

CITY OF WALNUT, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED JUNE 30, 2024



CITY OF WALNUT, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

Prepared by:

Finance Department
Marie Santos, Interim Director of Finance

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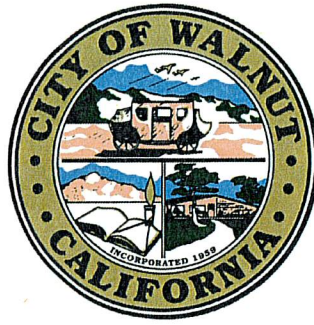
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CITY OF WALNUT

February 10, 2025

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

It is a pleasure to submit the Annual Comprehensive Financial Report of the City of Walnut (City) for the fiscal year ended June 30, 2024. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City. Subsequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Internal accounting controls are implemented by the City to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and the City's financial records used for preparing financial statements are maintained in a reliable fashion and in conformance with the generally accepted accounting principle (GAAP). Because 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 accomplish these objectives.

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

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

THE PROFILE OF THE CITY OF WALNUT

The City was founded in 1940 and incorporated on January 19, 1959, with a population of 1,000. The vote was 241 to 24 for approval. The size of the City at the time of incorporation was 7.5 miles. The City was named after the largest ranch, El Rancho de los Nogales (Nogales meaning "walnuts" in Spanish). The City is situated in the greater Walnut Valley, nestled in an area between San Jose Hills to the north and the Puente Hills to the south, 20 miles east of downtown Los Angeles. This picturesque valley, coupled with its colorful history, provides contemporary living. Walnut has a unique atmosphere, a pleasant mixture of country living with urban convenience. It currently occupies 8.9 square miles and serves a population of 27,867.

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

City of Walnut is a family-friendly community with a diverse population. The City was ranked #49 on the Money Magazine's list of the "Best Places to Live" in 2015. Walnut has been on this list three previous times, once in 2009, 2011 and again in 2013. Families flock to City due to high-performing schools with Academic Performance Index (API) scores above 800's and 900's. Under the stewardship of Walnut Valley Unified School District, several elementary schools and high school received national recognition from the State of California and United States Department of Education. The U.S. Census Bureau, 2018-2022 American Community Survey found that 93.3% of residents 25 years and over are high school graduate or higher and 55.6% have bachelor's degree and graduate degrees.

Residents enjoy a nice balance of commitment to family values, excellent schools, and access to active lifestyle, as well as, variety of shopping and dining options. There is a strong sense of community as residents gather at various City-sponsored events such as Concert in the Parks, July 4th Celebration, National Night Out, Snow Days, and last but not the least, the popular Walnut Family Festival. The City is home to 11 parks with area of 105 acres, 30.5 miles of equestrian/hiking trails, and 368 acres of open space. The residents value the rural atmosphere which is preserved by a well-defined general plan.

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

The Walnut Public Financing Authority was established on November 9, 1988 by a joint powers agreement between the City and the Walnut Improvement Agency. Under bond law the Authority has the power to issue bonds and loan the proceeds to any local agency. The Walnut Successor Agency was established in February 2012 and dissolved in February 2021 per Assembly Bill 1X 26.

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 ensure the City maintains one of the lowest crime rates in Los Angeles county, promote a mix of businesses to influence a balanced community, develops programs to enhance and retain existing businesses, pursues new developments and businesses to 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 and self insurance. In addition, the City assigned fund balance to community services, recreation facility construction, other post-employment benefits, capital projects 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 \$35.4 million. Of that balance, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) was \$33.3 million, which is approximately 210% of the total general fund expenditures. The total net change in the general fund balance is an increase of \$3.4 million.

The City maintains a five-year Capital Improvement Program to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. The fiscal year 2025-2029 Capital Improvement Program anticipates \$14 million in capital projects.

FUTURE ECONOMIC OUTLOOK

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Walnut for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the thirty-fourth (35th) consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in

Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

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

Respectfully submitted,



Tom Weiner
City Manager



Marie Santos
Interim Director of Finance



Alexander Merkel Medina
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Walnut
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

**CITY OF WALNUT
OFFICIALS
June 30, 2024**

CITY COUNCIL

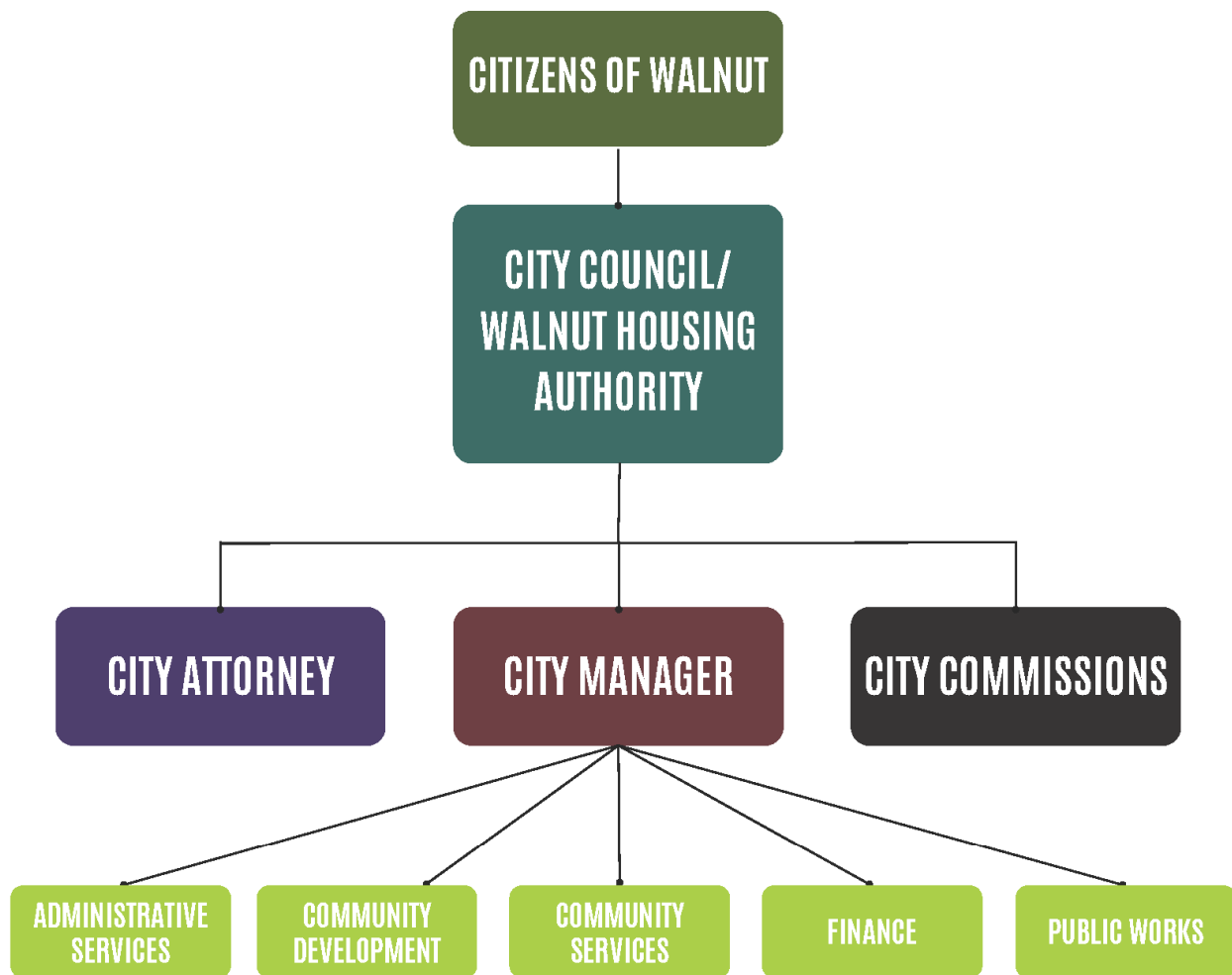
Nancy Tragarz, Mayor
Linda Freedman, Mayor Pro Tem
Ritchie Cajulis, Council Member
Eric Ching, Council Member
Dr. Allen Wu, Council Member

CITY OFFICIALS

Tom Weiner, City Manager
Teresa De Dios, City Clerk
Marie Santos, Interim City Treasurer

CITY OF WALNUT

CITY ORGANIZATIONAL CHART

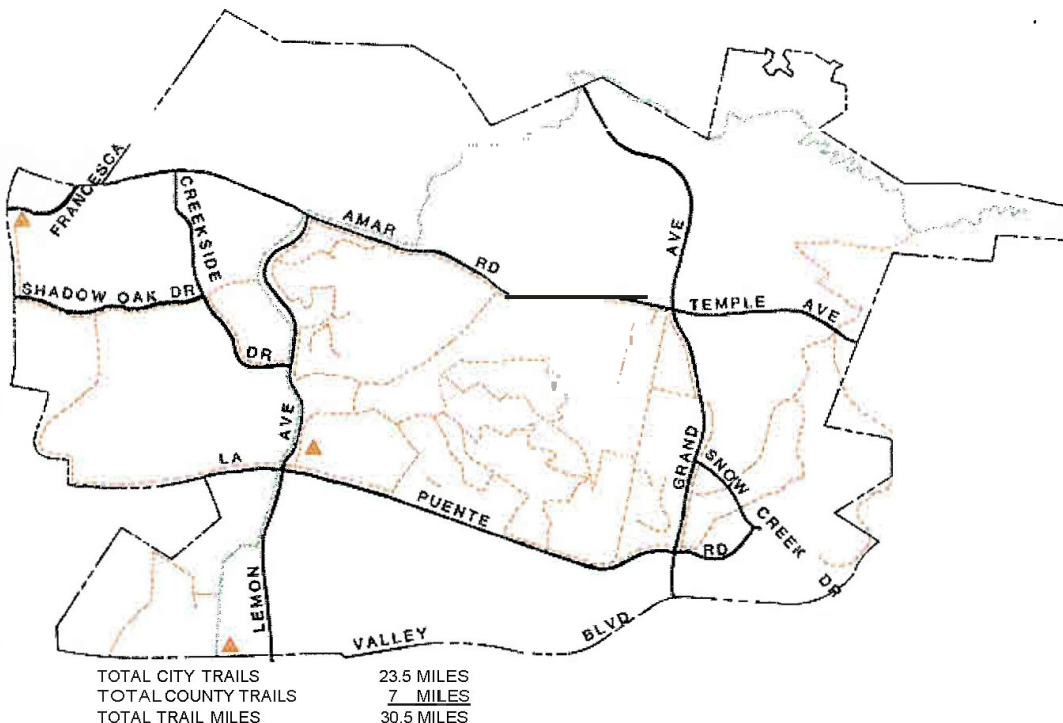


City of Walnut Trail Map



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

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



FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Walnut, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 10 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, for the year ended June 30, 2024. Accordingly, a restatement has been made to beginning fund balance as of July 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
February 10, 2025

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, 2024. 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 \$109.9 million (net position).
- The General Fund has a fund balance of \$35.4 million.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of the fund balance) for the General Fund was \$33.3 million or approximately 210% of the total general fund expenditures.
- The General Fund actual resources available for appropriation (revenue inflows and fund balance) was \$30.1 million more than budget and actual appropriations (outflows) were \$1,226,186 under budget.
- At the close of the current fiscal year, the City of Walnut governmental funds reported a combined fund balance of \$49.6 million.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Walnut's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Walnut is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Walnut that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City of Walnut include general government, public safety, community development, community services, and public works.

The government-wide financial statements include the blending of separate legal entities the Walnut Public Financing Authority and the Walnut Housing Authority. Although legally separate, these “component units” are, in substance, part of the City’s operations and are important because the City of Walnut is financially accountable for them.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Walnut, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The City of Walnut adopts an annual appropriated budget for its general fund, special revenue funds, and capital projects fund. Budgetary comparison statements have been provided for the general fund, special revenue funds, and capital projects fund to demonstrate compliance with this budget.

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Walnut, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$109.9 million at the close of the fiscal year. Our analysis focuses on the net position and changes in net position of the City's governmental activities.

City of Walnut Net Position (In Thousands)

	Governmental Activities	
	June 30, 2024	June 30, 2023
Current and other assets	\$ 59,623	\$ 56,673
Capital assets	69,518	68,830
Total assets	129,141	125,503
Deferred outflows of resources	4,337	4,367
Current liabilities	10,537	12,356
Noncurrent liabilities	11,974	11,124
Total liabilities	22,511	23,480
Deferred inflows of resources	1,101	1,296
Net Position		
Net investment in capital assets	69,518	68,830
Restricted	13,144	11,199
Unrestricted	27,204	25,065
Total net position	\$ 109,866	\$ 105,094

The largest portion of the City of Walnut's net position (63%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures, equipment, and infrastructures), less accumulated depreciation and 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 (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27.2 million is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

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

The City of Walnut overall net position increased \$4.8 million. The following is an explanation of the major changes:

- Current and other assets increased \$2.9 million. The increase is attributed to the following changes:
 - Cash and investments increased by \$2.7 million due to an increase in Building and Safety plan checks/permits issued by the Community Development Department, expense reimbursement received from LA County for Measure A (M&S), cash receipts related to Neighborhood Park Grants and the State of California LEAP grant, and higher rates of return on investments in the agency’s portfolio.
 - Interest receivable is \$97,644 higher than last year.
- Current liabilities decreased by \$1.8 million primarily due to unearned revenues for American Rescue Plan Act (ARPA) funds being recognized as earned, based on the expenses incurred during the year.
- Noncurrent liabilities increased by \$850,510 due to the increase in net pension liability and total OPEB liability this year compared to prior year.
- Capital assets increased \$0.7 million. This is the net effect of an increase in Construction in Progress of \$1.7 million and a decrease in capital assets (net of depreciation) of \$1 million. The changes are as follows:

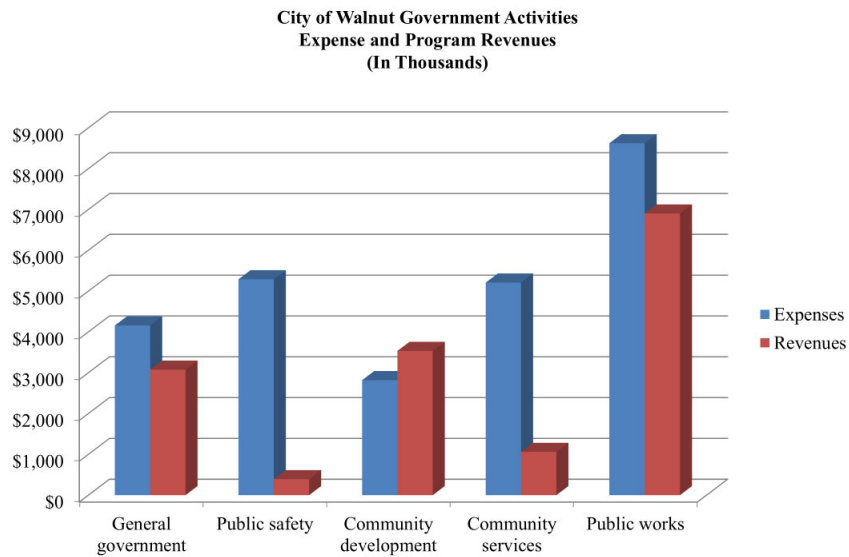
City of Walnut Capital Asset Type

Construction in progress	\$ 1,676,345
Building and improvements	300,348
Furniture and equipment	194,706
Infrastructure	<u>(1,482,892)</u>
Capital asset net increase	<u><u>\$ 688,507</u></u>

Governmental Activities. Governmental activities increased the City of Walnut net position by \$4.8 million. Key element of the changes are the increase in use of money and property, operating contributions and grants and property tax. Refer to the analysis on the next page.

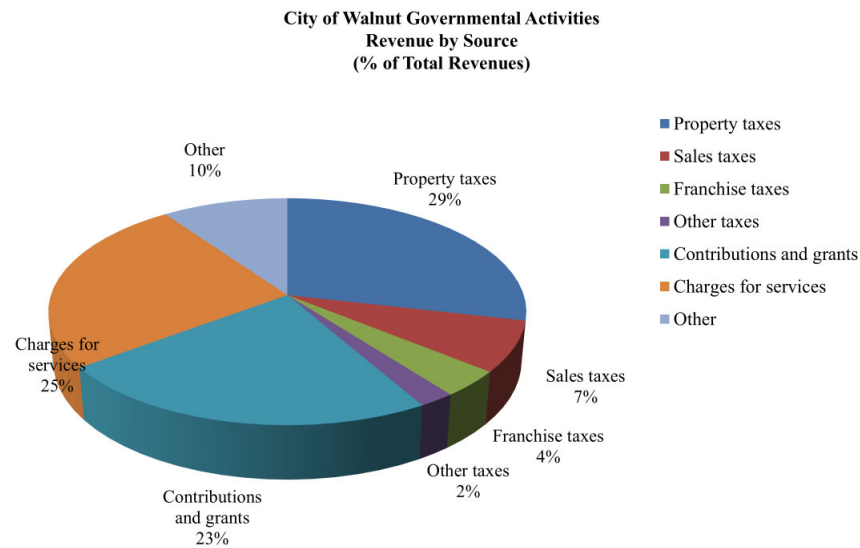
**City of Walnut Changes in Activities
(In Thousands)**

	<u>Governmental Activities</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,829	\$ 9,066
Operating contributions and grants	4,284	3,570
Capital contributions and grants	2,849	2,968
General revenues:		
Taxes:		
Property taxes	8,823	8,502
Sales taxes	2,232	2,429
Franchise taxes	1,156	1,162
Business license taxes	174	139
Other taxes	488	499
Use of money and property	2,912	1,278
Other	122	548
Total revenues	<u>30,869</u>	<u>30,161</u>
Expenses:		
General government	4,158	2,604
Public safety	5,290	4,757
Community development	2,818	3,502
Community services	5,209	5,237
Public works	8,622	7,417
Total expenses	<u>26,097</u>	<u>23,517</u>
Change in net position	4,772	6,644
Beginning net position	105,094	98,450
Ending Net Position	<u>\$ 109,866</u>	<u>\$ 105,094</u>



- Charges for services decreased \$1.2 million due to lower “park in-lieu” fees received from real estate developers, as well as lower receipts for waste management fees year-over-year. However, revenues received increased by 53% for Building Safety plan check and permits, 35% for code fines and 32% for vehicle fines this year.
- Operating contributions and grants increased \$714,721 due to increase in revenues received from CDBG, recognition of earned revenues for ARPA projects, Gas Tax and Road Maintenance and Rehabilitation Act (RMRA) funds.
- Capital contributions and grants received decreased \$119,166 due to lower allocation received from MTA for Prop A, Prop C, Measure R and Measure M, which is a decrease of 5% in allocation compared to last fiscal year.
- Use of money and property revenues increased by \$1.6 million, which is primarily due to the increase in return of investments. It is noteworthy that a large portion of this is unrealized and stems from the fair value adjustment to the City’s portfolio.
- General government expense increased by \$1,554,269 mainly due to an increase in net pension and OPEB liabilities, capital asset depreciation expense. The \$248,785 increased in expenses related to operation is due to 3% employee cost of living increase, health insurance cost premium rate increases, legal fees, community promotion and family festival expenses including the celebration of the Walnut birthday bash.
- Public safety expenses increased by \$533,026 compared to last year due to an increase in the general law enforcement services contract, business license enforcement, crime prevention services through neighborhood watch, traffic enforcement, animal control services and Emergency preparedness program.

- Community Development expense decreased by \$683,934 due to no sale/exchange of Proposition A funds this year.
- Community Services expenses decreased by \$28,718 due to depreciation expenses, the completion of some park related projects, lower recreation ticket sale for excursion, snack bar, special events, and membership.
- Public works expense increased by \$1,205,407 due to increased expenses on street R-O-W maintenance, tree trimming and cutting, ground maintenance, electric usage for irrigation and booster pump and building maintenance.



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 \$49.6 million, an increase of \$4.8 million in comparison to prior year. Of this balance 0.1% (\$0.06 million) is nonspendable balances for notes and loans, advances to other funds, and prepaid costs; 31% (\$15.1 million) are legally restricted to fund such areas as low and moderate housing projects, public safety, community services, and public works; 4% (\$2.0 million) are committed to disaster recovery and self-insurance; 43% (\$21.3 million) are assigned to community services, maintenance and operations, and other post-employment benefits; and the remaining 23% (\$11.2 million) 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 \$35.4 million. The unassigned fund balance of the general fund is \$11.2 million, which represents approximately 70% compared to the general fund expenditures. The total general fund balance represents approximately 223% of the general fund expenditures. The general fund balance increased \$3.4 million.

The Landscape Open Space Maintenance District (LOSMD) fund accounts for assessments levied by the City to residents who have property maintained by the City. The costs exceeded the assessments related to the LOSMD by \$339,885, before any transfer subsidizing the excess cost. During this year a new building permit fee surcharge has been implemented and the revenue received is \$274,274. This revenue helps the LOSMD to cover some of the cost needed to maintain it. The assessments do not have a provision for rate increases and expenses to maintain the property continue to increase each year.

The non-major government fund balances increased by a cumulative total of \$1.1 million primarily due to receipt of the reimbursement of expenses related to Neighborhood Park Act grant and Measure A (M& S) from La County Safe, Clean Neighborhood Parks and Beaches measure of 2016.

General Fund Budgetary Highlights

The actual charges to appropriations for the general fund at year-end were \$1,226,186 less than the final budget. The budget to actual variance in appropriations was due to lower transfers out to cover expenses in other funds and close control by management of spending. Actual revenues were \$2,837,361 more than anticipated, which is primarily due to increase interest revenue recognized on investments, moderate increases in property taxes due to continued increase in assessed real estate value, and an increase in business license tax with the addition of new revenue implemented this year for tobacco retail licensing. Budget amendments and supplemental appropriations were made during the year to increase appropriations for unanticipated expenditures after adoption of the original budget in the amount of \$1,085,502.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ended June 30, 2024, the City had \$69,518,202 invested in a broad range of capital assets including land, buildings, infrastructures, furniture, and equipment. The amount represents a net increase of \$0.7 million over last year. This increase is mainly due to construction in progress at the Creekside Diversity Plaza project, fountain spray, picnic shelter, mosaic, Suzanne Park LED lights, electrical pole installations at Walnut Ranch Park and Creekside Park. Completed projects added this year are Green Street Project, Pickleball court at Walnut Ranch Park, LED lights at Snow Creek Park and Creekside Park, and concrete repairs at various locations of the City. Furniture, fixtures and equipment added this year include a forklift, mobile stage, replacement of a fully depreciated vehicle for the City Manager, and purchase of radar speed sign.

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

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$ 10,793	\$ 10,793
Construction in progress	4,608	2,932
Building and improvements	11,658	11,357
Furniture and equipment	1,425	1,230
Infrastructure	<u>41,034</u>	<u>42,518</u>
Total	<u>\$ 69,518</u>	<u>\$ 68,830</u>

The City's five-year Capital Improvement Program projects spending \$14 million through fiscal year 2028-29. Funding will come from current fund balances assigned for capital projects and projected revenues over the next five years. The most significant projects include reflective street sign replacement, upgrade to City of Walnut facilities security/fire alarms, slurry seal, Valley Blvd. rehabilitation and various park improvement projects.

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

Long-term Liabilities. At the end of the current fiscal year, the City of Walnut had total accrued compensated absences of \$750,350, which is \$30,645 more than prior year. The accrued net pension liability is \$10,119,646, which is \$729,469 more than last year's share and the OPEB liability is \$1,641,492, an increase of \$131,679 from last year. Additional information can be found in Note 4 for compensated absences liability, Note 7 for net pension liability and Note 8 for OPEB liability.

Economic Factors and Next Year's Budgets and Rates

On March 4, 2020, California Governor Gavin Newsom proclaimed a State of Emergency to exist in California as a result of the threat of Novel Corona Virus Disease (COVID-19) and on March 13, 2020 the President of the United States declared a National Emergency. The City of Walnut proclaimed a local emergency on March 17, 2020. The state of emergency continued through fiscal year 2021-22. Walnut is allocated \$7.1 million in American Rescue Plan Act Funds (ARPA) and received two tranches of \$3.6 million (in July 2021 and July 2022) for a total of \$7.2 million. The City will expend the funds in accordance to the federal regulations. The revenue and expenditure projections provided for the 2023-24 budget were based upon economic forecasts and trends for the area in which the City is located. This information is 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 2% increase in sales tax and 3% increase in property taxes for the next couple of years. These projections were based on the current economic situation.

The community development and building project related revenues such as plan checks and building permit issuance fees have been budgeted at the existing prior year levels regardless of new development project(s) that are currently in the beginning stages, since the City does not have definite details about the projected start dates and other related information.

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

A priority of the City is to maintain a high quality of services while adopting a balanced budget. Once again the budget is balanced for the coming year (FY 2024/2025).

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, 21201 La Puente Road, Walnut, California 91789.

City of Walnut, California
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets	
Cash and investments	\$ 54,622,265
Receivables	
Accounts	282,216
Accrued interest	428,835
Deferred loans	726,003
Prepaid costs	21,791
Due from other governments	990,608
Restricted cash and investments	2,550,760
Total current assets	<u>59,622,478</u>
Noncurrent assets	
Capital assets not being depreciated	15,400,943
Capital assets, net of depreciation	54,117,259
Total noncurrent assets	<u>69,518,202</u>
Total assets	<u>129,140,680</u>
Deferred Outflows of Resources	
Deferred amount related to pensions	3,890,596
Deferred amount related to OPEB	446,737
Total deferred outflows of resources	<u>4,337,333</u>
Liabilities	
Current liabilities	
Accounts payable	3,632,481
Deposits payable	1,705,585
Accrued liabilities	443,171
Unearned revenue	3,508,038
Due to other governments	710,640
Compensated absences	537,069
Total current liabilities	<u>10,536,984</u>
Noncurrent liabilities	
Compensated absences	213,281
Net pension liability	10,119,646
Total OPEB liability	1,641,492
Total noncurrent liabilities	<u>11,974,419</u>
Total liabilities	<u>22,511,403</u>
Deferred Inflows of Resources	
Deferred amounts related to pensions	427,955
Deferred amounts related to OPEB	672,929
Total deferred inflows of resources	<u>1,100,884</u>
Net Position	
Net investment in capital assets	69,518,202
Restricted for	
Community development projects	819,353
Public safety	694,450
Community services	3,537,943
Public works	8,092,422
Unrestricted	27,203,356
Total net position	<u>\$ 109,865,726</u>

City of Walnut, California

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Governmental Activities					
General government	\$ 4,158,040	\$ 933,735	\$ 2,141,667	\$ -	\$ (1,082,638)
Public safety	5,290,104	205,163	186,159	-	(4,898,782)
Community development	2,817,623	2,590,651	198,605	744,951	716,584
Community services	5,208,818	1,060,403	-	-	(4,148,415)
Public works	8,622,189	3,039,438	1,758,332	2,103,814	(1,720,605)
Total governmental activities	<u>\$ 26,096,774</u>	<u>\$ 7,829,390</u>	<u>\$ 4,284,763</u>	<u>\$ 2,848,765</u>	<u>(11,133,856)</u>
General Revenues					
Taxes					
Property taxes, levied for general purpose					8,822,692
Sales taxes					2,231,693
Franchise taxes					1,156,154
Business taxes					174,358
Other taxes					
Realty stamp					209,186
Development					48,553
Public Safety Augmentation Fund (PSAF)					229,867
Unrestricted investments earnings					2,911,536
Miscellaneous					121,619
Total General Revenues					<u>15,905,658</u>
Change in Net Position					<u>4,771,802</u>
Net Position, Beginning of Year					<u>105,093,924</u>
Net Position, End of Year					<u>\$ 109,865,726</u>

City of Walnut, California
Balance Sheet – Governmental Funds
June 30, 2024

		Special Revenue Funds			Other	Total
	General	Community Development Block Grant	LOSMD	ARPA	Governmental Funds	Governmental Funds
Assets						
Pooled cash and investments	\$ 34,683,260	\$ -	\$ 292,520	\$ 4,318,483	\$ 15,328,002	\$ 54,622,265
Receivables						
Accounts	268,902	-	147	-	13,167	282,216
Accrued interest	420,622	-	-	-	8,213	428,835
Deferred loans	-	682,504	-	-	43,499	726,003
Prepaid costs	21,791	-	-	-	-	21,791
Due from other governments	621,458	123,233	34,651	-	211,266	990,608
Due from other funds	758,057	-	-	-	-	758,057
Advances to other funds	35,827	-	-	-	-	35,827
Restricted cash and investments	2,550,760	-	-	-	-	2,550,760
Total assets	\$ 39,360,677	\$ 805,737	\$ 327,318	\$ 4,318,483	\$ 15,604,147	\$ 60,416,362
Liabilities and Fund Balances						
Accounts payable	\$ 1,376,358	\$ 4,797	\$ 291,490	\$ 934,588	\$ 1,025,248	\$ 3,632,481
Deposits payable	1,705,585	-	-	-	-	1,705,585
Accrued liabilities	434,951	-	-	6,526	1,694	443,171
Unearned revenues	455,339	-	-	3,052,699	-	3,508,038
Due to other governments	-	682,504	-	-	28,136	710,640
Due to other funds	-	118,429	-	-	639,628	758,057
Advances from other funds	-	-	35,827	-	-	35,827
Total liabilities	3,972,233	805,730	327,317	3,993,813	1,694,706	10,793,799
Fund Balances						
Nonspendable	57,618	-	-	-	-	57,618
Restricted	1,996,760	7	1	324,670	12,819,489	15,140,927
Committed	2,000,000	-	-	-	-	2,000,000
Assigned	20,165,502	-	-	-	1,089,952	21,255,454
Unassigned	11,168,564	-	-	-	-	11,168,564
Total fund balances	35,388,444	7	1	324,670	13,909,441	49,622,563
Total liabilities and fund balances	\$ 39,360,677	\$ 805,737	\$ 327,318	\$ 4,318,483	\$ 15,604,147	\$ 60,416,362

City of Walnut, California

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances of Governmental Funds	\$ 49,622,563
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.	69,518,202
Compensated absences have not been included in the governmental fund activity.	(750,350)
Governmental funds report all pension contributions to the plan as expenditures, however, in the statement of net position contributions are recorded as deferred outflows of resources to reduce the net pension liability at a future date. Additionally, the pension liability is recorded in the statement of net position as a long-term liability. The following reconciles adjustments related to the net pension liability:	
Deferred outflows related to pensions	3,890,596
Net pension liability	(10,119,646)
Deferred inflows related to pensions	(427,955)
Governmental funds report all OPEB payments to beneficiaries as expenditures, however, in the statement of net position such amounts are recorded as deferred outflows of resources to reduce the total OPEB liability at a future date. Additionally, the OPEB liability is recorded in the statement of net position as a long-term liability. The following reconciles adjustments related to the total OPEB liability:	
Deferred outflows related to OPEB	446,737
Total OPEB liability	(1,641,492)
Deferred inflows related to OPEB	(672,929)
Net Position of Governmental Activities	<u>\$ 109,865,726</u>

City of Walnut, California

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2024

	General	Special Revenue Funds				Other Governmental Funds	Total Governmental Funds
		Community Development Block Grant	LOSMD	ARPA	Park Improvement		
Revenues							
Taxes	\$ 12,822,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,822,648
Assessments	-	-	2,469,967	-	-	238,257	2,708,224
Licenses and permits	2,253,260	-	274,274	-	-	-	2,527,534
Intergovernmental	246,479	198,605	-	2,097,356	-	5,323,269	7,865,709
Charges for services	1,495,330	-	-	-	-	-	1,495,330
Use of money and property	2,039,802	-	-	282,570	-	589,165	2,911,537
Fines and forfeitures	43,125	-	-	-	-	124,072	167,197
Miscellaneous	314,497	-	-	-	-	55,900	370,397
Total revenues	19,215,141	198,605	2,744,241	2,379,926	-	6,330,663	30,868,576
Expenditures							
Current							
General government	3,299,894	-	-	-	-	-	3,299,894
Public safety	4,741,793	-	-	352,996	-	191,681	5,286,470
Community development	1,789,559	198,605	-	-	-	829,459	2,817,623
Community services	4,519,565	-	-	-	-	25,000	4,544,565
Public works	1,435,946	-	2,695,711	1,744,360	-	3,455,679	9,331,696
Capital outlay	1,667	-	114,141	-	-	663,172	778,980
Total expenditures	15,788,424	198,605	2,809,852	2,097,356	-	5,164,991	26,059,228
Excess (Deficiency) of Revenues over (Under) Expenditures	3,426,717	-	(65,611)	282,570	-	1,165,672	4,809,348
Other Financing Sources (Uses)							
Transfers in	55,900	-	65,611	-	-	475,000	596,511
Transfers out	(90,611)	-	-	-	-	(505,900)	(596,511)
Total other financing sources (uses)	(34,711)	-	65,611	-	-	(30,900)	-
Net Changes in Fund Balances	3,392,006	-	-	282,570	-	1,134,772	4,809,348
Fund Balances, Beginning of Year, as previously stated	31,996,438	7	1	42,100	3,153,836	9,620,833	44,813,215
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	(3,153,836)	3,153,836	-
Fund Balances, Beginning of Year, as restated	31,996,438	7	1	42,100	-	12,774,669	44,813,215
Fund Balances, End of Year	\$ 35,388,444	\$ 7	\$ 1	\$ 324,670	\$ -	\$ 13,909,441	\$ 49,622,563

City of Walnut, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds		\$ 4,809,348
Amounts reported for governmental activities in the statement of different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. Adjustments for capital outlay net of asset deletions and the net depreciation is reported in the governmental activities.		
Capital assets, net of gains/loss on disposal	\$ 3,394,589	
Depreciation	<u>(2,706,082)</u>	688,507
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents the net change in the compensated absences liability.		(30,645)
Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as a change in the total OPEB liability and the amortization of deferred outflows and inflows. This amount represents the change in OPEB related amounts.		(67,985)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as a change in the net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the change in pension related amounts.		<u>(627,423)</u>
Change in Net Position of Governmental Activities		<u>\$ 4,771,802</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1 - Summary of Significant Accounting Policies

a. Description of Reporting Entity

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

Reporting Entity:

Primary Government:
City of Walnut

Component Units:
Walnut Public Financing Authority
Walnut Housing Authority

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

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

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

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

Blended Component Units

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

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

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report on the government as a whole. They include the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Community Development Block Grant (CDBG) Fund is a federal grant administered by the County of Los Angeles Department of Community Development under the provisions of the 1974 Housing and Community Development Act. The funds are available to cities and restricted to provide improvements to those considered "blighted" under the definitions set forth by the Act.
- The Lighting and Open Space Maintenance District (LOSMD) is comprised of approximately 369 acres of landscape areas throughout the City that is divided into twelve zones and generates revenue based on property tax assessments per zone. The funds are restricted for the landscape maintenance, rodent control, weed abatement, and other related expenses within the LOSMD.
- The American Rescue Plan Act (ARPA) Fund accounts for monies received from the United States Department of the Treasury for purposes authorized under the applicable regulations, such as community assistance, small businesses support, revenue replacement to maintain critical government services, housing and homelessness, community health, transit, and infrastructure.

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

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

e. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position or Equity

1. Cash and Investments

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

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

The City categorizes the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Receivables and Payables

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

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

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

3. Deferred Loans – CDBG Home Improvement Program

CDBG and the Walnut Housing Agency implemented a Home Improvement Loan Program designed to assist homeowners with their required contribution to the cost of a home improvement project. The program provided interest free loans up to \$30,000 to cover up to 100% of the homeowner's contribution. The loans are secured by a Deed of Trust and become due upon the sale, refinancing, or transfer of the property. The total outstanding is \$726,003.

4. Prepaid Costs

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Infrastructure assets have a capitalization threshold of \$25,000. Right to use subscription assets in excess of \$50,000 are capitalized. General infrastructure assets acquired in current and prior years have been reported. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings	40 - 50*
Building improvements	25
Public domain infrastructure	25 - 100
Infrastructure	30 - 50
Vehicles	7
Office equipment	7
Computer equipment	7
Furniture	10

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The City has two items that qualify for reporting in this category. It is the deferred amounts related to pension and OPEB. These amounts relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. In the government-wide financial statements the City reports deferred amounts related to pension and OPEB.

7. Net Pension Liability

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

8. Total OPEB Liability

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

9. Compensated Absences

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

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

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

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

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

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are paid, if matured, out of the general fund.

10. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

11. Fund Equity and Flow Assumptions

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

12. Unearned Revenue

Monies or funding collected in advance of incurring eligible expenses or performing recognition criteria are recorded as Unearned Revenue and recognized in the period to which they apply. As of June 30, 2024, the City has unearned revenues of \$3,508,038.

13. Use of Estimates

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

14. Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Accounting Pronouncements Effective in this Fiscal Year

GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City adopted GASB No. 100 in July 2023 and implementation required additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements were updated to conform to the presentation requirements related to the change within financial reporting entity (major fund to nonmajor fund) in the financial statements for the year ended June 30, 2024, with additional required disclosures included in Note 10.

Accounting Pronouncements Effective Future Fiscal Years

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

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City has not determined the effect on the financial statements.

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for reporting periods beginning after June 15, 2024. The City has not determined the effect of this Statement.

GASB Statement No. 103 – In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues. The Statement is effective for reporting periods beginning after June 15, 2025. The City has not determined the effect of this Statement.

GASB Statement No. 104 – In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The object of this statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should also be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City has not determined the effect of this Statement.

II. DETAILED NOTES ON ALL FUNDS

Note 2 - Cash and Investments

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 54,622,265
Restricted cash and investments	
Section 115 trust	1,996,760
Mutual Funds - Money Market	<u>554,000</u>
Total cash and investments	<u>\$ 57,173,025</u>

Cash and investments as of June 30, 2024, consists of the following:

Deposits with financial institutions	\$ 3,487,515
Petty cash	1,200
Investments	
Los Angeles County Investment Pool	4,853,653
Mutual Funds - Money Market	554,000
California Local Agency Investment Fund	36,316,428
U.S Government Securities	9,963,469
Section 115 trust	
Mutual Funds - Money Market	117,519
Mutual Funds - Equity	1,291,545
Mutual Funds - Fixed Income	<u>587,696</u>
Total investments	<u>53,684,310</u>
Total cash and investments	<u>\$ 57,173,025</u>

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

Custodial Credit Risk

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

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking.

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Cash Deposits

At June 30, 2024, the carrying amount of the City's deposits was \$3,487,515 and the bank balance was \$3,792,324. The \$304,809 difference represents outstanding checks and other reconciling items.

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

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

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

Investment in Section 115 Trust

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

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated.

Los Angeles County Pooled Investment Fund

The City is also a voluntary participant in the Los Angeles County Pooled Investment Fund. The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the County of Los Angeles Board of Supervisors, and administered by the County of Los Angeles Treasurer and Tax Collector. Investments in LACPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. LACPIF imposes a minimum investment limit of \$50,000. As of June 30, 2024, the City's participation is 0.00855 percent. LACPIF has a weighted average maturity of 668 days.

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

Fair Value Measurements

The City and the City's Section 115 Trust categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical of similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City reports its investments in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Investments in money market mutual funds are reported at amortized costs (\$1.00 in absolute dollar amounts per share), which approximates fair value. Accordingly, the City's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The City's investments in the LAIF and LACIP are not subject to the fair value hierarchy.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2024. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others. The City does not have any investments that are measured using Level 3 inputs.

City of Walnut, California
Notes to Financial Statements
June 30, 2024

Investments by fair value	Fair Value	Fair Value Measurements Using:		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
City Investments				
U.S. Government Agency Securities				
Federal Home Loan Bank (FHLB)	\$ 9,963,469	\$ -	\$ 9,963,469	\$ -
Section 115 Trust				
Mutual Funds - Money Market	117,519	117,519	-	-
Mutual Funds - Equity	1,291,545	1,291,545	-	-
Mutual Funds - Fixed Income	587,696	587,696	-	-
Total city investments measured at fair value	<u>\$ 11,960,229</u>	<u>\$ 1,996,760</u>	<u>\$ 9,963,469</u>	<u>\$ -</u>
Investments Held with Fiscal Agent				
Mutual Funds - Money Market	\$ 554,000	\$ 554,000	\$ -	\$ -
Total fiscal agent investments measured at fair value	<u>\$ 554,000</u>	<u>\$ 554,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy				
Los Angeles County Investment Pool	\$ 4,853,653			
Local Agency Investment Fund	<u>36,316,428</u>			
Total Investments not measured at Fair Value or Subject to Fair Value Hierarchy	<u>41,170,081</u>			
Total investments	<u>\$ 53,684,310</u>			

Credit Risk

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

Presented below is the minimum rating as required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standards and Poor, as of year-end for each investment type:

Investment Type	Total as of June 30, 2024	Minimum Legal Rating	Aaa/AAA	Unrated
Los Angeles County Investment Pool	\$ 4,853,653	(1)	\$ -	\$ 4,853,653
Local Agency Investment Fund	36,316,428	(1)	-	36,316,428
U.S. Government Agency Securities				
Federal Home Loan Bank (FHLB)	9,963,469	(1)	9,963,469	-
Section 115 Trust				
Mutual Funds - Money Market	117,519	Aaa/AAA	117,519	-
Mutual Funds - Equity	1,291,545	(1)	-	1,291,545
Mutual Funds - Fixed Income	587,696	(1)	-	587,696
Held with fiscal agent				
Mutual Funds - Money Market	<u>554,000</u>	Aaa/AAA	<u>554,000</u>	<u>-</u>
Total investments	<u>\$ 53,684,310</u>		<u>\$ 10,634,988</u>	<u>\$ 43,049,322</u>

(1) Not Applicable

Concentration of Credit Risk

The City's investment policy does not impose restrictions for certain types of investments with any one issuer beyond that stipulated by the California Government Code. As of June 30, 2024, the following investments represented 5% or more of the City's total investment.

Issuer	Percentage as of June 30, 2024	Total Investments
U.S. Government Agency Securities Federal Home Loan Bank (FHLB)	18.56%	\$ 9,963,469

Interest Rate Risk

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

The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2024, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities			Fair Value
	12 months or less	1 to 3 years	3 to 5 years	
City Investments				
Los Angeles County Investment Pool	\$ 4,853,653	\$ -	\$ -	\$ 4,853,653
Local Agency Investment Fund	36,316,428	-	-	36,316,428
U.S. Government Agency Securities Federal Home Loan Bank (FHLB)	4,983,150	4,980,319	-	9,963,469
Section 115 Trust				
Mutual Funds - Money Market	117,519	-	-	117,519
Mutual Funds - Equity	1,291,545	-	-	1,291,545
Mutual Funds - Fixed Income	587,696	-	-	587,696
Total investments held by the City	48,149,991	4,980,319	-	53,130,310
Held with fiscal agent				
Mutual Funds - Money Market	554,000	-	-	554,000
Total investments with fiscal agent	554,000	-	-	554,000
Total investments	\$ 48,703,991	\$ 4,980,319	\$ -	\$ 53,684,310

Section 115 Trust

In March 2021, the City Council approved the creation of a Section 115 trust Agreement with U.S. Bank National Association, and Public Agency Retirement Services (PARS), Trust Administrator. The Section 115 trust was established as a means to set aside monies to fund the City's pension obligations. Contributions to Section 115 trust are irrevocable, the assets are held to reduce pension contributions in the future, and the assets are protected from creditors of the City. The purpose of the creation of the Section 115 trust was to address the City's pension obligations by accumulating assets. In accordance with generally accepted accounting principles, the assets in the Section 115 trust are considered assets of the City. Accordingly, the Section 115 trust's assets are recorded as restricted for pension benefits in the General Fund rather than assets of the Pension plan during the measurement of the net pension liability. The assets held in the trust will be considered assets of the pension plan at the time they are transferred out of the trust into the plan. At the time the trust was created, the City deposited \$2,000,000 into the trust. As of June 30, 2024, the trust holds a total of \$1,996,760.

Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 10,792,506	\$ -	\$ -	\$ 10,792,506
Construction in progress	2,932,091	1,915,436	(239,090)	4,608,437
Total capital assets not being depreciated	13,724,597	1,915,436	(239,090)	15,400,943
Capital Assets Being Depreciated:				
Buildings	23,715,101	956,776	-	24,671,877
Equipment	5,575,265	473,719	(105,931)	5,943,053
Infrastructure	107,374,589	287,835	-	107,662,424
Total capital assets being depreciated	136,664,955	1,718,330	(105,931)	138,277,354
Less Accumulated Depreciation for:				
Buildings	12,357,694	656,428	-	13,014,122
Equipment	4,345,051	278,927	(105,844)	4,518,134
Infrastructure	64,857,112	1,770,727	-	66,627,839
Total accumulated depreciation	81,559,857	2,706,082	(105,844)	84,160,095
Total Capital Assets Being Depreciated, Net	55,105,098	(987,752)	(87)	54,117,259
Governmental Activities Capital Assets, Net	\$ 68,829,695	\$ 927,684	\$ (239,177)	\$ 69,518,202

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

Governmental Activities	
General government	\$ 132,093
Public safety	3,634
Community services	664,253
Public works	<u>1,906,102</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 2,706,082</u></u>

Note 4 - Compensated Absences

Changes in Compensated Absences

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance July 01, 2023	Additions	Deletions	Ending Balance June 30, 2024	Due within one year
Compensated Absences	<u>\$ 719,705</u>	<u>\$ 545,780</u>	<u>\$ 515,135</u>	<u>\$ 750,350</u>	<u>\$ 537,069</u>

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

Note 5 - Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	CDBG	\$ 118,429
General Fund	Non-major Governmental Funds	<u>639,628</u>
		<u><u>\$ 758,057</u></u>

The due to the General Fund of \$118,429 from the CDBG fund and \$639,628 from non-major governmental funds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers In	Transfers Out	Amount
General Fund	Non-major Governmental Funds	\$ 55,900
LOSMD	General Fund	65,611
Non-major Governmental Funds	General Fund	25,000
Non-major Governmental Funds	Non-major Governmental Funds	450,000
		<u>\$ 596,511</u>

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

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

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

Note 6 - Fund Balance

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

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

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

- Community development purposes such as implementation and monitoring of affordable housing, implementation of air quality programs to reduce mobile pollution.
- Public works purposes such as maintenance of the landscape and lighting assessment district, engineering, general maintenance of street, storm drains, traffic signals, update the pavement management system, and transit related street projects.
- Community services purposes such as park maintenance and improvements, transportation for recreation excursions and maintenance of the Senior Center.
- Public Safety purpose such as law enforcement, crime prevention, traffic safety and vehicle code and citizen option for public safety programs.
- Section 115 Trust purpose is to fund City's pension obligations.

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

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

Unassigned Fund Balance – This amount indicates the amount in excess of what can be properly classified as nonspendable, restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

	Special Revenue Funds				Other Governmental Funds	Totals
	General	Community Development Block Grant	LOSMD	ARPA		
Nonspendable:						
Prepaid items	\$ 21,791	\$ -	\$ -	\$ -	\$ -	\$ 21,791
Advances to other funds	35,827	-	-	-	-	35,827
Total nonspendable	57,618	-	-	-	-	57,618
Restricted:						
Community development	-	7	-	-	819,345	819,352
Public safety	-	-	-	-	694,450	694,450
Community services	-	-	-	-	3,537,943	3,537,943
Public works	-	-	1	324,670	7,767,751	8,092,422
Section 115 trust	1,996,760	-	-	-	-	1,996,760
Total restricted	1,996,760	7	1	324,670	12,819,489	15,140,927
Committed:						
Disaster recovery	1,000,000	-	-	-	-	1,000,000
Self insurance	1,000,000	-	-	-	-	1,000,000
Total committed	2,000,000	-	-	-	-	2,000,000
Assigned:						
Community services	11,039,356	-	-	-	-	11,039,356
Maintenance & operations	8,414,170	-	-	-	-	8,414,170
Capital projects	-	-	-	-	1,089,952	1,089,952
OPEB	711,976	-	-	-	-	711,976
Total assigned	20,165,502	-	-	-	1,089,952	21,255,454
Unassigned:	11,168,564	-	-	-	-	11,168,564
Total	\$ 35,388,444	\$ 7	\$ 1	\$ 324,670	\$ 13,909,441	\$ 49,622,563

Note 7 - Pension Plan

General Information about the Pension Plan are described below.

Plan Descriptions

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

Benefits Provided

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

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

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

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Miscellaneous</u> <u>Prior to</u> <u>January 1, 2013</u>	<u>PEPRA</u> <u>Miscellaneous</u> <u>On or after</u> <u>January 1, 2013</u>
Hire Date	2.0% @ 55	2.0% @ 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	55 and up	62
Retirement age	2.0%	2.0%
Monthly benefits, as a % of eligible compensation	7.0%	6.75%
Required employee contribution rates	12.470%	7.680%
Required employer contribution rates		

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan were \$1,054,927 for the year ended June 30, 2024.

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the plan as follows:

	<u>Proportionate Share</u> <u>of Net Pension Liability</u>
Miscellaneous	<u>\$ 10,119,646</u>

The City's net pension liability for the Plan is measured as of June 30, 2023, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The General Fund is the primary fund used to liquidate the pension liabilities. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Miscellaneous Plan as of June 30, 2023 and 2024 were as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.20068%
Proportion - June 30, 2024	<u>0.20238%</u>
Change - Increase (Decrease)	<u><u>0.00170%</u></u>

For the year ended June 30, 2024, the City recognized a pension expense of \$1,682,350. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 610,969	\$ -
Differences between expected and actual experience	516,966	80,194
Net difference between projected and actual earnings on pension plan investments	1,638,462	-
Differences between employer's contributions and proportionate share of contributions	-	323,920
Change in employer's proportion	69,272	23,841
Pension contributions made subsequent to measurement date	<u>1,054,927</u>	<u>-</u>
Total	<u><u>\$ 3,890,596</u></u>	<u><u>\$ 427,955</u></u>

The amount of \$1,054,927 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 672,265
2026	465,414
2027	1,223,020
2028	<u>47,015</u>
Total	<u><u>\$ 2,407,714</u></u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2022 actuarial valuation were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	3.00%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Long -Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Asset Class	Assumed Asset Allocation	Real Return (1) (2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
City's proportionate share of the net pension liability	\$ 15,320,975	\$ 10,119,646	\$ 5,838,506

Pension Plan Fiduciary Net Position

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

Note 8 - Other Post-Employment Benefits (OPEB)

Plan Description

The City provides OPEB through the Public Employees' Medical and Hospital Care Act (PEMHCA), a single employer defined benefit healthcare plan administered by the California Public Employees Retirement System (PERS).

Benefits Provided

The plan provides lifetime healthcare insurance for eligible retirees and their spouses. Employees may retire directly from the City under CalPERS (age 55 and 5 years of CalPERS services, age 62 and 5 years of CalPERS service for hires after 1/1/2013) and receive a City contribution. The City contributes the PEMHCA minimum under the unequal method. The contribution is \$113.25 per month for retirees for 2023 and \$125.60 per month for retirees for 2024. Survivor benefits are available. The City also pays the CalPERS administrative fee. The City does not offer vision, dental, or life benefits for retirees.

Employees Covered by Benefit Terms

At June 30, 2023, the most recent valuation date, the following current and former employees were covered by the benefit terms under the plan:

Retirees or beneficiaries receiving benefit payments	9
Active eligible employees	<u>44</u>
Total Participants Covered by OPEB Plan	<u><u>53</u></u>

Contributions

The City's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

Total OPEB Liability

The City's total OPEB liability of \$1,641,492 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023. The General Fund is the primary fund used to liquidate the OPEB liabilities.

Actuarial Assumptions and Other Inputs

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

Discount Rate	3.86%
Salary Increases	2.80%
Inflation Rate	2.30%
Healthcare Trend Rate	5.50% for 2023 through 2034; 4.5% for 2035 through 2074; and 4% for 2075 and later years

The actuarial assumptions used in the June 30, 2023, valuation were based on results of the most recent applicable experience study and a review of plan experience during the period July 1, 2021 to June 30, 2023.

The discount rate used to measure the total OPEB liability was based on the Fidelity GO AA 20-year municipal index. The discount rate increased from 3.69% to 3.86%.

Changes in the Total OPEB Liability

The changes in the total OPEB liability as of June 30, 2024, is as follows:

	Total OPEB Liability
Total OPEB Liability, July 1	\$ 1,509,813
Service cost	101,677
Interest	58,649
Differences between expected and actual experience	130,440
Changes in assumptions or other inputs	(114,508)
Contribution - employer	(44,579)
Net changes	131,679
Total OPEB Liability, June 30	\$ 1,641,492

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 1,874,472	\$ 1,641,492	\$ 1,450,554

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

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

1% Decrease (4.50% current, 3% ultimate, 3% Medicare)	Current Trend (5.50% current, 4% ultimate, 4% Medicare)	1% Increase (6.50% current, 5% ultimate, 5% Medicare)
\$ 1,421,525	\$ 1,641,492	\$ 1,920,435

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$112,564. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 117,525	\$ 185,538
Changes in assumptions or other inputs	329,212	487,391
	<u>\$ 446,737</u>	<u>\$ 672,929</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (35,440)
2026	(35,440)
2027	(35,440)
2028	(12,977)
2029	(11,891)
Thereafter	(95,004)
Total	<u>\$ (226,192)</u>

Note 9 - Risk Management

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

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 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. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

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

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

Primary Workers' Compensation Program

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

For 2023-24, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City of Walnut property currently has all-risk property insurance protection in the amount of \$34,845,780. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

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

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 2023-24.

The CJPIA has published its own financial report for the year ended June 30, 2024, which can be obtained from California Joint Powers Insurance Authority, La Palma, California.

Note 10 - Restatement of Fund Balance due to GASB 100, Accounting Changes and Error Corrections

During 2024, the Park Improvement fund, which was previously reported as a major fund, became a nonmajor fund due to not meeting the quantitative threshold to be classified as a major fund.

This resulted in adjustments to and restatements of beginning balance to nonmajor funds as follows:

	July 1, 2023 as Previously Reported	Change to or Within the Financial Reporting Entity	July 1, 2023 As Restated
Governmental Funds			
Park Improvement Fund	\$ 3,153,836	\$ (3,153,836)	\$ -
Other Nonmajor Governmental Funds	9,620,833	3,153,836	12,774,669

Required Supplementary Information
June 30, 2024

City of Walnut, California

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City of Walnut, California
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 10,301,896	\$ 4,774,960	\$ 31,996,438	\$ 27,221,478
Resources (Inflows)				
Taxes	12,408,910	12,408,910	12,822,648	413,738
Licenses and permits	1,048,210	1,048,210	2,253,260	1,205,050
Intergovernmental	451,920	491,920	246,479	(245,441)
Charges for services	1,145,120	1,205,120	1,495,330	290,210
Use of money and property	549,520	549,520	2,039,802	1,490,282
Fines and forfeitures	24,000	24,000	43,125	19,125
Miscellaneous	653,000	653,000	314,497	(338,503)
Transfers in	53,000	53,000	55,900	2,900
Total resources	16,333,680	16,433,680	19,271,041	2,837,361
Amounts available for appropriations	26,635,576	21,208,640	51,267,479	30,058,839
Charges to Appropriations (Outflows)				
City council	\$ 105,640	\$ 105,640	\$ 96,036	\$ 9,604
City manager	298,020	330,320	328,473	1,847
Human resources	173,840	242,380	224,752	17,628
Risk management	581,860	518,340	512,984	5,356
City clerk	332,420	313,800	311,137	2,663
Elections	1,000	40	-	40
City treasurer	84,350	84,350	63,550	20,800
Finance	977,180	993,440	921,006	72,434
Computer services	-	1,830	-	1,830
City attorney	125,000	130,020	130,014	6
Administrative services	432,860	445,010	444,997	13
Community promotions	125,370	107,770	105,739	2,031
Family festival	64,440	111,940	104,224	7,716
Cable TV administration	59,580	62,950	56,983	5,967
Planning	505,800	506,565	436,447	70,118
Code enforcement	194,400	208,026	185,752	22,274
Building and safety	485,650	907,480	906,024	1,456
Environmental services	184,160	226,146	202,927	23,219
Economic development	104,430	62,720	58,409	4,311
Engineering admin	117,000	271,000	270,295	705

City of Walnut, California
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Public Works admin	\$ 322,420	\$ 329,790	\$ 307,920	\$ 21,870
Street R-O-W maintenance	591,800	582,980	578,558	4,422
Arterial section (LOSMD)	338,720	323,720	279,173	44,547
Public safety administration	197,950	173,330	170,635	2,695
Business license enforcement	94,560	102,800	101,403	1,397
General law enforcement	3,991,200	4,012,655	4,011,289	1,366
Helicopter services	10,000	2,800	2,231	569
S.T.A.R. program	184,100	182,200	181,650	550
Animal control	115,000	121,440	121,433	7
Emergency preparedness	37,250	38,890	36,561	2,329
Weed abatement	100,000	116,420	116,416	4
Volunteers on patrol	1,200	310	175	135
Recreation services	448,670	445,000	436,697	8,303
July 4 fireworks	86,220	87,480	87,279	201
Park maintenance	1,502,930	1,529,380	1,513,648	15,732
Equestrian trial maintenance	147,090	136,410	125,961	10,449
Building maintenance	556,080	528,320	514,524	13,796
Bus stop enhancement	-	40,000	-	40,000
Special events	173,910	139,710	136,395	3,315
Aquatics	100,270	72,290	63,129	9,161
Excursions	91,840	77,260	72,723	4,537
Sports & gymnasium	635,440	791,070	778,371	12,699
Leisure classes	93,470	90,490	86,574	3,916
Senior citizens center	448,360	479,410	457,454	21,956
Teen center	228,520	256,570	224,144	32,426
After school programs	26,600	26,600	24,332	2,268
Transfers out	543,119	788,129	90,611	697,518
Total charges to appropriations	16,019,719	17,105,221	15,879,035	1,226,186
Budgetary Fund Balance, End of Year	\$ 10,615,857	\$ 4,103,419	\$ 35,388,444	\$ 31,285,025

City of Walnut, California
 Budgetary Comparison Schedule
 Community Development Block Grant
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ -	\$ (164,635)	\$ 7	\$ 164,642
Resources (Inflows)				
Intergovernmental	130,600	130,600	198,605	68,005
Amounts available for appropriations	130,600	(34,035)	198,612	232,647
Charges to Appropriations (Outflows)				
Community development	130,600	201,240	198,605	2,635
Budgetary Fund Balance, End of Year	\$ -	\$ (235,275)	\$ 7	\$ 235,282

City of Walnut, California
 Budgetary Comparison Schedule
 Lighting and Open Space Maintenance District
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ (251,750)	\$ (283,050)	\$ 1	\$ 283,051
Resources (Inflows)				
Licenses and permits	-	-	274,274	274,274
Assessments	2,467,090	2,467,090	2,469,967	2,877
Transfers in	543,119	543,119	65,611	(477,508)
Amounts available for appropriations	2,758,459	2,727,159	2,809,853	82,694
Charges to Appropriations (Outflows)				
Public works	2,876,960	2,896,060	2,695,711	200,349
Capital outlay	133,250	134,150	114,141	20,009
Total charges to appropriations	3,010,210	3,030,210	2,809,852	220,358
Budgetary Fund Balance, End of Year	\$ (251,751)	\$ (303,051)	\$ 1	\$ 303,052

City of Walnut, California
 Budgetary Comparison Schedule
 ARPA Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (5,418,770)	\$ (6,777,832)	\$ 42,100	\$ 6,819,932
Resources (Inflows)				
Intergovernmental	-	-	2,097,356	2,097,356
Use of money and property	16,830	16,830	282,570	265,740
Amounts available for appropriations	(5,401,940)	(6,761,002)	2,422,026	9,183,028
Charges to Appropriations (Outflows)				
Public safety	353,000	353,000	352,996	4
Community services	9,000	9,000	-	9,000
Public works	600,000	4,222,690	1,744,360	2,478,330
Total charges to appropriations	962,000	4,584,690	2,097,356	2,487,334
Budgetary Fund Balance, End of Year	<u>\$ (6,363,940)</u>	<u>\$ (11,345,692)</u>	<u>\$ 324,670</u>	<u>\$ 11,670,362</u>

City of Walnut, California
Cost Sharing Multiple Employer Benefit Plan
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Years
June 30, 2024

Miscellaneous Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.2024%	0.2007%	0.2310%	0.0727%	0.0710%	0.0691%	0.0686%	0.0676%	0.0651%	0.0685%
Proportionate share of the net pension liability	\$ 10,119,646	\$ 9,390,177	\$ 4,386,079	\$ 7,905,055	\$ 7,274,916	\$ 6,656,634	\$ 6,798,916	\$ 5,847,350	\$ 4,464,984	\$ 4,261,023
Covered Payroll	\$ 3,459,528	\$ 3,622,237	\$ 3,613,425	\$ 3,497,623	\$ 3,416,878	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602	\$ 2,802,665
Proportionate share of the net pension liability as a percentage of covered payroll	292.52%	259.24%	121.38%	226.01%	212.91%	203.50%	231.68%	191.56%	150.10%	152.03%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	77.97%	78.19%	90.49%	77.71%	77.73%	75.30%	73.3%	74.06%	78.40%	79.82%

City of Walnut, California
Cost Sharing Multiple Employer Benefit Plan
Schedule of Contributions
Last Ten Years
June 30, 2024

Miscellaneous Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,054,927	\$ 1,034,784	\$ 1,045,185	\$ 881,904	\$ 780,912	\$ 671,490	\$ 570,892	\$ 515,915	\$ 464,293	\$ 339,472
Contribution in Relation to the Actuarially Determined	(1,054,927)	(1,034,784)	(1,045,185)	(881,904)	(780,912)	(671,490)	(570,892)	(515,915)	(464,293)	(339,472)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,718,196	\$ 3,459,528	\$ 3,622,237	\$ 3,613,425	\$ 3,497,623	\$ 3,416,878	\$ 3,271,007	\$ 2,934,611	\$ 3,052,439	\$ 2,974,602
Contributions as a Percentage of Covered Payroll	28.37%	29.91%	28.85%	24.41%	22.33%	19.65%	17.45%	17.58%	15.21%	11.41%
Notes to Schedule Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Entry-Age Normal Cost Method									
Amortization Method	Amortization payments are determined as a level dollar amount.									
Remaining Amortization Period	22 Years as of the Valuation Date									
Asset Valuation Method	Market Value of Assets									
Inflation	2.30%									
Salary Increases	Annual increases vary by category, entry age, and duration of service.									
Investment Rate of Return	7.00% (net of administration expenses)									
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1995 to 2015.									
Mortality	The post-retirement mortality rates above include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries									

City of Walnut, California
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Years*
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 101,677	\$ 135,662	\$ 93,043	\$ 72,571	\$ 61,417	\$ 55,330	\$ 53,718
Interest on the total OPEB liability	58,649	37,395	36,770	38,949	52,971	43,767	40,976
Differences between actual and expected experience	130,440	-	(8,697)	-	(442,509)	-	-
Changes in assumptions	(114,508)	(461,843)	300,133	131,647	104,720	(89,337)	-
Benefit payments	(44,579)	(26,613)	(7,562)	(6,783)	(6,610)	(5,805)	(5,228)
Net change in total OPEB liability	131,679	(315,399)	413,687	236,384	(230,011)	3,955	89,466
Total OPEB liability - beginning	1,509,813	1,825,212	1,411,525	1,175,141	1,405,152	1,401,197	1,311,731
Total OPEB liability - ending	\$ 1,641,492	\$ 1,509,813	\$ 1,825,212	\$ 1,411,525	\$ 1,175,141	\$ 1,405,152	\$ 1,401,197
Covered-employee payroll	\$ 3,498,132	\$ 3,721,918	\$ 3,618,866	\$ 3,468,572	\$ 3,401,309	\$ 3,225,250	\$ 3,102,220
Total OPEB liability as a percentage of covered-employee payroll	46.92%	40.57%	50.44%	40.69%	34.55%	43.57%	45.17%

Notes to Schedule:

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

*Fiscal year 2018 was the first year of implementation. However, until ten years of data is available, the City will present information only for those years for which information is available.

Note 1 - General Budget Policies

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

In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations at the departmental level lapse and any remaining amounts are credited to their respective fund balances. During the year, several supplementary appropriations were necessary. The Major and Non-Major Funds below exceeded amounts available for appropriation as of June 30, 2024.

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess Over Appropriation</u>
Non-Major Fund			
Waste Management Administration			
Transfers out	\$ 53,000	\$ 55,900	\$ (2,900)
Walnut Housing Authority			
Community development	417,440	459,093	(41,653)

Basis of Accounting:

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

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Supplementary Information

June 30, 2024

City of Walnut, California

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Low and Moderate Income Housing Fund accounts for resources received from the Redevelopment Property Tax Trust Fund and are restricted for the implementation, administration and monitoring of the Low and Moderate income housing affordability and other requirements of the State housing and redevelopment.

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

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

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

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

The Measure A (Category 1) Fund accounts for annual special tax of 1.5 cents per square foot of building floor area on all taxable real property in the County. Funds are in accordance with the LA County, Clean Neighborhood Parks and Beaches Measure of 2016.

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

City of Walnut, California
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement	COPS
Assets					
Pooled cash and investments	\$ 495,260	\$ 1,010,432	\$ -	\$ 3,046,352	\$ 796,286
Receivables					
Accounts	-	-	5,398	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Due from other governments	66,573	127,898	7,525	-	-
Total assets	\$ 561,833	\$ 1,138,330	\$ 12,923	\$ 3,046,352	\$ 796,286
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 57,857	\$ 296,068	\$ 4,234	\$ 47,894	\$ 101,818
Accrued liabilities	-	-	1,260	-	18
Due to other governments	-	-	-	-	-
Due to other funds	-	-	4,943	-	-
Total liabilities	57,857	296,068	10,437	47,894	101,836
Fund Balances					
Nonspendable:					
Restricted for					
Community development	-	-	-	-	-
Public safety	-	-	2,486	-	694,450
Community services	-	-	-	2,998,458	-
Public works	503,976	842,262	-	-	-
Assigned to					
Capital projects	-	-	-	-	-
Total fund balances	503,976	842,262	2,486	2,998,458	694,450
Total liabilities and fund balances	\$ 561,833	\$ 1,138,330	\$ 12,923	\$ 3,046,352	\$ 796,286

City of Walnut, California
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeway	Measure M
Assets					
Pooled cash and investments	\$ 15,511	\$ -	\$ 1,439,188	\$ -	\$ 1,028,212
Receivables					
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Due from other governments	9,270	-	-	-	-
Total assets	\$ 24,781	\$ -	\$ 1,439,188	\$ -	\$ 1,028,212
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 2,689	\$ -	\$ -	\$ -	\$ 196,943
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	2,689	-	-	-	196,943
Fund Balances					
Nonspendable:					
Restricted for					
Community development	22,092	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	1,439,188	-	831,269
Assigned to					
Capital projects	-	-	-	-	-
Total fund balances	22,092	-	1,439,188	-	831,269
Total liabilities and fund balances	\$ 24,781	\$ -	\$ 1,439,188	\$ -	\$ 1,028,212

City of Walnut, California
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Proposition A	State Park Grant	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant
Assets					
Pooled cash and investments	\$ 1,976,306	\$ 703,245	\$ 7,075	\$ -	\$ 7,089
Receivables					
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 1,976,306</u>	<u>\$ 703,245</u>	<u>\$ 7,075</u>	<u>\$ -</u>	<u>\$ 7,089</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 28,135	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	416	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	345,521	-	-	-
Total liabilities	<u>28,551</u>	<u>345,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable:					
Restricted for					
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	357,724	-	-	7,089
Public works	1,947,755	-	7,075	-	-
Assigned to					
Capital projects	-	-	-	-	-
Total fund balances	<u>1,947,755</u>	<u>357,724</u>	<u>7,075</u>	<u>-</u>	<u>7,089</u>
Total liabilities and fund balances	<u>\$ 1,976,306</u>	<u>\$ 703,245</u>	<u>\$ 7,075</u>	<u>\$ -</u>	<u>\$ 7,089</u>

City of Walnut, California
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Cable TV Education	Walnut Housing Authority	Low and Moderate Income Housing Fund	LACMTA Exchange	Measure R
Assets					
Pooled cash and investments	\$ 166,903	\$ 97,091	\$ 714,528	\$ 7,428	\$ 1,362,533
Receivables					
Accounts	7,769	-	-	-	-
Accrued interest	-	8,213	-	-	-
Deferred loans	-	43,499	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 174,672	\$ 148,803	\$ 714,528	\$ 7,428	\$ 1,362,533
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 34,343	\$ 11,027	\$ -	\$ 188,453
Accrued liabilities	-	-	-	-	-
Due to other governments	-	28,136	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	62,479	11,027	-	188,453
Fund Balances					
Nonspendable:					
Restricted for					
Community development	-	86,324	703,501	7,428	-
Public safety	-	-	-	-	-
Community services	174,672	-	-	-	-
Public works	-	-	-	-	1,174,080
Assigned to					
Capital projects	-	-	-	-	-
Total fund balances	174,672	86,324	703,501	7,428	1,174,080
Total liabilities and fund balances	\$ 174,672	\$ 148,803	\$ 714,528	\$ 7,428	\$ 1,362,533

City of Walnut, California
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Measure A (M&S)	Measure W	Measure A (Category 1)	Capital Improvements	
Assets					
Pooled cash and investments	\$ 562,606	\$ 801,217	\$ -	\$ 1,090,740	\$ 15,328,002
Receivables					
Accounts	-	-	-	-	13,167
Accrued interest	-	-	-	-	8,213
Deferred loans	-	-	-	-	43,499
Due from other governments	-	-	-	-	211,266
Total assets	\$ 562,606	\$ 801,217	\$ -	\$ 1,090,740	\$ 15,604,147
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,997	\$ 53,002	\$ -	\$ 788	\$ 1,025,248
Accrued liabilities	-	-	-	-	1,694
Due to other governments	-	-	-	-	28,136
Due to other funds	289,164	-	-	-	639,628
Total liabilities	291,161	53,002	-	788	1,694,706
Fund Balances					
Nonspendable:					
Restricted for					
Community development	-	-	-	-	819,345
Public safety	-	-	-	-	696,936
Community services	-	-	-	-	3,537,943
Public works	271,445	748,215	-	-	7,765,265
Assigned to					
Capital projects	-	-	-	1,089,952	1,089,952
Total fund balances	271,445	748,215	-	1,089,952	13,909,441
Total liabilities and fund balances	\$ 562,606	\$ 801,217	\$ -	\$ 1,090,740	\$ 15,604,147

City of Walnut, California
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement	COPS
Revenues					
Assessments	\$ -	\$ -	\$ -	\$ 238,257	\$ -
Intergovernmental	773,582	788,126	-	-	186,159
Use of money and property	26,152	33,385	-	158,245	39,407
Fines and forfeitures	-	-	124,072	-	-
Miscellaneous	-	-	-	-	-
Total revenues	799,734	821,511	124,072	396,502	225,566
Expenditures					
Current					
Public safety	-	-	121,586	-	70,095
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	738,950	630,721	-	551,880	-
Capital outlay	-	-	-	-	87,000
Total expenditures	738,950	630,721	121,586	551,880	157,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,784	190,790	2,486	(155,378)	68,471
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	60,784	190,790	2,486	(155,378)	68,471
Fund Balances, Beginning of Year, as previously stated	443,192	651,472	-	-	625,979
Change within financial reporting entity (major to nonmajor fund)	-	-	-	3,153,836	-
Fund Balances, Beginning of Year, as restated	443,192	651,472	-	3,153,836	625,979
Fund Balances, End of Year	\$ 503,976	\$ 842,262	\$ 2,486	\$ 2,998,458	\$ 694,450

City of Walnut, California
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Air Quality Improvements	Waste Management Administration	Proposition C	Bikeways	Measure M
Revenues					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	37,062	-	617,920	-	523,158
Use of money and property	1,269	-	65,763	-	48,794
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	55,900	-	-	-
Total revenues	38,331	55,900	683,683	-	571,952
Expenditures					
Current					
Public safety	-	-	-	-	-
Community development	32,256	-	-	-	-
Community services	-	-	-	25,000	-
Public works	-	-	233,582	-	532,210
Capital outlay	20,000	-	-	-	-
Total expenditures	52,256	-	233,582	25,000	532,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,925)	55,900	450,101	(25,000)	39,742
Other Financing Sources (Uses)					
Transfers in	-	-	-	25,000	-
Transfers out	-	(55,900)	-	-	-
Total other financing sources (uses)	-	(55,900)	-	25,000	-
Net Change in Fund Balances	(13,925)	-	450,101	-	39,742
Fund Balances, Beginning of Year, as previously stated	36,017	-	989,087	-	791,527
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	36,017	-	989,087	-	791,527
Fund Balances, End of Year	\$ 22,092	\$ -	\$ 1,439,188	\$ -	\$ 831,269

City of Walnut, California
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Proposition A	State Park Grant	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant
Revenues					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	744,951	361,254	-	-	7,249
Use of money and property	91,092	-	377	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	836,043	361,254	377	-	7,249
Expenditures					
Current					
Public safety	-	-	-	-	-
Community development	204,547	-	-	-	-
Community services	-	-	-	-	-
Public works	-	3,530	-	-	-
Capital outlay	4,875	-	-	-	9,234
Total expenditures	209,422	3,530	-	-	9,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	626,621	357,724	377	-	(1,985)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	626,621	357,724	377	-	(1,985)
Fund Balances, Beginning of Year, as previously stated	1,321,134	-	6,698	-	9,074
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	1,321,134	-	6,698	-	9,074
Fund Balances, End of Year	\$ 1,947,755	\$ 357,724	\$ 7,075	\$ -	\$ 7,089

City of Walnut, California
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds				
	Cable TV Education	Walnut Housing Authority	Low and Moderate Income Housing Fund	LACMTA Exchange	Measure R
Revenues					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	31,917	-	-	-	463,296
Use of money and property	8,582	8,535	24,470	395	58,468
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	40,499	8,535	24,470	395	521,764
Expenditures					
Current					
Public safety	-	-	-	-	-
Community development	6,750	459,093	126,813	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	326,659
Capital outlay	14,390	-	-	-	-
Total expenditures	21,140	459,093	126,813	-	326,659
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,359	(450,558)	(102,343)	395	195,105
Other Financing Sources (Uses)					
Transfers in	-	450,000	-	-	-
Transfers out	-	-	(450,000)	-	-
Total other financing sources (uses)	-	450,000	(450,000)	-	-
Net Change in Fund Balances	19,359	(558)	(552,343)	395	195,105
Fund Balances, Beginning of Year, as previously stated	155,313	86,882	1,255,844	7,033	978,975
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	155,313	86,882	1,255,844	7,033	978,975
Fund Balances, End of Year	\$ 174,672	\$ 86,324	\$ 703,501	\$ 7,428	\$ 1,174,080

City of Walnut, California
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Non-Major Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Measure A (M&S)	Measure W	Measure A (Category 1)	Capital Improvements	
Revenues					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ 238,257
Intergovernmental	289,155	499,440	-	-	5,323,269
Use of money and property	-	24,231	-	-	589,165
Fines and forfeitures	-	-	-	-	124,072
Miscellaneous	-	-	-	-	55,900
Total revenues	289,155	523,671	-	-	6,330,663
Expenditures					
Current					
Public safety	-	-	-	-	191,681
Community development	-	-	-	-	829,459
Community services	-	-	-	-	25,000
Public works	17,710	420,437	-	-	3,455,679
Capital outlay	-	-	-	527,673	663,172
Total expenditures	17,710	420,437	-	527,673	5,164,991
Excess (Deficiency) of Revenues Over (Under) Expenditures	271,445	103,234	-	(527,673)	1,165,672
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	475,000
Transfers out	-	-	-	-	(505,900)
Total other financing sources (uses)	-	-	-	-	(30,900)
Net Change in Fund Balances	271,445	103,234	-	(527,673)	1,134,772
Fund Balances, Beginning of Year, as previously stated	-	644,981	-	1,617,625	9,620,833
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	3,153,836
Fund Balances, Beginning of Year, as restated	-	644,981	-	1,617,625	12,774,669
Fund Balances, End of Year	\$ 271,445	\$ 748,215	\$ -	\$ 1,089,952	\$ 13,909,441

City of Walnut, California
 Budgetary Comparison Schedule
 Gas Tax Fund
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (123,282)	\$ (294,282)	\$ 443,192	\$ 737,474
Resources (Inflows)				
Intergovernmental	809,180	809,180	773,582	(35,598)
Use of money and property	8,950	8,950	26,152	17,202
Amounts available for appropriations	694,848	523,848	1,242,926	719,078
Charges to Appropriations (Outflows)				
Public works	899,420	949,420	738,950	210,470
Budgetary Fund Balance, End of Year	<u>\$ (204,572)</u>	<u>\$ (425,572)</u>	<u>\$ 503,976</u>	<u>\$ 929,548</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Road Maintenance Rehabilitation
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 11,220	\$ (240,775)	\$ 651,472	\$ 892,247
Resources (Inflows)				
Intergovernmental	702,990	702,990	788,126	85,136
Use of money and property	1,930	1,930	33,385	31,455
Amounts available for appropriations	716,140	464,145	1,472,983	1,008,838
Charges to Appropriations (Outflows)				
Public works	650,000	1,214,630	630,721	583,909
Budgetary Fund Balance, End of Year	<u>\$ 66,140</u>	<u>\$ (750,485)</u>	<u>\$ 842,262</u>	<u>\$ 1,592,747</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Traffic Safety
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 7,817	\$ (3,283)	\$ -	\$ 3,283
Resources (Inflows)				
Fines and forfeitures	59,500	59,500	124,072	64,572
Transfers in	59,790	59,790	-	(59,790)
Amounts available for appropriations	127,107	116,007	124,072	8,065
Charges to Appropriations (Outflows)				
Public safety	119,290	122,790	121,586	1,204
Budgetary Fund Balance, End of Year	<u>\$ 7,817</u>	<u>\$ (6,783)</u>	<u>\$ 2,486</u>	<u>\$ 9,269</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Park Improvement
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,232,307	\$ (606,679)	\$ 3,153,836	\$ 3,760,515
Resources (Inflows)				
Assessment	60,000	60,000	238,257	178,257
Use of money and property	69,370	69,370	158,245	88,875
Amounts available for appropriations	1,361,677	(477,309)	3,550,338	4,027,647
Charges to Appropriations (Outflow)				
Public works	500,000	1,482,160	551,880	930,280
Budgetary Fund Balance, End of Year	\$ 861,677	\$ (1,959,469)	\$ 2,998,458	\$ 4,957,927

City of Walnut, California
 Budgetary Comparison Schedule
 COPS Fund
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 287,350	\$ 190,350	\$ 625,979	\$ 435,629
Resources (Inflows)				
Intergovernmental	175,000	175,000	186,159	11,159
Use of money and property	14,830	14,830	39,407	24,577
Amounts available for appropriations	477,180	380,180	851,545	471,365
Charges to Appropriations (Outflows)				
Public safety	114,250	114,250	70,095	44,155
Capital outlay	60,000	140,000	87,000	53,000
Total charges to appropriations	174,250	254,250	157,095	97,155
Budgetary Fund Balance, End of Year	\$ 302,930	\$ 125,930	\$ 694,450	\$ 568,520

City of Walnut, California
 Budgetary Comparison Schedule
 Air Quality Improvements
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (5,204)	\$ (5,204)	\$ 36,017	\$ 41,221
Resources (Inflows)				
Intergovernmental	40,000	40,000	37,062	(2,938)
Use of money and property	810	810	1,269	459
Amounts available for appropriations	35,606	35,606	74,348	38,742
Charges to Appropriations (Outflows)				
Community development	41,000	41,000	32,256	8,744
Capital outlay	-	20,000	20,000	-
Total charges to appropriations	41,000	61,000	52,256	8,744
Budgetary Fund Balance, End of Year	\$ (5,394)	\$ (25,394)	\$ 22,092	\$ 47,486

City of Walnut, California
 Budgetary Comparison Schedule
 Waste Management Administration
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 25,605	\$ 25,605	\$ -	\$ (25,605)
Resources (Inflows)				
Miscellaneous	53,000	53,000	55,900	2,900
Amounts available for appropriations	78,605	78,605	55,900	(22,705)
Charges to Appropriations (Outflows)				
Transfer out	53,000	53,000	55,900	(2,900)
Budgetary Fund Balance, End of Year	<u>\$ 25,605</u>	<u>\$ 25,605</u>	<u>\$ -</u>	<u>\$ (25,605)</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Proposition C
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Budgetary Fund Balance, July 1	\$ 307,597	\$ (831,159)	\$ 989,087	\$ 1,820,246
Resources (Inflows)				
Intergovernmental	670,000	670,000	617,920	(52,080)
Use of money and property	27,340	27,340	65,763	38,423
Amounts available for appropriations	1,004,937	(133,819)	1,672,770	1,806,589
Charges to Appropriations (Outflows)				
Public works	400,000	538,270	233,582	304,688
Budgetary Fund Balance, End of Year	<u>\$ 604,937</u>	<u>\$ (672,089)</u>	<u>\$ 1,439,188</u>	<u>\$ 2,111,277</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Bikeways
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 32,410	\$ 32,410	\$ -	\$ (32,410)
Resources (Inflows)				
Intergovernmental	32,000	32,000	-	(32,000)
Transfers In	-	-	25,000	25,000
Amounts available for appropriations	64,410	64,410	25,000	(39,410)
Charges to Appropriations (Outflows)				
Community services	25,000	25,000	25,000	-
Budgetary Fund Balance, End of Year	<u>\$ 39,410</u>	<u>\$ 39,410</u>	<u>\$ -</u>	<u>\$ (39,410)</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Measure M
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 38,120	\$ (225,300)	\$ 791,527	\$ 1,016,827
Resources (Inflows)				
Intergovernmental	570,000	570,000	523,158	(46,842)
Use of money and property	13,960	13,960	48,794	34,834
Amounts available for appropriations	622,080	358,660	1,363,479	1,004,819
Charges to Appropriations (Outflows)				
Public works	503,000	703,000	532,210	170,790
Budgetary Fund Balance, End of Year	<u>\$ 119,080</u>	<u>\$ (344,340)</u>	<u>\$ 831,269</u>	<u>\$ 1,175,609</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Proposition A
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,817,713	\$ (542,237)	\$ 1,321,134	\$ 1,863,371
Resources (Inflows)				
Intergovernmental	810,000	810,000	744,951	(65,049)
Use of money and property	48,050	48,050	91,092	43,042
Amounts available for appropriations	<u>2,675,763</u>	<u>315,813</u>	<u>2,157,177</u>	<u>1,841,364</u>
Charges to Appropriations (Outflows)				
Community development	537,720	537,720	204,547	333,173
Capital outlay	18,500	18,500	4,875	13,625
Total charges to appropriations	<u>556,220</u>	<u>556,220</u>	<u>209,422</u>	<u>346,798</u>
Budgetary Fund Balance, End of Year	<u>\$ 2,119,543</u>	<u>\$ (240,407)</u>	<u>\$ 1,947,755</u>	<u>\$ 2,188,162</u>

City of Walnut, California
 Budgetary Comparison Schedule
 State Park Grant
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ -	\$ (39,743)	\$ -	\$ 39,743
Resources (Inflows)				
Intergovernmental	-	-	361,254	361,254
Amounts available for appropriations	-	(39,743)	361,254	400,997
Charges to Appropriations (Outflows)				
Public works	-	3,530	3,530	-
Budgetary Fund Balance, End of Year	\$ -	\$ (43,273)	\$ 357,724	\$ 400,997

City of Walnut, California
 Budgetary Comparison Schedule
 Traffic Congestion
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (29,780)	\$ (206,580)	\$ 6,698	\$ 213,278
Resources (Inflows)				
Use of money and property	<u>180</u>	<u>180</u>	<u>377</u>	<u>197</u>
Amounts available for appropriations	<u>(29,600)</u>	<u>(206,400)</u>	<u>7,075</u>	<u>213,475</u>
Budgetary Fund Balance, End of Year	<u>\$ (29,600)</u>	<u>\$ (206,400)</u>	<u>\$ 7,075</u>	<u>\$ 213,475</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Used Oil Recycling Grant
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (5,000)	\$ (5,000)	\$ -	\$ 5,000
Amounts available for appropriations	(5,000)	(5,000)	-	5,000
Charges to Appropriations (Outflows)				
Community development	-	-	-	-
Budgetary Fund Balance, End of Year	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 5,000</u>

City of Walnut, California
 Budgetary Comparison Schedule
 General Recycling Grant
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ 9,074	\$ 9,074
Resources (Inflows)				
Intergovernmental	<u>7,720</u>	<u>7,720</u>	<u>7,249</u>	<u>(471)</u>
Amounts available for appropriations	<u>7,720</u>	<u>7,720</u>	<u>16,323</u>	<u>8,603</u>
Charges to Appropriations (Outflows)				
Capital outlay	<u>7,340</u>	<u>9,340</u>	<u>9,234</u>	<u>106</u>
Budgetary Fund Balance, End of Year	<u>\$ 380</u>	<u>\$ (1,620)</u>	<u>\$ 7,089</u>	<u>\$ 8,709</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Cable TV Education
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 88,293	\$ 31,293	\$ 155,313	\$ 124,020
Resources (Inflows)				
Intergovernmental	37,500	37,500	31,917	(5,583)
Use of money and property	4,340	4,340	8,582	4,242
Amounts available for appropriations	130,133	73,133	195,812	122,679
Charges to Appropriations (Outflows)				
Community development	7,000	7,000	6,750	250
Capital outlay	25,000	25,000	14,390	10,610
Total charges to appropriations	32,000	32,000	21,140	10,860
Budgetary Fund Balance, End of Year	\$ 98,133	\$ 41,133	\$ 174,672	\$ 133,539

City of Walnut, California
 Budgetary Comparison Schedule
 Walnut Housing Authority
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (5,234)	\$ (58,424)	\$ 86,882	\$ 145,306
Resources (Inflows)				
Use of money and property	3,000	3,000	8,535	5,535
Transfers in	450,000	450,000	450,000	
Amounts available for appropriations	447,766	394,576	545,417	150,841
Charges to Appropriations (Outflows)				
Community development	417,440	417,440	459,093	(41,653)
Budgetary Fund Balance, End of Year	<u>\$ 30,326</u>	<u>\$ (22,864)</u>	<u>\$ 86,324</u>	<u>\$ 109,188</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Low and Moderate Income Housing Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$ 1,352,276	\$ 767,276	\$ 1,255,844	\$ 488,568
Resources (Inflows)				
Use of money and property	9,300	9,300	24,470	15,170
Amounts available for appropriations	1,361,576	776,576	1,280,314	503,738
Charges to Appropriations (Outflows)				
Community development	127,220	127,220	126,813	407
Transfer out	450,000	450,000	450,000	-
Total charges to appropriations	577,220	577,220	576,813	-
Budgetary Fund Balance, End of Year	\$ 784,356	\$ 199,356	\$ 703,501	\$ 504,145

City of Walnut, California
 Budgetary Comparison Schedule
 LACMTA Exchange
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,016	\$ (518,984)	\$ 7,033	\$ 526,017
Resources (Inflows)				
Use of money and property	200	200	395	195
Amounts Available for Appropriations	1,216	(518,784)	7,428	526,212
Budgetary Fund Balance, End of Year	<u>\$ 1,216</u>	<u>\$ (518,784)</u>	<u>\$ 7,428</u>	<u>\$ 526,212</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Measure R
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 373,676	\$ (146,324)	\$ 978,975	\$ 1,125,299
Resources (Inflows)				
Intergovernmental	500,000	500,000	463,296	(36,704)
Use of money and property	18,380	18,380	58,468	40,088
Amounts available for appropriations	892,056	372,056	1,500,739	1,128,683
Charges to Appropriations (Outflows)				
Public works	625,000	1,142,590	326,659	815,931
Budgetary Fund Balance, End of Year	\$ 267,056	\$ (770,534)	\$ 1,174,080	\$ 1,944,614

City of Walnut, California
 Budgetary Comparison Schedule
 Measure A (M&S)
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 670	\$ (558,130)	\$ -	\$ 558,130
Resources (Inflows)				
Intergovernmental	575,000	575,000	289,155	(285,845)
Amounts available for appropriations	575,670	16,870	289,155	272,285
Charges to Appropriations (Outflows)				
Public works	25,000	25,000	17,710	7,290
Transfers out	-	550,000	-	550,000
Total charges to appropriations	25,000	575,000	17,710	557,290
Budgetary Fund Balance, End of Year	\$ 550,670	\$ (558,130)	\$ 271,445	\$ 829,575

City of Walnut, California
 Budgetary Comparison Schedule
 Measure W
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 256,470	\$ (131,993)	\$ 644,981	\$ 776,974
Resources (Inflows)				
Intergovernmental	500,000	500,000	499,440	(560)
Use of money and property	9,460	9,460	24,231	14,771
Amounts available for appropriations	765,930	377,467	1,168,652	791,185
Charges to Appropriations (Outflows)				
Public Works	465,000	757,200	420,437	336,763
Budgetary Fund Balance, End of Year	<u>\$ 300,930</u>	<u>\$ (379,733)</u>	<u>\$ 748,215</u>	<u>\$ 1,127,948</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Measure A (Category 1)
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ 19,900	\$ 19,900	\$ -	\$ (19,900)
Resources (Inflows)				
Intergovernmental	85,000	85,000	-	(85,000)
Use of money and property	<u>2,380</u>	<u>2,380</u>	<u>-</u>	<u>(2,380)</u>
Amounts available for appropriations	<u>107,280</u>	<u>107,280</u>	<u>-</u>	<u>(107,280)</u>
Charges to Appropriations (Outflows)				
Community services	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>85,000</u>
Budgetary Fund Balance, End of Year	<u>\$ 22,280</u>	<u>\$ 22,280</u>	<u>\$ -</u>	<u>\$ (22,280)</u>

City of Walnut, California
 Budgetary Comparison Schedule
 Capital Improvement
 Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1	\$ (3,847,525)	\$ (2,694,253)	\$ 1,617,625	\$ 4,311,878
Charges to Appropriations (Outflows)				
Capital outlay	<u>280,000</u>	<u>721,080</u>	<u>527,673</u>	<u>193,407</u>
Budgetary Fund Balance, End of Year	<u><u>\$ (4,127,525)</u></u>	<u><u>\$ (3,415,333)</u></u>	<u><u>\$ 1,089,952</u></u>	<u><u>\$ 4,505,285</u></u>

Statistical Section

June 30, 2024

City of Walnut, California

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

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Operating Information – These schedules assist readers in using financial statement information to understand and assess the City of Walnut's operation and resources as well as economic condition.

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Miscellaneous Statistics – This information may provide readers with more insight in the City of Walnut's financial and demographic status.

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

Fiscal Year	2015	2016	2017	2018
Governmental Activities:				
Net investment in capital assets	\$ 73,439,900	\$ 72,963,855	\$ 71,066,062	\$ 73,720,055
Restricted	8,212,469	7,115,326	10,917,855	7,320,794
Unrestricted	14,584,364	15,184,940	10,661,289	19,113,026
Total governmental activities net position	96,236,733	95,264,121	92,645,206	100,153,875
Primary Government:				
Net investment in capital assets	73,439,900	72,963,855	71,066,062	73,720,055
Restricted	8,212,469	7,115,326	10,917,855	7,320,794
Unrestricted	14,584,364	15,184,940	10,661,289	19,113,026
Total primary government net position	96,236,733	95,264,121	92,645,206	100,153,875

Note:

In fiscal year 2011-12, per State of California ABX1 26, all redevelopment agencies in California were 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 were 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.

By Resolution NO. OB 2021-002 adopted on August 9, 2021, the Los Angeles County First Supervisorial District Consolidated Oversight Board approved the final dissolution of the Successor Agency and by letter dated August 23, 2021, the California Department of Finance acknowledged that the Successor Agency ceases to exist.

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 72,283,733	\$ 71,060,405	\$ 70,436,085	\$ 68,084,318	\$ 68,829,695	\$ 69,518,202
7,715,804	7,009,577	9,512,999	9,192,858	11,199,152	13,144,168
24,129,411	23,666,833	19,240,635	21,172,241	25,065,077	27,203,356
<u>104,128,948</u>	<u>101,736,815</u>	<u>99,189,719</u>	<u>98,449,417</u>	<u>105,093,924</u>	<u>109,865,726</u>
72,283,733	71,060,405	70,436,085	68,084,318	68,829,695	69,518,202
7,715,804	7,009,577	9,512,999	9,192,858	11,199,152	13,144,168
24,129,411	23,666,833	19,240,635	21,172,241	25,065,077	27,203,356
<u>104,128,948</u>	<u>101,736,815</u>	<u>99,189,719</u>	<u>98,449,417</u>	<u>105,093,924</u>	<u>109,865,726</u>

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

Fiscal Year	2015	2016	2017	2018
Expenses:				
Governmental activities:				
General government	2,618,229	2,559,043	3,086,260	5,857,903
Public safety	3,581,460	3,772,824	3,900,642	4,032,897
Community development	2,192,492	2,248,657	2,879,006	2,435,173
Public works	6,929,084	5,778,712	7,219,860	5,766,110
Community services	3,711,593	5,441,949	4,069,437	5,273,197
Total governmental activities	19,032,858	19,801,185	21,155,205	23,365,280
Total expenses	19,032,858	19,801,185	21,155,205	23,365,280
Program revenues:				
Governmental activities:				
Charges for services:				
General government	595,221	539,554	563,889	590,870
Public safety	330,047	380,909	233,541	253,506
Community development	1,541	2,868	1,942	1,960
Public works	3,186,757	3,759,518	4,304,184	3,504,523
Community services	583,746	840,018	664,425	824,103
Operating contributions and grants	1,292,365	956,559	985,419	1,157,759
Capital contributions and grants	1,797,984	1,334,924	1,878,825	1,693,386
Total governmental activities	7,787,661	7,814,350	8,632,225	8,026,107
Total program revenues	7,787,661	7,814,350	8,632,225	8,026,107
Net (expenses) revenues				
Governmental Activities	(11,245,197)	(11,986,835)	(12,522,980)	(15,339,173)
Total Net Expense	(11,245,197)	(11,986,835)	(12,522,980)	(15,339,173)

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

2019	2020	2021	2022	2023	2024
199,215	3,799,571	3,426,121	3,441,453	2,603,771	4,158,040
4,120,065	4,421,574	4,394,513	4,592,533	4,757,078	5,290,104
2,422,267	2,969,602	3,686,498	2,807,467	3,501,557	2,817,623
6,951,774	4,788,315	7,623,175	7,660,909	7,416,782	8,622,189
4,727,263	6,803,798	3,883,235	4,572,065	5,237,536	5,208,818
18,420,584	22,782,860	23,013,542	23,074,427	23,516,724	26,096,774
18,420,584	22,782,860	23,013,542	23,074,427	23,516,724	26,096,774
510,179	389,180	403,914	145,306	337,141	933,735
189,444	192,452	115,847	149,149	173,908	205,163
1,738	1,308	234	196	-	2,590,651
3,852,219	3,682,827	3,819,585	4,279,991	4,782,140	3,039,438
789,858	521,120	76,327	505,187	3,773,285	1,060,403
1,492,075	1,979,224	2,320,940	2,309,339	3,570,042	4,284,763
1,907,232	1,844,458	2,435,822	2,883,373	2,967,931	2,848,765
8,742,745	8,610,569	9,172,669	10,272,541	15,604,447	14,962,918
8,742,745	8,610,569	9,172,669	10,272,541	15,604,447	14,962,918
(9,677,839)	(14,172,291)	(13,840,873)	(12,801,886)	(7,912,277)	(11,133,856)
(9,677,839)	(14,172,291)	(13,840,873)	(12,801,886)	(7,912,277)	(11,133,856)

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

Fiscal Year	2015	2016	2017	2018
Revenues:				
Governmental activities:				
Taxes				
Property taxes	6,238,354	6,408,855	5,700,002	6,009,959
Sales tax	1,573,976	1,890,516	1,962,759	2,065,336
Franchise tax	963,244	936,650	897,264	926,430
Business license tax	99,520	109,615	126,642	124,843
Other taxes	330,536	359,008	386,766	398,431
Motor vehicle in lieu, unrestricted	24,009	22,377	23,307	-
Use of money and property	468,085	447,621	468,435	729,648
Other general revenues	18,248	839,581	338,890	576,349
Unrestricted Investments Earnings (loss)	-	-	-	-
Proceeds from sale of donated property	-	-	-	12,487,410
Total general revenues, transfers & special item	<u>9,715,972</u>	<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>
Total primary government	<u>9,715,972</u>	<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>
Change in net position				
Governmental activities	<u>(1,529,225)</u>	<u>(972,612)</u>	<u>(2,618,915)</u>	<u>7,979,233</u>
Total Change in net position	<u>(1,529,225)</u>	<u>(972,612)</u>	<u>(2,618,915)</u>	<u>7,979,233</u>

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

2019	2020	2021	2022	2023	2024
6,328,288	6,789,500	6,992,655	7,732,639	8,502,073	8,822,692
2,204,841	1,851,982	1,946,958	2,351,911	2,428,566	2,231,693
927,083	926,347	958,206	1,032,204	1,161,511	1,156,154
121,447	123,188	119,228	131,468	139,483	174,358
331,742	300,941	369,902	504,346	499,103	487,606
-	-	-	-	-	-
1,366,080	1,210,197	407,790	-	-	-
2,373,431	578,003	499,038	560,790	548,300	121,619
-	-	-	(251,774)	1,277,748	2,911,536
-	-	-	-	-	-
13,652,912	11,780,158	11,293,777	12,061,584	14,556,784	15,905,658
13,652,912	11,780,158	11,293,777	12,061,584	14,556,784	15,905,658
3,975,073	(2,392,133)	(2,547,096)	(740,302)	6,644,507	4,771,802
3,975,073	(2,392,133)	(2,547,096)	(740,302)	6,644,507	4,771,802

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

Fiscal Year	2015	2016	2017	2018
General Fund:				
Nonspendable:				
Prepaid costs	33,268	626,512	303,719	12,066
Advances to other Funds	250,870	250,870	250,870	250,870
Restricted for:				
Section 115 trust	-	-	-	-
Committed to:				
Disaster recovery	1,000,000	1,000,000	1,000,000	1,000,000
Self-insurance	1,000,000	-	1,000,000	1,000,000
Facility maintenance	2,764,643	-	-	-
Assigned to:				
Recreation facility	2,799,845	2,766,250	2,666,801	14,946,188
Maintenance and operations	6,311,725	8,467,719	8,149,560	7,227,578
Other post-employment benefits	760,142	757,275	754,593	751,614
Self Insurance	-	1,000,000	-	-
Unassigned	1,179,125	2,010,433	2,775,032	3,628,234
Total General Fund	16,099,618	16,879,059	16,900,575	28,816,550
All other governmental funds:				
Nonspendable:				
Prepaid costs	-	2,738	-	-
Notes and loans	1,935,130	1,848,575	90,649	-
Restricted for:				
Community development	2,958,326	2,079,538	3,832,963	3,488,456
Public safety	78,868	134,169	162,113	218,613
Community services	140,630	1,026,385	1,327,325	819,654
Public works	3,099,515	3,875,234	4,160,230	2,794,070
Committed to:				
Capital projects	4,088,292	-	-	-
Assigned to:				
Capital Projects	-	2,065,878	1,456,260	264,280
Unassigned	(13,348)	-	(10,516)	-
Total all other governmental funds	12,287,413	11,032,517	11,019,024	7,585,073

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
388,918	398,960	200	381,038	23,750	21,791
35,827	35,827	35,827	35,827	35,827	35,827
-	-	2,021,362	1,799,873	1,859,618	1,996,760
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
-	-	-	-	-	-
14,838,444	14,816,767	14,787,452	13,561,031	12,365,720	11,039,356
6,871,759	6,274,070	7,499,137	7,499,138	7,499,135	8,414,170
748,223	744,176	739,944	734,074	724,874	711,976
-	-	-	-	-	-
6,236,023	7,306,787	3,037,764	4,317,625	7,487,514	11,168,564
<u>31,119,194</u>	<u>31,576,587</u>	<u>30,121,686</u>	<u>30,328,606</u>	<u>31,996,438</u>	<u>35,388,444</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,223,238	2,940,515	1,945,155	1,462,287	1,385,783	819,352
294,935	369,173	448,371	519,574	625,979	694,450
719,991	460,591	427,873	905,093	3,318,223	3,537,943
3,477,640	3,239,298	2,851,761	4,593,451	5,869,167	8,092,422
-	-	-	-	-	-
427,970	343,770	1,818,477	1,753,375	1,617,625	1,089,952
-	-	-	(40,922)	-	-
<u>8,143,774</u>	<u>7,353,347</u>	<u>7,491,637</u>	<u>9,192,858</u>	<u>12,816,777</u>	<u>14,234,119</u>

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

Fiscal Year	2015	2016	2017	2018
Revenues:				
Taxes	9,093,952	9,614,804	9,274,951	9,499,733
Assessments	2,159,654	3,107,981	2,562,970	2,500,410
Licenses and permits	785,402	961,563	1,829,914	805,839
Intergovernmental	3,127,876	2,368,358	2,924,159	2,951,513
Charges for services	1,174,295	1,839,232	1,297,286	1,457,384
Use of money and property	468,085	446,575	466,272	721,284
Fines and forfeitures	205,560	277,011	131,631	157,374
Miscellaneous	363,783	372,189	250,625	328,692
Total Revenues	<u>17,378,607</u>	<u>18,987,713</u>	<u>18,737,808</u>	<u>18,422,229</u>
Expenditures				
Current:				
General government	2,382,053	2,536,035	2,392,349	2,547,402
Public safety	3,570,802	3,765,218	3,894,564	4,025,458
Community development	2,135,562	2,248,657	2,879,006	2,435,173
Community services	3,302,231	5,006,833	3,586,537	4,815,620
Public works	4,709,398	5,385,612	5,789,502	8,657,998
Capital outlay	2,664,154	520,813	187,827	380,964
Total Expenditures	<u>18,764,200</u>	<u>19,463,168</u>	<u>18,729,785</u>	<u>22,862,615</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,385,593)</u>	<u>(475,455)</u>	<u>8,023</u>	<u>(4,440,386)</u>
Other financing sources (uses):				
Transfer in	896,984	209,969	541,537	448,808
Transfer out	(896,984)	(209,969)	(541,537)	(448,808)
Sale of capital assets	-	-	-	435,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,000</u>
Special Item:				
Proceeds from sale of donated property	-	-	-	-
Net change in fund balances	<u>(6,335,727)</u>	<u>(1,385,593)</u>	<u>(475,455)</u>	<u>8,023</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

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

2019	2020	2021	2022	2023	2024
9,891,270	9,959,422	10,356,755	11,702,205	12,686,102	12,822,648
2,651,930	2,602,235	2,397,019	2,855,757	5,476,945	2,708,224
895,016	669,135	932,147	1,236,394	1,474,111	2,527,534
3,513,073	3,893,035	4,879,178	5,293,827	6,619,237	7,865,709
1,448,413	1,453,707	617,404	1,186,622	1,641,885	1,495,330
1,350,718	1,210,158	407,790	(251,774)	1,277,747	2,911,537
127,235	101,670	58,893	99,615	134,039	167,197
2,518,002	501,365	817,260	211,479	858,947	370,397
22,395,657	20,390,727	20,466,446	22,334,125	30,169,013	30,868,576
2,592,697	2,803,967	2,657,459	2,982,262	3,051,109	3,299,894
4,111,941	4,412,772	4,386,462	4,585,722	4,751,205	5,286,470
2,422,267	2,969,602	3,686,498	2,807,467	3,501,557	2,817,623
4,221,073	4,250,928	3,302,681	3,987,224	4,653,278	4,544,565
6,039,178	6,052,775	6,820,561	5,866,933	8,406,122	9,331,696
147,156	233,717	929,396	196,376	513,991	778,980
19,534,312	20,723,761	21,783,057	20,425,984	24,877,262	26,059,228
2,861,345	(333,034)	(1,316,611)	1,908,141	5,291,751	4,809,348
444,737	138,911	1,902,171	257,586	2,222,691	596,511
(444,737)	(138,911)	(1,902,171)	(257,586)	(2,222,691)	(596,511)
-	-	-	-	-	-
-	-	-	-	-	-
12,487,410	-	-	-	-	-
8,482,024	2,861,345	(333,034)	(1,316,611)	1,908,141	4,809,348
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	2015	2016	2017	2018	2019
Residential	4,201,218	4,419,416	4,583,083	4,805,033	5,049,771
Commercial	170,585	175,748	181,003	190,586	222,309
Industrial	106,086	109,988	112,303	114,888	112,516
Government Owned	-	-	-	-	-
Institutional	12,184	11,916	11,319	11,530	13,641
Miscellaneous	257	262	266	272	277
Recreational	-	-	-	-	-
Vacant	62,733	69,406	98,475	100,501	115,226
SBE Nonunitary	168	168	168	168	168
Cross Reference	421	237	218	269	656
Unsecured	36,556	35,976	36,800	38,656	45,441
Exempt	(8,728)	(8,596)	(8,596)	(8,596)	(8,455)
Grand Total	4,590,208	4,823,117	5,023,635	5,253,307	5,551,550
Total Direct Rate	0.07479%	0.07362%	0.07264%	0.07047%	0.06783%

Note:

1 Includes City and Successor Agency Project Area

2 In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL, Coren & Cone, L.A. County Assessor 2014/15-2023/24 Combined Tax Rolls

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

2020	2021	2022	2023	2024
5,270,204	5,435,577	5,565,243	5,801,157	6,064,666
229,933	232,531	234,888	249,005	254,713
115,071	120,294	129,845	223,964	247,720
-	-	-	-	-
11,996	14,357	14,506	14,796	18,067
282	288	291	297	303
-	-	-	558	-
118,954	119,317	121,017	118,672	117,517
-	-	-	-	-
1,547	1,418	1,078	1,084	1,046
48,273	49,912	50,271	53,308	54,953
(8,455)	(8,455)	(8,455)	(9,082)	(8,770)
5,787,805	5,965,239	6,117,139	6,453,759	6,750,215
0.06968%	0.06900%	0.13628%	0.05683%	0.05615%

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

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessment Billings	2,138,800	2,138,800	2,139,080	2,373,930
Assessment Collected	2,159,654	2,109,527	2,265,338	2,381,316
Percentage Collected	101.0%	98.6%	105.9%	100.3%

Source: City Finance Department

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

2019	2020	2021	2022	2023	2024
2,512,250	2,487,970	2,768,771	2,712,871	2,936,840	2,467,090
2,613,019	2,377,816	2,397,019	2,400,733	2,598,997	2,469,967
104.0%	95.6%	86.6%	88.5%	88.5%	100.1%

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

Fiscal Years	2015	2016	2017	2018	2019
City Direct Rates:					
General Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:					
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Mt. San Antonio Community College	0.02129	0.02154	0.02400	0.02371	0.02435
Covina Valley Unified School District	0.11426	0.11062	0.12581	0.14205	0.13976
Pomona Unified School District	0.16599	0.15364	0.14368	0.17292	0.16942
Pomona Usd 2008 Series C	0.00000	0.00000	0.00000	0.00000	0.00000
Rowland Heights Unified	0.14313	0.12426	0.10939	0.11841	0.11861
Rowland Unified	0.00000	0.00000	0.01505	0.00000	0.00000
Walnut Valley School District	0.11510	0.09285	0.06601	0.07388	0.10582
Total Direct and Overlapping ² Tax Rates	1.56328	1.50641	1.48744	1.53448	1.56146
City's Share of 1% Levy Per Prop 13 ³	0.05202	0.05202	0.05202	0.05202	0.05202
General Obligation Debt Rate	-	-	-	-	-
Redevelopment Rate ⁴	-	-	-	-	-
Total Direct Rate ⁵	0.07479%	0.07362%	0.07264%	0.07047%	0.07077%

Note:

- 1 In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- 2 Overlapping rates are those of local and county governments that apply to property owners within the City of Walnut. Not all overlapping rates apply to all City of Walnut property owners.
- 3 City's share of 1% Levy is based on the City of Walnut's share of the general fund tax rate area with the largest net taxable value within the City of Walnut. ERAF general fund tax shifts may not be included in tax rate.
- 4 Redevelopment rate is based on the largest RDA tax rate area (TRA) and only includes rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from State of California for the fiscal year 2012-13 and years thereafter.
- 5 Since basic and debt rates vary by tax rate area individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the City of Walnut.

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1.00000	1.00000	1.00000	1.00000	1.00000
0.00350	0.00350	0.00350	0.00350	0.00350
0.04781	0.04459	0.04608	0.04267	0.03806
0.13521	0.12658	0.12995	0.12612	0.12325
0.20671	0.15081	0.14056	0.14579	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000
0.10760	0.10905	0.00000	0.00000	0.00000
0.00000	0.00000	0.11128	0.10909	0.11623
0.09538	0.09893	0.10066	0.10118	0.10694
<u>1.59621</u>	<u>1.53346</u>	<u>1.53202</u>	<u>1.52834</u>	<u>1.38798</u>
0.05202	0.05202	0.05202	0.05202	0.05202
-	-	-	-	-
-	-	-	-	-
0.06968%	0.06900%	0.13628%	0.05683%	0.05615%

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

Taxpayer	2024		2015		Business Type
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	
Valley Industrial	110,772,000	1.64%	-	0.00%	Industrial
Wesco Properties Inc	39,459,917	0.58%	-	0.00%	Commercial
SLK Technology LLC	36,275,858	0.54%		0.00%	Industrial
Essex Cal Walp	33,349,449	0.49%	28,302,373	0.62%	Residential
CBC Home	31,189,888	0.46%		0.00%	Vacant
Snow Creek Village West Partners	25,647,813	0.38%	21,767,572	0.47%	Commercial
Walnut Tech Business Center Inc	23,032,694	0.34%	19,549,989	0.43%	Commercial
Extra Space Properties Twenty One LLC	16,516,788	0.24%	-	0.00%	Industrial
9429 Walnut Cake LLC	15,581,904	0.23%	13,224,519	0.29%	Commercial
Pacwall LLC	15,528,021	0.23%	-	0.00%	Commercial
Henns Investment Company	-	0.00%	9,372,427	0.20%	Industrial
Orange Grove Service Inc	-	0.00%	8,150,000	0.18%	Commercial
Vogel Properties	-	0.00%	19,025,564	0.41%	Industrial
Margaret Wang Trust	-	0.00%	8,423,942	0.18%	Commercial
Fairway Injection Molding Systems Inc	-	0.00%	7,686,008	0.17%	Unsecured
Ruey Cher and TSU Kao	-	0.00%	19,628,786	0.43%	Commercial
Total	347,354,332	5.15%	155,131,180	3.38%	

Note:

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

Per State of California ABX1 26 all redevelopment agency in California was dissolved effective February 1, 2013.

Source: Hdl, Coren & Cone, L.A. County Assessor 2023/24 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxes levied for the fiscal year	1,435,551	1,399,452	2,718,998	1,497,691
Collected within the fiscal year:				
Amount	1,384,713	1,367,680	2,348,388	1,468,139
Percent of Levy	96%	98%	86%	98%
Total Tax Collection				
Amount	1,384,713	1,367,680	2,348,388	1,468,139
Delinquent Tax Collection	1,082	1,079	(2,041)	(2,345)
Collection in subsequent years	N/A	N/A	N/A	N/A
Total Collection to date in Dollars	N/A	N/A	N/A	N/A
Total Collection to date as a percentage of levy	N/A	N/A	N/A	N/A

Note:

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

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

Source: County of Los Angeles, Auditor-Controller

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

2019	2020	2021	2022	2023	2024
1,555,482	1,623,343	1,661,609	3,437,096	4,047,297	4,197,989
1,519,185	1,558,394	1,616,925	3,383,458	3,991,999	4,130,583
98%	96%	97%	98%	99%	98%
1,519,185	1,558,394	1,616,925	3,383,458	3,991,999	4,130,583
(7,822)	(7,256)	(10,387)	(9,472)	(20,267)	(20,093)
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

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City of Walnut, California
Direct and Overlapping Debt
June 30, 2024

	Outstanding Debt 6/30/24	Percentage Applicable To City (1)	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt			
Metropolitan Water District*	18,210,000	0.175%	31,868
Mt. San Antonio CCD	867,726,492	5.798%	50,310,782
Rowland Heights USD	197,865,036	10.258%	20,296,995
Walnut Valley USD	219,959,621	34.185%	75,193,196
Total Overlapping Tax and Assessment Debt			<u>145,832,841</u>
Direct and Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	2,479,229,730	0.337%	8,355,004
Los Angeles County Superintendent of Schools	2,857,300	0.337%	9,629
City of Walnut	-	100%	-
Total Direct and Overlapping General Fund Debt			<u>8,364,633</u>
Total Direct Debt			-
Total Overlapping Debt			154,197,474
Combined Total Debt			<u>154,197,474 (2)</u>

2023-24 Assessed Valuation \$6,758,984,288

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.16%
Total Direct Debt (\$0)	0.00%
Combined Total Debt	2.28%

Note:

1 The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

2 Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: HdL, Coren & Cone, L.A. County Assessor Tax rate tables 2014/15-2023/24.

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

Fiscal Year	2015	2016	2017	2018
Assessed valuation	4,590,208,614	4,823,117,151	5,023,635,701	5,261,903,783
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,147,552,154	1,205,779,288	1,255,908,925	1,315,475,946
Debt limit percentage	15%	15%	15%	15%
Debt Limit	172,132,823	180,866,893	188,386,339	197,321,392
Total net debt applicable to limit: General Obligation bonds	-	-	-	-
Legal debt margin	172,132,823	180,866,893	188,386,339	197,321,392
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Note:

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

The City of Walnut has no bonded indebtedness.

Source: HdL, Coren & Cone, L.A. County Assessor 2023/24 Combined Tax Rolls

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
5,560,005,060	5,796,260,647	5,973,694,699	6,117,140,418	6,462,840,585	6,758,984,288
25%	25%	25%	25%	25%	25%
1,390,001,265	1,449,065,162	1,493,423,675	1,529,285,105	1,449,065,162	1,493,423,674.75
15%	15%	15%	15%	15%	15%
208,500,190	217,359,774	224,013,551	229,392,766	217,359,774	224,013,551
-	-	-	-	-	-
<u>208,500,190</u>	<u>217,359,774</u>	<u>224,013,551</u>	<u>229,392,766</u>	<u>(217,359,774)</u>	<u>(224,013,551)</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Fiscal Year	2015	2016	2017	2018
Square Miles ¹	8.83	8.83	8.83	8.83
Number of Housing Units ²	8,911	8,925	8,937	9,022
Population (City of Walnut) ²	30,257	30,152	30,134	30,457
Personal Income City of Walnut (in thousands) ³	1,041,477	1,045,685	1,077,615	1,099,822
Per Capita Personal Income City of Walnut ³	34,573	34,680	35,760	36,110
Unemployment Rate City of Walnut ⁴	5.9%	4.8%	3.7%	3.5%
Average Annual Population % change ²	0.48%	-0.35%	-0.06%	1.07%

Source:

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

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

2019	2020	2021	2022	2023	2024
8.83	8.83	8.83	8.83	8.83	8.83
9,046	9,061	9,074	9,197	9,241	9,283
30,551	29,929	29,835	28,094	27,553	27,867
1,105,292	1,173,576	1,232,966	1,240,889	1,318,256	1,430,697
36,178	39,211	41,326	44,169	47,844	51,340
3.6%	3.4%	10.2%	6.8%	3.6%	3.7%
0.31%	-2.04%	-0.31%	-5.84%	-1.93%	1.14%

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

<u>Employer</u>	<u>2024</u>		<u>Product/Services</u>	<u>2015</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	4,100	53%	Community College	3,353	44%
Edro Engineering Company, Inc.	100	1%	Engineering	96	1%
Stater Brothers Market #168	94	1%	Grocery Store	88	1%
TJ Maxx #682	87	1%	Retail	-	1%
Vons #2167	82	1%	Grocery Store	71	1%
Alliance Industrial Refrigeration	80	1%	Industrial Refrigeration	-	0%
Ronsin Photocopy Inc.	78	1%	Photocopy Manufacturer	121	2%
McDonald's	61	1%	Fast-food	59	1%
Panera Bread #1630	56	1%	Restaurant	-	0%
Fairway Injections Molds, Inc	54	1%	Manufacture Mold Bases	58	1%
Applebee's Neighborhood Grill	53	1%	Restaurant	55	1%
Sodexo, Inc	49	1%	Food Services Mgmt.	-	0%
Home Goods #282	47	1%	Retail	-	0%
Caliber Collision Centers	31	0%	Automotive-Repair	-	0%
Starbucks Coffee #57777	28	0%	Coffee Shop	-	0%
24 Hour Fitness #934	26	0%	Health Fitness Facility	-	0%
Nina's Mexican Food	-	0%	Restaurant	133	2%
Mwave.com/Multiwave	-	0%	Computer Wholesales	54	1%

Source: City Finance Department & HDL, Coren & Cone 2023/24 Business License Data

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

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function:				
General Government	9	9	9	10
Public Safety	2	2	2	2
Public Works	6	6	6	6
Community Development	9	10	10	10
Community Services	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total	<u>36</u>	<u>37</u>	<u>37</u>	<u>38</u>

Note:

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

Source: City Finance Department

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
10	11	11	11	11	12
2	1	1	1	1	1
6	6	6	6	6	6
10	10	10	10	9	6
<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>37</u>	<u>35</u>

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Number of New Residential Units	22	97	72	18
Building Permit Valuation				
Residential	15,959,112	39,160,875	11,597,194	16,206,324
Non-Residential	<u>573,580</u>	<u>1,982,436</u>	<u>628,931</u>	<u>514,493</u>
Total	<u>16,532,692</u>	<u>41,143,311</u>	<u>12,226,125</u>	<u>16,720,817</u>
Number of Building Permit Issued	689	587	511	414
Bank Deposits	1,023,415,000	1,211,609,000	1,379,363,000	1,444,420,000

Source: FDIC: Deposit Market Share Report June 30, 2024, City of Walnut Finance Department, and City of Walnut Building Department

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>
3	29	25	52	52	93
8,672,560	18,467,667	33,804,409	9,433,991	9,433,991	37,124,315
<u>2,046,217</u>	<u>607,366</u>	<u>509,687</u>	<u>408,613</u>	<u>408,613</u>	<u>2,802,062</u>
<u>10,718,777</u>	<u>19,075,033</u>	<u>34,314,096</u>	<u>9,842,604</u>	<u>9,842,604</u>	<u>39,926,377</u>
948	456	509	751	751	749
1,773,297,000	2,133,975,000	2,270,676	2,424,905	2,424,905	2,566,538.000

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City of Walnut, California

Insurance in Force

June 30, 2024

<u>CARRIER</u>	<u>POLICY #</u>	<u>COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>	<u>TERM</u>
Alliant Insurance	13090202	Public Employees "O"	\$ 1,000,000	07/01/2023-07/01/2024
		Theft "C"	\$ 1,000,000	
		Forgery "B"	\$ 1,000,000	
		Computer Fraud "F"	\$ 1,000,000	
California Joint Powers Insurance Authority	B128410009W22	Property	\$ 34,845,780	07/01/2023-07/01/2024
		Earthquake & Flood	No Coverage	
		Other Vehicles Physical Damage	\$ 453,348	
		Mechanical Breakdown	\$ 31,253,087	
		Fire and Ambulance Physical Damage	No Coverage	
California Joint Powers Insurance Authority		General Liability	\$ 30,000,000	07/01/2023-07/01/2024
		Auto Liability	\$ 30,000,000	
		Workers' Compensation	\$ 10,000,000	
		Environmental/Pollution	No Coverage	
		Cyber Liability	\$ 1,000,000	

Source: City Risk Management

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

Fiscal Year	2015	2016	2017	2018
Public Safety:				
Number of employees trained on Emergency Operation	50	50	50	50
Number of volunteers on patrol	15	30	20	13
Parking Citation Issued	2,275	3,688	1,337	2,223
Community Development:				
Planning Application Processed	154	156	105	148
Code Enforcement Complaint Response	775	801	817	846
Dial-A-Ride Members	4,338	4,521	4,645	4,834
Metrolink Passes Sold	1,524	1,421	1,368	1,347
Public Works:				
Street Resurfacing (square feet)	1,944,687	2,303,654	3,234,562	3,234,562
Parks and recreation:				
Number of recreation classes	683	650	757	935
Number of youth registered	5,500	5,250	5,821	4,200

Source: City of Walnut Departments

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

2019	2020	2021	2022	2023	2024
46	63	73	40	40	50
15	18	17	22	22	15
1,514	1,026	675	988	1,782	2,096
128	88	132	134	137	135
1,061	763	894	750	727	515
5,094	5,162	5,173	5,222	5,341	5,392
1,110	745	25	58	62	48
2,674,770	2,862,703	185,500	2,300,000	-	-
817	575	125	379	450	360
5,175	2,931	901	2,524	3,250	5,705

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

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Works:				
Street (Miles)	111	111	111	111
Street lights	1,934	1,934	1,934	1,912
Traffic signals	40	40	41	41
Parks and recreation:				
Parks	11	11	11	11
Teen Center	1	1	1	1
Senior Center	1	1	1	1
Total	<u>2,098</u>	<u>2,098</u>	<u>2,099</u>	<u>2,077</u>

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

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
111	111	111	111	111	111
1,920	1,916	1,924	1,924	1,924	1,926
41	41	41	41	41	37
11	11	11	11	11	11
1	1	1	1	1	1
1	1	1	1	1	1
<u>2,085</u>	<u>2,081</u>	<u>2,089</u>	<u>2,089</u>	<u>2,089</u>	<u>2,087</u>

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

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

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

Type of City	General Law-January 19, 1959
Form of Government	Council/Manager
Population	27,867
Land Area	8.9 Square Miles
Number of Parks	11
Park Areas	105.2 Acres
Equestrian/Hiking Trails	33 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	35 Full-time
Cost per Capita	\$935

Source: City Finance Department



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www.CityofWalnut.org



#CityofWalnut