-06/30/15
California Joint Powers Insurance Authority		Real & Personal Property Earthquake/Flood Automobile Damage Mechanical Breakdown	\$ 29,499,962 - 456,722 26,468,095	07/01/14-06/30/15
California Joint Powers Insurance Authority		General Liability Auto Liability Workers' Compensation Environmental/Pollution Cyber Liability	20,000,000 20,000,000 10,000,000 - 1,000,000	07/01/14-06/30/15

Source: City Risk Management



CITY OF WALNUT

Operating Indicators

by Function

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
<b>Public Safety:</b>				
Number of employees trained on Emergency Operation	2	42	42	2
Number of volunteers on patrol	14	14	14	14
Parking Citation Issued	3,360	2,877	2,708	2,787
<b>Community Development:</b>				
Planning Application Processed	158	125	128	109
Code Enforcement Complaint Response	421	462	430	475
Dial-A-Ride Members	3,131	3,481	3,642	3,785
Metrolink Pass Sold	2,603	2,699	2,839	2,907
<b>Public Works:</b>				
Street Resurfacing (square feet)	583,375	197,900	0	1,229,228
<b>Parks and recreation:</b>				
Number of recreation classes	240	264	731	417
Number of youth registered	4,800	4,800	8,081	5,153

Source: City Finance Department

2010	2011	2012	2013	2014	2015
16	16	60	60	60	50
14	15	12	9	12	15
3,723	2,490	2,423	1,779	1,436	2,275
111	153	148	136	150	154
439	453	535	601	789	775
3,869	4,192	4,447	4,618	4,069	4,338
2,616	2,328	2,264	2,028	1,729	1,524
1,093,392	661,025	301,545	21,000	228,360	1,944,687
300	400	236	500	750	683
4,939	4,800	4,706	6,000	6,500	5,500

CITY OF WALNUT

Capital Assets Statistics  
by Function

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
Public Works:				
Street (Miles) <sup>1</sup>	107	107	111	111
Street lights <sup>2</sup>	1,754	1,755	1,771	1,785
Traffic signals	36	36	38	38
Parks and recreation:				
Parks	11	11	11	11
Teen Center	1	1	1	1
Senior Center	1	1	1	1
Total	1,910	1,911	1,933	1,947

<sup>1</sup> Information from Pavement Management System Report provided by RKA Civil Engineers, Inc.

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

2010	2011	2012	2013	2014	2015
111	112	112	112	111	111
1,784	1,814	1,831	1,835	1,853	1,934
38	39	40	40	40	40
11	11	11	11	11	11
1	1	1	1	1	1
1	1	1	1	1	1
1,946	1,978	1,996	2,000	2,017	2,098

# CITY OF WALNUT

## Miscellaneous Statistics

June 30, 2015  
(Unaudited)

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

The climate of Walnut is mild and dry, with the average temperatures ranging from 54 degrees in the winter to 72 degrees in the summer. The annual rainfall for the area is 20 inches.

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

Type of City	General Law-January 19, 1959
Form of Government	Council/Manager
Population	30,257
Land Area	8.83 Square Miles
Number of Parks	11
Park Areas	95 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	36 Full-time
Cost per Capita	\$620

Source: City Finance Department



WALNUT, CALIFORNIA