



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019-2020

Norwalk, California



**Comprehensive Annual Financial Report
City of Norwalk, California
For the Fiscal Year Ended June 30, 2020**

Prepared by the Finance Department

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**CITY OF NORWALK
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

NORWALK City Council

Jennifer Perez

Mayor

Tony Ayala

Vice Mayor

Rick Ramirez

Councilmember

Ana Valencia

Councilmember

J Margarita L. Rios

Councilmember

Jesus M. Gomez

City Manager

Jana Stuard

Director of Finance/City Treasurer

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December 10, 2020

**Honorable Mayor, Members of the Governing Council
and the Citizens of the City of Norwalk, California:**

The Comprehensive Annual Financial Report (CAFR) of the City of Norwalk, California, for the fiscal year ended June 30, 2020, is hereby respectfully submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Norwalk issue annually a report on its financial position and activities, and that this report be audited by an independent firm of certified public accountants.

REPORT PURPOSE AND ORGANIZATION

Purpose and Management Responsibility. This report consists of management’s representations concerning the finances of the City of Norwalk (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report to provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with the U.S. generally accepted accounting principles (GAAP).

Because 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 will be 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.

Audited Financial Statements. The City’s financial statements have been audited by Clifton, Larson, Allen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, 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 overall accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP.

The independent auditors’ report is presented as the first component of the financial section of this report.

Organization. This report is presented in three sections: introductory, financial and statistical.

1. The **Introductory** section includes this transmittal letter and other information to familiarize the reader with the City: a directory of officials, the City's organization chart and organizational values.
2. The **Financial** section consists of five parts: the independent auditors' report; management's discussion and analysis; the basic financial statements; required supplementary information; additional statements and schedules for nonmajor governmental funds and agency funds.
3. The **Statistical** section includes selected financial and demographic information, generally presented in multi-year basis.

Transmittal letter. GAAP require 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). As noted above, the MD&A appears in the Financial Section. This letter of transmittal is designated to complement MD&A and should be read in conjunction with it.

"Single Audit" for Federal Grant Programs

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. This separately prepared report is available from the Finance Department upon request.

PROFILE OF THE CITY OF NORWALK

History. Norwalk, as we know it today, was once known as New River, Siete Alisos (Seven Sycamores), Sycamore Grove and Corazon de los Valles (Heart of the Valleys). Shortened to "Corvalles" by Easterners who had difficulty pronouncing the Spanish language, Norwalk actually carried a dual name for several years during the 1800's. Development in the community began in 1874 when railroad tracks crossed the "North-Walk" or "Trail from Anaheim Landing" for the very first time. Concurrently, the railroad surveyed a town site and established the "Norwalk Station." The town site was recorded in 1877 and Norwalk, California, was born.

At the turn of the century, Norwalk had become established as the dairy "Heart of the Valleys." It was also the home of some of the largest sugar beet farmers in all of Southern California during that era. As the years passed, the community continued to grow. Over 50 years later, the need for control over local affairs became so great that a special incorporation election was called.

On August 26, 1957, Norwalk was certified by the Secretary of State as California's 15th largest city. The City is 9.8 square miles in area with a current population of 106,744. Operating as a General Law City, Norwalk is governed by a five-member City Council, which sets policy under the Council-Manager form of government.

Geography and Climate. Located in the midst of some of Southern California's most accessible highways in the greater Los Angeles area, and located only 17 miles southeast of Los Angeles, the City of Norwalk has become one of the most rapidly developing and growing communities anywhere in the state of California. The City of Norwalk is approximately 95 feet above sea level, has an average temperature of 63 degrees, and averages an estimated 10 inches of rainfall per year.

Norwalk sits at the heart of an expanding regional transportation network that is an outstanding convenience to residents that work anywhere in Los Angeles or Orange Counties. The community is served by four freeways: the 91 (Riverside) Freeway borders the City to the south, the 605 (San Gabriel) Freeway is at the City's western border and the Interstate 5 (Santa Ana) Freeway passes through the community and Interstate 105 (Century) Freeway which runs from Norwalk to the Los Angeles International Airport, thereby providing additional access to even more important business and recreational points throughout the Los Angeles County. Two commuter rail lines serve Norwalk: the Metro Green Line, with connections to downtown Los Angeles, Long Beach, and LAX; and the MetroLink system, with connections to Orange, San Bernardino, Ventura, Riverside, San Diego counties, and the Union Station in Los Angeles County. Norwalk's access to regional transportation is unparalleled in Los Angeles County.

City Services. Norwalk is a contract city which provides various municipal services to its residents: street maintenance, public transportation, recreation, planning, landscape/park maintenance, lighting, as well as various youth, senior and other community service programs. The City contracts for services in law enforcement with the Los Angeles County Sheriff's Department and for fire protection services with the Los Angeles County Fire Department. Library, sanitation, and health services are provided by the County and County assessments districts.

The Norwalk Transit System (NTS) provides fixed route and dial-a-ride service to Norwalk and surrounding communities. Currently, the fixed route service consists of routes that service Norwalk and adjacent communities, the Santa Fe Springs Tram and rail feeder shuttle service. The NTS Route 4 rail feeder shuttle service provides a direct connection between the Norwalk Santa Fe Springs Transportation Center (Metrolink Commuter Rail Station) and the Metro Green Line Studebaker Station (Light Rail). In November 1974, NTS's demand-responsive transit service for persons with disabilities was initiated. Dial-a-Ride service is available for persons with disabilities and senior citizens.

Social Services Department provides another distinctive City service. The City is among the very few cities that have a Social Service Department offering a wide range of emergency and support services to residents in crisis situations. Services include information and referral, assistance with completion of forms (DPSS, EDD, Medical, Jury Summons, Social Security, Housing, etc.), immediate emergency food and shelter assistance, emergency transportation, senior daily nutrition program, child care and dental care programs for children of low-income families, and special events. The goal is to assist those whose resources have been exhausted, stabilize their situation, and seek long-term solutions.

Norwalk's Recreation and Park Services Department provides residents with a variety of year-round recreational activities and boasts several outstanding facilities. Additionally, Norwalk's Parks system consists of 14 public parks and a total of 93.5 acres of open space. Some of the more distinguished facilities include a state of the art Aquatic Pavilion, located in Norwalk Park, and featuring a competition and lap pool, wading pool, and picnic areas. The 72,000 square foot Norwalk Arts & Sports Complex has a modern fitness center, full-size basketball gym, racquetball/handball courts, youth activity room, boxing gym, full-service banquet and meeting facilities, classrooms, and the Mary

Paxon Art Gallery. The Norwalk Golf Center is a par three nine-hole course spread out over 11 lush acres. These and other amenities are available to residents from January through December.

THE REPORTING ENTITY

The financial reporting entity (the government) includes all the funds and account groups of the primary government (i.e., the City of Norwalk, California, as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services, including public safety and contracted police protection; sanitation and water services; the construction and maintenance of highways, streets and infrastructure; housing and social services; and recreational and cultural events.

The City of Norwalk's component units are the Norwalk Housing Authority and the Norwalk Community Facilities Financing Authority. Since City Council serves as the governing board for these component units, all of the component units are considered to be blended component units. Blended component units, although legally separate entities are, in substance, part of the primary government's operations. Accordingly, the component unit's financial activities have been included in the appropriate combining schedules.

Norwalk Housing Authority

The Norwalk Housing Authority was established in 1976 to provide safe, sanitary and decent housing to low-income residents. With funding provided by the U.S. Department of Housing and Urban Development, the Housing Authority administers the Housing Choice Voucher Program, offering rental assistance to approximately 620 households, and the Family Self-Sufficiency Program, which assists rental assistance recipients with achieving economic self-reliance.

Successor Agency to the Norwalk Redevelopment Agency

Pursuant to AB 26 X1, the Redevelopment Agency was dissolved as of February 1, 2012 and the Successor Agency was constituted. The City of Norwalk became the successor agency to the former Norwalk Redevelopment Agency's housing and non-housing activities. The Successor Agency's assets and liabilities are reported under City's Trust/Agency funds.

Norwalk Community Facilities Financing Authority

The City Council approved the creation of the Norwalk Community Facilities Financing Authority in August of 1989. It provides a tool the City may use to arrange favorable bond financing for construction of community facilities. Under this concept, the Authority provides a single agency, which may combine current and future revenue streams of various City agencies. The combined revenue streams provide the funds needed to meet debt service requirements for bonds, which may be issued.

FINANCIAL CONDITION OVERVIEW

Financial results for the year compare favorably with budget estimates in virtually all areas of the City's operations. For General Fund, financial results for the year were on target for revenues, and better than estimated for expenditures and other sources.

This results in an ending General Fund unassigned fund balance of \$14.7 million, which is \$4.3 million higher than budgetary estimates. The unassigned fund balance is \$1.9 million higher than the interim results reported to the City Council in June 2020. It also complies with the City's policy of maintaining a minimum unassigned General Fund balance that is at least 20% of operating expenditures.

The City's conservative approach in budgeting for revenue and a stringent expenditure policy has positioned the City in a sound financial standing to weather economic uncertainties. City management continues to strive to manage unanticipated economic fluctuations by working towards an adequate reserve accumulation, renewed focus on a proactive economic development effort, and a continued focus on human development effort to reshape and retrain its work force to keep up with the changing times.

The City's outlook, however, is cautious in light of the Covid-19 economic crises. The City's fiscal year 2020-21 adopted operating budget continues to be both balanced and fiscally responsible. This spending plan maintains essential services for the community and continues to look for means to stimulate local economy through various development and beautification projects throughout the City.

MAJOR ACCOMPLISHMENTS FOR THE YEAR

Public Safety:

- Public Safety Officers responded to and handled approximately 24,968 calls for service and incidents. The types of calls and incidents range from illegal parking and abandoned vehicles to graffiti incidents, Sheriff's Department assistance and resolving safety hazards or quality of life issues in neighborhoods, parks and shopping centers. Many times, Public Safety Officers are able to address a matter in lieu of Sheriff's resources being called out.
- Public Safety Officers responded to approximately 96 crime scenes to provide latent fingerprinting services resulting in numerous criminals being identified and apprehended. The involved crime include burglaries, robberies, stolen vehicles and thefts.
- A total of 15 Neighborhood Watch meetings, 10 Business Watch meetings, 3 Coffee with a Cop events, 5 Senior Safety Awareness meets, 5 BBQ block parties, and one National Night Out event were held during the year to give residents an opportunity to meet with Public Safety and law enforcement officials to learn about various services, share concerns, and have questions answered about crime and safety in their neighborhood.
- A total of 16 Junior Park Ranger sessions were held to provide community outreach for children ages 7 to 12 to educate youth on a variety of topics such as teamwork, responsibility, respect, making good decisions, effective communication skills and personal safety practices while making them aware of social issues such as peer pressure, bullying at school, cyberbullying, gangs and illegal drugs.
- A total of 66 cadet meetings were completed throughout the year to provide hands on experience assisting with community events, officer operations, career exploration, educational workshops and field trips.

- Officers attended a total of 15 school related events such as, Red Ribbon week, Read Across America, and Career Day.
- A total of 30 Saturday Community Service clean-ups were conducted to provide at-promise youth with an opportunity to understand the importance of public service, while cleaning up their community.

Public Services:

- Public Services staff assisted the Junior Park Rangers in a clean-up project at Hermosillo Park. On the interior, they wiped down windows, removed leftover tape on tables and performed some general housekeeping. Additionally, the Junior Park Rangers applied a fresh coat of paint to the exterior of the Snack Bar and Restroom facility at Norwalk Park.
- To bring attention to Breast Cancer Awareness month, staff changed landscape lighting and placed wooden pink ribbons at various facilities and at all City entry monuments.
- As the City took ownership of more than 3,300 street light poles, Public Services established contracts for street light pole replacements needed due to knockdowns from accidents.
- On the corner of Hoxie Ave. and Firestone Blvd., the Art in Public Places installation, “Spirit of Progress” comprised of three (3) large bronze horses, were deep-cleaned and an application of UV stabilizer-protective satin clear coating was applied for ongoing ease of maintenance and long lasting finish to all surfaces.
- With completion and acceptance of the work on the Median Turf Replacement and Drought Tolerant Plant Environmental Enhancement and Mitigation Program (EEMP), City received reimbursement in the amount of \$416,000 from the California Natural Resources Agency.
- City Departments, along with SCE, SoCal Gas, Golden State Water and Liberty Utilities, hosted the third Community Connect! event at Snowfest on December 7th to highlight energy savings opportunities for residents. City staff distributed 200 boxes of energy efficient LED holiday lights and Tree People, an environmental non-profit organization, distributed 250 free fruit trees to Norwalk residents. The project was funded by the California Department of Transportation (Caltrans) and administered by the I-5 JPA.
- Completed the Street Light LED fixture installation project for City-owned street light poles and worked with SCE to complete conversion of additional poles to new LED Option E rate.
- Tree/Greenscape Section and Emergency Duty personnel staff completed annual mandatory chainsaw and chipper training.
- Conducted on-call Emergency Duty training for Public Services staff. Updated and revised the Emergency Duty manual.
- The City was designated a Tree City USA for the 6th year by the National Arbor Day Foundation for its dedication and solid commitment to Urban Forestry. The City also received a Tree City USA Growth Award which recognizes an increased commitment to urban forestry through innovative programs and projects.
- For the 2020 Arbor Day commemoration, the City of Norwalk collaborated with Tree People to plant 40 trees within Gerdes Park.
- The City honored local, state and federal peace officers who have died, or who have been disabled, in the line of duty by recognizing Peace Officers Memorial Day and lowering flags to ½ staff on May 15.
- Staff were trained for herbicide application to safely mix and apply herbicides at City parks.

- Tree People began planting of 985 parkway trees in the City’s right-of-way between the sidewalk and street curb as part of Caltrans’ I-5 freeway mitigation project. Tree People is responsible for the care and watering of the trees for the first 24 months.
- Twelve Mini Mr. Sun events were held at various locations in the City. The program helps residents dispose of large, bulky items to keep neighborhoods clean and looking their best.

Park Projects

- In response to COVID-19, the following measures took place at City Parks:
 - ✓ Installed signage regarding masks and social distancing.
 - ✓ Arranged public area furniture to assist with social distancing.
 - ✓ Locked all public restrooms.
 - ✓ Closed off all playground areas, baseball fields and racquetball courts.
- Bob White Park – detailed playground and repaired the irrigation
- Gerdes Park - replenished over 20-yards for bark for playground; stripped and waxed the multi-purpose room flooring; repaired irrigation repaired.
- Holifield Park - installed new light poles and new LED fixtures at the monument; patched the west side entrance/exit of parking lot driveway; repaired irrigation; graded and leveled baseball fields.
- New River Park - graded and leveled baseball fields.
- Zimmerman Park - graded and leveled baseball fields.

Facilities

- In response to COVID-19, the following measures took place:
 - ✓ Installed plexi glass barriers at public counter areas for all Departments.
 - ✓ Installed signage regarding masks and social distancing.
 - ✓ Arranged public and employee common area furniture to assist with social distancing.
 - ✓ Installed social distancing floor decals.
 - ✓ Locked out / Tagged out public drinking water fountains.
 - ✓ Routinely disinfected / sanitized public common areas and employee work spaces.

City Hall

- Installed Public Safety, LASD, LA County and HAM radios inside City Hall’s Emergency Operations Center (EOC) workstations located in the basement.
- Recoated flex seal on the roof of the Ticket Booth.
- HVAC ducts cleaned.
- Installed new entry stations/gate arms.
- Installed new NO COURT PARKING signs and re-stenciled the associated parking stalls.
- Rebuilt irrigation valves at the City Hall lawn near the landmark bus stop Irrigation repairs on lawn.

Transportation/Public Services Facility and Metrolink Station

- Installed new EOC plan-of-action boards.
- Repaired a broken electrical box at the bus wash area station.
- Re-painted yellow safety warning stripes on platform at the Metrolink station.

- Senior Center
- Installed new office cubicles for staff.
- Removed all carpet from the exercise room replaced it with luxury vinyl tile.

Social Services

- Re-finished and re-installed public benches in front of facility.
- Painted yellow safety bollards located on the south side of facility.
- Installed new HVAC unit.

Norwalk Arts and Sports Complex/Cultural Art Center/Aquatics Pavilion

- Hardwood Flooring and Bleacher Replacement – Project included all labor and materials for the demolition and removal of the existing hardwood flooring in the gymnasium, boxing room, racquetball courts, and the 2nd floor dance room and the installation of new bleachers in the gymnasium.
- Installed new HVAC unit for Aquatics and Teen Center.
- Irrigation repairs in planters.

Trees/Greenscape

- Trimmed 4,062 trees, as part of City’s three year trimming cycle.
- Responded to 570 residential requests for tree related concerns including: inspections, roots, trimming, and/or planting.
- Planted 28 trees in parkways citywide.
- Removed 97 trees in response to addressing hazards or nuisance conditions.

Graffiti

- Removed graffiti from over 7,783 locations citywide, as follow-up to 4,373 requests received from the community.

Streets

- Responded to 730 sidewalk, curb & gutter and pothole requests.
- Responded to 118 community requests for pickup of litter/illegally dumped items in right-of-way.
- Completed annual citywide Sidewalk Concrete Repair and Replacement Project - Repaired concrete including curb and gutter, sidewalks, and drive aprons raised by tree roots in over three (3) City zones.

Traffic

- Replaced stop signs and installed visi-shields around Glazier Elementary School, Leffingwell Elementary School and John Glenn High School
- Painted traffic legends citywide.
- Completed a variety of Engineering work orders and replaced damaged / missing signs.
- Installed seasonal banners, military banners, college banners, high school banners, and American flags.
- Restriped road lanes, including City facility and parks parking lots.
- Painted crosswalks and red curbs at school locations.
- Painted red curbs, crosswalks and stop bars in Zones 1-12.

Water/Sewer

- Coordinated with contractor for the annual cleaning of 1/2 of the City's sewer system.
- Continued monitoring operations at Norwalk Park Well #10.
- Coordinated with contractor to complete next phase of the annual CCTV sewer line inspection program.
- Began RFP process for the Water Master Plan Update to initiate system improvements for the Norwalk Municipal Water System.
- Completed rehabilitation of Norwalk Park Well #10.
- Completed AMI/AMR program using Bureau of Reclamation grant funds to replace 869 water meters in East, Southeast, and Central Service Areas.
- Completed construction of a new transmission pipeline from Well #10 to connect the Central Service Area with both the West Service Area and South Service Area.
- Completed condition assessment of 419 sewer manholes and repairs of 26 locations.
- Completed rehabilitation of Well #4, Leffingwell.
- Continued collecting data for water and sewer plans for GIS layers update.
- Initiated sewer main replacement Year 4 design.
- Replaced #2 motor and pump at stormwater lift station, Imperial underpass.
- Replaced 284 water meters as a part of annual water meter replacement program.
- Replaced 148 water connections as a part of annual water service replacement program.
- Responded to emergency 52 water main and 124 service connection leaks.

Engineering

Completed on the following projects:

- Project No. 7786 – Completed Phase II Lot B Auxiliary parking lot at Metro station - Santa Fe Springs' side.
- Project No. 7923 – Completed CDBG Local Street Rehabilitation on residential streets bounded by Rosecrans Avenue, Pioneer Boulevard, Mapledale Avenue and Jersey Avenue.

Awarded the following contracts:

- Project No. 7228 –Awarded construction contract for traffic signal and curb ramp improvements – Rosecrans Avenue from Studebaker Road to Carmenita Road.
- Project No. 7229 –Awarded construction contract for traffic signal and curb ramp improvements. - Studebaker Road from Alondra Boulevard to Rosecrans Avenue.
- Project No. 7230 – Awarded construction contract for traffic signal and curb ramp improvements - San Antonio Drive/Norwalk Boulevard from Rosecrans Avenue to Civic Center Drive.
- Project No. 7440 – Awarded contract for the installation of water mains on Alondra Boulevard, Pioneer Boulevard, and 160th Street.
- Project No. 7445 – Awarded contract for the Rehabilitation of Well No. 4
- Project Nos. 7441 and 7519 – Awarded a contract for the design of a water and sewer Supervisory Control and Data Acquisition System (SCADA).
- Project No. 7518 – Awarded a contract for the design of Nordesta Storm Drain upgrade.
- Project No. 7521 – Awarded a contract for Sewer Main Repair at various locations.

Status of on-going/carried-over projects:

- Project No. 7196 – Continued working with design consultant to complete design of Firestone Boulevard improvements from I-605 to Imperial Highway and prepare documents for construction funding allocation from Metro.
- Project No. 7195 – Continued working with design consultant to finalize design for intersection improvements at Studebaker Road and Alondra Boulevard.
- Project No. 7232 – PES approved by Caltrans. Prepare documents for construction funding allocation for traffic signal and curb ramp improvements - Alondra Boulevard from Studebaker Road to Shoemaker Road.
- Project No. 7233 – Continued working with design consultant to get environmental and design complete and approved by Caltrans for traffic signal and curb ramp improvements - Firestone Boulevard from San Gabriel River to Rosecrans Avenue.
- Project No, 7234 – Continued working with design consultant to get environmental and design complete and approved by Caltrans for traffic signal and curb ramp improvements - Studebaker Road from Rosecrans Avenue to north city limits. Prepare documents for construction funding allocation.
- Project No. 7904 – Continued working with Design Consultant for Foster Road Rehabilitation from Studebaker Road to Pioneer Boulevard.
- Project No. 7920 – Local Street Rehabilitation – Reviewed/Evaluate and Developed Quantity Takeoff for approximately 5.17 linear miles of residential streets; prepared bid package to advertise for construction.
- Project 7922 – Preparation of Environmental Documents (CEQA/NEPA) for the Active Transportation Plan – Alondra Boulevard from Studebaker Road to Pioneer Boulevard.

Issued a total of 551 permits:

- ✓ 228 Construction/Excavation/Encroachment/Other permits
- ✓ 124 Traffic Control Plan
- ✓ 78 Trash Bin Permits
- ✓ 89 Oversized permits
- ✓ 25 Small Cell Permits
- ✓ 6 Block Parties
- ✓ 1 Monitoring Well Encroachment

Social Services:

- Social Services in collaboration with Public Safety kicked off its first annual School Uniform Project. The project served over 225 children and 136 families. The program aimed to assist those families that may not have an opportunity to provide the essential items for these children to be successful in school
- Entered into an agreement in partnership with Norwalk-La Mirada Unified School District, Kaiser foundation Hospitals, and California State University long Beach Foundation, for the Health on Wheels Program in an effort to provide mobile health care services to children attending district schools located within the city boundaries, as well, other children in their families.
- Through the Harvest Relief Program and collaborative partners, Olive Garden, Pizza Hut, and Chipotle, food items are donated to the Social Services Department on a weekly basis

- Provided over 170 families with Thanksgiving food baskets
- The 2019 Annual Angel Tree Project provided 1,600 children with gifts of clothing and approximately 2,138 toys were also distributed
- In conjunction with the Los Angeles Homeless Services Authority, the City of Norwalk hosted the 2020 Homeless Count. The Social Services Center served as a deployment site for volunteers and staff. The Homeless Count is imperative to demonstrate the need for homeless services and improve economic opportunities for low-income and underserved residents of Norwalk and the surrounding communities
- Census Outreach 2020. Social Services caseworkers participated in various outreach events including, Census Parades, outreach booths, Little League Baseball, and Census sign up competitions. Caseworkers educated the residents of the importance of completing the 2020 Census
- During Covid-19 Social Services & Senior Center caseworkers conducted weekly wellness checks to over 600 seniors
- Through the Food Bank program and USDA commodities, 5,527 families and individuals were provided with essential food for their households

Senior Center and the Senior Nutrition Program

- Office Cubicle Project: Cubicles updated for a more streamlined look, allowing for better communication for staff
- 100% of all senior participants are registered in the My Senior Center Program: seniors are now able to check in to their activities with a swipe of a key card
- Presentation Cart and Monitor Purchased new cart, with 50 inch screen for seminars and presentations, allows more ability for presenters to work with laptops
- Painted and updated the Lounge Room
- Plotter: New heavy-duty printer purchased for signage. Senior Center will now be able to print its own banners and posters, as well as for the entire department
- Fitness Equipment: New leg curl and leg extension machines were installed in the Fitness Room. These machines replaced a three-in-one machine that was over 20 years old
- Senior Center Activity Tables: Replaced tables in Activity Rooms A, B, and Lounge. Tables replaced were over 20 years old
- Conducted 212 home visits to check on the welfare of senior patrons
- Over 5,600 welfare calls conducted during March-August
- 250 Home Visits were conducted during January-March 13. Due to the Covid-19 Pandemic, all home visits were halted
- Assembled and delivered 100 Holiday gift bags to home bound seniors
- The Senior Center served 75 clients through the Social Services Program
- 1,367 hours were dedicated to home bound seniors for Personal, Respite, and Home Making Services. Allowing seniors to sustain their independence of living in their homes
- 6,000 received services from the Senior Center caseworkers from January-August
- Senior Nutrition Program served over 60,000 congregate meals yearly pre Covid-19 for seniors. Improvements have been made to the quality of the food and management of the program.
- Pre Covid-19 - 230 meals were served daily at two congregate meal sites; on average 120 meals were delivered daily to frail homebound seniors from January-February
- The Senior Center ramped up food services during the Covid-19 Pandemic. Daily hot meals were replaced with 5 frozen meals per week with 22 routes consisting of driving routes, walking routes, and a drive through pick up date

- The Senior Center conducted over 9,500 wellness calls to isolated seniors throughout the Covid-19 pandemic
- The Senior Center served as a Cooling Center and provided a safe environment for seniors to beat the heat of the summer- seniors benefited from the extended hours of the Cooling Center offered at the Senior Center

Child Care Program:

- Serviced an average of 645 children per month
- Assisted 21 children of essential workers
- Paid out \$5.5 million to child care providers
- Increased funding for FY 2020/2021 by almost \$1 million, to include additional funds to continue assisting essential workers.

Parks and Recreation:

- In September 2019 - awarded the National Recreation and Parks Association's 10-Minute Walk to A Park Grant which will be used to create a Park Pathway Master Plan
- The California Parks and Recreation Society annually recognizes the "Best of the Best" in the field of Recreation, and this past year Norwalk was recognized with three major awards:
 - ✓ California Parks and Recreation Society recognize the Recreation department in the Marketing and Communications category under "We Have Project" award. The "We Have Project" also received the highest award that is presented by the CPRS District 10, called the "Parks Make Life Better Award".
 - ✓ Second "We Have Project" award was received for a video developed and produced by Teen Center Staff members. It provided local youth with positive mentorship and access to resources for teenagers struggling with bullying, mental health issues and other challenges.
 - ✓ The third award was titled, the "Most Valuable Part-Time Player Award" which was presented to staff in recognition of his outstanding contributions to the City and the community.
- Supervisor Janice Hahn Awarded the City of Norwalk with a \$300,000 grant to renovate the playgrounds at Holifield Park.
- Raised over \$6,000 at the annual Silent Auction event for the City's Relay for Life Team that benefits the American Cancer Society
- With the help and generosity of the community, over \$8,800 in scholarships to students who volunteered a minimum of 50 hours of service to the City through the Teen Alliance Program.
- During Covid-19 pandemic department provided virtual recreation campaigns including:
 - ✓ Daily #Playinplace videos posted on City's web page and social media pages
 - ✓ Virtual Easter Egg Hunt where 100 Resident received prizes. This was a modified version of the annual Egg Hunt event held on City Hall Lawn in April each year.
 - ✓ 4th of July campaign

Community Development:

Administration and Economic Development

- Norwalk Education Alliance (NEA)
 - ✓ 140 students from local high schools participated in the 5th Annual Mock Interview event with local government officials, school district professionals, and local business owners serving as interview panelists.
- 136 yard sale permits were issued to pleased residents looking to offload treasures, before March 2020.
- The City of Norwalk was a finalist for the Los Angeles County Economic Development Corporation's Most Business Friendly City award.

Building & Safety

- 2,981 permits were issued
- Performed 561 plan checks

Planning

- On a daily basis, Planning Division staff assisted the public with inquiries about zoning requirements and processed administrative approvals, such as Animal Permits, Home Occupation Permits, Temporary Sign Permits, Site Plan approvals for new residences, Artificial Turf, Business License, and Building Plan Check approvals.
- Planning Division staff processed entitlements, which require Planning Commission approval, for development plans, conditional use permits, and signs, some of which include:
 - ✓ Establishment of a temple on Front Street
 - ✓ Construction of single family homes on substandard lots (4 separate applications)
 - ✓ Establishment of a Master Sign Program for an approved 3 tenant commercial development
 - ✓ Construction of a new wireless monopole
 - ✓ Establishment of on-site alcohol sales at 3 restaurants
 - BurgerIM
 - Sushi Joint
 - Stinkin' Crawfish
 - ✓ Extension of entitlements for the expansion of an existing temple
 - ✓ Establishment of an adult day care center
 - ✓ Establishment of La Jara Brewing to operate a microbrewery with a tasting room, in conjunction with food sales from food trucks
 - ✓ Establishment of a Live-Work Overlay Zone
 - Construction of a Live-Work development, that includes 27 townhome units, 11 of which are for live-work purposes
 - ✓ Construction of a drive-thru Tacos Gavilan
 - ✓ Subdivision of an existing industrial complex for industrial condo purposes
 - ✓ Revision of an existing Master Sign Program at Target on Firestone Boulevard
 - ✓ Modification of the IHOP project to exclude the previously approved drive-thru building

- ✓ Construction of 60-unit affordable rental housing for veterans and veteran families
- ✓ Expansion of showroom for McKenna BMW (Pre-Owned Sales)
- ✓ Construction 62-unit apartment complex, with 6 affordable units
- ✓ Expansion of office space at an existing warehouse/distribution building
- ✓ Subdivision of 1 lot into 2 lots
- ✓ Establishment of dental office through a parking study
- ✓ Extension of an entitlement to construct and operate an automatic car wash at Costco.
- ✓ Construction a digital billboard at Firestone and the I-5 Freeway

Actions that were considered by the Planning Commission and City Council include: 2019 - Norwalk General Plan and Housing Element Annual Progress Report, which was transmitted to HCD and HUD. Also, the City Council gave final approval on such applications involving General Plan Amendments, Zone Changes, Text Amendments, Street Vacations, Density Bonus Agreements and Development Agreements to help facilitate some of the projects listed above.

Housing Authority

- Conducted eligibility interviews from the Section 8 and Soroptimist Village waiting lists and provided housing assistance to 620 households.
- Conducted landlord outreach meetings in Norwalk to educate the landlord community and promote greater participation in the Section 8 program.
- Implemented limited homeless preference and processed seven (7) homeless referrals.
- Implemented new Signing Bonus program to encourage landlord acceptance of vouchers.
- Assisted 24 households through the Homelessness Prevention and Rapid Re-housing program.
- Applied and got awarded 15 Mainstream Vouchers.
- Inspected approximately 1000 units for Housing Quality Standards.
- Continues to administer the Family Self-Sufficiency program for the 16 allotted slots.

CDBG and HOME Programs

- Rehabilitated 39 homes for low-income households using CDBG and HOME funds.
- Completed development and adoption of the 2020-2025 Consolidated Plan and 2020 Annual Action Plan.
- Provided job training scholarships to eighteen (18) students.
- Completed monitoring of 116 deferred loans under the Home Improvement Program and down payment assistance program and 3 Neighborhood Stabilization Program (NSP) loans. The monitoring included a homeowner certification and proof of owner occupancy and monitoring of taxes, insurance and title. NSP monitoring also includes property inspections.
- Completed inspections of two (2) HOME assisted rental housing developments and comprehensive monitoring review of two (2) HOME developments.

Storm Water Compliance

- Worked with the City's consultant, 231 businesses were inspected for storm water compliance as required by the Municipal Separate Storm Sewer System (MS4) Permit.

Norwalk Transit System:

- Acquired \$118,696 in State Low Carbon Transit Operations Program funds to support operating expenses associated with Route # 7 bus services which started on June 27, 2016.
- Acquired \$145,114 in State of Good Repair Capital funds to support the acquisition of a Fluids Management System and an Inventory/Parts Management System.
- Secured competitive Federal Transit Administration (FTA) grant funding in the amount(s) of \$1,916,361 and \$224,808 in support of acquiring CNG Replacement Buses and Bus Stop Improvements for 9 bus stops along Routes 1, 2, 3 and 5.
- Progress has been made towards the full implementation of the Fixed Route Bus Intelligent Transportation System which includes an automatic vehicle location (AVL) software, computer-aided dispatch (CAD) software; and automated travel information system (ATIS) software that calculates the real-time information. To date, nearly 40% of the project has been implemented (i.e. completion of Final Design Review, completion of Hosted System Configuration, completion of Factor Acceptance Test, etc.). The following milestones are left for the duration of the project: Installation of Communication & Dispatch Sub-System, Core First Article Test, Onboard Installations, Webpage and IVR, Training/Delivery of Manuals, Report Generator, System Acceptance Test, Close-Out, Warranty, etc. Project is approximately 12 mos. behind schedule due to COVID-19 outbreak.
- Completed construction of Norwalk Transportation Municipal Auxiliary Parking Lot on May 29, 2020. The Lot includes an additional 122 parking spaces and a closed circuit television camera security system along with perimeter safety enhancements.
- Implemented the Fixed Route Bus Fare Box project (\$503,409) that included upgrades to Transit Access Pass (TAP) fare box equipment and driver control units. The upgrade will enhance security, prepare for new payment technologies, and ensure near real-time communications.
- Provided service to a total of 1,168,297 passengers on its Fixed Route bus system.
- Provided service to a total of 18,992 passengers on its Senior/Disabled Dial-a-Ride Advanced Reservation accessible vans service.
- Provided a total of 3,894 Taxi Card/Voucher inter-jurisdictional Dial-a-Ride trips to eligible senior/disabled residents through contract service provided by Fiesta Taxi. Taxi Card/Voucher service is provided to major medical facilities in the cities of Bellflower, Downey, Lakewood, Whittier and Santa Fe Springs.
- NTS' Customer Service Center responded to over 2,200 calls each month for information on transit services and in-take of customer request for follow-up action on complaints, lost-and-found items, etc.
- NTS generated \$901,419 in Fixed Route farebox revenue.
- Staff provided timely submittals of various annual reports including NTD, SRTP, TPM, Metro Forms A-B-C, STA/TDA Claim, Metro Operating Subsidy Invoices, etc.
- A total of 1,166 toys were collected from NTS' Stuff-a-Bus Toy Drive and donated to the Norwalk Social Service's "Angel Tree Program".

Other Accomplishments:

- Continued prefunding the other post-employment benefits (OPEB) through the annual contributions to the irrevocable trust fund.
- Third year deposit of \$1.0 million contributed to the Pension Stabilization Trust Account administered by PARS.
- Norwalk Community Facilities Financing Authority issued Sales Tax Revenue Bonds pledging Measure M (Series 2019A) and Measure R (Series 2019B) revenues and securing \$23.2 million for local street improvement projects.
- Received the financial reporting excellence award from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR).
- In January 2020 the City Clerk's Department implemented a Passport Processing Center and processed 83 passport applications.

LONG-TERM FINANCIAL PLANNING

Budget

The City adopts its financial plan annually. The budget preparation process starts by the end of February. The City Manager leads the budget team, which reviews, discusses and revises departmental appropriation requests, supporting data and revenue estimates for all City funds, functions and departments, including component units and capital improvement projects. The City Manager submits the proposed budget to the Finance Committee and the City Council. During multiple study sessions, the City Council reviews the proposed budget document and directs staff to make revisions. The annual budget is adopted during a public hearing no later than June 30th.

Capital Asset Replacement and Renovation Reserves

Funds are set aside annually for the replacement and renovation of City-owned facilities and capital assets. The balance in Capital Asset Replacement and Renovation Reserves at June 30, 2020 was \$4.6 million.

ECONOMIC OUTLOOK

We are living in the unprecedented times of global health emergency associated with the coronavirus disease 2019 (COVID-19) pandemic, which resulted in sudden and severely negative economic consequences for the global, national, state and local economy.

The City's finances and its ability to pay for essential services are dependent on the local economy and legislative actions of the Federal and State governments. How fast the economy grows next year depends on how soon effective COVID-19 treatment and vaccine will be largely available, and whether a deal is reached on more federal stimulus for American families and businesses, as well as additional aid for state and local governments.

The Kiplinger forecasts the national economy GDP growth of 4.3% by the end of 2021. The national unemployment rate is anticipated to decrease to 5% in 2021, from 6.5% in prior year. Most job growth is expected in health care and other forms of social assistance as the American population ages. Inflation is expected to average 2.3% in 2021.

The COVID-19 pandemic has been a major disruption to California economy. According to the UCLA Anderson Forecast released in September 2020, California's economy is expected to largely track that of the national economy, with some areas displaying more weakness, such as hospitality industry.

MAJOR INITIATIVES FOR THE FUTURE

Following its Strategic Plan, the City continues working diligently in the areas of:

Public Safety:

- Apply innovative law enforcement and public safety services;
- Promote park safety and work in partnership with park staff in order to provide activities for the residents;
- Utilize technology and social media to ensure community is up to date with current events and public safety alerts;
- Address public safety concerns through a collaborative relationship between Public Safety, law enforcement, and residents;
- Law enforcement substations and mobile units and community outreach.

Capital Improvement Projects:

- Improve City's aging infrastructure focusing on rehabilitating the City's streets, traffic signal upgrades, sidewalks, median refurbishment and repair, and parks renovation;
- Replace water mains and meters, address the infrastructure needs of the Norwalk Water Municipal System;
- Replace damaged and undersized sewer mains as required by Waste Discharge Requirements;
- Improve various City facilities, including: bus stops; lighting at public parking facilities;
- Develop citywide Parks, Water and Sewer Master Plans.

Transportation:

- Micro transportation assessment;
- Shuttle services and Greenline/MetroLink Station express service.

Other Initiatives:

- Continue the implementation of the Economic Development Strategy and supporting programs to strengthen existing businesses and attract new business development;
- Acquisition of governmental agencies' properties for potential development;
- Code amendment to facilitate development;
- Participate in programs that provide support and resources to local small businesses and veterans;
- Implementation of City's Geographical Information System (GIS);
- Continue conducting a positive property maintenance education and improving the quality of neighborhoods and well maintained properties;
- Department-wide team building and succession planning;
- Continue to maintain accurate financial records for the successful completion of financial and special compliance audits, including the City, Norwalk Community Facilities Financing Authority,

Propositions A, C, Measures R and M, Transportation Development Act (TDA) Article 3, and federal grants;

- Operate within a structurally balanced budget adhering to the highest standards of ethics and accountability.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for fiscal year ended June 30, 2019. That was the 33rd year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

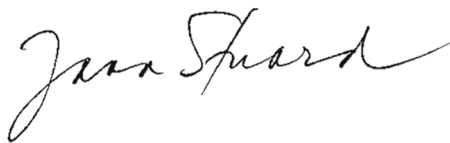
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The continued dedicated and efficient service of the Finance Department staff is appreciated by all levels of City Management. Our independent auditors, Clifton, Larson, Allen CPA's, provided expertise and advice in preparing an outstanding financial report for the fiscal year ended June 30, 2020.

Members of the City Council have continued to express interest and extend support to the Finance Department in the planning of responsible and proactive financial operations for the City of Norwalk. Through the team efforts of its Council members, management and employees, the City expects to continue the current high level of service which is provided to the citizens of our community. Due to the consistent policies of the City Council and each employee's commitment to maintain superior service level standards, the City of Norwalk has been able to maintain a sound financial base from which to operate.

Respectfully submitted,



Jana Stuard
Finance Director / City Treasurer

**City of Norwalk, California
List of Elected Officials and Management Personnel
June 30, 2020**

ELECTED OFFICIALS

Jennifer Perez, Mayor
Tony Ayala, Vice Mayor
Rick Ramirez, Councilmember
Margarita L. Rios, Councilmember
Ana Valencia, Councilmember

CITY MANAGER AND DEPARTMENT HEADS

City Manager	Jesus M. Gomez
Deputy City Manager.....	Richard A. Rojas
City Clerk.....	Theresa Devoy
Director of Community Development	John P. Ramirez
Director of Finance/City Treasurer	Jana Stuard
Director of Human Resources/Risk Manager	Carina Montes
Director of Public Safety	Grissel Chavez
Director of Recreation and Park Services.....	Vacant
Director of Social Services.....	Gabriela Regalado
Executive Director of Regional Transportation.....	James C. Parker

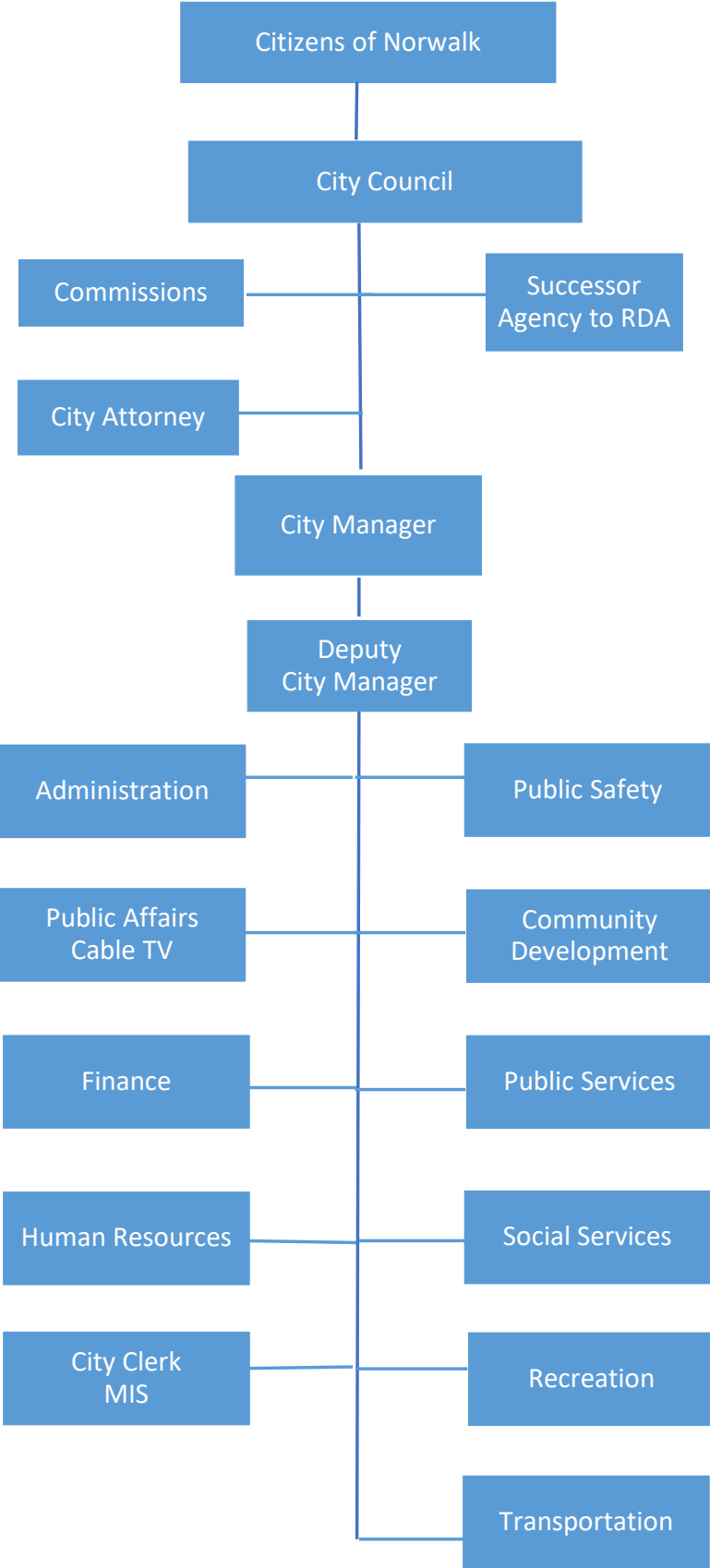
RECOGNITION

To the Finance/Accounting staff who have contributed their efforts and expertise in maintaining the program of “Excellence in Financial Reporting”.

SPECIAL THANKS

To the individuals of various departments who have supported and contributed vital information for this report.

City of Norwalk Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Norwalk
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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Suite 300
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714-978-1300 | fax 714-978-7893
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
of the City of Norwalk
Norwalk, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk (the City), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, as of June 30, 2020, 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.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedule of contributions - CalPERS, the annual money-weighted rate of return on investments for the OPEB, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions - OPEB, and the budgetary comparison schedules for the General Fund, Housing and Community Development Special Revenue Fund, and Housing Authority Special Revenue Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the Debt Service Fund - Major Fund, the Special Projects Capital Projects Funds - Major Fund, the Economic Development Capital Projects Fund - Major Fund, the Housing Successor Fund Capital Projects Fund - Major Fund, and the Other Federal Grants Capital Projects Fund - Major Fund budgetary comparison schedules, combining and individual fund financial statements and schedules, and statistical section, 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.

The Debt Service Fund - Major Fund, the Special Projects Capital Projects Funds - Major Fund, the Economic Development Capital Projects Fund - Major Fund, the Housing Successor Fund Capital Projects Fund - Major Fund, and the Other Federal Grants Capital Projects Fund - Major Fund budgetary comparison schedules, and the combining and individual fund financial statements and schedules (other supplementary information), as listed in the table of contents, 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.

Other Matters (Continued)


Other Information (Continued)

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
December 10, 2020

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The management of the City of Norwalk offers the readers of the City's statements this narrative overview, summary and analysis of the financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

During the fiscal year ended June 30, 2020, the City continued to maintain its stable financial position, enabling delivery of appropriate services to the community and undertaking necessary economic development and infrastructure projects.

Long-term Economic Resource (Government-wide) Focus:

- At June 30, 2020, the City's total assets and deferred outflows of resources were \$355 million and total liabilities and deferred inflows of resources were \$156.1 million, resulting in net position of \$198.9 million. The majority of the City's net position is invested in capital assets or restricted for specific purposes.
- The City's total net position decreased by \$2.3 million primarily due to new debt issuance under governmental activities.
- The City's long-term liabilities of \$131.1 million increased by \$22.8 million, due to the issuance of new debt to finance local street improvements city-wide. The long-term liabilities comprise of \$39.8 million of outstanding bonded debt to fund various capital improvements of governmental and enterprise activities; \$3.9 million outstanding debt issued to finance the acquisition of capital assets (light poles) and their subsequent retrofit to energy saving fixtures; \$54.9 million of net pension liability; and \$32.5 million of net other post-employment benefit liability.
- The total of the City's capital assets at the end of fiscal year amounted to \$204.9 million. Out of this amount \$29.3 million, 14%, are non-depreciable assets, and \$175.6 million are depreciable capital assets. Significant portion of the capital assets are infrastructure assets that have been funded through various funding sources since the City's incorporation.

Short-term Financial Resource (Fund) Focus:

- At the close of current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$98.3 million, an increase of \$27.2 million; approximately \$13.1 million of this balance is unassigned.
- At June 30, 2020, the General Fund balance was \$25 million, a decrease of \$1.1 million or 4.2% from prior year. The unassigned fund balance remained practically unchanged.
- The actual General Fund revenues and transfers in totaled \$49.7 million remained consistent with prior year results, and exceeded the final budgetary estimates by \$1.9 million.
- The actual General Fund expenditures and transfers out of \$50.8 million, an increase of \$3 million from the prior year, and were \$1.8 million under the final budget of \$52.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Norwalk's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of private-sector business. These statements are reported on the full accrual basis of accounting. Thus, revenues and expenses are reported for some items that will not affect cash flows until future periods.

The Government-wide Financial Statements separate Governmental Activities that are principally supported by taxes and revenues from other agencies, from Business-type Activities that are intended to recover all, or a significant portion of their costs, through user fees and charges. The Governmental Activities of the City include General Government, Public Safety, Urban Development, Public Works, Culture and Leisure and Health and Welfare. The City's Business-type activities include Water Utility Services, Sewer Services, and Transit System.

The Government-wide Financial Statements include not only the City, but also, all legal entities for which the City is financially accountable. Accordingly, the financial information for the City's Housing Authority (HA) and the Norwalk Community Facilities Financing Authority are included as integral part of the City's financial statements and reported as blended component unit. The Successor Agency to the Norwalk Redevelopment Agency is reported under fiduciary funds.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, liabilities and deferred inflows of resources; the difference between the four is reported as net position. These assets include infrastructure and all assets previously included in the General Fixed Asset Account Group. The liabilities include all obligations previously reported in the General Long Term Debt Account Group. Evaluating increases or decreases in net position over time will serve as a useful indicator of whether the financial position of the City is improving or declining.

The Statement of Activities presents information on the net cost of each governmental function (activity) during the fiscal year. This statement also identifies the amount of general revenues needed to fully fund each governmental function.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds (General Fund, Special Revenue, Debt Service and Capital Projects Funds) are used to account for the same functions reported as Governmental Activities in the Government-wide Financial Statements. However, unlike Government-wide Financial Statements, Fund Financial Statements focus on short-term inflows and outflows of spendable resources. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. This information may be useful in evaluating the City's short-term financing requirements.

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The governmental funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, require a reconciliation to facilitate the comparison between fund statements and the government-wide statements. This reconciliation is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. The reconciliation can be found on pages 31 and 35, immediately following the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

Proprietary Funds are Enterprise and Internal Service Funds. The City uses an Enterprise Fund to account for its Water Utility Services, Sewer Services, and Transit System. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses Internal Service Fund to allocate fleet maintenance and medical and workers' compensation insurance costs.

The proprietary fund statements provide information for the Water, Sewer and Transit funds. All of the Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary Funds are not reflected in the government-wide and primary governmental fund financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary Funds are reported in the financial section.

Notes to the Financial Statements: The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's changes in the net pension liability and related ratios, and contributions to the CalPERS pension plans, annual money-

weighted rate of return on investment - OPEB, changes in the net OPEB liability and related ratios, schedule of contributions - OPEB and information on the budget to actual comparisons for major funds.

The other supplementary information provides combining statements that were referred to earlier in connection with the non-major governmental funds, the non-major proprietary funds and the Internal Service funds. The inclusion of the Statistical Section provides useful historical trend data on the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position - Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position for the year ended June 30, 2020 is shown in Table 1.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 117,801	\$ 90,844	\$ 20,997	\$ 18,522	\$ 138,798	\$ 109,366
Capital assets	144,357	151,387	60,503	60,484	204,860	211,871
Total assets	262,159	242,230	81,499	79,006	343,658	321,237
Deferred outflows of resources	8,293	9,025	3,048	3,298	11,341	12,324
Liabilities:						
Long-term liabilities	99,032	76,237	32,019	31,345	131,051	107,582
Other liabilities	17,645	16,069	2,924	3,269	20,569	19,338
Total liabilities	116,677	92,306	34,943	34,614	151,620	126,920
Deferred inflows of resources	2,573	3,050	1,859	2,332	4,432	5,382
Net position:						
Net investment in capital assets	134,168	140,419	51,994	51,929	186,161	192,348
Restricted	49,364	41,214	-	-	49,364	41,214
Unrestricted	(32,331)	(25,734)	(4,249)	(6,570)	(36,579)	(32,304)
Total net position	\$ 151,201	\$ 155,899	\$ 47,745	\$ 45,359	\$ 198,946	\$ 201,258

The City's Government-wide total net position was \$198.9 million, with total assets and deferred outflows of resources of \$355 million, liabilities and deferred inflows of resources of \$156.1 million. The net investment in capital assets was \$186.2 million. Another portion of the City's net position, \$49.4 million, represents resources that are subject to external restrictions in how they may be used. The remaining negative balance of \$36.6 million resulted from long-term liabilities, including bond indebtedness, pension and other post-employment benefit liabilities.

City of Norwalk
Management's Discussion and Analysis
June 30, 2020

Table 2
Changes in Net Position
(in thousands)

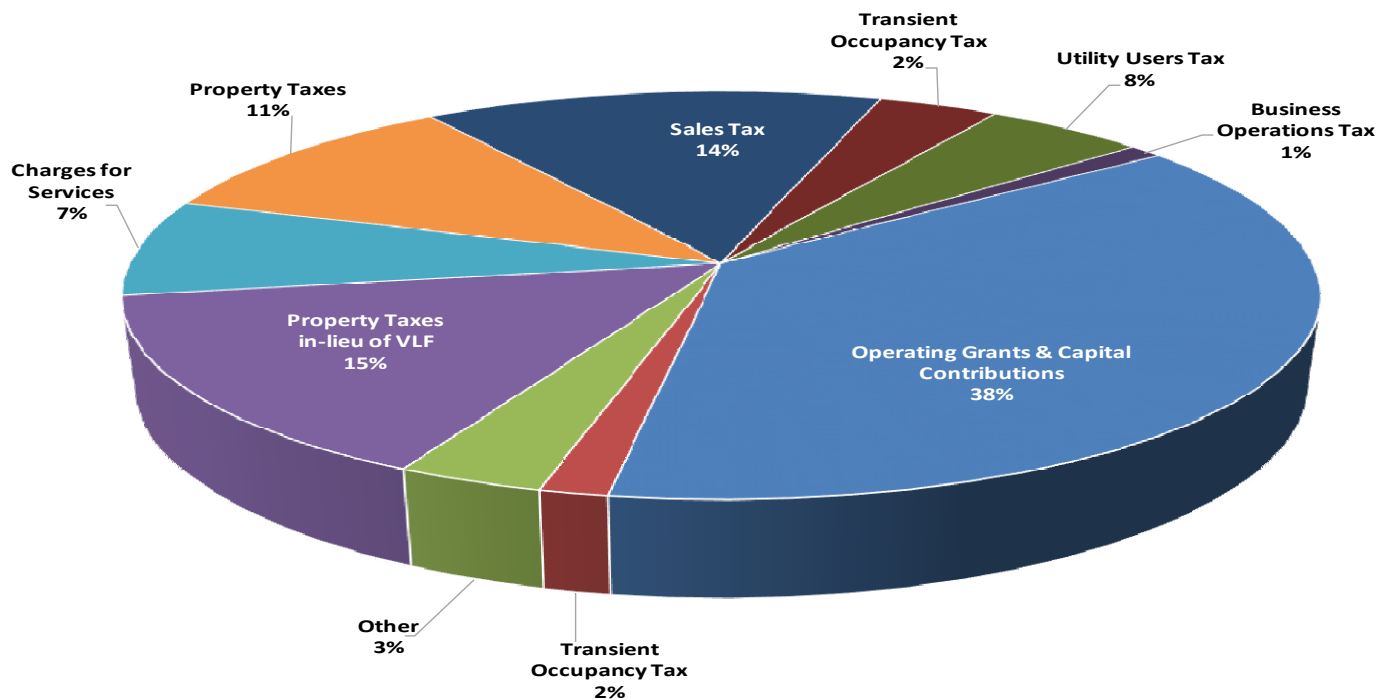
	Governmental Activities		Business-type activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 6,210	\$ 7,146	\$ 9,721	\$ 9,878	\$ 15,930	\$ 17,024
Operating grants and capital contributions	30,402	26,384	12,652	10,020	43,053	36,404
Capital grants and contributions	656	176	2,314	1,598	2,970	1,774
General Revenues:						
Taxes:						
Sales taxes	11,916	12,493			11,916	12,493
Property taxes	8,750	8,115			8,750	8,115
Property tax in-lieu of VLF	12,296	11,646			12,296	11,646
Utility users taxes	4,228	4,462			4,228	4,462
Business operations taxes	875	911			875	911
Transient occupancy taxes	1,328	1,672			1,328	1,672
Franchise Fee	3,128	3,011			3,128	3,011
Investment income	2,845	2,893	355	345	3,201	3,238
Total Revenues	82,635	78,910	25,042	21,841	107,677	100,750
Expenses:						
General government	12,355	11,265	-	-	12,355	11,265
Public safety	18,548	16,840	-	-	18,548	16,840
Urban development	4,901	5,164	-	-	4,901	5,164
Public works	25,197	23,969	-	-	25,197	23,969
Culture and leisure	4,648	4,895	-	-	4,648	4,895
Health and welfare	18,099	15,790	-	-	18,099	15,790
Interest and fiscal charges	1,094	563	-	-	1,094	563
Bond issue costs	387	-	-	-	387	-
Transit	-	-	17,684	15,905	17,684	15,905
Water	-	-	5,179	5,343	5,179	5,343
Sewer	-	-	1,898	3,158	1,898	3,158
Total Expenses	85,228	78,485	24,761	24,405	109,989	102,891
Excess (deficiency) of revenues over expenditures	(2,593)	424	281	(2,565)	(2,312)	(2,140)
Transfers	(2,105)	(2,083)	2,105	2,083	-	-
Change in net position	(4,698)	(1,659)	2,386	(482)	(2,312)	(2,140)
Net position - beginning of year	155,899	157,558	45,359	45,841	201,258	203,399
Net position - ending of year	\$ 151,201	\$155,899	\$ 47,745	\$ 45,359	\$ 198,946	\$ 201,258

Governmental Activities

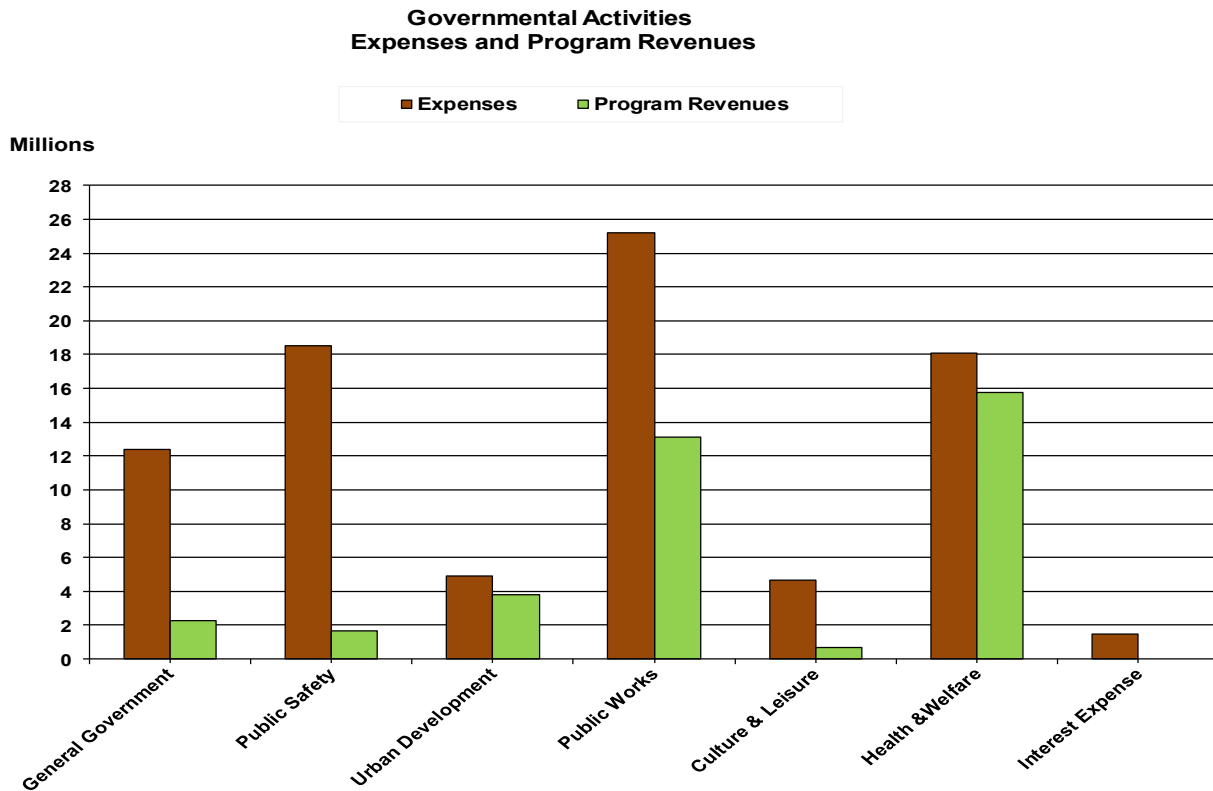
Revenues for the City's governmental activities increased \$3.7 million or 4.7%, from \$78.9 million last fiscal year to \$82.6 million. Key elements of significant changes are as follows:

- Operating grants and capital contributions at \$30.4 million, increased \$4 million, or 15%, from the preceding fiscal year. This increase can be attributed to additional funding for programs, such as low-moderate housing, childcare and senior nutrition.
- Capital grants and contributions increased \$0.5 million and were used to fund capital projects city-wide.
- Property value derived revenues, such as property tax in lieu of vehicle license fees and no/low property taxes, increased by a combined total of \$1.2 million.
- Due to the negative financial impact of the COVID-19 pandemic, the remainder of governmental revenues declined from previous fiscal year by combined total of \$2 million. Decreases were recorded in the following categories; charges for City services (\$0.9 million), sales tax (\$0.6 million), transit occupancy tax (\$0.3 million) and utility user tax (\$0.2 million) categories.

Governmental Activities - Revenues by Source



The cost of all governmental activities was \$85.2 million. Program revenues funded \$37.3 million, or 44% of governmental activities. The remaining portion of governmental activities was paid with general revenues.



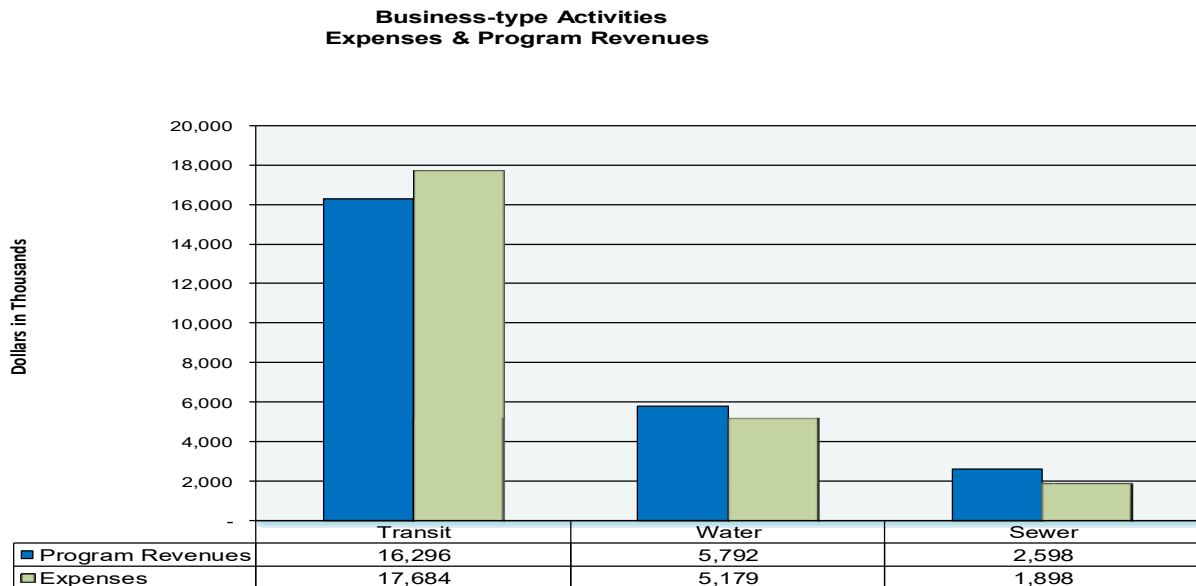
- Public Works, was the largest category of governmental activities, at \$25.2million, it represented 30% of the total expenses; increasing \$1.2 million from the prior fiscal year. The increase in current year expense is related to additional capital projects and decrease in special revenue offsets. Program revenues funded approximately \$13.1 million of public works expenses.
- Public Safety expense category was the second largest at \$18.5 million, or 22% of governmental activities, of which approximately \$1.6 million was funded with program revenues. Expenses for this category increased by \$1.7 million, or 10% from the prior fiscal year due to increases in the Los Angeles County Sheriff's contract (\$0.8 million), homeless prevention activities (\$0.3 million), and expense related to the City's response to the COVID-19 pandemic (\$0.7 million).
- Health and Welfare was the third largest expense category. During fiscal year ended June 30, 2020, these expenses represented \$18.1 million, or 21% of governmental activities. Approximately \$15.8 million was funded with program revenues. Expenses increased from the preceding fiscal year by \$2.3 million, or 15%, primarily due to new senior nutrition program and additional funding received for child development programs.

- General Government, the fourth largest category of governmental activities, recorded expenses at \$12.4 million; it represented 14% of total governmental expenses. Program revenues funded \$2.3 million. Expenses in this category recorded an increase of \$1.1 million, or 10%. This increase is largely due to the additional debt service payments of \$1.8 million, for July 2019 bond issuance.
- Urban Development was the fifth largest governmental activity with \$4.9 million in expenses, or 6% of governmental activities. Approximately \$3.8 million was funded with program revenues. Expenses increased \$1.2 million from the prior fiscal year and are related to increases in Housing and Community Development programs.

Business-type Activities

The City's business type activities are Transit, Water, and Sewer. As of June 30, 2020, total net position of Business-type activities was \$47.7 million, out of which, the unrestricted net position represented a negative \$4.2 million; net investment in capital assets represented \$52 million. Total net position increased \$2.4 million.

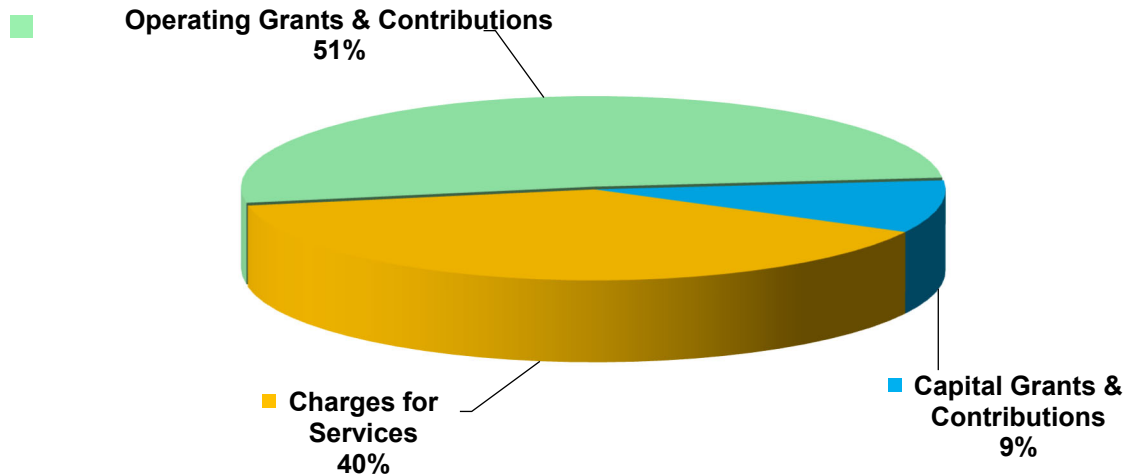
The graph below presents the costs of business activities and associated program revenues.



Total program revenues of Business-type activities were \$24.7 million, an increase of \$3.2 million, primarily due to additional funding under Transit activities.

As shown in the pie chart below, Charges for Services represent 40% of program revenues of Business-type activities. Water and Sewer are 100% funded through service charges. The Operating Grants and Contributions received by Transit represent 51% of the total program revenues received by Business-type activities.

Business-type Activities Revenue by Source



Transit System

Total Transit System revenues of \$16.3 million, increased by \$3.1 million from the prior fiscal year. Charges for services of \$1.3 million, decreased by \$0.3 million due to lack of revenue collection during the COVID-19 pandemic. Operating grants and contributions were \$12.7 million, an increase of \$2.7 million, primarily due to new CARES Act funding of \$1.9 million, received from federal government to mitigate the impact of COVID-19 expenses. Capital grants and contributions of \$2.3 million recorded an increase of \$0.7 million needed to complete Transportation Center parking.

Total expenses of \$17.6 million recorded an increase of \$1.7 million, or 11%, from the previous fiscal year.

Transit's net position increased by \$0.7 million primarily due to additional federal, state and local grants.

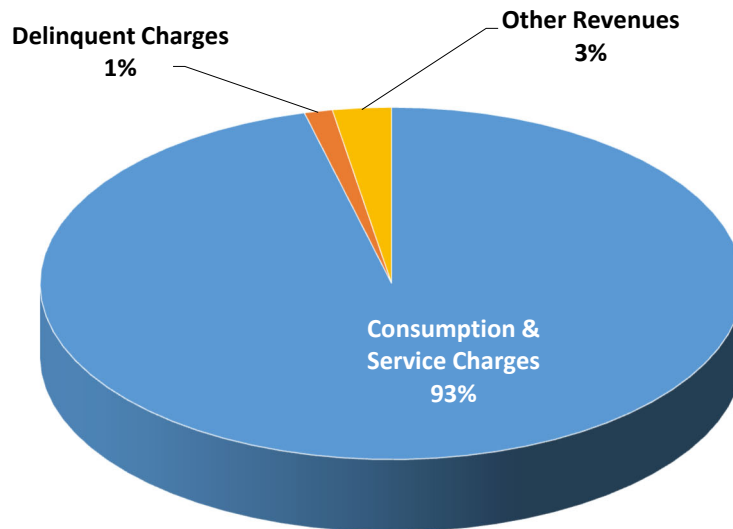
Water System

Revenues totaled \$5.9 million and expenses \$5.2 million, both consistent with the preceding fiscal year. As demonstrated in the chart below, consumption and service charges at \$5.7 million represented 96% of total revenues.

Water Fund total net position of \$16.6 million increased \$0.8 million from the prior fiscal year.

Additional information about water sources, service connections, charges for services, top ten largest customers, as well as historic balance sheets, and operating results is detailed under the statistical section of this report.

Water Total Revenues - \$5,937,532



Sewer

In fiscal year 2019-20, operating revenues totaled \$2.6 million, while operating expenses were \$1.9 million. Total net position of the Sewer Fund is \$25.2 million, out of which, \$7.2 million is unrestricted.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. In compliance with GASB No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” which establishes accounting and financial reporting standards for all governments that report governmental funds, fund balances are classified into fund balance information. It hopes to provide more transparent fund balance information and improve the comparability of governmental fund financial statements. With the implementation of GASB No. 54, the City’s governmental funds fund balances are classified into *nonspendable, restricted, committed, assigned and unassigned*. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. These *spendable* resources are *restricted, committed, assigned and unassigned* fund balances. Detailed discussion of each fund classifications can be found under the Notes to Financial Statements.

As of the end of the current fiscal year, the City of Norwalk reported a combined ending Governmental Funds fund balance of \$98.3 million, an increase of \$27.2 million, or 38.2%, from the prior year's combined fund balance of \$71.1 million.

The nonspendable portion of Governmental Funds fund balance totaled \$6.5 million, a decrease of \$1 million or 13% from last year.

Total restricted fund balance was \$73.4 million, an increase of \$29 million. The restricted balance comprises of \$15.5 million under Special Revenue Funds, restricted by their funding nature; \$53.4 million is restricted for Capital Projects, \$1.2 million for Debt Service; and \$3.3 million for pension stabilization fund.

Total committed fund balance was \$4.8 million: \$4.6 million to finance replacement of City assets, \$0.1 million to fund parking structure operations and \$0.1 million is committed to cover increases in pension cost.

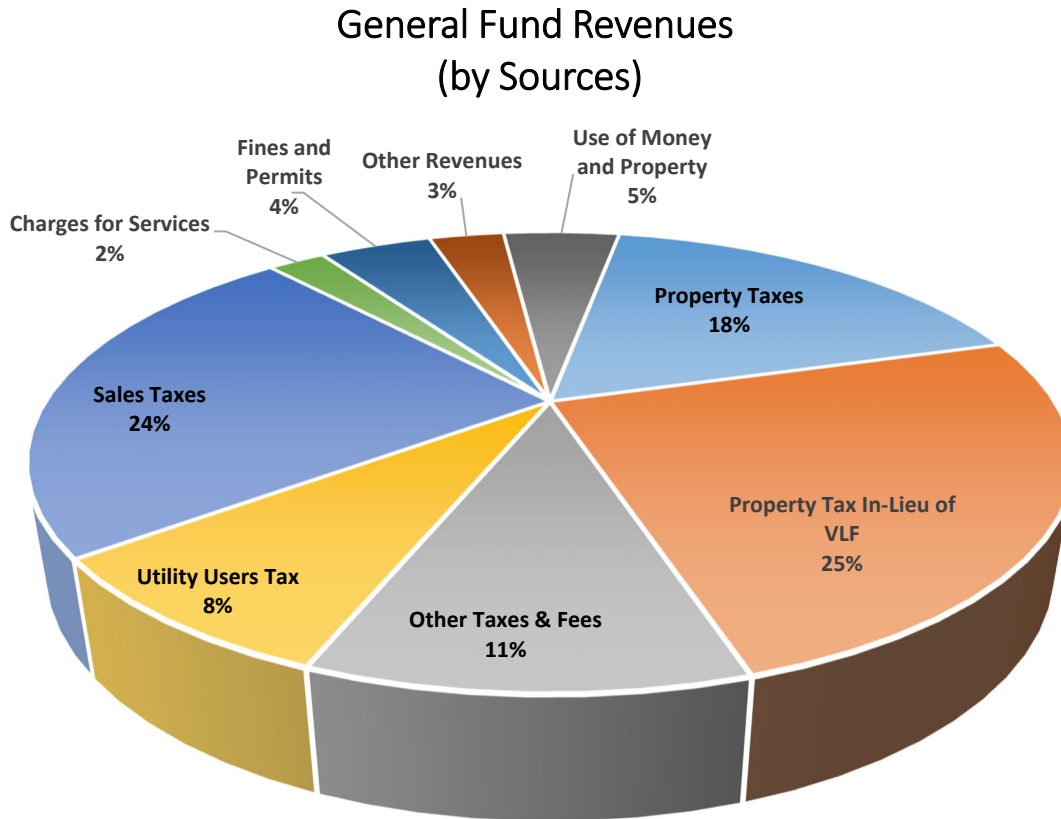
The City assigned \$0.5 million for future capital improvement projects. The combined unassigned fund balance of Governmental Funds is \$13.1 million and is available for spending to meet the future needs of the City.

Revenues of governmental funds for the fiscal year ended June 30, 2020 were \$83.2 million. This is an increase of \$3.8 million, or 4.9%, from the prior fiscal year's total of \$79.4 million. The primary contributors to this increase are: intergovernmental revenues (\$4.2 million) and use of money and property (\$0.4 million), which are offset by declines in other revenue sources including fines (\$0.2 million, charges for services (\$0.3 million) and other revenues (\$0.4 million). The significant increase in intergovernmental revenues resulted from addition funding received for programs such as low-moderate housing, childcare and senior nutrition.

Expenditures of governmental funds were \$77.5 million. This is an increase of \$3 million, or 4.1% from the prior fiscal year. This overall increase in expenditures are attributed to combination of increases under child care programs, \$1.2 million; Los Angeles County Sheriff's services, \$0.8 million; senior nutrition programs, \$0.6 million, and the mitigation cost to COVID-19 pandemic, \$0.7 million.

The General Fund is the principal operating fund of the City. It is used to account for all discretionary revenues and expenditures necessary to carryout basic government functions that are not accounted for through other special revenue and grant funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14.7 million, assigned fund balance was \$0.5 million, restricted fund balance \$3.3 million, non-spendable fund balance was \$6.4 million, while committed fund balance was \$0.1 million. These resulted in total General fund balance of \$25.0 million. The key factors affecting the General Fund's financial position are as follows:

General Fund revenues and transfers in totaled \$49.7 million, a decrease of \$0.2 million or 0.4%, from the prior year's total of \$49.9 million.



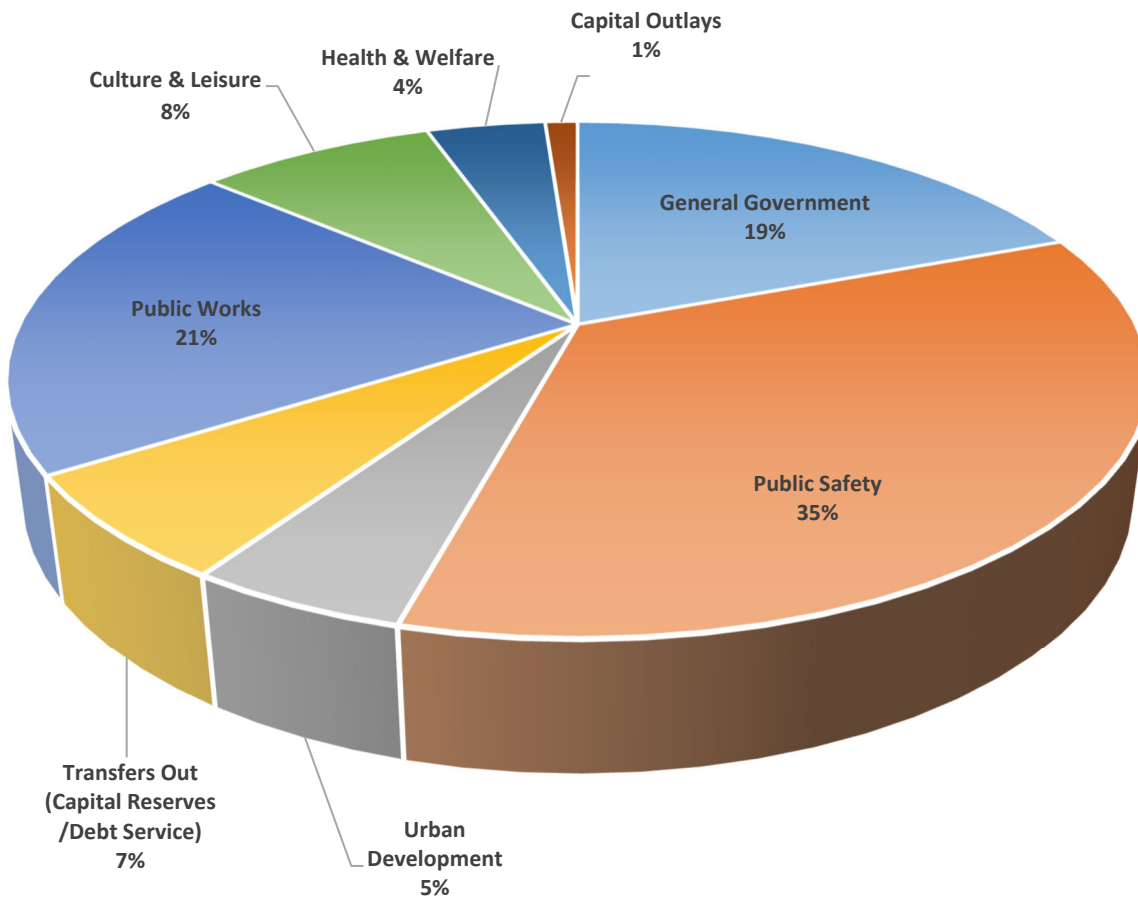
Taxes and franchise fees represent 86% of the General Fund revenues and are the largest revenue source. They include following categories: sales tax, property tax in-lieu of vehicle license fees (VLF), property taxes, utility users' tax and other taxes and fees.

- Property tax in-lieu of VLF represented the largest revenue source at \$12.3 million, or 25% of General Fund revenues. This revenue source increased \$0.6 million, 6%, from fiscal year 2019. The increase in property tax in-lieu of VLF is due to the increased property values within the City.
- The second largest revenue source, 24% of General Fund revenues, was sales tax at \$11.9 million. This is a decrease of \$0.6 million, or 5%, from fiscal year 2019 resulted from the economic downturn caused by COVID-19 pandemic.
- Property taxes came in third at \$8.7 million, representing 18% of the General Fund revenues, an increase of \$0.6 million, from last year's total. City receives No/Low property tax, property tax apportionment from the Los Angeles County for the former South-East Recreation Park Area, and taxes generated by the former redevelopment agencies. Each of these components recorded a slight increase in revenue from prior fiscal year.

- Other taxes and franchise fees were the fourth largest revenue source at \$5.3 million, or 11% of General Fund revenues. These revenues decreased \$0.3 million or 5% from the prior year. Although franchise fees increased, the overall decrease of this category can be attributed to the loss of business and transient occupancy tax resulting from COVID-19 pandemic health orders and restrictions.
- Utility users tax came in fifth at \$4.2 million or 9% of the total General Fund revenues, a decrease of \$0.2 million from last year's total. The City collects utility user tax based on the consumption of utility services such as electricity, gas, telephone, and wireless services. The major decline in utility user tax collection was recorded under telecommunication category.

General Fund expenditures and transfers out totaled \$50.7 million, an increase of \$3 million, or 6%, from the prior year's total of \$47.7 million.

GENERAL FUND EXPENDITURES BY FUNCTION



Expenditures by function from highest to lowest are summarized as follows:

- Public Safety was the largest General Fund function at \$17.8 million, or 35% of General Fund expenditures and transfers out, an increase of \$1.5 million, or 9%, from the preceding fiscal year. This increase is related to the rising cost of Los Angeles County Sheriff's contract, \$0.8 million, expenses related to the COVID-19 response, \$0.5 million, and homeless prevention services \$0.1 million.
- Public Works ranked second at \$10.5 million, or 21% of the General Fund expenditures and transfers out. This category decreased \$0.5 million or 5% from prior year. This change can be attributed to decreased street light utilities cost, related to the LED retrofit project (\$0.2 million) and homeless services (\$0.2 million).
- General Government (City Council, City Commissions, Administration, City Attorney, Management Services, Public Affairs, Cable TV, City Clerk's Office, Human Resources and Risk Management, Finance, and Management Information Systems) was the third largest General Fund function at \$9.7 million, or 19%, of the General Fund expenditures and transfers out. This is an increase of \$0.8 million from prior year. This increase is primarily due to the following factors; 2020 local election (\$0.2 million), city wide liability insurance (\$0.2 million); and City's legal expenditures (\$0.1 million).
- The Culture and Leisure expenditures represented the fourth largest expenditure category at \$4.2 million, or 8%, of the General Fund expenditures and transfers out. This category decreased \$0.2 million or 4% from the prior fiscal year, as programs and events had to be canceled due to COVID-19 restrictions.

Housing and Community Development Special Revenue Fund accounts for the City's entitlements of the Federal Community Development Block Grant (CDBG) and HOME program. The U.S. Department of Housing and Urban Development (HUD) provides annual allocations of CDBG and HOME funds that can be used to revitalize neighborhoods, prevent or eliminate slums or blight, expand affordable housing and economic opportunities, and improve community facilities and services, principally to benefit low and moderate income households.

In fiscal year 2019-20, CDBG received entitlement grant in the amount of \$1.7 million and program income (proceeds of repayments of HUD funded loans) of \$0.1 million. In addition, the City also received HOME grant entitlement in the amount of \$334 thousand, and the program income generated by the repayment of HOME funded loans, \$110 thousand.

The City expended \$1.9 million of CDBG funds on 16 activities. HOME expenditures totaled \$443 thousand for the year, out of which \$26 thousand was spent for home repairs.

Debt Service Fund accounts for payment of the City's general long term debt. During fiscal year 2019-20, the City issued sales tax revenue bonds, Series A and Series B, in the amount of \$10.4 million and \$9.3 million, pledging measure M and measure R revenues, respectively. The combined premium on the bond issuance was \$3.9 million. In fiscal year 2019-20, the new debt issuance increased the City's debt service expenditure by \$2.2 million. The bond proceeds were transferred to Special Projects

Capital Projects Funds, and will be used to pay for local street improvements. Detail on the City's long term debt can be found in Note 7.

Special Projects Capital Projects Funds account for construction of city wide street improvements, which are funded by bond proceeds, loans, federal and county grants. Change in fund balance was a net increase of \$21.6 million, which can be attributed to the transfer in of 2019 sales tax revenue bond proceeds, \$23.6 million, and expenditures for 16 projects in progress, \$1.6 million and the completion of the street lights LED retrofit project, \$1.3 million funded by a private loan.

Other Federal Grants Capital Projects Funds account for 11 traffic mitigation projects funded by federal grants. The fund balance increase of \$0.4 million is due to completion and receipt federal reimbursement for Foster Road side panel improvement project.

General Fund Budgetary Highlights

The following table displays the General Fund's original budget, final budget and actual results for 2020 revenues and expenditures. Actual revenues were \$1.9 million, 4% higher, than the City's final budget of \$47.7 million. Expenditures were lower by \$1.8 million than the final budget of \$49.3 million, or 4% under budget. The budget savings were realized under: personnel costs (\$1.3 million), capital outlay (\$137 thousand), capital projects (\$102 thousand), and other operating cost (\$269 thousand).

The fiscal year 2020 budget was revised in May to reflect the anticipated revenue shortfalls and related cost saving measures implemented in response to COVID-19 pandemic. The final revenue and expenditure budgets reflect a decrease of \$2.6 million and \$2.8 million respectively, (5%) from the original budget estimates.

Table 3
General Fund Budgetary Comparison
(in thousands)

	Original Budget	Final Budget	Actual Amount
Revenues	\$ 50,358	\$ 47,719	\$ 49,639
Expenditures	(52,056)	(49,297)	(47,417)
Other Financing Sources (Uses):			
Transfers in	22	22	11
Transfers out	(3,299)	(3,299)	(3,338)
Net Change in Fund Balance	\$ (4,975)	\$ (4,855)	\$ (1,105)

Capital Assets and Debt Administration

Capital Assets. The City's investment in a broad range of capital assets for Governmental and Business-type Activities decreased \$7 million, or 3%, mainly due to current year depreciation. As of June 30, 2020 capital assets net depreciation totaled \$204.9 million.

Table 4
Capital Assets – Net of Depreciation
June 30, 2020 and 2019

	Governmental Activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Capital assets not being depreciated:						
Land	\$ 6,964,636	\$ 6,964,636	\$ 23,125	\$ 23,125	\$ 6,987,761	\$ 6,987,761
Construction in progress	7,114,132	6,201,944	6,799,080	5,801,217	13,913,212	12,003,161
Water rights	-	-	8,396,581	8,396,581	8,396,581	8,396,581
Total capital assets not being depreciated	14,078,768	13,166,580	15,218,786	14,220,923	29,297,554	27,387,503
Capital assets being depreciated:						
Buildings and improvements	53,071,945	52,354,650	15,206,546	13,111,819	68,278,491	65,466,469
Distribution system	-	-	15,856,319	15,856,319	15,856,319	15,856,319
Machinery and equipment	6,863,505	7,011,880	-	-	6,863,505	7,011,880
Office equipment	-	-	853,739	848,773	853,739	848,773
Vehicles	-	-	18,064,337	19,160,074	18,064,337	19,160,074
Tools and equipment	-	-	2,425,477	2,408,414	2,425,477	2,408,414
Infrastructure	281,120,842	280,558,796	47,635,392	47,408,051	328,756,234	327,966,847
Miscellaneous	-	-	133,118	144,559	133,118	144,559
Total capital assets being depreciated	341,056,292	339,925,326	100,174,928	98,938,009	441,231,220	438,863,335
Less: Total accumulated depreciation	(210,777,664)	(201,705,063)	(54,891,181)	(52,675,041)	(265,668,845)	(254,380,104)
Net Capital Assets, being depreciated	130,278,628	138,220,263	45,283,747	46,262,968	175,562,375	184,483,231
Net Capital Assets	\$144,357,396	\$ 151,386,843	\$ 60,502,533	\$60,483,891	\$204,859,929	\$ 211,870,734

Additional information on the City's capital assets can be found in Note 6 of the Notes to the Basic Financial Statements.

Non-Current Liabilities. At June 30, 2020, the City had \$134.3 million in outstanding long-term liabilities for governmental and business-type activities.

**Table 5
Non-Current Liabilities as of June 30, 2020 and 2019**

(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 2,621	\$ 2,424	\$ 561	\$ 561	\$ 3,182	\$ 2,985
Other post-employment benefits	22,777	22,428	9,754	9,688	32,531	32,116
Lease payable	3,927	4,143	-	-	3,927	4,143
Bond indebtedness	31,459	10,357	8,335	8,555	39,794	18,912
Net pension liability	41,166	38,646	13,722	12,882	54,888	51,527
Total non current liabilities	<u>\$101,949</u>	<u>\$ 77,997</u>	<u>\$32,372</u>	<u>\$ 31,686</u>	<u>\$134,322</u>	<u>\$109,683</u>

The City's total non-current liabilities increased by \$23.9 million, or 31%, during fiscal year 2019-2020. The majority of this decrease can be attributed to the 2019 street bond issuance (\$19.7 million) net pension liabilities, \$2.5 million.

Additional information on the City's long-term liabilities can be found in Note numbers 7, 8 and 11 of the Notes to the Basic Financial Statements.

Economic Factors and Outlook for Next Fiscal Year

The City's finances and the ability to pay for essential services are heavily dependent on local economy and legislative actions of the Federal and State governments, as a substantial portion of the City's revenues are intergovernmental grants and pass-through revenues.

The latest "California Fiscal Outlook", published by the State of California Legislative Analyst Office (LAO) in November 2020 states that the State will face unprecedented amount of uncertainty about its economic future. Even though the State will have the estimated \$26 billion windfall of one-time revenues in fiscal year 2021-22, the State will have a slight deficit in the same year. In the upcoming three years, the General Fund operating deficit will grow to around \$17 billion in fiscal year 2024-25, as the growth of operating expenditures is expected to continue outpacing the growth of revenues.

The City will continue to monitor Federal and State budget development as they affect a substantial portion of the City's intergovernmental funding sources.

The City adopted fiscal year 2020-21 operating budget, which is both balanced and fiscally responsible. This spending plan maintains essential services to the community and continues to provide funding to stimulate local economy through various economic development, infrastructure improvement and beautification projects throughout the City.

The key assumptions for the General Fund fiscal year 2020-21 Budget are:

- The adopted operating budget is balanced with no use of available reserves. The available fund balance is planned to be used for one-time expenditures: special studies, capital outlays, capital projects, transfers to capital reserve funds, and contributions to post-employment benefit irrevocable trust fund. 2020-21 Budget maintains General Fund reserves within the City's reserve policy, at 20% of operating expenditures.
- The General Fund Unassigned Budgetary Fund Balance is projected to be \$11.6 million as of June 30, 2021. This amounts represent 24% of the operational & minor capital outlays expenditures.

The following table summarizes the General Fund 20-21 Adopted Budget.

General Fund Balance	Budget 2021
Unassigned Balance, Start of Year	12,619,403
Assigned CIP Balance	129,675
Change in Reserve Balances	640,076
Available Beginning Balance, Start of Year	13,389,154
Estimated Revenues	53,195,955
Less Expenditures:	
Operations	48,008,032
Minor Capital Outlays	253,560
Capital Improvement Projects	129,675
Other Uses (Transfers to Debt Service, Reserves, Post-Employment Benefits Trust)	6,612,154
Estimated Uses	55,003,421
Estimated Fund Balance, June 30, 2021	11,581,688

In light of COVID-19 financial uncertainty, staff will present to the City Council quarterly budget reviews ensuring that the operating expenditures remain within the City's available resources.

Request for Information

This financial report is designed to provide a general overview of the City of Norwalk's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Norwalk, Finance Department, 12700 Norwalk Blvd., Norwalk, California, 90650, or by phone at (562) 929-5750.

BASIC FINANCIAL STATEMENTS

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City of Norwalk
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 64,461,126	\$ 19,313,131	\$ 83,774,257
Cash and investments with fiscal agents	25,584,964	11	25,584,975
Cash and investments held by trust for pension	3,250,800	-	3,250,800
Accounts receivable	1,234,847	1,043,877	2,278,724
Interest receivable	901,334	-	901,334
Other receivables	16,327	-	16,327
Due from other governments	5,105,487	2,775,932	7,881,419
Due from Successor Agency	37,818	-	37,818
Advances to Successor Agency	7,462,894	-	7,462,894
Internal balances	2,287,382	(2,287,382)	-
Inventory	90,811	139,055	229,866
Prepaid items and deposits	118,441	11,958	130,399
Loans receivable	7,248,496	-	7,248,496
Capital assets:			
Non-depreciable	14,078,768	15,218,786	29,297,554
Depreciable, net of accumulated depreciation	130,278,628	45,283,747	175,562,375
Total assets	<u>262,158,123</u>	<u>81,499,115</u>	<u>343,657,238</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts from OPEB plans	2,819,750	1,254,510	4,074,260
Deferred amounts from pension plans	5,380,122	1,793,375	7,173,497
Unamortized loss on bond defeasance	93,280	-	93,280
Total deferred outflows of resources	<u>8,293,152</u>	<u>3,047,885</u>	<u>11,341,037</u>
LIABILITIES:			
Accounts payable	6,136,316	882,064	7,018,380
Accrued expenses	112,685	405,990	518,675
Interest payable	115,268	39,852	155,120
Other liabilities	33,138	27,312	60,450
Due to other governments	8,261,333	-	8,261,333
Deposits payable	65,741	157,465	223,206
Unearned revenue	3,500	1,057,916	1,061,416
Noncurrent liabilities:			
Due within one year	2,917,072	353,240	3,270,312
Due in more than one year:			
Other long-term liabilities	35,088,934	8,543,354	43,632,288
Net OPEB liability	22,777,241	9,753,815	32,531,056
Net pension liability	41,166,026	13,722,010	54,888,036
Total liabilities	<u>116,677,254</u>	<u>34,943,018</u>	<u>151,620,272</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts from OPEB plans	1,671,187	1,558,509	3,229,696
Deferred amounts from pension plans	901,636	300,545	1,202,181
Total deferred inflows of resources	<u>2,572,823</u>	<u>1,859,054</u>	<u>4,431,877</u>
NET POSITION:			
Net investment in capital assets	134,167,737	51,993,634	186,161,371
Restricted:			
Pension	3,250,800	-	3,250,800
Public safety	283,788	-	283,788
Urban development	25,616,505	-	25,616,505
Public works	19,466,297	-	19,466,297
Public art	197,111	-	197,111
Culture & leisure	412,823	-	412,823
Health & welfare	136,907	-	136,907
Unrestricted	(32,330,770)	(4,248,706)	(36,579,476)
Total net position	<u>\$ 151,201,198</u>	<u>\$ 47,744,928</u>	<u>\$ 198,946,126</u>

See accompanying notes to basic financial statements.

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 12,354,750	\$ 2,045,607	\$ 193,755	\$ -
Public safety	18,547,657	1,161,698	479,288	-
Urban development	4,900,668	1,600,287	2,184,289	-
Public works	25,195,617	461,959	12,025,897	655,852
Culture and leisure	4,647,732	600,466	80,457	-
Health and welfare	18,099,438	339,588	15,438,214	-
Interest expense	1,094,395	-	-	-
Bond issue costs	386,656	-	-	-
Total governmental activities	85,226,913	6,209,605	30,401,900	655,852
Business-type activities:				
Transit system	17,684,192	1,330,197	12,651,585	2,314,285
Water	5,178,873	5,792,198	-	-
Sewer	1,898,276	2,598,408	-	-
Total business-type activities	24,761,341	9,720,803	12,651,585	2,314,285
Total primary government	\$ 109,988,254	\$ 15,930,408	\$ 43,053,485	\$ 2,970,137

General revenues:

Taxes:

Property taxes

Utility users taxes

Business operation taxes

Transient occupancy taxes

Franchise fees

Unrestricted intergovernmental

Intergovernmental revenue - sales taxes

Investment income

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning of year

Net position - end of year

City of Norwalk
Statement of Activities
For the year ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (10,115,388)	\$ -	\$ (10,115,388)
(16,906,671)	-	(16,906,671)
(1,116,092)	-	(1,116,092)
(12,051,909)	-	(12,051,909)
(3,966,809)	-	(3,966,809)
(2,321,636)	-	(2,321,636)
(1,094,395)	-	(1,094,395)
<u>(386,656)</u>	<u>-</u>	<u>(386,656)</u>
<u>(47,959,556)</u>	<u>-</u>	<u>(47,959,556)</u>
-	(1,388,125)	(1,388,125)
-	613,325	613,325
<u>-</u>	<u>700,132</u>	<u>700,132</u>
<u>-</u>	<u>(74,668)</u>	<u>(74,668)</u>
<u>(47,959,556)</u>	<u>(74,668)</u>	<u>(48,034,224)</u>
8,750,465	-	8,750,465
4,228,417	-	4,228,417
874,725	-	874,725
1,328,356	-	1,328,356
3,128,272	-	3,128,272
12,295,865	-	12,295,865
11,916,110	-	11,916,110
2,844,473	355,488	3,199,961
<u>(2,105,354)</u>	<u>2,105,354</u>	<u>-</u>
<u>43,261,329</u>	<u>2,460,842</u>	<u>45,722,171</u>
(4,698,227)	2,386,174	(2,312,053)
<u>155,899,425</u>	<u>45,358,754</u>	<u>201,258,179</u>
<u>\$ 151,201,198</u>	<u>\$ 47,744,928</u>	<u>\$ 198,946,126</u>

See accompanying notes to basic financial statements.

ASSETS	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund	Debt Service Fund
Assets:				
Cash and investments	\$ 14,819,358	\$ 317,385	\$ 1,530,170	\$ -
Cash and investments with fiscal agents	-	-	-	1,208,580
Cash and investments held by trust for pension	3,250,800	-	-	-
Accounts receivable, net	1,101,836	4,958	57,081	-
Interest receivable	271,409	629,925	-	-
Other receivable	16,327	-	-	-
Due from other funds	1,353,769	-	-	-
Due from other governments	2,420,945	79,287	12,686	-
Inventory	5,718	-	-	-
Prepaid items	65,105	-	-	-
Loans receivable	-	7,248,496	-	-
Due from Successor Agency	37,818	-	-	-
Advances to Successor Agency	7,462,894	-	-	-
Advances to other funds	2,287,382	-	-	-
Total assets	\$ 33,093,361	\$ 8,280,051	\$ 1,599,937	\$ 1,208,580
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 4,285,261	\$ 84,225	\$ -	\$ -
Due to other funds	-	-	172,826	-
Due to other governments	381,453	7,878,421	-	-
Advances from grantors	-	-	-	-
Deposits payable	-	-	65,741	-
Other liabilities	33,138	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	4,699,852	7,962,646	238,567	-
Deferred inflows of resources:				
Unavailable revenues	3,403,823	-	63,423	-
Total deferred inflows of resources	3,403,823	-	63,423	-
Fund balances (deficits):				
Nonspendable	6,417,276	-	-	-
Restricted	3,250,800	317,405	1,297,947	1,208,580
Committed	120,000	-	-	-
Assigned	481,865	-	-	-
Unassigned	14,719,745	-	-	-
Total fund balances (deficits)	24,989,686	317,405	1,297,947	1,208,580
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 33,093,361	\$ 8,280,051	\$ 1,599,937	\$ 1,208,580

See accompanying notes to basic financial statements.

**City of Norwalk
Balance Sheet
Governmental Funds
June 30, 2020**

Special Projects Capital Projects Funds	Economic Development Capital Projects Fund	Housing Successor Fund Capital Projects Fund	Other Federal Grants Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ 11,465,946	\$ 12,464,150	\$ -	\$ 23,381,969	\$ 63,978,978
24,376,384	-	-	-	-	25,584,964
-	-	-	-	-	3,250,800
-	-	-	-	70,972	1,234,847
-	-	-	-	-	901,334
-	-	-	-	-	16,327
-	-	-	-	-	1,353,769
754,727	-	-	114,084	1,723,758	5,105,487
-	-	-	-	-	5,718
-	-	-	-	42,350	107,455
-	-	-	-	-	7,248,496
-	-	-	-	-	37,818
-	-	-	-	-	7,462,894
-	-	-	-	-	2,287,382
<u>\$ 25,131,111</u>	<u>\$ 11,465,946</u>	<u>\$ 12,464,150</u>	<u>\$ 114,084</u>	<u>\$ 25,219,049</u>	<u>\$ 118,576,269</u>
\$ 578,284	\$ 15,776	\$ 11,010	\$ 8,623	\$ 864,358	\$ 5,847,537
654,692	-	-	106,080	420,171	1,353,769
-	-	-	-	1,459	8,261,333
-	-	-	-	-	-
-	-	-	-	-	65,741
-	-	-	-	-	33,138
-	-	-	-	3,500	3,500
<u>1,232,976</u>	<u>15,776</u>	<u>11,010</u>	<u>114,703</u>	<u>1,289,488</u>	<u>15,565,018</u>
684,991	-	-	114,084	446,884	4,713,205
<u>684,991</u>	<u>-</u>	<u>-</u>	<u>114,084</u>	<u>446,884</u>	<u>4,713,205</u>
-	-	-	-	42,350	6,459,626
24,376,384	11,450,170	12,453,140	-	19,034,891	73,389,317
-	-	-	-	4,713,257	4,833,257
-	-	-	-	-	481,865
(1,163,240)	-	-	(114,703)	(307,821)	13,133,981
<u>23,213,144</u>	<u>11,450,170</u>	<u>12,453,140</u>	<u>(114,703)</u>	<u>23,482,677</u>	<u>98,298,046</u>
<u>\$ 25,131,111</u>	<u>\$ 11,465,946</u>	<u>\$ 12,464,150</u>	<u>\$ 114,084</u>	<u>\$ 25,219,049</u>	<u>\$ 118,576,269</u>

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City of Norwalk
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Fund balances - total governmental funds		\$ 98,298,046
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred outflows of resources related to the loss on bond defeasance which is deferred and amortized over the life of the debt. This is reported as an expenditure of current financial resources in the governmental funds at the time of defeasance.		93,280
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		
Capital assets	\$ 355,135,060	
Accumulated depreciation	<u>(210,777,664)</u>	144,357,396
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(115,268)
Certain revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		4,713,205
Long-term liabilities applicable to the City 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 as of June 30, 2020 are:		
Compensated absences (this amount does not include \$176,763 of internal service fund compensated absences)	(2,443,834)	
Lease revenue bonds	(8,865,000)	
Sales tax bonds	(18,630,000)	
Lease payable	(3,926,804)	
Bond premiums	<u>(3,963,605)</u>	(37,829,243)
Pension and OPEB related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:		
Deferred outflows of resources related to OPEB	2,819,750	
Deferred inflows of resources related to OPEB	(1,671,187)	
Net OPEB liability	(22,777,241)	
Deferred outflows of resources related to pensions	5,380,122	
Deferred inflows of resources related to pensions	(901,636)	
Net pension liability	<u>(41,166,026)</u>	<u>(58,316,218)</u>
Net position of governmental activities		<u>\$ 151,201,198</u>

See accompanying notes to basic financial statements.

	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund	Debt Service Fund
Revenues:				
Taxes	\$ 42,522,210	\$ -	\$ -	\$ -
Licenses and permits	1,160,152	-	-	-
Fines, forfeitures and penalties	1,045,036	-	-	-
Use of money and property	1,470,873	740	2,166	18,100
Intergovernmental	392,748	2,028,241	8,371,728	-
Charges for services	1,127,003	-	-	-
Rental income	833,219	-	-	-
Other	1,087,707	171,953	23,500	-
Total revenues	<u>49,638,948</u>	<u>2,200,934</u>	<u>8,397,394</u>	<u>18,100</u>
Expenditures:				
Current:				
General government	9,706,075	-	-	4,907
Public safety	17,757,321	-	-	-
Urban development	2,626,238	1,678,977	-	-
Public works	10,469,417	-	-	-
Culture and leisure	4,189,241	-	-	-
Health and welfare	2,096,076	65,331	8,239,036	-
Capital outlay and improvement	572,727	507,285	-	-
Debt service:				
Bond issue costs	-	-	-	386,656
Principal retirement	-	-	-	2,371,127
Interest and fiscal charges	-	-	-	1,326,277
Total expenditures	<u>47,417,095</u>	<u>2,251,593</u>	<u>8,239,036</u>	<u>4,088,967</u>
Excess (deficiency) of revenues over expenditures	<u>2,221,853</u>	<u>(50,659)</u>	<u>158,358</u>	<u>(4,070,867)</u>
Other financing sources (uses):				
Issuance of debt	-	-	-	19,685,000
Bond premium	-	-	-	3,888,838
Transfers in	10,608	-	-	3,701,073
Transfers out	(3,337,936)	-	-	(23,187,181)
Total other financing sources (uses)	<u>(3,327,328)</u>	<u>-</u>	<u>-</u>	<u>4,087,730</u>
Change in fund balances	(1,105,475)	(50,659)	158,358	16,863
Beginning fund balances (deficits)	<u>26,095,161</u>	<u>368,064</u>	<u>1,139,589</u>	<u>1,191,717</u>
Ending fund balances (deficits)	<u>\$ 24,989,686</u>	<u>\$ 317,405</u>	<u>\$ 1,297,947</u>	<u>\$ 1,208,580</u>

City of Norwalk
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2020

Special Projects Capital Projects Funds	Economic Development Capital Projects Fund	Housing Successor Fund Capital Projects Fund	Other Federal Grants Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,522,210
-	-	-	-	-	1,160,152
-	-	-	-	-	1,045,036
259,007	452,200	468,713	-	479,387	3,151,186
1,127,414	-	-	985,928	18,533,279	31,439,338
-	-	-	-	633,791	1,760,794
-	-	-	-	316	833,535
-	-	-	-	34,088	1,317,248
<u>1,386,421</u>	<u>452,200</u>	<u>468,713</u>	<u>985,928</u>	<u>19,680,861</u>	<u>83,229,499</u>
-	-	-	-	463,262	10,174,244
-	-	-	-	389,622	18,146,943
-	-	92,378	-	3,789	4,401,382
1,633,755	-	-	-	3,163,889	15,267,061
-	-	-	-	20,335	4,209,576
-	-	-	-	7,348,800	17,749,243
1,310,152	112,505	21,340	100,509	856,029	3,480,547
-	-	-	-	-	386,656
-	-	-	-	-	2,371,127
-	-	-	-	-	1,326,277
<u>2,943,907</u>	<u>112,505</u>	<u>113,718</u>	<u>100,509</u>	<u>12,245,726</u>	<u>77,513,056</u>
<u>(1,557,486)</u>	<u>339,695</u>	<u>354,995</u>	<u>885,419</u>	<u>7,435,135</u>	<u>5,716,443</u>
-	-	-	-	-	19,685,000
-	-	-	-	-	3,888,838
23,187,181	-	265,731	-	1,932,772	29,097,365
(34,803)	-	-	(435,941)	(4,206,858)	(31,202,719)
<u>23,152,378</u>	<u>-</u>	<u>265,731</u>	<u>(435,941)</u>	<u>(2,274,086)</u>	<u>21,468,484</u>
21,594,892	339,695	620,726	449,478	5,161,049	27,184,927
1,618,252	11,110,475	11,832,414	(564,181)	18,321,628	71,113,119
<u>\$ 23,213,144</u>	<u>\$ 11,450,170</u>	<u>\$ 12,453,140</u>	<u>\$ (114,703)</u>	<u>\$ 23,482,677</u>	<u>\$ 98,298,046</u>

See accompanying notes to basic financial statements.

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City of Norwalk
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2020

Net change in fund balances - total governmental funds		\$ 27,184,927
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>		
Depreciation expense	\$ (9,430,713)	
Loss on retirement of assets	(13,778)	
Capital outlay	<u>2,415,044</u>	(7,029,447)
<p>Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.</p>		
		(595,459)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
Issuance of debt	(19,685,000)	
Bond premiums	(3,888,838)	
Principal bond repayments	2,155,000	
Lease payable repayments	216,127	
Net change in compensated absences	<u>(177,066)</u>	(21,379,777)
<p>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.</p>		
Change in accrued interest on long-term debt	(71,133)	
Amortization of bond premium	316,854	
Amortization of loss on bond refunding	<u>(13,839)</u>	231,882
<p>OPEB expense reported in the governmental funds includes the insurance premiums paid. In the Statement of Activities, OPEB expense includes the change in the OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.</p>		
		566,168
<p>Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources</p>		
		<u>(3,676,521)</u>
Change in net position of governmental activities		<u>\$ (4,698,227)</u>

See accompanying notes to basic financial statements.

	Business-type Activities	
	Enterprise Funds	
	Transit System Fund	Water Fund
ASSETS:		
Current assets:		
Cash and investments	\$ 4,885,315	\$ 6,347,896
Cash and investments with fiscal agents	-	11
Accounts receivable	23,060	1,020,659
Inventory	139,055	-
Prepaid items	-	11,958
Due from other governments	2,730,628	-
Total current assets	<u>7,778,058</u>	<u>7,380,524</u>
Capital assets:		
Not being depreciated	-	14,050,339
Being depreciated, net of accumulated depreciation	19,291,873	9,035,327
Total capital assets	<u>19,291,873</u>	<u>23,085,666</u>
Total assets	<u>27,069,931</u>	<u>30,466,190</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts from OPEB plans	1,163,051	74,469
Deferred amounts from pension plans	1,506,435	215,205
Total deferred outflows of resources	<u>2,669,486</u>	<u>289,674</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	198,362	467,516
Accrued expenses	356,125	33,854
Interest payable	-	39,852
Deposits payable	-	157,465
Other liabilities	-	27,312
Advances from other funds	-	129,136
Unearned revenue	1,057,916	-
Compensated absences payable, current portion	101,990	28,490
Bonds payable, current portion	-	220,000
Total current liabilities	<u>1,714,393</u>	<u>1,103,625</u>
Noncurrent liabilities:		
Advances from other funds	-	2,158,246
Bonds payable	-	8,115,173
Compensated absences payable, long-term portion	306,794	84,259
Net other post-employment benefits (OPEB) liability	8,555,012	959,042
Net pension liability	11,526,488	1,646,641
Total noncurrent liabilities	<u>20,388,294</u>	<u>12,963,361</u>
Total liabilities	<u>22,102,687</u>	<u>14,066,986</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred amounts from OPEB plans	1,478,065	65,307
Deferred amounts from pension plans	252,458	36,065
Total deferred inflows of resources	<u>1,730,523</u>	<u>101,372</u>
NET POSITION:		
Net investment in capital assets	19,287,409	14,701,473
Unrestricted	(13,381,202)	1,886,033
Total net position	<u>\$ 5,906,207</u>	<u>\$ 16,587,506</u>

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Net Position
Proprietary Funds
June 30, 2020

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Sewer Fund	Totals	Internal Service Funds
\$ 8,079,920	\$ 19,313,131	\$ 482,148
-	11	-
158	1,043,877	-
-	139,055	85,093
-	11,958	10,986
45,304	2,775,932	-
<u>8,125,382</u>	<u>23,283,964</u>	<u>578,227</u>
1,168,447	15,218,786	-
16,956,547	45,283,747	-
<u>18,124,994</u>	<u>60,502,533</u>	<u>-</u>
<u>26,250,376</u>	<u>83,786,497</u>	<u>578,227</u>
16,990	1,254,510	-
71,735	1,793,375	-
<u>88,725</u>	<u>3,047,885</u>	<u>-</u>
216,186	882,064	288,779
16,011	405,990	112,685
-	39,852	-
-	157,465	-
-	27,312	-
-	129,136	-
-	1,057,916	-
2,760	133,240	54,630
-	220,000	-
<u>234,957</u>	<u>3,052,975</u>	<u>456,094</u>
-	2,158,246	-
-	8,115,173	-
37,128	428,181	122,133
239,761	9,753,815	-
548,881	13,722,010	-
<u>825,770</u>	<u>34,177,425</u>	<u>122,133</u>
<u>1,060,727</u>	<u>37,230,400</u>	<u>578,227</u>
15,137	1,558,509	-
12,022	300,545	-
<u>27,159</u>	<u>1,859,054</u>	<u>-</u>
18,004,752	51,993,634	-
7,246,463	(4,248,706)	-
<u>\$ 25,251,215</u>	<u>\$ 47,744,928</u>	<u>\$ -</u>

	Business-type Activities	
	Enterprise Funds	
	Transit System Fund	Water Fund
Operating revenues:		
Charges for services	\$ 949,778	\$ 5,792,198
Total operating revenues	<u>949,778</u>	<u>5,792,198</u>
Operating expenses:		
Administrative	845,215	492,776
Utilities	143,781	126,233
Salaries and benefits	11,295,262	970,717
Contractual services	1,738,686	779,321
Cost of water	-	1,840,153
Maintenance and repairs	998,571	40,021
Supplies and materials	223,671	-
Insurance	432,877	-
Depreciation	1,955,436	491,358
Total operating expenses	<u>17,633,499</u>	<u>4,740,579</u>
Operating income (loss)	<u>(16,683,721)</u>	<u>1,051,619</u>
Nonoperating revenues (expenses):		
Proposition "A" taxes	2,109,327	-
Proposition "C" taxes	950,740	-
Federal, state and local grants	9,591,518	-
Investment income	42,592	145,334
Interest expense	-	(438,294)
Loss on disposition of capital assets	(50,693)	-
Other	380,419	-
Total nonoperating revenues (expenses)	<u>13,023,903</u>	<u>(292,960)</u>
Net income (loss) before capital contributions and transfers	<u>(3,659,818)</u>	<u>758,659</u>
Capital contributions and transfers:		
Capital contributions	2,314,285	-
Transfers in	2,105,354	-
Total capital contributions and transfers	<u>4,419,639</u>	<u>-</u>
Change in net position	759,821	758,659
Net position - beginning of year	<u>5,146,386</u>	<u>15,828,847</u>
Net position - end of year	<u>\$ 5,906,207</u>	<u>\$ 16,587,506</u>

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2020

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Sewer Fund	Totals	Internal Service Funds
\$ 2,598,408	\$ 9,340,384	\$ 17,230,022
<u>2,598,408</u>	<u>9,340,384</u>	<u>17,230,022</u>
88,744	1,426,735	38,084
9,207	279,221	41,268
158,382	12,424,361	16,299,648
809,548	3,327,555	-
-	1,840,153	-
-	1,038,592	850,049
-	223,671	-
-	432,877	973
832,395	3,279,189	-
<u>1,898,276</u>	<u>24,272,354</u>	<u>17,230,022</u>
700,132	(14,931,970)	-
-	2,109,327	-
-	950,740	-
-	9,591,518	-
167,562	355,488	-
-	(438,294)	-
-	(50,693)	-
-	380,419	-
<u>167,562</u>	<u>12,898,505</u>	<u>-</u>
867,694	(2,033,465)	-
-	2,314,285	-
<u>-</u>	<u>2,105,354</u>	<u>-</u>
<u>-</u>	<u>4,419,639</u>	<u>-</u>
867,694	2,386,174	-
<u>24,383,521</u>	<u>45,358,754</u>	<u>-</u>
<u>\$ 25,251,215</u>	<u>\$ 47,744,928</u>	<u>\$ -</u>

	Business-type Activities	
	Enterprise Funds	
	Transit System Fund	Water Fund
Cash flows from operating activities:		
Receipts from tenants, customers and users	\$ 1,004,943	\$ 5,525,875
Payments to suppliers	(4,365,245)	(3,373,962)
Payments to employees	(10,799,732)	(833,192)
Net cash provided (used) by operating activities	(14,160,034)	1,318,721
Cash flows from capital and related financing activities:		
Purchases and construction of capital assets	(1,190,962)	(1,094,770)
Capital contributions received	2,314,285	-
Payment of bonds payable	-	(210,000)
Interest paid	-	(449,831)
Net cash provided (used) by capital and related financing activities	1,123,323	(1,754,601)
Cash flows from noncapital financing activities		
Cash contributions from other governments	12,083,220	-
Cash received from other funds	2,105,354	-
Cash paid to other funds	-	(122,986)
Net cash provided (used) by noncapital financing activities	14,188,574	(122,986)
Cash flows from investing activities:		
Investment income	42,592	145,334
Net cash provided by investing activities	42,592	145,334
Net increase in cash and cash equivalents	1,194,455	(413,532)
Cash and cash equivalents - beginning of year	3,690,860	6,761,439
Cash and cash equivalents - end of year	\$ 4,885,315	\$ 6,347,907

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Sewer Fund	Totals	Internal Service Funds
\$ 2,600,492	\$ 9,131,310	\$ 17,230,022
(1,066,570)	(8,805,777)	(907,701)
(107,403)	(11,740,327)	(16,142,112)
<u>1,426,519</u>	<u>(11,414,794)</u>	<u>180,209</u>
(1,062,793)	(3,348,525)	-
-	2,314,285	-
-	(210,000)	-
-	(449,831)	-
<u>(1,062,793)</u>	<u>(1,694,071)</u>	<u>-</u>
-	12,083,220	-
-	2,105,354	-
-	(122,986)	-
<u>-</u>	<u>14,065,588</u>	<u>-</u>
<u>167,562</u>	<u>355,488</u>	<u>-</u>
<u>167,562</u>	<u>355,488</u>	<u>-</u>
531,288	1,312,211	180,209
<u>7,548,632</u>	<u>18,000,931</u>	<u>301,939</u>
<u>\$ 8,079,920</u>	<u>\$ 19,313,142</u>	<u>\$ 482,148</u>

	Business-type Activities	
	Enterprise Funds	
	Transit System Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (16,683,721)	\$ 1,051,619
Depreciation	1,955,436	491,358
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in accounts receivable	55,165	(272,883)
(Increase) decrease in inventory	39,322	-
(Increase) decrease in prepaid items	8,738	(296)
(Increase) decrease in due from other governments	-	-
(Increase) decrease in deferred outflows of resources from OPEB plans	(137,502)	(9,082)
(Increase) decrease in deferred outflows of resources from pension plans	336,083	48,012
Increase (decrease) in accounts payable	(97,915)	(92,346)
Increase (decrease) in accrued expenses	67,411	(637)
Increase (decrease) in deposits payable	-	6,560
Increase (decrease) in other liabilities	-	(2,179)
Increase (decrease) in compensated absences payable	(10,342)	3,141
Increase (decrease) in net OPEB liability	47,860	14,694
Increase (decrease) in net pension liability	705,744	100,821
Increase (decrease) in deferred inflows of resources from OPEB plans	(433,912)	(18,289)
Increase (decrease) in deferred inflows of resources from pension plans	(12,401)	(1,772)
Net cash provided (used) by operating activities	\$ (14,160,034)	\$ 1,318,721
Noncash investing, capital and related financing activities:		
Amortization related to long-term debt	\$ -	\$ 10,225
Loss on disposition of capital assets	\$ 50,693	\$ -

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Cash Flows (Continued)
Proprietary Funds
For the year ended June 30, 2020

Business-type Activities Enterprise Funds (Continued)		Governmental Activities	
Sewer Fund	Totals	Internal Service Funds	
\$ 700,132	\$ (14,931,970)	\$ -	
832,395	3,279,189	-	
1,195	(216,523)	-	
-	39,322	14,480	
1,672	10,114	(320)	
889	889	-	
(3,241)	(149,825)	-	
16,004	400,099	-	
(163,995)	(354,256)	121,643	
3,252	70,026	24,766	
-	6,560	-	
-	(2,179)	-	
7,290	89	19,640	
3,673	66,227	-	
33,607	840,172	-	
(5,763)	(457,964)	-	
(591)	(14,764)	-	
<u>\$ 1,426,519</u>	<u>\$ (11,414,794)</u>	<u>\$ 180,209</u>	
<u>\$ -</u>	<u>\$ 10,225</u>	<u>\$ -</u>	
<u>\$ -</u>	<u>\$ 50,693</u>	<u>\$ -</u>	

City of Norwalk
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund	Agency Fund
ASSETS:			
Current assets:			
Cash and investments	\$ 4,594,578	\$ -	\$ 882,459
Cash and investments held by trust	-	10,568,346	-
Cash and investments with fiscal agents	4,495,344	-	-
Interest receivable	8,407	-	-
Accounts receivable	-	-	-
Total current assets	<u>9,098,329</u>	<u>10,568,346</u>	<u>882,459</u>
Noncurrent assets:			
Capital assets - being depreciated, net of accumulated depreciation	858,830	-	-
Total noncurrent assets	<u>858,830</u>	<u>-</u>	<u>-</u>
Total assets	<u>9,957,159</u>	<u>10,568,346</u>	<u>\$ 882,459</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Unamortized loss on bond refunding	104,474	-	
Total deferred outflows of resources	<u>104,474</u>	<u>-</u>	
LIABILITIES:			
Current liabilities:			
Accounts payable	-	-	\$ 57
Interest payable	591,008	-	-
Deposits payable	-	-	882,402
Due to City of Norwalk	37,818	-	-
Unearned revenue	54,938	-	-
Total current liabilities	<u>683,764</u>	<u>-</u>	<u>882,459</u>
Long-term liabilities:			
Due within one year	1,880,000	-	-
Due in more than one year	90,750,552	-	-
Advances from City of Norwalk - due in more than one year	7,462,894	-	-
Total noncurrent liabilities	<u>100,093,446</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>100,777,210</u>	<u>-</u>	<u>\$ 882,459</u>
NET POSITION:			
Net position restricted for private purpose	(90,715,577)	-	
Restricted for OPEB	-	10,568,346	
Total net position	<u>\$ (90,715,577)</u>	<u>\$ 10,568,346</u>	

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2020

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund
Additions:		
Tax increment	\$ 14,270,931	\$ -
Use of money and property	123,270	-
Net investment income	-	254,002
Rental income	659,250	-
Employer contributions	-	1,610,600
	15,053,451	1,864,602
Total additions		
Deductions:		
Administrative expense	-	43,618
General government	10,328,879	-
Urban development	716,549	-
Debt service:		
Interest and fiscal charges	2,536,344	-
	13,581,772	43,618
Total deductions		
Change in net position	1,471,679	1,820,984
Net position - beginning of year	(92,187,256)	8,747,362
Net position - end of year	\$ (90,715,577)	\$ 10,568,346

See accompanying notes to basic financial statements.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Norwalk, California (the City), have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental agencies. 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 of Norwalk was incorporated on August 26, 1957, under the general laws of the State of California. The City operates under a Council-Manager form of government. The City provides the following services, as authorized by its general laws: Public Safety, Public Works, Water, Transportation, Health and Social Services, Culture-Leisure, Public Improvements, Planning and Zoning, Community Development and General Administrative Services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Norwalk and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. 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.

Based upon the above criteria, the component units of the City, as of June 30, 2020, are the Norwalk Housing Authority (Housing Authority) and the Norwalk Community Facilities Financing Authority (Financing Authority). A brief description of each component unit follows:

The Norwalk Housing Authority provides safe and sanitary dwelling accommodations in the City to persons of low income. The City provides management assistance to the Housing Authority, and the members of the City Council also act as the Housing Authority's governing body. The Housing Authority's financial data and transactions are accounted for in the special revenue fund type.

The Norwalk Community Facilities Financing Authority is a joint exercise of powers authority created by a joint powers agreement between the City of Norwalk and the Norwalk Parking Authority, dated August 1, 1989. The Financing Authority's purpose is to provide, through the issuance of debt, financing necessary for various capital improvements. The Financing Authority is administered by the Board, who are the members of City Council, and the Mayor. The Financing Authority's sole source of income is loan and lease payments received from the City and Agency, which are used to meet the debt service requirements on debt issues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of Reporting Entity (Continued)

Since City Council serves as the governing board for 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 so data from these units are reported with the interfund data of the primary government. The Financing Authority issues separate component unit financial statements that can be obtained at City Hall.

B. New Accounting Pronouncements

Adoption of New Standards

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City implemented Statement No. 95 and postponed the implementation of the provisions in Statements and Implementation Guides that were previously required to be implemented for fiscal year 2019-2020.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans— an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 4 of this Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Paragraph 5 of this Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs did not impact the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Pronouncements

Pending Accounting Standards

The City is currently evaluating the impact of the requirements of the below Statements on the impact of the financial statements.

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, early application is encouraged.

In June 2017, GASB issued Statement No. 87 – *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, early application is encouraged.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

In May 2020, GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 6 through 9 of this Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of paragraph 6 through 9 of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of these requirements is encouraged and permitted.

Paragraph 3 of this Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan’s reporting period in all circumstances. The requirements of paragraph 3 of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. These charges are approximately equal to the value of services provided and eliminating them would distort the direct costs and program revenues reported for the various functions concerned. Internal service funds activities have been eliminated and net balances are included in the governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for the City are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds, proprietary funds, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental and enterprise funds. Fiduciary fund statements include financial information for the private-purpose trust, other post-employment benefit trust, and agency funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Housing and Community Development Special Revenue Fund accounts for housing and commercial improvement projects. Financing is provided by Federal grants received from the U.S. Department of Housing and Urban Development.

The Housing Authority Special Revenue Fund accounts for costs to assist low and moderate income families in securing affordable rents. Financing is provided by the U.S. Department of Housing and Urban Development.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, the City's general long-term debt principal and interest.

The Special Projects Capital Projects Funds account for the construction of street improvements and sidewalk ramps at various locations throughout the City. Financing is provided by grants received under Federal, State and local agreements.

The Economic Development Capital Projects Fund accounts for accumulated resources received from the Former Redevelopment Agency for remaining bond proceeds. The proceeds will be used according to the bond covenant for economic development capital projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements (Continued)

The City reports the following major governmental funds (continued):

The Housing Successor Fund Capital Projects Fund accounts for the accumulated resources received from the former Redevelopment Agency's Housing Bond Proceeds fund, income, and expenses related to low and moderate housing.

The Other Federal Grants Capital Projects Fund accounts for federal grants received and expended for the purpose of capital improvements throughout the City.

The City reports the following major proprietary funds:

The Transit System Fund accounts for the City-operated fixed route bus system and "Dial-A-Ride" van service to the general public. Principal sources of revenue are the Los Angeles County Proposition "A" taxes, Federal Transit Administration Capital Assistance, State Transportation Development Act Funds and passenger fares.

The Water Fund accounts for the Norwalk Municipal Water System, which consists of approximately 5,384 service connections which service over 18,000 Norwalk and Artesia residents.

The Sewer Fund accounts for the transactions in the operation of the City of Norwalk's sewer system.

The City reports the following fund types:

Governmental Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

Proprietary Funds

The Internal Service Funds are used to account for various services provided to City departments on a cost reimbursement basis. The Employee Benefits Fund accounts for the costs of providing various benefits of active and retired employees. The Vehicle Maintenance Fund accounts for the cost of vehicle and equipment maintenance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements (Continued)

The City reports the following fund types (continued):

Fiduciary Funds

The Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, deferred outflows of resources, liabilities, and activities of the Successor Agency to the Dissolved Norwalk Redevelopment Agency. Unlike the limited reporting typically utilized for an Agency Fund, the Private-Purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The Other Post-Employment Benefit Trust Fund is a fiduciary fund type used by the City to account for the activities of the City's plan for post-retirement medical benefits. Unlike the limited reporting typically utilized for an Agency Fund, the Other Post-Employment Benefit Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The Agency Fund is used to account for money and property held by the City as trustee or custodian. Among the activities are the disposition of funds, deposits made for the account of other governmental agencies, developers, and others under the terms of agreements for which the deposits were made. Agency funds, which are custodial in nature, do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals and entities at some future time.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary, fiduciary private-purpose trust, and other post-employment benefit trust funds. The City's fiduciary agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

Under the *economic resources measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transit, water, sewer, and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance 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 fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables are reported on the funds' balance sheets in spite of their spending measurement focus.

Under the *modified accrual basis of accounting* revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

E. Assets, Liabilities, and Net Position or Equity

Property Tax Calendar

The County of Los Angeles assesses, levies, and collects property taxes for the City. Property taxes levied for the year ended June 30, 2020, are due and payable in two installments on November 1, 2019 and February 1, 2020 and became delinquent on December 10, 2019 and April 10, 2020, respectively. A tax lien is attached to the property on January 1, 2020. The City, as a no/low property tax city, does not levy property taxes from its residents, but receives allocation from the State and County based on City's assessed valuation.

Interfund Transfers

Operating transfers are reported as other financing sources and uses of funds in the statement of revenues, expenditures and changes in fund balances.

Cash and Investments

Investments are reported in the accompanying financial statements at fair value, which 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 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.

Due from Other Governments

The amounts recorded as due from other governments include sales taxes, property taxes, and grant revenues collected or provided by Federal, State, County and City Governments and unremitted to the City as of June 30, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories

Inventories held by the General Fund and Internal Service Funds are stated at cost using the first-in, first-out (FIFO) method. Inventory balances represent expendable supplies held for consumption. Reported expenditures reflecting the purchase of supplies have been restated to reflect the consumption method of recognizing inventory-related expenditures. A fund balance nonspendable classification has been reported in the General Fund to show that inventories do not constitute “available spendable resources”.

Prepaid Items

Prepaid items consist of certain payments to vendors that reflect costs applicable to future accounting periods and are accounted for under the consumption method.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and 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 a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Unamortized loss on bond defeasance reported in the government-wide statement of net position and the fiduciary funds financial statements. An unamortized loss on bond defeasance results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.
- Deferred outflows related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability and the net OPEB liability.
- Deferred outflows related to pensions for differences between actual and expected experiences and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions and OPEB resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position and OPEB plan fiduciary net position. These amounts are amortized over five years.
- Deferred inflows from pensions and OPEB resulting from differences between actual and expected experiences and changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining services lives of all employees that are provided with pensions through the plans.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, sidewalks, medians, traffic signals, storm drains) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Construction in progress includes incomplete infrastructure projects. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are capitalized at cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

The provision for depreciation of the primary government's plant, infrastructure and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Street infrastructure	20 years
Street lights	10 - 15 years
Water infrastructure	15 - 50 years
Vehicles	5 - 15 years
Office equipment	5 - 30 years
Tools and equipment	2 - 20 years
Miscellaneous	5 - 10 years

Compensated Absences

Permanent City employees earn from 10 to 20 vacation days per year, depending upon their length of employment, and 12 sick days per year. Employees can carry forward up to the equivalent number of days earned in the immediately preceding twenty-four month period and 90 days of earned but unused sick leave for use in the subsequent year.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. If an employee terminates with a minimum of five service years, the employee is entitled to receive 25% of the value of unused sick leave. The percentage increases by 25% for each five-year period thereafter until the employee is entitled to 100% of the value of unused sick leave. This will occur upon the completion of twenty years of continuous employment.

Compensated absences are reported in governmental funds only if they have matured. The unused reimbursable leave balance report is generated after the last payroll in June per employee's hire date, hourly rate and fund. Based on the report, the value of the City's compensated absences is determined.

A liability is recorded for unused vacation and similar compensatory leave balances, since the employees' entitlement to these balances are attributable to services already rendered, and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences (Continued)

A liability is also recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

Claims and Judgments

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired or a material liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims.

Revenue Recognition for the Transit System Enterprise Fund

Operating assistance grants under the Federal Transit Act of 1992, as amended, the State of California Local Transportation Development Fund and State Transit Assistance Fund under the Transportation Development Act of 1971, as amended, and Proposition A Local Return Funds from the Los Angeles County Metropolitan Transportation Authority, are included in nonoperating revenues as related expenses are incurred. Until such time as the expenses are incurred, operating assistance grant revenue recognition is deferred. Federal and state grants which are limited to the acquisition of capital assets are recorded in the Statement of Activities as contributions.

Noncurrent Liabilities

In the government-wide financial statements, proprietary fund types and fiduciary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary and fiduciary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Noncurrent Liabilities (Continued)

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

Net Position

The governmental and business-type activities in the government-wide financial statements and the proprietary funds in the fund financial statements utilize a net position presentation. Net position is classified in the following categories:

Net Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt (including premiums) and any other capital related liabilities that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

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

Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable 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. The City’s nonspendable fund balances represent inventories, prepaid expenses, and long-term receivables.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. All special revenue funds are classified as restricted with the exception of special revenue funds with deficits, which are reported as unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances (Continued)

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal resolution approved by the City Council, which is the City's highest level of decision-making authority. As stated in the city's fund balance policy, the City Council, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken (resolution). Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action (resolution) taken to establish the commitment. As of June 30, 2020, the City Council, through adoption of a resolution has committed \$120,000 of its fund balance for pension cost increases.

Assigned fund balance consists of funds that are set aside for specific purposes approved by the City Council through a resolution which are mainly resources set aside for capital expenditures. The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial report.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The general fund is the only fund that reports a positive unassigned fund balance amount.

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts.

The accumulated unassigned fund balance is targeted to be a minimum of 20% of the following year's budgeted operating expenditures of the general fund. Additions to this balance will be determined during each budget process to reach or maintain the target balance. Whenever monies have been used whereby the balance falls below the target, the reserve shall be replenished as soon as possible, no later than within five fiscal years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pension Plans

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's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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.

OPEB Plan

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from such estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2020 were classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 83,774,257	\$ 5,477,037	\$ 89,251,294
Restricted assets:			
Cash and investments with fiscal agents	25,584,975	4,495,344	30,080,319
Cash and investments held by trust for OPEB	-	10,568,346	10,568,346
Cash and investments held by trust for pension	3,250,800	-	3,250,800
Total cash and investments	<u>\$112,610,032</u>	<u>\$ 20,540,727</u>	<u>\$133,150,759</u>

Cash and investments at June 30, 2020 consisted of the following:

Cash on hand	\$ 5,510
Deposits with financial institutions	3,647,448
Investments	129,497,801
Total cash and investments	<u>\$133,150,759</u>

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and 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, where 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 trustees that are governed by the provisions of debt agreements of the City or the investment of funds within the pension and OPEB trusts that are governed by the agreement between the City and the trustee, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
Local Agency Securities:			
State and California	5 years	15%	5%
Non-California	5 years	10%	5%
Banker's Acceptance	180 days	30%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-negotiable Certificates of Deposit	5 years	10%	5%
Commercial Paper - Pooled Funds	270 days	40%	10%
Commercial Paper - Non-pooled Funds	270 days	25%	10%
Repurchase Agreements	30 days	None	None
Medium-Term Notes	5 years	25%	5%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
Collateralized Bank Deposits	5 years	None	None
County Pooled Investment Funds	N/A	10%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
Investment Trust of California (CalTRUST)	N/A	None	None

N/A - Not Applicable

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustees include U.S. Treasury Obligations, U.S. Government Sponsored Agency Securities, Commercial Paper, and Money Market Mutual Funds.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 rates. 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 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 (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)					Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	
Local Agency Investment Fund (LAIF)	\$ 30,441,824	\$ -	\$ -	\$ -	\$ -	\$ 30,441,824
CalTRUST Short Term Fund	106,307	-	-	-	-	106,307
CalTRUST Medium Term Fund	26,967,074	-	-	-	-	26,967,074
United States Government Sponosred Agency Securities:						
Federal Agricultural Mortgage Corporation (FAMC)	1,007,475	-	-	-	-	1,007,475
Federal Home Loan Bank (FHLB)	1,005,378	1,034,203	-	-	-	2,039,581
Federal Home Loan Mortgage Corporation (FHLMC)	-	-	-	-	499,035	499,035
Federal National Mortgage Association (FNMA)	-	1,026,894	-	-	-	1,026,894
Federal Farm Credit Bank (FFCB)	-	-	-	500,181	750,071	1,250,252
Local Securities:						
State and California	1,523,535	-	1,508,056	-	-	3,031,591
Medium-Term Notes	4,040,349	5,149,742	5,243,067	-	-	14,433,158
Negotiable Certificates of Deposits	239,951	-	739,377	1,482,547	1,212,249	3,674,124
Money Market Mutual Funds	1,121,019	-	-	-	-	1,121,019
Held in OPEB Trust:						
Money Market Mutual Funds	10,568,346	-	-	-	-	10,568,346
Held in Pension Trust:						
Money Market Mutual Funds	3,250,800	-	-	-	-	3,250,800
Held by Bond Trustee:						
Money Market Mutual Funds	30,080,321	-	-	-	-	30,080,321
Total	\$ 110,352,379	\$ 7,210,839	\$ 7,490,500	\$ 1,982,728	\$ 2,461,355	\$ 129,497,801

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Total as of June 30, 2020	Minimum Legal Rating	Rating						Not Rated
			AAA	AA+	AA	AA-	A+	A	
Local Agency Investment Fund (LAIF)	\$ 30,441,824	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,441,824
CalTRUST Short Term Fund	106,307	N/A	-	106,307	-	-	-	-	-
CalTRUST Medium Term Fund	26,967,074	N/A	-	-	-	-	26,967,074	-	-
United States Government Sponosred									
Agency Securities:									
FAMC	1,007,475	N/A	-	1,007,475	-	-	-	-	-
FHLB	2,039,581	N/A	-	2,039,581	-	-	-	-	-
FHLMC	499,035	N/A	-	499,035	-	-	-	-	-
FNMA	1,026,894	N/A	-	1,026,894	-	-	-	-	-
FFCB	1,250,252	N/A	-	1,250,252	-	-	-	-	-
Local Securities:									
State and California	3,031,591	A	469,656	-	2,057,070	504,865	-	-	-
Medium-Term Notes	14,433,158	A	3,031,291	1,049,136	1,017,741	1,055,786	3,076,013	5,203,191	-
Negotiable Certificates of Deposits	3,674,124	A	-	497,962	-	735,840	1,215,950	-	1,224,372
Money Market Mutual Funds	1,121,019	N/A	1,121,019	-	-	-	-	-	-
Held in OPEB Trust:									
Money Market Mutual Funds	10,568,346	N/A	-	-	-	-	-	-	10,568,346
Held in Pension Trust:									
Money Market Mutual Funds	3,250,800	N/A	-	-	-	-	-	-	3,250,800
Held by Bond Trustee:									
Money Market Mutual Funds	30,080,321	AAA	30,080,321	-	-	-	-	-	-
Total	<u>\$ 129,497,801</u>		<u>\$ 34,702,287</u>	<u>\$ 7,476,642</u>	<u>\$ 3,074,811</u>	<u>\$ 2,296,491</u>	<u>\$ 31,259,037</u>	<u>\$ 5,203,191</u>	<u>\$ 45,485,342</u>

N/A - Not Applicable

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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 or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental unit by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market 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 state and local government deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2020, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. 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.

CalTRUST (Investment Trust of California)

The City also invests in a series of government investment pools offered through the CalTRUST Joint Powers Authority, as authorized by California Government Code Section 53601(p). CalTRUST offers three account options: a Money Market fund, a Short-Term fund, and a Medium-Term fund. The City can allocate its assets among the three funds to match its investment time horizons and cash flow needs, and reallocate among funds as circumstances change. There is no minimum investment period; no minimum or maximum transaction size; and no account minimum or maximum. The funds offer high liquidity (same-day in the Money Market fund; next-day in the Short-Term fund; and monthly in the Medium-Term fund). Interest earnings accrue daily and are paid monthly. 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 percentage interest of the fair value provided by CalTRUST for the CalTRUST accounts. The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The City categorizes its fair value measurement 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 assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs), such as institutional bond quotes, and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Government Sponsored Agency Securities:				
FAMC	\$ -	\$ 1,007,475	\$ -	\$ 1,007,475
FHLB	-	2,039,581	-	2,039,581
FHLMC	-	499,035	-	499,035
FNMA	-	1,026,894	-	1,026,894
FFCB	-	1,250,252	-	1,250,252
Local Securities:				
State and California	-	3,031,591	-	3,031,591
Medium-Term Notes	-	14,433,158	-	14,433,158
Negotiable Certificates of Deposits	-	3,674,124	-	3,674,124
Total Leveled Investments	<u>\$ -</u>	<u>\$ 23,287,986</u>	<u>\$ -</u>	<u>26,962,110</u>
LAIF*				30,441,824
CalTRUST Short Term Fund*				106,307
CalTRUST Medium Term Fund*				26,967,074
Money Market Mutual Funds*				1,121,019
Held in OPEB Trust:				
Money Market Mutual Funds*				10,568,346
Held in Pension Trust:				
Money Market Mutual Funds*				3,250,800
Held by Bond Trustee:				
Money Market Mutual Funds*				30,080,321
Total Investment Portfolio				<u>\$ 129,497,801</u>

* Not subject to fair value measurement hierarchy.

NOTE 3 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Due To and Due From

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Due To (Receivable) Fund</u>	<u>Due From (Payable) Fund</u>	<u>Amount</u>
General Fund	Housing Authority Special Revenue Fund	\$ 172,826
	Special Projects Capital Projects Fund	654,692
	Other Federal Grants Capital Projects Fund	106,080
	Other Governmental Funds	420,171
		<u>\$ 1,353,769</u>

The receivable of the General Fund from the above funds is mainly for temporary deficit cash balances.

Advances

Long-term advances between the City's General Fund and the Water Enterprise Fund are summarized below:

	<u>Balance at July 1, 2019</u>	<u>Current Advances</u>	<u>Repayments</u>	<u>Balance at June 30, 2020</u>	<u>Due within One Year</u>
Water Enterprise Fund	<u>\$ 2,410,368</u>	<u>\$ -</u>	<u>\$ (122,986)</u>	<u>\$ 2,287,382</u>	<u>\$ 122,987</u>

The General Fund previously advanced \$3,500,000 to the Water Enterprise Fund for the purchase of County Water Company. Interest on the advance is 10%. During the year ended June 30, 2006, the Water Fund made payments on the advance totaling \$1,703,000. During 2009 and 2010, the General Fund additionally advanced to the Water Fund \$1,237,610 at 7.5% interest. The remaining balance on the advance at June 30, 2013 was \$3,034,610. As a part of fiscal year 2013/14 budget process, the City Council approved annual repayment of the \$3,034,610 advance over a 20-year period at 5% interest commencing in July 2013. The annual repayment amount, principal and interest is \$243,500. Actual principal payment made during the fiscal year ended June 30, 2020 was \$122,986.

NOTE 3 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

The composition of the City’s interfund transfers for the year ended June 30, 2020 is as follows:

Transfers Out	Transfers In	Amount
General Fund	Debt Service Fund	\$ 1,610,177
	Housing Successor Fund Capital Projects Fund	265,731
	Other Governmental Funds	1,462,028
Debt Service Fund	Special Projects Capital Projects Funds	23,187,181
Special Projects Capital Projects Funds	Other Governmental Funds	34,803
Other Federal Grants Capital Projects Funds	Other Governmental Funds	435,941
Other Governmental Funds	General Fund	10,608
	Debt Service Fund	2,090,896
	Transit System Enterprise Fund	2,105,354
		\$ 31,202,719

Transfers from the General Fund to the Debt Service Fund, Housing Successor Fund Capital Projects Fund and Other Governmental Funds were to fund debt service, senior and child-care programs, housing successor, capital property, equipment replacements and building and park renovations. The transfer from the Debt Service Fund to the Special Projects Capital Projects Funds was to move debt proceeds to the fund from which it will be spent. Transfers from Special Projects Capital Projects Funds and Other Federal Grants Capital Projects Funds to Other Governmental Funds (Measure “R” Special Revenue Fund) were for eligible grant expenditures. The transfers from the Other Governmental Funds (Measure “R” Special Revenue Fund, Measure “M” Special Revenue Fund, and Parking Structure Special Revenue Fund) to the Debt Service Fund were to fund debt service payments. The transfer from the Other Governmental Funds (Proposition “C” Special Revenue Fund) to the General Fund was to fund the senior transportation program. The transfer from the Other Governmental Funds (Air Quality Improvement Special Revenue Fund, Proposition “C” Special Revenue Fund, and Proposition “A” Special Revenue Fund) to the Transit System Enterprise Fund was primarily to move Proposition A and Proposition C funds to the fund in which the revenue was utilized.

NOTE 4 - ADVANCES TO SUCCESSOR AGENCY

The City and the former Redevelopment Agency entered into a loan agreement in 1991, pursuant to which the City loaned money to finance a development known as the Metro Center. The loan agreement was subsequently amended in 1992, 1993, and 1994. Under the Dissolution Act, an agreement between the City and the former Redevelopment Agency became unenforceable and non-binding on the Successor Agency as of February 1, 2012 (i.e., the date on which Redevelopment Agency dissolved), unless the agreement falls within certain limited exceptions. The DOF has determined that the Metro Center loan agreement did not fall within any of the exceptions. However, under the Dissolution Act, agreements such as the Metro Center loan agreement may be re-established, subject to certain conditions precedent, and the approval of the Oversight Board and the DOF and only if the repayment terms of the loan were modified in the manner specified in the Dissolution Act.

On May 15, 2013 the Successor Agency received a Finding of Completion letter from the Department of Finance authorizing the Agency to place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board made a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4(b)(1). The oversight board made such a finding during fiscal year 2014. Loan repayments will be governed by criteria in HSC section 34191.4(a)(2). Principal payments of \$873,478 and interest payments of \$455,180 were made on the advance in fiscal year 2019-2020. The balance of this advance outstanding as of June 30, 2020 is \$7,462,894, which includes \$4,059,071 in principal and \$3,403,823 accrued interest (interest receivable is offset by deferred inflows of resources, unavailable revenues, in the general fund balance sheet).

The Senate Bill 107 (SB 107) enacted by the State legislation in September 2015, allows the Successor Agency to recalculate and repay these loans using 3% or 4% interest rate, instead of 0.236% LAIF rate. The 4% interest would apply only if the Successor Agency opts to file a last and final ROPS. The Successor Agency recalculated the accrued interest at the 3% rate required by SB 107 in the fiscal year ended June 30, 2016 and calculated interest at the 3% rate in all subsequent fiscal years.

NOTE 5 - LOANS RECEIVABLE

Loans receivable consists of \$7,878,421 in deferred-payment rehabilitation loans to qualifying low income households in connection with the CDBG and Home Programs and a \$2,533,090 loan to Home Investment Partnership. Because of the long-term nature of the CDBG loans, the City has offset the balances of forgivable loans with an allowance of \$3,163,015 and offset the remaining loans of \$7,248,496 with due to other governments at June 30, 2020.

NOTE 6 - CAPITAL ASSETS

Governmental Activities

A summary of changes in the Governmental Activities capital assets at June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions/ Transfers	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 6,964,636	\$ -	\$ -	\$ 6,964,636
Construction in progress	6,201,944	2,191,529	(1,279,341)	7,114,132
Total capital assets, not depreciated	<u>13,166,580</u>	<u>2,191,529</u>	<u>(1,279,341)</u>	<u>14,078,768</u>
Capital assets, being depreciated:				
Buildings and improvements	52,354,650	717,295	-	53,071,945
Machinery and equipment	7,011,880	223,515	(371,890)	6,863,505
Infrastructure	280,558,796	562,046	-	281,120,842
Total capital assets, being depreciated	<u>339,925,326</u>	<u>1,502,856</u>	<u>(371,890)</u>	<u>341,056,292</u>
Less accumulated depreciation for:				
Buildings and improvements	(26,321,412)	(1,351,878)	-	(27,673,290)
Machinery and equipment	(5,037,677)	(314,425)	358,112	(4,993,990)
Infrastructure	(170,345,974)	(7,764,410)	-	(178,110,384)
Total accumulated depreciation	<u>(201,705,063)</u>	<u>(9,430,713)</u>	<u>358,112</u>	<u>(210,777,664)</u>
Total capital assets, being depreciated, net	<u>138,220,263</u>	<u>(7,927,857)</u>	<u>(13,778)</u>	<u>130,278,628</u>
Governmental Activities capital assets, net	<u>\$ 151,386,843</u>	<u>\$ (5,736,328)</u>	<u>\$ (1,293,119)</u>	<u>\$ 144,357,396</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 1,389,837
Public safety	27,300
Urban development	12,807
Public works	7,759,820
Culture and leisure	154,939
Health and welfare	86,010
Total depreciation expense - governmental activities	<u>\$ 9,430,713</u>

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Business-type Activities

A summary of changes in the Business-type Activities capital assets at June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions/ Transfers	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 23,125	\$ -	\$ -	\$ 23,125
Construction in progress	5,801,217	3,323,908	(2,326,045)	6,799,080
Water rights	8,396,581	-	-	8,396,581
Total capital assets, not depreciated	<u>14,220,923</u>	<u>3,323,908</u>	<u>(2,326,045)</u>	<u>15,218,786</u>
Capital assets, being depreciated:				
Buildings and improvements	13,111,819	2,094,727	-	15,206,546
Distribution system	15,856,319	-	-	15,856,319
Sewer infrastructure	47,408,051	227,341	-	47,635,392
Office equipment	848,773	15,344	(10,378)	853,739
Vehicles	19,160,074	-	(1,095,737)	18,064,337
Tools and equipment	2,408,414	17,063	-	2,425,477
Miscellaneous	144,559	-	(11,441)	133,118
Total capital assets, being depreciated	<u>98,938,009</u>	<u>2,354,475</u>	<u>(1,117,556)</u>	<u>100,174,928</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,924,792)	(423,316)	-	(4,348,108)
Distribution system	(6,630,585)	(449,909)	-	(7,080,494)
Sewer infrastructure	(29,945,282)	(829,042)	-	(30,774,324)
Office equipment	(527,243)	(29,700)	10,378	(546,565)
Vehicles	(10,101,963)	(1,371,124)	1,045,044	(10,428,043)
Tools and equipment	(1,372,032)	(176,098)	-	(1,548,130)
Miscellaneous	(173,144)	-	7,627	(165,517)
Total accumulated depreciation	<u>(52,675,041)</u>	<u>(3,279,189)</u>	<u>1,063,049</u>	<u>(54,891,181)</u>
Total capital assets, being depreciated, net	<u>46,262,968</u>	<u>(924,714)</u>	<u>(54,507)</u>	<u>45,283,747</u>
Total business-type activities capital assets, net	<u>\$ 60,483,891</u>	<u>\$ 2,399,194</u>	<u>\$ (2,380,552)</u>	<u>\$ 60,502,533</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Transit system	\$ 1,955,436
Water	491,358
Sewer	832,395
Total depreciation expense - business-type activities	<u>\$ 3,279,189</u>

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020, were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
<i>Other debt:</i>					
2013A Lease Revenue Refunding Bonds	\$ 4,780,000	\$ -	\$ (450,000)	\$ 4,330,000	\$ 465,000
Add: Unamortized bond premium	115,073	-	(11,507)	103,566	-
2013B Lease Revenue Refunding Bonds	5,185,000	-	(650,000)	4,535,000	675,000
Add: Unamortized bond premium	276,549	-	(46,091)	230,458	-
2019A Sales Tax Bonds	-	10,435,000	(560,000)	9,875,000	505,000
Add: Unamortized bond premium	-	2,061,631	(137,442)	1,924,189	-
2019B Sales Tax Bonds	-	9,250,000	(495,000)	8,755,000	450,000
Add: Unamortized bond premium	-	1,827,206	(121,814)	1,705,392	-
Subtotal	<u>10,356,622</u>	<u>23,573,837</u>	<u>(2,471,854)</u>	<u>31,458,605</u>	<u>2,095,000</u>
<i>Direct borrowings and placements:</i>					
Lease Payable	4,142,931	-	(216,127)	3,926,804	226,242
<i>Other long-term liabilities:</i>					
Compensated absences	2,423,890	801,393	(604,686)	2,620,597	595,830
Total governmental activities	<u>16,923,443</u>	<u>24,375,230</u>	<u>(3,292,667)</u>	<u>38,006,006</u>	<u>2,917,072</u>
Business-type Activities:					
<i>Other debt:</i>					
2013A Water Revenue Bonds	8,310,000	-	(210,000)	8,100,000	220,000
Add: Unamortized bond premium	245,398	-	(10,225)	235,173	-
Subtotal	<u>8,555,398</u>	<u>-</u>	<u>(220,225)</u>	<u>8,335,173</u>	<u>220,000</u>
<i>Other long-term liabilities:</i>					
Compensated absences	561,332	111,089	(111,000)	561,421	133,240
Total business-type activities	<u>9,116,730</u>	<u>111,089</u>	<u>(331,225)</u>	<u>8,896,594</u>	<u>353,240</u>
Total long-term liabilities	<u>\$26,040,173</u>	<u>\$24,486,319</u>	<u>\$ (3,623,892)</u>	<u>\$46,902,600</u>	<u>\$ 3,270,312</u>

Debt service payments are made from the Debt Service Fund, the General Fund, the Parking Structure Special Revenue Fund, the Measure “R” Special Revenue Fund, the Measure “M” Special Revenue Fund, and the Water Fund.

Compensated Absences Payable

The City’s policies relating to compensated absences are described in Note 1E. The outstanding balance at June 30, 2020, was \$2,620,597 and \$561,422 for the Governmental Activities and Business-type Activities, respectively. The liability for Governmental Activities is primarily liquidated from the general fund while the liability for Business-type Activities is liquidated from the enterprise funds.

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

2013A Lease Revenue Refunding Bonds

\$7,120,000 Lease Revenue Refunding Bonds, Series 2013A; plus bond premium of \$184,115 issued on May 1, 2013 to refund and defease the 1999 Lease Revenue Refunding Bonds; principal due in amounts ranging from \$200,000 to \$575,000 on June 1 of each year starting in 2014 through 2029; the bonds are subject to mandatory redemption prior to maturity, in part by lot in June 2024, and thereafter on each June 1, at par plus accrued interest to the date of redemption without premium; interest rates vary from 2% to 4%. A reserve of \$301,766, which is required to be set aside, along with a bond insurance policy issued by Assurance Guaranty Municipal Corp, further secure the payment of principal and interest on the bonds.

At June 30, 2020, this reserve was fully funded with a balance of \$318,811. The \$7,120,000 proceeds were used to purchase state and local government securities that were deposited in a trust with an escrow agent to provide for all future debt service payments on the remaining Lease Revenue Refunding Bonds, Series 1999. As a result, the 1999 bonds were fully defeased on May 1, 2013. The defeasance of the bonds resulted in a loss from defeasance of \$96,343. The balance of the loss from defeasance, net of accumulated amortization, is \$54,196 as of June 30, 2020.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2020. The balance outstanding on the 2013A Lease Revenue Refunding Bonds at June 30, 2020, was \$4,330,000.

Future debt service principal and interest payments on the 2013A Lease Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	465,000	135,331	600,331
2022	475,000	124,287	599,287
2023	490,000	111,819	601,819
2024	510,000	92,219	602,219
2025	520,000	76,919	596,919
2026 - 2029	1,870,000	139,169	2,009,169
Subtotals	\$ 4,330,000	\$ 679,744	\$ 5,009,744
Add: Bond premium	103,566	-	103,566
Totals	\$ 4,433,566	\$ 679,744	\$ 5,113,310

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

2013B Lease Revenue Refunding Bonds

\$8,630,000 Lease Revenue Refunding Bonds, Series 2013B; plus bond premium of \$553,095 issued in July 2013 to refund and defease the 2001 Lease Revenue Refunding Bonds; principal due in amounts ranging from \$545,000 to \$1,640,000 on June 1 of each year starting in 2014 through 2025; the bonds are subject to redemption prior to their respective maturity dates as a whole or in part on any date on or after June 1, 2023, at par plus accrued interest to the date of fixed for redemption, without premium; interest rates vary from 2% to 3.125%. A reserve of \$845,625, which is required to be set aside, along with a bond insurance policy issued by Assurance Guaranty Municipal Corp, further secure the payment of principal and interest on the bonds.

At June 30, 2020, this reserve was fully funded with a balance of \$889,744. The \$8,630,000 proceeds were used to purchase state and local government securities that were deposited in a trust with an escrow agent to provide for all future debt service payments on the remaining Lease Revenue Refunding Bonds, Series 2001. As a result, the 2001 bonds were fully defeased in July 2013. The defeasance of the bonds resulted in loss from defeasance of \$93,810. The balance of the loss from defeasance, net of accumulated amortization, is \$39,084 as of June 30, 2020.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2020. The balance outstanding on the 2013B Lease Revenue Refunding Bonds at June 30, 2020, was \$4,535,000.

Future debt service principal and interest payments on the 2013B Lease Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	675,000	173,750	\$ 848,750
2022	705,000	146,750	851,750
2023	740,000	111,500	851,500
2024	775,000	74,500	849,500
2025	1,640,000	51,250	1,691,250
Subtotals	\$ 4,535,000	\$ 557,750	\$ 5,092,750
Add: Bond premium	230,458	-	230,458
Totals	<u>\$ 4,765,458</u>	<u>\$ 557,750</u>	<u>\$ 5,323,208</u>

The 2013A and 2013B refunding lease refunding bonds resulted in a savings of \$1.89 million of lower interest costs over 15 years.

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

2019A Sales Tax Bonds

\$10,435,000 Sales Tax Revenue Bonds (Limited Tax Bonds) (Measure M), Series 2019A; plus bond premium of \$2,061,631 issued in July 2019 to finance certain local roadway and street improvement projects; principal due in amounts ranging from \$505,000 to \$935,000 on June 1 each year starting in 2020 through 2034; the bonds are subject to redemption prior to their maturity dates as a whole or in part on any date on or after June 1, 2030, at par plus accrued interest to the date fixed for redemption, without premium; interest rates vary from 4% to 5%.

The 2019A Bonds are payable from pledged Measure M receipts. The reserve requirement is met with a bond insurance policy issued by Assurance Guaranty Municipal Corp to secure the payment of principal and interest on the bonds. The 2019A Bonds are subject to federal arbitrage regulations. No arbitrage rebate calculation was due as of June 30, 2020.

The balance outstanding on the 2019A Sales Tax Bonds at June 30, 2020, was \$9,875,000.

Future debt service principal and interest payments on the 2019A Sales Tax Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	505,000	466,750	\$ 971,750
2022	530,000	441,500	971,500
2023	555,000	415,000	970,000
2024	585,000	387,250	972,250
2025	615,000	358,000	973,000
2026 - 2030	3,560,000	1,297,750	4,857,750
2031 - 2034	3,525,000	368,050	3,893,050
Subtotals	\$ 9,875,000	\$ 3,734,300	\$ 13,609,300
Add: Bond premium	1,924,189	-	1,924,189
Totals	<u>\$ 11,799,189</u>	<u>\$ 3,734,300</u>	<u>\$ 15,533,489</u>

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

2019B Sales Tax Bonds

\$9,250,000 Sales Tax Revenue Bonds (Limited Tax Bonds) (Measure R), Series 2019B; plus bond premium of \$1,827,206 issued in July 2019 to finance certain local roadway and street improvement projects; principal due in amounts ranging from \$450,000 to \$830,000 on June 1 each year starting in 2020 through 2034; the bonds are subject to redemption prior to their maturity dates as a whole or in part on any date on or after June 1, 2030, at par plus accrued interest to the date fixed for redemption, without premium; interest rates vary from 4% to 5%.

The 2019B Bonds are payable from pledged Measure R receipts. The reserve requirement is met with a bond insurance policy issued by Assurance Guaranty Municipal Corp to secure the payment of principal and interest on the bonds. The 2019B Bonds are subject to federal arbitrage regulations. No arbitrage rebate calculation was due as of June 30, 2020.

The balance outstanding on the 2019B Sales Tax Bonds at June 30, 2020, was \$8,755,000.

Future debt service principal and interest payments on the 2019B Sales Tax Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	450,000	413,850	\$ 863,850
2022	470,000	391,350	861,350
2023	495,000	367,850	862,850
2024	520,000	343,100	863,100
2025	545,000	317,100	862,100
2026 - 2030	3,155,000	1,149,250	4,304,250
2031 - 2033	3,120,000	325,900	3,445,900
Subtotals	\$ 8,755,000	\$ 3,308,400	\$ 12,063,400
Add: Bond premium	1,705,392	-	1,705,392
Totals	<u>\$ 10,460,392</u>	<u>\$ 3,308,400</u>	<u>\$ 13,768,792</u>

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Lease Payable

On May 10, 2017, the City entered into a purchase and sale agreement with Southern California Edison to acquire 3,886 street light poles (property) to allow for conversion of the current high-pressure sodium fixtures to energy efficient light-emitting diodes. On May 1, 2018, the City entered into a lease agreement with Compass Bank to finance the cost of acquiring the street light poles. The lease agreement results in a lease to Compass Bank of the property and a sublease to the City for the same property. The rental term commenced on May 8, 2018 and terminates on June 1, 2033, but may be extended to June 1, 2038. Base rental payments are to be paid by the City on each June 1 and consist of principal and interest at a rate of 4.68% per annum.

As of June 30, 2020, \$954,479 of the \$4,266,690 received from this financing agreement have not yet been expended to purchase and retro fit the streetlight poles with LED light fixtures. The asset cost and accumulated depreciation for the corresponding assets for which funds have been spent is \$2,078,732 and \$194,129, respectively. In addition, as of June 30, 2020, \$1,560,640 was expended to upgrade lighting fixtures to low energy LCD and maintenance of purchased poles. The balance outstanding on the lease payable at June 30, 2020, was \$3,926,804.

Future debt service principal and interest payments on the lease payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	226,242	183,774	\$ 410,016
2022	236,830	173,186	410,016
2023	247,913	162,103	410,016
2024	259,516	150,500	410,016
2025	271,661	138,355	410,016
2026 - 2030	1,561,338	488,743	2,050,081
2031 - 2033	1,123,304	106,744	1,230,048
Totals	<u>\$ 3,926,804</u>	<u>\$ 1,403,405</u>	<u>\$ 5,330,209</u>

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities

2013A Water Revenue Bonds

\$9,395,000 Water Revenue Bonds; issued May 2, 2013; serial bonds due in amounts ranging from \$150,000 to \$305,000 on June 1 of each year starting in 2014 through 2043, with variable interest rates from 2% to 3.25%, and term bonds with principal amounts of \$1,335,000 and \$4,380,000 due on June 1, 2033 and June 1, 2043, respectively, with fixed interest rates of 3.50% and 4%, respectively.

\$6,000,000 from the proceeds of the 2013A Water Revenue Bonds were used to acquire 500 acre feet water pumping allocation rights from the City of Vernon, California. The remaining proceeds was used to construct infrastructure designed to provide additional capacity to pump and deliver water to the areas which currently depend on purchased water. The balance outstanding on the 2013A Water Revenue Bonds at June 30, 2020, was \$8,100,000.

The Water Revenue Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2020. The City is required, to maintain the rates and charges for the water services that will generate net water revenue to be at least 125% of maximum annual debt service payment. As of June 30, 2020, the City's net revenue coverage was 312%, which meets the requirements.

Future debt service principal and interest payments on the 2013A Water Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	220,000	318,812	\$ 538,812
2022	230,000	307,812	537,812
2023	240,000	296,313	536,313
2024	255,000	284,313	539,313
2025	265,000	271,563	536,563
2026 - 2030	1,490,000	1,203,200	2,693,200
2031 - 2035	1,765,000	933,500	2,698,500
2036 - 2040	2,135,000	562,800	2,697,800
2041 - 2043	1,500,000	121,600	1,621,600
Subtotals	\$ 8,100,000	\$ 4,299,913	\$ 12,399,913
Add: Bond premium	235,173	-	235,173
Totals	<u>\$ 8,335,173</u>	<u>\$ 4,299,913</u>	<u>\$ 12,635,086</u>

NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. PEPR miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the measurement period ended June 30, 2019, are summarized as follows:

	Miscellaneous		
	Prior to November 1, 2011	On or After November 1, 2011 and Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.7% [@] 55	2% [@] 55	2% [@] 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates:			
Normal cost rate	10.848%	10.848%	6.118%
Payment of unfunded liability for all tiers	3,003,184	Included in tier 1	Included in tier 1

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

A. General Information about the Pension Plans (Continued)

Employees Covered

For the measurement period ended June 30, 2019, the following employees were covered by the benefit terms for all Plans:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	334
Inactive employees entitled to but not yet receiving benefits	156
Active employees	242
Total	732

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

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 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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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.

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

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 (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

C. Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan, using the measurement date of June 30, 2019, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	
Balance at June 30, 2018 (Measurement Date)	<u>\$181,687,839</u>	<u>\$130,160,489</u>	<u>\$ 51,527,350</u>
Changes in the Year:			
Service cost	3,372,786	-	3,372,786
Interest on the total pension liability	12,937,506	-	12,937,506
Differences between actual and expected experience	1,785,120	-	1,785,120
Changes in assumptions	-	-	-
Contribution - employer	-	4,886,155	(4,886,155)
Contribution - employee	-	1,400,192	(1,400,192)
Net investment income	-	8,540,962	(8,540,962)
Administrative expenses	-	(92,885)	92,885
Miscellaneous income(expense)	-	302	(302)
Benefit payments, including refunds of employee contributions	<u>(8,430,409)</u>	<u>(8,430,409)</u>	<u>-</u>
Net Changes	<u>9,665,003</u>	<u>6,304,317</u>	<u>3,360,686</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$191,352,842</u>	<u>\$136,464,806</u>	<u>\$ 54,888,036</u>

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

C. Changes in the Net Pension Liability (Continued)

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

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's 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:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 80,542,888
Current Discount Rate	7.15%
Net Pension Liability	\$ 54,888,036
1% Increase	8.15%
Net Pension Liability	\$ 33,372,848

Pension Plan Fiduciary Net Position

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

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of \$10,513,735. For the measurement period ended June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,607,849	\$ -
Differences between actual and expected experience	1,244,941	(38,442)
Change in assumptions	320,707	(463,995)
Net differences between projected and actual earnings on plan investments	-	(699,744)
Total	\$ 7,173,497	\$ (1,202,181)

**NOTE 8 - CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$5,607,849 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 984,797
2022	(661,386)
2023	(94,036)
2024	134,092
2025	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2020, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

F. Other

The General Fund includes \$3,250,800 of pension stability funds on deposit with Public Agency Retirement Services (PARS) that represent assets restricted to the defined benefit pension plan, which are not included in the plan fiduciary net position.

NOTE 9 - PART-TIME SEASONAL AND TEMPORARY EMPLOYEES' RETIREMENT PLAN

Public Agency Retirement Services (PARS) administers the City's alternate retirement system plan. It is a defined contribution plan qualifying under 401(a) and 501 of the Internal Revenue Code. Contributions of 7.50% of covered compensation of eligible employees are made by the employee. The plan covers part-time, seasonal, and temporary employees paid on City's payroll who are not covered by another retirement system, pursuant to the requirements of 3121 (b)(7)(F) of the Internal Revenue Code. All eligible employees are covered by the plan and are fully vested. Employee liabilities are limited to the amount of current contributions. Contributions are applied to each participant accounts based on the data submitted to PARS Trust and actual deposits made to PARS Trustee (US Bank). The total amount of covered compensation was \$6,064,304 and employee contributions made during the fiscal year ended June 30, 2020, were \$454,823. Any amendments to the plan go through a resolution for adoption by the City Council.

NOTE 10 - DEFERRED COMPENSATION/DEFINED CONTRIBUTION PLAN

The City has established a deferred compensation plan for all officers and employees. Participation in the plan is voluntary and may be revoked at any time upon advance written notice. Generally, the amount of compensation subject to deferral until retirement, disability, or other termination by a participant may not exceed the legal limits set by the Internal Revenue Code. Amounts withheld by the City under this plan are deposited regularly into a commercial savings account held by the City, then transferred to a trust account.

As of June 30, 2020, the deferred compensation plan assets were held in a trust account for the sole benefit of the employees and their beneficiaries and, accordingly, have been excluded from the City's reported assets.

The City has established a Deferred Compensation/Defined Contribution plan for certain classifications of management under Internal Revenue Service Code Section 401(a). City participation in contributions to the plan is mandatory. The City is obligated to contribute amounts ranging from 2% to 4% of the annual salary per participant, per year. Under this qualified 401a plan, a total of \$98,613 with 27 participants was remitted to Mass Mutual with a total ending investment balance of \$2,051,163. On the other hand, employee contributions to deferred compensation plan 457 are voluntary. During the year, there were 165 participants. Contributions totaled \$613,470. Total plan assets at June 30, 2020, were \$18,094,334. Mass Mutual administers the Deferred Compensation Defined Contribution plans for the City. Separate financial reports can be obtained on each agency by members per request either by phone, email or online through their websites. Memorandum of Understanding approved by the City Council is the authority for establishing or amending the plans' provisions.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The City has an agent multiple-employer other post-employment benefit plan that provides post-employment benefits including medical insurance to eligible employees and their dependents at retirement through the California Public Employees Medical and Hospital Care Act (PEMHCA) as provided under the City's contractual agreements with the Management and General Unit employees.

The City elected to join the Public Agency Retirement System OPEB Trust (PARS OPEB Trust) as a means to fund the Annual Determined Contribution (ADC). The PARS OPEB Trust issues a publicly available financial report for the fiduciary net position that is available upon request. The PARS OPEB Trust is reported as a fiduciary fund. The plan itself does not issue a separate financial report.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

Members are eligible for the following benefits:

	General	Management
Benefit Types Provided	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime
Minimum Age	50	50
Dependent Coverage	Yes	Yes
Required Years of Service	5 Years	5 Years
City Contribution %	100%	100%
City Cap:		
Calendar Year 2019	\$1,200 per month	PERSCare Family Rate \$2,194
Calendar Year 2020	\$1,600 per month	PERSCare Family Rate \$2,421

Employees pay the difference between the benefit they receive and the monthly premium.

Employees Covered

As of measurement date June 30, 2019, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	285
Inactive employees or beneficiaries entitled to but not yet receiving benefits	-
Active employees	210
	495
	495

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the City, its management employees, and unions representing the City's employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the general fund.

The annual contribution is based on the actuarially determined contributions. For fiscal year ended June 30, 2020, the City contributed \$1,610,600 to the PARS OPEB Trust, and paid \$1,683,567 for current premiums, and the estimated implied subsidy was \$370,572, resulting in total payments of \$3,664,739. The majority of contributions to the OPEB plan are generally made from the general fund.

The liability for governmental activities is primarily liquidated from the general fund while the liability for business-type activities is liquidated from the enterprise funds.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Trust

The PARS OPEB Trust is a GASB 75 compliant trust in that the contributions are irrevocable, the plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms, and the OPEB plan assets are legally protected from the creditors of the City, OPEB plan administrator, and plan members. The Trust costs are shared among other members of the PARS Trust.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which 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.

Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The City's net OPEB liability is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2019 using an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value
Actuarial Assumptions:	
Discount Rate	6.71%
Long-Term Expected Rate of Return on Investments	6.71%
Inflation	1.75%
Healthcare Trend Rates	6.00% trending down to 3.84% over 55 years
Mortality, Disability, Termination, Retirement	CalPERS December 2017 experience study

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments of 6.71% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PARS OPEB Trust:		
Global Equity:		
Large Cap Core	32.00%	7.50%
Mid Cap Core	6.00%	7.80%
Small Cap Core	9.00%	8.70%
Real Estate	2.00%	6.70%
International	7.00%	7.80%
Emerging Markets	4.00%	7.80%
Fixed Income:		
Short Term Bond	6.75%	3.30%
Intermediate Term Bond	27.00%	4.10%
High Yield	1.25%	6.90%
Cash	5.00%	2.40%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.71%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018 (Measurement Date)	\$ 38,684,824	\$ 6,568,955	\$ 32,115,869
Changes in the Year:			
Service cost	1,299,093	-	1,299,093
Interest on the total OPEB liability	2,664,436	-	2,664,436
Differences between actual and expected experience	(45,071)	-	(45,071)
Changes in assumptions	507,024	-	507,024
Contributions - employer	-	3,099,729	(3,099,729)
Contributions - Employer Implicit Subsidy	-	342,759	(342,759)
Net investment income	-	586,074	(586,074)
Benefit payments	(1,489,129)	(1,489,129)	-
Implicit subsidy credit	(342,759)	(342,759)	-
Administrative expenses	-	(18,267)	18,267
Net Changes	2,593,594	2,178,407	415,187
Balance at June 30, 2019 (Measurement Date)	\$ 41,278,418	\$ 8,747,362	\$ 32,531,056

Change of Assumptions

From measurement date June 30, 2018, to June 30, 2019, there were the following changes of assumptions: (1) the discount rate was decreased from 6.82% to 6.71%; (2) the healthcare rates decreased from 6.50% to 6.00% trending down to 3.84% over 55 years.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Total OPEB Liability

Change of Benefit Terms

There was no change of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (5.71%)	Discount Rate (6.71%)	1% Increase (7.71%)
Net OPEB Liability	\$ 37,634,987	\$ 32,531,056	\$ 28,262,047

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

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

	5.00% Decreasing to 2.84%	6.00% Decreasing to 3.84%	7.00% Decreasing to 4.84%
Net OPEB Liability	\$ 27,244,006	\$ 32,531,056	\$ 39,025,877

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,557,010. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,664,741	\$ -
Differences between actual and expected experience	-	(1,296,200)
Changes in assumptions	409,519	(1,734,442)
Differences between projected and actual earnings	-	(199,054)
Total	\$ 4,074,260	\$ (3,229,696)

\$3,664,741 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ (922,485)
2022	(922,485)
2023	(877,929)
2024	(115,046)
2025	17,768
Thereafter	-

E. Payable to the OPEB Plan

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2020

NOTE 12 - FUND BALANCES AND NET POSITION CLASSIFICATION

Fund balances at June 30, 2020, consisted of the following:

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Other Federal Grants	Other Governmental Funds	Total Governmental Funds
	General Fund	Housing and Community Development	Housing Authority		Special Projects	Economic Development	Housing Successor			
Nonspendable:										
Advances to Successor Agency	\$ 4,059,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,059,071
Advances to other funds	2,287,382	-	-	-	-	-	-	-	-	2,287,382
Inventory of material and supplies	5,718	-	-	-	-	-	-	-	-	5,718
Prepaid items	65,105	-	-	-	-	-	-	-	42,350	107,455
Total nonspendable	6,417,276	-	-	-	-	-	-	-	42,350	6,459,626
Restricted:										
Pension	3,250,800	-	-	-	-	-	-	-	-	3,250,800
Public safety	-	-	-	-	-	-	-	-	188,991	188,991
Urban development	-	317,405	1,297,947	-	-	11,450,170	12,453,140	-	-	25,518,662
Public works	-	-	-	-	24,376,384	-	-	-	18,099,059	42,475,443
Public art	-	-	-	-	-	-	-	-	197,111	197,111
Culture & leisure	-	-	-	-	-	-	-	-	412,823	412,823
Health & welfare	-	-	-	-	-	-	-	-	136,907	136,907
Debt service	-	-	-	1,208,580	-	-	-	-	-	1,208,580
Total restricted	3,250,800	317,405	1,297,947	1,208,580	24,376,384	11,450,170	12,453,140	-	19,034,891	73,389,317
Committed:										
CalPERS defined benefit pension plan (see Note 1E)	120,000	-	-	-	-	-	-	-	-	120,000
Public works	-	-	-	-	-	-	-	-	110,176	110,176
Equipment replacement	-	-	-	-	-	-	-	-	3,418,866	3,418,866
Building renovation	-	-	-	-	-	-	-	-	1,184,215	1,184,215
Total committed	120,000	-	-	-	-	-	-	-	4,713,257	4,833,257
Assigned:										
Capital projects	481,865	-	-	-	-	-	-	-	-	481,865
Unassigned										
	14,719,745	-	-	-	(1,163,240)	-	-	(114,703)	(307,821)	13,133,981
Total fund balances	\$ 24,989,686	\$ 317,405	\$ 1,297,947	\$ 1,208,580	\$ 23,213,144	\$ 11,450,170	\$ 12,453,140	\$ (114,703)	\$ 23,482,677	\$ 98,298,046

NOTE 12 - FUND BALANCES AND NET POSITION CLASSIFICATION (CONTINUED)

The City's net position at June 30, 2020 is tabulated below, followed by explanations as to the nature and purpose of each classification.

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Capital assets, not depreciated	\$ 14,078,768	\$ 15,218,786
Depreciable capital assets, net	130,278,628	45,283,747
Lease revenue refunding bonds	(27,495,000)	(8,100,000)
Lease payable	(3,926,804)	-
Bond premiums	(3,963,605)	(235,173)
Cash and investments with fiscal agents	25,584,964	11
Deferred amount on refunding	93,280	-
Accounts Payable and retention payable related to capital assets	(482,494)	(173,737)
Net investment in capital assets	134,167,737	51,993,634
Restricted net position:		
Pension	3,250,800	-
Public safety	283,788	-
Urban development	25,616,505	-
Public works	19,466,297	-
Public art	197,111	-
Culture & leisure	412,823	-
Health & welfare	136,907	-
Total restricted net position	49,364,231	-
Unrestricted net position	(32,330,770)	(4,248,706)
Total net position	\$ 151,201,198	\$ 47,744,928

NOTE 13 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances

The deficits in the following funds were due to the timing in the receipt of the reimbursable grants.

Major Fund:	
Other Federal Grants Capital Projects Fund	\$ (114,703)
Other Governmental Funds:	
Special Grants Special Revenue Fund	(73,787)
Proposition "C" I-5 Mitigation Capital Projects Fund	(232,634)
Subtotal	\$ (421,124)

These deficits are expected to be eliminated with future revenues and reimbursements from federal and state agencies.

NOTE 13 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures over Appropriations

The following funds reported expenditures exceeding appropriations in individual departments at June 30, 2020:

	Budget	Actual	Variance with Final Budget
Major Fund:			
General Fund			
Public Safety	\$ 17,436,145	\$ 17,757,321	\$ (321,176)
Housing Authority			
Special Revenue Fund:			
Health and welfare	7,636,997	8,239,036	(602,039)
Other Governmental Funds:			
Child Development Program			
Special Revenue Fund:			
Health and welfare	5,910,235	6,428,167	(517,932)

NOTE 14 - INSURANCE POLICIES

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

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

NOTE 14 - INSURANCE POLICIES (CONTINUED)

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

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

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program

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

For 2019-2020, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

NOTE 14 - INSURANCE POLICIES (CONTINUED)

Purchased Insurance

Pollution Legal Liability Insurance

The City of Norwalk 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 Norwalk. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City of Norwalk participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Norwalk property is currently insured according to a schedule of covered property submitted by City of Norwalk to the Authority. City of Norwalk property currently has all-risk property insurance protection in the amount of \$116,106,992. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Norwalk purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Norwalk property currently has earthquake protection in the amount of \$39,660,869. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of Norwalk purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through 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 2019-2020.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Authority may be obtained at its administrative office located at 8081 Moody Street, La Palma, California 90623.

NOTE 14 - INSURANCE POLICIES (CONTINUED)

Claims Activity

Claim expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. At June 30, 2020, the City had no such liabilities, which is the City's best estimate based on available information.

A summary of the changes in claims liabilities for the past three fiscal years follows:

Year Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30,
2018	\$ -	\$ 527,701	\$ (527,701)	\$ -
2019	-	137,802	(137,802)	-
2020	-	714,355	(714,355)	-

NOTE 15 - CONTINGENT LIABILITIES

The City is a defendant in certain legal actions arising in the normal course of operations. It is management's opinion that these actions will not have a material adverse effect on the City's financial position. In Santa Clara County Local Transportation Authority vs. Guardino (1995), the California Supreme Court upheld Proposition 62, a 1986 initiative that requires voter approval for local taxes. After two lower courts invalidated key portions of Proposition 62, many practitioners and local agencies have considered Proposition 62 unenforceable and have acted accordingly.

Since 1986, the City has implemented the following taxes without a vote of the people.

- Hotel-Motel Occupancy Tax - Increased rate from 6% to 8% effective October 1, 1989 and from 8% to 10% effective October 1, 1990.

The City had a special election on April 11, 2006, to receive voter approval on the Hotel-Motel Occupancy tax rate. The voters approved a Hotel-Motel Occupancy tax rate of 10%.

NOTE 16 - JOINT POWERS AGREEMENTS

The City is involved in two joint ventures, in addition to joint insurance pooling with the California Joint Powers Insurance Authority (as described in Note 14).

Southwest Water Coalition

On July 1, 1991 the City, along with more than ten public agencies, entered into a joint powers agreement to form the Southeast Water Coalition (Coalition). The Coalition's purpose is to jointly exercise their powers for the purpose of improving and protecting the quality and quantity of potable water in the Southeast Area of Los Angeles County. The legislative body of each of the participating parties shall appoint one board member. Contributions are required upon arrival of a majority of all members of the Board. The City of Norwalk may withdraw from the Coalition upon 30 day written notice and payment of any previously unpaid contributions.

Upon termination of the Coalition, all of its then existing assets shall be divided equally among the then remaining member agencies. This joint venture is not currently experiencing financial stress or accumulating significant resources. The City does not have a measurable material equity interest in the joint venture.

Separate financial statements for the Southeast Water Coalition are available at the City of Norwalk, 12700 Norwalk Boulevard, Norwalk, CA 90651-1030.

I-5 Consortium Joint Powers Authority

The City of Norwalk is one of six cities that formed the I-5 Consortium Joint Powers Authority (Consortium) in May 1991. The Consortium was created to act in concert with the State of California and Federal Agencies in matters pertaining to the development of plans and financing for I-5 Freeway improvements. Each member city has appointed one board member to represent its city. Annual contributions are required on an equal pro-rata basis upon approval by the Board. For the year ended June 30, 2020, the City of Norwalk contributed \$30,000.

The City of Norwalk is responsible for a pro-rata share of any liability to the State of California or federal government that arises from any agreement entered into by the Consortium. Upon termination of the Consortium, all of its then existing assets shall be divided equally among the then remaining member cities. This joint venture is not currently experiencing financial stress or accumulating significant resources. The City does not have a measurable material equity interest in the joint venture.

Separate financial statements for the I-5 Consortium Joint Powers Authority are available at the City of Norwalk, 12700 Norwalk Boulevard, Norwalk, California 90651-1030.

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY

The accompanying financial statements also include the Private-Purpose Trust Fund for the Successor Agency to the City's former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries and as such, are not available for the use of the City.

Disclosures related to the certain assets and long-term liabilities of the Successor Agency are as follows:

Disclosure of Successor Agency Capital Assets

	Balance at July 1, 2019	Additions	Deletions/ Transfers	Balance at June 30, 2020
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,010,388	\$ -	\$ -	\$ 1,010,388
Less accumulated depreciation for:				
Buildings and improvements	(126,299)	(25,259)	-	(151,558)
Total capital assets, being depreciated, net	884,089	(25,259)	-	858,830
Total successor agency capital assets, net	<u>\$ 884,089</u>	<u>\$ (25,259)</u>	<u>\$ -</u>	<u>\$ 858,830</u>

Disclosure of Successor Agency Debts

Details of the Successor Agency's long-term debt for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
<i>Other debt:</i>					
Tax Allocation Refunding Bonds:					
2005 Series A	\$ 24,875,000	\$ -	\$ (995,000)	\$ 23,880,000	\$ 1,035,000
Add: Bond premium	260,718	-	(16,045)	244,673	-
2005 Series B (Taxable)	21,910,000	-	(800,000)	21,110,000	845,000
Less: Bond discount	(192,296)	-	11,833	(180,463)	-
Subtotals	<u>46,853,422</u>	<u>-</u>	<u>(1,799,212)</u>	<u>45,054,210</u>	<u>1,880,000</u>
<i>Direct borrowings and placements:</i>					
County Deferred Loans:					
Project Area No. 1	30,691,666	-	-	30,691,666	-
Project Area No. 2	15,780,071	1,104,605	-	16,884,676	-
Total other debt and county deferred loans	<u>93,325,159</u>	<u>1,104,605</u>	<u>(1,799,212)</u>	<u>92,630,552</u>	<u>1,880,000</u>
<i>Direct borrowings and placements:</i>					
Advances from the City of Norwalk:					
Metro Center parcels	8,643,575	147,976	(1,328,657)	7,462,894	-
Total long-term liabilities	<u>\$ 101,968,734</u>	<u>\$ 1,252,581</u>	<u>\$ (3,127,869)</u>	<u>\$ 100,093,446</u>	<u>\$ 1,880,000</u>

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY (CONTINUED)

Disclosure of Successor Agency Debts (Continued)

Tax Allocation Refunding Bonds, 2005 Series A

\$34,815,000 Tax Allocation Refunding Bonds, 2005 Series A; issued November 2005 to refund the Tax Allocation Refunding Bonds, Series 1995A and Series 1995B; serial bonds due in amounts ranging from \$610,000 to \$1,285,000 on October 1 of each year starting 2006 through 2025 and term bonds with principal amounts of \$7,445,000 and \$9,500,000 due on October 1, 2030 and 2035, respectively; interest rates vary from 3.50% to 5.00%. The defeasance of the bonds resulted in a loss from defeasance of \$200,388. The balance of the loss from defeasance, net of accumulated amortization, is \$104,474 as of June 30, 2020.

The Tax Allocation Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2020. The balance outstanding on the Tax Allocation Refunding Bonds, 2005 Series A at June 30, 2020, was \$23,880,000.

Future debt service principal and interest payments on the Tax Allocation Refunding Bonds, 2005 Series A are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,035,000	\$ 1,135,917	\$ 2,170,917
2022	1,080,000	1,089,516	2,169,516
2023	1,125,000	1,040,444	2,165,444
2024	1,180,000	988,581	2,168,581
2025	1,230,000	934,356	2,164,356
2026 - 2030	7,090,000	3,703,341	10,793,341
2031 - 2035	9,050,000	1,697,464	10,747,464
2036	2,090,000	52,250	2,142,250
Subtotals	\$ 23,880,000	\$ 10,641,869	\$ 34,521,869
Add: Bond premium	244,673	-	244,673
Totals	<u>\$ 24,124,673</u>	<u>\$ 10,641,869</u>	<u>\$ 34,766,542</u>

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY (CONTINUED)

Disclosure of Successor Agency Debts (Continued)

Tax Allocation Refunding Bonds, 2005 Series B (Taxable)

\$29,310,000 Tax Allocation Refunding Bonds, 2005 Series B (Taxable); issued November 2005 to finance certain redevelopment activities; serial bonds due in amounts ranging from \$415,000 to \$585,000 on October 1 of each year starting 2006 through 2013 and term bonds with principal amounts of \$1,265,000 to \$15,275,000 due on October 1, 2015 through October 1, 2035, respectively; interest rates vary from 4.77% to 5.75%. The balance outstanding on the Tax Allocation Refunding Bonds, 2005 Series B (Taxable) at June 30, 2020, was \$21,110,000.

Future debt service principal and interest payments on the Tax Allocation Refunding Bonds, 2005 Series B (Taxable) are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 845,000	\$ 1,182,238	\$ 2,027,238
2022	890,000	1,133,968	2,023,968
2023	945,000	1,082,359	2,027,359
2024	995,000	1,027,797	2,022,797
2025	1,050,000	970,281	2,020,281
2026 - 2030	6,220,000	3,855,256	10,075,256
2031 - 2035	8,225,000	1,793,281	10,018,281
2036	1,940,000	55,775	1,995,775
Subtotals	\$ 21,110,000	\$ 11,100,955	\$ 32,210,955
Less: Bond discount	(180,463)	-	(180,463)
Totals	<u>\$ 20,929,537</u>	<u>\$ 11,100,955</u>	<u>\$ 32,030,492</u>

The 2005A and B bonds have a reserve of \$4,246,859 that is required to be set-aside to further secure the payment of principal and interest on the bonds. At June 30, 2020, this reserve was fully funded with a balance of \$4,466,654.

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY (CONTINUED)

Disclosure of Successor Agency Debts (Continued)

County Deferred Loans

The former Norwalk Redevelopment Agency entered into two agreements for reimbursement of tax increment funds with the Los Angeles County, one for Project Area No. 1 and the other for Project Area No. 2. The agreements were as follows:

Project Area No. 1

An agreement was entered into on July 24, 1984, between the former Norwalk Redevelopment Agency (Agency) and the County of Los Angeles regarding the use of tax increment revenues generated by Project Area No.1. Various entities are entitled to their proportionate share of the annual tax increments, and the distribution is summarized as follows: Fire Protection District 16.9%; County of Los Angeles 54.8%; and the Agency 28.3%.

Recognizing the Agency's need to utilize a substantial portion of the annual tax increments generated in the project area, the County of Los Angeles agreed to loan its tax increments to the Agency. The County will defer receipt of its portion of the tax increment until the Agency is receiving \$1,500,000 in tax increment annually. Thereafter, the Agency shall continue to receive \$1,500,000 annually, but shall reimburse the County the excess tax increment above \$1,500,000 as a loan payment.

The dollar amount was increased from \$1,500,000 to \$2,900,000 when Amendment No. 2 was entered into on February 2, 1993. This amendment also stated that, commencing with the 1992-93 fiscal year, the Agency shall be granted a \$35,000 per year credit, for each such fiscal year, towards the cumulative deficit owed to the County.

The County has stated that as of June 30, 2020, the deferred loan balance payable to the County of Los Angeles for Project Area No. 1 was \$30,691,666.

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY (CONTINUED)

Disclosure of Successor Agency Debts (Continued)

County Deferred Loans (Continued)

Project Area No. 2:

An agreement was entered into on August 17, 1987, between the Agency and the County of Los Angeles in regard to the use of tax increment revenues generated by Project Area No. 2. The Agency, the County of Los Angeles and the Fire Protection District are all entitled to their proportionate shares of the annual tax increments. The distribution is as follows: Agency 29.1%; County 53.9%; and the District 17.0%. Because of the Agency's need for a substantial portion of the tax increments, the County of Los Angeles agreed to loan its tax increments to the Agency on the following basis: the County shall annually loan to the Agency a portion of the amounts reimbursed, so that annually the Agency receives property tax increments up to \$600,000; the loan shall accrue interest at 7% per year; the Agency shall commence repayment of the loan by annually paying to the County all tax increments exceeding \$600,000; and the Agency may not pledge more than \$600,000 in annual tax increments to the repayment of any tax allocation bonds or notes without the consent of the County.

The County has stated that as of June 30, 2020, the deferred loan balance payable to the County of Los Angeles for Project Area No. 2 was \$16,884,676.

The Department of Finance, in their review of the ROPS, has disallowed the County deferred loan balances for Project Area No. 1 and Project Area No. 2, to be enforceable obligations.

Advances from the City's General Fund

The former Redevelopment Agency advances were used for the general cost and to build the Metro Center. The balance outstanding as of June 30, 2020 is \$7,462,894.

On May 15, 2013, the Successor Agency received a Finding of Completion letter from the California Department of Finance (DOF), allowing the Agency to request the Oversight Board and DOF's approval for the reestablishment of loan agreements between the former redevelopment agency and the City. The Oversight Board adopted Resolution No. 14-02 on February 25, 2014, and the DOF issued its letter on April 9, 2014 approving reestablishment of such loans. During the fiscal year 2013/14, the City recalculated the accrued interest on the above advances based on the DOF suggested calculation pursuant to the Redevelopment Dissolution Act.

The SB 107 enacted by the State legislation in September 2015, allows the Successor Agency to recalculate and repay these loans using 3% or 4% interest rate, instead of the LAIF rate. The 4% interest would apply only if the Successor Agency opts to file a last and final ROPS. The Successor Agency recalculated the accrued interest at the 3% rate required by SB 107 in the fiscal year ended June 30, 2016 and calculated interest at the 3% rate in subsequent years.

NOTE 17 - SUCCESSOR AGENCY TRUST FOR ASSETS OF THE DISSOLVED NORWALK REDEVELOPMENT AGENCY (CONTINUED)

Successor Agency Commitments

Costco Wholesale Corporation

In November 1985, the former Norwalk Redevelopment Agency (Agency) entered into an agreement with Norwalk-La Mirada Unified School District (Landlord). Under this master lease agreement, the Agency leased approximately 11 acres of land from the Landlord for an initial term of 25 years, with five ten-year options to extend.

Concurrently, under the same terms, the Agency entered into a sub-lease agreement with the Costco Wholesale Corporation (sub-tenant). On March 22, 2011, the sub-tenant exercised its Extension Option to extend the sublease term to June 29, 2021, and the lease term of the master lease to June 30, 2021.

Since July 1, 1995, the rent payments are paid pursuant to the Second Stage Rent, which requires Agency to pay the Landlord all rental income received from subtenant. The minimum annual rent and the sublease for any extended term of the sublease is \$400,000 adjusted by the greater of one-half the increase in the Consumer Price Index, or a formula provided in the master agreement based on appraisal value of the property. Effective July 1, 2011, the minimum annual rent of \$659,250 was established based on the appraised value formula. It will be in effect until June 30, 2021.

In relation to the master lease agreement between the Agency and NLMUSD as discussed in paragraphs 1 and 2 of this note, the Agency is required to remit to the Landlord 1/3 of 1% of sub-tenant's gross sales as annual percentage rent if the Agency receives such payment from the sub-tenant. In fiscal year 2019-2020, the Agency did not receive any such payments from the sub-tenant.

NOTE 18 - SUBSEQUENT EVENT

In preparing these financial statements, the City has evaluated other events and transactions for potential recognition or disclosure through December 10, 2020, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Norwalk
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:						
Service cost	\$ 3,372,786	\$ 3,395,393	\$ 3,253,433	\$ 2,798,540	\$ 2,777,970	\$ 2,846,128
Interest on total pension liability	12,937,506	12,272,227	11,814,360	11,420,438	10,941,117	10,415,206
Differences between expected and actual experience	1,785,120	44,859	(1,191,669)	(541,635)	200,587	-
Changes in assumptions	-	(1,177,831)	9,941,881	-	(2,694,093)	-
Changes in benefits	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,430,409)	(7,843,277)	(7,360,837)	(7,134,374)	(6,709,820)	(6,454,235)
Net Change in Total Pension Liability	9,665,003	6,691,371	16,457,168	6,542,969	4,515,761	6,807,099
Total Pension Liability - Beginning of Year	181,687,839	174,996,468	158,539,300	151,996,331	147,480,570	140,673,471
Total Pension Liability - End of Year (a)	<u>\$ 191,352,842</u>	<u>\$ 181,687,839</u>	<u>\$ 174,996,468</u>	<u>\$ 158,539,300</u>	<u>\$ 151,996,331</u>	<u>\$ 147,480,570</u>
Plan Fiduciary Net Position:						
Contributions - employer	\$ 4,886,155	\$ 4,326,086	\$ 4,001,016	\$ 3,620,111	\$ 3,088,469	\$ 2,827,904
Contributions - employee	1,400,192	1,422,508	1,344,205	1,302,530	1,200,653	1,213,682
Net investment income	8,540,962	10,347,163	12,480,715	587,323	2,524,863	17,146,278
Benefit payments	(8,430,409)	(7,843,277)	(7,360,837)	(7,134,374)	(6,709,820)	(6,454,235)
Administrative expense	(92,885)	(190,829)	(165,600)	(69,389)	(128,139)	-
Miscellaneous expense	302	(362,689)	-	-	-	-
Net Change in Plan Fiduciary Net Position	6,304,317	7,698,962	10,299,499	(1,693,799)	(23,974)	14,733,629
Plan Fiduciary Net Position - Beginning of Year	130,160,489	122,461,527	112,162,028	113,855,827	113,879,801	99,146,172
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 136,464,806</u>	<u>\$ 130,160,489</u>	<u>\$ 122,461,527</u>	<u>\$ 112,162,028</u>	<u>\$ 113,855,827</u>	<u>\$ 113,879,801</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 54,888,036</u>	<u>\$ 51,527,350</u>	<u>\$ 52,534,941</u>	<u>\$ 46,377,272</u>	<u>\$ 38,140,504</u>	<u>\$ 33,600,769</u>
Plan fiduciary net position as a percentage of the total pension liability	71.32%	71.64%	69.98%	70.75%	74.91%	77.22%
Covered payroll	\$ 17,344,449	\$ 17,213,375	\$ 16,611,011	\$ 15,835,113	\$ 15,392,118	\$ 14,721,610
Net pension liability as a percentage of covered payroll	316.46%	299.34%	316.27%	292.88%	247.79%	228.24%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

City of Norwalk
Schedule of Contributions - CalPERS
Last Ten Fiscal Years*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 5,607,849	\$ 4,882,298	\$ 4,252,350	\$ 3,620,111	\$ 3,574,267	\$ 3,133,656
Contributions in relation to the actuarially determined contributions	<u>(5,607,849)</u>	<u>(4,882,298)</u>	<u>(4,252,350)</u>	<u>(3,620,111)</u>	<u>(3,574,267)</u>	<u>(3,133,656)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,391,243	\$ 17,344,449	\$ 17,213,375	\$ 16,611,011	\$ 15,835,113	\$ 15,392,118
Contributions as a percentage of covered payroll	32.25%	28.15%	24.70%	21.79%	22.57%	20.36%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 years (2%@55, 2.7%@55), 52 years (2%@62)**
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

City of Norwalk
Other Post-Employment Benefits (OPEB)
Annual Money-Weighted Rate of Return on Investments
Last Ten Fiscal Years (1)

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense (1)</u>
6/30/17	11.15%
6/30/18	12.95%
6/30/19	7.25%
6/30/20	7.96%

(1) Ten years of historical information is required by the Governmental Accounting Standards Board, Statement No. 74. Fiscal year ended June 30, 2017 was the first year of implementation and therefore only four years are presented.

City of Norwalk
Other Post-Employment Benefits (OPEB)
Schedule of Change in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Fiscal year end	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:			
Service cost	\$ 1,299,093	\$ 1,522,089	\$ 1,477,756
Interest on total OPEB liability	2,664,436	2,797,595	2,696,630
Changes of benefit terms	-	596,892	-
Differences between expected and actual experience	(45,071)	(2,047,171)	-
Changes of assumptions	507,024	(2,818,474)	-
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(1,831,888)</u>	<u>(1,728,952)</u>	<u>(1,714,146)</u>
Net Change in Total OPEB Liability	2,593,594	(1,678,021)	2,460,240
Total OPEB Liability - Beginning of Year	<u>38,684,824</u>	<u>40,362,845</u>	<u>37,902,605</u>
Total OPEB Liability - End of Year (a)	<u>41,278,418</u>	<u>38,684,824</u>	<u>40,362,845</u>
Plan Fiduciary Net Position:			
Contributions - employer	3,442,488	2,895,732	3,295,446
Net investment income	586,074	404,743	483,661
Benefit payments, including refunds and the implied subsidy benefit payments	(1,831,888)	(1,728,952)	(1,714,146)
Administrative expenses	<u>(18,267)</u>	<u>(10,566)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	2,178,407	1,560,957	2,064,961
Plan Fiduciary Net Position - Beginning of Year	<u>6,568,955</u>	<u>5,007,998</u>	<u>2,943,037</u>
Plan Fiduciary Net Position - End of Year (b)	<u>8,747,362</u>	<u>6,568,955</u>	<u>5,007,998</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 32,531,056</u>	<u>\$ 32,115,869</u>	<u>\$ 35,354,847</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.19%	16.98%	12.41%
Covered-employee payroll	\$ 17,344,449	\$ 17,213,375	\$ 16,611,011
Net OPEB liability as percentage of covered-employee payroll	187.56%	186.58%	212.84%

Notes to Schedule:

Benefit Changes:

From fiscal year June 30, 2018 to June 30, 2019:

The City cap for General Group Members benefits was increased from \$900 per month for 2017 to \$1,200 per month for 2018.

From fiscal year June 30, 2019 to June 30, 2020:

There were no benefit changes.

Changes in Assumptions:

From fiscal year June 30, 2018 to June 30, 2019:

The discount rate was lowered from 7.00% as of June 30, 2017 to 6.82% as of the June 30, 2018.

The mortality, disability, termination, and retirement assumptions for June 30, 2017 utilized the CalPERS 1997-2015 experience study while the December 2017 CalPERS experience study was utilized for June 30, 2018.

June 30, 2017 contained healthcare rates of 7.00% trending down to 3.94% over 57 years while June 30, 2018 contained healthcare rates of 6.50% trending down to 3.84% over 58 years.

From fiscal year June 30, 2019 to June 30, 2020:

The discount rate was lowered from 6.82% as of June 30, 2018 to 6.71% as of the June 30, 2019.

The healthcare rates decreased from 6.50% to 6.00% trending down to 3.84% over 55 years.

* Fiscal year 2018 was the first year of implementation and therefore only three years are shown.

City of Norwalk
Other Post-Employment Benefits (OPEB)
Schedule of Contributions
Last Ten Fiscal Years*

Fiscal year ended	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 3,125,815	\$ 3,175,795	\$ 2,974,742
Contributions in relation to the actuarially determined contributions	<u>(3,664,739)</u>	<u>(3,442,488)</u>	<u>(2,961,987)</u>
Contribution deficiency (excess)	<u>\$ (538,924)</u>	<u>\$ (266,693)</u>	<u>\$ 12,755</u>
Covered-employee payroll	\$ 17,391,243	\$ 17,344,449	\$ 17,213,375
Contributions as a percentage of covered-employee payroll	21.07%	19.85%	17.21%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2016
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal, level percentage of payroll		
Amortization method	Closed period, level percent of pay		
Amortization period	25 years	20 years	25 years
Asset valuation method	Market value	Market value	Market value
Discount rate	6.71%	6.82%	7.00%
Inflation	1.75%	2.50%	2.50%
Mortality, disability, termination, retirement	(5)	(5)	(4)
Healthcare trend rates	(3)	(2)	(1)

- (1) 7.00% trending down to 3.94% over 57 years
- (2) 6.50% trending down to 3.84% over 58 years
- (3) 6.00% trending down to 3.84% over 55 years
- (4) CalPERS 1997-2015 experience study
- (5) CalPERS December 2017 experience study

* Fiscal year 2018 was the first year of implementation and therefore only three years are shown.

City of Norwalk
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 42,040,700	\$ 40,170,360	\$ 42,522,210	\$ 2,351,850
Licenses and permits	1,255,800	1,117,500	1,160,152	42,652
Fines, forfeitures and penalties	1,346,300	989,630	1,045,036	55,406
Use of money and property	872,740	718,830	1,470,873	752,043
Intergovernmental	603,870	670,230	392,748	(277,482)
Charges for services	1,262,510	1,144,470	1,127,003	(17,467)
Rental income	913,400	839,030	833,219	(5,811)
Other	2,062,720	2,068,880	1,087,707	(981,173)
Total revenues	50,358,040	47,718,930	49,638,948	1,920,018
Expenditures:				
Current:				
General government:				
Mayor, council and boards	465,546	459,955	417,631	42,324
Management and administration	3,512,883	3,551,590	3,255,214	296,376
City clerk	900,949	1,064,133	1,070,620	(6,487)
Personnel services	2,988,580	3,034,872	2,778,312	256,560
Financial services	2,211,547	2,220,352	2,184,298	36,054
Total general government	10,079,505	10,330,902	9,706,075	624,827
Public safety				
Public safety operations	15,742,214	15,804,755	16,156,851	(352,096)
Emergency preparedness	138,452	108,452	76,265	32,187
Family resource center	262,940	261,312	272,635	(11,323)
Homeless activities	446,894	284,943	273,348	11,595
Code compliance	963,420	976,683	978,222	(1,539)
Total public safety	17,553,920	17,436,145	17,757,321	(321,176)
Urban development:				
Community development operations	3,014,941	789,805	725,142	64,663
Building and safety	1,319,532	1,245,596	1,093,528	152,068
Planning	1,048,408	986,940	807,568	179,372
Total urban development	5,382,881	3,022,341	2,626,238	396,103
Public works:				
Public services administration	1,109,718	1,082,219	881,636	200,583
Security and emergency services	40,505	35,505	30,316	5,189
Facilities maintenance	2,004,664	1,982,311	1,795,009	187,302
Street maintenance	33,060	31,422	185,851	(154,429)
Traffic maintenance	31,999	18,335	208,405	(190,070)
Signals and street lighting	345,098	265,351	377,784	(112,433)
Street sweeping	337,274	337,638	390,691	(53,053)
Graffiti removal	599,418	604,448	576,240	28,208
Tree maintenance	705,110	656,230	634,589	21,641
Greenscape maintenance	806,927	814,165	767,525	46,640
Storm water compliance	399,670	337,834	220,815	117,019
Engineering	1,157,131	1,120,727	929,066	191,661
Homeless activities	-	-	-	-
Park Services	3,691,654	3,687,462	3,471,490	215,972
Total public works	11,262,228	10,973,647	10,469,417	504,230

See accompanying note to required supplementary information.

City of Norwalk
Budgetary Comparison Schedule
General Fund (Continued)
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Expenditures (Continued):				
Current (Continued):				
Culture and leisure:				
Recreation	\$ 4,712,054	\$ 4,410,787	\$ 4,189,241	\$ 221,546
Total culture and leisure	<u>4,712,054</u>	<u>4,410,787</u>	<u>4,189,241</u>	<u>221,546</u>
Health and welfare:				
Social services administration	1,133,616	1,122,674	997,806	124,868
Senior programs	1,155,556	1,131,925	994,270	137,655
Emergency food and shelter program	46,750	49,750	41,961	7,789
Homeless activities	5,562	5,562	62,039	(56,477)
Total health and welfare	<u>2,341,484</u>	<u>2,309,911</u>	<u>2,096,076</u>	<u>213,835</u>
Capital outlay and improvement	<u>723,919</u>	<u>813,456</u>	<u>572,727</u>	<u>240,729</u>
Total expenditures	<u>52,055,991</u>	<u>49,297,189</u>	<u>47,417,095</u>	<u>1,880,094</u>
Excess of revenues over expenditures	<u>(1,697,951)</u>	<u>(1,578,259)</u>	<u>2,221,853</u>	<u>3,800,112</u>
Other financing sources (uses):				
Transfers in	22,000	22,000	10,608	(11,392)
Transfers out	<u>(3,299,007)</u>	<u>(3,299,007)</u>	<u>(3,337,936)</u>	<u>(38,929)</u>
Total other financing sources (uses)	<u>(3,277,007)</u>	<u>(3,277,007)</u>	<u>(3,327,328)</u>	<u>(50,321)</u>
Change in fund balance	(4,974,958)	(4,855,266)	(1,105,475)	3,749,791
Beginning fund balance	<u>26,095,161</u>	<u>26,095,161</u>	<u>26,095,161</u>	<u>-</u>
Ending fund balance	<u>\$ 21,120,203</u>	<u>\$ 21,239,895</u>	<u>\$ 24,989,686</u>	<u>\$ 3,749,791</u>

See accompanying note to required supplementary information.

City of Norwalk
Budgetary Comparison Schedule
Housing and Community Development Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 800	\$ 800	\$ 740	\$ (60)
Intergovernmental	1,974,131	2,699,824	2,028,241	(671,583)
Other	134,000	134,000	171,953	37,953
Total revenues	2,108,931	2,834,624	2,200,934	(633,690)
Expenditures:				
Current:				
Urban development	1,671,902	2,422,339	1,678,977	743,362
Health and welfare	75,000	75,000	65,331	9,669
Capital outlay and improvement	500,000	524,000	507,285	16,715
Total expenditures	2,246,902	3,021,339	2,251,593	769,746
Excess (deficiency) of revenues over expenditures	(137,971)	(186,715)	(50,659)	136,056
Beginning fund balance	368,064	368,064	368,064	-
Ending fund balance	\$ 230,093	\$ 181,349	\$ 317,405	\$ 136,056

See accompanying note to required supplementary information.

City of Norwalk
Budgetary Comparison Schedule
Housing Authority Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 2,100	\$ 2,100	\$ 2,166	\$ 66
Intergovernmental	7,577,939	7,577,939	8,371,728	793,789
Other	20,000	20,000	23,500	3,500
Total revenues	7,600,039	7,600,039	8,397,394	797,355
Expenditures:				
Current:				
Health and welfare	7,624,731	7,636,997	8,239,036	(602,039)
Total expenditures	7,624,731	7,636,997	8,239,036	(602,039)
Excess (deficiency) of revenues over expenditures	(24,692)	(36,958)	158,358	195,316
Beginning fund balance	1,139,589	1,139,589	1,139,589	-
Ending fund balance	\$ 1,114,897	\$ 1,102,631	\$ 1,297,947	\$ 195,316

See accompanying note to required supplementary information.

NOTE 1 - BUDGETARY INFORMATION

The City and its component units' fiscal year begins on July 1 of each year and ends June 30 the following year. On or before the fifteenth of June of each year, the City Manager submits to the City Council a proposed budget for the next ensuing fiscal year based on a detailed financial plan prepared by the heads of the various offices, agencies and departments of the City and its component units. Upon receipt of the proposed budget, the Council may make modifications with the affirmative vote of at least a majority of its members. Before adoption of the budget, the Council holds a public hearing wherein the public is given an opportunity to be heard, after which the Council may make any revisions deemed advisable. On or before July 1 annually, the City Council adopts the budget as amended through a budget resolution passed by the affirmative vote of at least a majority of its members. Upon final adoption, the budget is in effect for the ensuing fiscal year and becomes the authority for the various offices, agencies, and departments to expend subject to controls established by the City Charter. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by affirmative vote of the majority of the Council members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level, subject to the authority granted to the City Manager to transfer appropriations from account to account as necessary to assure adequate and proper standards of service and to achieve the intent of the City Council in providing municipal services for the fiscal year. Management may over expend appropriations within a department without the approval of City Council. City Council approval is required for any budget revisions that affect total appropriations of the City. Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process. Council action is necessary for transfers between departments/agencies or transfers between funds.

The City legally adopted budgets for the General Fund, Special Revenue Funds, Debt Service Fund, Certain Capital Projects Funds and Enterprise Funds with the exception of the following Other Governmental Funds: Forfeiture Special Revenue Fund, Proposition "1B" Capital Projects Fund, Proposition "C" I-5 Mitigation Capital Projects Fund, and Park Development Capital Projects Fund. Quarterly reports are prepared and distributed to the City Council and the executive management team to assure budgetary controls through fiscal management. Since there is no legal requirement for the City's Proprietary Funds to be reported to the City Council, the budgetary reporting under these funds are not presented in the accompanying financial statements.

Budgets are prepared on a modified accrual basis. All annual appropriations lapse at fiscal year-end to the extent that they have not been expended or lawfully encumbered. Expenditures may not legally exceed appropriations at the departmental level in the governmental funds, except that certain Special Revenue Funds are maintained at the project level.

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OTHER SUPPLEMENTARY INFORMATION

**City of Norwalk
Budgetary Comparison Schedule
Debt Service Fund - Major Fund
For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 5,000	\$ 5,000	\$ 18,100	\$ 13,100
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>18,100</u>	<u>13,100</u>
Expenditures:				
Current:				
General government	5,300	5,300	4,907	393
Debt service:				
Bond issue costs	-	387,250	386,656	594
Principal retirement	1,316,130	2,371,130	2,371,127	3
Interest and fiscal charges	546,972	1,327,356	1,326,277	1,079
Total expenditures	<u>1,868,402</u>	<u>4,091,036</u>	<u>4,088,967</u>	<u>2,069</u>
Excess (deficiency) of revenues over expenditures	<u>(1,863,402)</u>	<u>(4,086,036)</u>	<u>(4,070,867)</u>	<u>15,169</u>
Other financing sources (uses):				
Issuance of debt	-	19,685,000	19,685,000	-
Bond premium	-	3,888,840	3,888,838	(2)
Transfers in	1,863,402	3,703,786	3,701,073	(2,713)
Transfers out	-	(23,293,700)	(23,187,181)	106,519
Total other financing sources (uses)	<u>1,863,402</u>	<u>3,983,926</u>	<u>4,087,730</u>	<u>103,804</u>
Change in fund balance	-	(102,110)	16,863	118,973
Beginning fund balance	<u>1,191,717</u>	<u>1,191,717</u>	<u>1,191,717</u>	<u>-</u>
Ending fund balance	<u>\$ 1,191,717</u>	<u>\$ 1,089,607</u>	<u>\$ 1,208,580</u>	<u>\$ 118,973</u>

City of Norwalk
Budgetary Comparison Schedule
Special Projects Capital Projects Funds - Major Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 259,007	\$ 259,007
Intergovernmental	11,381,151	11,381,151	1,127,414	(10,253,737)
Total revenues	11,381,151	11,381,151	1,386,421	(9,994,730)
Expenditures:				
Current:				
Public works	120,191	1,681,761	1,633,755	48,006
Capital outlay and improvement	10,990,922	11,854,855	1,310,152	10,544,703
Total expenditures	11,111,113	13,536,616	2,943,907	10,592,709
Excess (deficiency) of revenues over expenditures	270,038	(2,155,465)	(1,557,486)	597,979
Other financing sources:				
Transfers in	-	23,293,700	23,187,181	(106,519)
Transfers out	-	-	(34,803)	(34,803)
Total other financing sources	-	23,293,700	23,152,378	(141,322)
Change in fund balance	270,038	21,138,235	21,594,892	456,657
Beginning fund balance (deficit)	1,618,252	1,618,252	1,618,252	-
Ending fund balance	\$ 1,888,290	\$ 22,756,487	\$ 23,213,144	\$ 456,657

City of Norwalk
Budgetary Comparison Schedule
Economic Development Capital Projects Fund - Major Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 35,000	\$ 35,000	\$ 452,200	\$ 417,200
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>452,200</u>	<u>417,200</u>
Expenditures:				
Capital outlay and improvement	2,343,432	1,425,629	112,505	1,313,124
Total expenditures	<u>2,343,432</u>	<u>1,425,629</u>	<u>112,505</u>	<u>1,313,124</u>
Excess (deficiency) of revenues over expenditures	(2,308,432)	(1,390,629)	339,695	1,730,324
Beginning fund balance	<u>11,110,475</u>	<u>11,110,475</u>	<u>11,110,475</u>	<u>-</u>
Ending fund balance	<u>\$ 8,802,043</u>	<u>\$ 9,719,846</u>	<u>\$ 11,450,170</u>	<u>\$ 1,730,324</u>

City of Norwalk
Budgetary Comparison Schedule
Housing Successor Fund Capital Projects Fund - Major Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 35,300	\$ 35,300	\$ 468,713	\$ 433,413
Total revenues	35,300	35,300	468,713	433,413
Expenditures:				
Current:				
Urban development	188,433	188,591	92,378	96,213
Capital outlay and improvement	-	4,005,260	21,340	3,983,920
Debt service:				
Bond issue costs				-
Principal retirement				-
Interest and fiscal charges				-
Total expenditures	188,433	4,193,851	113,718	4,080,133
Excess (deficiency) of revenues over expenditures	(153,133)	(4,158,551)	354,995	4,513,546
Beginning fund balance	11,832,414	11,832,414	11,832,414	-
Ending fund balance	\$ 11,944,981	\$ 7,939,563	\$ 12,453,140	\$ 4,513,577

City of Norwalk
Budgetary Comparison Schedule
Other Federal Grants Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 7,756,705	\$ 7,756,705	\$ 985,928	\$ (6,770,777)
Total revenues	<u>7,756,705</u>	<u>7,756,705</u>	<u>985,928</u>	<u>(6,770,777)</u>
Expenditures:				
Capital outlay and improvement	7,756,705	7,288,545	100,509	7,188,036
Total expenditures	<u>7,756,705</u>	<u>7,288,545</u>	<u>100,509</u>	<u>7,188,036</u>
Excess of revenues over expenditures	-	468,160	885,419	417,259
Beginning fund balance (deficit)	<u>(564,181)</u>	<u>(564,181)</u>	<u>(564,181)</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ (564,181)</u>	<u>\$ (96,021)</u>	<u>\$ (114,703)</u>	<u>\$ (18,682)</u>

City of Norwalk
Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Assets:			
Cash and investments	\$ 13,961,772	\$ 9,420,197	\$ 23,381,969
Accounts receivable, net	70,972	-	70,972
Due from other governments	1,142,497	581,261	1,723,758
Prepaid items	42,350	-	42,350
Total assets	\$ 15,217,591	\$ 10,001,458	\$ 25,219,049
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 832,347	\$ 32,011	\$ 864,358
Due to other funds	187,537	232,634	420,171
Due to other governments	1,459	-	1,459
Unearned revenue	3,500	-	3,500
Total liabilities	1,024,843	264,645	1,289,488
Deferred inflows of resources:			
Unavailable revenues	214,250	232,634	446,884
Total deferred inflows of resources	214,250	232,634	446,884
Fund balances (deficits):			
Nonspendable	42,350	-	42,350
Restricted	13,901,159	5,133,732	19,034,891
Committed	110,176	4,603,081	4,713,257
Assigned	-	-	-
Unassigned	(75,187)	(232,634)	(307,821)
Total fund balances (deficits)	13,978,498	9,504,179	23,482,677
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 15,217,591	\$ 10,001,458	\$ 25,219,049

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Use of money and property	\$ 321,395	\$ 157,992	\$ 479,387
Intergovernmental	15,501,569	3,031,710	18,533,279
Charges for services	597,802	35,989	633,791
Rental income	316	-	316
Other	34,088	-	34,088
Total revenues	16,455,170	3,225,691	19,680,861
Expenditures:			
Current:			
General government	414,536	48,726	463,262
Public safety	386,635	2,987	389,622
Urban development	-	3,789	3,789
Public works	2,883,015	280,874	3,163,889
Culture and leisure	-	20,335	20,335
Health and welfare	7,348,238	562	7,348,800
Capital outlay and improvement	433,388	422,641	856,029
Total expenditures	11,465,812	779,914	12,245,726
Excess (deficiency) of revenues over expenditures	4,989,358	2,445,777	7,435,135
Other financing sources (uses):			
Transfers in	601,154	1,331,618	1,932,772
Transfers out	(4,206,858)	-	(4,206,858)
Total other financing sources (uses)	(3,605,704)	1,331,618	(2,274,086)
Change in fund balances	1,383,654	3,777,395	5,161,049
Beginning fund balances	12,594,844	5,726,784	18,321,628
Ending fund balances	\$ 13,978,498	\$ 9,504,179	\$ 23,482,677

City of Norwalk
Description of Other Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

NONMAJOR FUNDS

Child Development Program Fund - This fund accounts for child care for income-eligible families. Financing is provided by a grant from the Federal Government through the State Department of Education and the County of Los Angeles.

State Gasoline Tax Fund - This fund accounts for the operations of the street and maintenance projects of the Public Services department. Financing is provided by the City's share of State gasoline taxes.

Air Quality Improvement Fund - This fund accounts for monies received from the County for enacting policies to improve air quality.

Norwalk Senior Program Fund - This fund accounts for supportive services to senior citizens. Financing is provided by a grant from the Federal Government through the Area Agency of Aging.

Proposition C Fund - This fund accounts for revenues received from the County from one-quarter of one percent of sales tax. Expenditures are restricted for projects approved by the Los Angeles County Metropolitan Transportation Authority (MTA).

Public Safety Fund - This fund accounts for revenues received under Federal, State and local public safety grants. Expenditures are for activities of the Law Enforcement Block Grant, Supplemental Law Enforcement Services Fund, School Partnership Grant and Office of Traffic Safety.

Parking Structure Fund - This fund accounts for revenues and expenditures related to the operations of the Civic Center parking structure.

Forfeiture Fund - This fund accounts for revenues received from the LA County Sheriff Department's drug-related confiscations. Funds are restricted for Public Safety purposes.

Special Grants Fund - This fund accounts for revenues received under Federal, State and local grants. Expenditures are for activities of the Consumer Rental Mediation Board, which provides dispute resolution services as an alternative to formal court proceedings.

Proposition A Fund - This fund accounts for revenues received from the County from the one-half of one cent tax authorized by Proposition "A". Expenditures are restricted to transportation services.

Measure R Fund - This fund accounts for mainly revenues and monies spent on critical transit and highway projects.

Measure M Fund - This fund accounts for revenues received from the County from the one-half cent tax authorized by Measure "M". Expenditures are restricted to improve traffic flow and safety.

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety
ASSETS						
Assets:						
Cash and investments	\$ -	\$ 239,371	\$ 103,500	\$ -	\$ 6,671,097	\$ 219,248
Accounts receivable, net	-	-	33,407	-	37,565	-
Due from other governments	706,029	139,629	-	67,039	-	99,865
Prepaid items	-	-	-	1,400	40,950	-
Total assets	\$ 706,029	\$ 379,000	\$ 136,907	\$ 68,439	\$ 6,749,612	\$ 319,113
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 600,729	\$ -	\$ -	\$ 60,814	\$ 78,268	\$ 35,998
Due to other funds	100,341	-	-	7,625	-	-
Due to other governments	1,459	-	-	-	-	-
Unearned revenue	3,500	-	-	-	-	-
Total liabilities	706,029	-	-	68,439	78,268	35,998
Deferred inflows of resources:						
Unavailable revenues	-	-	-	-	-	94,797
Total deferred inflows of resources	-	-	-	-	-	94,797
Fund balances:						
Nonspendable	-	-	-	1,400	40,950	-
Restricted	-	379,000	136,907	-	6,630,394	188,318
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(1,400)	-	-
Total fund balances	-	379,000	136,907	-	6,671,344	188,318
Total liabilities, deferred inflows of resources and fund balances	\$ 706,029	\$ 379,000	\$ 136,907	\$ 68,439	\$ 6,749,612	\$ 319,113

City of Norwalk
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2020

Parking Structure	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Measure "M"	Total Other Special Revenue Funds
\$ 119,070	\$ 673	\$ -	\$ 19,333	\$ 3,472,864	\$ 3,116,616	\$ 13,961,772
-	-	-	-	-	-	70,972
-	-	129,935	-	-	-	1,142,497
-	-	-	-	-	-	42,350
<u>\$ 119,070</u>	<u>\$ 673</u>	<u>\$ 129,935</u>	<u>\$ 19,333</u>	<u>\$ 3,472,864</u>	<u>\$ 3,116,616</u>	<u>\$ 15,217,591</u>
\$ 8,894	\$ -	\$ 4,698	\$ 9,268	\$ 33,244	\$ 434	\$ 832,347
-	-	79,571	-	-	-	187,537
-	-	-	-	-	-	1,459
-	-	-	-	-	-	3,500
<u>8,894</u>	<u>-</u>	<u>84,269</u>	<u>9,268</u>	<u>33,244</u>	<u>434</u>	<u>1,024,843</u>
-	-	119,453	-	-	-	214,250
-	-	119,453	-	-	-	214,250
-	-	-	-	-	-	42,350
-	673	-	10,065	3,439,620	3,116,182	13,901,159
110,176	-	-	-	-	-	110,176
-	-	-	-	-	-	-
-	-	(73,787)	-	-	-	(75,187)
<u>110,176</u>	<u>673</u>	<u>(73,787)</u>	<u>10,065</u>	<u>3,439,620</u>	<u>3,116,182</u>	<u>13,978,498</u>
<u>\$ 119,070</u>	<u>\$ 673</u>	<u>\$ 129,935</u>	<u>\$ 19,333</u>	<u>\$ 3,472,864</u>	<u>\$ 3,116,616</u>	<u>\$ 15,217,591</u>

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety
Revenues:						
Use of money and property	\$ -	\$ 13,257	\$ 1,919	\$ -	\$ 134,381	\$ 7,192
Intergovernmental	6,332,764	1,568,665	135,367	585,727	1,727,698	265,038
Charges for services	81,963	-	-	-	271,743	-
Rental income	-	-	-	-	316	-
Other	-	-	-	70	34,018	-
Total revenues	6,414,727	1,581,922	137,286	585,797	2,168,156	272,230
Expenditures:						
Current:						
General government	-	-	-	-	96,384	-
Public safety	-	-	-	-	-	386,601
Public works	-	1,581,922	-	-	746,375	-
Health and welfare	6,428,165	-	90,374	702,769	-	-
Capital outlay and improvement	-	-	-	-	148,205	-
Total expenditures	6,428,165	1,581,922	90,374	702,769	990,964	386,601
Excess (deficiency) of revenues over expenditures	(13,438)	-	46,912	(116,972)	1,177,192	(114,371)
Other financing sources (uses):						
Transfers in	13,438	-	-	116,972	-	-
Transfers out	-	-	(9,990)	-	(132,625)	-
Total other financing sources (uses)	13,438	-	(9,990)	116,972	(132,625)	-
Change in fund balances	-	-	36,922	-	1,044,567	(114,371)
Beginning fund balances (deficits)	-	379,000	99,985	-	5,626,777	302,689
Ending fund balances	\$ -	\$ 379,000	\$ 136,907	\$ -	\$ 6,671,344	\$ 188,318

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Other Special Revenue Funds
For the year ended June 30, 2020

Parking Structure	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Measure "M"	Total Other Special Revenue Funds
\$ -	\$ 15	\$ 173	\$ 21,299	\$ 74,632	\$ 68,527	\$ 321,395
-	-	52,628	2,082,813	1,293,920	1,456,949	15,501,569
244,096	-	-	-	-	-	597,802
-	-	-	-	-	-	316
-	-	-	-	-	-	34,088
<u>244,096</u>	<u>15</u>	<u>52,801</u>	<u>2,104,112</u>	<u>1,368,552</u>	<u>1,525,476</u>	<u>16,455,170</u>
318,152	-	-	-	-	-	414,536
-	34	-	-	-	-	386,635
-	-	-	53,578	443,814	57,326	2,883,015
-	-	126,930	-	-	-	7,348,238
-	-	-	186,587	88,664	9,932	433,388
<u>318,152</u>	<u>34</u>	<u>126,930</u>	<u>240,165</u>	<u>532,478</u>	<u>67,258</u>	<u>11,465,812</u>
<u>(74,056)</u>	<u>(19)</u>	<u>(74,129)</u>	<u>1,863,947</u>	<u>836,074</u>	<u>1,458,218</u>	<u>4,989,358</u>
-	-	-	-	470,744	-	601,154
<u>(254,512)</u>	<u>-</u>	<u>-</u>	<u>(1,973,347)</u>	<u>(862,218)</u>	<u>(974,166)</u>	<u>(4,206,858)</u>
<u>(254,512)</u>	<u>-</u>	<u>-</u>	<u>(1,973,347)</u>	<u>(391,474)</u>	<u>(974,166)</u>	<u>(3,605,704)</u>
(328,568)	(19)	(74,129)	(109,400)	444,600	484,052	1,383,654
<u>438,744</u>	<u>692</u>	<u>342</u>	<u>119,465</u>	<u>2,995,020</u>	<u>2,632,130</u>	<u>12,594,844</u>
<u>\$ 110,176</u>	<u>\$ 673</u>	<u>\$ (73,787)</u>	<u>\$ 10,065</u>	<u>\$ 3,439,620</u>	<u>\$ 3,116,182</u>	<u>\$ 13,978,498</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Child Development Program Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 5,697,063	\$ 6,332,764	\$ 635,701
Charges for services	102,000	81,963	(20,037)
Total revenues	<u>5,799,063</u>	<u>6,414,727</u>	<u>615,664</u>
Expenditures:			
Current:			
Health and welfare	5,910,235	6,428,165	(517,930)
Total expenditures	<u>5,910,235</u>	<u>6,428,165</u>	<u>(517,930)</u>
Deficiency of revenues over expenditures	(111,172)	(13,438)	97,734
Other financing sources:			
Transfers in	-	13,438	13,438
Total other financing sources	<u>-</u>	<u>13,438</u>	<u>13,438</u>
Change in fund balance	(111,172)	-	111,172
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ (111,172)</u>	<u>\$ -</u>	<u>\$ 111,172</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
State Gasoline Tax Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ 500	\$ 13,257	\$ 12,757
Intergovernmental	<u>1,676,500</u>	<u>1,568,665</u>	<u>(107,835)</u>
Total revenues	<u>1,677,000</u>	<u>1,581,922</u>	<u>(95,078)</u>
Expenditures:			
Current:			
Public works	<u>1,744,000</u>	<u>1,581,922</u>	<u>162,078</u>
Total expenditures	<u>1,744,000</u>	<u>1,581,922</u>	<u>162,078</u>
Excess of revenues over expenditures	(67,000)	-	67,000
Beginning fund balance	<u>379,000</u>	<u>379,000</u>	<u>-</u>
Ending fund balance	<u>\$ 312,000</u>	<u>\$ 379,000</u>	<u>\$ 67,000</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Air Quality Improvement Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Use of money and property	\$ 100	\$ 1,919	\$ 1,819
Intergovernmental	134,000	135,367	1,367
Total revenues	134,100	137,286	3,186
Expenditures:			
Current:			
Health and welfare	90,374	90,374	-
Total expenditures	90,374	90,374	-
Excess (deficiency) of revenues over expenditures	43,726	46,912	3,186
Other financing uses:			
Transfers out	(12,000)	(9,990)	2,010
Total other financing uses	(12,000)	(9,990)	2,010
Change in fund balance	31,726	36,922	5,196
Beginning fund balance	99,985	99,985	-
Ending fund balance	\$ 131,711	\$ 136,907	\$ 5,196

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Norwalk Senior Program Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 754,388	\$ 585,727	\$ (168,661)
Other	-	70	70
Total revenues	<u>754,388</u>	<u>585,797</u>	<u>(168,591)</u>
Expenditures:			
Current:			
Health and welfare	844,845	702,769	142,076
Capital outlay and improvement	105,880	-	105,880
Total expenditures	<u>950,725</u>	<u>702,769</u>	<u>247,956</u>
Excess (deficiency) of revenues over expenditures	<u>(196,337)</u>	<u>(116,972)</u>	<u>79,365</u>
Other financing sources:			
Transfers in	87,799	116,972	29,173
Total other financing sources	<u>87,799</u>	<u>116,972</u>	<u>29,173</u>
Change in fund balance	(108,538)	-	108,538
Beginning fund balance	-	-	-
Ending fund balance	<u>\$ (108,538)</u>	<u>\$ -</u>	<u>\$ 108,538</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "C" Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Use of money and property	\$ 20,000	\$ 134,381	\$ 114,381
Intergovernmental	1,847,200	1,727,698	(119,502)
Charges for services	256,500	271,743	15,243
Other	144,327	34,018	(110,309)
Total revenues	2,268,027	2,168,156	(99,871)
Expenditures:			
Current:			
General government	111,365	96,384	14,981
Urban development	-	-	-
Public works	1,072,860	746,375	326,485
Capital outlay and improvement	4,677,353	148,205	4,529,148
Total expenditures	5,861,578	990,964	4,870,614
Excess (deficiency) of revenues over expenditures	(3,593,551)	1,177,192	4,770,743
Other financing uses:			
Transfers out	(144,017)	(132,625)	11,392
Total other financing uses	(144,017)	(132,625)	11,392
Change in fund balance	(3,737,568)	1,044,567	4,782,135
Beginning fund balance	5,626,777	5,626,777	-
Ending fund balance	\$ 1,889,209	\$ 6,671,344	\$ 4,782,135

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Public Safety Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 1,400	\$ 7,192	\$ 5,792
Intergovernmental	<u>274,006</u>	<u>265,038</u>	<u>(8,968)</u>
Total revenues	<u>275,406</u>	<u>272,230</u>	<u>(3,176)</u>
Expenditures:			
Current:			
Public safety	<u>420,649</u>	<u>386,601</u>	<u>34,048</u>
Total expenditures	<u>420,649</u>	<u>386,601</u>	<u>34,048</u>
Excess (deficiency) of revenues over expenditures	<u>(145,243)</u>	<u>(114,371)</u>	<u>30,872</u>
Beginning fund balance	<u>302,689</u>	<u>302,689</u>	<u>-</u>
Ending fund balance	<u>\$ 157,446</u>	<u>\$ 188,318</u>	<u>\$ 30,872</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Parking Structure Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 320,000	\$ 244,096	\$ (75,904)
Total revenues	<u>320,000</u>	<u>244,096</u>	<u>(75,904)</u>
Expenditures:			
Current:			
General government	519,700	318,152	201,548
Total expenditures	<u>519,700</u>	<u>318,152</u>	<u>201,548</u>
Excess (deficiency) of revenues over expenditures	<u>(199,700)</u>	<u>(74,056)</u>	<u>125,644</u>
Other financing uses:			
Transfers out	(254,512)	(254,512)	-
Total other financing uses	<u>(254,512)</u>	<u>(254,512)</u>	<u>-</u>
Change in fund balance	(454,212)	(328,568)	125,644
Beginning fund balance	<u>438,744</u>	<u>438,744</u>	<u>-</u>
Ending fund balance	<u>\$ (15,468)</u>	<u>\$ 110,176</u>	<u>\$ 125,644</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Special Grants Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Use of money and property	\$ -	\$ 173	\$ 173
Intergovernmental	202,836	52,628	(150,208)
Total revenues	202,836	52,801	(150,035)
Expenditures:			
Current:			
Health and welfare	242,836	126,930	115,906
Total expenditures	242,836	126,930	115,906
Deficiency of revenues over expenditures	(40,000)	(74,129)	(34,129)
Other financing sources:			
Transfers in	-	-	-
Total other financing sources	-	-	-
Change in fund balance	(40,000)	(74,129)	(34,129)
Beginning fund balance (deficit)	342	342	-
Ending fund balance	\$ (39,658)	\$ (73,787)	\$ (34,129)

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "A" Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Use of money and property	\$ -	\$ 21,299	\$ 21,299
Intergovernmental	2,173,450	2,082,813	(90,637)
Total revenues	<u>2,173,450</u>	<u>2,104,112</u>	<u>(69,338)</u>
Expenditures:			
Current:			
Public works	493,596	53,578	440,018
Capital outlay and improvement	186,452	186,587	(135)
Total expenditures	<u>680,048</u>	<u>240,165</u>	<u>439,883</u>
Excess of revenues over expenditures	<u>1,493,402</u>	<u>1,863,947</u>	<u>370,545</u>
Other financing uses:			
Transfers out	(1,491,846)	(1,973,347)	(481,501)
Total other financing uses	<u>(1,491,846)</u>	<u>(1,973,347)</u>	<u>(481,501)</u>
Change in fund balance	1,556	(109,400)	(110,956)
Beginning fund balance	<u>119,465</u>	<u>119,465</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ 121,021</u>	<u>\$ 10,065</u>	<u>\$ (110,956)</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Measure "R" Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Use of money and property	\$ 2,500	\$ 74,632	\$ 72,132
Intergovernmental	1,385,400	1,293,920	(91,480)
Total revenues	1,387,900	1,368,552	(19,348)
Expenditures:			
Current:			
Public works	575,000	443,814	131,186
Capital outlay and improvement	2,912,137	88,664	2,823,473
Total expenditures	3,487,137	532,478	2,954,659
Excess (deficiency) of revenues over expenditures	(2,099,237)	836,074	2,935,311
Other financing sources (uses):			
Transfers in	-	470,744	470,744
Transfers out	(861,718)	(862,218)	(500)
Total other financing sources (uses)	(861,718)	(391,474)	470,244
Change in fund balance	(2,960,955)	444,600	3,405,555
Beginning fund balance	2,995,020	2,995,020	-
Ending fund balance	\$ 34,065	\$ 3,439,620	\$ 3,405,555

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Measure "M" Special Revenue Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Use of money and property	\$ 2,500	\$ 68,527	\$ 66,027
Intergovernmental	1,570,100	1,456,949	(113,151)
Total revenues	<u>1,572,600</u>	<u>1,525,476</u>	<u>(47,124)</u>
Expenditures:			
Current:			
Public works	327,973	57,326	270,647
Capital outlay and improvement	3,460,545	9,932	3,450,613
Total expenditures	<u>3,788,518</u>	<u>67,258</u>	<u>3,721,260</u>
Excess of revenues over expenditures	(2,215,918)	1,458,218	3,674,136
Other financing sources (uses):			
Transfers out	(973,666)	(974,166)	(500)
Total other financing sources (uses)	<u>(973,666)</u>	<u>(974,166)</u>	<u>(500)</u>
Change in fund balance	(3,189,584)	484,052	3,673,636
Beginning fund balance	<u>2,632,130</u>	<u>2,632,130</u>	<u>-</u>
Ending fund balance	<u>\$ (557,454)</u>	<u>\$ 3,116,182</u>	<u>\$ 3,673,636</u>

City of Norwalk
Description of Other Capital Projects Funds

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

NONMAJOR FUNDS

Proposition “1B” Fund - The fund accounts for the construction of street improvements at various locations throughout the City. Financing is provided by money received from Proposition “1B”.

Road Maintenance Rehabilitation Fund - The fund accounts for revenues received from the State SB1 taxes. Expenditures are restricted to basic road maintenance, rehabilitation, and critical safety projects.

Proposition “C” 1-5 Mitigation Fund - This fund accounts for the street projects related to the mitigation of the highway 1-5 widening project.

Public Art Fund - This fund accounts for the purchase of artwork with in-lieu contributions from contractors who do not elect to provide artwork for their projects.

Highway User Tax - 2103 Fund - This fund accounts for the maintenance or reconstruction costs on public streets or roads.

Park Development Fund - This fund accounts for the costs of development and improvement of facilities at City parks. Financing is provided by grants received under Federal, State and local agreements.

Playground Equipment Replacement Fund - This fund accounts for the purchase and replacement of playground equipment of the City. Financing is provided through operating transfers and grants received.

Sports Complex Equipment Replacement Fund - This fund accounts for the purchase and replacement of equipment at the Norwalk Sports and Arts Complex. Financing is provided through operating transfers and grants.

Computer Replacement Fund - This fund accounts for the purchase and replacement of computer equipment leased to City departments. Financing is provided through operating transfers and grants received.

Vehicle and Equipment Replacement Fund - This fund accounts for the purchase and replacement of vehicles and equipment leased to City departments. Financing is provided through operating transfers and grants received.

Building Renovation Fund - This fund accounts for the costs of development and improvements at City Hall. Financing is provided by operating transfers or grants received.

	Proposition "1B"	Road Maintenance Rehabilitation	Proposition "C" I-5 Mitigation	Public Art	Highway User Tax - 2103
ASSETS					
Assets:					
Cash and investments	\$ 228,359	\$ 2,391,129	\$ -	\$ 199,496	\$ 1,555,683
Due from other governments	-	282,321	232,634	-	66,306
Total assets	\$ 228,359	\$ 2,673,450	\$ 232,634	\$ 199,496	\$ 1,621,989
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,385	\$ -
Due to other funds	-	-	232,634	-	-
Total liabilities	-	-	232,634	2,385	-
Deferred inflows of resources:					
Unavailable revenues	-	-	232,634	-	-
Total deferred inflows of resources	-	-	232,634	-	-
Fund balances (deficits):					
Restricted	228,359	2,673,450	-	197,111	1,621,989
Committed	-	-	-	-	-
Unassigned	-	-	(232,634)	-	-
Total fund balances (deficits)	228,359	2,673,450	(232,634)	197,111	1,621,989
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 228,359	\$ 2,673,450	\$ 232,634	\$ 199,496	\$ 1,621,989

**City of Norwalk
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2020**

<u>Park Development</u>	<u>Playground Equipment Replacement</u>	<u>Sports Complex Equipment Replacement</u>	<u>Computer Replacement</u>	<u>Vehicle and Equipment Replacement</u>	<u>Building Renovation</u>	<u>Total Other Capital Projects Funds</u>
\$ 412,823	\$ 1,257,746	\$ 110,685	\$ 321,499	\$ 1,730,878	\$ 1,211,899	\$ 9,420,197
-	-	-	-	-	-	581,261
<u>\$ 412,823</u>	<u>\$ 1,257,746</u>	<u>\$ 110,685</u>	<u>\$ 321,499</u>	<u>\$ 1,730,878</u>	<u>\$ 1,211,899</u>	<u>\$ 10,001,458</u>
\$ -	\$ -	\$ -	\$ 1,942	\$ -	\$ 27,684	\$ 32,011
-	-	-	-	-	-	232,634
-	-	-	1,942	-	27,684	264,645
-	-	-	-	-	-	232,634
-	-	-	-	-	-	232,634
412,823	-	-	-	-	-	5,133,732
-	1,257,746	110,685	319,557	1,730,878	1,184,215	4,603,081
-	-	-	-	-	-	(232,634)
<u>412,823</u>	<u>1,257,746</u>	<u>110,685</u>	<u>319,557</u>	<u>1,730,878</u>	<u>1,184,215</u>	<u>9,504,179</u>
<u>\$ 412,823</u>	<u>\$ 1,257,746</u>	<u>\$ 110,685</u>	<u>\$ 321,499</u>	<u>\$ 1,730,878</u>	<u>\$ 1,211,899</u>	<u>\$ 10,001,458</u>

	Proposition "1B"	Road Maintenance Rehabilitation	Proposition "C" I-5 Mitigation	Public Art	Highway User Tax - 2103
Revenues:					
Use of money and property	\$ 4,958	\$ 28,560	\$ -	\$ 4,000	\$ 28,226
Intergovernmental	-	1,848,793	-	-	882,917
Other	-	-	-	35,989	-
Total revenues	4,958	1,877,353	-	39,989	911,143
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Urban development	-	-	-	-	-
Public works	-	-	-	10,055	267,500
Culture and leisure	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay and improvement	-	1,514	-	-	-
Total expenditures	-	1,514	-	10,055	267,500
Excess (deficiency) of revenues over expenditures	4,958	1,875,839	-	29,934	643,643
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Change in fund balances	4,958	1,875,839	-	29,934	643,643
Beginning fund balances (deficits)	223,401	797,611	(232,634)	167,177	978,346
Ending fund balances (deficits)	\$ 228,359	\$ 2,673,450	\$ (232,634)	\$ 197,111	\$ 1,621,989

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Other Capital Projects Funds
For the year ended June 30, 2020

Park Development	Playground Equipment Replacement	Sports Complex Equipment Replacement	Computer Replacement	Vehicle and Equipment Replacement	Building Renovation	Total Other Capital Projects Funds
\$ 1,061	\$ 27,405	\$ 1,084	\$ 5,665	\$ 31,346	\$ 25,687	\$ 157,992
300,000	-	-	-	-	-	3,031,710
-	-	-	-	-	-	35,989
<u>301,061</u>	<u>27,405</u>	<u>1,084</u>	<u>5,665</u>	<u>31,346</u>	<u>25,687</u>	<u>3,225,691</u>
-	-	-	48,726	-	-	48,726
-	-	-	-	2,987	-	2,987
-	-	-	3,789	-	-	3,789
-	-	-	3,319	-	-	280,874
-	17,017	-	3,318	-	-	20,335
-	-	-	-	562	-	562
-	-	-	-	32,639	388,488	422,641
<u>-</u>	<u>17,017</u>	<u>-</u>	<u>59,152</u>	<u>36,188</u>	<u>388,488</u>	<u>779,914</u>
<u>301,061</u>	<u>10,388</u>	<u>1,084</u>	<u>(53,487)</u>	<u>(4,842)</u>	<u>(362,801)</u>	<u>2,445,777</u>
<u>-</u>	<u>-</u>	<u>100,000</u>	<u>150,000</u>	<u>500,000</u>	<u>581,618</u>	<u>1,331,618</u>
<u>-</u>	<u>-</u>	<u>100,000</u>	<u>150,000</u>	<u>500,000</u>	<u>581,618</u>	<u>1,331,618</u>
301,061	10,388	101,084	96,513	495,158	218,817	3,777,395
111,762	1,247,358	9,601	223,044	1,235,720	965,398	5,726,784
<u>\$ 412,823</u>	<u>\$ 1,257,746</u>	<u>\$ 110,685</u>	<u>\$ 319,557</u>	<u>\$ 1,730,878</u>	<u>\$ 1,184,215</u>	<u>\$ 9,504,179</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Road Maintenance Rehabilitation Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ -	\$ 28,560	\$ 28,560
Intergovernmental	1,966,600	1,848,793	(117,807)
Total revenues	<u>1,966,600</u>	<u>1,877,353</u>	<u>(89,247)</u>
Expenditures:			
Capital outlay and improvement	1,272,089	1,514	1,270,575
Total expenditures	<u>1,272,089</u>	<u>1,514</u>	<u>1,270,575</u>
Excess (deficiency) of revenues over expenditures	694,511	1,875,839	1,181,328
Beginning fund balance	<u>797,611</u>	<u>797,611</u>	<u>-</u>
Ending fund balance	<u>\$ 1,492,122</u>	<u>\$ 2,673,450</u>	<u>\$ 1,181,328</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Public Art Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 4,000	\$ 3,000
Other	20,000	35,989	15,989
Total revenues	<u>21,000</u>	<u>39,989</u>	<u>18,989</u>
Expenditures:			
Current:			
Public works	19,000	10,055	8,945
Total expenditures	<u>19,000</u>	<u>10,055</u>	<u>8,945</u>
Excess (deficiency) of revenues over expenditures	2,000	29,934	27,934
Beginning fund balance	<u>167,177</u>	<u>167,177</u>	<u>-</u>
Ending fund balance	<u>\$ 169,177</u>	<u>\$ 197,111</u>	<u>\$ 27,934</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Highway User Tax - 2103 Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ 1,000	\$ 28,226	\$ 27,226
Intergovernmental	1,006,260	882,917	(123,343)
Total revenues	<u>1,007,260</u>	<u>911,143</u>	<u>(96,117)</u>
Expenditures:			
Current:			
Public works	620,000	267,500	352,500
Capital outlay and improvement	1,026,665	-	1,026,665
Total expenditures	<u>1,646,665</u>	<u>267,500</u>	<u>1,379,165</u>
Excess (deficiency) of revenues over expenditures	<u>(639,405)</u>	<u>643,643</u>	<u>1,283,048</u>
Beginning fund balance	<u>978,346</u>	<u>978,346</u>	<u>-</u>
Ending fund balance	<u>\$ 338,941</u>	<u>\$ 1,621,989</u>	<u>\$ 1,283,048</u>

City of Norwalk
**Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Playground Equipment Replacement Capital Projects Fund
 For the year ended June 30, 2020**

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	\$ 27,405	\$ 25,405
Total revenues	<u>2,000</u>	<u>27,405</u>	<u>25,405</u>
Expenditures:			
Current:			
Culture and leisure	264,635	17,017	247,618
Capital outlay and improvement	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total expenditures	<u>864,635</u>	<u>17,017</u>	<u>847,618</u>
Excess (deficiency) of revenues over expenditures	<u>(862,635)</u>	<u>10,388</u>	<u>873,023</u>
Beginning fund balance	<u>1,247,358</u>	<u>1,247,358</u>	<u>-</u>
Ending fund balance	<u>\$ 384,723</u>	<u>\$ 1,257,746</u>	<u>\$ 873,023</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Sports Complex Equipment Replacement Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 500	\$ 1,084	\$ 584
Total revenues	<u>500</u>	<u>1,084</u>	<u>584</u>
Expenditures:			
Current:			
Health and welfare	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	500	1,084	584
Beginning fund balance	<u>9,601</u>	<u>9,601</u>	<u>-</u>
Ending fund balance	<u>\$ 110,101</u>	<u>\$ 110,685</u>	<u>\$ 584</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Computer Replacement Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 500	\$ 5,665	\$ 5,165
Total revenues	<u>500</u>	<u>5,665</u>	<u>5,165</u>
Expenditures:			
Current:			
General government	54,574	48,726	5,848
Public safety	-	-	-
Urban development	3,789	3,789	-
Public works	3,319	3,319	-
Culture and leisure	3,318	3,318	-
Total expenditures	<u>65,000</u>	<u>59,152</u>	<u>5,848</u>
Excess (deficiency) of revenues over expenditures	(64,500)	(53,487)	11,013
Other financing sources:			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Change in fund balance	85,500	96,513	11,013
Beginning fund balance	<u>223,044</u>	<u>223,044</u>	<u>-</u>
Ending fund balance	<u>\$ 308,544</u>	<u>\$ 319,557</u>	<u>\$ 11,013</u>

City of Norwalk
**Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Vehicle and Equipment Replacement Capital Projects Fund
 For the year ended June 30, 2020**

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 500	\$ 31,346	\$ 30,846
Total revenues	<u>500</u>	<u>31,346</u>	<u>30,846</u>
Expenditures:			
Current:			
Public safety	2,987	2,987	-
Health and welfare	562	562	-
Capital outlay and improvement	<u>976,294</u>	<u>32,639</u>	<u>943,655</u>
Total expenditures	<u>979,843</u>	<u>36,188</u>	<u>943,655</u>
Excess (deficiency) of revenues over expenditures	<u>(979,343)</u>	<u>(4,842)</u>	<u>974,501</u>
Other financing sources:			
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Change in fund balance	(479,343)	495,158	974,501
Beginning fund balance	<u>1,235,720</u>	<u>1,235,720</u>	<u>-</u>
Ending fund balance	<u><u>\$ 756,377</u></u>	<u><u>\$ 1,730,878</u></u>	<u><u>\$ 974,501</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Building Renovation Capital Projects Fund
For the year ended June 30, 2020

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Use of money and property	\$ 500	\$ 25,687	\$ 25,187
Intergovernmental	-	-	-
Total revenues	<u>500</u>	<u>25,687</u>	<u>25,187</u>
Expenditures:			
Capital outlay and improvement	1,047,635	388,488	659,147
Total expenditures	<u>1,047,635</u>	<u>388,488</u>	<u>659,147</u>
Excess (deficiency) of revenues over expenditures	(1,047,135)	(362,801)	684,334
Beginning fund balance	<u>965,398</u>	<u>965,398</u>	<u>-</u>
Ending fund balance	<u>\$ 499,881</u>	<u>\$ 1,184,215</u>	<u>\$ 684,334</u>

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City of Norwalk
Description of Internal Service Funds

Internal service funds are used to account for financing of goods and services provided by one department to other departments of the City.

Employee Benefits Fund - The fund accounts for the costs of providing employer benefits to the various City departments. Such costs are charged to the departments based on a percentage of salaries.

Vehicle Maintenance Fund - This fund accounts for the costs of maintenance of City vehicles used by the various City departments. Such costs are based upon actual usage.

City of Norwalk
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
ASSETS:			
Current assets:			
Cash and investments	\$ 163,318	\$ 318,830	\$ 482,148
Inventory	-	85,093	85,093
Prepaid items	-	10,986	10,986
Total current assets	<u>163,318</u>	<u>414,909</u>	<u>578,227</u>
Total assets	<u>163,318</u>	<u>414,909</u>	<u>578,227</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	163,318	125,461	288,779
Accrued expenses	-	112,685	112,685
Compensated absences payable, current portion	-	54,630	54,630
Total current liabilities	<u>163,318</u>	<u>292,776</u>	<u>456,094</u>
Noncurrent liabilities:			
Compensated absences payable, long-term portion	-	122,133	122,133
Total noncurrent liabilities	<u>-</u>	<u>122,133</u>	<u>122,133</u>
Total liabilities	<u>163,318</u>	<u>414,909</u>	<u>578,227</u>
NET POSITION			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Norwalk
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2020

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
Operating revenues:			
Charges for services	\$ 13,877,539	\$ 3,352,483	\$ 17,230,022
Total operating revenues	<u>13,877,539</u>	<u>3,352,483</u>	<u>17,230,022</u>
Operating expenses:			
Administrative	-	38,084	38,084
Utilities	-	41,268	41,268
Salaries and benefits	13,877,539	2,422,109	16,299,648
Maintenance and repairs	-	850,049	850,049
Insurance	-	973	973
Total operating expenses	<u>13,877,539</u>	<u>3,352,483</u>	<u>17,230,022</u>
Operating income (loss)	-	-	-
Net position - beginning of year	-	-	-
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Norwalk
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2020

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
Cash flows from operating activities:			
Receipts from tenants, customers and users	\$ 13,877,539	\$ 3,352,483	\$ 17,230,022
Payments to suppliers	-	(907,701)	(907,701)
Payments to employees	(13,739,643)	(2,402,469)	(16,142,112)
Net cash provided by operating activities	<u>137,896</u>	<u>42,313</u>	<u>180,209</u>
Cash flows from noncapital financing activities			
Cash paid to other funds	-	-	-
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	137,896	42,313	180,209
Cash and cash equivalents - beginning of year	<u>25,422</u>	<u>276,517</u>	<u>301,939</u>
Cash and cash equivalents - end of year	<u>\$ 163,318</u>	<u>\$ 318,830</u>	<u>\$ 482,148</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ -	\$ -	\$ -
Changes in operating assets and liabilities:			
(Increase) decrease in inventory	-	14,480	14,480
(Increase) decrease in prepaid items	-	(320)	(320)
(Increase) decrease in due from other governments	-	-	-
Increase (decrease) in accounts payable	137,896	(16,253)	121,643
Increase (decrease) in accrued expenses	-	24,766	24,766
Increase (decrease) in compensated absences payable	-	19,640	19,640
Net cash provided by operating activities	<u>\$ 137,896</u>	<u>\$ 42,313</u>	<u>\$ 180,209</u>

City of Norwalk
Description of Agency Fund

This fund accounts for money and property held by the City as trustee or custodian. Among the activities are the disposition of funds, deposits made for the account of other governmental agencies, developers, and others under the terms of agreements for which the deposits were made. This fund is custodial in nature (assets equals liabilities) and do not involve measurement of result of operations.

City of Norwalk
Statement of Changes in Assets and Liabilities
Agency Fund
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Assets:				
Cash and investments	\$ 839,252	\$ 692,413	\$ 649,206	\$ 882,459
Accounts receivable	2,908		2,908	-
Total assets	\$ 842,160	\$ 692,413	\$ 652,114	\$ 882,459
 Liabilities:				
Accounts payable	\$ 9,338	\$ 518,973	\$ 528,254	\$ 57
Deposits payable	832,822	679,861	630,281	882,402
Total liabilities	\$ 842,160	\$ 1,198,834	\$ 1,158,535	\$ 882,459

This part of the City of Norwalk’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government’s overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	169 - 174
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	175 - 178
<u>Debt Capacity</u> 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.	179 - 182
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	183 - 184
<u>Operating Information</u> 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.	185 - 187
<u>Water Systems</u> these schedules contain historical operating and statistical data pertaining to the Continuing Disclosure requirements for the Water Revenue Bonds.	188 - 196

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City of Norwalk
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14	2014-15**	2015-16	2016-17	2017-18 ***	2018-19	2019-20
Governmental Activities:										
Net invested in capital assets	\$ 151,855,529	\$ 169,952,289	\$ 166,403,726	\$ 142,690,605	\$ 144,602,594	\$ 148,534,353	\$ 145,019,728	\$ 143,865,804	\$ 140,419,300	\$ 134,167,737
Restricted	25,645,644	11,828,031	11,877,331	13,781,493	39,771,841	36,213,203	35,568,787	36,620,694	41,213,626	49,364,231
Unrestricted	(30,664,965)	21,990,115	24,521,888	31,873,166	(6,607,339)	(699,746)	(3,252,013)	(22,928,545)	(25,733,501)	(32,330,770)
Total governmental activities net position	146,836,208	203,770,435	202,802,945	188,345,264	177,767,096	184,047,810	177,336,502	157,557,953	155,899,425	151,201,198
Business-type Activities:										
Net invested in capital assets	26,295,346	25,663,416	30,689,254	47,316,165	51,992,532	54,796,698	54,862,196	55,392,470	51,928,808	51,993,634
Restricted	-	-	-	3,496,405	3,498,268	-	-	-	-	-
Unrestricted	(3,789,468)	(3,131,920)	(1,196,453)	1,841,967	(8,433,036)	(1,812,882)	(2,408,188)	(9,551,914)	(6,570,054)	(4,248,706)
Total business-type activities net position	22,505,878	22,531,496	29,492,801	52,654,537	47,057,764	52,983,816	52,454,008	45,840,556	45,358,754	47,744,928
Primary Government:										
Net invested in capital assets	178,150,875	195,615,705	197,092,980	190,006,770	196,595,126	203,331,051	199,881,924	199,258,274	192,348,108	186,161,371
Restricted	25,645,644	11,828,031	11,877,331	17,277,898	43,270,109	36,213,203	35,568,787	36,620,694	41,213,626	49,364,231
Unrestricted	(34,454,433)	18,858,195	23,325,435	33,715,133	(15,040,375)	(2,512,628)	(5,660,201)	(32,480,459)	(32,303,555)	(36,579,476)
Total primary government net position	\$ 169,342,086	\$ 226,301,931	\$ 232,295,746	\$ 240,999,801	\$ 224,824,860	\$ 237,031,626	\$ 229,790,510	\$ 203,398,509	\$ 201,258,179	\$ 198,946,126

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

** GASB 68 was implemented in fiscal year ended June 30, 2015.

*** GASB 75 was implemented in fiscal year ended June 30, 2018.

Source: City of Norwalk

City of Norwalk
Changes in Net Position - Expenses and Program Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses:										
Governmental Activities: **										
General government	\$ 8,985,356	\$ 8,884,242	\$ 8,710,567	\$ 9,256,135	\$ 9,020,311	\$ 9,809,460	\$ 10,754,302	\$ 11,784,341	\$ 11,265,337	\$ 12,354,750
Public safety	12,868,010	14,279,772	14,249,603	14,234,725	13,759,113	14,273,198	14,848,751	15,885,480	16,839,607	18,547,657
Urban development	12,357,686	4,357,950	3,458,368	3,976,300	3,473,779	3,783,360	4,476,066	4,573,577	5,163,599	4,900,668
Public works	22,808,979	20,889,518	21,803,171	22,923,334	20,726,639	19,925,937	22,369,137	22,811,905	23,969,411	25,195,617
Culture and leisure	2,006,757	3,775,436	3,890,065	4,050,588	4,757,635	5,387,150	5,331,894	5,507,699	4,894,500	4,647,732
Health and welfare	18,893,417	13,873,285	13,203,687	12,864,079	12,588,832	13,851,310	13,682,599	14,900,082	15,789,712	18,099,438
Interest expense	4,665,588	2,420,418	756,657	544,494	479,252	485,817	426,822	387,397	563,307	1,094,395
Bond Interest Costs	-	-	214,454	203,147	-	-	-	-	-	386,656
Total governmental activities net expenses	<u>82,585,792</u>	<u>68,480,620</u>	<u>66,286,573</u>	<u>68,052,802</u>	<u>64,805,561</u>	<u>67,516,232</u>	<u>71,889,570</u>	<u>75,850,481</u>	<u>78,485,473</u>	<u>85,226,913</u>
Business-type Activities:										
Transit system	14,947,479	13,188,597	13,097,504	13,178,039	12,553,592	12,279,655	14,616,307	15,722,272	15,904,629	17,684,192
Water	3,703,524	4,189,925	4,080,423	4,471,239	4,444,880	4,343,879	4,722,943	5,254,018	5,342,509	5,178,873
Sewer	-	-	-	1,574,191	1,749,438	1,579,050	1,777,414	1,973,782	3,158,180	1,898,276
Golf Course	303,959	309,777	334,630	319,816	218,307	100,336	-	-	-	-
Total business-type activities net position	<u>18,954,962</u>	<u>17,688,299</u>	<u>17,512,557</u>	<u>19,543,285</u>	<u>18,966,217</u>	<u>18,302,920</u>	<u>21,116,664</u>	<u>22,950,072</u>	<u>24,405,318</u>	<u>24,761,341</u>
Total primary government expenses	<u>\$ 101,540,754</u>	<u>\$ 86,168,919</u>	<u>\$ 83,799,130</u>	<u>\$ 87,596,087</u>	<u>\$ 83,771,778</u>	<u>\$ 85,819,152</u>	<u>\$ 93,006,234</u>	<u>\$ 98,800,553</u>	<u>\$ 102,890,791</u>	<u>\$ 109,988,254</u>
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 1,542,150	\$ 1,688,661	\$ 3,530,210	\$ 2,627,910	\$ 2,512,428	\$ 2,489,183	\$ 2,416,519	\$ 2,595,457	\$ 2,134,790	\$ 2,045,607
Public safety	1,693,747	1,731,478	1,899,542	1,724,933	1,493,944	1,543,117	1,508,425	1,550,296	1,319,144	1,161,698
Urban development	3,379,814	4,044,470	1,952,261	1,967,219	2,484,292	2,458,025	2,596,867	2,313,692	2,421,333	1,600,287
Public works	295,550	191,032	257,232	270,449	292,171	299,108	298,619	339,800	333,688	461,959
Culture and leisure	567,608	524,419	526,005	749,021	457,254	841,809	591,702	637,317	527,511	600,466
Health and welfare	400,554	440,685	1,332,438	441,309	576,593	543,048	499,164	438,658	409,203	339,588
Operating contributions and grants	34,397,088	24,545,865	21,347,543	26,576,829	27,712,357	23,759,966	21,306,532	24,890,640	26,384,136	30,401,900
Capital contributions and grants	-	-	-	-	-	-	129,325	311,635	176,220	655,852
Total governmental activities program revenues	<u>42,276,511</u>	<u>33,166,610</u>	<u>30,845,231</u>	<u>34,357,670</u>	<u>35,529,039</u>	<u>31,934,256</u>	<u>29,347,153</u>	<u>33,077,495</u>	<u>33,706,025</u>	<u>37,267,357</u>
Business-type Activities:										
Charges for services:										
Transit system	1,588,163	1,612,290	1,525,603	1,542,350	1,394,973	1,558,139	1,635,756	1,590,908	1,618,831	1,330,197
Water utility	4,900,159	4,871,980	5,172,247	5,303,496	5,051,998	4,953,919	5,147,289	5,704,279	5,659,007	5,792,198
Sewer (2)	-	-	-	2,231,922	2,356,627	2,423,016	2,443,276	2,573,946	2,600,121	2,598,408
Golf Course (1)	152,878	163,186	143,235	153,622	147,956	60,128	-	-	-	-
Operating contributions and grants	8,767,042	9,994,239	10,526,038	9,222,713	7,984,501	8,377,484	7,613,042	9,021,190	10,019,614	12,651,585
Capital contributions and grants	2,481,567	212,763	6,864,247	2,155,536	3,997,176	4,718,164	1,602,839	2,820,413	1,597,917	2,314,285
Total business-type activities program revenues	<u>17,889,809</u>	<u>16,854,458</u>	<u>24,231,370</u>	<u>20,609,639</u>	<u>20,933,231</u>	<u>22,090,850</u>	<u>18,442,202</u>	<u>21,710,736</u>	<u>21,495,490</u>	<u>24,686,673</u>
Primary government program revenues	<u>\$ 60,166,320</u>	<u>\$ 50,021,068</u>	<u>\$ 55,076,601</u>	<u>\$ 54,967,309</u>	<u>\$ 56,462,270</u>	<u>\$ 54,025,106</u>	<u>\$ 47,789,355</u>	<u>\$ 54,788,231</u>	<u>\$ 55,201,515</u>	<u>\$ 61,954,030</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (40,309,281)	\$ (35,314,010)	\$ (35,441,342)	\$ (33,695,132)	\$ (29,276,522)	\$ (35,581,976)	\$ (42,542,417)	\$ (42,772,986)	\$ (44,779,448)	\$ (47,959,556)
Business-type activities	(1,065,153)	(833,841)	6,718,813	1,066,354	1,967,014	3,787,930	(2,674,462)	(1,239,336)	(2,909,828)	(74,668)
Total primary government net expense	<u>\$ (41,374,434)</u>	<u>\$ (36,147,851)</u>	<u>\$ (28,722,529)</u>	<u>\$ (32,628,778)</u>	<u>\$ (27,309,508)</u>	<u>\$ (31,794,046)</u>	<u>\$ (45,216,879)</u>	<u>\$ (44,012,322)</u>	<u>\$ (47,689,276)</u>	<u>\$ (48,034,224)</u>

(1) As of January 2016, the Norwalk Golf Center is under the management of Los Angeles County.

(2) City of Norwalk established Sewer as business-type activity as of 7/1/2013.

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

** Fiscal year 2009-10 through 2017-18 expenses have been reclassified to reflect current reporting structure.

City of Norwalk
Changes in Net Position - General Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Sales taxes	\$ 8,222,180	\$ 8,760,445	\$ 9,323,299	\$ 9,327,844	\$ 9,525,144	\$ 10,541,304	\$ 10,264,892	\$ 11,078,771	\$ 12,492,890	\$ 11,916,110
Property taxes	14,764,697	7,823,406	6,986,560	6,616,294	6,842,242	7,636,462	7,481,345	8,390,338	8,115,122	8,750,465
Utility users tax	5,743,933	5,421,616	5,354,039	5,256,908	5,287,009	5,296,349	5,093,361	4,848,872	4,461,942	4,228,417
Business operation taxes	669,931	858,584	782,573	798,659	843,097	844,971	857,171	880,709	911,424	874,725
Transient occupancy taxes	876,639	1,128,493	1,227,030	1,309,026	1,378,504	1,532,516	1,544,811	1,593,203	1,672,320	1,328,356
Property tax in-lieu of VLF	8,394,222	8,535,764	8,727,028	9,021,481	9,566,153	9,973,472	10,430,453	10,967,928	11,646,200	12,295,865
Franchise fees	1,676,175	1,747,542	1,790,365	1,859,947	1,908,525	1,881,854	1,786,343	1,836,980	3,011,175	3,128,272
Investment income	799,896	2,083,266	474,353	338,779	342,057	1,250,061	399,167	211,385	2,892,859	2,844,473
Miscellaneous/Extraordinary Items/Transfers	(3,956,551)	55,889,121	(191,395)	(24,270,932)	20,938,417	2,905,701	(2,026,434)	(1,951,033)	(2,083,012)	(2,105,354)
Total governmental activities	<u>37,191,122</u>	<u>92,248,237</u>	<u>34,473,852</u>	<u>10,258,006</u>	<u>56,631,148</u>	<u>41,862,690</u>	<u>35,831,109</u>	<u>37,857,153</u>	<u>43,120,920</u>	<u>43,261,329</u>
Business-type Activities:										
Investment income	\$ 21,482	\$ 29,272	\$ 51,097	\$ 50,866	\$ 76,182	\$ 137,457	\$ 118,220	\$ 192,254	\$ 345,014	\$ 355,488
Miscellaneous/ Transfers	\$ 3,956,551	\$ 830,187	191,395	22,044,516	2,034,880	2,000,665	2,026,434	1,951,033	2,083,012	2,105,354
Total business-type activities	<u>3,978,033</u>	<u>859,459</u>	<u>242,492</u>	<u>22,095,382</u>	<u>2,111,062</u>	<u>2,138,122</u>	<u>2,144,654</u>	<u>2,143,287</u>	<u>2,428,026</u>	<u>2,460,842</u>
Total primary government	<u>\$ 41,169,155</u>	<u>\$ 93,107,696</u>	<u>\$ 34,716,344</u>	<u>\$ 32,353,388</u>	<u>\$ 58,742,210</u>	<u>\$ 44,000,812</u>	<u>\$ 37,975,763</u>	<u>\$ 40,000,440</u>	<u>\$ 45,548,946</u>	<u>\$ 45,722,171</u>
Change in Net Position:										
Governmental activities	\$ (3,118,159)	\$ 56,934,227	\$ (967,490)	\$ (23,437,126)	\$ 27,354,626	\$ 6,280,714	\$ (6,711,308)	\$ (4,915,833)	\$ (1,658,528)	\$ (4,698,227)
Business-type activities	2,912,880	25,618	6,961,305	23,161,736	4,078,076	5,926,052	(529,808)	903,951	(481,802)	2,386,174
Total primary government	<u>\$ (205,279)</u>	<u>\$ 56,959,845</u>	<u>\$ 5,993,815</u>	<u>\$ (275,390)</u>	<u>\$ 31,432,702</u>	<u>\$ 12,206,766</u>	<u>\$ (7,241,116)</u>	<u>\$ (4,011,882)</u>	<u>\$ (2,140,330)</u>	<u>\$ (2,312,053)</u>

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

Source: City of Norwalk

City of Norwalk
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12 *	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund:										
Nondisposable	\$ 9,895,075	\$ 11,593,888	\$ 10,337,174	\$ 9,295,515	\$ 9,093,823	\$ 8,943,056	\$ 8,208,888	\$ 7,524,734	\$ 7,419,818	\$ 6,417,276
Restricted	-	-	-	-	-	-	-	1,002,530	2,142,296	3,250,800
Committed	-	327,083	283,583	238,865	2,120,000	2,120,000	2,120,000	2,120,000	1,120,000	120,000
Assigned	8,846,359	1,282,729	776,628	960,316	1,631,006	1,723,843	1,236,546	641,000	603,959	481,865
Unassigned	10,736,919	10,668,298	14,728,463	15,572,086	12,270,240	12,803,359	12,489,860	12,668,547	14,809,088	14,719,745
Total General Fund	\$ 29,478,353	\$ 23,871,998	\$ 26,125,848	\$ 26,066,782	\$ 25,115,069	\$ 25,590,258	\$ 24,055,294	\$ 23,956,811	\$ 26,095,161	\$ 24,989,686
All Other Governmental Funds:										
Nondisposable	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,619	21,220	42,350
Restricted										
Special revenue funds	12,543,334	6,474,186	7,884,277	9,274,339	11,181,950	9,514,213	11,007,911	11,038,787	13,643,213	15,516,511
Capital projects funds	5,840,744	4,660,152	3,691,069	4,438,886	27,395,889	26,426,351	24,458,851	24,329,448	27,454,360	53,413,426
Debt service funds	4,967,744	693,691	301,985	1,144,683	1,145,296	1,147,893	1,153,046	5,430,532	1,191,717	1,208,580
Committed	1,216,247	1,558,255	2,859,188	3,988,035	6,232,327	5,736,166	5,162,810	5,511,717	4,119,185	4,713,257
Assigned	327,575	-	-	-	-	-	-	-	-	-
Unassigned	(99,030)	(307,188)	(752,744)	(3,054,013)	(4,000,645)	(2,647,765)	(616,702)	(1,976,299)	(1,411,737)	(1,585,764)
Total All Other Governmental Funds	\$ 25,546,614	\$ 13,079,096	\$ 13,983,775	\$ 15,791,930	\$ 41,954,817	\$ 40,176,858	\$ 41,165,916	\$ 44,335,804	\$ 45,017,958	\$ 73,308,360

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund GASB 54 was implemented as of June 30,2011. Prior years data has been restated to reflect GASB 54

Source: City of Norwalk

City of Norwalk
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14**	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues:										
Taxes	\$ 40,347,777	\$ 34,275,850	\$ 34,190,894	\$ 34,190,159	\$ 35,350,674	\$ 37,706,928	\$ 37,458,376	\$ 39,596,801	\$ 42,311,073	\$ 42,522,210
Licenses and permits	951,871	1,061,945	1,095,276	1,040,872	1,113,986	1,614,302	1,551,485	1,329,636	1,214,109	1,160,152
Fines, forfeiture and penalties	1,436,004	1,500,648	1,558,155	1,503,552	1,532,833	1,397,301	1,343,137	1,453,258	1,271,482	1,045,036
Use of money and Property	6,799,896	665,890	454,973	324,026	328,556	1,107,863	673,248	485,468	2,744,380	3,151,186
Intergovernmental	27,117,886	25,269,879	21,578,666	24,305,935	26,861,044	25,068,024	23,540,234	23,943,365	27,115,671	31,354,855
Motor vehicle license fee	558,902	56,479	46,743	-	45,152	42,340	47,284	55,559	51,623	84,483
Charges for services	1,813,133	2,006,230	2,159,938	2,141,011	2,265,887	2,421,325	2,490,649	2,257,391	2,095,689	1,760,794
Rental Income	1,334,820	778,045	778,252	779,951	830,042	857,530	867,191	909,372	936,240	833,535
Other	9,202,662	1,987,727	3,257,486	2,342,477	1,961,656	1,790,392	1,601,975	1,846,296	1,632,294	1,317,248
Total revenues	<u>89,562,951</u>	<u>67,602,693</u>	<u>65,120,383</u>	<u>66,627,983</u>	<u>70,289,830</u>	<u>72,006,005</u>	<u>69,573,579</u>	<u>71,877,146</u>	<u>79,372,561</u>	<u>83,229,499</u>
Expenditures: **										
Current:										
General government	7,650,241	7,529,673	7,353,954	7,827,623	8,014,168	8,815,169	9,602,473	9,815,899	9,462,849	10,174,244
Public safety	12,689,113	14,104,870	14,090,620	14,067,052	13,680,188	14,303,174	14,779,420	15,625,787	16,627,224	18,146,943
Urban development	12,819,347	4,082,567	3,166,086	3,542,137	3,434,550	4,020,686	4,374,534	3,782,414	4,504,903	4,401,382
Public works	15,400,511	13,265,589	14,088,380	14,769,851	13,095,892	13,171,744	13,666,609	13,488,320	14,006,466	15,267,061
Culture and leisure	1,535,200	3,311,260	3,411,316	3,659,354	4,439,395	5,189,356	4,986,157	4,897,808	4,498,463	4,209,576
Health and welfare	18,560,049	13,549,014	12,849,407	12,474,045	12,458,934	13,832,946	13,541,733	14,515,087	15,471,758	17,749,243
Capital outlay and improvement	18,926,378	4,299,315	4,833,258	7,955,265	9,516,262	10,527,154	5,686,645	7,802,435	8,035,964	3,480,547
Debt service:										
Principal retirement	1,890,000	1,975,000	780,000	890,000	900,000	935,000	980,000	1,025,000	1,249,077	2,371,127
Interest and fiscal charges	6,247,967	2,386,516	992,099	741,268	548,881	512,881	475,481	436,281	612,341	1,326,277
Bond issuance cost	-	-	214,454	203,147	-	-	-	74,144	-	386,656
Total expenditures	<u>95,718,805</u>	<u>64,503,803</u>	<u>61,779,575</u>	<u>66,129,742</u>	<u>66,088,270</u>	<u>71,308,110</u>	<u>68,093,051</u>	<u>71,463,175</u>	<u>74,469,045</u>	<u>77,513,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,155,854)</u>	<u>3,098,890</u>	<u>3,340,808</u>	<u>498,241</u>	<u>4,201,560</u>	<u>697,895</u>	<u>1,480,528</u>	<u>413,971</u>	<u>4,903,516</u>	<u>5,716,443</u>
Other Financing Sources (Uses):										
Issuance of County deferred loans	2,512,697	-	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	4,337,008	-	19,685,000
Proceeds from bonds issuances, net	-	-	7,120,000	8,630,000	-	-	-	-	-	-
Defeasance of debt	-	-	(7,295,000)	(7,945,000)	-	-	-	-	-	-
Bond discount	-	-	184,115	553,095	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	3,888,838
Transfers in	13,386,923	4,583,186	3,205,025	3,367,409	5,029,862	2,949,102	2,780,642	2,617,945	6,622,000	29,097,365
Transfers out	(17,343,474)	(5,413,373)	(3,396,420)	(3,354,656)	(7,064,742)	(4,949,767)	(4,807,076)	(4,568,978)	(8,705,012)	(31,202,719)
Total other financing sources (uses)	<u>(1,443,854)</u>	<u>(830,187)</u>	<u>(182,280)</u>	<u>1,250,848</u>	<u>(2,034,880)</u>	<u>(2,000,665)</u>	<u>(2,026,434)</u>	<u>2,385,975</u>	<u>(2,083,012)</u>	<u>21,468,484</u>
Extraordinary items	-	(20,342,575)	-	71,197	22,973,297	-	-	-	-	-
Net change in fund balances	(7,599,708)	(18,073,872)	3,158,528	1,820,286	25,139,977	(1,302,770)	(545,906)	2,799,946	2,820,504	27,184,927
Fund balances - July 1	<u>62,624,675</u>	<u>55,024,967</u>	<u>36,951,095</u>	<u>40,109,623</u>	<u>41,929,909</u>	<u>67,069,886</u>	<u>65,767,116</u>	<u>65,492,669</u>	<u>68,292,615</u>	<u>71,113,119</u>
Fund balances - June 30	<u>\$ 55,024,967</u>	<u>\$ 36,951,095</u>	<u>\$ 40,109,623</u>	<u>\$ 41,929,909</u>	<u>\$ 67,069,886</u>	<u>\$ 65,767,116</u>	<u>\$ 65,221,210</u>	<u>\$ 68,292,615</u>	<u>\$ 71,113,119</u>	<u>\$ 98,298,046</u>
Debt service (excluding bond issuance costs) as a percentage of noncapital expenditures	10.60%	7.24%	3.11%	2.80%	2.56%	2.38%	2.33%	2.30%	2.80%	4.99%

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

** GASB 68 was implemented in fiscal year ended June 30, 2015.

** Fiscal year 2009-10 through 2017-18 expenses have been reclassified to reflect current reporting structure.

Source: City of Norwalk

City of Norwalk
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax		Sales and Use Tax	Utility Users Tax	Business Operations Tax	Transient Occupancy Tax	Property Tax in-lieu of VLF	Franchise Fees	Total Taxes
	City	Redevelopment Agency							
2010-11	5,658,080	9,106,617	8,222,180	5,743,933	669,931	876,639	8,394,222	1,676,175	40,347,777
2011-12 (1)	5,708,121	2,115,285	8,760,445	5,421,616	858,584	1,128,493	8,535,764	1,747,542	34,275,850
2012-13	6,986,560	-	9,323,299	5,354,039	782,573	1,227,030	8,727,028	1,790,365	34,190,894
2013-14	6,616,294	-	9,327,844	5,256,908	798,659	1,309,026	9,021,481	1,859,947	34,190,159
2014-15	6,842,242	-	9,525,144	5,287,009	843,097	1,378,504	9,566,153	1,908,525	35,350,674
2015-16	7,636,462	-	10,541,304	5,296,349	844,971	1,532,516	9,973,472	1,881,854	37,706,928
2016-17	7,481,345	-	10,264,892	5,093,361	857,171	1,544,811	10,430,453	1,786,343	37,458,376
2017-18	8,390,338	-	11,078,771	4,848,872	880,709	1,593,203	10,967,928	1,836,980	39,596,801
2018-19	8,115,122	-	12,492,890	4,461,942	911,424	1,672,320	11,646,200	3,011,175	42,311,073
2019-20	8,750,465	-	11,916,110	4,228,417	874,725	1,328,356	12,295,865	3,128,272	42,522,210

(1) The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

Source: City of Norwalk

City of Norwalk
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other* Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010-11	4,397,888	638,634	237,745	283,921	41,012	5,558,188	0.22213%
2011-12	4,495,242	639,267	227,164	288,436	40,773	5,650,109	0.21830%
2012-13	4,593,039	651,375	233,802	298,414	44,013	5,776,630	0.22158%
2013-14	4,758,897	666,384	247,283	298,845	40,913	5,971,409	0.09311%
2014-15	5,088,372	682,359	252,944	308,032	46,424	6,331,707	0.09306%
2015-16	5,314,858	708,561	260,655	317,233	44,912	6,601,307	0.09304%
2016-17	5,566,383	722,338	275,896	321,168	43,645	6,885,785	0.09301%
2017-18	5,856,328	752,130	287,475	345,253	44,073	7,241,186	0.09296%
2018-19	6,183,342	824,997	360,112	340,452	43,895	7,708,903	0.09294%
2019-20	6,546,701	857,960	370,675	363,596	38,328	8,138,932	0.09294%

*Other property includes government, institutional, unsecured property and vacant land.

Note: 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 a 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: L.A. County Assessor, HdL Coren & Cone

City of Norwalk
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of taxable value)

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Total Direct Rate	0.22213	0.21830	0.22158	0.09311	0.09306	0.09304	0.09301	0.09296	0.09294	0.09294
Overlapping Rates:										
Los Angeles County General	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210
Norwalk-La Mirada Unified School District	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780
Consolidated Fire Protection District of LA Co.	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000
Educational Augmentation Fund Impound	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530
Educational Revenue Augmentation Fund	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850
City Norwalk Tax District 1	0.06630	0.06630	0.06630	0.06630	0.06630	0.06630	0.06630	0.06630	0.06630	0.06630
Norwalk Southeast Recreation and Park	0.02630	0.02630	0.02630	0.02630	0.02630	0.02630	0.02630	0.02630	0.02630	0.02630
Cerritos Community College District	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460
La Mirada Southeast Recreation and Park	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440
LA County Library	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250
County Sanitation District No. 18 Operating	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223
LA County Flood Control Maintenance	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936
LA County Fire - Ffw	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693
County School Service Fund Norwalk - La Mirada	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652
Children's Institutional Tuition Fund	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272
LA County Flood Control Dr. Imp. Dist. Maint.	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165
County School Services	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137
Little Lake Cemetery District	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091
Greater LA Co. Vector Control	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036
Water Replenishment District of Southern Calif.	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017
LA County Accumulative Capital Outlay	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011
Total Proposition 13 Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ABC Unified School District	0.02920	0.02858	0.02453	0.02894	0.02916	0.03243	0.03132	0.03107	0.03019	0.08193
Cerritos Community College District	0.02677	0.01782	0.02594	0.02502	0.04809	0.04829	0.04698	0.04370	0.04446	0.04449
Downey Unified School District	0.07018	0.06725	0.07132	0.06603	0.06549	0.11466	0.11473	0.10538	0.10113	0.09708
Little Lake City School District	0.07647	0.05286	0.06942	0.08537	0.07964	0.06522	0.07527	0.07876	0.07611	0.06532
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Norwalk-La Mirada Unified School District	0.06197	0.06496	0.06997	0.07238	0.07063	0.14114	0.13400	0.13818	0.13425	0.14019
Rio Hondo Community College Dist	0.03439	0.03418	0.02812	0.02892	0.02821	0.02712	0.02808	0.02748	0.02554	0.02571
Whittier Union High School District	0.04239	0.04317	0.04556	0.04473	0.05270	0.05063	0.06035	0.05781	0.05822	0.05502
Total Voter Approved Rate	0.34507	0.31252	0.33836	0.35489	0.37742	0.48299	0.49423	0.48588	0.47340	0.51324
Total Direct & Overlapping Tax Rates	1.34507	1.31252	1.33836	1.35489	1.37742	1.48299	1.49423	1.48588	1.47340	1.51324
City's Share of 1% Levy per Prop 13	0.09255	0.09255	0.09255	0.09255	0.09255	0.09255	0.09255	0.09255	0.09255	0.09255
Redevelopment Rate	1.00370	1.00370	-	-	-	-	-	-	-	-

Notes:

General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund rate area (TRA) by net taxable value.

In 1978 the voters of the State of California 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 voter approved bonds.

City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF portion of the City's Levy has been subtracted where known.

RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to

Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum

Source: L.A. County Assessor's Office

City of Norwalk
Principal Property Tax Payers
Current Fiscal Year and Ten Fiscal Years Ago

Taxpayer	2019-20			2010-11		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sonnenblick Del Rio Norwalk LLC	\$ 74,137,021	1	0.91%	-		-
Veranda Associates LP	72,486,363	2	0.89%	-		-
Norwalk Industrial Sub LLC	60,920,036	3	0.75%	-		-
TLUS Sam Red SCC Owner LLC	59,178,177	4	0.73%	-		-
Pedestal Capital II LLC	44,553,684	5	0.55%	-		-
Target Corporation	41,195,635	6	0.51%	-		-
Levian Family Norwalk LLC	37,599,243	7	0.46%	-		-
Miracle Mile Properties LP	34,173,461	8	0.42%	-		-
Rexford Industrial Realty LP	31,888,259	9	0.39%	-		-
Advanced Group	28,238,315	10	0.35%	-		-
Norwalk MM LLC				64,068,492	1	1.15%
Avalon California Value III LLC				40,524,793	2	0.73%
Target Corporation				35,829,213	3	0.64%
Hekmatravan Family Norwalk LLC				32,493,088	4	0.58%
Sam Menlo Trust				29,622,252	5	0.53%
TGM Palm Country Club INC				24,377,794	6	0.44%
McKenna Norwalk LP				21,858,543	7	0.39%
Norwalk Industrial Sub LLC				21,684,189	8	0.39%
Paddison Associates				21,182,258	9	0.38%
Bukewihge Properties LLC				19,097,830	10	0.34%
	<u>\$ 484,370,194</u>		<u>5.95%</u>	<u>\$ 310,738,452</u>		<u>5.59%</u>

Excludes government and tax-exempt property owners

Source: L.A. County Assessor 2010/11 and 2019/20 Combined Tax, SBE NonUnitary Tax Rolls and HdL Companies

City of Norwalk
Secured Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the fiscal year of the levy		Collections in Subsequent Years	Total collections to date	
		Amount	% of Levy		Amount	% of Levy
2009-10	2,322,951	2,120,057	91.27%	21,579	2,141,636	92.19%
2010-11	2,280,220	2,138,030	93.76%	(36,293)	2,101,737	92.17%
2011-12	2,354,260	2,162,196	91.84%	9,720	2,171,916	92.25%
2012-13	2,413,472	2,332,515	96.65%	3,209	2,335,723	96.78%
2013-14	2,500,671	2,423,743	96.92%	(35,972)	2,387,771	95.49%
2014-15	2,655,207	2,561,063	96.45%	(26,757)	2,534,306	95.45%
2015-16	2,783,387	2,685,240	96.47%	(23,512)	2,661,728	95.63%
2016-17	2,894,814	2,767,579	95.60%	9,041	2,776,620	95.92%
2017-18	3,028,138	2,864,434	94.59%	41,481	2,905,914	95.96%
2018-19	3,172,538	3,047,344	96.05%	(18,725)	3,028,620	95.46%

Source: L.A. County Auditor/Controller

City of Norwalk
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit	Gross Bonded Debt Balance	Estimated Percentage Applicable ⁽¹⁾	Net Bonded Debt
Direct Debt			
Lease Revenue Refunding Bonds 2013A/B	\$ 9,199,023	100.000%	\$ 9,199,023
Lease Payable	\$ 3,926,804	100.000%	3,926,804
Tax Revenue Bonds 2019A/B	\$ 22,259,582	100.000%	22,259,582
Total Direct Debt			35,385,409
Overlapping Debt			
Metropolitan Water District	18,151,752	0.519%	94,128
Little Lake City SD DS 00SR D-1QSCBS	5,555,000	35.902%	1,994,331
Little Lake City SD DS 2011 Refunding Bond	4,149,901	35.902%	1,489,879
Little Lake City SD DS 2012 Series A	4,480,000	35.902%	1,608,390
Little Lake City SD DS 2014 Ref Bonds Series A	4,935,000	35.902%	1,771,742
Little Lake City SD DS 2014 Ref Bonds Series B	3,590,000	35.902%	1,288,866
Little Lake City SD DS 2012 Series B	11,645,000	35.902%	4,180,736
Whittier Union HSD DS 2008 Series 2014B	9,100,682	6.117%	556,711
Whittier Union HSD DS 2008 Series 2015C	11,490,000	6.117%	702,871
Whittier Union HSD DS 2015 Ref Bonds	36,765,000	6.117%	2,249,004
Whittier Union HSD DS 2016 Ref Bonds	65,658,679	6.117%	4,016,500
Cerritos CCD DS 2004 Series 2012D	32,727,548	12.986%	4,249,932
Cerritos CCD DS 2012 Series 2014A	73,900,000	12.986%	9,596,501
Cerritos CCD DS 2014 REF BONDS SERIES A	76,720,000	12.986%	9,962,700
Cerritos CCD DS 2014 REF BONDS SERIES B	9,830,000	12.986%	1,276,503
Cerritos CCD DS 2012 Series 2018B	61,135,000	12.986%	7,938,865
Cerritos CCD DS 2012 Series 2019C	152,655,000	12.986%	19,823,462
Rio Hondo CCD DS Ref 2004 2019 Ser B	124,347,824	3.897%	4,845,700
ABC Unified 2003 Refund Bond Series A	4,300,000	3.740%	160,815
ABC Unified DS 1997 Series B	24,491,818	3.740%	915,966
ABC Unified DS 2018 Series A	64,500,000	3.740%	2,412,227
Norwalk-La Mirada USD DS 2002 Series 2005B	52,110,123	42.999%	22,407,075
Norwalk-La Mirada USD DS 2009 Ref Bonds	32,932,452	42.999%	14,160,779
Norwalk-La Mirada USD DS 2015 Ref Bonds	11,895,000	42.999%	5,114,787
Norwalk-La Mirada USD DS 2014 Series B	52,970,000	42.999%	22,776,818
Norwalk-La Mirada USD DS 2017 Ref Bonds	1,445,000	42.999%	621,342
Norwalk-La Mirada USD DS 2014 Series C	10,250,000	42.999%	4,407,445
Norwalk-La Mirada USD DS 2014 Series D	60,000,000	42.999%	25,799,680
Total Overlapping Debt			176,423,754
Total Direct and Overlapping Debt			\$ 211,809,163

2019/20 Assessed Valuation: \$6,680,665,810 after deducting \$1,458,266,165 in Incremental Value.
Debt to Assessed Valuation Ratios: Direct Debt-0.53%, Overlapping Debt-2.64% Total Debt- 3.17%

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Norwalk. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: HdL Coren & Cone, L.A. County Assessor and Auditor Combined 2019/20 Lien Date Tax Rolls

City of Norwalk
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Assessed valuation	\$ 5,558,188,319	\$ 5,650,108,854	\$ 5,776,629,334	\$ 5,971,408,845	\$ 6,331,707,221	\$ 6,601,306,707	\$ 6,885,785,316	\$ 7,241,185,968	\$ 7,708,902,736	\$ 8,138,931,975
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,389,547,080	1,412,527,214	1,444,157,334	1,492,852,211	1,582,926,805	1,650,326,677	1,721,446,329	1,810,296,492	1,927,225,684	2,034,732,994
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	208,432,062	211,879,082	216,623,600	223,927,832	237,439,021	247,549,002	258,216,949	271,544,474	289,083,853	305,209,949
Total net debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 208,432,062</u>	<u>\$ 211,879,082</u>	<u>\$ 216,623,600</u>	<u>\$ 223,927,832</u>	<u>\$ 237,439,021</u>	<u>\$ 247,549,002</u>	<u>\$ 258,216,949</u>	<u>\$ 271,544,474</u>	<u>\$ 289,083,853</u>	<u>\$ 305,209,949</u>
Total net debt applicable to the limit as a percent of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Norwalk Long Term Debt Outstanding:	114,836,127	16,020,000	24,950,862	25,261,134	24,445,312	22,755,489	21,522,666	24,571,851	23,054,951	43,720,582
Debt per capita: (2020 Pop 105,717)	1,088	152	235	237	229	216	204	228	216	414
Debt as a percentage of personal income:	6%	1%	1%	1%	1%	1%	1%	1%	1%	2%

* The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund
Note: Under state finance law, the City of Norwalk's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Sources:
City Finance Department
County of Los Angeles Tax Assessor's Office

**City of Norwalk
Outstanding Debt
Last Ten Fiscal Years**

	Fiscal Year									
	2010-11	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental Activities										
Lease Revenue										
Refunding Bonds, 2013A/B	\$ 16,770,000	\$ 16,020,000	\$ 15,065,000	\$ 14,860,000	\$ 13,960,000	\$ 13,025,000	\$ 12,045,000	\$ 11,020,000	\$ 9,965,000	\$ 8,865,000
Tax Revenue										
Bonds, 2019 A/B	-	-	-	-	-	-	-	-	-	18,630,000
Tax Allocation Refunding										
Bonds, 2005	58,430,000	-	-	-	-	-	-	-	-	-
Lease Payable	-	-	-	-	-	-	-	4,337,008	4,142,931	3,926,804
Subtotal	<u>75,200,000</u>	<u>16,020,000</u>	<u>15,065,000</u>	<u>14,860,000</u>	<u>13,960,000</u>	<u>13,025,000</u>	<u>12,045,000</u>	<u>15,357,008</u>	<u>14,107,931</u>	<u>31,421,804</u>
Add (deduct) deferred amounts:										
Bond Premium	389,078	-	184,115	679,612	622,014	564,416	506,818	449,220	391,622	3,963,605
Bond discount	(286,960)	-	-	-	-	-	-	-	-	-
Deferred charge on refunding	(177,487)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>\$ 75,124,631</u>	<u>\$ 16,020,000</u>	<u>\$ 15,249,115</u>	<u>\$ 15,539,612</u>	<u>\$ 14,582,014</u>	<u>\$ 13,589,416</u>	<u>\$ 12,551,818</u>	<u>\$ 15,806,228</u>	<u>\$ 14,499,553</u>	<u>\$ 35,385,409</u>
Business-type Activities										
Water Revenue Bonds	\$ -	\$ -	\$ 9,395,000	\$ 9,245,000	\$ 9,070,000	\$ 8,890,000	\$ 8,705,000	\$ 8,510,000	\$ 8,310,000	\$ 8,100,000
Add (deduct) deferred amounts:										
Bond Premium	-	-	306,747	296,522	286,298	276,073	265,848	255,623	245,398	235,173
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,701,747</u>	<u>\$ 9,541,522</u>	<u>\$ 9,356,298</u>	<u>\$ 9,166,073</u>	<u>\$ 8,970,848</u>	<u>\$ 8,765,623</u>	<u>\$ 8,555,398</u>	<u>\$ 8,335,173</u>
Total long-term liabilities	<u>\$ 75,124,631</u>	<u>\$ 16,020,000</u>	<u>\$ 24,950,862</u>	<u>\$ 25,081,134</u>	<u>\$ 23,938,312</u>	<u>\$ 22,755,489</u>	<u>\$ 21,522,666</u>	<u>\$ 24,571,851</u>	<u>\$ 23,054,951</u>	<u>\$ 43,720,582</u>

Note:

See note to financial statement number 7 and 8 for a detailed explanation of outstanding debt

* The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

Source: City of Norwalk

City of Norwalk
Pledged-Revenue Coverage
Last Ten Fiscal Years

Norwalk Community Facilities Financing Authority - Lease Refunding, Water Revenue and Sales Tax Revenue Bonds						
Fiscal Year	Lease Revenue	Water Revenue	Tax Revenue	Debt Service		Coverage
				Principal	Interest	
2010-11	1,575,641			715,000	860,641	1.00
2011-12	1,580,806			750,000	830,806	1.00
2012-13	1,947,099			955,000	992,099	1.00
2013-14	946,268	541,471		355,000	1,132,739	1.00
2014-15	1,448,881	539,963		1,075,000	913,844	1.00
2015-16	1,447,881	539,713		1,115,000	872,594	1.00
2016-17	1,455,481	537,513		1,165,000	827,994	1.00
2017-18	1,461,281	540,113		1,220,000	781,394	1.00
2018-19	1,450,274	537,313		1,255,000	732,588	1.00
2019-20	1,453,081	539,313	1,835,384	2,365,000	1,462,779	1.00

The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund

Source: City of Norwalk

City of Norwalk
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010-11	109,817	1,902,799	17,327	13.3%
2011-12	105,714	2,028,757	19,191	13.0%
2012-13	106,093	2,041,442	19,242	9.8%
2013-14	106,630	2,051,561	19,240	8.1%
2014-15	106,679	2,060,398	19,314	8.4%
2015-16	105,292	2,084,810	19,800	6.9%
2016-17	105,526	2,066,616	19,583	5.4%
2017-18	107,546	2,132,084	19,824	4.2%
2018-19	106,744	2,241,544	20,999	4.6%
2019-20	105,717	2,337,575	22,111	4.5%

Source:

HdL, Coren & Cone , State of California, and Department of Finance,

**City of Norwalk
Principal Employers
Current Fiscal Year and Ten Fiscal Years Ago**

Employer	2019-20			2010-11		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
County of Los Angeles	2,085	1	8.10%	1,780	4	9.28%
Norwalk-LA Mirada Unified School District	1,573	2	6.11%	1,987	1	10.36%
Metropolitan State Hospital	1,543	3	6.00%	1,450	2	7.56%
Cerritos College	1,542	4	5.99%	1,143	3	5.96%
Target	455	5	1.77%	435	7	2.27%
City of Norwalk	449	6	1.74%	400	9	2.09%
Little Lake City School District	361	7	1.40%	357	10	1.86%
Costco Wholesale	320	8	1.24%	300	11	1.56%
Los Angeles County Sheriff	310	9	1.20%	240	13	1.25%
Doty Bros Equipment Co	300	10	1.17%	300	12	1.56%
Coast Plaza Hospital	269	11	1.05%			0.00%
Norwalk Community Hospital	260	12	1.01%			0.00%
Mc Donald's	213	13	0.83%	213	14	1.11%
Southland Care Center	180	14	0.70%	180	16	0.94%
West Central Produce Inc	167	15	0.65%			0.00%
Stater Brothers Markets	160	16	0.62%			0.00%
Ec Hispanic Media	200	17	0.78%			0.00%
Eco Sanitary Supplies Inc	138	18	0.54%			0.00%
Norwalk Meadows Nursing Center	125	19	0.49%	125	19	0.65%
Lowe's Home Improvement	119	20	0.46%	120	20	0.63%
All Other Employers	14,964		58.15%	10,148		52.91%
Total	25,733		100.00%	19,178		100.00%

Source: *ReferenceUSA* Prepared by: City of Norwalk 10/2020

City of Norwalk
Full-Time and Part-Time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010-11*	2011-12*	2012-13*	2013-14*	2014-15*	2015-16*	2016-17*	2017-18*	2018-19	2019-20
General Government	49	51	46	47	48	51	55	58	55	56
Public Safety	46	47	49	44	43	47	39	47	59	54
Public Works	57	59	81	82	82	80	85	87	85	79
Social Services	28	26	30	29	32	34	32	28	32	44
Recreation	89	98	85	97	94	90	89	92	94	99
Community Development	15	16	24	25	25	28	14	14	16	14
Transit	116	107	94	98	93	101	97	100	102	103
Total	400	404	409	422	417	431	411	426	443	449

Source: City of Norwalk

* Reclassified to reflect current reporting structure.

City of Norwalk
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Police:										
Calls responded	24,046	28,410	28,265	27,068	27,431	30,134	30,671	30,044	28,841	27,278
Response Time: (minutes)										
Emergency	3.7	3.6	3.8	3.9	3.8	3.3	3.8	4.0	3.8	3.7
Non-Emergency	10.2	9.4	9.3	9.6	9	8.7	8.9	9.3	9.5	8.6
Routine	29.4	31	31.8	34.4	33	34.5	37.5	41.8	39.3	42.8
Community development:										
Number of residential permits	2,565	3,114	2,719	2,746	2,835	4,461	4,586	3,360	2,856	2,638
Number of commercial permits	479	425	357	447	357	542	470	331	350	285
Water:										
New connections	0	10	3	1	0	4	7	0	3	0
Average daily consumption (millions of gallons)	189	188	198	200	157	131	135	143	133	134
Sewers:										
New connections	4	0	11	11	3	4	15	15	4	13
Transit:										
Buses-number of riders	2,291,089	2,126,885	1,880,629	1,739,670	1,528,931	1,378,353	1,539,633	1,461,070	1,427,804	1,168,297
Dial-A-Ride-number of riders	18,139	20,493	16,146	21,754	21,908	22,031	21,849	22,344	24,227	18,992

Source: City of Norwalk

City of Norwalk
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	187	187	187	187	187	187	197	197	200	200
Street lights	5,479	5,479	5,400	5,400	5,400	5,400	5,373	5,373	4,891	4,989
Traffic Lights	81	83	81	81	81	80	80	86	85	85
Parks and recreation:										
Parks	14	14	14	14	14	14	14	14	14	14
Community centers	1	1	1	1	1	1	1	1	1	1
Sports center	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	40	40	40	40	40	40	40	40	56	59
Maximum daily capacity (million gallons per day)	4	4	4	4	4	4	4	4	4	4
Waste water:										
Sanitary sewers (miles)	180	180	180	180	180	180	180	180	164	164
Transit:										
Buses	33	33	28	33	33	34	33	34	34	31
Dial-A-Ride Vans	7	7	7	7	7	7	7	7	7	7

Source: City of Norwalk

City of Norwalk City of Norwalk
Water System - Statement of Net Position of Net Position
Last Ten Fiscal Years Ten Fiscal Years

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
ASSETS										
Current assets										
Pooled Cash and Investments	\$ 4,315,796	\$ 4,467,519	\$ 5,947,048	\$ 6,682,089	\$ 7,244,665	\$ 7,617,845	\$ 6,350,511	\$ 6,115,383	\$ 6,761,124	\$ 6,347,896
Cash With Fiscal Agent	-	-	3,497,853	3,496,405	3,498,268	3,505,991	2,605	2,706	315	11
Other Current Assets	1,129,167	651,650	844,735	857,657	633,751	708,259	753,366	1,055,583	759,438	1,032,617
Total Current Assets	5,444,963	5,119,169	10,289,636	11,036,151	11,376,684	11,832,095	7,106,482	7,173,672	7,520,877	7,380,524
Net capital assets	11,040,617	11,395,877	17,171,995	17,062,861	17,189,977	17,217,176	22,685,814	22,800,687	22,482,254	23,085,666
Total Assets	\$ 16,485,580	\$ 16,515,046	\$ 27,461,631	\$ 28,099,012	\$ 28,566,661	\$ 29,049,271	\$ 29,792,296	\$ 29,974,359	\$ 30,003,131	\$ 30,466,190
Deferred Outflows of Interest										
Deferred amount from OPEB plans	-	-	-	-	-	-	-	61,234	65,387	74,469
Deferred amount from pension plans	-	-	-	-	94,010	111,365	306,324	379,083	263,217	215,205
Total Deferred Outflows of Interest	\$ -	\$ -	\$ -	\$ -	\$ 94,010	\$ 111,365	\$ 306,324	\$ 440,317	\$ 328,604	\$ 289,674
Liabilities										
Current liabilities										
Accounts payable	1,026,532	288,735	345,355	296,232	300,518	392,906	674,407	752,698	559,862	467,516
Other Current liabilities	152,168	138,184	298,143	332,546	416,146	478,559	733,699	593,361	609,398	636,109
Total Current Liabilities	1,178,700	426,919	643,498	628,778	716,664	871,465	1,408,106	1,346,059	1,169,260	1,103,625
Noncurrent liabilities										
Advances from other funds	3,034,610	3,034,610	3,034,610	2,942,835	2,846,472	2,745,291	2,639,051	2,410,368	2,287,381	2,158,246
Bonds Payable	-	-	9,551,747	9,366,522	9,176,298	8,981,073	8,775,848	8,565,623	8,345,398	8,115,173
Compensated absences payable	66,556	102,903	106,749	114,460	118,096	85,475	98,064	94,905	89,248	84,259
Net other post-employment benefits liabilities	107,748	144,672	183,740	230,765	248,896	243,643	251,749	1,015,032	944,348	959,042
Net pension liabilities	-	-	-	-	1,008,023	1,144,215	1,391,318	1,576,048	1,545,820	1,646,641
Total Noncurrent Liabilities	3,208,914	3,282,185	12,876,846	12,654,582	13,397,785	13,199,697	13,156,030	13,661,976	13,212,195	12,963,361
Total Liabilities	\$ 4,387,614	\$ 3,709,104	\$ 13,520,344	\$ 13,283,360	\$ 14,114,449	\$ 14,071,162	\$ 14,564,136	\$ 15,008,035	\$ 14,381,455	\$ 14,066,986
Deferred Inflow of Resources										
Deferred amount from OPEB plans	-	-	-	-	-	-	-	4,758	83,596	65,307
Deferred amount from pension plans	-	-	-	-	235,601	86,495	41,315	35,035	37,837	36,065
Total Deferred Inflow of Resources	-	-	-	-	235,601	86,495	41,315	39,793	121,433	101,372
Net Position										
Invested in capital assets	11,040,617	11,395,877	11,271,496	7,817,861	11,331,947	11,557,094	13,717,571	14,037,770	13,927,171	14,701,473
Restricted - debt service	-	-	3,497,853	3,496,405	3,498,268	3,505,991	2,605	2,706	315	11
Unrestricted	1,057,349	1,410,065	(828,062)	3,501,386	(519,594)	(60,106)	1,772,994	1,326,372	1,901,361	1,886,022
Total Net Position	\$ 12,097,966	\$ 12,805,942	\$ 13,941,287	\$ 14,815,652	\$ 14,310,621	\$ 15,002,979	\$ 15,493,170	\$ 15,366,848	\$ 15,828,847	\$ 16,587,506

Source: City of Norwalk

City of Norwalk
Water System - Historic Net Water Revenue & Debt Service Coverage
Last Ten Fiscal Years

	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Annual Rate Increase										
Fixed Service Charge	14.8%	2.8%	2.1%	2.2%	0.50%	0.0%	-1.50%	6.00%	6.00%	6.00%
Per Unit Consumption Charge	14.8%	2.8%	3.1%	2.0%	0.6%	0.0%	12.80%	6.30%	6.20%	6.20%
Water Revenues										
Charges for Services ⁽¹⁾	\$4,900,781	\$4,871,113	\$5,170,527	\$5,302,823	\$5,051,524	\$4,953,919	\$5,147,289	\$5,704,279	\$5,659,007	\$5,792,198
Investment Income	19,203	25,921	43,521	42,108	48,833	82,318	65,844	82,160	145,501	145,334
Other	(622)	867	1,720	673	474	0	0	0	0	0
Total Revenues	\$4,919,362	\$4,897,901	\$5,215,768	\$5,345,604	\$5,100,831	\$5,036,237	\$5,213,133	\$5,786,439	\$5,804,508	\$5,937,532
Operation & Maintenance Costs										
Administrative	\$357,641	\$423,877	\$398,996	\$434,562	\$462,605	\$411,005	\$452,125	\$421,376	\$414,930	\$492,776
Utilities	45,919	80,409	128,623	136,040	138,288	129,563	113,163	75,218	65,162	126,233
Salaries and Benefits	624,146	793,379	769,042	858,182	870,467	843,037	1,011,509	1,133,317	987,290	970,717
Contractual Services	180,022	163,150	193,585	267,803	284,846	733,789	653,584	524,343	575,926	779,321
Cost of Water	1,739,615	1,912,508	1,466,426	1,569,671	1,535,855	1,383,957	1,679,760	2,177,554	2,229,993	1,840,153
Supplies and Materials	219,809	240,508	338,686	384,239	315,019	44,967	25,754	57,199	221,693	40,021
Total Operating Expense	\$3,167,152	\$3,613,831	\$3,295,358	\$3,650,497	\$3,607,080	\$3,546,318	\$3,935,895	\$4,389,007	\$4,494,994	\$4,249,221
Net Water Revenues	\$1,752,210	\$1,284,070	\$1,920,410	\$1,695,107	\$1,493,751	\$1,489,919	\$1,277,238	\$1,397,432	\$1,309,514	\$1,688,311
Debt Service Coverage	N/A	N/A	N/A	3.13	2.76	2.75	2.36	2.58	2.58	3.12

⁽¹⁾ Includes water billing fees, late fees, fire flow fees, water facilities fees, lease of water rights and other fees.

Source: City of Norwalk

Water System - Projected Net Water Revenues and Debt Service Coverage ice Coverage

Last Seven Fiscal Years and One Year Projection ar Projection

	Fiscal Year							2020-21 (Projected)
	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	
Water Revenues								
Charges for Services	\$5,302,823	\$5,051,524	\$4,953,919	\$5,147,289	\$5,704,279	\$5,659,007	\$5,792,198	\$6,132,000
Investment income	42,108	48,833	82,318	65,844	82,160	145,501	145,334	22,000
Other	673	474	-	-	-	-	-	-
Total Revenue	\$5,345,604	\$5,100,831	\$5,036,237	\$5,213,133	\$5,786,439	\$5,804,508	\$5,937,532	\$6,154,000
Operation & Maintenance Costs								
Administrative	\$434,562	\$462,605	\$411,005	\$452,125	421,376	414,930	492,776	748,000
Utilities	136,040	138,288	129,563	113,163	75,218	65,162	126,233	413,500
Salaries and Benefits	858,182	870,467	843,037	1,011,509	1,133,317	987,290	970,717	858,745
Contractual Services	267,803	284,846	733,789	653,584	524,343	575,926	779,321	510,500
Cost of Water	1,569,671	1,535,855	1,383,957	1,679,760	2,177,554	2,229,993	1,840,153	1,109,000
Supplies and Materials	384,239	315,019	44,967	25,754	57,199	221,693	40,021	926,935
Total Expense	\$3,650,497	\$3,607,080	\$3,546,318	\$3,935,895	4,389,007	4,494,994	4,249,221	4,566,680
Net Water Revenues	\$1,695,107	\$1,493,751	\$1,489,919	\$1,277,238	\$1,397,432	\$1,309,514	\$1,688,311	\$1,587,320
<i>Debt Service</i>								
2013A Bond - Maximum Annual Debt service	\$541,213	\$541,213	\$541,213	\$541,213	\$541,213	\$541,213	\$541,213	\$541,213
Debt Service Coverage	3.13	2.76	2.75	2.36	2.58	2.42	3.12	2.93

Source: City of Norwalk

City of Norwalk
Water System - Service Charges and Per Unit Rates
Last Ten Fiscal Years

CITY OF NORWALK						
Historic Service Charges and Per Unit Rates						
Effective Date	Service Charge 3/4"Meter*	% Increase/ (Decrease)	Service Charge 1"Meter*	% Increase/ (Decrease)	Per Unit Rate	% Increase/ (Decrease)
Jul. 2011	49.10	2.3%	102.47	2.3%	2.95	2.8%
Jul. 2012	50.13	2.1%	104.62	2.1%	3.04	3.1%
Jul. 2013	51.23	2.2%	106.92	2.2%	3.10	2.0%
Jul. 2014	51.49	0.5%	107.45	0.5%	3.12	0.6%
Jul. 2015	51.49	0.0%	107.45	0.0%	3.12	0.0%
Jul. 2016	50.74	-1.5%	67.74	-37.0%	3.52	12.8%
Jul. 2017	53.79	6.0%	71.81	6.0%	3.74	6.3%
Jul. 2018	57.02	6.0%	76.12	6.0%	3.97	6.1%
Jul. 2019	60.45	6.0%	80.69	6.0%	4.21	6.0%
Jul. 2020	64.08	6.0%	85.54	6.0%	4.47	6.2%

Note: 1 unit of water = 100 cubic feet = 748 gallons of water.

* Bi-monthly charge

Source: City of Norwalk

City of Norwalk
Water System - Service Charge Revenues
Last Ten Fiscal Years

Historic Charges for Services				
Fiscal Year	Residential Service Charge Revenues	Commercial Service Charge Revenues	Total Service Charge Revenues	% Increase/ (Decrease)
2011	4,410,703	490,078	4,900,781	14.7%
2012	4,384,002	487,111	4,871,113	-0.6%
2013	4,488,765	443,944	4,932,709	1.3%
2014	4,497,508	499,723	4,997,231	1.3%
2015	4,299,933	477,770	4,777,703	-4.4%
2016	4,163,822	462,646	4,626,468	-3.2%
2017	4,413,726	490,414	4,904,140	6.0%
2018	4,802,628	533,625	5,336,253	8.8%
2019	4,876,798	541,867	5,418,665	1.5%
2020	5,151,606	572,401	5,724,007	5.6%

Source: City of Norwalk

City of Norwalk
Water System - Water Sources and Service Connections
Current Fiscal Year and Prior Fiscal Year

Fiscal Year 2019-20		Groundwater	Purchased	
Water Source	Number of Connections	Consumption (acre ft.)	Consumption (acre ft.)	Price (per acre ft.)
Santa Fe Springs	721		167	\$1,930
Norwalk Wells	2,420	665	250*	\$1,288
City of Cerritos	2,243		765	\$1,240
TOTAL	5,384	665	1,317	
Total City Groundwater Rights		1,982		

Fiscal Year 2018-19		Groundwater	Purchased	
Water Source	Number of Connections	Consumption (acre ft.)	Consumption (acre ft.)	Price (per acre ft.)
Santa Fe Springs	721		159	\$1,930
Norwalk Wells	2,420	665	250*	\$1,196
City of Cerritos	2,243		759	\$1,185
TOTAL	5,384	665	1,303	
Total City Groundwater Rights		1,968		

* Central service area purchased water derived from the Central Basin Municipal Water District

Source: City of Norwalk

City of Norwalk
 Norwalk Municipal Water System - Water Sources
 Last Ten Fiscal Years

CITY OF NORWALK Historic Water Sources (In millions of acre-feet per year)					
Fiscal Year	Groundwater	% Increase/ (Decrease)	Imported Water	% Increase/ (Decrease)	Total
2011	404.39	-1.5%	1,796.80	-19.6%	2,201.19
2012	733.62	81.4%	1,422.64	-20.8%	2,156.26
2013	899.50	22.6%	1,334.89	-6.2%	2,234.39
2014	943.29	4.9%	1,373.27	2.9%	2,316.56
2015	868.16	-8.0%	1,256.06	-8.5%	2,124.22
2016	787.82	-9.3%	1,137.78	-9.4%	1,925.60
2017	664.98	-15.6%	1,292.93	13.6%	1,957.91
2018	428.22	-35.6%	1,718.18	32.9%	2,146.40
2019	383.87	-10.4%	1,686.68	-1.8%	2,070.55
2020	706.93	84.2%	1,323.05	-21.6%	2,029.98

Source: City of Norwalk

City of Norwalk
 Norwalk Municipal Water System - Service Connections by Type
 Last Ten Fiscal Years

CITY OF NORWALK					
Historic Water Service Connections					
Fiscal Year	Residential Connections	Commercial Connections	Irrigation Connections Connections	Total Connections	% Increase/ (Decrease)
2011	4,899	460	12	5,371	0.00%
2012	4,899	460	12	5,371	0.00%
2013	4,899	463	12	5,374	0.06%
2014	4,899	463	12	5,374	0.00%
2015	4,899	463	12	5,374	0.00%
2016	4,899	463	12	5,374	0.00%
2017	4,902	466	13	5,381	0.13%
2018	4,902	466	13	5,381	0.00%
2019	4,903	466	15	5,384	0.06%
2020	4,903	466	15	5,384	0.00%

Source: City of Norwalk

City of Norwalk
Norwalk Municipal Water System - Top Ten Customers
Current Fiscal Year and Prior Fiscal Year

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2020		
Customer	Total Billed⁽¹⁾	% of Total
Norwalk La Mirada School District	\$189,525	3.31%
Heritage HOA	71,956	1.26%
Shapell Industries	53,363	0.93%
Pioneer Mobile Estates	37,341	0.65%
Fiesta Coin Laundry	36,462	0.64%
Norwalk Preservation, LP	33,079	0.58%
Norwalk Housing Investors	27,591	0.48%
Sunstone Community Association	17,287	0.30%
Sparkle Fresh Laundry	14,594	0.25%
Weber Distribution	10,520	0.18%
TOP TEN TOTAL	\$491,718	8.59%
TOTAL SYSTEM	\$5,724,007	

⁽¹⁾ Total sales to customers

Source: City of Norwalk

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2019		
Customer	Total Billed⁽¹⁾	% of Total
Norwalk La Mirada School Distr	\$274,895	4.80%
Heritage HOA	65,430	1.14%
Pioneer Mobile Estates	38,520	0.67%
Norwalk Preservation, LP	36,108	0.63%
Shapell Industries	37,395	0.65%
Fiesta Coin Laundry	33,484	0.58%
Norwalk Housing Investors	24,657	0.43%
Sunstone Community Associatio	17,678	0.31%
Sparkle Fresh Laundry	14,266	0.25%
Pine Meadows	9,839	0.17%
TOP TEN TOTAL	\$552,271	9.65%
TOTAL SYSTEM	\$5,419,530	

⁽¹⁾ Total sales to customers

Source: City of Norwalk