



City of Walnut, California Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

CITY OF WALNUT, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2025

Prepared by the Finance Department
Alex Merkel Medina, Director of Finance

City of Walnut
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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INTRODUCTORY SECTION

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CITY OF WALNUT

November 25, 2025

Honorable Mayor, Members of the City Council, and Citizens:
City of Walnut, California

INTRODUCTION

It is our honor and privilege to submit to you the Annual Comprehensive Financial Report (ACFR) for the City of Walnut for the fiscal year ended June 30, 2025. This document is transmitted herewith in compliance with state laws and relevant accounting and auditing standards. The intent of this report is to provide readers with a full understanding of the City's financial position and activities.

The financial statements are the responsibility of the management of the City of Walnut. Consequently, management assumes full responsibility for the completeness and accuracy of the information presented in this report, including all disclosures, as well as the fairness of the presentation. To provide a reasonable basis for making these representations, management of the City of Walnut has established a comprehensive internal control framework that is designed both to protect the government assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") and the pronouncements of the Governmental Accounting Standards Board ("GASB"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the independent certified public accounting firm Van Lant & Fankhanel, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentations. The auditors have issued an unmodified ("clean") opinion on these financial statements. The auditors' report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors. The Statistical Section includes selected financial, demographic and other relevant information.

The financial statements present the financial condition of the City of Walnut (the primary government) and its component units, the Walnut Public Financing Authority and the Walnut Housing Authority. The

financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Walnut Public Financing Authority was established in 1988, and the Walnut Housing Authority was established in 1996.

PROFILE OF THE CITY OF WALNUT

The City of Walnut was incorporated on January 19, 1959, with a population of 1,000. An election was conducted, and the final vote was 241 to 24 in favor of incorporation. The City was named after a nearby ranch, Rancho de los Nogales (which translates to "Walnut Ranch" in Spanish). This crop was of major importance the area. The City is situated in the eastern San Gabriel Valley, nestled between the San Jose Hills to the north and the Puente Hills to the south, about 20 miles east of downtown Los Angeles. The land use of the City is primarily residential in nature, with smaller commercial centers located throughout its boundaries. It currently occupies a geographic area of 8.9 square miles and serves a population of over 27,000.

The City is a general law city and operates under a council-manager form of government. Policy-making and legislative authority are vested in a governing City Council consisting of five council members elected at large. The City Council selects one member to serve as Mayor each year, and one member to serve as Mayor Pro Tempore. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring both the City Manager and a contract City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations and for appointing heads of departments.

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

The City of Walnut is a welcoming, family-oriented community known for its diversity and high quality of life. Recognized multiple times among the nation's best places to live, Walnut attracts families seeking excellent educational opportunities. The Walnut Valley Unified School District consistently earns state and national recognition for academic excellence, with schools known for their outstanding performance and strong community support. Residents enjoy a balance of family values, quality schools, and an active lifestyle, complemented by a variety of shopping and dining options. A strong sense of community is evident through numerous City-sponsored events, including concerts, holiday celebrations, including the popular Walnut Family Festival and holiday-based celebrations.

The City also offers an abundance of natural spaces and recreational opportunities. 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. Robust programming is offered by the Community Services Department, including youth and senior citizen offerings.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. Before July 1 of each year, a proposed budget is submitted to the City Council, and several public meetings are conducted to obtain taxpayer comments. The budget is subsequently adopted by the Council through the passage of a resolution. All annual appropriations lapse at fiscal year-end (each June 30). Certain multi-year project appropriations are re-budgeted by the City Council as part of the adoption process of the subsequent year's budget. The level of budgetary control is maintained at the fund level.

RELEVANT FINANCIAL POLICIES

The City of Walnut fiscal and fund balance policy, which was last updated and adopted in 2011, serves to reserve and sustain a minimum level of 50% of the General Fund budget for maintenance and operations (a “rainy day fund”). It also requires the City to maintain a \$1 million self-insurance fund reserve, and a \$1 million disaster recovery fund reserve for future emergencies. Lastly, it states that in the event of a General Fund surplus in any given fiscal year (revenues exceeding expenditures), the surplus amount shall be divided equally and deposited into two (2) “assigned” fund balance categories, one for capital projects and one for maintenance.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

The accompanying financial statements reflect a strong fiscal condition. The City of Walnut proudly celebrates a remarkable milestone with a historic General Fund surplus of \$5,045,938 for FY 2024/25, meaning that revenues exceeded expenditures by that amount. The surplus is indicative of the City’s commitment to fiscal management and continued economic growth. This achievement was driven largely by robust residential construction activities, including Development Agreement fees, building and safety permits, and professional plan check fees submitted in relation to a major homebuilding project in the southeastern portion of Walnut. This has strengthened both the City’s financial foundation and contributed to the beautification of the community. On June 30, 2025, the total fund balance in the General Fund was \$41,750,137. This is more than 200% of General Fund expenditure budget for a one-year period. This amount represents resources that can be used in future periods for one-time investments or as a hedge against budgetary uncertainty.

Public Safety remained an important focus for the City Council during FY 2024/25. \$4,140,030 or roughly 25% of actual General Fund expenditures went to Public Safety, with the largest proportion being expended on the policing contract with the Los Angeles County Sheriff’s Department. Besides the provision of basic law enforcement services, this amount included overtime patrols for burglary suppression and traffic enforcement. As a result of this monetary commitment, Walnut continues to boast one of the lowest crime rates in the San Gabriel Valley.

The Capital Improvement Program (CIP) was another area of emphasis during the fiscal year. Over \$4.6 million in capital outlay was dedicated to improving equipment, buildings, vehicles, and infrastructure – with the vast majority being expended on infrastructure. Critical safety projects and traffic reduction measures were undertaken in the public right-of-way, such as sidewalk repairs, traffic signal rehabilitation, pavement treatments, disability accessible park upgrades, and more. Not only do these projects create a safer and more aesthetic environment, but they also represent an investment in the future state of our infrastructure.

FUTURE ECONOMIC OUTLOOK

The City of Walnut’s future economic outlook reflects a stable yet cautiously constrained fiscal environment. Real estate values, which have been a key driver of property tax growth in recent years, have somewhat plateaued, resulting in only modest increases in property tax revenues projected for the upcoming fiscal period. Concurrently, the City continues to face challenges related to its limited retail base, which poses a risk of stagnant or declining sales tax revenues as consumer spending patterns evolve, and regional competition intensifies. Walnut has long benefited from fees and charges related to new residential real estate developments; however, as the land area within city limits becomes built out, these sources may become increasingly sparse. Staff will continue to monitor these key revenue streams and work towards identifying new revenue opportunities.

On the expenditure side of the budget, the increasing demand for public services—including repairs to infrastructure, right-of-way maintenance, and service to an aging population —places additional pressure on operations. Labor costs in the Public Safety sector, specifically in relation to policing, appear to be on an immutable upward trajectory. Persistent inflationary trends within the Los Angeles region continue to elevate the cost of goods and services used in the daily service of Walnut residents and businesses. Collectively, these dynamics point towards an environment in which taxpayer resources need to be conserved and expended with great care. The City of Walnut’s strategy of combining a disciplined fiscal approach and preserving its \$41,750,137 General Fund reserve level will serve as a roadmap in the future.

GFOA CERTIFICATE OF ACHIEVEMENT

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, 2024. This was the thirty-fifth (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. We believe that our current ACFR (FY 2024/25) continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and it will be submitted to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

Special recognition for the preparation of this Annual Comprehensive Financial Report is extended to the staff of the City of Walnut. Additionally, our gratitude extends to the firm Van Lant & Fankhanel, LLP, for their assistance in the publication of this document.

Our final acknowledgement is reserved for the Mayor and City Council. Their leadership in fiscal affairs is an example to communities everywhere and will set the foundation for success for many years to come.

Respectfully submitted,



Tom Weiner
City Manager



Alexander Merkel Medina
Director of Finance & City Treasurer

**CITY OF WALNUT
OFFICIALS
24/25 ACFR**

CITY COUNCIL

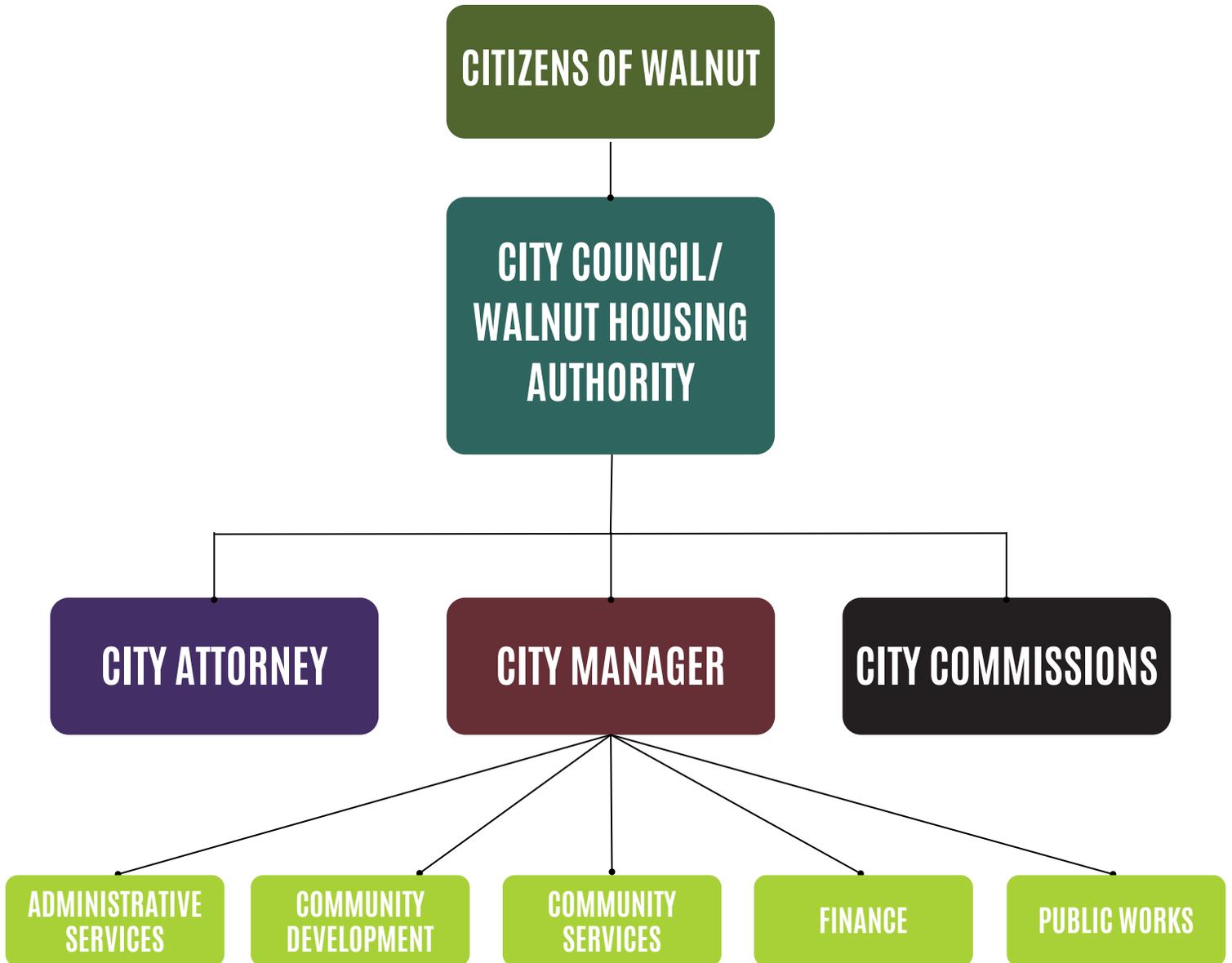
Ritchie Cajulis, Mayor
Dr. Allen Wu, Mayor Pro Tem
Nancy Tragarz, Council Member
Linda Freedman, Council Member
Kaylee May Law, Council Member

CITY OFFICIALS

Tom Weiner, City Manager
Teresa De Dios, City Clerk
Alex Merkel Medina, City Treasurer

CITY OF WALNUT

CITY ORGANIZATIONAL CHART





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, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Walnut (City), as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Walnut, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 error or fraud.

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 generally accepted auditing standards 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 generally accepted auditing standards 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, budgetary schedules and pension and OPEB schedules, as listed in the table of contents, 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 accompanying combining statements and budget schedules, as listed in the table of contents, are presented for purposes of additional analysis and 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 statements, as listed in the table of contents, 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 and statistical sections 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 basic 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 a report dated November 25, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhaed, LLP

November 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section provides a narrative overview of the financial position and activities of the City of Walnut (City) for the fiscal year ended June 30, 2025. Key elements include changes in fund balances, results of operations for the period, long-term debt, and budgetary compliance. Readers are encouraged to consider the information presented herein in conjunction with the letter of transmittal and basic financial statements for a complete understanding.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$114,323,958 (net position). Of this, \$29,545,533 was in unrestricted funds and may be used to meet ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,458,232 from the previous fiscal year.
- City-wide revenues were \$33,388,445. Total revenues are composed of \$15,584,843 in general revenue dollars, \$10,868,900 in charges for services, \$3,737,831 in operating grants and contributions, and \$3,196,871 in capital grants and contributions.
- City-wide expenses were \$28,488,079 with Public Works being the largest functional area at \$11,263,392 or approximately 40% of the total expenses.
- Combined fund balance for all governmental funds was \$55,203,668 – an increase of \$5,581,105 from FY 2023/24. For additional information regarding fund balances and components, please see Note 11.
- The General Fund has a fund balance of \$41,750,137.
- The General Fund unrestricted fund balance (the total of the committed, assigned, and unrestricted components) was \$39,395,241.
- General Fund revenues exceeded expenditures by \$5,045,938. This is commonly referred to as a *surplus*.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components as follows:

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying events occur, regardless of the timing of related cash flows.

Statement of Net Position. This report presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

Statement of Activities. The information presented in this report shows how the City's net position changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional expenses are shown net of related program revenue. This statement shows the extent to which various functions depend on general taxes and non-program revenues for support.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as business-type activities). The governmental

activities of the City include general government, public safety, public works, community services, and community development. The City does not have any business-type activities.

The Government-wide Financial Statements can be found on pages 22 to 23 of this report.

Fund financial statements. The fund financial statements focus on current available resources and report the City's operations in more detail for the City's most significant funds. Each fund is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with authorities or legal mandates, restrictions or limitations. All of the funds of the City of Walnut are classified as governmental funds.

Governmental funds. These statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information provides a short-term view of the City's general government operations and show whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The relationship between governmental activities and the governmental funds are reported on the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position page of the Government-wide Financial Statements.

Because the focus of governmental funds is 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-seven (27) individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Development Block Grant (CDBG) fund, the Lighting & Open Space Maintenance District fund (LOSMD), and the American Rescue Plan Act (ARPA) fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The governmental fund financial statements can be found on pages 24 to 29 of this report.

Notes to the financial statements. The Notes provide additional information that is necessary to acquire a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-53 of this report.

Combining Statements. The combining statements referred to earlier in connection with non-major governmental funds are presented in the "Supplementary Information" section of this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of an entity's financial position. For FY 2024/25 Walnut's assets and deferred outflows exceeded its liabilities and deferred inflows by \$114,323,958, an increase of \$4,458,232 or 4.06% from the previous year. The following table provides a more detailed breakdown of this change.

**Table 1
Net Position**

	2025	2024	Change	% Change
Current and Other Assets	\$ 65,204,076	\$ 59,622,478	\$ 5,581,598	9.4%
Capital Assets	69,108,902	69,518,202	(409,300)	-0.6%
Total Assets	<u>134,312,978</u>	<u>129,140,680</u>	<u>5,172,298</u>	4.0%
Deferred Outflows of Resources	<u>3,459,301</u>	<u>4,337,333</u>	<u>(878,032)</u>	-20.2%
Current Liabilities	8,273,517	10,536,984	(2,263,467)	-21.5%
Noncurrent Liabilities	<u>12,391,837</u>	<u>11,974,419</u>	<u>417,418</u>	3.5%
Total Liabilities	<u>20,665,354</u>	<u>22,511,403</u>	<u>(1,846,049)</u>	-8.2%
Deferred Inflows of Resources	<u>2,782,967</u>	<u>1,100,884</u>	<u>1,682,083</u>	152.8%
Net Position:				
Net investment in capital assets	69,108,902	69,518,202	(409,300)	-0.6%
Restricted	15,669,523	13,144,168	2,525,355	19.2%
Unrestricted	<u>29,545,533</u>	<u>27,203,356</u>	<u>2,342,177</u>	8.6%
Total Net Position	<u>\$ 114,323,958</u>	<u>\$ 109,865,726</u>	<u>\$ 4,458,232</u>	4.1%

The following factors influenced the change in net position:

- Current Assets increased due to growth in cash and investments, stemming from an excess of entity-wide revenue over expenses for the fiscal year.
- Deferred Outflows of Resources decreased, largely owing to differences in projected earnings and assumptions within the CalPERS pension plan for employees.
- Current Liabilities were reduced based on recognition and/or liquidation of previously unearned revenues in several funds.
- Deferred Inflows of Resources increased significantly due to the implementation of GASB Statement No. 87, causing \$1,895,241 in lease liabilities to be recorded in relation to several telecommunication sites owned by the City.

The largest portion of the City's net position is net investment in capital assets (land, construction in progress, buildings and improvements, equipment/furniture, and infrastructure) valued at \$69,108,902 (60% of total net position) net of depreciation. The City uses these capital assets to provide services to citizens. Capital assets are physical in nature and not available for spending.

A portion of net position, \$15,669,523 or 13%, represents resources that are subject to external restrictions on how they may be used (shown as "restricted" in Table 1). This includes amounts subject to external restrictions such as special revenue funds, as well as internally segregated amounts such as \$2.2 million for the Section 115 pension trust. The remaining balance of \$29,545,533 or 26%, is unrestricted.

The other government-wide financial statement, the Statement of Activities, represents the results of operations for the fiscal year. The table below provides a year-over-year comparison.

**Table 2
Change in Activities**

	2025	2024	Change	% Change
Revenues				
Program Revenues:				
Charges for Services	\$ 10,868,900	\$ 7,829,390	\$ 3,039,510	38.82%
Operating Grants and Contributions	3,737,831	4,284,763	(546,932)	-12.76%
Capital Grants and Contributions	3,196,871	2,848,765	348,106	12.22%
General Revenues:				
Taxes:				
Property Taxes	9,045,010	8,822,692	222,318	2.52%
Sales and Use Taxes	2,191,583	2,231,693	(40,110)	-1.80%
Franchise Taxes	1,240,074	1,156,154	83,920	7.26%
Other Taxes	597,116	661,964	(64,848)	-9.80%
Investment Income	2,205,019	2,911,536	(706,517)	-24.27%
Other revenues	306,041	121,619	184,422	151.64%
Total revenues	<u>33,388,445</u>	<u>30,868,576</u>	<u>2,519,869</u>	8.16%
Expenses				
General Government	4,530,299	4,158,040	372,259	8.95%
Public Safety	6,668,883	5,290,104	1,378,779	26.06%
Public Works	11,263,392	8,622,189	2,641,203	30.63%
Community Services	2,799,944	5,208,818	(2,408,874)	-46.25%
Community Development	3,225,561	2,817,623	407,938	14.48%
Total expenses	<u>28,488,079</u>	<u>26,096,774</u>	<u>2,391,305</u>	9.16%
Increase (decrease) in net assets	4,900,366	4,771,802	128,564	2.69%
Net position, beginning	<u>109,865,726</u>	<u>105,093,924</u>	<u>4,771,802</u>	4.54%
Restatement	(442,134)	-	-	
Net position, ending	<u>\$114,323,958</u>	<u>\$ 109,865,726</u>	<u>\$ 4,458,232</u>	4.06%

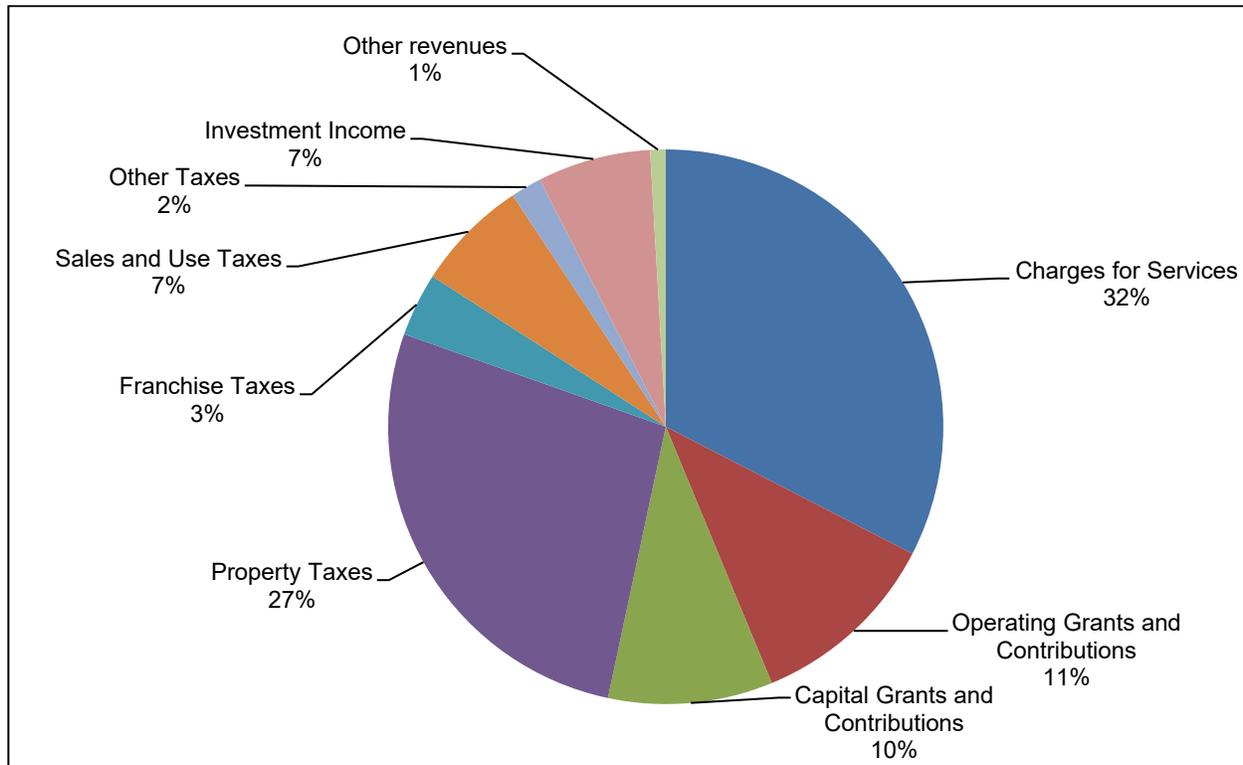
The following changes to activities were the most impactful to net position:

- Charges for Services increased by \$3 million (38%) due to the receipt of Development Agreement fees, construction plan check fees, and building permit fees for a large-scale homebuilding site in the southeastern portion of Walnut.
- Property Tax increased slightly in FY 2024/25 with the general rise in real estate values.
- Sales & Use Tax declined due to the limited retail space available within city limits.
- Public Safety expense increased, based on contractual escalations from the L.A. County Sheriff's Department. Additionally, animal control costs are on the rise.
- Community Services expense decreased, due to re-organization of some cost centers under the umbrella of the Public Works function.
- Public Works expense increased largely stemming from the previously mentioned re-organization with Community Services; additionally, several large-scale pavement maintenance projects occurred including slurry seal coatings.

Revenue Sources:

The revenue sources from governmental activities presented in Table 2 are illustrated in Figure 1 below to show the percentage relationship of these revenues to each other, as well as their impact on the City's total resources.

Figure 1
Revenues by Source – Governmental Activities



As shown in Figure 1, about 39% of the City's total governmental revenues are from taxes, which are primarily comprised of property, sales and use, business license, and franchise taxes. Program revenues totaled 53% of the total resources and investment income and miscellaneous income amounted to 8% of the total governmental revenues for the year.

Expense and Program Revenues:

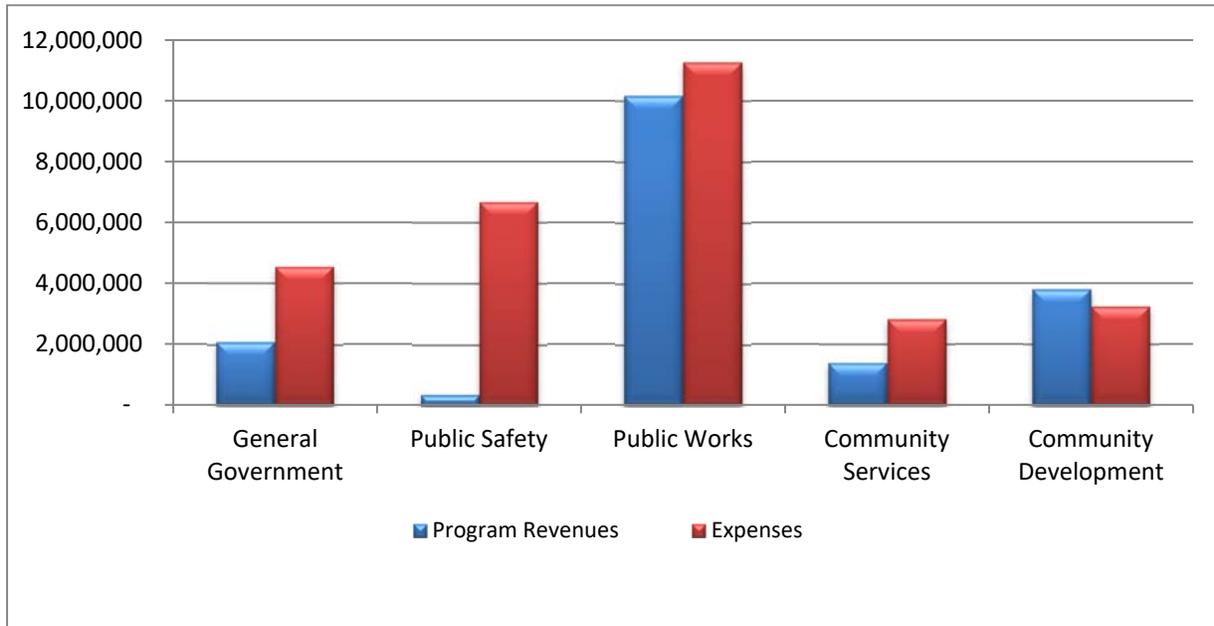
The City's expenses in connection with its governmental activities are categorized by function, namely general government, public safety, public works, community services, and community development. The program revenues associated with these governmental activities are classified into three categories which are charges for services, operating grants and contributions, and capital grants and contributions.

The relationship of the City's program revenues with the related governmental functions is illustrated in Figure 2 on the subsequent page.

Public works and community development services are largely funded by program revenues. The general government, public safety, and recreation/senior services receive limited program revenue and are primarily funded with general revenues of the City. It is typical for governmental programs to be subsidized by General Fund revenues, as the program revenues are generally not adequate to finance the governmental programs. Due to the receipt of Development Agreement fees,

construction plan check fees, and building permit fees in FY 2024/25 from a major residential builder in the City, the Community Development function actually experienced program revenues (Charges for Services) greater than its total expenses. This provides an additional contribution to net position that may be used to meet general municipal needs.

**Figure 2
Expense and Program Revenues**



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

The City employs fund accounting techniques to ensure and demonstrate compliance with legal and regulatory requirements. Focusing on financial resources, the City's governmental funds provide information on near-term inflows and outflows, and balances of spendable resources. All City of Walnut funds are governmental funds. This information is useful in assessing the City's ability to meet financial obligations. In particular, unreserved fund balance may serve as a useful measure of government net resources available for spending at the end of the fiscal year.

- Fund Balance – As of June 30, 2025, the City's governmental funds reported a combined fund balance of \$55,203,668 which increased by \$5,581,105 from the prior year fund balance.
- Fund Balance Classification
 - The City has \$138,936 in non-spendable fund balance as of June 30, 2025. Non-spendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. In this case, it consists solely of prepaid expenses.
 - Restricted fund balance amounted to \$15,669,523 at June 30, 2025. Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. In this case, the majority consists of special revenue funds and grants. The remainder is attributable to the Section 115 PARS pension trust.
 - The remaining components of fund balance – assigned, unassigned, and committed – will be discussed in greater detail under the General Fund section.

Activities within the major governmental funds for the current fiscal year include the following:

General Fund

The General Fund is the largest operating fund and may be expended for any legitimate governmental purpose as directed by governing body. Its total ending fund balance is \$41,750,137. Of this, \$138,936 is in non-spendable form (prepaid expenses at year-end). \$2,215,960 in restricted fund balance is the Section 115 irrevocable pension trust. The remaining components – assigned, unassigned, and committed – are entirely available at the discretion of the City Council. These fund balance components total \$39,395,241. This is often collectively referred to as the agency’s “reserves” and may be used in the future for one-time projects or as a hedge against budgetary uncertainty.

A historic General Fund surplus of \$5,045,938 for FY 2024/25 helped create this strong fund balance position. This means that revenues exceeded expenditures by that amount. Revenues reached \$21,850,239 – an increase of \$2,634,825 from FY 2023/24. This was driven by Licenses & Permits and Charges for Services, two categories strongly tied to real estate development activity. The developer of a large new build homesite in southeast Walnut submitted construction plans for several tracts of homes during the year, causing these revenues to increase dramatically. Taxes, the largest source of General Fund revenue, showed an increase year-over-year of approximately \$200,000. Ad valorem property taxes demonstrated a modest rise, mirroring conditions in the local housing market. Since Walnut is primarily a bedroom community, maintaining residential property values is essential for budgetary stability. Sales tax decreased slightly, continuing a slow downward trend. Retail square footage is limited in the City, placing pressure on this revenue source.

Expenditures totaled \$16,804,301. This is an increase of about \$1 million from the prior period and is largely attributable to an increase in the cost of the law enforcement services contract with L.A. County Sheriff. Additionally, inflationary macroeconomic conditions have caused prices to rise across the board for a variety of labor, goods and services used by the City in its operations.

Competent financial management requires compliance with the adopted budget. The following table summarizes General Fund budget vs. actual activity for the fiscal year. Revenues exceeded their adopted budget, and expenditures came in lower than their adopted budget. For a detailed budgetary comparison schedule, please see the Required Supplementary Information section of the Annual Comprehensive Financial Report.

Table 3
General Fund Budget vs. Actuals

	Budget	Actual	Variance
Revenue	17,403,830	21,850,239	4,446,409
Expenditures	17,939,462	16,804,301	1,135,161
Transfers In	1,635,459	1,114,952	520,507
Transfers Out	1,517,360	309,350	1,208,010

Other Major Governmental Funds

The CDBG fund is a federal source, provided by the U.S. Dept. of Housing and Urban Development. It provides financing for the senior citizen program and the residential housing rehabilitation program. This fund operates on a direct dollar-for-dollar reimbursement basis, and as such the fund balance at the end of the fiscal year was 0 (notwithstanding immaterial rounding amounts). Activity over the course

of the year included \$103,900 in expenditures assisting those in need. The next cycle of funding will begin in FY 2025/26.

The American Rescue Plan Act (ARPA) fund was provided directly by the federal government in prior fiscal years, with a total allocation of \$7,100,000 for COVID-19 relief and aid to the local economy. During FY 2024/25, the fund saw \$1,514,414 in expenditures covering a diverse range of areas, including law enforcement, upgrades to communications systems, long-term investments in technologies, and capital improvements throughout the Walnut community. All funds were obligated by December 31, 2024, in compliance with the U.S. Treasury's *Final Rule*. The cash balance of \$2,424,898 as of June 30, 2025, will be utilized to liquidate any liabilities from that period; the remainder will be spent on eligible uses prior to the final deadline established by the U.S. Treasury.

The Lighting and Open Space Maintenance District (LOSMD) fund consists of eleven (11) separate geographic zones within city limits. Property owners in each zone pay an assessment annually alongside their property tax bills, to offset the cost of maintaining the green space, urban forest, street lighting, and other amenities in their neighborhoods. The assessment rates for each LOSMD zone were established decades ago and have not increased with inflation in the cost of water, electricity, and contracted landscaping services. As such, LOSMD incurred an operating deficit in FY 2024/25 of \$281,306, meaning expenditures were higher than revenues by that amount. Since the fund is not able to cover costs on its own, the General Fund provided a transfer in the corresponding amount. The fund balance on June 30, 2025, was zero dollars.

CAPITAL ASSETS

The City's investment in capital assets, net of accumulated depreciation, as of June 30, 2025, is \$69,108,902. This includes land, construction in progress, buildings and improvements, vehicles, furniture, equipment, and infrastructure. Since these are long-term, physical assets, depreciation is calculated, and expense is spread over the useful life of each item.

\$5,113,825 in assets were added during the fiscal year. This represents completed construction projects or new equipment put into service. \$952,287 in misclassified capitalized assets from previous years were removed from the financial statements. Construction in Progress, which represents incomplete projects carried forward across fiscal periods, was reduced by 48.59% primarily due to the completion and capitalization of several large-scale improvements.

Please see Note 4 "Capital Assets" for more details. The schedule below is a summary of capital asset changes by category (net of accumulated depreciation).

Table 5
Capital Assets (net of depreciation)

	2025	2024	Change
Land	10,792,506	10,792,506	0.00%
Construction in Progress	2,369,423	4,608,437	-48.59%
Buildings & Improvements	11,529,817	11,657,755	-1.10%
Vehicles, Equipment & Furniture	1,346,641	1,424,919	-5.49%
Infrastructure	43,070,515	41,034,585	4.96%
	69,108,902	69,518,202	-0.59%

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

As the City of Walnut looks ahead to Fiscal Year 2025–26, it remains focused on key priorities that sustain its reputation as one of the safest and most family-orientated communities in the San Gabriel Valley. The operating expenditure budget totals \$25.4 million for all funds in aggregate, and \$18.5 million for the General Fund. This increase reflects rising personnel costs, exposure to inflation in the market for goods and services, as well as expansion of service offerings in the community. The City continues to prioritize public safety, infrastructure improvements, and quality recreational programming that foster community well-being. Walnut's goal is to ensure residents and visitors alike can enjoy a safe, connected, and active environment.

Maintaining low crime levels and a strong sense of security is central to the City Council's vision. The FY 2025–26 Budget continues funding for enhanced law enforcement patrols through the Los Angeles County Sheriff's Department, focusing on burglary prevention, traffic safety, and neighborhood engagement. In tandem, the City is directing over \$7.6 million toward capital projects—including street, park, and infrastructure improvements—to preserve and upgrade essential facilities and roadway systems. This includes major improvements to the busy intersection of Grand Avenue and La Puente Road. These investments strengthen Walnut's long-term infrastructure resiliency while improving mobility and safety for residents.

In the near-term future, the local economy in the City of Walnut is positioned to have a mixed but cautiously optimistic impact on both sales tax and property tax revenues. On the sales tax front, consumer spending is likely to remain somewhat restrained amid broader economic uncertainty and elevated living costs, which may lead to sluggish growth in retail-based tax receipts. Meanwhile, property tax revenues are expected to benefit from stable residential valuations, though growth could be muted given high interest rates and potential lack of commercial real estate activity. The combination of modest increases in property tax collections and slower-than-expected sales tax gains underscores the city's emphasis on maintaining conservative revenue projections while preserving strong fund balances.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Walnut's finances for all those interested in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, at 21201 La Puente Road, Walnut, CA 91789 or by telephone at 909-348-0726.

BASIC FINANCIAL STATEMENTS

City of Walnut
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 57,903,487
Accounts Receivable	215,208
Due from Other Governments	905,234
Interest Receivable	563,586
Loans Receivable	812,424
Lease Receivable	1,895,241
Prepaid Items	138,936
Restricted Cash and Investments	2,769,960
Capital Assets, Not Depreciated	13,161,929
Capital Assets, Depreciated, Net	55,946,973
Total Assets	<u>134,312,978</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	3,066,809
Deferred Outflows Related to OPEB	392,492
Total Deferred Outflows of Resources	<u>3,459,301</u>
LIABILITIES	
Accounts Payable	3,544,658
Accrued Liabilities	251,290
Unearned Revenue	1,839,608
Due to Other Governments	768,925
Deposits	1,700,686
Long-Term Liabilities	
Compensated Absences, due within one year	168,350
Compensated Absences	668,426
Net Pension Liability	10,009,546
Total OPEB Liability	1,713,865
Total Liabilities	<u>20,665,354</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	296,604
Deferred Inflows Related to OPEB	591,122
Lease Related	1,895,241
Total Deferred Inflows of Resources	<u>2,782,967</u>
NET POSITION	
Net Investment in Capital Assets	69,108,902
Restricted for:	
Public Safety	748,268
Public Works	8,627,909
Community Services	2,909,932
Community Development	1,167,454
Section 115 Trust	2,215,960
Unrestricted	29,545,533
Total Net Position	<u>\$ 114,323,958</u>

The accompanying notes are an integral part of this statement.

City of Walnut
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
Governmental Activities:					Governmental Activities
General Government	\$ 4,530,299	\$ 514,572	\$ 1,573,657	\$ -	\$ (2,442,070)
Public Safety	6,668,883	170,029	194,663	-	(6,304,191)
Public Works	11,263,392	6,502,568	509,463	3,156,871	(1,094,490)
Community Services	2,799,944	1,022,477	372,388	-	(1,405,079)
Community Development	3,225,561	2,659,254	1,087,660	40,000	561,353
Total Governmental Activities	\$ 28,488,079	\$ 10,868,900	\$ 3,737,831	\$ 3,196,871	(10,684,477)

General Revenues:

Taxes:

Property Taxes	9,045,010
Franchise Taxes	1,240,074
Sales Taxes	2,191,583
Property Transfer Tax	219,920
Public Safety Augmentation	225,966
Business License Taxes	151,230
Investment Income	2,205,019
Other	306,041

Total General Revenues 15,584,843

Change in Net Position 4,900,366

Net Position - Beginning of Year 109,865,726

Restatement for correction of an error (442,134)

Net Position - Beginning, as adjusted 109,423,592

Net Position - End of Year \$ 114,323,958

The accompanying notes are an integral part of this statement.

**City of Walnut
Balance Sheet
Governmental Funds
June 30, 2025**

	General Fund	Community Development Block Grant	LOSMD	ARPA
ASSETS				
Cash and Investments	\$ 40,994,210	\$ -	\$ 149,126	\$ 2,424,898
Accounts Receivable	204,294	-	2,600	-
Due from Other Governments	586,037	48,833	48,780	-
Interest Receivable	550,665	-	-	-
Loans Receivable	-	768,925	-	-
Lease Receivable	1,895,241	-	-	-
Due from Other Funds	90,005	-	-	-
Prepaid Items	138,936	-	-	-
Restricted Cash and Investments	2,769,960	-	-	-
	<u>\$ 47,229,348</u>	<u>\$ 817,758</u>	<u>\$ 200,506</u>	<u>\$ 2,424,898</u>
LIABILITIES				
Accounts Payable	\$ 1,332,783	\$ 1,769	\$ 164,678	\$ 525,042
Accrued Liabilities	249,178	-	-	-
Unearned Revenue	301,323	-	-	1,538,285
Due to Other Governments	-	768,925	-	-
Deposits	1,700,686	-	-	-
Due to Other Funds	-	47,096	35,827	-
	<u>3,583,970</u>	<u>817,790</u>	<u>200,505</u>	<u>2,063,327</u>
DEFERRED INFLOWS OF RESOURCES				
Lease Related	1,895,241	-	-	-
	<u>1,895,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	138,936	-	-	-
Restricted	2,215,960	-	1	361,571
Committed	2,000,000	-	-	-
Assigned	21,278,215	-	-	-
Unassigned	16,117,026	(32)	-	-
	<u>41,750,137</u>	<u>(32)</u>	<u>1</u>	<u>361,571</u>
	<u>\$ 47,229,348</u>	<u>\$ 817,758</u>	<u>\$ 200,506</u>	<u>\$ 2,424,898</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total
\$ 14,335,253	\$ 57,903,487
8,314	215,208
221,584	905,234
12,921	563,586
43,499	812,424
-	1,895,241
-	90,005
-	138,936
-	2,769,960
<u>\$ 14,621,571</u>	<u>\$ 65,294,081</u>
\$ 1,520,386	\$ 3,544,658
2,112	251,290
-	1,839,608
-	768,925
-	1,700,686
7,082	90,005
<u>1,529,580</u>	<u>8,195,172</u>
-	1,895,241
-	1,895,241
-	138,936
13,091,991	15,669,523
-	2,000,000
-	21,278,215
-	16,116,994
<u>13,091,991</u>	<u>55,203,668</u>
<u>\$ 14,621,571</u>	<u>\$ 65,294,081</u>

City of Walnut
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Fund Balances for Governmental Funds \$ 55,203,668

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

Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the funds.

Capital Assets	156,077,909
Accumulated Depreciation	(86,969,007)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2025 are:

Compensated Absences	(836,776)
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Net Pension (Liability)/Asset related to the City's Pension plan is not reported in the governmental funds	(10,009,546)
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Total OPEB (Liability)/Asset related to the City's other postemployment benefits is not reported in the governmental funds	(1,713,865)
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Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Total OPEB Liability are not reported in the funds.

Deferred Outflows Related to Pensions	3,066,809
Deferred Inflows Related to Pensions	(296,604)
Deferred Outflows Related to OPEB	392,492
Deferred Inflows Related to OPEB	(591,122)
	(591,122)

Net Position of Governmental Activities	\$ 114,323,958
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The accompanying notes are an integral part of this statement.

City of Walnut
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Community Development Block Grant	LOSMD	ARPA
REVENUES				
Taxes	\$ 13,015,009	\$ -	\$ -	\$ -
Assessments	-	-	2,490,595	-
Licenses and Permits	4,189,017	-	324,978	-
Intergovernmental	264,213	103,861	-	1,514,414
Charges for Services	1,627,187	-	-	-
Fines and Forfeitures	25,222	-	-	-
Investment Income	2,673,214	-	-	36,901
Other Revenue	56,377	-	-	-
Total Revenues	21,850,239	103,861	2,815,573	1,551,315
EXPENDITURES				
Current:				
General Government	3,292,916	-	-	109,823
Public Safety	4,140,030	-	-	1,061,489
Public Works	4,468,984	-	3,096,879	-
Community Services	2,540,225	-	-	-
Community Development	1,868,460	103,900	-	-
Capital Outlay	493,686	-	-	343,102
Total Expenditures	16,804,301	103,900	3,096,879	1,514,414
Excess of Revenues Over (Under) Expenditures	5,045,938	(39)	(281,306)	36,901
OTHER FINANCING SOURCES (USES)				
Transfers In	1,114,952	-	281,306	-
Transfers Out	(309,350)	-	-	-
Total Other Financing Sources (Uses)	805,602	-	281,306	-
Net Change in Fund Balances	5,851,540	(39)	-	36,901
Fund Balances, Beginning of Year, as previously reported	35,388,444	7	1	324,670
Restatement for correction of an error	510,153	-	-	-
Fund Balances, Beginning, as adjusted	35,898,597	7	1	324,670
Fund Balances, End of Year	\$ 41,750,137	\$ (32)	\$ 1	\$ 361,571

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total
\$ -	\$ 13,015,009
-	2,490,595
1,000,000	5,513,995
5,276,429	7,158,917
65,298	1,692,485
-	25,222
725,730	3,435,845
-	56,377
<u>7,067,457</u>	<u>33,388,445</u>
282,916	3,685,655
1,467,364	6,668,883
26,290	7,592,153
-	2,540,225
1,253,201	3,225,561
<u>3,768,228</u>	<u>4,605,016</u>
<u>6,797,999</u>	<u>28,317,493</u>
<u>269,458</u>	<u>5,070,952</u>
478,044	1,874,302
<u>(1,564,952)</u>	<u>(1,874,302)</u>
<u>(1,086,908)</u>	<u>-</u>
<u>(817,450)</u>	<u>5,070,952</u>
13,909,441	49,622,563
-	510,153
<u>13,909,441</u>	<u>50,132,716</u>
<u>\$ 13,091,991</u>	<u>\$ 55,203,668</u>

City of Walnut
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 5,070,952

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This the amount by which capital outlays exceeded depreciation in the current period and also the net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations):

Capital Expenditures	3,351,899
Depreciation Expense	(2,808,912)

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

Compensated Absences	(86,426)
Net Pension Liability	110,100
Total OPEB Liability	(72,373)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability and net OPEB liability:

Deferred Outflows Related to Pensions	(823,787)
Deferred Inflows Related to Pensions	131,351
Deferred Outflows Related to OPEB	(54,245)
Deferred Inflows Related to OPEB	81,807
	81,807

Change in Net Position of Governmental Activities	\$ 4,900,366
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The accompanying notes are an integral part of this statement.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Walnut (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A) Description of Reporting Entity

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 City (the primary government) has included within its reporting entity, for financial reporting purposes, all component units over which the City exercises financial accountability. Financial accountability is defined as follows: The level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for government organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The following component units meet the above-mentioned criteria, and are therefore included within the financial reporting entity of the City of Walnut: the Walnut Public Financing Authority and Walnut Housing Authority.

The Walnut Public Financing Authority (the Authority) was established on November 9, 1988, by a joint exercise of powers agreement between the City and the Improvement Agency. The Authority was created for the purpose of assisting the financing or refinancing of certain public capital facilities by the City. The Authority is governed by a five-member Board of Directors which consists of members of the City Council. During the current fiscal year, the Authority had no fiscal activity.

The Walnut Housing Authority (the Housing Authority) was established by the City Council on October 9, 1996, and is responsible for the administration of providing affordable housing in the City. The Housing Authority is governed by a five-member Board of Directors which consists of members of the City Council. The Housing Authority's financial transactions are reported in a special revenue fund. The Housing Authority does not prepare separate financial statements.

Since the City Council serves as the governing board for these component units, and there is a financial benefit/burden relationship between the City and these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and are reported with the interfund data of the primary government. These component units do not issue separate component unit financial statements.

B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as discretely presented component units. The City of Walnut has no business-type activities and no discretely presented component units.

As a general rule, the effect of interfund activity has been eliminated in the Statement of Activities. An exception to this general rule would be for interfund services provided and used, which are not eliminated in the consolidation process. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are 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 amount program revenues are reported instead as *general revenues*.

Government-wide financial statements are presented using the *economic resources measurement focus* and *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

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

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund financial statements for governmental funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate. Proprietary fund statements include financial information for internal service funds. Financial statements for fiduciary funds include financial information for private-purpose trust funds and custodial funds. Fiduciary funds of the City represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except for grants which are considered available if they are collected within 90 days after year-end.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C) Fund Classifications

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and other costs which are not paid through other funds.

The Community Development Block Grant (CDBG) Fund - This fund accounts for any 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) Fund - This fund is comprised of approximately 369 acres of landscape areas throughout the City that is divided into twelve zones and generate revenue based on property tax assessments per zone. The funds are restricted to landscape maintenance, rodent control, weed abatement, and other related expenses within the LOSMD.

The American Rescue Plan Act (ARPA) Fund - This fund is used to account for monies received from the United States Department of Treasury for purposes authorized under the applicable regulations.

D) Cash and Investments

Cash includes amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund’s share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund’s average cash and investment balance.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E) Prepaid Items

Prepaid items are for payments to vendors for costs applicable to future accounting periods. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F) Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date:	January 1
Levy Year:	July 1 to June 30
Due Dates:	First Installment – November 1 Second Installment – March 1
Delinquent Dates:	First Installment – December 10 Second Installment – April 10

Under California law, property taxes are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to cities based on complex formulas prescribed by state statutes.

G) Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

H) 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.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

I) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets received prior to the implementation of GASB 72 are valued at their estimated fair market value at the date of the contribution. Contributed capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Generally, capital asset purchases in excess of \$30,000 and infrastructure greater than \$100,000 are capitalized.

Capital assets include public domain (infrastructure) assets consisting of certain improvements including roads, streets, curbs, gutters, sidewalks, street lights, signs and signals, parks equipment, and storm drains. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported in the respective statement of net position.

The following schedule summarizes capital asset useful lives:

Buildings	40 - 50 years
Building Improvements	25 years
Public Domain Infrastructure	25 - 100 years
Infrastructure	30 - 50 years
Vehicles, Furniture and Equipment	7 years

J) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

K) Leases

Lessor: The City is a lessor for noncancellable leases of land owned by the City. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L) Net Position Flow Assumption

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

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

M) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently reports deferred outflows related to the net pension and Total OPEB liabilities in accordance with GASB Statements No. 68 and 75.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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 certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, 75 and 87.

N) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Walnut's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O) Other Postemployment Benefits (OPEB)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: July 1, 2023 Valuation Date, June 30, 2024 Measurement Date, and July 1, 2023 through June 30, 2024 Measurement Period.

R) Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 57,903,487
Restricted Cash and Investments	2,769,960
Total Cash and Investments	<u>\$ 60,673,447</u>

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

Cash and Investments consist of the following:

Petty Cash	\$	2,700
Deposits with Financial Institutions		2,540,482
Investments		58,130,265
Total Cash and Investments	\$	60,673,447

Investments Authorized by the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Allowable Investment	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	2%
Commercial Paper	270 days	25%	None
Medium Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	None	\$250,000
Certificates of Deposit	5 years	None	\$250,000
Los Angeles County Pooled Fund	N/A	None	None
Money Market Funds	N/A	20%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$70,000,000

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provision of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for these investments. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	None	None	None
United States Agency Securities	None	None	None
Municipal Obligations	None	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	360 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	Life of Bonds	None	None

Disclosures Relating to Interest Rate Risk

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

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25-60 Months	
LAIF	\$ 50,242,092	\$ -	\$ -	\$ 50,242,092
Los Angeles County Investment Pool	5,118,213	-	-	5,118,213
Money Market Mutual Funds	554,000	-	-	554,000
Held by Fiscal Agent:				
Section 115 Pension Trust - Moderate Index	2,215,960	-	-	2,215,960
Total	<u>\$ 58,130,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,130,265</u>

Disclosures Relating to Credit Risk

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

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

Investment Type	Total Investment	Minimum Legal Rating	Unrated
LAIF	\$ 50,242,092	N/A	\$ 50,242,092
Los Angeles County Investment Pool	5,118,213	N/A	5,118,213
Money Market Mutual Funds	554,000	N/A	554,000
Held by Fiscal Agent:			
Section 115 Pension Trust - Moderate Index	2,215,960	N/A	2,215,960
Total	<u>\$ 58,130,265</u>		<u>\$ 58,130,265</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments (other than LAIF and CAMP external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2025, the City’s deposits (bank balances) were either insured by the Federal Depository Insurance Corporation or collateralized under California Law.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2025:

- Money Market Mutual Funds of \$554,000 are valued using a matrix pricing model (Level 1 inputs).
- Section 115 Trust Moderate Index funds of \$2,215,960 are valued using a matrix pricing model (Level 1 inputs).

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

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

Investment in State Investment Pool

The City is a voluntary participant in the LAIF which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. 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.

Los Angeles County Pooled Investment Fund

The City is a voluntary participant in the Los Angeles County Pooled Investment Fund (LACPIF), an investment pool governed by the County of Los Angeles Board of Supervisors and administered by the County Treasurer and Tax Collector. The LACPIF is not registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, but operates in accordance with California Government Code provisions governing the investment of public funds. The pool invests in a variety of high-quality securities and is structured to maintain a stable value while providing daily liquidity. Deposits and withdrawals can be made at any time without penalty, subject to a minimum investment of \$50,000.

As of June 30, 2025, the City's participation in the pool was 0.00892 percent, and the pool had a weighted average maturity of 556 days. Consistent with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the LACPIF meets the definition of an external investment pool. Additional information about the LACPIF can be found in the County of Los Angeles' Annual Comprehensive Financial Report, available from the County Auditor-Controller's Office at 500 West Temple Street, Los Angeles, California 90012.

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. 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.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2025 are as follows:

Receivable	Payable	Amount
General Fund	Community Development Block Grant Fund	\$ 47,096
	LOSMD	35,827
	Other Governmental Funds	7,082
		\$ 90,005

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund balances are composed of short-term borrowings to cover deficit cash. Borrowings are expected to be repaid in the 2025-26 fiscal year.

Interfund transfers for the 2024-25 fiscal year consist of the following:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>LOSMD</u>	<u>Other Governmental Funds</u>	
General Fund	\$ -	\$ 281,306	\$ 28,044	\$ 309,350
Other Governmental Funds	1,114,952	-	450,000	1,564,952
Total	<u>\$ 1,114,952</u>	<u>\$ 281,306</u>	<u>\$ 478,044</u>	<u>\$ 1,874,302</u>

The General Fund transferred \$281,306 to the LOSMD Fund to cover the current year operating deficit in the LOSMD Fund. The Other Governmental Funds transferred \$1,089,952 to the General Fund to close out the former Capital Improvement Fund to the General Fund and \$25,000 for reimbursement of project costs. Within the Other Governmental Funds, the Low and Moderate Income Housing Fund transferred \$450,000 to the Walnut Housing Authority for the purpose of financing eligible affordable housing expenditures.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Capital Assets, Not Depreciated:					
Land	\$ 10,792,506	\$ -	\$ -	\$ -	\$ 10,792,506
Construction in Progress	4,608,437	3,203,694	(4,965,620)	(477,088)	2,369,423
Total Capital Assets, Not Depreciated	<u>15,400,943</u>	<u>3,203,694</u>	<u>(4,965,620)</u>	<u>(477,088)</u>	<u>13,161,929</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	24,671,877	148,205	-	-	24,820,082
Vehicles, Equipment and Furniture	5,943,053	2,177,388	-	(475,199)	7,645,242
Infrastructure	107,662,424	2,788,232	-	-	110,450,656
Total Capital Assets, Depreciated	<u>138,277,354</u>	<u>5,113,825</u>	<u>-</u>	<u>(475,199)</u>	<u>142,915,980</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(13,014,122)	(276,143)	-	-	(13,290,265)
Vehicles, Equipment and Furniture	(4,518,134)	(1,780,467)	-	-	(6,298,601)
Infrastructure	(66,627,839)	(752,302)	-	-	(67,380,141)
Total Accumulated Depreciation	<u>(84,160,095)</u>	<u>(2,808,912)</u>	<u>-</u>	<u>-</u>	<u>(86,969,007)</u>
Net Capital Assets, Depreciated	<u>54,117,259</u>	<u>2,304,913</u>	<u>-</u>	<u>(475,199)</u>	<u>55,946,973</u>
Governmental Activities Capital Assets	<u>\$ 69,518,202</u>	<u>\$ 5,508,607</u>	<u>\$ (4,965,620)</u>	<u>\$ (952,287)</u>	<u>\$ 69,108,902</u>

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

4) CAPITAL ASSETS - Continued

Depreciation expense was charged to the following functions in the Statement of Activities:

General Government	\$ 131,071
Public Safety	-
Community Services	259,719
Public Works	2,418,122
Total Depreciation Expense - Governmental Activities	\$ 2,808,912

5) LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences, Net	\$ 750,350	\$ 86,426	\$ -	\$ 836,776	\$ 168,350
Net Pension Liability	10,119,646	-	110,100	10,009,546	-
Total OPEB Liability	1,641,492	72,373	-	1,713,865	-
Total	\$ 12,511,488	\$ 158,799	\$ 110,100	\$ 12,560,187	\$ 168,350

6) PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. The City sponsors two rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2023 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2023 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

6) PENSION PLAN - Continued

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Prior to January 1, 2013	Misc. PEPRA On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Last 12 Mos. of Service	Last 36 Mos. of Service
Required employee contribution rates	7%	7.75%
Required employer contribution rates	12.52% + \$802,879	7.87% + \$4,974

CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$807,853 in fiscal year 2025.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the 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 any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

As of June 30, 2025, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$10,009,546.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2024 and 2025 was as follows:

Proportion - June 30, 2024	0.20238%
Proportion - June 30, 2025	0.20695%
Change - Increase (Decrease)	<u>0.00457%</u>

For the year ended June 30, 2025, the City recognized pension expense of \$1,914,149. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

6) PENSION PLAN - Continued

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 1,331,814	\$ -
Differences between actual and expected experience	865,417	33,768
Changes in assumptions	257,266	-
Differences between employer's contributions and proportionate share of contributions	-	223,238
Change in employer's proportions	36,075	39,598
Net differences between projected and actual earnings on plan investments	576,237	-
Total	\$ 3,066,809	\$ 296,604

The deferred outflows of resources related to contributions subsequent to the measurement date of \$1,331,814 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2026	\$ 441,735
2027	1,214,637
2028	(20,511)
2029	(197,470)
2030	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

6) PENSION PLAN - Continued

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Real Return (1,2)
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	27.00%
Mortgage-backed securities	5%	50.00%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.45%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

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

(2) Figures are based on the 2021 Asset Liability Management Study

Discount Rate – The discount rate used to measure the total pension liability for PERF C 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

6) PENSION PLAN - Continued

1% Decrease		5.90%	
Net Pension Liability	\$	15,508,287	
Current Discount Rate		6.90%	
Net Pension Liability	\$	10,009,546	
1% Increase		7.90%	
Net Pension Liability	\$	5,483,272	

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

Payable to the Pension Plan - At June 30, 2025, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2025.

7) OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

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). A separate financial report is not prepared for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – Under the Plan, the City provides lifetime healthcare coverage for eligible retirees and their spouses, contributing the PEMHCA minimum under the unequal method. Employees are eligible if they retire directly from the City under CalPERS with at least 5 years of service (age 55 for hires before 1/1/2013, age 62 for hires on or after that date). The City contribution is \$125.60 per month for 2024 and \$134.30 per month for 2025, and survivor benefits are available. The City also pays the CalPERS administrative fee but does not provide dental, vision, or life insurance benefits to retirees.

Employees Covered by Benefit Terms – As of the July 1, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees		9
currently receiving benefits		44
Active employees		53
		53
		53

Contributions – The City contributes to the Plan on a pay-as-you-go basis.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

7) OTHER POST EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – The City’s total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation dated July 1, 2023 using the entry age, level percent of pay cost method, based on the following actuarial methods and assumptions:

Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age, Level Percent of Pay
Mortality	Most recent experience study for CalPERS members
Inflation Rate	2.30%
Salary Increases	2.80%
Discount Rate	3.97%
Healthcare Cost Trend Rate	5.50% for 2024 through 2034; 4.50% for 2035 through 2074; and 4.00% for 2075 and later years

Discount Rate – The discount rate used to measure the total OPEB liability was 3.97 percent and is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2024 (2023 Measurement Date)	<u>\$ 1,641,492</u>
Changes in the year:	
Service cost	95,082
Interest on the total OPEB liability	65,800
Changes in Assumptions	(24,071)
Benefit payments, including refunds	(64,438)
Experience (Gains)/Losses	-
Net changes	<u>72,373</u>
Balance at June 30, 2025 (2024 Measurement Date)	<u><u>\$ 1,713,865</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,953,536	\$ 1,713,865	\$ 1,517,021

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

7) OTHER POST EMPLOYMENT BENEFITS – Continued

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 would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Trend - No Change	1% Increase
Total OPEB liability	\$ 1,472,831	\$ 1,713,865	\$ 2,020,181

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of \$123,149. At June 30, 2025, the City reported deferred outflows and deferred inflows related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	\$ 13,900	\$ -
Changes of Assumptions	273,982	459,020
Differences between actual and projected experience	104,610	132,102
Net differences between projected and actual earnings on plan investments	-	-
Total	\$ 392,492	\$ 591,122

The \$13,900 reported as deferred outflows related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal ending June 30, 2026. Other amounts reported as deferred outflows and inflows related to OPEB will be recognized as expense as follows:

Year Ending June 30,		
2026	\$	(37,733)
2027		(37,733)
2028		(15,270)
2029		(14,184)
2030		(14,184)
Thereafter		(93,426)

8) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Authority is composed of 126 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 Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

8) RISK MANAGEMENT - Continued

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.

Liability

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 have a sub-limit of \$50 million per occurrence. 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/>.

Worker's Compensation

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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 2024-25 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 as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

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

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

8) RISK MANAGEMENT - Continued

Property Insurance

The City of Walnut participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Walnut property is currently insured according to a schedule of covered property submitted by the City of Walnut to the Authority. City of Walnut property currently has all-risk property insurance protection in the amount of \$36,588,074. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

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

Special Event Tenant User Liability Insurance

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

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 2024-25.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

In 2017, the City was named in a lawsuit asserting that the City, together with numerous other public and private entities, may have disposed of waste into landfill facilities and may be liable for necessary response actions. The City, along with several other entities are engaged in mediation with respect to this matter. In May 2024, the City's calculated cash out offer to settle the claim is \$4,626,342, however, no settlement has been reached, and the outcome is currently unknown. No adjustments have been made to the City's financial statements with regards to this matter."

9) COMMITMENTS AND CONTINGENCIES

The City is a defendant in various litigations in the normal course of City operations, which in the opinion of management will not significantly adversely affect the City's financial position. The City participates in various federal and state programs. These programs are subject to examination by the grantors, and the amount of expenditures which may be disallowed by the granting agencies, if any, cannot be determined at this time.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

10) LEASES

Lease Receivable - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 5 to 20 years. The City currently receives monthly payments from all leases of \$16,024. The City recognized \$187,390 in lease revenue and \$5,114 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2025, the City's receivable for lease payments was \$1,895,241. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources was \$1,895,241.

11) FUND BALANCE

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as inventory) or (b) legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation. If the Council action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. The City maintains a disaster recovery reserve of \$1,000,000 and a self-insurance reserve of \$1,000,000, both included in the General Fund. The disaster recovery reserve may be used in the event of a declaration of a state, federal or local emergency as defined in the City's municipal code. The self-insurance reserve may be used in the event a claim against the City is not covered by the City's purchased insurance coverage.

Assigned Fund Balance - This classification includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager and/or Finance Director to assign fund balance. The City Council may also assign fund balance. Unlike commitments, an additional action does not normally have to be taken for the removal of an assignment.

City of Walnut
Notes to Financial Statements
Year Ended June 30, 2025

11) FUND BALANCE – Continued

Unassigned Fund Balance - This classification includes the residual balance for the City's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City's fund balances at June 30, 2025, are presented below:

	General Fund	Community Development Block Grant	LOSMD	ARPA	Other Governmental Funds	Total
Nonspendable:						
Prepaid Costs	\$ 138,936	\$ -	\$ -	\$ -	\$ -	\$ 138,936
Restricted:						
Public Safety	-	-	-	-	748,268	748,268
Public Works	-	-	1	361,571	8,291,337	8,652,909
Community Services	-	-	-	-	2,884,932	2,884,932
Community Development	-	-	-	-	1,167,454	1,167,454
Section 115 Trust	2,215,960	-	-	-	-	2,215,960
Committed:						
Disaster Recovery	1,000,000	-	-	-	-	1,000,000
Self-Insurance	1,000,000	-	-	-	-	1,000,000
Assigned:						
Community Services	9,541,376	-	-	-	-	9,541,376
Maintenance and Operations	8,414,170	-	-	-	-	8,414,170
Capital Projects	2,624,593	-	-	-	-	2,624,593
OPEB	698,076	-	-	-	-	698,076
Unassigned	16,117,026	(32)	-	-	-	16,116,994
Total Fund Balance	<u>\$ 41,750,137</u>	<u>\$ (32)</u>	<u>\$ 1</u>	<u>\$ 361,571</u>	<u>\$ 13,091,991</u>	<u>\$ 55,203,668</u>

12) RESTATEMENTS TO FUND BALANCE/NET POSITION

The City had the following restatements to fund balance/net position during the fiscal year ended June 30, 2025:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Statement of Activities	General Fund
Net position or fund balances, Beginning of Year, As previously reported	\$ 109,865,726	\$ 35,388,444
Error Correction:		
Corrections to capital assets	(952,287)	-
Corrections to recognize revenue	294,408	294,408
Corrections to accounts receivable	(42,697)	(42,697)
Corrections to payables	258,442	258,442
Total Error Corrections	<u>(442,134)</u>	<u>510,153</u>
Net position or fund balances, Beginning of Year, As restated	<u>\$ 109,423,592</u>	<u>\$ 35,898,597</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Walnut
Budgetary Comparison Schedule
Budget and Actual - General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 13,022,650	\$ 13,022,650	\$ 13,015,009	\$ (7,641)
Licenses and Permits	1,749,510	1,749,510	4,189,017	2,439,507
Intergovernmental	115,000	115,000	264,213	149,213
Charges for Services	1,319,450	1,319,450	1,627,187	307,737
Fines and Forfeitures	35,000	35,000	25,222	(9,778)
Investment Income	1,162,220	1,162,220	2,673,214	1,510,994
Other Revenue	-	-	56,377	56,377
	<u>17,403,830</u>	<u>17,403,830</u>	<u>21,850,239</u>	<u>4,446,409</u>
EXPENDITURES				
Current:				
General Government	3,712,460	3,712,460	3,292,916	419,544
Public Safety	4,515,720	4,515,720	4,140,030	375,690
Public Works	4,636,740	4,636,740	4,468,984	167,756
Community Services	2,795,560	2,795,560	2,540,225	255,335
Community Development	1,711,370	1,711,370	1,868,460	(157,090)
Capital Outlay	567,612	567,612	493,686	73,926
	<u>17,939,462</u>	<u>17,939,462</u>	<u>16,804,301</u>	<u>1,135,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(535,632)</u>	<u>(535,632)</u>	<u>5,045,938</u>	<u>5,581,570</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,635,459	1,635,459	1,114,952	(520,507)
Transfers Out	<u>(1,517,360)</u>	<u>(1,517,360)</u>	<u>(309,350)</u>	<u>1,208,010</u>
Total Other Financing Sources (Uses)	<u>118,099</u>	<u>118,099</u>	<u>805,602</u>	<u>687,503</u>
Net Change in Fund Balances	(417,533)	(417,533)	5,851,540	6,269,073
Fund Balance, Beginning of Year, as restated	<u>35,898,597</u>	<u>35,898,597</u>	<u>35,898,597</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 35,481,064</u>	<u>\$ 35,481,064</u>	<u>\$ 41,750,137</u>	<u>\$ 6,269,073</u>

City of Walnut
Budgetary Comparison Schedule
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 127,320	\$ 127,320	\$ 103,861	\$ (23,459)
Total Revenues	<u>127,320</u>	<u>127,320</u>	<u>103,861</u>	<u>(23,459)</u>
EXPENDITURES				
Current:				
Community Development	211,586	211,586	103,900	107,686
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>211,586</u>	<u>211,586</u>	<u>103,900</u>	<u>107,686</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(84,266)</u>	<u>(84,266)</u>	<u>(39)</u>	<u>84,227</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(84,266)	(84,266)	(39)	84,227
Fund Balance, Beginning of Year	<u>7</u>	<u>7</u>	<u>7</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (84,259)</u>	<u>\$ (84,259)</u>	<u>\$ (32)</u>	<u>\$ 84,227</u>

City of Walnut
Budgetary Comparison Schedule
Budget and Actual - LOSMD Special Revenue Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,485,560	\$ 2,485,560	\$ 2,490,595	\$ 5,035
Licenses and Permits	130,000	130,000	324,978	194,978
Total Revenues	<u>2,615,560</u>	<u>2,615,560</u>	<u>2,815,573</u>	<u>200,013</u>
EXPENDITURES				
Current:				
Public Works	3,121,070	3,121,070	3,096,879	24,191
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,121,070</u>	<u>3,121,070</u>	<u>3,096,879</u>	<u>24,191</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(505,510)</u>	<u>(505,510)</u>	<u>(281,306)</u>	<u>224,204</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>505,511</u>	<u>505,511</u>	<u>281,306</u>	<u>(224,205)</u>
Total Other Financing Sources (Uses)	<u>505,511</u>	<u>505,511</u>	<u>281,306</u>	<u>(224,205)</u>
Net Change in Fund Balances	1	1	-	(1)
Fund Balance, Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (1)</u>

City of Walnut
Budgetary Comparison Schedule
Budget and Actual - ARPA
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,610,000	\$ 1,610,000	\$ 1,514,414	\$ (95,586)
Investment Income	40,000	40,000	36,901	(3,099)
Total Revenues	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,551,315</u>	<u>(98,685)</u>
EXPENDITURES				
Current:				
General Government	195,424	195,424	109,823	85,601
Public Safety	1,132,187	1,132,187	1,061,489	70,698
Capital Outlay	<u>1,789,361</u>	<u>1,789,361</u>	<u>343,102</u>	<u>1,446,259</u>
Total Expenditures	<u>3,116,972</u>	<u>3,116,972</u>	<u>1,514,414</u>	<u>1,602,558</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,466,972)</u>	<u>(1,466,972)</u>	<u>36,901</u>	<u>1,503,873</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,466,972)	(1,466,972)	36,901	1,503,873
Fund Balance, Beginning of Year	<u>324,670</u>	<u>324,670</u>	<u>324,670</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (1,142,302)</u></u>	<u><u>\$ (1,142,302)</u></u>	<u><u>\$ 361,571</u></u>	<u><u>\$ 1,503,873</u></u>

City of Walnut
Required Supplementary Information
For the Year Ended June 30, 2025

Schedule of Changes in the City's
Total OPEB Liability/(Asset) and Related Ratios
Last 10 Fiscal Years*

	Measurement Period		
	2024	2023	2022
Total OPEB Liability			
Service cost	\$ 95,082	\$ 101,677	\$ 135,662
Interest on total OPEB liability	65,800	58,649	37,395
Differences between actual/expected experience	-	130,440	-
Changes in assumptions	(24,071)	(114,508)	(461,843)
Benefit payments	(64,438)	(44,579)	(26,613)
Net change in total OPEB liability	72,373	131,679	(315,399)
Total OPEB liability - beginning	1,641,492	1,509,813	1,825,212
Total OPEB liability - ending	<u>\$ 1,713,865</u>	<u>\$ 1,641,492</u>	<u>\$ 1,509,813</u>
Covered-employee payroll	\$ 3,482,598	\$ 3,498,132	\$ 3,721,918
Total OPEB liability/(asset) as a percentage of covered-employee payroll	49.21%	46.92%	40.57%

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: In 2024, the discount rate changed from 3.86% to 3.97%.

No assets are accumulated in a trust that meet the criteria of paragraph 4 of Statement 75.

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

Measurement Period				
2021	2020	2019	2018	2017
\$ 93,043	\$ 72,571	\$ 61,417	\$ 55,330	\$ 53,718
36,770	38,949	52,971	43,767	40,976
(8,697)	-	(442,509)	-	-
300,133	131,647	104,720	(89,337)	-
(7,562)	(6,783)	(6,610)	(5,805)	(5,228)
413,687	236,384	(230,011)	3,955	89,466
1,411,525	1,175,141	1,405,152	1,401,197	1,311,731
<u>\$ 1,825,212</u>	<u>\$ 1,411,525</u>	<u>\$ 1,175,141</u>	<u>\$ 1,405,152</u>	<u>\$ 1,401,197</u>
\$ 3,618,866	\$ 3,468,572	\$ 3,401,309	\$ 3,225,250	\$ 3,102,220
50.44%	40.69%	34.55%	43.57%	45.17%

City of Walnut
Required Supplementary Information
Year Ended June 30, 2025

**Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)
Last 10 Years**

Measurement Date	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of Net Pension Liability/ (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/ (Asset) as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2024	0.20695%	\$ 10,009,546	\$ 3,482,598	287.42%	75.44%
2023	0.20238%	10,119,646	3,459,528	292.52%	77.97%
2022	0.20070%	9,390,177	3,622,237	259.24%	78.19%
2021	0.23100%	4,386,079	3,613,425	121.38%	90.49%
2020	0.07270%	7,905,055	3,497,623	226.01%	77.71%
2019	0.07100%	7,274,916	3,416,878	212.91%	77.73%
2018	0.06910%	6,656,634	3,271,007	203.50%	75.30%
2017	0.06860%	6,798,916	2,934,611	231.68%	73.30%
2016	0.06760%	5,847,350	3,052,439	191.56%	74.06%
2015	0.06510%	4,464,984	2,974,602	150.10%	78.40%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2022, the accounting discount rate changed from 7.15% to 6.90%.

City of Walnut
Required Supplementary Information
Year Ended June 30, 2025

Schedule of Pension Plan Contributions
Last 10 Years

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 1,331,814	\$ (1,331,814)	\$ -	\$ 4,076,381	32.67%
2024	1,054,927	(1,054,927)	-	3,482,598	30.29%
2023	1,034,784	(1,034,784)	-	3,459,528	29.91%
2022	1,045,185	(1,045,185)	-	3,622,237	28.85%
2021	881,904	(881,904)	-	3,613,425	24.41%
2020	780,912	(780,912)	-	3,497,623	22.33%
2019	671,490	(671,490)	-	3,416,878	19.65%
2018	570,892	(570,892)	-	3,271,007	17.45%
2017	515,915	(515,915)	-	2,934,611	26.20%
2016	464,293	(464,293)	-	3,052,439	24.16%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/19, 6/30/20, 6/30/21, 6/30/22, 6/30/23

City of Walnut
Notes to Required Supplementary Information
Year Ended June 30, 2025

Budgetary Information

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 fund 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.

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

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

City of Walnut Non-major Governmental Funds

Special Revenue Funds

The following Special Revenue Funds have been classified as other governmental funds in the accompanying financial statements:

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(SBI), 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 Traffic Safety Fund accounts for parking and vehicle code fine receipts that are restricted for traffic improvements.

The Park Improvement Fund accounts for park-in-lieu fees received from real estate developers for the purpose of beautifying existing parks.

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 X 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 X cent sales tax approved in Los Angeles County for transportation projects.

The Proposition A Fund accounts for the City's share of the X 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(SBI), 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.

City of Walnut Non-major Governmental Funds

Special Revenue Funds - Continued

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) Fund 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 cent sales tax approved during the November 2008 election in Los Angeles County for transportation projects.

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 (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.

City of Walnut
Combining Balance Sheet
Other Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement	COPS
ASSETS					
Cash and Investments	\$ 535,799	\$ 1,148,488	\$ -	\$ 2,176,298	\$ 764,506
Accounts Receivable	-	-	1,606	-	-
Due From Other Governments	67,377	136,717	7,790	-	-
Interest Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Assets	<u>\$ 603,176</u>	<u>\$ 1,285,205</u>	<u>\$ 9,396</u>	<u>\$ 2,176,298</u>	<u>\$ 764,506</u>
LIABILITIES					
Accounts Payable	\$ 40,330	\$ 456,006	\$ 1,165	\$ 171,256	\$ 16,238
Accrued Liabilities	-	-	1,149	-	-
Due to Other Funds	-	-	7,082	-	-
Total Liabilities	<u>40,330</u>	<u>456,006</u>	<u>9,396</u>	<u>171,256</u>	<u>16,238</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	562,846	829,199	-	2,005,042	748,268
Total Fund Balances	<u>562,846</u>	<u>829,199</u>	<u>-</u>	<u>2,005,042</u>	<u>748,268</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 603,176</u>	<u>\$ 1,285,205</u>	<u>\$ 9,396</u>	<u>\$ 2,176,298</u>	<u>\$ 764,506</u>

Special Revenue Funds

Air Quality Improvement	Waste Management Administration	Proposition C	Bikeway	Measure M	Proposition A	State Park Grant
\$ 18,027	\$ -	\$ 1,681,745	\$ -	\$ 996,109	\$ 2,337,890	\$ 676,420
-	-	-	-	-	-	-
9,700	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 27,727</u>	<u>\$ -</u>	<u>\$ 1,681,745</u>	<u>\$ -</u>	<u>\$ 996,109</u>	<u>\$ 2,337,890</u>	<u>\$ 676,420</u>
\$ 20	\$ -	\$ 19,986	\$ -	\$ 113,923	\$ 346,165	\$ -
-	-	-	-	-	963	-
-	-	-	-	-	-	-
20	-	19,986	-	113,923	347,128	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,707	-	1,661,759	-	882,186	1,990,762	676,420
27,707	-	1,661,759	-	882,186	1,990,762	676,420
<u>\$ 27,727</u>	<u>\$ -</u>	<u>\$ 1,681,745</u>	<u>\$ -</u>	<u>\$ 996,109</u>	<u>\$ 2,337,890</u>	<u>\$ 676,420</u>

Continued

City of Walnut
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2025

	Special Revenue Funds				
	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant	Cable TV Education	Walnut Housing Authority
ASSETS					
Cash and Investments	\$ 7,538	\$ -	\$ 7,133	\$ 196,762	\$ 1,077,346
Accounts Receivable	-	-	-	6,708	-
Due From Other Governments	-	-	-	-	-
Interest Receivable	-	-	-	-	12,921
Loans Receivable	-	-	-	-	43,499
Total Assets	<u>\$ 7,538</u>	<u>\$ -</u>	<u>\$ 7,133</u>	<u>\$ 203,470</u>	<u>\$ 1,133,766</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 46,165
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,165</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	7,538	-	7,133	203,470	1,087,601
Total Fund Balances	<u>7,538</u>	<u>-</u>	<u>7,133</u>	<u>203,470</u>	<u>1,087,601</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,538</u>	<u>\$ -</u>	<u>\$ 7,133</u>	<u>\$ 203,470</u>	<u>\$ 1,133,766</u>

Special Revenue Funds					Capital Projects	
Low and Moderate Income Housing	LACMTA Exchange	Measure R	Measure W	Measure A (M&S)	Capital Improvements	Total
\$ 96,759	\$ 7,881	\$ 1,198,506	\$ 900,313	\$ 507,733	\$ -	\$ 14,335,253
-	-	-	-	-	-	8,314
-	-	-	-	-	-	221,584
-	-	-	-	-	-	12,921
-	-	-	-	-	-	43,499
<u>\$ 96,759</u>	<u>\$ 7,881</u>	<u>\$ 1,198,506</u>	<u>\$ 900,313</u>	<u>\$ 507,733</u>	<u>\$ -</u>	<u>\$ 14,621,571</u>
\$ 16,906	\$ -	\$ 274,092	\$ 16,401	\$ 1,733	\$ -	\$ 1,520,386
-	-	-	-	-	-	2,112
-	-	-	-	-	-	7,082
<u>16,906</u>	<u>-</u>	<u>274,092</u>	<u>16,401</u>	<u>1,733</u>	<u>-</u>	<u>1,529,580</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>79,853</u>	<u>7,881</u>	<u>924,414</u>	<u>883,912</u>	<u>506,000</u>	<u>-</u>	<u>13,091,991</u>
<u>79,853</u>	<u>7,881</u>	<u>924,414</u>	<u>883,912</u>	<u>506,000</u>	<u>-</u>	<u>13,091,991</u>
<u>\$ 96,759</u>	<u>\$ 7,881</u>	<u>\$ 1,198,506</u>	<u>\$ 900,313</u>	<u>\$ 507,733</u>	<u>\$ -</u>	<u>\$ 14,621,571</u>

City of Walnut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2025

	Special Revenue				
	Gas Tax	Road Maintenance Rehabilitation	Traffic Safety	Park Improvement	COPS
REVENUES					
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	794,016	775,829	-	-	194,663
Fines and Forfeitures	-	-	65,298	-	-
Investment Income	32,899	52,564	-	162,650	46,243
Total Revenues	826,915	828,393	65,298	162,650	240,906
EXPENDITURES					
Current:					
Public Safety	-	-	95,828	-	187,088
Public Works	768,045	-	-	-	-
Community Services	-	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	841,456	-	1,156,066	-
Total Expenditures	768,045	841,456	95,828	1,156,066	187,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,870	(13,063)	(30,530)	(993,416)	53,818
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	28,044	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	28,044	-	-
Net Change in Fund Balances	58,870	(13,063)	(2,486)	(993,416)	53,818
Fund Balances, Beginning of Year	503,976	842,262	2,486	2,998,458	694,450
Fund Balances, End of Year	<u>\$ 562,846</u>	<u>\$ 829,199</u>	<u>\$ -</u>	<u>\$ 2,005,042</u>	<u>\$ 748,268</u>

Special Revenue

Air Quality Improvement	Waste Management Administration	Proposition C	Bikeway	Measure M	Proposition A	State Park Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37,145	51,950	599,673	25,000	509,463	722,955	318,696
-	-	-	-	-	-	-
902	-	92,764	-	55,542	126,321	-
<u>38,047</u>	<u>51,950</u>	<u>692,437</u>	<u>25,000</u>	<u>565,005</u>	<u>849,276</u>	<u>318,696</u>
-	-	-	-	-	-	-
32,432	51,950	-	-	402,569	-	-
-	-	-	-	-	-	-
-	-	-	-	-	596,540	-
-	-	469,866	-	111,519	209,729	-
<u>32,432</u>	<u>51,950</u>	<u>469,866</u>	<u>-</u>	<u>514,088</u>	<u>806,269</u>	<u>-</u>
5,615	-	222,571	25,000	50,917	43,007	318,696
-	-	-	-	-	-	-
-	-	-	(25,000)	-	-	-
-	-	-	(25,000)	-	-	-
5,615	-	222,571	-	50,917	43,007	318,696
<u>22,092</u>	<u>-</u>	<u>1,439,188</u>	<u>-</u>	<u>831,269</u>	<u>1,947,755</u>	<u>357,724</u>
<u>\$ 27,707</u>	<u>\$ -</u>	<u>\$ 1,661,759</u>	<u>\$ -</u>	<u>\$ 882,186</u>	<u>\$ 1,990,762</u>	<u>\$ 676,420</u>

Continued

City of Walnut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2025

	Special Revenue				
	Traffic Congestion	Used Oil Recycling Grant	General Recycling Grant	Cable TV Education	Walnut Housing Authority
REVENUES					
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Intergovernmental	-	-	7,293	28,692	-
Fines and Forfeitures	-	-	-	-	-
Investment Income	463	-	-	11,387	27,340
Total Revenues	<u>463</u>	<u>-</u>	<u>7,293</u>	<u>40,079</u>	<u>1,027,340</u>
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	-	7,249	-	-
Community Services	-	-	-	-	-
Community Development	-	-	-	6,950	476,063
Capital Outlay	-	-	-	4,331	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,249</u>	<u>11,281</u>	<u>476,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>463</u>	<u>-</u>	<u>44</u>	<u>28,798</u>	<u>551,277</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	450,000
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Net Change in Fund Balances	463	-	44	28,798	1,001,277
Fund Balances, Beginning of Year	<u>7,075</u>	<u>-</u>	<u>7,089</u>	<u>174,672</u>	<u>86,324</u>
Fund Balances, End of Year	<u>\$ 7,538</u>	<u>\$ -</u>	<u>\$ 7,133</u>	<u>\$ 203,470</u>	<u>\$ 1,087,601</u>

Low and Moderate Income Housing	Special Revenue				Capital Projects	
	LACMTA Exchange	Measure R	Measure W	Measure A (M&S)	Capital Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
-	-	449,672	500,537	260,845	-	5,276,429
-	-	-	-	-	-	65,298
-	453	70,655	45,547	-	-	725,730
-	453	520,327	546,084	260,845	-	7,067,457
-	-	-	-	-	-	282,916
-	-	-	205,119	-	-	1,467,364
-	-	-	-	26,290	-	26,290
173,648	-	-	-	-	-	1,253,201
-	-	769,993	205,268	-	-	3,768,228
173,648	-	769,993	410,387	26,290	-	6,797,999
(173,648)	453	(249,666)	135,697	234,555	-	269,458
-	-	-	-	-	-	478,044
(450,000)	-	-	-	-	(1,089,952)	(1,564,952)
(450,000)	-	-	-	-	(1,089,952)	(1,086,908)
(623,648)	453	(249,666)	135,697	234,555	(1,089,952)	(817,450)
703,501	7,428	1,174,080	748,215	271,445	1,089,952	13,909,441
\$ 79,853	\$ 7,881	\$ 924,414	\$ 883,912	\$ 506,000	\$ -	\$ 13,091,991

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 780,530	\$ 794,016	\$ 13,486
Investment Income	20,000	32,899	12,899
Other Income	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>800,530</u>	<u>826,915</u>	<u>26,385</u>
EXPENDITURES			
Current:			
Public Works	791,700	768,045	23,655
Capital Outlay	<u>184,000</u>	<u>-</u>	<u>184,000</u>
Total Expenditures	<u>975,700</u>	<u>768,045</u>	<u>184,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(175,170)</u>	<u>58,870</u>	<u>234,040</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(175,170)	58,870	234,040
Fund Balance, Beginning of Year	<u>503,976</u>	<u>503,976</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 328,806</u></u>	<u><u>\$ 562,846</u></u>	<u><u>\$ 234,040</u></u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Road Maintenance Rehabilitation Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 727,800	\$ 775,829	\$ 48,029
Investment Income	<u>2,400</u>	<u>52,564</u>	<u>50,164</u>
Total Revenues	<u>730,200</u>	<u>828,393</u>	<u>98,193</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>1,150,000</u>	<u>841,456</u>	<u>308,544</u>
Total Expenditures	<u>1,150,000</u>	<u>841,456</u>	<u>308,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(419,800)</u>	<u>(13,063)</u>	<u>406,737</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(419,800)	(13,063)	406,737
Fund Balance, Beginning of Year	<u>842,262</u>	<u>842,262</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 422,462</u>	<u>\$ 829,199</u>	<u>\$ 406,737</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 83,000	\$ 65,298	\$ (17,702)
Investment Income	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>83,000</u>	<u>65,298</u>	<u>(17,702)</u>
EXPENDITURES			
Current:			
Public Safety	136,140	95,828	40,312
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>136,140</u>	<u>95,828</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,140)</u>	<u>(30,530)</u>	<u>22,610</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	53,140	28,044	(25,096)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>53,140</u>	<u>28,044</u>	<u>(25,096)</u>
Net Change in Fund Balances	-	(2,486)	(2,486)
Fund Balance, Beginning of Year	<u>2,486</u>	<u>2,486</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,486</u>	<u>\$ -</u>	<u>\$ (2,486)</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Improvement Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and Permits	\$ 86,000	\$ -	\$ (86,000)
Investment Income	<u>44,000</u>	<u>162,650</u>	<u>118,650</u>
Total Revenues	<u>130,000</u>	<u>162,650</u>	<u>32,650</u>
EXPENDITURES			
Current:			
Community Services	200,000	-	200,000
Capital Outlay	<u>1,850,540</u>	<u>1,156,066</u>	<u>694,474</u>
Total Expenditures	<u>2,050,540</u>	<u>1,156,066</u>	<u>894,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,920,540)</u>	<u>(993,416)</u>	<u>927,124</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,920,540)	(993,416)	927,124
Fund Balance, Beginning of Year	<u>2,998,458</u>	<u>2,998,458</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,077,918</u>	<u>\$ 2,005,042</u>	<u>\$ 927,124</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - COPS Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 190,000	\$ 194,663	\$ 4,663
Investment Income	<u>7,500</u>	<u>46,243</u>	<u>38,743</u>
Total Revenues	<u>197,500</u>	<u>240,906</u>	<u>43,406</u>
EXPENDITURES			
Current:			
Public Safety	<u>290,150</u>	<u>187,088</u>	<u>103,062</u>
Total Expenditures	<u>290,150</u>	<u>187,088</u>	<u>103,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(92,650)</u>	<u>53,818</u>	<u>146,468</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(92,650)	53,818	146,468
Fund Balance, Beginning of Year	<u>694,450</u>	<u>694,450</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 601,800</u>	<u>\$ 748,268</u>	<u>\$ 146,468</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Quality Improvement Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 37,300	\$ 37,145	\$ (155)
Investment Income	1,200	902	(298)
Total Revenues	38,500	38,047	(453)
EXPENDITURES			
Current:			
Public Works	41,000	32,432	8,568
Total Expenditures	41,000	32,432	8,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	5,615	8,115
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(2,500)	5,615	8,115
Fund Balance, Beginning of Year	22,092	22,092	-
Fund Balance, End of Year	\$ 19,592	\$ 27,707	\$ 8,115

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Waste Management Administration Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 57,500	\$ 51,950	\$ (5,550)
Investment Income	-	-	-
Total Revenues	57,500	51,950	(5,550)
EXPENDITURES			
Current:			
Public Works	-	51,950	(51,950)
Total Expenditures	-	51,950	(51,950)
Excess (Deficiency) of Revenues Over (under) Expenditures	57,500	-	(57,500)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(57,500)	-	57,500
Total Other Financing Sources (Uses)	(57,500)	-	57,500
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$	\$ -	\$ -

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Fund
Year Ended June 30, 2022

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive Negative <u>(Negative)</u>
REVENUES			
Intergovernmental	\$ 670,000	\$ 599,673	\$ (70,327)
Investment Income	60,000	92,764	32,764
	<u>730,000</u>	<u>692,437</u>	<u>(37,563)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	819,220	469,866	349,354
	<u>819,220</u>	<u>469,866</u>	<u>349,354</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(89,220)</u>	<u>222,571</u>	<u>311,791</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(89,220)	222,571	311,791
Fund Balance, Beginning of Year	<u>1,439,188</u>	<u>1,439,188</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,349,968</u>	<u>\$ 1,661,759</u>	<u>\$ 311,791</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Bikeway Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 32,000	\$ 25,000	\$ (7,000)
Investment Income	-	-	0
Total Revenues	32,000	25,000	(7,000)
EXPENDITURES			
Current:			
Public Works	25,000	-	25,000
Capital Outlay	-	-	-
Total Expenditures	25,000	-	25,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,000	25,000	18,000
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(25,000)	(25,000)
Total Other Financing Sources (Uses)	-	(25,000)	(25,000)
Net Change in Fund Balances	7,000	-	(7,000)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ 7,000	\$ -	\$ (7,000)

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Intergovernmental	\$ 570,000	\$ 509,463	\$ (60,537)
Investment Income	<u>30,000</u>	<u>55,542</u>	<u>25,542</u>
Total Revenues	<u>600,000</u>	<u>565,005</u>	<u>(34,995)</u>
EXPENDITURES			
Current:			
Public Works	425,350	402,569	22,781
Capital Outlay	<u>281,190</u>	<u>111,519</u>	<u>169,671</u>
Total Expenditures	<u>706,540</u>	<u>514,088</u>	<u>192,452</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(106,540)</u>	<u>50,917</u>	<u>157,457</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Net Change in Fund Balances	(106,540)	25,917	132,457
Fund Balance, Beginning of Year	<u>831,269</u>	<u>831,269</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 724,729</u>	<u>\$ 857,186</u>	<u>\$ 132,457</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition A Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 810,000	\$ 722,955	\$ (87,045)
Investment Income	62,000	126,321	64,321
Total Revenues	872,000	849,276	(22,724)
EXPENDITURES			
Current:			
Community Development	836,980	596,540	240,440
Capital Outlay	215,430	209,729	5,701
Total Expenditures	1,052,410	806,269	246,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,410)	43,007	223,417
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(180,410)	43,007	223,417
Fund Balance, Beginning of Year	1,947,755	1,947,755	-
Fund Balance, End of Year	\$ 1,767,345	\$ 1,990,762	\$ 223,417

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Park Grant Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 353,250	\$ 318,696	\$ (34,554)
Total Revenues	353,250	318,696	(34,554)
EXPENDITURES			
Current:			
Community Services	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	353,250	318,696	(34,554)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(353,250)	-	353,250
Total Other Financing Sources (Uses)	(353,250)	-	353,250
Net Change in Fund Balances	-	318,696	318,696
Fund Balance, Beginning of Year	357,724	357,724	-
Fund Balance, End of Year	\$ 357,724	\$ 676,420	\$ 318,696

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Congestion Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ 240	\$ 463	\$ 223
Total Revenues	240	463	223
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	240	463	223
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	240	463	223
Fund Balance, Beginning of Year	7,075	7,075	-
Fund Balance, End of Year	\$ 7,315	\$ 7,538	\$ 223

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Recycling Grant Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 13,110	\$ 7,293	\$ (5,817)
Investment Income	-	-	-
Total Revenues	13,110	7,293	(5,817)
EXPENDITURES			
Current:			
Public Works	13,110	7,249	5,861
Capital Outlay	-	-	-
Total Expenditures	13,110	7,249	5,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	44	44
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	44	44
Fund Balance, Beginning of Year	7,089	7,089	-
Fund Balance, End of Year	\$ 7,089	\$ 7,133	\$ 44

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cable TV Education Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ 33,000	\$ 28,692	\$ (4,308)
Investment Income	6,000	11,387	5,387
Total Revenues	39,000	40,079	1,079
EXPENDITURES			
Current:			
Community Development	7,000	6,950	50
Capital Outlay	25,000	4,331	20,669
Total Expenditures	32,000	11,281	20,719
Excess (Deficiency) of Revenues Over (under) Expenditures	7,000	28,798	21,798
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	7,000	28,798	21,798
Fund Balance, Beginning of Year	174,672	174,672	-
Fund Balance, End of Year	\$ 181,672	\$ 203,470	\$ 21,798

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Walnut Housing Authority
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ 1,000,000	\$ 1,000,000
Investment Income	27,780	27,340	(440)
Total Revenues	27,780	1,027,340	999,560
EXPENDITURES			
Current:			
Community Development	468,950	476,063	(7,113)
Capital Outlay	-	-	-
Total Expenditures	468,950	476,063	(7,113)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(441,170)	551,277	992,447
OTHER FINANCING SOURCES (USES)			
Transfers In	-	450,000	450,000
Total Other Financing Sources (Uses)	-	450,000	450,000
Net Change in Fund Balances	(441,170)	1,001,277	1,442,447
Fund Balance, Beginning of Year	86,324	86,324	-
Fund Balance, End of Year	\$ (354,846)	\$ 1,087,601	\$ 1,442,447

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Low and Moderate Income Housing Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	5,000	-	(5,000)
Total Revenues	5,000	-	(5,000)
EXPENDITURES			
Current:			
Community Development	212,520	173,648	38,872
Capital Outlay	-	-	-
Total Expenditures	212,520	173,648	38,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(207,520)	(173,648)	33,872
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(450,000)	(450,000)
Total Other Financing Sources (Uses)	-	(450,000)	(450,000)
Net Change in Fund Balances	(207,520)	(623,648)	(416,128)
Fund Balance, Beginning of Year	703,501	703,501	-
Fund Balance, End of Year	\$ 495,981	\$ 79,853	\$ (416,128)

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - LACMTA Exchange Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ 380	\$ 453	\$ 73
Total Revenues	<u>380</u>	<u>453</u>	<u>73</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>380</u>	<u>453</u>	<u>73</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	380	453	73
Fund Balance, Beginning of Year	<u>7,428</u>	<u>7,428</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,808</u>	<u>\$ 7,881</u>	<u>\$ 73</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Meaure R Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 500,000	\$ 449,672	\$ (50,328)
Investment Income	24,000	70,655	46,655
Total Revenues	524,000	520,327	(3,673)
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	2,675,190	769,993	1,905,197
Total Expenditures	2,675,190	769,993	1,905,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,151,190)	(249,666)	1,901,524
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(2,151,190)	(249,666)	1,901,524
Fund Balance, Beginning of Year	1,174,080	1,174,080	-
Fund Balance, End of Year	\$ (977,110)	\$ 924,414	\$ 1,901,524

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure W Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 500,000	\$ 500,537	\$ 537
Investment Income	<u>16,000</u>	<u>45,547</u>	<u>29,547</u>
Total Revenues	<u>516,000</u>	<u>546,084</u>	<u>30,084</u>
EXPENDITURES			
Current:			
Public Works	225,000	205,119	19,881
Capital Outlay	<u>400,000</u>	<u>205,268</u>	<u>194,732</u>
Total Expenditures	<u>625,000</u>	<u>410,387</u>	<u>214,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(109,000)</u>	<u>135,697</u>	<u>244,697</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(109,000)	135,697	244,697
Fund Balance, Beginning of Year	<u>748,215</u>	<u>748,215</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 639,215</u>	<u>\$ 883,912</u>	<u>\$ 244,697</u>

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure A Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 291,000	\$ 260,845	\$ (30,155)
Total Revenues	291,000	260,845	(30,155)
EXPENDITURES			
Current:			
Community Services	25,000	26,290	(1,290)
Total Expenditures	25,000	26,290	(1,290)
Excess (Deficiency) of Revenues Over (Under) Expenditures	266,000	234,555	(31,445)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(266,000)	-	266,000
Total Other Financing Sources (Uses)	(266,000)	-	266,000
Net Change in Fund Balances	-	234,555	234,555
Fund Balance, Beginning of Year	271,445	271,445	-
Fund Balance, End of Year	\$ 271,445	\$ 506,000	\$ 234,555

City of Walnut
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Improvements Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Works	120,000	-	120,000
Capital Outlay	822,000	-	822,000
Total Expenditures	942,000	-	942,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(942,000)	-	942,000
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(942,000)	-	942,000
Fund Balance, Beginning of Year	1,089,952	1,089,952	-
Fund Balance, End of Year	\$ 147,952	\$ 1,089,952	\$ 942,000

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends	100
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	108
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	117
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	120
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	127
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report of the relevant fiscal year.

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

Fiscal Year	2016	2017	2018	2019
Governmental Activities:				
Net investment in capital assets	72,963,855	71,066,062	73,720,055	72,283,733
Restricted	7,115,326	10,917,855	7,320,794	7,715,804
Unrestricted	15,184,940	10,661,289	19,113,026	24,129,411
Total governmental activities net position	95,264,121	92,645,206	100,153,875	104,128,948
Primary government:				
Net investment in capital assets	72,963,855	71,066,062	73,720,055	72,283,733
Restricted	7,115,326	10,917,855	7,320,794	7,715,804
Unrestricted	15,184,940	10,661,289	19,113,026	24,129,411
Total primary government net position	95,264,121	92,645,206	100,153,875	104,128,948

Note:

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

The City of Walnut 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
Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2020	2021	2022	2023	2024	2025
71,060,405	70,436,085	68,084,318	68,829,695	69,518,202	69,108,902
7,009,577	9,512,999	9,192,858	11,199,152	13,144,168	15,669,523
23,666,833	19,240,635	21,172,241	25,065,077	27,203,356	29,545,533
101,736,815	99,189,719	98,449,417	105,093,924	109,865,726	114,323,958
71,060,405	70,436,085	68,084,318	68,829,695	69,518,202	69,108,902
7,009,577	9,512,999	9,192,858	11,199,152	13,144,168	15,669,523
23,666,833	19,240,635	21,172,241	25,065,077	27,203,356	29,545,533
101,736,815	99,189,719	98,449,417	105,093,924	109,865,726	114,323,958

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses:					
Governmental activities:					
General government	2,559,043	3,086,260	5,857,903	199,215	3,799,571
Public safety	3,772,824	3,900,642	4,032,897	4,120,065	4,421,574
Community development	2,248,657	2,879,006	2,435,173	2,422,267	2,969,602
Public works	5,778,712	7,219,860	5,766,110	6,951,774	4,788,315
Community services	5,441,949	4,069,437	5,273,197	4,727,263	6,803,798
Total governmental activities	<u>19,801,185</u>	<u>21,155,205</u>	<u>23,365,280</u>	<u>18,420,584</u>	<u>22,782,860</u>
Total expenses	<u>19,801,185</u>	<u>21,155,205</u>	<u>23,365,280</u>	<u>18,420,584</u>	<u>22,782,860</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	539,554	563,889	590,870	510,179	389,180
Public safety	380,909	233,541	253,506	189,444	192,452
Community development	2,868	1,942	1,960	1,738	1,308
Public works	3,759,518	4,304,184	3,504,523	3,852,219	3,682,827
Community services	840,018	664,425	824,103	789,858	521,120
Operating contributions and grants	956,559	985,419	1,157,759	1,492,075	1,979,224
Capital contributions and grants	1,334,924	1,878,825	1,693,386	1,907,232	1,844,458
Total governmental activities	<u>7,814,350</u>	<u>8,632,225</u>	<u>8,026,107</u>	<u>8,742,745</u>	<u>8,610,569</u>
Total program revenues	<u>7,814,350</u>	<u>8,632,225</u>	<u>8,026,107</u>	<u>8,742,745</u>	<u>8,610,569</u>
Net (expenses) revenues					
Governmental Activities	(11,986,835)	(12,522,980)	(15,339,173)	(9,677,839)	(14,172,291)
Total Net Expense	<u>(11,986,835)</u>	<u>(12,522,980)</u>	<u>(15,339,173)</u>	<u>(9,677,839)</u>	<u>(14,172,291)</u>
Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Governmental activities:					
Taxes					
Property taxes	6,408,855	5,700,002	6,009,959	6,328,288	6,789,500
Sales tax	1,890,516	1,962,759	2,065,336	2,204,841	1,851,982
Franchise tax	936,650	897,264	926,430	927,083	926,347
Business license tax	109,615	126,642	124,843	121,447	123,188
Other taxes	359,008	386,766	398,431	331,742	300,941
Motor vehicle in lieu, unrestricted	22,377	23,307	-	-	-
Use of money and property	447,621	468,435	729,648	1,366,080	1,210,197
Other general revenues	839,581	338,890	576,349	2,373,431	578,003
Unrestricted Investments Earnings	-	-	-	-	-
Proceeds from sale of donated property	-	-	12,487,410	-	-
Total general revenues, transfers & special item	<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>	<u>13,652,912</u>	<u>11,780,158</u>
Total primary government	<u>11,014,223</u>	<u>9,904,065</u>	<u>23,318,406</u>	<u>13,652,912</u>	<u>11,780,158</u>
Change in net position					
Governmental activities	(972,612)	(2,618,915)	7,979,233	3,975,073	(2,392,133)
Restatement to Beg. Net Position	-	-	-	-	-
Total Change in net position	<u>(972,612)</u>	<u>(2,618,915)</u>	<u>7,979,233</u>	<u>3,975,073</u>	<u>(2,392,133)</u>

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

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
3,426,121	3,441,453	2,603,771	4,158,040	4,530,299
4,394,513	4,592,533	4,757,078	5,290,104	6,668,883
3,686,498	2,807,467	3,501,557	2,817,623	3,225,561
7,623,175	7,660,909	7,416,782	8,622,189	11,263,392
3,883,235	4,572,065	5,237,536	5,208,818	2,799,944
<u>23,013,542</u>	<u>23,074,427</u>	<u>23,516,724</u>	<u>26,096,774</u>	<u>28,488,079</u>
23,013,542	23,074,427	23,516,724	26,096,774	28,488,079
403,914	145,306	337,141	933,735	514,572
115,847	149,149	173,908	205,163	170,029
234	196	-	2,590,651	2,659,254
3,819,585	4,279,991	4,782,140	3,039,438	6,502,568
76,327	505,187	3,773,285	1,060,403	1,022,477
2,320,940	2,309,339	3,570,042	4,284,763	3,737,831
2,435,822	2,883,373	2,967,931	2,848,765	3,196,871
<u>9,172,669</u>	<u>10,272,541</u>	<u>15,604,447</u>	<u>14,962,918</u>	<u>17,803,602</u>
9,172,669	10,272,541	15,604,447	14,962,918	17,803,602
(13,840,873)	(12,801,886)	(7,912,277)	(11,133,856)	(10,684,477)
<u>(13,840,873)</u>	<u>(12,801,886)</u>	<u>(7,912,277)</u>	<u>(11,133,856)</u>	<u>(10,684,477)</u>
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
6,992,655	7,732,639	8,502,073	8,822,692	9,045,010
1,946,958	2,351,911	2,428,566	2,231,693	2,191,583
958,206	1,032,204	1,161,511	1,156,154	1,240,074
119,228	131,468	139,483	174,358	151,230
369,902	504,346	499,103	487,606	445,886
-	-	-	-	-
407,790	-	-	-	-
499,038	560,790	548,300	121,619	306,041
-	(251,774)	1,277,748	2,911,536	2,205,019
-	-	-	-	-
<u>11,293,777</u>	<u>12,061,584</u>	<u>14,556,784</u>	<u>15,905,658</u>	<u>15,584,843</u>
11,293,777	12,061,584	14,556,784	15,905,658	15,584,843
(2,547,096)	(740,302)	6,644,507	4,771,802	4,900,366
<u>(2,547,096)</u>	<u>(740,302)</u>	<u>6,644,507</u>	<u>4,771,802</u>	<u>(442,134)</u>
<u>(2,547,096)</u>	<u>(740,302)</u>	<u>6,644,507</u>	<u>4,771,802</u>	<u>4,458,232</u>

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:				
Nonspendable:				
Prepaid costs	626,512	303,719	12,066	388,918
Notes and loans	-	-	-	-
Advances to other Funds	250,870	250,870	250,870	35,827
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
Assigned to:				
Recreation facility	2,766,250	2,666,801	14,946,188	14,838,444
Maintenance and operations	8,467,719	8,149,560	7,227,578	6,871,759
Other post-employment benefits	757,275	754,593	751,614	748,223
Capital projects	-	-	-	-
Self Insurance	1,000,000	-	-	-
Unassigned	2,010,433	2,775,032	3,628,234	6,236,023
Total General Fund	<u>16,879,059</u>	<u>16,900,575</u>	<u>28,816,550</u>	<u>31,119,194</u>
All other governmental funds:				
Nonspendable:				
Prepaid costs	2,738	-	-	-
Notes and loans	1,848,575	90,649	-	-
Restricted for:				
Community development	2,079,538	3,832,963	3,488,456	3,223,238
Public safety	134,169	162,113	218,613	294,935
Community services	1,026,385	1,327,325	819,654	719,991
Public works	3,875,234	4,160,230	2,794,070	3,477,640
Assigned to:				
Capital Projects	2,065,878	1,456,260	264,280	427,970
Unassigned	-	(10,516)	-	-
Total all other governmental funds	<u>11,032,517</u>	<u>11,019,024</u>	<u>7,585,073</u>	<u>8,143,774</u>

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

2020	2021	2022	2023	2024	2025
398,960	200	381,038	23,750	21,791	138,936
-	-	-			
35,827	35,827	35,827	35,827	35,827	-
-	2,021,362	1,799,873	1,859,618	1,996,760	2,215,960
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
14,816,767	14,787,452	13,561,031	12,365,720	11,039,356	9,541,376
6,274,070	7,499,137	7,499,138	7,499,135	8,414,170	8,414,170
744,176	739,944	734,074	724,874	711,976	698,076
-	-	-	-		2,624,593
-	-	-	-	-	
7,306,787	3,037,764	4,317,625	7,487,514	11,168,564	16,117,026
31,576,587	30,121,686	30,328,606	31,996,438	35,388,444	41,750,137
-	-	-	-	-	-
-	-				
2,940,515	1,945,155	1,462,287	1,385,783	819,352	1,167,454
369,173	448,371	519,574	625,979	694,450	748,268
460,591	427,873	905,093	3,318,223	3,537,943	2,884,932
3,239,298	2,851,761	4,593,451	5,869,167	8,092,422	8,652,909
343,770	1,818,477	1,753,375	1,617,625	1,089,952	-
-	-	(40,922)	-	-	(32)
7,353,347	7,491,637	9,192,858	12,816,777	14,234,119	13,453,531

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:				
Taxes	9,614,804	9,274,951	9,499,733	9,891,270
Assessments	3,107,981	2,562,970	2,500,410	2,651,930
Licenses and permits	961,563	1,829,914	805,839	895,016
Intergovernmental	2,368,358	2,924,159	2,951,513	3,513,073
Charges for services	1,839,232	1,297,286	1,457,384	1,448,413
Use of money and property	446,575	466,272	721,284	1,350,718
Fines and forfeitures	277,011	131,631	157,374	127,235
Miscellaneous	372,189	250,625	328,692	2,518,002
Total Revenues	<u>18,987,713</u>	<u>18,737,808</u>	<u>18,422,229</u>	<u>22,395,657</u>
Expenditures				
Current:				
General government	2,536,035	2,392,349	2,547,402	2,592,697
Public safety	3,765,218	3,894,564	4,025,458	4,111,941
Community development	2,248,657	2,879,006	2,435,173	2,422,267
Community services	5,006,833	3,586,537	4,815,620	4,221,073
Public works	5,385,612	5,789,502	8,657,998	6,039,178
Capital outlay	520,813	187,827	380,964	147,156
Total Expenditures	<u>19,463,168</u>	<u>18,729,785</u>	<u>22,862,615</u>	<u>19,534,312</u>
Excess (deficiency) of Revenues over Expenditures	<u>(475,455)</u>	<u>8,023</u>	<u>(4,440,386)</u>	<u>2,861,345</u>
Other financing sources (uses):				
Transfer in	209,969	541,537	448,808	444,737
Transfer out	(209,969)	(541,537)	(448,808)	(444,737)
Sale of capital assets	-	-	435,000	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>435,000</u>	<u>-</u>
Special Item:				
Restatement for correction of an error	-	-	-	-
Proceeds from sale of donated property	-	-	-	12,487,410
Net change in fund balances	<u>(1,385,593)</u>	<u>(475,455)</u>	<u>8,023</u>	<u>8,482,024</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

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

2020	2021	2022	2023	2024	2025
9,959,422	10,356,755	11,702,205	12,686,102	12,822,648	13,015,009
2,602,235	2,397,019	2,855,757	5,476,945	2,708,224	2,490,595
669,135	932,147	1,236,394	1,474,111	2,527,534	5,513,995
3,893,035	4,879,178	5,293,827	6,619,237	7,865,709	7,158,917
1,453,707	617,404	1,186,622	1,641,885	1,495,330	1,692,485
1,210,158	407,790	(251,774)	1,277,747	2,911,537	3,435,845
101,670	58,893	99,615	134,039	167,197	25,222
501,365	817,260	211,479	858,947	370,397	56,377
<u>20,390,727</u>	<u>20,466,446</u>	<u>22,334,125</u>	<u>30,169,013</u>	<u>30,868,576</u>	<u>33,388,445</u>
2,803,967	2,657,459	2,982,262	3,051,109	3,299,894	3,685,655
4,412,772	4,386,462	4,585,722	4,751,205	5,286,470	6,668,883
2,969,602	3,686,498	2,807,467	3,501,557	2,817,623	3,225,561
4,250,928	3,302,681	3,987,224	4,653,278	4,544,565	2,540,225
6,052,775	6,820,561	5,866,933	8,406,122	9,331,696	7,592,153
233,717	929,396	196,376	513,991	778,980	4,605,016
<u>20,723,761</u>	<u>21,783,057</u>	<u>20,425,984</u>	<u>24,877,262</u>	<u>26,059,228</u>	<u>28,317,493</u>
<u>(333,034)</u>	<u>(1,316,611)</u>	<u>1,908,141</u>	<u>5,291,751</u>	<u>4,809,348</u>	<u>5,070,952</u>
138,911	1,902,171	257,586	2,222,691	596,511	1,874,302
(138,911)	(1,902,171)	(257,586)	(2,222,691)	(596,511)	(1,874,302)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	510,153
-	-	-	-	-	-
<u>2,861,345</u>	<u>(333,034)</u>	<u>(1,316,611)</u>	<u>1,908,141</u>	<u>4,809,348</u>	<u>5,581,105</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	2016	2017	2018	2019	2020
Residential	4,419,416	4,583,083	4,805,033	5,049,771	5,270,204
Commercial	175,748	181,003	190,586	222,309	229,933
Industrial	109,988	112,303	114,888	112,516	115,071
Government Owned	-	-	-	-	-
Institutional	11,916	11,319	11,530	13,641	11,996
Miscellaneous	262	266	272	277	282
Recreational	-	-	-	-	-
Vacant	69,406	98,475	100,501	115,226	118,954
SBE Nonunitary	168	168	168	168	-
Cross Reference	237	218	269	656	1,547
Unsecured	35,976	36,800	38,656	45,441	48,273
Exempt	(8,596)	(8,596)	(8,596)	(8,455)	(8,455)
Grand Total	4,823,117	5,023,635	5,261,903	5,560,005	5,796,260
 Total Direct Rate	 0.07362%	 0.07264%	 0.07047%	 0.06783%	 0.06968%

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 2015/16-2024/25 Combined Tax Rolls

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

2021	2022	2023	2024	2025
5,435,577	5,565,243	5,801,157	6,064,666	6,324,093
232,531	234,888	249,005	254,713	258,843
120,294	129,845	223,964	247,720	269,711
-	-	-	-	-
14,357	14,506	14,796	18,067	18,749
288	291	297	303	309
-	-	558	-	-
119,317	121,017	118,672	117,517	133,820
-	-	-	-	-
1,418	1,078	1,084	1,046	1,048
49,912	50,271	53,308	54,953	54,062
(8,455)	(8,455)	(9,082)	(8,770)	(8,455)
5,973,694	6,117,139	6,462,841	6,758,985	7,060,635
0.06900%	0.13628%	0.05683%	0.05615%	0.05556%

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

Fiscal Year	2016	2017	2018	2019	2020
Assessment Billings	2,138,800	2,139,080	2,373,930	2,512,250	2,487,970
Assessment Collected	2,109,527	2,265,338	2,381,316	2,613,019	2,377,816
Percentage Collected	98.6%	105.9%	100.3%	104.0%	95.6%

Source: City Finance Department

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

2021	2022	2023	2024	2025
2,768,771	2,712,871	2,936,840	2,467,090	2,485,560
2,397,019	2,400,733	2,598,997	2,469,967	2,490,595
86.6%	88.5%	88.5%	100.1%	100.2%

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

Fiscal Years	2016	2017	2018	2019	2020
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	0.02154	0.02400	0.02371	0.02435	0.04781
Covina Valley Unified School District	0.11062	0.12581	0.14205	0.13976	0.13521
Pomona Unified School District	0.15364	0.14368	0.17292	0.16942	0.20671
Rowland Heights Usd Ds 2000 Series B	0.00000	0.00000	0.00000	0.00000	0.00000
Rowland Heights Unified	0.12426	0.10939	0.11841	0.11861	0.10760
Rowland Unified	0.00000	0.01505	0.00000	0.00000	0.00000
Walnut Valley School District	0.09285	0.06601	0.07388	0.10582	0.09538
Total Direct and Overlapping ² Tax Rates	1.50641	1.48744	1.53448	1.56146	1.59621
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	0.07362%	0.07264%	0.07047%	0.07077%	0.06968%

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
- 4 Redevelopment rate is based on the largest RDA tax rate area (TRA) and only includes rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from State of California for the fiscal year 2012-13 and years thereafter.
- 5 Since basic and debt rates vary by tax rate area individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the City of Walnut.

Source: HdL, Coren & Cone, L.A. County Assessor 2015/16-2024/25 Tax Rate Table

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

2021	2022	2023	2024	2025
1.00000	1.00000	1.00000	1.00000	1.00000
0.00350	0.00350	0.00350	0.00350	0.00700
0.04459	0.04608	0.04267	0.03806	0.04113
0.12658	0.12995	0.12612	0.12325	0.11110
0.15081	0.14056	0.14579	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.01579
0.10905	0.00000	0.00000	0.00000	0.00000
0.00000	0.11128	0.10909	0.11623	0.11343
0.09893	0.10066	0.10118	0.10694	0.10681
1.53346	1.53202	1.52834	1.38798	1.39526
0.05202	0.05202	0.05202	0.05202	0.05202
-	-	-	-	-
-	-	-	-	-
0.06900%	0.13628%	0.05683%	0.05615%	0.05556%

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

<u>Taxpayer</u>	<u>2025</u>		<u>2016</u>		<u>Business Type</u>
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	
Valley Industrial	112,987,432	1.60%		0.00%	Industrial
Wesco Properties Inc	40,249,112	0.57%	20,020,967	0.42%	Commercial
SLK Technology LLC	37,221,938	0.53%		0.00%	Industrial
Essex Cal Walp	34,035,109	0.48%	28,852,738	0.60%	Residential
Regal Julian LLC	31,570,446	0.45%		0.00%	Industrial
Snow Creek Village West Partners	26,160,759	0.37%	22,202,477	0.46%	Commercial
Walnut Tech Business Center Inc	23,493,344	0.33%	19,940,594	0.41%	Commercial
Sunjoint Development LLC	22,397,040	0.32%		0.00%	Vacant
Extra Space Properties Twenty One LLC	16,754,655	0.24%	-	0.00%	Industrial
9429 Walnut Cake LLC	15,893,538	0.23%	13,488,739	0.28%	Commercial
Henns Investment Company	-	0.00%	9,512,272	0.20%	Industrial
Orange Grove Service Inc	-	0.00%	8,710,000	0.18%	Commercial
Vogel Properties	-	0.00%	19,377,187	0.40%	Industrial
Margaret Wang Trust	-	0.00%	8,592,252	0.18%	Commercial
Meadow Pass Estates LLC	-	0.00%	9,179,820	0.19%	Residential
Total	<u>360,763,373</u>	<u>5.11%</u>	<u>159,877,046</u>	<u>3.31%</u>	

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 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Taxes levied for the fiscal year	1,399,452	2,718,998	1,497,691	1,555,482
Collected within the fiscal year:				
Amount	1,367,680	2,348,388	1,468,139	1,519,185
Percent of Levy	98%	86%	98%	98%
Total Tax Collection				
Amount	1,367,680	2,348,388	1,468,139	1,519,185
Delinquent Tax Collection	1,079	(2,041)	(2,345)	(7,822)

Note:

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

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

Source: County of Los Angeles, Auditor-Controller

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

2020	2021	2022	2023	2024	2025
1,623,343	1,661,609	3,437,096	4,047,297	4,197,989	4,347,063
1,558,394	1,616,925	3,383,458	3,991,999	4,130,583	4,245,369
96%	97%	98%	99%	98%	98%
1,558,394	1,616,925	3,383,458	3,991,999	4,130,583	4,245,369
(7,256)	(10,387)	(9,472)	(20,267)	(20,093)	(13,320)

CITY OF WALNUT
Direct and Overlapping Debt
June 30, 2025

	Outstanding Debt 6/30/25	Percentage Applicable To City (1)	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt			
Metropolitan Water District*	17,155,000	0.173%	29,678
Mt. San Antonio CCD	1,062,368,464	5.793%	61,543,005
Rowland Heights USD	231,939,199	10.270%	23,820,156
Walnut Valley USD	211,359,649	34.450%	72,813,399
Total Overlapping Tax and Assessment Debt			158,206,238
Direct and Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	3,036,637,390	0.336%	10,203,102
Los Angeles County Superintendent of Schools	2,331,775	0.336%	7,835
City of Walnut	-	100%	-
Total Direct and Overlapping General Fund Debt			10,210,937
Total Direct Debt			-
Total Overlapping Debt			168,417,175
Combined Total Debt			168,417,175 (2)

2024-25 Assessed Valuation \$7,060,636,602

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.24%
Total Direct Debt (\$0)	0.00%
Combined Total Debt	2.39%

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 2015/16-2024/25.

CITY OF WALNUT
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed valuation	4,823,117,151	5,023,635,701	5,261,903,783	5,560,005,060
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,205,779,288	1,255,908,925	1,315,475,946	1,390,001,265
Debt limit percentage	15%	15%	15%	15%
Debt Limit	180,866,893	188,386,339	197,321,392	208,500,190
Total net debt applicable to limit: General Obligation bonds	-	-	-	-
Legal debt margin	<u>180,866,893</u>	<u>188,386,339</u>	<u>197,321,392</u>	<u>208,500,190</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

Note:

The City of Walnut has no bonded indebtedness.

Source: HdL, Coren & Cone, L.A. County Assessor 2024/25 Combined Tax Rolls

CITY OF WALNUT
Legal Debt Margin Information
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
5,796,260,647	5,973,694,699	6,117,140,418	6,462,840,585	6,758,984,288	7,060,636,602
25%	25%	25%	25%	25%	25%
1,449,065,162	1,493,423,675	1,529,285,105	1,615,710,146	1,689,746,072	1,765,159,151
15%	15%	15%	15%	15%	15%
217,359,774	224,013,551	229,392,766	242,356,522	253,461,911	264,773,873
-	-	-			
217,359,774	224,013,551	229,392,766	242,356,522	253,461,911	264,773,873
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Square Miles ¹	8.83	8.83	8.83	8.83
Number of Housing Units ²	8,925	8,937	9,022	9,046
Population (City of Walnut) ²	30,152	30,134	30,457	30,551
Personal Income City of Walnut (in thousands) ³	1,045,685	1,077,615	1,099,822	1,105,292
Per Capita Personal Income City of Walnut ³	34,680	35,760	36,110	36,178
Unemployment Rate City of Walnut ⁴	4.8%	3.7%	3.5%	3.6%
Average Annual Population % change ²	-0.35%	-0.06%	1.07%	0.31%

Source:

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

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

2020	2021	2022	2023	2024	2025
8.83	8.83	8.83	8.83	8.83	8.83
9,061	9,074	9,197	9,241	9,283	9,382
29,929	29,835	28,094	27,553	27,867	28,214
1,173,576	1,232,966	1,240,889	1,318,256	1,430,697	1,436,165
39,211	41,326	44,169	47,844	51,340	50,902
3.4%	10.2%	6.8%	3.6%	3.7%	5.2%
-2.04%	-0.31%	-5.84%	-1.93%	1.14%	1.25%

CITY OF WALNUT
Principal Employer
Current Year and Nine Years Ago

<u>Employer</u>	<u>2025</u>		<u>Product/Services</u>	<u>2016</u>	
	<u>Number of Employees</u>	<u>Percent of Employment</u>		<u>Number of Employees</u>	<u>Percent of Employment</u>
Mount San Antonio College	3,737	52%	Community College	3,781	55%
Vons #2167	125	2%	Grocery Store	58	1%
Edro Engineering Company, Inc.	84	1%	Engineering	90	1%
Ronsin Photocopy Inc.	73	1%	Photocopy Manufacturer	124	2%
TJ Maxx #682	65	1%	Retail	-	1%
Applebee's Neighborhood Grill	58	1%	Restaurant	65	0%
Home Goods #282	54	1%	Retail	-	2%
McDonald's	52	1%	Fast Food	53	1%
Sodexo, Inc	49	1%	Food Services Mgmt.	70	1%
Panera Bread #1630	47	1%	Restaurant	-	1%
Caliber Collision Centers	33	0%	Automotive-Repair	-	1%
Stater Brothers Market #168	-	0%	Grocery Store	82	1%
Fairway Injections Molds, Inc	-	0%	Manufacture Mold Bases	58	1%
Nina's Mexican Food	-	0%	Restaurant	118	2%
Mwave.com/Multiwave	-	0%	Computer Wholesales	57	1%

Source: City Finance Department & HDL, Coren & Cone 2024/25 Business License Data

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

Fiscal Year	2016	2017	2018	2019
Function:				
General Government	9	9	10	10
Public Safety	2	2	2	2
Public Works	6	6	6	6
Community Development	10	10	10	10
Community Services	10	10	10	10
Total	<u>37</u>	<u>37</u>	<u>38</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
Full-Time Employees
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
11	11	11	11	12	11
1	1	1	1	1	1
6	6	6	6	6	12
10	10	10	9	6	7
10	10	10	10	10	5
38	38	38	37	35	36

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

Fiscal Year	2016	2017	2018	2019
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	573,580	1,982,436	628,931	514,493
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 (thousands USD)	1,023,415	1,211,609	1,379,363	1,444,420

Source: FDIC: Deposit Market Share Report June 30, 2025, City of Walnut Finance Department, and City of Walnut Building Department

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

2020	2021	2022	2023	2024	2025
3	29	25	52	93	151
8,672,560	18,467,667	33,804,409	9,433,991	37,124,315	42,250,917
2,046,217	607,366	509,687	408,613	2,802,062	8,726,007
<u>10,718,777</u>	<u>19,075,033</u>	<u>34,314,096</u>	<u>9,842,604</u>	<u>39,926,377</u>	<u>50,976,924</u>
948	456	509	751	749	868
1,773,297	2,133,975	2,270,676	2,424,905	2,566,538	2,894,426

CITY OF WALNUT
Insurance in Force
June 30, 2025
(Unaudited)

<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	07/01/2024-07/01/2025
		Theft "C"	\$ 1,000,000	
		Forgery "B"	\$ 1,000,000	
		Computer Fraud "F"	\$ 1,000,000	
California Joint Powers Insurance Authority	B128410009W24	Property	\$ 36,588,074	07/01/2024-07/01/2025
		Earthquake & Flood	No Coverage	
		Other Vehicles Physical Damage	\$ 503,348	
		Mechanical Breakdown	\$ 32,815,744	
		Fire and Ambulance Physical Damage	No Coverage	
California Joint Powers Insurance Authority		General Liability	\$ 30,000,000	07/1/2024-07/01/2025
		Auto Liability	\$ 30,000,000	
		Workers' Compensation	\$ 10,000,000	
		Environmental/Pollution	No Coverage	
		Cyber Liability	\$ 1,000,000	

Source: City Risk Management

CITY OF WALNUT
Operating Indicators by Function
Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
Public Safety:				
Number of employees trained on Emergency Operation	50	50	50	46
Number of volunteers on patrol	30	20	13	15
Parking Citation Issued	3,688	1,337	2,223	1,514
Community Development:				
Planning Application Processed	156	105	148	128
Code Enforcement Complaint Response	801	817	846	1,061
Dial-A-Ride Members	4,521	4,645	4,834	5,094
Metrolink Passes Sold	1,421	1,368	1,347	1,110
Public Works:				
Street Resurfacing (square feet)	2,303,654	3,234,562	3,234,562	2,674,770
Parks and recreation:				
Number of recreation classes	650	757	935	817
Number of youth registered	5,250	5,821	4,200	5,175

Source: City of Walnut Departments

CITY OF WALNUT
Operating Indicators by Function
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
63	73	40	40	50	55
18	17	22	22	15	26
1,026	675	988	1,782	2,096	434
88	132	134	137	135	153
763	894	750	727	515	875
5,162	5,173	5,222	5,341	5,392	5,462
745	25	58	62	48	35
2,862,703	185,500	2,300,000	-	-	-
575	125	379	450	360	334
2,931	901	2,524	3,250	5,705	5,396

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

Fiscal Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Works:					
Street (Miles)	111	111	111	111	111
Street lights	1,934	1,934	1,912	1,920	1,916
Traffic signals	40	41	41	41	41
Parks and recreation:					
Parks	11	11	11	11	11
Teen Center	1	1	1	1	1
Senior Center	1	1	1	1	1
Total	<u>2,098</u>	<u>2,099</u>	<u>2,077</u>	<u>2,085</u>	<u>2,081</u>

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

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

2021	2022	2023	2024	2025
111	111	111	111	111
1,924	1,924	1,924	1,926	1,414
41	41	41	37	38
11	11	11	11	11
1	1	1	1	1
1	1	1	1	1
2,089	2,089	2,089	2,087	1,576

CITY OF WALNUT
Miscellaneous Statistics
June 30, 2025
(Unaudited)

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

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

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

Type of City	General Law-January 19, 1959
Form of Government	Council/Manager
Population	28,214
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	36 Full-time
Cost per Capita	\$1,003

Source: City Finance Department