

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021 • Norwalk, California



THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK
CALIFORNIA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

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

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	i
LIST OF ELECTED OFFICIALS AND MANAGEMENT PERSONNEL	xxii
ORGANIZATION CHART	xxiii
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING (GFOA)	xxiv

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENTS' DISCUSSION AND ANALYSIS (Required Supplementary Information)	5

ECONOMIC FACTORS AND OUTLOOK FOR NEXT FISCAL YEAR

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	25
STATEMENT OF ACTIVITIES	26
BALANCE SHEET – GOVERNMENTAL FUNDS	28
RECONCILIATION TO THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	31
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	32
RECONCILIATION TO THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	35
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	36
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	37
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	38
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	40
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	41

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

NOTES TO BASIC FINANCIAL STATEMENTS	43
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS	109
SCHEDULE OF CONTRIBUTIONS – CalPERS	111
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS	113
SCHEDULE OF CONTRIBUTIONS – OPEB	114
BUDGETARY COMPARISON SCHEDULES	
GENERAL FUND	115
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND	117
HOUSING AUTHORITY SPECIAL REVENUE FUND	118
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	119
OTHER SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULES	
DEBT SERVICE FUND – MAJOR FUND	123
SPECIAL PROJECTS CAPITAL PROJECTS FUNDS – MAJOR FUND	124
ECONOMIC DEVELOPMENT CAPITAL PROJECTS FUND – MAJOR FUND	125
HOUSING SUCCESSOR FUND CAPITAL PROJECTS – MAJOR FUND	126
OTHER FEDERAL GRANTS CAPITAL PROJECTS FUND – MAJOR FUND	127
OTHER GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	128
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	129
OTHER SPECIAL REVENUE FUNDS	
DESCRIPTION OF OTHER SPECIAL REVENUE FUNDS	130
COMBINING BALANCE SHEET	131

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	133
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	
CHILD DEVELOPMENT PROGRAM SPECIAL REVENUE FUND	135
STATE GASOLINE TAX SPECIAL REVENUE FUND	136
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND	137
NORWALK SENIOR PROGRAM SPECIAL REVENUE FUND	138
PROPOSITION "C" SPECIAL REVENUE FUND	139
PUBLIC SAFETY SPECIAL REVENUE FUND	140
PARKING STRUCTURE SPECIAL REVENUE FUND	141
SPECIAL GRANTS SPECIAL REVENUE FUND	142
PROPOSITION "A" SPECIAL REVENUE FUND	143
MEASURE "R" SPECIAL REVENUE FUND	144
MEASURE "M" SPECIAL REVENUE FUND	145
CAPITAL PROJECTS FUNDS	
DESCRIPTION OF OTHER CAPITAL PROJECTS FUNDS	146
COMBINING BALANCE SHEET	147
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	149
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	
ROAD MAINTENANCE REHABILITATION CAPITAL PROJECTS FUND	151
PUBLIC ART CAPITAL PROJECTS FUND	152
HIGHWAY USER TAX – 2103 CAPITAL PROJECTS FUND	153
PARK DEVELOPMENT CAPITAL PROJECTS FUND	154
PLAYGROUND EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND	155

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

SPORTS COMPLEX EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND	156
COMPUTER REPLACEMENT CAPITAL PROJECTS FUND	157
VEHICLE AND EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND	158
BUILDING RENOVATION CAPITAL PROJECTS FUND	159
STREET RENOVATION CAPITAL PROJECTS FUND	160
INTERNAL SERVICE FUNDS	
DESCRIPTION OF INTERNAL SERVICE FUNDS	161
COMBINING STATEMENT OF NET POSITION	162
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	163
COMBINING STATEMENT OF CASH FLOWS	164
STATISTICAL SECTION	
DESCRIPTION OF STATISTICAL SECTION CONTENTS	165
FINANCIAL TRENDS	
NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS	166
CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES – LAST TEN FISCAL YEARS	167
CHANGES IN NET POSITION – GENERAL REVENUES – LAST TEN FISCAL YEARS	168
FUND BALANCES – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS	169
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS	170
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE – LAST TEN FISCAL YEARS	171
REVENUE CAPACITY	
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS	172

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

DIRECT AND OVERLAPPING PROPERTY TAX RATES – LAST TEN FISCAL YEARS	173
PRINCIPAL PROPERTY TAX PAYERS – CURRENT FISCAL YEAR AND TEN FISCAL YEARS AGO	174
SECURED PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS	175
DEBT CAPACITY	
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	176
LEGAL DEBT MARGIN INFORMATION – LAST TEN FISCAL YEARS	177
OUTSTANDING DEBT– LAST TEN FISCAL YEARS	178
PLEDGED-REVENUE COVERAGE	
NORWALK COMMUNITY FACILITIES AUTHORITY – LAST TEN FISCAL YEARS	179
DEMOGRAPHIC AND ECONOMIC INFORMATION	
DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST TEN FISCAL YEAR	180
PRINCIPAL EMPLOYERS – CURRENT FISCAL YEAR AND TEN FISCAL YEARS AGO	181
OPERATING INFORMATION	
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION – LAST TEN FISCAL YEARS	182
OPERATING INDICATORS BY FUNCTION – LAST TEN FISCAL YEARS	183
CAPITAL ASSETS BY FUNCTION – LAST TEN FISCAL YEARS	184
WATER SYSTEM	
STATEMENT OF NET POSITION – LAST TEN FISCAL YEARS	185
HISTORIC NET WATER REVENUE AND DEBT SERVICE COVERAGE – LAST TEN FISCAL YEARS	186
PROJECTED NET WATER REVENUES AND DEBT SERVICE COVERAGE – LAST FIVE FISCAL YEARS AND ONE YEAR PROJECTION	187
SERVICE CHARGES AND PER UNIT RATES – LAST TEN FISCAL YEARS	188

**CITY OF NORWALK
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

SERVICE CHARGES REVENUES – LAST TEN FISCAL YEARS	189
WATER SOURCES AND SERVICE CONNECTIONS – CURRENT FISCAL YEAR AND PRIOR FISCAL YEAR	190
WATER SOURCES – LAST TEN FISCAL YEARS	191
SERVICE CONNECTIONS BY TYPE – LAST TEN FISCAL YEARS	192
TOP TEN CUSTOMERS – CURRENT FISCAL YEAR AND PRIOR FISCAL YEAR	193

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

December 15, 2021

**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, 2021, 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, 2021, 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, 2021, 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 \$23.2 million, which is \$8.1 million higher than budgetary estimates and it is \$5.9 million higher than the interim results reported to the City Council in June 2021. 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 fiscal year 2021-22 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 16,434 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 65 crime scenes to provide latent fingerprinting services resulting in numerous criminals being identified and apprehended. The involved crimes include burglaries, robberies, stolen vehicles and thefts.
- Public Safety Officers assisted in recovering 81 reported stolen vehicles, and assisted Norwalk Sheriff's Department with 285 traffic collisions incidents. Public Safety's assistance with traffic collision incidents included securing the scene, establishing a safety perimeter, traffic control, and writing traffic collision reports.
- Public Safety – Code Compliance Inspectors initiated/reviewed 948 and closed 472 cases. A total of 73 business license inspections were conducted. The Code Compliance Division focuses on enforcing property maintenance on private properties, compliance with zoning requirements, and related provisions of the Norwalk Municipal Code.
- A total of 4 Virtual Neighborhood Watch meetings were conducted with participation of the Norwalk Sheriff's Department to give residents an opportunity to meet with Public Safety and law enforcement officials virtually to learn about various services and share concerns.
- A total of 41 virtual cadet meetings were completed throughout the year to provide insight on officer operations, career exploration, and educational workshops.
- Public Safety administrative staff initiated an education effort to deter and prevent illegal dumping activity by mailing out educational letters to residents and/or property

owners/managers in the City. A total of 921 letters have been mailed. The letters provided information about bulky item pickup/trash collection services provided by Athens Services. Residents/Property Owners were reminded that illegally dumped items creates an unsightly appearance in our community and presents health and safety hazards.

- August 15, 2020 - Public Safety and Social Services Departments collaborated with Norwalk Toyota to host a Back to School drive-thru event. The event was modified in response to the COVID-19 pandemic to keep staff and participants safe. Families referred by the Social Services Department each received backpacks filled with school supplies and gift cards valued at \$200. Each child also received three sets of clothing/uniforms and socks.
- December 21, 2020 - Public Safety staff and Sheriff's Deputies participated in the 3rd annual First Responder Christmas Eve toy distribution event. The event was modified in response to the COVID pandemic to keep staff and participants safe. The team distributed over 500 toys to local youth at two preselected apartment complexes.
- The following programs were suspended (from July 2020 to June 2021) due to COVID-19: Junior Park Rangers; Saturday Community Service, Business Watch, Coffee with a Cop, & Senior Center presentations. The events are traditionally held in person focusing on building relationships with the community and providing education and awareness for youth and adults.

Public Services:

- In response to COVID-19, City staff added an additional Clorox disinfectant/sanitizing machine to clean and disinfect all facilities. The machine sprays a fine mist of disinfecting solution that covers all surfaces. Staff continued to provide additional cleaning/disinfecting throughout the day at facilities per County and CDC guidelines.
- The City's concrete contractor replaced existing dead grass in parkways, lifted sidewalks, and raised curb/gutter on Bloomfield Ave. with new concrete to correct drainage and slope issues, level the walking areas and provide large tree wells for the pine trees along the street.
- City Hall Remodel Project No. 7858 - Construction was completed on December 30, 2020 for remodel of the Community Development Department and Engineering Division. Work included moving Engineering Division staff to Room 11 where Housing Division was located, adding thirteen individual offices for Community Development Department staff, expanding the small conference room near the Engineering Division with access from both Departments and creating a large conference room at the west side of City Hall in the area near the entry doors.
- Council Chambers Audio/Video Project – City contractor replaced old wiring and equipment with new equipment, utilizing the latest technology. Two large monitor screens were also installed on the wall behind dais.
- Independence Day wood cutouts in the shape of flags, stars and ribbons were created and placed at City Monuments, facilities and Parks.
- Lighting was installed at two City entry monuments - Pioneer Blvd. at the north City limit, and Norwalk Blvd. at the north City limit.
- HVAC ducts at Transportation/Public Services vehicle bays, Senior Center, NASC, CAC, Teen Center and the Aquatic Pavilion were cleaned out.
- 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.
- Tree/Greenscape Section and Emergency Duty personnel staff completed annual mandatory chainsaw and chipper training.

- Parks Landscape and Facilities Maintenance completed Pesticide Safety Training.
- On-call Emergency Duty training was conducted for Public Services staff. The Emergency Duty manual was revised and updated as well.
- The City was designated a Tree City USA for the 7th 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.
- In collaboration with TreePeople over 1000 trees were planted in residential parkways as part of the I-5 freeway mitigation program.
- Began design work for Environmental Enhancement Mitigation Program (EEMP) grant to rehab medians on Firestone Blvd., Imperial Hwy., and Rosecrans Ave.
- Submitted \$8.5 million grant application for Prop 68 – Hermosillo Park.

Parks

- All City parks received new basketball rims.
- New soap dispensers were installed at all locations.
- Lakeside Park – replenished mulch near the monument sign and detailed landscaping throughout the park.
- Bob White Park – detailed the playground, repaired irrigation, repaired damaged fencing and installed a new self-serve sandpit.
- Gerdes Park – Painted ADA railings, tables, spray pool, trash cans and parking lot pole light bases; refreshed the gold lettering on monument sign; buffed, stripped and sealed floor in park building and installed a new, self-serve sandpit.
- Holifield Park – repaired and repainted patio and installed additional light fixtures near park building. Roof was replaced on the snack bar building.
- New River Park – New monument sign was installed at the corner of Halcourt Avenue and Tonibar Street.
- Ramona Park – New monument sign was installed at the east entrance to the park.

Facilities

City Hall

- Installed bollards near the parking ticket dispensers at Manuel Salinas entrance.
- Painted walls in Public Safety Office.

Transportation/Public Services Facility and Metrolink Station

- Restored and repainted ADA ramps and curbs.
- Painted the yard fence along the east side of the building.
- Removed rust and repainted Norwalk/Santa Fe Springs Metro bridge.
- Repainted employee and ADA parking stalls and stop legends.
- Updated parking lot lighting to LED.

Senior Center

- Refurbished water fountain, removed calcium deposits and repaired leak issues.
- Installed new oven in kitchen.
- Repainted all red curbs in the parking lot.
- Removed carpet in exercise room and replaced with luxury vinyl tile.
- New HVAC unit was installed.

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

- Skylight above the foyer between the Founder's room and Sproul room at the Community Meeting Center was replaced.
- Refurbished weight room flooring and equipment due to fire system leak/damage.
- Refinished gym hardwood floor due to damage.
- Upgraded Cultural Arts Center alarm system.

Trees/Greenscape

- Trimmed 5,003 trees, as part of City's three year trimming cycle.
- Responded to 636 residential requests for tree related concerns including: inspections, roots, trimming, and/or planting.
- Planted 61 trees in parkways citywide.
- Removed 231 trees in response to addressing hazards or nuisance conditions.

Graffiti

- Removed graffiti from over 5,224 locations citywide, as follow-up to requests received from the community.

Streets

- Responded to 611 sidewalk, curb & gutter and pothole requests.
- Responded to 240 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 135 signs, installed 74 vis-Z-shields, and installed 49 square posts citywide.
- Painted:
 - ✓ 6,457 square feet of stop bars citywide.
 - ✓ 51 addresses citywide.
 - ✓ 5,896 square feet of crosswalks citywide.
 - ✓ 259 square feet of school crosswalks.
 - ✓ 360 square feet of left turn pocket arrows citywide.
 - ✓ 29,010 linear feet of red curbs citywide.
 - ✓ 65 linear feet of green curbs citywide.
 - ✓ 790 linear feet of yellow curbs citywide.
 - ✓ 395 linear feet of blue curbs citywide.
 - ✓ 201 linear feet of white curbs citywide.
 - ✓ 1,615 square feet of bullnoses citywide.
 - ✓ 175 linear feet of barrier lines citywide.
 - ✓ 2,523 square feet of street legends citywide.
- Completed a variety of Engineering Department work orders for traffic control and signage.
- Installed seasonal banners, military banners, college banners, high school banners, event banners, and American flags.
- Set out 14 street improvement signs in zones requested by Engineering Department.
- Acquired four new message boards that were deployed throughout the City for a variety of notifications, including COVID restrictions, 4th of July fireworks fines, and for the Shoemaker bridge project.
- Set up traffic control and signage for multiple Coast Plaza Hospital vaccination clinics.

Signals/Street Lights

- Replaced 16 street light poles citywide that had been knocked down due to accidents.
- Initiated Street Light Pole Replacement Project - approx. 50 poles.
- Installed new street sign at the intersection of Hoxie Ave. and Imperial Hwy.
- Assisted Engineering Division with multiple signal/fiber optics improvement projects.

Water/Sewer

Operations and Maintenance:

- Completed annual cleaning of 1/2 of the City's sewer system.
- Completed annual CCTV sewer line inspection program.
- Initiated development/update of Norwalk Municipal Water System Operations and Maintenance Manual.
- Replaced 18 water meters as a part of annual water meter replacement program.
- Responded to ten (10) emergency water main leaks and six (6) service connection leaks.

Completed Capital Projects:

- Project No. 7448 - Completed installation of a backup generator at Norwalk Park Well #10.
- American Water Infrastructure Act Risk and Resiliency Assessment was completed and certified.

Status of on-going/carried-over projects:

- Continued the development of the American Water Infrastructure Act Emergency Response Plan.
- Project No. 7438R - Continued the development of AMR/AMI meter installation project.
- Project No. 7442 - Continued working on the design of 8"-12" water pipeline project.
- Project No. 7449 - Continued working on the design of 8" water pipeline project.
- Began RFP process for the Water Master Plan Update to initiate system improvements for the Norwalk Municipal Water System.
- Began RFP process for the Sewer Master Plan Update to initiate system improvements for the Norwalk Municipal Sewer System.
- Began RFP process for the Sanitary Sewer Management Plan update.
- Continued to work on updating standard details for public works construction.
- Worked with consultants to complete SCADA system design work.

Engineering

Completed Projects:

- Project No. 7924.1 - Concrete Improvements in Zone 24 bounded by Rosecrans Ave. to the north, Carmenita Rd. to the east, and triangulated by the I-5 Freeway to the south. The Zone also includes miscellaneous streets - Kenney St. from Studebaker Rd. to Orr and Day Rd. and Benfield Ave. north of Imperial Hwy. Various types of concrete improvements completed: 3,953 linear feet of curb and gutter; 53 upgrades of accessibility ramps at intersection corners to current ADA standards; adjustments to approximately 4,155 sq. ft. of sidewalk; removal of slotted cross gutters, incidental adjustments to abutting driveways and improvements to unpaved alleys.
- Project No. 7925.1 - Concrete Improvements in Zone 27 bounded Excelsior Drive to the north, Pioneer Blvd. to the east, Alondra Blvd. to the south, and Gridley Rd. to the west. Various types of concrete improvements completed: 4,400 linear feet of curb and gutter; 132 upgrades of accessibility ramps at intersection corners to current ADA standards;

adjustments to approximately 13,760 sq. ft. of sidewalk; removal of slotted cross gutters, incidental adjustments to abutting driveways and improvements to unpaved alleys.

- Project No. 7926.1 - Concrete Improvements in Zone 32 bounded by Alondra Blvd. to the north, Norwalk Blvd. to the east, 166th St. to the south, and Pioneer Blvd. to the west. Various types of concrete improvements completed: 243 linear feet of curb and gutter; 53 upgrades of accessibility ramps at intersection corners to current ADA standards; adjustments to approximately 455 sq. ft. of sidewalk; removal of slotted cross gutters, incidental adjustments to abutting driveways and improvements to unpaved alleys.
- Project No. 7926.2 & 7926.3 – Paving Improvements in Zone 32 bounded by Alondra Blvd. to the north, Norwalk Blvd. to the east, 166th St. to the south, and Pioneer Blvd. to the west. Various types of concrete improvements completed: 243 linear feet of curb and gutter; 53 upgrades of accessibility ramps at intersection corners to current ADA standards; adjustments to approximately 455 sq. ft. of sidewalk; removal of slotted cross gutters, incidental adjustments to abutting driveways and improvements to unpaved alleys.

Status of on-going/carried-over projects:

- Paving Improvements in Zones 24, 27, and 32 - The paving operation improves the roadway surface conditions through different rehabilitation methods such as grind and overlay, specific location full-depth removal, or application of a slurry seal coating. To provide for better roadway surface protection, a rubberized asphaltic concrete pavement will be placed to the final layer of the roadway. Ultimately, 4.7 miles of paving in Zone 24, 5 miles of paving in Zone 27, and 7 miles of paving in Zone 32 will be completed, for a total of approx. 17 miles of roadway newly paved by October 2021.
- Project 7185 Shoemaker Traffic Median Island Improvements – construction of the new alignment of entry/exit ramp onto the Shoemaker Bridge over the I-5 Freeway. The improvement also involves landscape features on the raised median with planting of colorful drought tolerant groundcovers, ornamental grasses, shrubs and cobblestones that compliment a few large trees. Construction is estimated to be completed by the end of 2021.
- Project No. 7196 – Firestone Bridge/Guardrails. Finalizing the construction plans and specifications for design of Firestone Blvd. improvements from I-605 to Imperial Hwy. and prepare documents for construction funding allocation from Metro.
- Project No. 7232 – Plans and Specifications have been completed and documents have been submitted to the State Department of Transportation (Caltrans) for funding allocation for construction of traffic signal and curb ramp improvements on Alondra Blvd. from Studebaker Rd. to Shoemaker Rd.
- Project No. 7233 – Plans and Specifications have been completed and documents have been submitted to the State Department of Transportation (Caltrans) for funding allocation for construction of traffic signal and curb ramp improvements on Firestone Blvd. from San Gabriel River to Rosecrans Ave.
- Project No, 7234 – Plans/Specifications have been completed and documents have been submitted to the State Department of Transportation (Caltrans) for funding allocation for

construction of traffic signal and curb ramp improvements on Studebaker Rd. from Rosecrans Ave. to north city limits. Prepare documents for construction funding allocation.

- Project No. 7236 Traffic Signal at 166th St. and Clarkdale – original project scope to upgrade the traffic signal has been modified to reconfiguration of the current roadway striping to accommodate for left-turn movements along the westbound traffic on 166th St. from Clarkdale Ave. to Pioneer Blvd. The modification results in significant savings that can be applied to other capital projects. Completion of the new striping configuration is estimated to be completed by October 2021.
- 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 No. 7228 – Traffic Signal Improvements – Rosecrans Ave between Studebaker Rd. and Carmenita Rd. – Upgrade signal hardware, installation of fiber optics and signal improvements at Harvest Ave., Flallon St., and Clarkdale Ave.
- Project No. 7229 – Traffic Signal Improvements – Studebaker Rd between Alondra Blvd and Rosecrans Ave. – Upgrade signal hardware, installation of fiber optics and signal improvements at Excelsior Dr.
- Project No. 7230 – Traffic Signal Improvements – San Antonio Dr./Norwalk Blvd. and on Civic Center Dr. - upgrade signal hardware and install fiber optics.

Issued a total of 349 permits:

- ✓ Construction/Excavation/Encroachment/Other permits
- ✓ 80 Traffic Control Plans
- ✓ 42 Trash Bin Permits
- ✓ 46 Oversized permits

Social Services:

Department was involved in various programs and activities:

- Pandemic Assistance - experienced an influx of families who received services for the first time following the “Safer at Home” orders. Assisted many families who had been deeply affected by COVID-19, including rental, utility, food, counseling, and funeral assistance. Provided referrals to collaborate agencies.
- Project Homekey – In collaboration with Public Safety H.O.P.E Team assisted Homeless individuals enter the Project Homekey Program. Total of 52 referrals have been submitted, 23 individuals checked into the hotel, 1 has been housed, 7 applications were in process, 9 no-show/declined/not qualified, 11 exited, and 1 passed away. Project Homekey prioritized those homeless individuals that are 65 years of age and older and/or have medical vulnerabilities to COVID-19.
- Coast Plaza Hospital COVID-19 Vaccine site - Assisted Coast Plaza Hospital staff with their COVID-19 vaccine drive thru by reviewing completion of paperwork within the main vaccine reception area. Vaccines were for seniors 65 years of age and older.
- March Madness Food Drive - Launched its first citywide department food drive competition, “March Madness” style. Departments competed towards the same goal in mind, to gather the most food donations for a great cause.

- School Uniform Project – In cooperation with Public Safety Department hosted a uniform and backpack give away during National Night Out. A total of 29 bins of uniforms were distributed.
- Annual Blood Drive – In partnership with The American Red Cross held its annual Blood Drive. Blood Drive was a success bringing in over 25 volunteers who saved 75 lives.
- Health on Wheels - In partnership with Norwalk-La Mirada Unified School District, Kaiser Foundation Hospitals, California State University Long Beach Foundation and Public Safety worked to support the Health on Wheels Program, which provides mobile health care service to children attending district schools in the City.
- Harvest Relief Food Donation Program - Program partners: Olive Garden, Pizza Hut, and Chipotle, weekly donated food items to be distributed to families and individuals experiencing homelessness.
- Thanksgiving Food Baskets - Through the annual Thanksgiving Food Basket Program the City distributed over 170 food baskets to families experiencing financial hardships.
- Angel Tree - The 2020 Angel Tree Project was quite different from other years due to the COVID-19 pandemic. Various city departments volunteered to assist in delivering over 800 gifts to children from 500 families.
- Youth & Family Intervention - The case load has doubled from 80 in June of 2020 to over 200 in September 2021, primarily due to the stress and pressures COVID-19 has caused on Norwalk families. The weekly follow-ups, tracking, counseling, and mentorship have expanded until the students graduate from high school. The Family Intervention Academy continued its activities and became a model program in the region that services both the youth and the parents. Children participate in WINGS, a Youth Counseling Group that covers anger management, decision-making skills, self-esteem, truancy and academic success, and alcohol & drug prevention. The parents participate in the Parent Project, a Court Approved Parenting for parents with out-of-control youth. In combination with Educational Excursions, many of the kids begin to change and see life differently.
- Staff Training - staff attended an all staff Leadership and Staff Deception Training. The Leadership training was part of staff self-development based on the book Leadership and Staff Deception.
- Senior Center - Redesigned facility configuration to sustain accessibility and safety. Maintained a safe workplace environment for staff. 2,400 Safe at Home Newsletter reached homebound seniors.

Senior Nutrition Program:

- ✓ Serviced over 400 seniors in nutrition program.
- ✓ Over 100,000 meals delivered to seniors.
- ✓ Over 28,000 miles driven for meal deliveries.
- ✓ Over 3,000 Welfare Calls conducted between January 2021 and June 2021.
- ✓ Additional funding awarded in the amount \$87,000 for Nutrition Program.
- Senior Center Events - Successful Parking Lot Events: Quarterly Birthdays, Bingo and Loteria. Virtual entertainment for seniors included: Hodads, Midnight Ride, and The Roaries. Virtual demonstrations for Yoga, Tai Chi, and Cooking. Over 6,000 crafts delivered to home bound seniors and offered for pick-up during COVID-19. Successfully launched the Senior Center Facebook Page.
- Senior Vaccinations - Senior Center hosted its first walk-up COVID-19 vaccination clinic. The COVID-19 Vaccination clinic was a collaboration between City of Norwalk EOC team, Senior Center staff, Curative and Los Angeles County Department of Public Health. In

effort to get community residents vaccinated, the City and Coast Plaza hospital joined efforts to provide COVID-19 vaccinations to homebound seniors.

- Senior Case Management - Over 130 hours of Senior Supportive Program Case Management services were provided to seniors. Caseworkers assisted clients through case management to allow seniors to sustain their independence of living in their homes. Case Workers provided 5,133 clients with social services between. Conducted 100 home visits to check on the welfare of senior patrons. Due to the COVID-19 Pandemic, home visits were limited but necessary to check on our most vulnerable patrons.
- Virtual support - Virtual and conference call Social Services Seminars conducted to provide seniors with important support and information.
 - ✓ Weekly Mental Health Support Group
 - ✓ A New Year A Healthier You
 - ✓ Alzheimer's Disease & Behaviors
 - ✓ Good Sleep for Emotional Well-Being for Older Adults
 - ✓ Keeping Your Brain Healthy
 - ✓ Scams
 - ✓ Depression and Anxiety
 - ✓ Self-Care for Seniors
 - ✓ Memory Loss & Alzheimer's: Let's Talk
 - ✓ Food for Thought: Changing My Diet to manage My Conditions
 - ✓ Getting the Care, You Want When You Need It Most
 - ✓ Making Home Safe for a Person with Alzheimer's
 - ✓ Stress management
 - ✓ Legal & Financial Planning
 - ✓ Health and Wellness Week- A week of virtual demonstrations and seminars that focus on health and wellness.

Child Care Program

- ✓ Serviced an average of 650 children per month.
- ✓ Assisted 73 children of essential workers
- ✓ Paid out \$6.1 million to child care providers
- ✓ Increased funding for FY 2020/2021 by almost \$1 million, to include additional funds to continue assisting essential workers until 06/30/2022.

Parks and Recreation:

The Recreation Department hosted a wide variety of Virtual activities through the Month of May 2021. Programs including Creative Li'l Tots, Norwalk Kids Club, Adaptive Recreation Heart Club and over fifteen one-day virtual events, which included Zoom interactions, pre-recorded videos and at-home activity kits. All hosted on a monthly basis. Additionally, staff organized following events and programs:

- Virtual Las Posadas Event where live mariachi and folklorico dancers were live streamed for the community to enjoy.
- Brighten Up Norwalk Campaign – Large boards were displayed outside of the NASC for the community to share positive messages.
- Recreation hosted a virtual Teen Art Show where local teens were able to display their art pieces using various art media.

- Valentine's Day Gram program – residents could purchase Valentine's Day grams for a loved one and staff would deliver a gift, a yard sign and a message from their admirer.
- Prayer with The Mayor – Recreation assisted with this year's modified version of the Mayor's prayer Breakfast, called "Prayer With The Mayor". This event was hosted virtually and had guest speakers from local schools.
- Recreation Leader III Juanita Porras was awarded the Most Valuable Part-Time Player (MVPP) Award from District 10 of the California Park and Recreation Society. She was chosen out of the thousands of part-time recreation employees throughout Orange and Los Angeles Counties.
- Norwalk March Madness Fitness Program – Rec staff hosted a virtual fitness competition using the app called BAND. Staff provided weekly challenges, healthy eating tips and exercises to perform.
- Lucky Leprechaun Hunt – a Citywide scavenger hunt to celebrate the ST. Patrick's Holiday. Community members traveled around the city in search of leprechauns, and those who found all of them were entered into an opportunity drawing.
- March 30, 2021 Recreation worked with Public Safety to coordinate the first quarterly Virtual Neighborhood Watch meeting for the four City quadrants in partnership. Since then there have been 3 successful virtual neighborhood Watch meetings
- Spring into Rec Social Media Campaign – March 29 – April 4. The community was encouraged to participate in a series of activities and post daily on social media. There was also a photo contest where the community voted on their favorite spring photo.
- Virtual Rubber Duck Race at the Norwalk Aquatic Pavilion. Community members purchased rubber ducks that bore their name and entered them into a rubber duck race! Ducks were simultaneously dumped into the water and fans blew them across the length of the pool. The top three winners received prizes.
- Easter Bunny Grams – similar process to the Valentine's Day Grams.
- Eggnormous Egg Hunt – keeping the City's tradition for a celebration of Easter, Recreation hosted an Egg-normous Egg Hunt event. Large decorative eggs were hidden throughout the city. Lucky residents who found an egg received a prize!
- After a year of being furloughed, Recreation was able to bring back some of their part time Recreation Leaders in preparation for the return of in-person programming.
- "May is For Mermaids" Aquatic activities. The Aquatic staff provided residents with an opportunity to make virtual calls and chat with real life mermaids! The month of May also included various mermaid themed activities that the community could do from the comfort of their own home.
- Mother's Day Grams – similar program to Valentine's Day
- Virtual Boards and Brushes event. Members of the Community purchased take home kits with all the supplies needed to create a work of art! A zoom class with live step by step instruction was also included.
- The Second Virtual Neighborhood Watch meeting was hosted with Recreation and Public Safety.
- Virtual "Heart-tastic" event in lieu of the annual Artastic! Event was hosted. Local artist were able to compete in an art competition where they created Hearts describing what the heart of Norwalk means to them. Winners will be able to display their artwork on a large heart placed in a median along a busy corridor.
- Installation of new weight room floors, mirrors and weight equipment (after being damaged by a flood) at the NASC Weight Room.

- Father's Day Grams – similar program to Valentine's Day
- "Returntorec" social media campaign highlighting all the in person Recreation programs starting July 7, 2021.
- The City welcomed Los Angeles County Department of Public Health to the Norwalk Arts and Sports Complex to host a free, walk up, vaccine clinic.
- Covid-19 vaccine clinic continues to operate at the Norwalk Arts and Sports Complex.

Future projects in planning stage:

- New Playground at Holifield Park – anticipated completion by the end of December, 2021
- New Exercise Room floors at the NASC.
- We are awaiting award notification for Prop 68 funds which would be, if awarded, \$8.5 million dollars to renovate Hermosillo Park.

Community Development:

Administration and Economic Development

- Issued department-wide requests for proposals for a variety of services, including on-call building and planning services, on-call appraisal services, design services and a new online permitting software.
- Managed all department agreements and budget to facilitate all division activities and objectives.

Planning

- On a daily basis, Planning Division staff assisted the public with inquiries about zoning requirements and processed administrative approvals, such as two Animal Permits, thirty Home Occupation Permits, two Temporary Sign Permits, two Site Plan approvals for new residences, and Building Plan Check approvals.
- Processed thirteen entitlements, which require Planning Commission approval, for development plans, conditional use permits, and signs, some of which include:
 - ✓ Expansion of an existing commercial space to include an outdoor dining patio and alcohol sale and service for The Blazin' Claw located at the Norwalk Town Square;
 - ✓ Construction of a 4-unit residential apartment building;
 - ✓ Construction of a 3-story self-storage facility and associated improvements west of the existing Lowe's site;
 - ✓ Modification of an existing entitlement at the Norwalk Fitness Village to include a drive-through Chipotle;
 - ✓ Construction and operation of a 60-foot tall wireless telecommunications facility disguised as a mono-eucalyptus tree;
 - ✓ Establishment of a Housing and Building Appeals Board and alteration to processing of appeals to administrative citations (Text Amendment);
 - ✓ Adoption of the Heart of Norwalk Vision Plan; and
 - ✓ Continued discussions and scoping of the Housing Element Update.
- Actions that were considered by the Planning Commission and City Council include: Economic Development Opportunities Plan, 2020 - Norwalk General Plan and Housing Element Annual Progress Report, which was transmitted to the State Department of Housing and Community Development (HCD) and to the Office of Planning and Research (OPR) and a targeted Zoning Code Update intended to facilitate Economic Development;

and the Heart of Norwalk Vision Plan. Also, the City Council gave final approval on such applications as Text Amendments to help facilitate some of the projects listed above.

- Our Planning Division assisted in several programs related to maintaining and expanding economic development and viability of our City during the pandemic. The Planning Division designed and implemented the Temporary Outdoor Operations permit for businesses to continue to operate during the pandemic. In addition, staff participated in canvassing the business community to publicize efforts for Small Business Loans and Temporary Outdoor Operations – visiting over 1,100 local businesses to share information about city programs and services. A total of twenty five Temporary Outdoor Operations permits were issued to local businesses to enable them to continue to operate during the pandemic.

Housing Authority

- Conducted eligibility interviews from the Section 8 and Soroptimist Village waiting lists and provided housing assistance to six hundred and twenty-five (625) households.
- Extended the Housing Assistance Payments (HAP) contract with Soroptimist Village for an additional five (5) years.
- Opened the Waitlist for Soroptimist Village and received two hundred (200) new applicants.
- Conducted landlord outreach via advertisements in the *Norwalk Now* and all City social media 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 the Signing Bonus program to encourage landlord acceptance of vouchers using HOME funds.
- Assisted seventy-five (75) households through the Homelessness Prevention and Rapid Re-housing program (HPRP).
- Conducted HUD required fingerprinting in house with our new equipment from NCR.
- Leased up eleven (11) Mainstream vouchers with referrals from HOPE and Kingdom Cause Bellflower.
- Administered the Family Self-Sufficiency program for the thirteen (13) allotted slots.
- Signed a MOU with LAHSA to receive referrals for forty-six (46) Emergency Housing vouchers (EHV's).

CDBG and HOME Programs

- Rehabilitated seventeen (17) homes for low-income households using CDBG and HOME funds by providing \$326,525 of grants and loans.
- Completed development and adoption of 2021 Annual Action Plan.
- Provided job training scholarships to twelve (12) students in the community.
- Completed monitoring of one hundred and sixteen (116) deferred loans under the Home Improvement Program and down payment assistance program and three (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 the CHDO rehabilitation project at Hayford Street with HOPE Inc., that will house three individuals with special needs.

- Provided sixty-one (61) businesses with over half a million dollars in assistance through the Emergency Rental Assistance Program loan program using CDBG-Covid-19 funds, of those twelve (12) also received utility assistance.

Building and Safety

- Assisted homeowners, developers, contractors and professional designers on a daily basis with inquiries about obtaining permits, and submitting new plans. The total project valuation for this works was over \$111,000,000.
- Answered calls and emails on a daily basis and assisted the public with inquiries related to building and safety.
- Issued 3,053 permits for building, electrical, mechanical and plumbing projects.
- Coordinated with Code Compliance and other agencies, prepared agency referral documents, collected fees for permits. There were close to 800 plan reviews performed for both Residential and Commercial buildings.
- In response to COVID-19, the following measures were implemented at the B&S Public Counter:
 - ✓ Encouraged the public to schedule an appointment with B&S staff to submit new plans in person or to obtain permits.
- On a daily basis, performed inspections of both commercial and residential building construction to ensure compliance with various Building Codes and with the approved plans. Interacted with contractors, homeowners, and developers and assisted them with building related code questions. They performed over 4,200 inspections related to structural, electrical, mechanical and plumbing plans.
- Responded to emergency situations on weekends and after hours related to fire, car accidents involving crashes into an existing building. Coordinated with Code Compliance on a daily basis regarding various code violations
- Performed 756 plan checks for both Residential and Commercial buildings. Plans included new Accessory Dwelling Units (ADUs) and conversion of existing garages, new Single-family residences, Multi Family dwellings, Room Additions to Single-family residences, Interior Remodeling, Solar Panels for both Residential and Commercial. Pools, Retaining Walls, Building signage, Tenant Improvements for Restaurants and for office buildings. Construction of wireless monopole and storage racks in existing warehouses.

Norwalk Transit System:

- Acquired \$89,997 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 \$1,598,146 and \$220,923 in support of acquiring two (2) Zero Emission Replacement Buses and Bus Stop Improvements respectively. Bus Stop improvements to include the installation of 46 Automated Transit Information (ATI) Signs for Route 1.
- On-going progress has been made towards the full implementation of the Norwalk Transit System (NTS) 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, 100% of equipment has been installed on-board buses. The following milestones are left for the duration of the project: Rollout/Adoption, Webpage and IVR, APC/NTD Reports, Training/Delivery of Manuals, Report Generator, System Acceptance Test, Close-Out, Warranty, etc.

- Acquired three (3) new replacement Dial-a-Ride vans that were delivered in late April 2021 which replaced (3) 2010 Ford Starcraft Allstar Cutaway Class C vans (#7101 thru #7103). Plans to purchase one (1) more van in 2022 to replace a 2010 Ford Starcraft Allstar Cutaway Class C vans (#7104) that has met its useful life minimum requirement, will occur in winter 2021.
- Construction and installation of a Transit Access Pass machine was completed in June 2021 on the westside of the Metrolink Station which allows commuters to purchase a TAP Card, add fare media products (i.e. EZ Pass, Metro Passes, etc.) and to load cash value on to the TAP Card.
- Provided service to a total of 695,951 passengers on its Fixed Route bus system.
- Provided service to a total of 4,446 passengers on its Senior/Disabled Dial-a-Ride Advanced Reservation accessible vans service, through contract services provided by First Transit, Inc.
- Provided a total of 2,200 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.
- Customer Service Center responded to over 1,100 calls each month for information on NTS's transit services and in-take of customer request for follow-up action on complaints, lost-and-found items, etc.
- Staff provided timely submittals of various annual reports including NTD, SRTP, TPM, Metro Forms A-B-C, STA/TDA Claim, LA Metro Operating Subsidy Invoices, etc.
- A total of 73 toys were collected from NTS' Stuff-a-Bus Toy Drive and donated to the Norwalk Social Service's "Angel Tree Program".

Other Accomplishments:

- City updated its Strategic Plan
- Continued prefunding the other post-employment benefits (OPEB) through the annual contributions to the irrevocable trust fund.
- Fourth year deposit of \$1.0 million contributed to the Pension Stabilization Trust Account administered by PARS.
- Received the financial reporting excellence award from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR).
- City Clerk's Department processed 662 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, infrastructure and capital assets. The balance in Capital Asset Replacement and Renovation Reserves at June 30, 2021 was \$9.0 million.

ECONOMIC OUTLOOK

One year ago, the World Health Organization declared the COVID-19 outbreak a pandemic, and subsequent efforts to stop the spread of the virus led to an unprecedented decline of the U.S. economy as non-essential in-person activities came to a halt. For all of 2020, real GDP fell by 3.5%, the worst annual decline in more than 60 years.

The Anderson Forecast's December 2020 report offered hope of a strong U.S. recovery, dependent on mass vaccinations. With vaccines becoming widely available, the September 2021 forecast anticipates such a recovery, as well as the establishment of a new post-pandemic norm for the economy.

Although California began a significant recovery later than some other states because of its stricter public health interventions, the Anderson Forecast expects the California recovery and expansion, once again, to outpace those of the U.S. as a whole. It points to two factors. First, the delta variant notwithstanding, the state's better public health outcomes should result in a more rapid return to normalcy. Second, the transition to new ways of work and social interaction will disproportionately benefit California through its technology sectors. The leisure and hospitality sector will be the last to recover because of the depth of its decline, the comparatively slow return of demand for restaurant and bar services, and the subsectors dependent upon international tourism.

The recovery will be considerably faster in higher-income technical services and faster in residential construction as California's shortage of housing relative to demand drives new development.

California unemployment annual rates for 2021, 2022 and 2023 anticipated to be 7.6%, 5.6% and 4.4%, respectively. Total employment growth rates for 2021, 2022 and 2023 are expected to be 3.5%, 3.9% and 2.7%, respectively.

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. On March 2020, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to respond to the COVID-19 outbreak and assist local governments providing total of \$150 billion in direct assistance. In March 2021 American Rescue Plan Act (ARPA) was signed into law, providing additional \$45.6 billion to metropolitan cities to assist local governments in support of public health response, replacement of revenue loss caused by the pandemic, improvement of water and sewer infrastructure, broadband infrastructure, addressing equity focused services, negative economic impacts, and premium pay for essential workers.

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; ELEVATE Norwalk program to facilitate staff growth and provide excellent customer service.
- 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, 2020. That was the 34th 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.

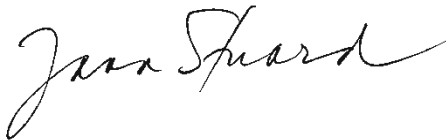
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2021.

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,

A handwritten signature in cursive script, appearing to read "Jana Stuard".

Jana Stuard
Finance Director / City Treasurer

**CITY OF NORWALK
LIST OF ELECTED OFFICIALS AND MANAGEMENT PERSONNEL
AS OF JUNE 30, 2021**

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

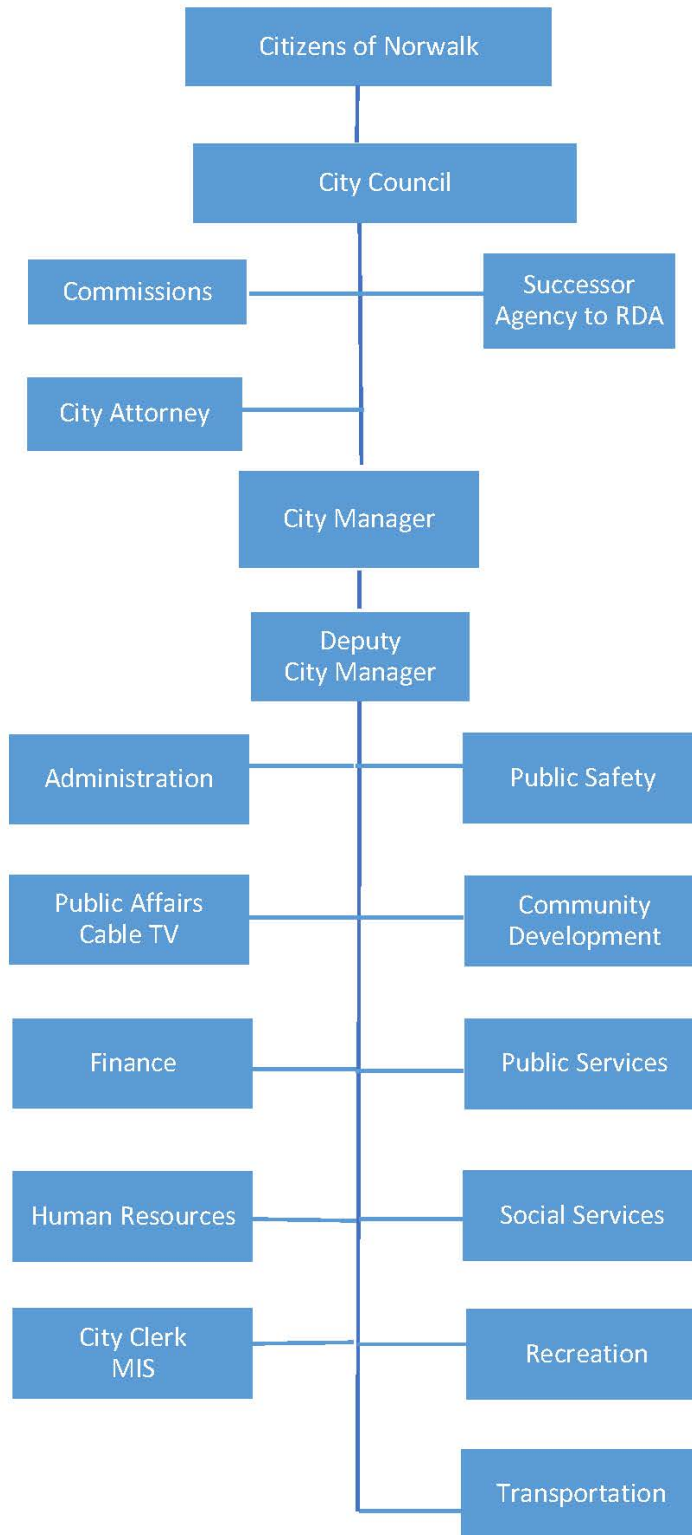
RECOGNITION

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, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

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, 2021, 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.

Honorable Mayor and Members of the
City Council of the City of Norwalk

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, 2021, 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.

Emphasis of Matter

During the fiscal year ended June 30, 2021, the City adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, OPEB trust was removed from the financial statements as a fiduciary fund, previously reported agency funds were reclassified to the City's General Fund and beginning fund balance and net position was restated (see Notes 1B and 18). Our opinion is not modified with respect to that matter.

As discussed in Note 18 to the financial statements, the City made restatements to beginning fund balance and net position. Our opinion is not modified with respect to this matter.

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 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 (supplementary information), 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.


Honorable Mayor and Members of the
City Council of the City of Norwalk

The 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. 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 15, 2021, 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 15, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021. 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, 2021, 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, 2021, the City's total assets and deferred outflows of resources were \$391.4 million and total liabilities and deferred inflows of resources were \$174.5 million, resulting in net position of \$216.9 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 increased by \$19.3 million primarily due to ARPA fund (\$12.7 million) and increased general fund net position.
- The City's long-term liabilities, due in more than one year, of \$132.8 million increased by \$1.7 million, primarily due to the capital lease of 32 vehicles city-wide. The are comprised of \$34.7 million of outstanding bonded debt to fund various capital improvements of governmental and enterprise activities; \$3.5 million outstanding debt issued to finance the acquisition of capital assets (light poles) and their subsequent retrofit to energy saving fixtures; \$0.9 million in capital lease for city-wide vehicles; \$58.2 million of net pension liability; \$33.2 million of net other post-employment benefit liability; and \$2.3 million of compensated absences.
- The total of the City's capital assets at the end of fiscal year amounted to \$204.7 million. Out of this amount \$28.6 million, 14%, are non-depreciable assets, and \$176.1 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 \$110.1 million, an increase of \$12.8 million; approximately \$19.6 million of this balance is unassigned.
- At June 30, 2021, the General Fund balance was \$32.9 million, an increase of \$8.9 million or 37% from prior year. The unassigned fund balance increased \$8.5 million due to better than expected results under all general fund major revenue categories and unanticipated intergovernmental revenues received under ARPA.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- The actual General Fund revenues and transfers in totaled \$63.9 million, an increase of \$14.2 million from the prior year. The increase is attributed to: newly voters' approved 0.75% local sales and use tax (Measure P), which generated \$9.0 million in additional revenues; new intergovernmental revenues received under ARPA (\$1.2 million) and CARES Act (\$1.3 million); increased property taxes (\$0.8 million) and other sales taxes (\$1.2 million).
- The actual General Fund expenditures and transfers out of \$54.9 million increased by \$4.2 million from the prior year, primarily due to establishing a new capital reserve fund for street renovation.

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.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021 is shown in Table 1.

**Table 1
Net Position
(in Thousands)**

	Governmental Activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 148,564	\$ 117,340	\$ 25,471	\$ 20,997	\$ 174,035	\$ 138,337
Capital assets	143,765	144,357	60,945	60,186	204,710	204,543
Total assets	292,329	261,698	86,416	81,182	378,745	342,880
Deferred outflows of resources	9,199	8,293	3,473	3,048	12,672	11,341
Liabilities:						
Long-term liabilities	99,765	99,032	33,029	32,019	132,794	131,051
Other liabilities	33,639	18,165	5,365	2,924	39,004	21,089
Total liabilities	133,404	117,197	38,394	34,943	171,799	152,141
Deferred inflows of resources	776	2,573	1,930	1,859	2,706	4,432
Net position:						
Net investment in capital assets	127,752	132,824	52,517	51,677	180,269	184,501
Restricted	58,220	49,727	-	-	58,220	49,727
Unrestricted	(18,624)	(32,331)	(2,953)	(4,249)	(21,577)	(36,579)
Total net position	\$ 167,348	\$ 150,220	\$ 49,564	\$ 47,428	\$ 216,912	\$ 197,648

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The City's Government-wide total net position was \$216.9 million, with total assets and deferred outflows of resources of \$391.5 million, liabilities and deferred inflows of resources of \$174.5 million. The net investment in capital assets was \$180.3 million. Another portion of the City's net position, \$58.2 million, represents resources that are subject to external restrictions in how they may be used. The remaining negative balance of \$21.6 million resulted from long-term liabilities, including bond indebtedness, pension and other post-employment benefit liabilities.

**Table 2
Changes in Net Position
(in thousands)**

	Governmental Activities		Business-type activities		Government-Wide Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 6,720	\$ 6,210	\$ 9,001	\$ 9,721	\$ 15,722	\$ 15,930
Operating grants and contributions	36,864	30,402	11,751	12,652	48,616	43,053
Capital grants and contributions	41	656	3,218	2,314	3,259	2,970
General Revenues:						
Taxes:						
Sales taxes	13,110	11,916			13,110	11,916
Sales taxes - Measure P	9,040	-			9,040	-
Property taxes	9,578	8,750			9,578	8,750
Property tax in-lieu of VLF	12,929	12,296			12,929	12,296
Utility users taxes	4,454	4,228			4,454	4,228
Business operations taxes	762	875			762	875
Transient occupancy taxes	1,481	1,328			1,481	1,328
Franchise Fee	3,190	3,128			3,190	3,128
Investment income	2,317	1,502	168	355	2,485	1,857
Total Revenues	100,486	81,292	24,138	25,042	124,624	106,334
Expenses:						
General government	11,309	12,355	-	-	11,309	12,355
Public safety	19,009	18,548	-	-	19,009	18,548
Urban development	4,728	4,901	-	-	4,728	4,901
Public works	22,717	25,197	-	-	22,717	25,197
Culture and leisure	2,985	4,648	-	-	2,985	4,648
Health and welfare	19,381	17,737	-	-	19,381	17,737
Interest and fiscal charges	1,083	1,094	-	-	1,083	1,094
Bond issue costs	-	387	-	-	-	387
Transit			17,218	17,684	17,218	17,684
Water			5,079	5,496	5,079	5,496
Sewer			1,849	1,898	1,849	1,898
Total Expenses	81,213	84,866	24,147	25,078	105,360	109,944
Excess (deficiency) of revenues over expenditures	19,273	(3,574)	(9)	(36)	19,264	(3,610)
Transfers	(2,145)	(2,105)	2,145	2,105	-	-
Change in net position	17,128	(5,679)	2,136	2,069	19,264	(3,610)
Net position - beginning of year*	150,220	155,899	47,428	45,359	197,648	201,258
Net position - ending of year	\$ 167,348	\$ 150,220	\$ 49,564	\$ 47,428	\$ 216,912	\$ 197,648

* as restated

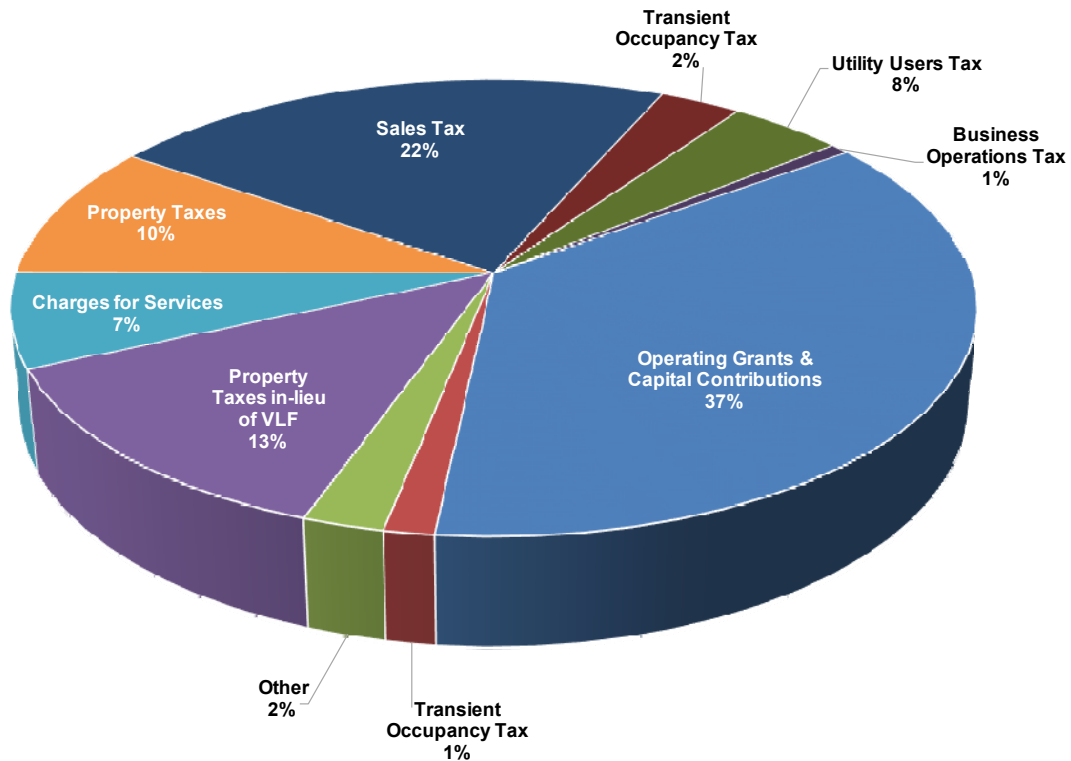
**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Governmental Activities

Revenues for the City's governmental activities increased \$19.1 million or 24%, to \$100.5 million from last fiscal year's restated results of \$81.3. Key elements of significant changes are as follows:

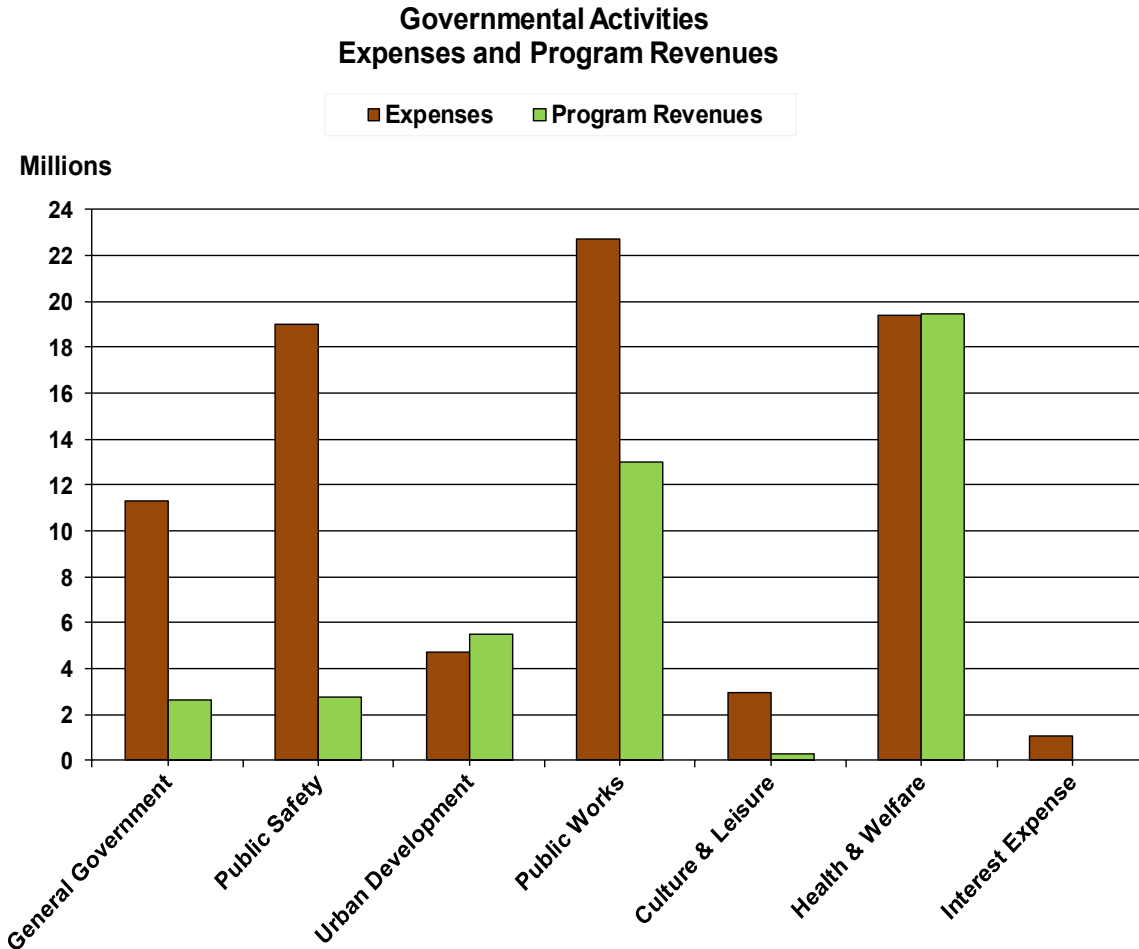
- Sales tax increased by a combined total of \$10.2 million due in large part to implementation of Measure P – sales tax, \$9.0 million.
- Operating grants and capital contributions at \$36.9 million, increased \$5.8 million, or 19%, from the preceding fiscal year. This increase can be attributed to additional funding such as: CARES, ARPA, Measure W, low-moderate housing, childcare and senior nutrition programs.
- 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 \$1.4 million, as property values increased.

Governmental Activities - Revenues by Source



**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The cost of all governmental activities was \$81.2 million. Program revenues funded \$43.6 million, or 54% of governmental activities. The remaining portion of governmental activities was paid with general revenues.



- Public Works, was the largest category of governmental activities, at \$22.7 million, it represented 28% of the total expenses; decreasing \$2.5 million from the prior fiscal year. The decrease in current year expense is related to capital projects and decrease in special revenue offsets. Program revenues funded approximately \$13.0 million of public works expenses.
- Health and Welfare was the second largest expense category. During fiscal year ended June 30, 2021, these expenses represented \$19.4 million, or 24% of governmental activities. Expenses were fully funded by program revenues, the remaining \$0.1 million in revenues will be used in the upcoming fiscal year. Expenses increased from the preceding fiscal year by \$1. million, or 5%, primarily due to additional funding for child development programs.

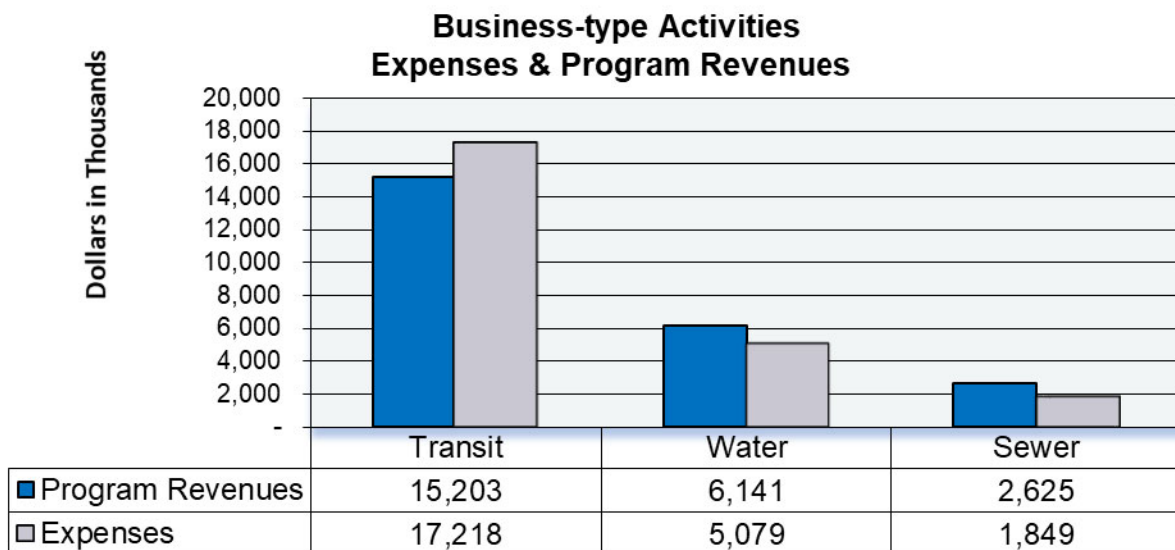
**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- Public Safety expense category was the third largest at \$19.0 million, or 23% of governmental activities, of which approximately \$2.7 million was funded with program revenues. Expenses for this category increased by \$0.7 million, or 4% from the prior fiscal year largely due to increases in the Los Angeles County Sheriff's contract.
- General Government, the fourth largest category of governmental activities, recorded expenses at \$11.3 million; it represented 14% of total governmental expenses. Program revenues funded \$2.6 million. Expenses in this category recorded a decrease of \$1.0 million, or 8%. This decrease is related to decrease in Pension (\$0.7 million), compensated absence (\$0.4) and OPEB (\$0.1) expense from the prior fiscal year.
- Urban Development was the fifth largest governmental activity with \$4.7 million in expenses, or 6% of governmental activities. Expenses were fully funded by program revenues and remaining \$0.7 million of program revenues will be used in the upcoming fiscal year. Expenses increased \$0.2 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, 2021, total net position of Business-type activities was \$49.6 million, out of which, the unrestricted net position represented a negative \$2.9 million; net investment in capital assets represented \$52.5 million. Total net position increased \$2.1 million.

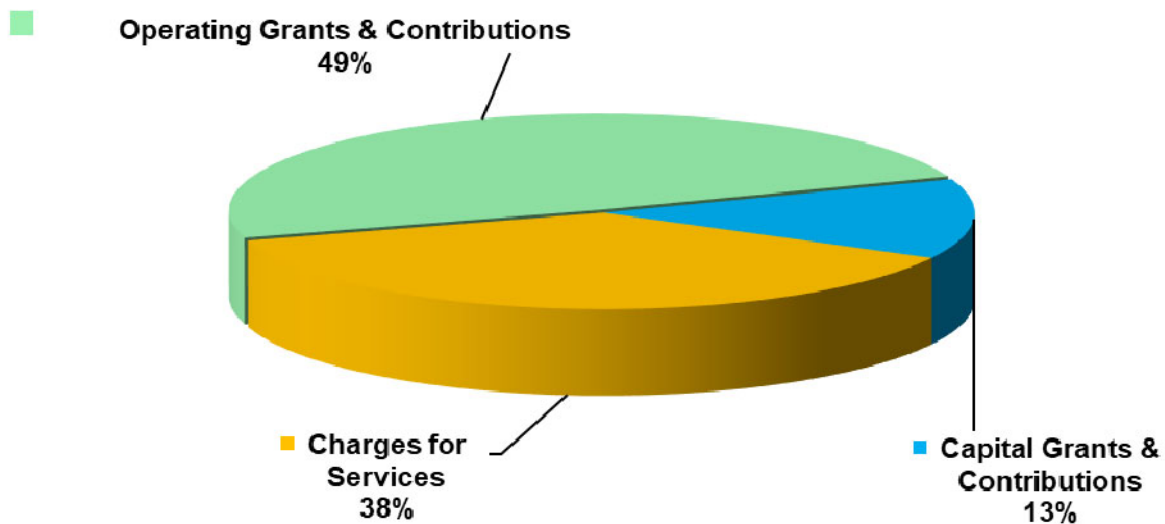
The graph below presents the costs of business activities and associated program revenues. Total program revenues of Business-type activities were \$24 million, a decrease of \$0.7 million, primarily due to decrease in charges for services under Transit activities.



**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

As shown in the pie chart below, Charges for Services represent 38% 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 49% of the total program revenues received by Business-type activities.

Business-type Activities Revenue by Source



Transit System

Total Transit System revenues of \$15.2 million, decreased by \$1.1 million from the prior fiscal year.

Charges for services of \$0.2 million, decreased by \$1.1 million. This drastic decrease in revenue collection is a result of fare less initiative County-wide implemented by Transit System during the COVID-19 pandemic. Operating grants and contributions were \$11.8 million, a decrease of \$0.9 million, primarily due to decrease in state operating grants. Capital grants and contributions of \$3.2 million recorded an increase of \$0.9 million for the purchase of three electric buses and three passenger vans.

Total expenses of \$17.2 million recorded a decrease of \$0.5 million, or 3%, from the previous fiscal year.

Transit's net position of \$6.1 million, increased by \$0.2 million from the prior year.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Water System

Revenues totaled \$6.1 million, an increase of 6% from the previous year, despite no collection of delinquent charges during the fiscal year. Expenses of \$5.1 million, are consistent with the preceding fiscal year. Consumption and service charges at \$6.1 million represented 99% of total revenues.

Water Fund total net position of \$17.4 million increased \$1.1 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.

Sewer

In fiscal year 2020-21, operating revenues totaled \$2.6 million, while operating expenses were \$1.9 million. Total net position of the Sewer Fund is \$26.1 million, out of which, \$8.4 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 \$110.1 million, an increase of \$12.8 million, or 13%, from the prior year's restated combined fund balance of \$97.3 million.

The nonspendable portion of Governmental Funds fund balance totaled \$4.2 million, a decrease of \$1.0 million or 18% from the prior year's restated balance. This decrease is due to the repayment of principal on the Successor Agency Metro loan and water fund advance.

Total restricted fund balance was \$76.5 million, an increase of \$3.1 million. The restricted balance comprises of \$18.7 million under Special Revenue Funds, restricted by their funding nature; \$51.8 million is restricted for Capital Projects, \$1.2 million for Debt Service; and \$4.8 million for pension stabilization fund.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Total committed fund balance was \$9 million to finance replacement of City assets. During the current fiscal year the city created the Street Renovation fund (\$3.1 million) to address street infrastructure needs city wide.

The assigned fund balance of \$0.8 million, out of which City assigned \$0.4 million for future capital improvement projects; and the remainder represents funds donated to the City for specific health and welfare programs and activities.

The combined unassigned fund balance of Governmental Funds is \$19.6 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, 2021 were \$97.3 million. This is an increase of \$14 million, or 17%, from the prior fiscal year's total of \$83.2 million. The primary contributors to this increase are: taxes (\$12 million), intergovernmental revenues (\$4.2 million) these are offset by declines in other revenue sources such as: use of money and property (\$2.3 million), charges for services (\$0.6 million) and other revenues (\$0.3 million).

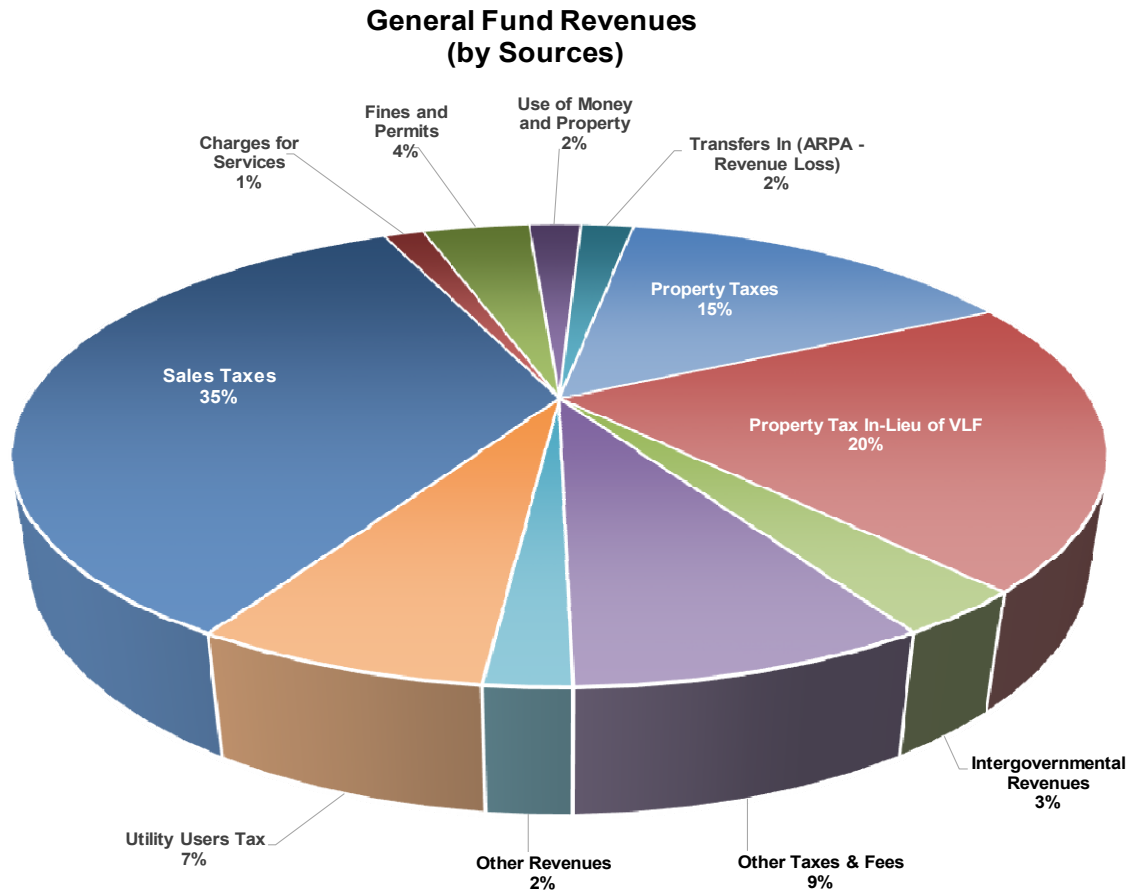
The significant increase in taxes is related to revenues generated by the newly voter approved local sales tax (Measure P) of 0.75%, which brought in \$9.0 million in new revenues. Additional new revenues received under Governmental funds are intergovernmental revenues (CARES Act, ARPA and Measure W). Measure W, the ½ cent tax authorized in Los Angeles County for the Safe Clean Water Program, generated \$1.1 million this fiscal year.

Expenditures of governmental funds were \$83.5 million. This is an increase of \$6.0 million, or 8% from the prior fiscal year. This overall increase in expenditures is attributed to combination of increases under child care programs, \$1 million; Los Angeles County Sheriff's services, \$1.1 million; senior nutrition programs, \$0.4 million; and the Capital Outlay and improvement projects city wide, \$7.0 million. The increases are offset by expenditure decrease under public works (\$2.6 million) and culture and leisure (\$1.4 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 \$23.2 million, assigned fund balance was \$0.8 million, restricted fund balance \$4.8 million, and non-spendable fund balance was \$4.2 million. These resulted in total General fund balance of \$32.9 million. The key factors affecting the General Fund's financial position are as follows:

General Fund revenues and transfers in totaled \$63.9 million, an increase of \$14.2 million or 29%, from the prior year's total of \$49.6 million. This substantial increase resulted primarily from: the newly voters approved Measure P, 0.75% local sales tax, which took effect in July 2020 (\$9.0 million); and federal funding received from CARES Act and ARPA (\$1.3 million each).

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**



Taxes and franchise fees represent 85% of the General Fund revenues and are the largest revenue source. They include following categories: sales taxes, property tax in-lieu of vehicle license fees (VLF), property taxes, utility users' tax and other taxes and fees.

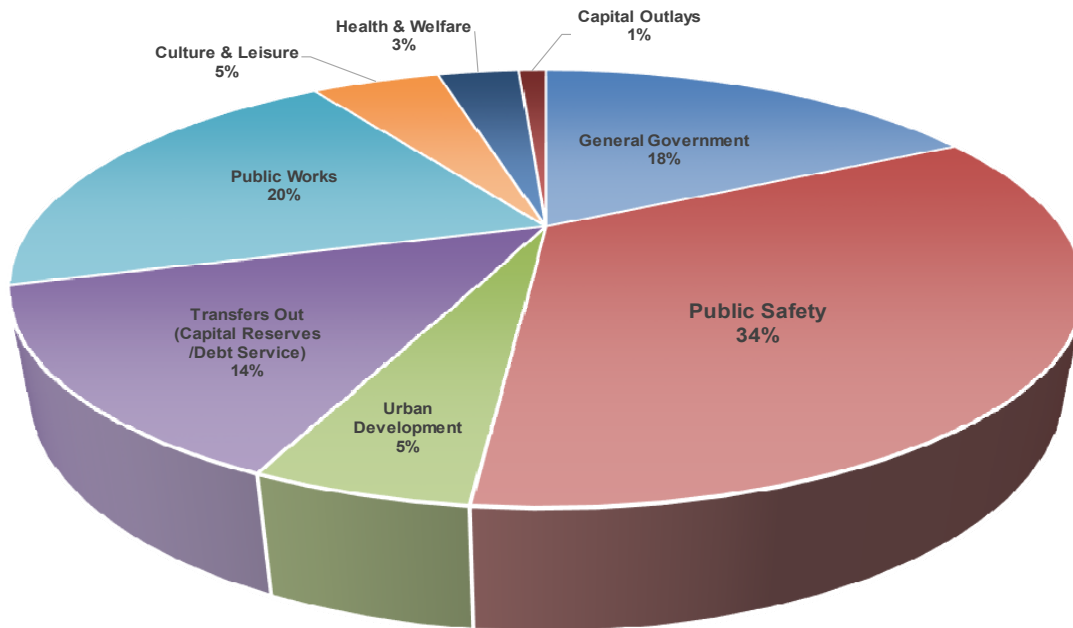
- Sales taxes represent the largest General Fund revenue category, which brought in a combined total of \$22.2 million (35% of total General Fund revenues). In addition to the \$13.1 million generated by 1% sales tax (\$1.2 million over prior year receipts), effective June 2020, the City started receiving the additional 0.75% of local use and sales tax, approved by Norwalk voters in November 2019 (Measure P). This new revenue source brought in \$9.0 million in revenues and is the main contributor to the positive General Fund revenue results. Despite COVID-19 pandemic, sales taxes generated by State and County Pools allocations and General Consumer Goods categories outperformed prior year results.
- Property tax in-lieu of VLF represented the second largest revenue source at \$12.9 million, or 20% of General Fund revenues. This revenue source increased \$0.6 million, 5%, from fiscal year 2020. The increase in property tax in-lieu of VLF is due to the increased property values within the City.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- Property taxes came in third at \$9.6 million, representing 15% of the General Fund revenues, an increase of \$0.8 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 an increase in revenue from prior fiscal year.
- Other taxes and franchise fees were the fourth largest revenue source at \$5.4 million, or 9% of General Fund revenues. These revenues include franchise fees, transient occupancy, business, and real property transfer taxes. All categories, but business licenses, contributed to the combined revenue increase of \$0.2 million, or 2% from prior year. Due to the pandemic, business licenses dropped by \$0.1 million.
- Utility users tax came in fifth at \$4.5 million or 7% of the total General Fund revenues, an increase 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 main increase in utility user tax collection was recorded under electricity utility.

General Fund expenditures and transfers out totaled \$54.9 million, an increase of \$4.2 million, or 8%, from the prior year's total of \$50.7 million.

GENERAL FUND EXPENDITURES BY FUNCTION



**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

- Public Safety was the largest General Fund function at \$18.7 million, or 34% of General Fund expenditures and transfers out, an increase of \$1.0 million, or 5%, from the preceding fiscal year. Main contributor to this increase is the Los Angeles County Sheriff's contract and the enhancement of Sheriff's services by adding a motorcycle sergeant and a supplemental lieutenant.
- Public Works ranked second at \$11.0 million, or 20% of the General Fund expenditures and transfers out. This category increased by \$0.5 million or 5% from prior year. This change can be primarily attributed to funding for parking structure operations deficit (\$0.4 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 18%, of the General Fund expenditures and transfers out. The fiscal year expense remains unchanged from the previous year.
- Transfers Out (to capital reserves and debt service funds) represented the fourth largest expenditure category at \$7.6 million, or 14%, of the General Fund expenditures and transfers out. This category increased \$4.3 million or 129% from the prior fiscal year. The current fiscal year City increased funding by \$1.1 million for the existing capital reserve funds (playground equipment, Sports complex equipment, computer, and vehicle and building renovation); and established the new street renovation capital reserve fund with a transfer of \$3.1 million.

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 2020-21, CDBG received entitlement grant in the amount of \$0.8 million, CARES funding of \$0.7 million and program income (proceeds of repayments of HUD funded loans) of \$0.2 million. In addition, the City also received HOME grant entitlement in the amount of \$130 thousand, and the program income generated by the repayment of HOME funded loans, \$108 thousand.

The City expended \$1.8 million of CDBG funds on 17 activities. HOME expenditures totaled \$238 thousand for the year, out of which \$32 thousand was spent for home repairs.

Housing Authority Special Revenue Fund accounts for costs to assist low and moderate income families in securing affordable rents. Funding is provided by the U.S. Department of Housing and Urban Development. In fiscal year 2020-21, the Housing Authority received \$9.1 million in revenue, which included \$0.6 million in additional CARES Act funding. Approximately 604 families are currently enrolled in the Section 8 program.

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

American Rescue Plan Act (ARPA) Special Revenue Fund accounts for the City's allocation of the of the Federal ARPA funding. The City's allocation will total \$28.0 million and can be used for a variety of purposes including revenue replacement for losses related to the COVID-19 health emergency, premium pay for essential workers, investments in water and sewer capital projects and assistance to small business and households. During Fiscal year 2020-21 the city received \$14.0 million, of this amount \$1.3 million was used for loss of revenues due to COVID 19 health emergency.

Debt Service Fund accounts for payment of the City's general long-term debt. 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. Expenditures of \$4.8 million funded 19 capital improvement projects. Change in fund balance was a net decrease of \$4.0 million, which can be attributed to the use of 2019 sales tax revenue bond proceeds Series A and B for street repair.

Economic Development Capital Projects Funds 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. During the fiscal year 2020-21 \$0.2 million was spent on capital improvement projects.

Housing Successor Fund Capital projects Funds 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. During the fiscal year 2020-21 \$0.4 million was spent on various projects.

Other Federal Grants Capital Projects Funds account for 10 traffic mitigation projects funded by federal grants. The fund balance decreased by \$1.5 million and is correlated to an increase in project activity, which are currently awaiting federal reimbursement.

General Fund Budgetary Highlights

The following table displays the General Fund's original budget, final budget and actual results for 2021 revenues and expenditures. Actual revenues and transfers in were \$5.1 million, 9% higher, than the City's final budget of \$58.7 million. All taxes and franchise fees, but business licenses, outperformed the estimates. Property and sales taxes were among the revenue categories that were over the budget for a combined total of \$2.4 million. In addition, the City received \$1.3 million ARPA allocation for the loss of revenues for expenses incurred during the fiscal year, which was not anticipated when the budget was prepared. Expenditures and transfers out were lower by \$3.0 million than the final budget of \$57.9 million, or 5% under budget. The budget savings were realized under the following: personnel costs (\$2.1 million), capital outlay (\$0.2 million), and other operating cost (\$0.7 million).

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

**Table 3
General Fund Budgetary Comparison
(in thousands)**

	Original Budget	Final Budget	Actual Amount
Revenues	\$ 53,246	\$ 58,708	\$ 62,565
Expenditures	(49,411)	(50,252)	(47,300)
Other Financing Sources (Uses):			
Transfers in	22	22	1,264
Transfers out	(4,628)	(7,647)	(7,645)
Net Change in Fund Balance	<u>\$ (770)</u>	<u>\$ 831</u>	<u>\$ 8,884</u>

Capital Assets and Debt Administration

Capital Assets. The City's investment in a broad range of capital assets for Governmental and Business-type Activities remains consistent from the prior fiscal year, as additional assets offset the current year depreciation. As of June 30, 2021 capital assets net depreciation totaled \$204.7 million.

**Table 4
Capital Assets – Net of Depreciation
June 30, 2021 and 2020**

	Governmental Activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Capital assets not being depreciated:						
Land	\$ 7,157,368	\$ 6,964,636	\$ 23,125	\$ 23,125	\$ 7,180,493	\$ 6,987,761
Construction in progress	11,686,764	7,114,132	1,337,967	6,799,080	13,024,731	13,913,212
Water rights	-	-	8,396,581	8,396,581	8,396,581	8,396,581
Total capital assets not being depreciate	<u>18,844,132</u>	<u>14,078,768</u>	<u>9,757,673</u>	<u>15,218,786</u>	<u>28,601,805</u>	<u>29,297,554</u>
Capital assets being depreciated:						
Buildings and improvements	53,071,945	53,071,945	15,206,546	15,206,546	68,278,491	68,278,491
Distribution system	-	-	20,902,450	15,856,319	20,902,450	15,856,319
Machinery and equipment	8,295,551	6,863,505	-	-	8,295,551	6,863,505
Office equipment	-	-	853,739	853,739	853,739	853,739
Vehicles	-	-	20,120,906	18,064,337	20,120,906	18,064,337
Tools and equipment	-	-	2,622,745	2,425,477	2,622,745	2,425,477
Infrastructure	283,123,077	281,120,842	48,939,003	47,635,392	332,062,080	328,756,234
Miscellaneous	-	-	122,504	133,118	122,504	133,118
Total capital assets being depreciated	<u>344,490,573</u>	<u>341,056,292</u>	<u>108,767,893</u>	<u>100,174,928</u>	<u>453,258,466</u>	<u>441,231,220</u>
Less: Total accumulated depreciation	<u>(219,569,369)</u>	<u>(210,777,664)</u>	<u>(57,580,827)</u>	<u>(55,207,833)</u>	<u>(277,150,196)</u>	<u>(265,985,497)</u>
Net Capital Assets, being depreciated	<u>124,921,204</u>	<u>130,278,628</u>	<u>51,187,066</u>	<u>44,967,095</u>	<u>176,108,270</u>	<u>175,245,723</u>
Net Capital Assets	<u>\$ 143,765,336</u>	<u>\$ 144,357,396</u>	<u>\$ 60,944,739</u>	<u>\$ 60,185,881</u>	<u>\$ 204,710,075</u>	<u>\$ 204,543,277</u>

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021, the City had \$136.3 million in outstanding long-term liabilities for governmental and business-type activities.

**Table 5
Non-Current Liabilities as of June 30, 2021 and 2020
(In thousands)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Compensated absences	\$ 2,359	\$ 2,621	\$ 597	\$ 561	\$ 2,956	\$ 3,182
Other post-employment benefits	24,265	22,777	8,922	9,754	33,187	32,531
Lease payable	3,701	3,927	-	-	3,701	3,927
Capital Lease payable	1,051	-	38	-	1,089	-
Bond indebtedness	29,047	31,459	8,105	8,335	37,152	39,794
Net pension liability	42,492	41,166	15,716	13,722	58,208	54,888
Total non current liabilities	<u>\$102,914</u>	<u>\$101,949</u>	<u>\$33,377</u>	<u>\$ 32,372</u>	<u>\$136,291</u>	<u>\$134,322</u>

The City's total non-current liabilities increased by \$2.0 million, or 2%, during fiscal year 2021. The increase is due to capital leases for 32 vehicles city-wide (\$1.1 million) and net pension liabilities (\$3.3 million) offset by principal payment on bond indebtedness and lease payable (\$2.8 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 2021 states despite the ongoing global pandemic and its disparate health and economic impacts on Californians revenues are growing at historic rates and LAO estimates the state will have a \$31 billion surplus (resources in excess of current law commitments) to allocate in 2022-23.

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 2021-22 operating budget, which is both balanced and fiscally responsible. This spending plan enhances public safety services and maintains other essential

**CITY OF NORWALK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

services to the community. It 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 2021-22 Budget are:

- The adopted operating budget includes 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. 2021-22 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 \$12.3 million as of June 30, 2022. This amount represents 21% of the operational & minor capital outlays expenditures.

The following table summarizes the General Fund 21-22 Adopted Budget.

General Fund Balance	Budget 2022
Estimated Revenues	60,059,050
Less Expenditures:	
Personnel Cost	(29,518,954)
Sheriff's Contract	(16,790,759)
Other Operations & Maintenance	(11,645,416)
Debt Service	(1,614,267)
Minor Capital Outlays	(291,150)
Operating Expenses	(59,860,546)
Net Operating Surplus (Deficit)	198,504
Other Expenditures (Transfers to Capital Reserves and Pension Trust)	(5,300,000)
Unassigned Balance, Start of Year	16,270,475
Change in Reserve Balances	1,163,906
Estimated Fund Balance, June 30, 2022	12,332,885

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF NORWALK
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 93,804,439	\$ 22,333,848	\$ 116,138,287
Cash and Investments with Fiscal Agents	21,554,950	3	21,554,953
Cash and Investments Held by Trust for Pension	4,759,234	-	4,759,234
Accounts Receivable	1,359,311	1,160,205	2,519,516
Interest Receivable	898,027	-	898,027
Other Receivables	7,403	-	7,403
Due from Other Governments	9,924,103	4,008,100	13,932,203
Due from Successor Agency	61,116	-	61,116
Advances to Successor Agency	6,880,543	-	6,880,543
Internal Balances	2,158,246	(2,158,246)	-
Inventory	140,390	127,319	267,709
Prepaid Items and Deposits	32,544	-	32,544
Loans Receivable	6,983,460	-	6,983,460
Capital Assets:			
Nondepreciable	18,844,132	9,757,673	28,601,805
Depreciable, Net of Accumulated Depreciation	124,921,204	51,187,066	176,108,270
Total Assets	<u>292,329,102</u>	<u>86,415,968</u>	<u>378,745,070</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from OPEB Plans	3,337,528	1,333,854	4,671,382
Deferred Amounts from Pension Plans	5,782,347	2,138,679	7,921,026
Unamortized Loss on Bond Defeasance	79,441	-	79,441
Total Deferred Outflows of Resources	<u>9,199,316</u>	<u>3,472,533</u>	<u>12,671,849</u>
LIABILITIES			
Accounts Payable	8,462,490	3,610,172	12,072,662
Accrued Expenses	123,549	472,051	595,600
Interest Payable	117,716	38,477	156,193
Other Liabilities	226,551	37,181	263,732
Due to Other Governments	7,840,315	-	7,840,315
Deposits Payable	879,145	170,067	1,049,212
Unearned Revenue	12,840,868	688,984	13,529,852
Noncurrent Liabilities:			
Due Within One Year	3,148,732	347,969	3,496,701
Due in More than One Year:			
Other Long-Term Liabilities	33,008,427	8,391,592	41,400,019
Net OPEB Liability	24,265,197	8,921,694	33,186,891
Net Pension Liability	42,491,504	15,716,036	58,207,540
Total Liabilities	<u>133,404,494</u>	<u>38,394,223</u>	<u>171,798,717</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts from OPEB Plans	697,864	1,901,159	2,599,023
Deferred Amounts from Pension Plans	78,166	28,911	107,077
Total Deferred Inflows of Resources	<u>776,030</u>	<u>1,930,070</u>	<u>2,706,100</u>
NET POSITION			
Net Investment in Capital Assets	127,752,356	52,516,818	180,269,174
Restricted:			
Pension	4,759,234	-	4,759,234
Public Safety	381,040	-	381,040
Urban Development	26,897,282	-	26,897,282
Public Works	23,948,511	-	23,948,511
Public Art	414,407	-	414,407
Culture and Leisure	415,289	-	415,289
Health and Welfare	195,043	-	195,043
Debt Service	1,209,015	-	1,209,015
Unrestricted	(18,624,283)	(2,952,610)	(21,576,893)
Total Net Position	<u>\$ 167,347,894</u>	<u>\$ 49,564,208</u>	<u>\$ 216,912,102</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 11,308,923	\$ 2,402,382	\$ 219,783	\$ -
Public Safety	19,009,188	1,131,942	1,613,664	-
Urban Development	4,728,224	2,183,063	3,285,929	-
Public Works	22,717,145	316,521	12,646,863	41,010
Culture and Leisure	2,985,333	297,017	-	-
Health and Welfare	19,381,336	389,550	19,097,924	-
Interest Expense	1,083,084	-	-	-
Total Governmental Activities	81,213,233	6,720,475	36,864,163	41,010
BUSINESS-TYPE ACTIVITIES				
Transit System	17,218,130	234,374	11,751,454	3,217,655
Water	5,079,180	6,141,485	-	-
Sewer	1,849,459	2,625,416	-	-
Total Business-Type Activities	24,146,769	9,001,275	11,751,454	3,217,655
Total Primary Government	<u>\$ 105,360,002</u>	<u>\$ 15,721,750</u>	<u>\$ 48,615,617</u>	<u>\$ 3,258,665</u>

See accompanying Notes to Basic Financial Statements.

CITY OF NORWALK
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (8,686,758)	\$ -	\$ (8,686,758)
Public Safety	(16,263,582)	-	(16,263,582)
Urban Development	740,768	-	740,768
Public Works	(9,712,751)	-	(9,712,751)
Culture and Leisure	(2,688,316)	-	(2,688,316)
Health and Welfare	106,138	-	106,138
Interest Expense	(1,083,084)	-	(1,083,084)
Total Governmental Activities	<u>(37,587,585)</u>	<u>-</u>	<u>(37,587,585)</u>
BUSINESS-TYPE ACTIVITIES			
Transit System	-	(2,014,647)	(2,014,647)
Water	-	1,062,305	1,062,305
Sewer	-	775,957	775,957
Total Business-Type Activities	<u>-</u>	<u>(176,385)</u>	<u>(176,385)</u>
Total Primary Government	(37,587,585)	(176,385)	(37,763,970)
GENERAL REVENUES			
Taxes:			
Property Taxes	9,577,756	-	9,577,756
Utility Users Taxes	4,454,135	-	4,454,135
Business Operation Taxes	761,811	-	761,811
Transient Occupancy Taxes	1,480,676	-	1,480,676
Franchise Fees	3,189,648	-	3,189,648
Unrestricted Intergovernmental	12,928,583	-	12,928,583
Intergovernmental Revenue - Sales Taxes	13,110,164	-	13,110,164
Intergovernmental Revenue - Measure P Sales Tax	9,040,237	-	9,040,237
Investment Income	2,317,163	167,520	2,484,683
TRANSFERS	<u>(2,144,797)</u>	<u>2,144,797</u>	<u>-</u>
Total General Revenues and Transfers	<u>54,715,376</u>	<u>2,312,317</u>	<u>57,027,693</u>
CHANGES IN NET POSITION			
	17,127,791	2,135,932	19,263,723
Net Position - Beginning of Year, as Restated	<u>150,220,103</u>	<u>47,428,276</u>	<u>197,648,379</u>
NET POSITION - END OF YEAR	<u>\$ 167,347,894</u>	<u>\$ 49,564,208</u>	<u>\$ 216,912,102</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Debt Service Fund	Special Projects Capital Projects Funds
ASSETS						
Cash and Investments	\$ 22,056,217	\$ 267,111	\$ 2,192,247	\$ 12,692,597	\$ -	\$ 51,644
Cash and Investments with Fiscal Agents	-	-	-	-	1,209,015	20,345,935
Cash and Investments Held by Trust for Pension	4,759,234	-	-	-	-	-
Accounts Receivable, Net	1,297,593	4,790	56,788	-	-	-
Interest Receivable	166,778	731,249	-	-	-	-
Other Receivable	7,403	-	-	-	-	-
Due from Other Funds	1,136,747	-	-	-	-	-
Due from Other Governments	4,664,239	278,777	1,521	-	-	428,039
Inventory	6,708	-	-	-	-	-
Prepaid Items	21,228	-	-	-	-	-
Loans Receivable	-	6,983,460	-	-	-	-
Due from Successor Agency	61,116	-	-	-	-	-
Advances to Successor Agency	6,880,543	-	-	-	-	-
Advances to Other Funds	2,158,246	-	-	-	-	-
Total Assets	<u>\$ 43,216,052</u>	<u>\$ 8,265,387</u>	<u>\$ 2,250,556</u>	<u>\$ 12,692,597</u>	<u>\$ 1,209,015</u>	<u>\$ 20,825,618</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts Payable	\$ 4,613,036	\$ 146,623	\$ -	\$ -	\$ -	\$ 1,034,064
Due to Other Funds	-	-	252,842	-	-	-
Due to Other Governments	-	7,714,708	128	-	-	-
Deposits Payable	777,715	-	101,430	-	-	-
Other Liabilities	15,518	-	-	-	-	150,450
Unearned Revenue	-	-	85,269	12,688,465	-	1,864
Total Liabilities	<u>5,406,269</u>	<u>7,861,331</u>	<u>439,669</u>	<u>12,688,465</u>	<u>-</u>	<u>1,186,378</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	4,899,802	-	56,788	-	-	419,085
Total Deferred Inflows of Resources	<u>4,899,802</u>	<u>-</u>	<u>56,788</u>	<u>-</u>	<u>-</u>	<u>419,085</u>
FUND BALANCES (DEFICITS)						
Nonspendable	4,166,923	-	-	-	-	-
Restricted	4,759,234	404,056	1,754,099	-	1,209,015	20,345,935
Committed	-	-	-	-	-	-
Assigned	800,005	-	-	-	-	-
Unassigned	23,183,819	-	-	4,132	-	(1,125,780)
Total Fund Balances (Deficits)	<u>32,909,981</u>	<u>404,056</u>	<u>1,754,099</u>	<u>4,132</u>	<u>1,209,015</u>	<u>19,220,155</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 43,216,052</u>	<u>\$ 8,265,387</u>	<u>\$ 2,250,556</u>	<u>\$ 12,692,597</u>	<u>\$ 1,209,015</u>	<u>\$ 20,825,618</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Economic Development Capital Projects Fund	Housing Successor Fund Capital Projects Fund	Other Federal Grants Capital Projects Fund	Other Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 11,343,037	\$ 12,333,165	\$ -	\$ 32,622,938	\$ 93,558,956
Cash and Investments with Fiscal Agents	-	-	-	-	21,554,950
Cash and Investments Held by Trust for Pension	-	-	-	-	4,759,234
Accounts Receivable, Net	-	-	-	140	1,359,311
Interest Receivable	-	-	-	-	898,027
Other Receivable	-	-	-	-	7,403
Due from Other Funds	-	-	-	-	1,136,747
Due from Other Governments	-	-	1,567,836	2,983,691	9,924,103
Inventory	-	-	-	-	6,708
Prepaid Items	-	-	-	5,658	26,886
Loans Receivable	-	-	-	-	6,983,460
Due from Successor Agency	-	-	-	-	61,116
Advances to Successor Agency	-	-	-	-	6,880,543
Advances to Other Funds	-	-	-	-	2,158,246
	<u>\$ 11,343,037</u>	<u>\$ 12,333,165</u>	<u>\$ 1,567,836</u>	<u>\$ 35,612,427</u>	<u>\$ 149,315,690</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts Payable	\$ 27,524	\$ 73,170	\$ 994,830	\$ 1,501,327	\$ 8,390,574
Due to Other Funds	-	-	513,043	370,862	1,136,747
Due to Other Governments	-	-	-	125,479	7,840,315
Deposits Payable	-	-	-	-	879,145
Other Liabilities	-	-	60,583	-	226,551
Unearned Revenue	-	-	-	65,270	12,840,868
Total Liabilities	<u>27,524</u>	<u>73,170</u>	<u>1,568,456</u>	<u>2,062,938</u>	<u>31,314,200</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	1,567,836	983,038	7,926,549
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,567,836</u>	<u>983,038</u>	<u>7,926,549</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	5,658	4,172,581
Restricted	11,315,513	12,259,995	-	24,475,335	76,523,182
Committed	-	-	-	9,010,524	9,010,524
Assigned	-	-	-	-	800,005
Unassigned	-	-	(1,568,456)	(925,066)	19,568,649
Total Fund Balances (Deficits)	<u>11,315,513</u>	<u>12,259,995</u>	<u>(1,568,456)</u>	<u>32,566,451</u>	<u>110,074,941</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 11,343,037</u>	<u>\$ 12,333,165</u>	<u>\$ 1,567,836</u>	<u>\$ 35,612,427</u>	<u>\$ 149,315,690</u>

See accompanying Notes to Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK
RECONCILIATION TO THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund Balances - Total Governmental Funds \$ 110,074,941

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. 79,441

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. This amount does not include \$0 of internal service fund net capital assets.

Capital Assets	\$ 363,334,705	
Accumulated Depreciation	<u>(219,569,369)</u>	143,765,336

Accrued interest on long-term debt is not due and payable in the current period and is not reported in the governmental funds. (117,716)

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. 7,926,549

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, 2021 are:

Compensated Absences (This Amount Does Not Include \$189,358 of Internal Service Fund Compensated Absences)	(2,169,712)	
Lease Revenue Bonds	(7,725,000)	
Sales Tax Bonds	(17,675,000)	
Lease Payable	(3,700,562)	
Capital Lease Payable	(1,050,777)	
Bond Premiums	<u>(3,646,750)</u>	(35,967,801)

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	3,337,528	
Deferred Inflows of Resources Related to OPEB	(697,864)	
Net OPEB Liability	(24,265,197)	
Deferred Outflows of Resources Related to Pensions	5,782,347	
Deferred Inflows of Resources Related to Pensions	(78,166)	
Net Pension Liability	<u>(42,491,504)</u>	<u>(58,412,856)</u>

Net Position of Governmental Activities		<u><u>\$ 167,347,894</u></u>
---	--	------------------------------

CITY OF NORWALK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Debt Service Fund	Special Projects Capital Projects Funds
REVENUES						
Taxes	\$ 54,543,010	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	1,544,374	-	-	-	-	-
Fines, Forfeitures, and Penalties	1,011,394	-	-	-	-	-
Use of Money and Property	502,631	1,301	3,412	4,132	473	4,744
Intergovernmental	2,039,482	1,664,527	9,031,746	1,334,908	-	783,694
Charges for Services	954,078	-	-	-	-	-
Rental Income	731,215	-	-	-	-	-
Other	1,309,465	258,061	25,162	-	-	3
Total Revenues	<u>62,635,649</u>	<u>1,923,889</u>	<u>9,060,320</u>	<u>1,339,040</u>	<u>473</u>	<u>788,441</u>
EXPENDITURES						
Current:						
General Government	9,661,372	-	-	-	10,230	-
Public Safety	18,731,217	-	-	-	-	-
Urban Development	2,819,874	1,781,331	-	-	-	-
Public Works	10,964,894	-	-	-	-	236,612
Culture and Leisure	2,759,168	-	-	-	-	-
Health and Welfare	1,831,161	49,610	8,518,339	-	-	-
Capital Outlay and Improvement	585,379	6,297	85,829	-	-	4,544,818
Debt Service:						
Principal Retirement	-	-	-	-	2,321,242	-
Interest and Fiscal Charges	-	-	-	-	1,373,455	-
Total Expenditures	<u>47,353,065</u>	<u>1,837,238</u>	<u>8,604,168</u>	<u>-</u>	<u>3,704,927</u>	<u>4,781,430</u>
Excess (Deficiency) of Revenues Over Expenditures	15,282,584	86,651	456,152	1,339,040	(3,704,454)	(3,992,989)
OTHER FINANCING SOURCES (USES)						
Capital Lease Issuance	-	-	-	-	-	-
Transfers In	1,264,282	-	-	-	3,704,889	-
Transfers Out	(7,645,476)	-	-	(1,334,908)	-	-
Total Other Financing Sources (Uses)	<u>(6,381,194)</u>	<u>-</u>	<u>-</u>	<u>(1,334,908)</u>	<u>3,704,889</u>	<u>-</u>
CHANGE IN FUND BALANCES	8,901,390	86,651	456,152	4,132	435	(3,992,989)
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>24,008,591</u>	<u>317,405</u>	<u>1,297,947</u>	<u>-</u>	<u>1,208,580</u>	<u>23,213,144</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 32,909,981</u>	<u>\$ 404,056</u>	<u>\$ 1,754,099</u>	<u>\$ 4,132</u>	<u>1,209,015</u>	<u>\$ 19,220,155</u>

See accompanying Notes to Basic Financial Statements.

CITY OF NORWALK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Economic Development Capital Projects Fund	Housing Successor Fund Capital Projects Fund	Other Federal Grants Capital Projects Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 54,543,010
Licenses and Permits	-	-	-	-	1,544,374
Fines, Forfeitures, and Penalties	-	-	-	-	1,011,394
Use of Money and Property	40,881	51,051	-	227,368	835,993
Intergovernmental	-	-	124,511	20,620,888	35,599,756
Charges for Services	-	-	-	203,396	1,157,474
Rental Income	-	-	-	-	731,215
Other	-	-	-	256,570	1,849,261
Total Revenues	<u>40,881</u>	<u>51,051</u>	<u>124,511</u>	<u>21,308,222</u>	<u>97,272,477</u>
EXPENDITURES					
Current:					
General Government	-	-	-	492,767	10,164,369
Public Safety	-	-	-	227,457	18,958,674
Urban Development	-	94,667	-	-	4,695,872
Public Works	-	-	-	1,518,584	12,720,090
Culture and Leisure	-	-	-	44,213	2,803,381
Health and Welfare	-	-	-	8,856,118	19,255,228
Capital Outlay and Improvement	175,538	296,503	1,578,264	3,845,331	11,117,959
Debt Service:					
Principal Retirement	-	-	-	74,781	2,396,023
Interest and Fiscal Charges	-	-	-	10,197	1,383,652
Total Expenditures	<u>175,538</u>	<u>391,170</u>	<u>1,578,264</u>	<u>15,069,448</u>	<u>83,495,248</u>
Excess (Deficiency) of Revenues Over Expenditures	(134,657)	(340,119)	(1,453,753)	6,238,774	13,777,229
OTHER FINANCING SOURCES (USES)					
Capital Lease Issuance	-	-	-	1,125,558	1,125,558
Transfers In	-	146,974	-	5,958,306	11,074,451
Transfers Out	-	-	-	(4,238,864)	(13,219,248)
Total Other Financing Sources (Uses)	<u>-</u>	<u>146,974</u>	<u>-</u>	<u>2,845,000</u>	<u>(1,019,239)</u>
CHANGE IN FUND BALANCES	(134,657)	(193,145)	(1,453,753)	9,083,774	12,757,990
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>11,450,170</u>	<u>12,453,140</u>	<u>(114,703)</u>	<u>23,482,677</u>	<u>97,316,951</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 11,315,513</u>	<u>\$ 12,259,995</u>	<u>\$ (1,568,456)</u>	<u>\$ 32,566,451</u>	<u>\$ 110,074,941</u>

See accompanying Notes to Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF NORWALK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 12,757,990

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Depreciation Expense	\$ (9,362,421)	
Capital Outlay	<u>8,770,361</u>	(592,060)

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.

3,213,344

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.

Capital Lease Issuances	(1,125,558)	
Principal Bond Repayments	2,095,000	
Lease Payable Repayments	226,242	
Capital Lease Payable Repayments	74,781	
Net Change in Compensated Absences	<u>274,122</u>	1,544,587

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.

Change in Accrued Interest on Long-Term Debt	(2,448)	
Amortization of Bond Premium	316,855	
Amortization of Loss on Bond Refunding	<u>(13,839)</u>	300,568

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.

3,145

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

(99,783)

Change in Net Position of Governmental Activities

\$ 17,127,791

CITY OF NORWALK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Transit System Fund	Water Fund	Sewer Fund		Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 5,709,934	\$ 7,437,561	\$ 9,186,353	\$ 22,333,848	\$ 245,483
Cash and Investments with Fiscal Agents	-	3	-	3	-
Accounts Receivable	16,668	1,140,425	3,112	1,160,205	-
Inventory	127,319	-	-	127,319	133,682
Prepaid Items	-	-	-	-	5,658
Due from Other Governments	3,955,269	-	52,831	4,008,100	-
Total Current Assets	<u>9,809,190</u>	<u>8,577,989</u>	<u>9,242,296</u>	<u>27,629,475</u>	<u>384,823</u>
Capital Assets:					
Not Being Depreciated	-	9,488,717	268,956	9,757,673	-
Being Depreciated, Net of Accumulated Depreciation	20,635,553	13,145,477	17,406,036	51,187,066	-
Total Capital Assets	<u>20,635,553</u>	<u>22,634,194</u>	<u>17,674,992</u>	<u>60,944,739</u>	<u>-</u>
Total Assets	30,444,743	31,212,183	26,917,288	88,574,214	384,823
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts from OPEB Plans	1,224,367	88,376	21,111	1,333,854	-
Deferred Amounts from Pension Plans	1,821,837	237,631	79,211	2,138,679	-
Total Deferred Outflows of Resources	<u>3,046,204</u>	<u>326,007</u>	<u>100,322</u>	<u>3,472,533</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,982,402	608,856	18,914	3,610,172	71,916
Accrued Expenses	393,368	58,579	20,104	472,051	123,549
Interest Payable	-	38,477	-	38,477	-
Deposits Payable	-	170,067	-	170,067	-
Other Liabilities	-	37,181	-	37,181	-
Advances from Other Funds	-	135,593	-	135,593	-
Unearned Revenue	688,984	-	-	688,984	-
Compensated Absences Payable, Current Portion	95,862	14,951	883	111,696	12,169
Bonds Payable, Current Portion	-	230,000	-	230,000	-
Leases Payable, Current Portion	-	6,273	-	6,273	-
Total Current Liabilities	<u>4,160,616</u>	<u>1,299,977</u>	<u>39,901</u>	<u>5,500,494</u>	<u>207,634</u>
Noncurrent Liabilities:					
Advances from Other Funds	-	2,022,653	-	2,022,653	-
Bonds Payable	-	7,874,948	-	7,874,948	-
Leases Payable	-	31,467	-	31,467	-
Compensated Absences Payable, Long-Term Portion	324,803	121,469	38,905	485,177	177,189
Net Other Post-Employment Benefits (OPEB) Liability	7,644,578	1,021,693	255,423	8,921,694	-
Net Pension Liability	13,387,734	1,746,226	582,076	15,716,036	-
Total Noncurrent Liabilities	<u>21,357,115</u>	<u>12,818,456</u>	<u>876,404</u>	<u>35,051,975</u>	<u>177,189</u>
Total Liabilities	25,517,731	14,118,433	916,305	40,552,469	384,823
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts from OPEB Plans	1,864,430	29,383	7,346	1,901,159	-
Deferred Amounts from Pension Plans	24,628	3,212	1,071	28,911	-
Total Deferred Inflows of Resources	<u>1,889,058</u>	<u>32,595</u>	<u>8,417</u>	<u>1,930,070</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	20,635,553	14,206,273	17,674,992	52,516,818	-
Unrestricted	(14,551,395)	3,180,889	8,417,896	(2,952,610)	-
Total Net Position	<u>\$ 6,084,158</u>	<u>\$ 17,387,162</u>	<u>\$ 26,092,888</u>	<u>\$ 49,564,208</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

CITY OF NORWALK
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Transit System Fund	Water Fund	Sewer Fund		Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 21,467	\$ 6,141,485	\$ 2,625,416	\$ 8,788,368	\$ 18,300,498
Total Operating Revenues	<u>21,467</u>	<u>6,141,485</u>	<u>2,625,416</u>	<u>8,788,368</u>	<u>18,300,498</u>
OPERATING EXPENSES					
Administrative	741,215	557,190	96,510	1,394,915	29,111
Utilities	170,715	171,546	10,078	352,339	39,284
Salaries and Benefits	11,416,061	948,473	343,481	12,708,015	17,640,103
Contractual Services	1,139,566	899,339	46,314	2,085,219	-
Cost of Water	-	1,268,692	-	1,268,692	-
Maintenance and Repairs	711,831	41,263	-	753,094	592,000
Supplies and Materials	145,888	100,475	498,954	745,317	-
Insurance	664,637	-	-	664,637	-
Depreciation	2,037,691	670,620	854,122	3,562,433	-
Total Operating Expenses	<u>17,027,604</u>	<u>4,657,598</u>	<u>1,849,459</u>	<u>23,534,661</u>	<u>18,300,498</u>
OPERATING INCOME (LOSS)	(17,006,137)	1,483,887	775,957	(14,746,293)	-
NONOPERATING REVENUES (EXPENSES)					
Proposition "A" Taxes	2,157,062	-	-	2,157,062	-
Proposition "C" Taxes	866,148	-	-	866,148	-
Federal, State, and Local Grants	8,728,244	-	-	8,728,244	-
Investment Income	47,801	54,003	65,716	167,520	-
Interest Expense	-	(421,582)	-	(421,582)	-
Loss on Disposition of Capital Assets	(190,526)	-	-	(190,526)	-
Other	212,907	-	-	212,907	-
Total Nonoperating Revenues (Expenses)	<u>11,821,636</u>	<u>(367,579)</u>	<u>65,716</u>	<u>11,519,773</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,184,501)	1,116,308	841,673	(3,226,520)	-
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	3,217,655	-	-	3,217,655	-
Transfers In	2,144,797	-	-	2,144,797	-
Total Capital Contributions and Transfers	<u>5,362,452</u>	<u>-</u>	<u>-</u>	<u>5,362,452</u>	<u>-</u>
CHANGE IN NET POSITION	177,951	1,116,308	841,673	2,135,932	-
Net Position - Beginning of Year, as Restated	<u>5,906,207</u>	<u>16,270,854</u>	<u>25,251,215</u>	<u>47,428,276</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 6,084,158</u>	<u>\$ 17,387,162</u>	<u>\$ 26,092,888</u>	<u>\$ 49,564,208</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Transit System Fund	Water Fund	Sewer Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Tenants, Customers, and Users	\$ 27,859	\$ 6,034,321	\$ 2,614,935	\$ 8,677,115	\$ 18,300,498
Payments to Suppliers	(740,833)	(2,799,030)	(1,036,290)	(4,576,153)	(15,980,672)
Payments to Employees	(10,671,551)	(919,259)	(133,808)	(11,724,618)	(2,556,491)
Net Cash Provided (Used) by Operating Activities	(11,384,525)	2,316,032	1,444,837	(7,623,656)	(236,665)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases and Construction of Capital Assets	(3,571,897)	(497,077)	(404,120)	(4,473,094)	-
Capital Contributions Received	3,217,655	-	-	3,217,655	-
Cash Received from Other Funds	299,341	-	-	299,341	-
Payment of Bonds Payable	-	(220,000)	-	(220,000)	-
Payment of Capital Lease	-	(983)	-	(983)	-
Interest Paid	-	(433,182)	-	(433,182)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(54,901)	(1,151,242)	(404,120)	(1,610,263)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash Contributions from Other Governments	10,157,881	-	-	10,157,881	-
Miscellaneous Income Received	212,907	-	-	212,907	-
Cash Received from Other Funds	1,845,456	-	-	1,845,456	-
Cash Paid to Other Funds	-	(129,136)	-	(129,136)	-
Net Cash Provided (Used) by Noncapital Financing Activities	12,216,244	(129,136)	-	12,087,108	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	47,801	54,003	65,716	167,520	-
Net Cash Provided by Investing Activities	47,801	54,003	65,716	167,520	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	824,619	1,089,657	1,106,433	3,020,709	(236,665)
Cash and Cash Equivalents - Beginning of Year	4,885,315	6,347,907	8,079,920	19,313,142	482,148
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,709,934</u>	<u>\$ 7,437,564</u>	<u>\$ 9,186,353</u>	<u>\$ 22,333,851</u>	<u>\$ 245,483</u>

See accompanying Notes to Basic Financial Statements.

CITY OF NORWALK
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Transit System Fund	Water Fund	Sewer Fund		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (17,006,137)	\$ 1,483,887	\$ 775,957	\$ (14,746,293)	\$ -
Depreciation	2,037,691	670,620	854,122	3,562,433	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	6,392	(119,766)	(2,954)	(116,328)	-
(Increase) Decrease in Inventory	11,736	-	-	11,736	(48,590)
(Increase) Decrease in Prepaid Items	-	11,958	-	11,958	5,328
(Increase) Decrease in Due from Other Governments	-	-	(7,527)	(7,527)	-
(Increase) Decrease in Deferred Outflows of Resources from OPEB Plans	(61,316)	(13,907)	(4,121)	(79,344)	-
(Increase) Decrease in Deferred Outflows of Resources from Pension Plans	(315,402)	(22,426)	(7,476)	(345,304)	-
Increase (Decrease) in Accounts Payable	2,784,040	141,340	(197,272)	2,728,108	(216,862)
Increase (Decrease) in Accrued Expenses	37,243	24,725	4,093	66,061	10,864
Increase (Decrease) in Deposits Payable	-	12,602	-	12,602	-
Increase (Decrease) in Other Liabilities	-	9,869	-	9,869	-
Increase (Decrease) in Compensated Absences Payable	11,881	23,671	(100)	35,452	12,595
Increase (Decrease) in Net OPEB Liability	(910,434)	62,651	15,662	(832,121)	-
Increase (Decrease) in Net Pension Liability	1,861,246	99,585	33,195	1,994,026	-
Increase (Decrease) in Deferred Inflows of Resources from OPEB Plans	386,365	(35,924)	(7,791)	342,650	-
Increase (Decrease) in Deferred Inflows of Resources from Pension Plans	(227,830)	(32,853)	(10,951)	(271,634)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (11,384,525)</u>	<u>\$ 2,316,032</u>	<u>\$ 1,444,837</u>	<u>\$ (7,623,656)</u>	<u>\$ (236,665)</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES					
Amortization Related to Long-Term Debt	<u>\$ -</u>	<u>\$ 10,225</u>	<u>\$ -</u>	<u>\$ 10,225</u>	<u>\$ -</u>
Loss on Disposition of Capital Assets	<u>\$ 190,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,526</u>	<u>\$ -</u>
Capital Assets Purchased Through Capital Lease	<u>\$ -</u>	<u>\$ 38,723</u>	<u>\$ -</u>	<u>\$ 38,723</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 4,908,137
Cash and Investments with Fiscal Agents	4,497,065
Interest Receivable	1,898
Total Current Assets	<u>9,407,100</u>
Noncurrent Assets:	
Capital Assets - Being Depreciated, Net of Accumulated Depreciation	<u>833,570</u>
Total Noncurrent Assets	<u>833,570</u>
Total Assets	<u>10,240,670</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized Loss on Bond Refunding	<u>97,623</u>
Total Deferred Outflows of Resources	97,623
LIABILITIES	
Current Liabilities:	
Interest Payable	568,069
Due to City of Norwalk	61,116
Unearned Revenue	<u>54,938</u>
Total Current Liabilities	684,123
Long-Term Liabilities:	
Due Within One Year	1,970,000
Due in More Than One Year	89,958,267
Advances from City of Norwalk - Due in More than One Year	<u>6,880,543</u>
Total Noncurrent Liabilities	<u>98,808,810</u>
Total Liabilities	99,492,933
NET POSITION	
Net Position Restricted for Private Purpose	<u>(89,154,640)</u>
Total Net Position	<u><u>\$ (89,154,640)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF NORWALK
STATEMENT CHANGES IN OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Tax Increment	\$ 16,325,654
Use of Money and Property	(5,878)
Rental Income	659,250
Total Additions	16,979,026
DEDUCTIONS	
General Government	12,261,417
Urban Development	706,298
Debt Service:	
Interest and Fiscal Charges	2,450,374
Total Deductions	15,418,089
CHANGE IN NET POSITION	1,560,937
Net Position - Beginning of Year	(90,715,577)
NET POSITION - END OF YEAR	\$ (89,154,640)

See accompanying Notes to Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of Reporting Entity (Continued)

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.

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

GASB 84

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 City adopted this standard in the current fiscal year. Implementation of GASB 84 resulted in the following: (1) removal of the previously reported OPEB trust that no longer qualifies as a fiduciary fund of the City (2) reclassification of the previously reported agency fund, which no longer qualifies as a fiduciary fund, to the City's General Fund, and (3) a restatement of beginning net position and fund balance of the governmental activities and general fund, respectively, see Note 18.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt and acquisitions of capital leases are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the City are reported as a reduction of the related liability, rather than as an expenditure. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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 fund, 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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

The City reports the following major governmental funds:

- **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.
- **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.
- **American Rescue Plan Act (ARPA) Special Revenue Fund** – accounts for the ARPA funds provided by the federal government to cover revenue shortfalls and COVID-19 related costs.
- **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.
- **Debt Service Fund** – accounts for the accumulation of resources for, and the payment of, the City's general long-term debt principal and interest.
- **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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- **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.
- **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.
- **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:

- **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.
- **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.
- **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

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

- **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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Fund

- **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. The Private-Purpose Trust Fund reports a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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 and fiduciary funds.

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.

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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2021, are due and payable in two installments on November 1, 2020 and February 1, 2021 and became delinquent on December 10, 2020 and April 10, 2021, respectively. A tax lien is attached to the property on January 1, 2021. 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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2021.

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 under the consumption method.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period 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:

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows and Inflows of Resources (Continued)

- 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 deferred outflows related to OPEB for 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/retirement health care through the plans.
- Deferred outflows related to pensions and OPEB resulting from the net differences between 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.

In addition to liabilities, the statement of net position and governmental funds balance sheet will 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 three sources: grants, charges for services, and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows from OPEB resulting from differences between actual and expected experiences and changes in assumptions and deferred inflows from pension resulting from 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 pension/retirement health care through the plans.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 (Distribution System)	15 – 50 Years
Sewer 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 24-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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences (Continued)

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.

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 there are no such liabilities for the current year.

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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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.

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, including capital leases, 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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances (Continued)

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.

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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2021 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	\$ 116,138,287	\$ 4,908,137	\$ 121,046,424
Restricted Assets:			
Cash and Investments with Fiscal Agents	21,554,953	4,497,065	26,052,018
Cash and Investments Held by Trust for Pension	4,759,234	-	4,759,234
Total Cash and Investments	<u>\$ 142,452,474</u>	<u>\$ 9,405,202</u>	<u>\$ 151,857,676</u>

Cash and investments at June 30, 2021 consisted of the following:

Cash on Hand	\$ 5,510
Deposits with Financial Institutions	4,985,741
Investments	146,866,425
Total Cash and Investments	<u>\$ 151,857,676</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 trust that is 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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)	\$ 60,521,710	\$ -	\$ -	\$ -	\$ -	\$ 60,521,710
CalTRUST Short Term Fund	106,616	-	-	-	-	106,616
CalTRUST Medium Term Fund	27,059,108	-	-	-	-	27,059,108
United States Government Sponsored Agency Securities:						
Federal Home Loan Bank (FHLB)	1,021,895	-	249,404	2,191,562	2,186,280	5,649,141
Federal Home Loan Mortgage Corporation (FHLMC)	-	-	999,397	496,859	994,762	2,491,018
Federal National Mortgage Association (FNMA)	1,019,641	-	450,146	-	2,230,182	3,699,969
Federal Farm Credit Bank (FFCB)	-	-	-	1,244,914	1,483,145	2,728,059
Local Securities:						
State and California	-	1,502,384	-	-	-	1,502,384
Medium-Term Notes	4,062,997	5,221,518	-	-	-	9,284,515
Negotiable Certificates of Deposits	31	495,938	1,478,161	718,726	-	2,692,856
Money Market Mutual Funds	319,797	-	-	-	-	319,797
Held in Pension Trust:						
Money Market Mutual Funds	4,759,234	-	-	-	-	4,759,234
Held by Bond Trustee:						
Money Market Mutual Funds	26,052,018	-	-	-	-	26,052,018
Total	\$ 124,923,047	\$ 7,219,840	\$ 3,177,108	4,652,061	\$ 6,894,369	\$ 146,866,425

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021	Minimum Legal Rating	Minimum			Not Rated
			AAA	AA	A	
Local Agency Investment Fund (LAIF)	\$ 60,521,710	N/A	\$ -	\$ -	\$ -	\$ 60,521,710
CalTRUST Short Term Fund	106,616	N/A	-	106,616	-	-
CalTRUST Medium Term Fund	27,059,108	N/A	-	27,059,108	-	-
United States Government Sponosred Agency Securities:						
FHLB	5,649,141	N/A	-	5,649,141	-	-
FHLMC	2,491,018	N/A	-	2,491,018	-	-
FNMA	3,699,969	N/A	-	3,699,969	-	-
FFCB	2,728,059	N/A	-	2,728,059	-	-
Local Securities:						
State and California	1,502,384	A	465,416	1,036,968	-	-
Medium-Term Notes	9,284,515	A	-	3,096,622	6,187,893	-
Negotiable Certificates of Deposits	2,692,856	A	31	1,482,437	473,586	736,802
Money Market Mutual Funds	319,797	N/A	319,797	-	-	-
Held in Pension Trust:						
Money Market Mutual Funds	4,759,234	N/A	-	-	-	4,759,234
Held by Bond Trustee:						
Money Market Mutual Funds	26,052,018	AAA	26,052,018	-	-	-
Total	<u>\$ 146,866,425</u>		<u>\$ 26,837,262</u>	<u>\$ 47,349,938</u>	<u>\$ 6,661,479</u>	<u>\$ 66,017,746</u>

N/A – Not Applicable

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, 2021, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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.

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.

United States Government Sponsored Agency Securities, Local Securities, Medium-Term Notes, and Negotiable Certificates of Deposits, classified in level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Government Sponsored Agency Securities:				
FHLB	\$ -	\$ 5,649,141	\$ -	\$ 5,649,141
FHLMC	-	2,491,018	-	2,491,018
FNMA	-	3,699,969	-	3,699,969
FFCB	-	2,728,059	-	2,728,059
Local Securities:				
State and California	-	1,502,384	-	1,502,384
Medium-Term Notes	-	9,284,515	-	9,284,515
Negotiable Certificates of Deposits	-	2,692,856	-	2,692,856
Total Leveled Investments	<u>\$ -</u>	<u>\$ 25,355,086</u>	<u>\$ -</u>	<u>28,047,942</u>
LAIF*				60,521,710
CalTRUST Short Term Fund*				106,616
CalTRUST Medium Term Fund*				27,059,108
Money Market Mutual Funds*				319,797
Held in Pension Trust:				
Money Market Mutual Funds*				4,759,234
Held by Bond Trustee:				
Money Market Mutual Funds*				26,052,018
Total Investment Portfolio				<u>\$ 146,866,425</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, 2021 is as follows:

<u>Due To (Receivable) Fund</u>	<u>Due From (Payable) Fund</u>	Amount
General Fund	Housing Authority Special Revenue Fund	\$ 252,842
	Other Federal Grants Capital Projects Fund	513,043
	Other Governmental Funds	370,862
	Total	<u>\$ 1,136,747</u>

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

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Advances

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

	Balance at July 1, 2020	Current Advances	Repayments	Balance at June 30, 2021	Due Within One Year
Water Enterprise Fund	\$ 2,287,382	\$ -	\$ (129,136)	\$ 2,158,246	\$ 135,593

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, 2021 was \$129,136.

Interfund Transfers

The composition of the City's interfund transfers for the year ended June 30, 2021 is as follows:

Transfers Out	Transfers In	Amount
General Fund	Debt Service Fund	\$ 1,610,822
	Housing Successor Fund Capital Projects Fund	146,974
	Other Governmental Funds	5,887,680
		1,264,282
ARPA Special Revenue Fund	General Fund	1,264,282
	Other Governmental Funds	70,626
Other Governmental Funds	Debt Service Fund	2,094,067
	Transit System Enterprise Fund	2,144,797
	Total	<u>\$ 13,219,248</u>

\$5,887,680 was transferred from the General Fund to Other Governmental Funds to fund the senior nutrition program, parking structure, parks replacement, NASC equipment, computer replacement, equipment replacement, building replacement, and street renovation. \$146,974 was transferred from the General Fund to the Housing Successor Capital Project Fund for administrative fees. \$1,610,822 was transferred from the General Fund to the Debt Service Fund for debt services payments.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers (Continued)

\$1,264,282 transferred from ARPA Special Revenue Fund to the General Fund to provide funding for loss of revenues eligible and calculated under ARPA guidelines. The ARPA funds helped to fund recreation, homeless, public safety and crisis communication expenditures. \$70,626 transferred from ARPA Special Revenue Fund to the Other Governmental Funds to cover shortfall of revenues and fund expenditures identified by the City as an eligible ARPA expenditure category (parking structure).

\$2,094,067 transferred from Other Governmental Funds to the Debt Service funds for debt service payments. \$2,144,797 transferred from Other Governmental Funds to the Transit Enterprise Fund 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).

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 ADVANCES TO SUCCESSOR AGENCY (CONTINUED)

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 the LAIF rate. The 4% interest would apply only if the Successor Agency opts to file a last and final ROPS. In fiscal year 2020-2021, the Successor Agency recalculated the accrued interest at the 3% simple rate required by SB 107 and recalculated the loan balance applying all historical payments to principal first. This resulted in a net restatement (reduction) of this loan of \$1,343,456 (see Note 18 for restatement details).

Principal payments of \$734,871 were made on the advance in fiscal year 2020-2021. The balance of this advance outstanding as of June 30, 2021 is \$6,880,543, which includes \$1,980,741 in principal and \$4,899,802 accrued interest (interest receivable is offset by deferred inflows of resources, unavailable revenues, in the general fund balance sheet).

NOTE 5 LOANS RECEIVABLE

Loans receivable consists of \$7,714,709 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 \$3,264,339 and offset the remaining loans of \$6,983,460 with due to other governments at June 30, 2021.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 CAPITAL ASSETS

Governmental Activities

A summary of changes in the Governmental Activities capital assets at June 30, 2021 is as follows:

	Balance at July 1, 2020	Additions	Deletions/ Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 6,964,636	\$ 192,732	\$ -	\$ 7,157,368
Construction in Progress	7,114,132	7,340,216	(2,767,584)	11,686,764
Total Capital Assets, Not Depreciated	14,078,768	7,532,948	(2,767,584)	18,844,132
Capital Assets, Being Depreciated:				
Buildings and Improvements	53,071,945	-	-	53,071,945
Machinery and Equipment	6,863,505	2,002,762	(570,716)	8,295,551
Infrastructure	281,120,842	2,002,235	-	283,123,077
Total Capital Assets, Being Depreciated	341,056,292	4,004,997	(570,716)	344,490,573
Less Accumulated Depreciation for:				
Buildings and Improvements	(27,673,290)	(1,406,571)	(29,578)	(29,109,439)
Machinery and Equipment	(4,993,990)	(331,822)	600,294	(4,725,518)
Infrastructure	(178,110,384)	(7,624,028)	-	(185,734,412)
Total Accumulated Depreciation	(210,777,664)	(9,362,421)	570,716	(219,569,369)
Total Capital Assets, Being Depreciated, Net	130,278,628	(5,357,424)	-	124,921,204
Governmental Activities Capital Assets, Net	<u>\$ 144,357,396</u>	<u>\$ 2,175,524</u>	<u>\$ (2,767,584)</u>	<u>\$ 143,765,336</u>

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

General Government	\$ 1,399,423
Public Safety	38,933
Urban Development	13,762
Public Works	7,619,719
Culture and Leisure	173,237
Health and Welfare	117,347
Total Depreciation Expense - Governmental Activities	<u>\$ 9,362,421</u>

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in the Business-type Activities capital assets at June 30, 2021 is as follows:

	Balance at July 1, 2020, as Restated	Additions	Deletions/ Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 23,125	\$ -	\$ -	\$ 23,125
Construction in Progress	2,840,932	888,629	(2,391,594)	1,337,967
Water Rights	8,396,581	-	-	8,396,581
Total Capital Assets, Not Depreciated	11,260,638	888,629	(2,391,594)	9,757,673
Capital Assets, Being Depreciated:				
Buildings and Improvements	15,206,546	-	-	15,206,546
Distribution System	19,814,467	1,087,983	-	20,902,450
Sewer Infrastructure	47,635,392	1,303,611	-	48,939,003
Office Equipment	853,739	-	-	853,739
Vehicles	18,071,058	3,146,251	(1,096,403)	20,120,906
Tools and Equipment	2,418,756	476,938	(272,949)	2,622,745
Miscellaneous	127,811	-	(5,307)	122,504
Total Capital Assets, Being Depreciated	104,127,769	6,014,783	(1,374,659)	108,767,893
Less Accumulated Depreciation for:				
Buildings and Improvements	(4,348,099)	(534,083)	-	(4,882,182)
Distribution System	(7,481,561)	(629,265)	-	(8,110,826)
Sewer Infrastructure	(30,691,580)	(851,439)	-	(31,543,019)
Office Equipment	(546,563)	(31,377)	-	(577,940)
Vehicles	(10,426,635)	(1,332,095)	928,622	(10,830,108)
Tools and Equipment	(1,548,719)	(182,969)	250,203	(1,481,485)
Miscellaneous	(159,369)	(1,205)	5,307	(155,267)
Total Accumulated Depreciation	(55,202,526)	(3,562,433)	1,184,132	(57,580,827)
Total Capital Assets, Being Depreciated, Net	48,925,243	2,452,350	(190,527)	51,187,066
Total Business-Type Activities Capital Assets, Net	<u>\$ 60,185,881</u>	<u>\$ 3,340,979</u>	<u>\$ (2,582,121)</u>	<u>\$ 60,944,739</u>

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

Transit System	\$ 2,037,691
Water	670,620
Sewer	854,122
Total Depreciation Expense - Business- Type Activities	<u>\$ 3,562,433</u>

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2021, were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Other Debt:					
2013A Lease Revenue Refunding Bonds	\$ 4,330,000	\$ -	\$ (465,000)	\$ 3,865,000	\$ 475,000
Add: Unamortized Bond Premium	103,566	-	(11,507)	92,059	
2013B Lease Revenue Refunding Bonds	4,535,000	-	(675,000)	3,860,000	705,000
Add: Unamortized Bond Premium	230,458	-	(46,092)	184,366	
2019A Sales Tax Bonds	9,875,000	-	(505,000)	9,370,000	530,000
Add: Unamortized Bond Premium	1,924,189	-	(137,442)	1,786,747	
2019B Sales Tax Bonds	8,755,000	-	(450,000)	8,305,000	470,000
Add: Unamortized Bond Premium	1,705,392	-	(121,814)	1,583,578	
Subtotal	31,458,605	-	(2,411,855)	29,046,750	2,180,000
Direct Borrowings and Placements:					
Lease Payable	3,926,804	-	(226,242)	3,700,562	236,830
Capital Leases Payable	-	1,125,558	(74,781)	1,050,777	183,810
Other Long-Term Liabilities:					
Compensated Absences	2,620,597	606,240	(867,767)	2,359,070	548,092
Total Governmental Activities	38,006,006	1,731,798	(3,580,645)	36,157,159	3,148,732
BUSINESS-TYPE ACTIVITIES					
Other Debt:					
2013A Water Revenue Bonds	8,100,000	-	(220,000)	7,880,000	230,000
Add: Unamortized Bond Premium	235,173	-	(10,225)	224,948	-
Subtotal	8,335,173	-	(230,225)	8,104,948	230,000
Direct Borrowings and Placements:					
Capital Leases Payable - Water	-	38,723	(983)	37,740	6,273
Other Long-Term Liabilities:					
Compensated Absences	561,421	163,299	(127,847)	596,873	111,696
Total Business-Type Activities	8,896,594	202,022	(359,055)	8,739,561	347,969
Total Long-Term Liabilities	\$ 46,902,600	\$ 1,933,820	\$ (3,939,700)	\$ 44,896,720	\$ 3,496,701

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, 2021, was \$2,359,070 and \$596,873 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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021, this reserve was fully funded.

The defeasance of the 1999 bonds resulted in a loss from defeasance of \$96,343. The balance of the loss from defeasance, net of accumulated amortization, is \$48,175 as of June 30, 2021.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2021. The balance outstanding on the 2013A Lease Revenue Refunding Bonds at June 30, 2021, was \$3,865,000.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	540,000	61,319	601,319
2027 - 2029	1,330,000	77,850	1,407,850
Subtotals	3,865,000	544,413	4,409,413
Add: Bond Premium	92,059	-	92,059
Totals	<u>\$ 3,957,059</u>	<u>\$ 544,413</u>	<u>\$ 4,501,472</u>

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, this reserve was fully funded.

The defeasance of the 2001 bonds resulted in loss from defeasance of \$93,810. The balance of the loss from defeasance, net of accumulated amortization, is \$31,266 as of June 30, 2021.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2021. The balance outstanding on the 2013B Lease Revenue Refunding Bonds at June 30, 2021, was \$3,860,000.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,860,000	384,000	4,244,000
Add: Bond Premium	184,366	-	184,366
Totals	<u>\$ 4,044,366</u>	<u>\$ 384,000</u>	<u>\$ 4,428,366</u>

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021.

For the fiscal year ended June 30, 2021, \$1,515,927 of Measure M revenues were pledged for debt service of \$971,750 (\$505,000 of principal and \$466,750 of interest).

The balance outstanding on the 2019A Sales Tax Bonds at June 30, 2021, was \$9,370,000.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	645,000	327,250	972,250
2027 - 2031	3,740,000	1,119,750	4,859,750
2032 - 2034	2,700,000	218,800	2,918,800
Subtotals	9,370,000	3,267,550	12,637,550
Add: Bond Premium	1,786,747	-	1,786,747
Totals	<u>\$ 11,156,747</u>	<u>\$ 3,267,550</u>	<u>\$ 14,424,297</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021.

For the fiscal year ended June 30, 2021, \$1,337,933 of Measure R revenues were pledged for debt service of \$863,850 (\$450,000 of principal and \$413,850 of interest).

The balance outstanding on the 2019B Sales Tax Bonds at June 30, 2021, was \$8,305,000.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	570,000	289,850	859,850
2027 - 2031	3,315,000	991,500	4,306,500
2032 - 2034	2,390,000	193,800	2,583,800
Subtotals	8,305,000	2,894,550	11,199,550
Add: Bond Premium	1,583,578	-	1,583,578
Totals	<u>\$ 9,888,578</u>	<u>\$ 2,894,550</u>	<u>\$ 12,783,128</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 3,333 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, 2021, \$410,576 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 \$298,065, respectively. In addition, as of June 30, 2021, \$1,777,382 was expended to upgrade lighting fixtures to low energy LED and maintenance of purchased poles. The balance outstanding on the lease payable at June 30, 2021, was \$3,700,562.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	284,375	125,641	410,016
2027 - 2031	1,634,408	415,673	2,050,081
2032 - 2033	765,859	54,173	820,032
Totals	<u>\$ 3,700,562</u>	<u>\$ 1,219,631</u>	<u>\$ 4,920,193</u>

Capital Leases Payable

During the fiscal year, the City entered into numerous capital leases for sedans and trucks that span 60 months. Lease amounts ranged from \$26,179 to \$44,131 with interest at a rate of 1.35% and monthly payments ranging from \$457 to \$853. Cost of the leased vehicles includes after-market parts for a total cost of \$1,361,027 and accumulated depreciation of \$51,043 as of June 30, 2021.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Leases Payable (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 183,810	\$ 26,309	\$ 210,119
2023	183,810	26,309	210,119
2024	183,810	26,309	210,119
2025	181,735	25,908	207,643
2026	317,612	16,169	333,781
Totals	<u>\$ 1,050,777</u>	<u>\$ 121,004</u>	<u>\$ 1,171,781</u>

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, 2021, was \$7,880,000.

The Water Revenue Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2021. 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, 2021, the City's net revenue coverage was 410%, which meets the requirements.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

2013A Water Revenue Bonds (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	280,000	258,313	538,313
2027 - 2031	1,540,000	1,155,788	2,695,788
2032 - 2036	1,830,000	868,000	2,698,000
2037 - 2041	2,220,000	477,400	2,697,400
2042 - 2043	1,020,000	61,600	1,081,600
Subtotals	7,880,000	3,981,102	11,861,102
Add: Bond Premium	224,948	-	224,948
Totals	<u>\$ 8,104,948</u>	<u>\$ 3,981,102</u>	<u>\$ 12,086,050</u>

Capital Leases Payable

During the fiscal year, the City entered into a capital leases for a vehicle in the amount of \$38,723. The lease has an interest at a rate of 1.35% and monthly payments of \$523. Cost of the leased vehicle includes after-market parts for a total cost of \$51,291 and accumulated depreciation of \$750 as of June 30, 2021. Future debt service principal and interest payments on the capital leases payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,273	\$ 913	\$ 7,186
2023	6,273	913	7,186
2024	6,273	913	7,186
2025	6,273	913	7,186
2026	12,648	837	13,485
Totals	<u>\$ 37,740</u>	<u>\$ 4,489</u>	<u>\$ 42,229</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for nonduty 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, 2020, are summarized as follows:

Hire Date	Miscellaneous		
	Prior to November 1, 2011	On or After November 1, 2011 and Prior to January 1, 2013	On or After January 1, 2013
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	12.055%	12.055%	6.550%
Payment of Unfunded Liability for All Tiers	4,010,577	Included in tier 1	Included in tier 1

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**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, 2020, the following employees were covered by the benefit terms for all Plans:

	<u>Miscellaneous</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	340
Inactive Employees Entitled to But	
Not Yet Receiving Benefits	148
Active Employees	243
Total	731

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.

Contributions for the fiscal year ended June 30, 2021, included \$4,010,577 for the UAL and \$2,098,459 for the normal cost rate resulting in a total amount paid of \$6,109,036.

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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**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, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
 Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Morality 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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**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:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
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	<u>100.00%</u>		

(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.

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 191,352,842	\$ 136,464,806	\$ 54,888,036
Changes in the Year:			
Service Cost	3,323,523	-	3,323,523
Interest on the Total Pension Liability	13,478,426	-	13,478,426
Differences Between Actual and Expected Experience	62,784	-	62,784
Contribution - Employer	-	5,609,414	(5,609,414)
Contribution - Employee	-	1,326,081	(1,326,081)
Net Investment Income	-	6,802,116	(6,802,116)
Administrative Expenses	-	(192,382)	192,382
Benefit Payments, Including Refunds of Employee Contributions	(9,135,869)	(9,135,869)	-
Net Changes	<u>7,728,864</u>	<u>4,409,360</u>	<u>3,319,504</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 199,081,706</u>	<u>\$ 140,874,166</u>	<u>\$ 58,207,540</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**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:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 84,606,647
Current Discount Rate	7.15%
Net Pension Liability	\$ 58,207,540
1% Increase	8.15%
Net Pension Liability	\$ 36,420,638

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, 2021, the City recognized pension expense of \$7,587,471. For the measurement period ended June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 6,109,036	\$ -
Differences Between Actual and Expected Experience	716,028	-
Change in Assumptions	-	(107,077)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,095,962	-
Total	<u>\$ 7,921,026</u>	<u>\$ (107,077)</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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

\$6,109,036 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (70,205)
2023	497,145
2024	707,044
2025	570,929
2026	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

F. Other

The General Fund includes \$4,759,234 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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$4,227,084 and employee contributions made during the fiscal year ended June 30, 2021, were \$317,033. 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, 2021, 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 \$106,672 with 25 participants was remitted to Empower Retirement, formerly Mass Mutual, with a total ending investment balance of \$2,618,426. On the other hand, employee contributions to deferred compensation plan 457 are voluntary. During the year, there were 165 participants. Contributions totaled \$746,983. Total plan assets at June 30, 2021, were \$21,643,626. Empower Retirement 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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City has an agent multiple-employer other postemployment benefit plan that provides postemployment 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 plan itself does not issue a separate financial report.

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 2020	\$1,600 per Month	PERSCare Family Rate \$2,421
Calendar Year 2021	\$1,600 per Month	PERSCare Family Rate \$2,694

The PERSCare amounts listed above are the highest available family plan offered by PERS. Employees pay the difference between the benefit they receive and the monthly premium.

Employees Covered

As of fiscal year ended June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	292
Active Employees	245
Total	537

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

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, 2021, the City contributed \$1,610,600 to the PARS OPEB Trust, and paid \$1,804,173 for current premiums, and the estimated implied subsidy was \$393,434, resulting in total payments of \$3,808,207. 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.

Fiduciary Net Position with PARS 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.

The PARS OPEB Trust (Trust) contains assets of 167 member agencies as of June 30, 2020. The Trust invests in various investment securities including U.S. Treasury Obligations, U.S. Government Agency Issues, Corporate Debt Issues, Foreign Debt Issues, Municipal Debt Issues, Money Market Mutual Funds, Equity Mutual Funds, Fixed Income Mutual Funds, Domestic Common Stocks, and Foreign Stocks.

Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Trust manages exposure to interest rate risk 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 over time as necessary to provide the cash flows and liquidity needed for operations. Investments in the Trust mature as of June 30, 2020, as follows: 1% in one year or less, 5% in two to five years, 8% in five to ten years, 9% in more than 10 years.

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. The Trust investments are rated by Standard and Poor's or Moody's as of June 30, 2020, as follows: 3% are rated AAA; 1% are AA+, AA, or AA-; 4% are A+, A, A-; 5% are BBB+, BBB, or BBB-; 5% are exempt from ratings, and 82% are not rated.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

Fiduciary Net Position with PARS Trust (Continued)

Concentration of credit risk is the heightened risk of potential loss when investments are concentrated in one issuer. At June 30, 2020, the Trust had no investments concentrated in one issuer (other than mutual funds, U.S. Treasury obligations, and corporate debt securities) that exceeded 5% of the Trust's investments.

All of the Trust's cash deposits as of June 30, 2020, of \$55,301,635, which includes the balances of all 167 member agencies, are federally insured for up to \$250,000 by the Federal Deposit Insurance Corporation. Deposits in excess of the federally insured amount are subject to custodial credit risk, which is the risk that, in the event of the failure of a depository financial institution, the Trust will not be able to recover its deposits.

Accounting for the Plan

The other postemployment 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, 2020 using an actuarial valuation as of June 30, 2020.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value
Actuarial Assumptions:	
Discount Rate	6.21%
Long-Term Expected Rate of Return on Investments	6.21%
Inflation	1.75%
Salary Increases	2018 CalPERS Merit Salary Increases
Healthcare Trend Rates	6.50% trending down to 4.04% over 57 years
Mortality, Disability, Termination, Retirement	CalPERS experience study revised May 14, 2018

The long-term expected rate of return on OPEB plan investments of 6.21% 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:

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Bonds	6.75%	3.30%
Intermediate Term Bonds	27.00%	4.10%
High Yield	1.25%	6.90%
Cash	5.00%	2.40%
Total	<u>100.00%</u>	
Long-Term Expected Rate of Return		6.71%
Expected Volatility		9.55%
Long-Term Expected Rate of Return, Net of Fees		6.21%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.21%. 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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT 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, 2020 (Measurement Date)	\$ 41,278,418	\$ 8,747,362	\$ 32,531,056
Changes in the Year:			
Service Cost	1,365,581	-	1,365,581
Interest on the Total OPEB Liability	2,792,494	-	2,792,494
Changes of Benefit Terms	553,607	-	553,607
Differences Between Actual and Expected Experience	(631,994)	-	(631,994)
Changes in Assumptions	451,302	-	451,302
Contributions - Employer	-	3,294,199	(3,294,199)
Contributions - Employer Implicit Subsidy		370,572	(370,572)
Net Investment Income	-	254,002	(254,002)
Benefit Payments	(1,683,599)	(1,683,599)	-
Implicit Subsidy Credit	(370,572)	(370,572)	-
Administrative Expenses	-	(43,618)	43,618
Net Changes	<u>2,476,819</u>	<u>1,820,984</u>	<u>655,835</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 43,755,237</u>	<u>\$ 10,568,346</u>	<u>\$ 33,186,891</u>

Change of Assumptions

From measurement date June 30, 2019, to June 30, 2020, there were the following changes of assumptions: (1) the discount rate was decreased from 6.71% to 6.21%; (2) the health care trend rates increased from 6.00% trending down to 3.84% over 55 years to 6.50% trending down to 4.04% over 57 years, (3) the ACA excise tax assumption was removed, and (4) CalPERS salary merit scale updated from 2015 to 2018.

Change of Benefit Terms

The City pays for 100% of medical benefit premiums up to the cap, which was \$900 per month for 2017, \$1,200 per month for 2018 and \$1,600 per month for 2019 and later. PERSCare Family Rate, the highest available family plan offered by PERS, was \$2,421 in 2020 and \$2,694 in 2021.

Subsequent Events

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

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Total OPEB Liability (Continued)

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 (5.21%)	Discount Rate (6.21%)	1% Increase (7.21%)
Net OPEB Liability	\$ 38,519,383	\$ 33,186,891	\$ 28,718,093

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:

	5.50% Decreasing to 3.04%	6.50% Decreasing to 4.04%	7.50% Decreasing to 5.04%
Net OPEB Liability	\$ 28,108,431	\$ 33,186,891	\$ 39,371,408

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$3,236,306. At June 30, 2021, 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	\$ 3,808,238	\$ -
Differences Between Actual and Expected Experience	-	(1,406,594)
Changes in Assumptions	678,164	(1,192,429)
Net Differences Between Projected and Actual Earnings	184,980	-
Total	<u>\$ 4,671,382</u>	<u>\$ (2,599,023)</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
(Continued)**

\$3,808,238 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2022	\$ (879,473)
2023	(834,917)
2024	(72,040)
2025	60,778
2026	(10,227)
Thereafter	-

E. Payable to the OPEB Plan

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 FUND BALANCES AND NET POSITION CLASSIFICATION

Fund balances at June 30, 2021, consisted of the following:

	General Fund	Special Revenue Funds			Debt Service Fund
		Housing and Community Development	Housing Authority	ARPA	
NONSPENDABLE					
Advances to Successor Agency	\$ 1,980,741	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	2,158,246	-	-	-	-
Inventory of Material and Supplies	6,708	-	-	-	-
Prepaid Items	21,228	-	-	-	-
Total Nonspendable	4,166,923	-	-	-	-
RESTRICTED					
Pension	4,759,234	-	-	-	-
Public Safety	-	-	-	-	-
Urban Development	-	404,056	1,754,099	-	-
Public Works	-	-	-	-	-
Public Art	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Debt Service	-	-	-	-	1,209,015
Total Restricted	4,759,234	404,056	1,754,099	-	1,209,015
COMMITTED					
Equipment Replacement	-	-	-	-	-
Building Renovation	-	-	-	-	-
Street Renovation	-	-	-	-	-
Total Committed	-	-	-	-	-
ASSIGNED					
Capital Projects	800,005	-	-	-	-
UNASSIGNED					
	23,183,819	-	-	4,132	-
Total Fund Balances	\$ 32,909,981	\$ 404,056	\$ 1,754,099	\$ 4,132	\$ 1,209,015

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 FUND BALANCES AND NET POSITION CLASSIFICATION (CONTINUED)

Fund balances at June 30, 2021, consisted of the following (continued):

	Capital Projects Funds				Other Governmental Funds	Total Governmental Funds
	Special Projects	Housing Successor	Economic Development	Other Federal Grants		
NONSPENDABLE						
Advances to Successor Agency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,980,741
Advances to Other Funds	-	-	-	-	-	2,158,246
Inventory of Material and Supplies	-	-	-	-	-	6,708
Prepaid Items	-	-	-	-	5,658	26,886
Total Nonspendable	-	-	-	-	5,658	4,172,581
RESTRICTED						
Pension	-	-	-	-	-	4,759,234
Public Safety	-	-	-	-	364,857	364,857
Urban Development	-	11,315,513	12,259,995	-	-	25,733,663
Public Works	20,345,935	-	-	-	23,127,528	43,473,463
Public Art	-	-	-	-	414,407	414,407
Culture and Leisure	-	-	-	-	415,289	415,289
Health and Welfare	-	-	-	-	153,254	153,254
Debt Service	-	-	-	-	-	1,209,015
Total Restricted	20,345,935	11,315,513	12,259,995	-	24,475,335	76,523,182
COMMITTED						
Equipment Replacement	-	-	-	-	4,360,784	4,360,784
Building Renovation	-	-	-	-	1,577,196	1,577,196
Street Renovation	-	-	-	-	3,072,544	3,072,544
Total Committed	-	-	-	-	9,010,524	9,010,524
ASSIGNED						
Capital Projects	-	-	-	-	-	800,005
UNASSIGNED						
	(1,125,780)	-	-	(1,568,456)	(925,066)	19,568,649
Total Fund Balances	<u>\$ 19,220,155</u>	<u>\$ 11,315,513</u>	<u>\$ 12,259,995</u>	<u>\$ (1,568,456)</u>	<u>\$ 32,566,451</u>	<u>\$ 110,074,941</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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	\$ (1,568,456)
Other Governmental Funds:	
Child Development Program Special Revenue Fund	(525,178)
Special Grants Special Revenue Fund	(138,122)
Proposition "C" I-5 Mitigation Capital Projects Fund	<u>(232,634)</u>
Total	<u><u>\$ (2,464,390)</u></u>

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

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Major Fund:			
General Fund			
Public Works	\$ 10,931,437	\$ 10,964,894	\$ (33,457)
Housing and Community Development			
Special Revenue Fund:			
Capital Outlay and Improvement	1,995	6,126	(4,131)
Housing Authority			
Special Revenue Fund:			
Health and Welfare	8,212,541	8,518,339	(305,798)
Debt Service Fund:			
General Government	5,600	10,230	(4,630)
Other Governmental Funds:			
Child Development Program:			
Special Revenue Fund:			
Health and Welfare	6,645,769	7,413,463	(767,694)
Proposition "C"			
Special Revenue Fund:			
General Government	98,306	100,367	(2,061)
Public Safety	-	7,748	(7,748)
Special Grants			
Special Revenue Fund:			
Health and Welfare	198,040	254,891	(56,851)
Computer Replacement			
Capital Projects Fund:			
General Government	100,491	110,232	(9,741)
Vehicle and Equipment Replacement			
Capital Projects Fund:			
Capital Outlay and Improvement	691,761	701,713	(9,952)

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$50 million per occurrence. The coverage structure 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>.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 INSURANCE POLICIES (CONTINUED)

Primary Workers' Compensation Program

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

For 2020-2021, 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.

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. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City 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 \$116,836,141. There is a \$10,000 deductible per occurrence except for nonemergency 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 \$39,902,099. 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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 INSURANCE POLICIES (CONTINUED)

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-2021.

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.

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, 2021, 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:

<u>Year Ended June 30,</u>	<u>Claims Payable July 1</u>	<u>Fiscal Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Claims Payable June 30,</u>
2019	\$ -	\$ 137,802	\$ (137,802)	\$ -
2020	-	714,355	(714,355)	-
2021	-	286,940	(286,940)	-

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 16 JOINT POWERS AGREEMENTS (CONTINUED)

I-5 Consortium Joint Powers Authority

The City of Norwalk is one of six cities that formed the 1-5 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 1-5 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, 2021, 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, 2020	Additions	Deletions/ Transfers	Balance at June 30, 2021
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 1,010,388	\$ -	\$ -	\$ 1,010,388
Less Accumulated Depreciation for:				
Buildings and Improvements	(151,558)	(25,260)	-	(176,818)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Successor Agency Capital Assets, Net	<u>\$ 858,830</u>	<u>\$ (25,260)</u>	<u>\$ -</u>	<u>\$ 833,570</u>

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Disclosure of Successor Agency Debts

Details of the Successor Agency's long-term debt for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
OTHER DEBT					
Tax Allocation Refunding Bonds:					
2005 Series A	\$ 23,880,000	\$ -	\$ (1,035,000)	\$ 22,845,000	\$ 1,080,000
Add: Bond Premium	244,673	-	(16,045)	228,628	-
2005 Series B (Taxable)	21,110,000	-	(845,000)	20,265,000	890,000
Less: Bond Discount	(180,463)	-	11,833	(168,630)	-
Subtotals	<u>45,054,210</u>	<u>-</u>	<u>(1,884,212)</u>	<u>43,169,998</u>	<u>1,970,000</u>
DIRECT BORROWINGS AND PLACEMENTS					
County Deferred Loans:					
Project Area No. 1	30,691,666	-	-	30,691,666	-
Project Area No. 2	16,884,676	1,181,927	-	18,066,603	-
Total Other Debt and County Deferred Loans	<u>92,630,552</u>	<u>1,181,927</u>	<u>(1,884,212)</u>	<u>91,928,267</u>	<u>1,970,000</u>
DIRECT BORROWINGS AND PLACEMENTS					
Advances from the City of Norwalk:					
Metro Center Parcels	7,462,894	152,519	(734,870)	6,880,543	-
Total Long-Term Liabilities	<u>\$ 100,093,446</u>	<u>\$ 1,334,446</u>	<u>\$ (2,619,082)</u>	<u>\$ 98,808,810</u>	<u>\$ 1,970,000</u>

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 \$97,623 as of June 30, 2021.

The Tax Allocation Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2021. The balance outstanding on the Tax Allocation Refunding Bonds, 2005 Series A at June 30, 2021, was \$22,845,000.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,285,000	876,966	2,161,966
2027 - 2031	7,445,000	3,342,375	10,787,375
2032 - 2036	9,500,000	1,233,714	10,733,714
Subtotals	22,845,000	9,505,952	32,350,952
Add: Bond Premium	228,628	-	228,628
Totals	<u>\$ 23,073,628</u>	<u>\$ 9,505,952</u>	<u>\$ 32,579,580</u>

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, 2021, was \$20,265,000.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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) (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	890,000	1,133,969	2,023,969
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	1,110,000	909,531	2,019,531
2027 - 2031	6,575,000	3,488,094	10,063,094
2032 - 2036	8,700,000	1,306,688	10,006,688
Subtotals	20,265,000	9,918,719	30,183,719
Less: Bond Discount	(168,630)	-	(168,630)
Totals	<u>\$ 20,096,370</u>	<u>\$ 9,918,719</u>	<u>\$ 30,015,089</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, 2021, this reserve was fully funded.

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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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. 1 (Continued)

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, 2021, the deferred loan balance payable to the County of Los Angeles for Project Area No. 1 was \$30,691,666.

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, 2021, the deferred loan balance payable to the County of Los Angeles for Project Area No. 2 was \$18,066,603.

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.

CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Disclosure of Successor Agency Debts (Continued)

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, 2021 is \$6,880,543.

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).

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 the LAIF rate. The 4% interest would apply only if the Successor Agency opts to file a last and final ROPS. In fiscal year 2020-2021, the Successor Agency recalculated the accrued interest at the 3% simple rate required by SB 107 and recalculated the loan balance applying all historical payments to principal first. This resulted in a net restatement (reduction) of this loan of \$1,343,456 (see Note 18 for restatement details).

Principal payments of \$734,871 were made on the advance in fiscal year 2020-2021.

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.

**CITY OF NORWALK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Successor Agency Commitments (Continued)

Costco Wholesale Corporation (Continued)

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 2020-2021, the Agency did not receive any such payments from the sub-tenant.

NOTE 18 RESTATEMENT

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net position at July 1, 2020, as originally reported	\$ 151,201,198	\$ 47,744,928	\$ 198,946,126
Implementation of GASB Statement No. 84, <i>Fiduciary Activities</i> , donations that are not liabilities, but are assigned fund balance	362,361	-	362,361
Restate loan between General Fund and Successor Agency due to recalculation of interest under SB 107	(1,343,456)	-	(1,343,456)
Record depreciation on assets in place and in use in the prior year	-	(316,652)	(316,652)
Net position at July 1, 2020, as restated	<u>\$ 150,220,103</u>	<u>\$ 47,428,276</u>	<u>\$ 197,648,379</u>

	<u>Water Enterprise Fund</u>
Net position at July 1, 2020, as originally reported	\$ 16,587,506
Record depreciation on assets in place and in use in the prior year	(316,652)
Net position at July 1, 2020, as restated	<u>\$ 16,270,854</u>

	<u>General Fund</u>
Fund balance at July 1, 2020, as originally reported	\$ 24,989,686
Implementation of GASB Statement No. 84, <i>Fiduciary Activities</i> , donations that are not liabilities, but are assigned fund balance	362,361
Restate loan between General Fund and Successor Agency due to recalculation of interest under SB 107	(1,343,456)
Fund balance at July 1, 2020, as restated	<u>\$ 24,008,591</u>

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF NORWALK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS *

Fiscal Year Ended	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2020	June 30, 2019
Total Pension Liability:		
Service Cost	\$ 3,323,523	\$ 3,372,786
Interest on Total Pension Liability	13,478,426	12,937,506
Differences Between Expected and Actual Experience	62,784	1,785,120
Changes in Assumptions	-	-
Changes in Benefits	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,135,869)	(8,430,409)
Net Change in Total Pension Liability	7,728,864	9,665,003
Total Pension Liability - Beginning of Year	191,352,842	181,687,839
Total Pension Liability - End of Year (a)	<u>\$ 199,081,706</u>	<u>\$ 191,352,842</u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 5,609,414	\$ 4,886,155
Contributions - Employee	1,326,081	1,400,192
Net Investment Income	6,802,116	8,540,962
Benefit Payments	(9,135,869)	(8,430,409)
Administrative Expense	(192,382)	(92,885)
Miscellaneous Expense	-	302
Net Change in Plan Fiduciary Net Position	4,409,360	6,304,317
Plan Fiduciary Net Position - Beginning of Year	136,464,806	130,160,489
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 140,874,166</u>	<u>\$ 136,464,806</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 58,207,540</u>	<u>\$ 54,888,036</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.76%	71.32%
Covered Payroll	\$ 17,391,243	\$ 17,344,449
Net Pension Liability as a Percentage of Covered Payroll	334.69%	316.46%

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, 2021:

There were no significant changes in assumptions.

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

See accompanying Note to 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, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 3,395,393	\$ 3,253,433	\$ 2,798,540	\$ 2,777,970	\$ 2,846,128
Interest on Total Pension Liability	12,272,227	11,814,360	11,420,438	10,941,117	10,415,206
Differences Between Expected and Actual Experience	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	(7,843,277)	(7,360,837)	(7,134,374)	(6,709,820)	(6,454,235)
Net Change in Total Pension Liability	6,691,371	16,457,168	6,542,969	4,515,761	6,807,099
Total Pension Liability - Beginning of Year	174,996,468	158,539,300	151,996,331	147,480,570	140,673,471
Total Pension Liability - End of Year (a)	<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	\$ 4,326,086	\$ 4,001,016	\$ 3,620,111	\$ 3,088,469	\$ 2,827,904
Contributions - Employee	1,422,508	1,344,205	1,302,530	1,200,653	1,213,682
Net Investment Income	10,347,163	12,480,715	587,323	2,524,863	17,146,278
Benefit Payments	(7,843,277)	(7,360,837)	(7,134,374)	(6,709,820)	(6,454,235)
Administrative Expense	(190,829)	(165,600)	(69,389)	(128,139)	-
Miscellaneous Expense	(362,689)	-	-	-	-
Net Change in Plan Fiduciary Net Position	7,698,962	10,299,499	(1,693,799)	(23,974)	14,733,629
Plan Fiduciary Net Position - Beginning of Year	122,461,527	112,162,028	113,855,827	113,879,801	99,146,172
Plan Fiduciary Net Position - End of Year (b)	<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>\$ 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	71.64%	69.98%	70.75%	74.91%	77.22%
Covered Payroll	\$ 17,213,375	\$ 16,611,011	\$ 15,835,113	\$ 15,392,118	\$ 14,721,610
Net Pension Liability as a Percentage of Covered Payroll	299.34%	316.27%	292.88%	247.79%	228.24%

See accompanying Note to Required Supplementary Information.

**CITY OF NORWALK
SCHEDULE OF CONTRIBUTIONS – CalPERS
LAST TEN FISCAL YEARS ***

Fiscal Year Ended	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 6,109,036	\$ 5,607,849
Contributions in Relation to the Actuarially Determined Contributions	(6,109,036)	(5,607,849)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 17,473,578	\$ 17,391,243
Contributions as a Percentage of Covered Payroll	34.96%	32.25%
 Notes to Schedule:		
Valuation Date	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:		
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value
Inflation	2.500%	2.625%
Salary Increases	(2)	(2)
Investment Rate Of Return	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)
Mortality	(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 seven years are shown.

CITY OF NORWALK
SCHEDULE OF CONTRIBUTIONS – CalPERS
LAST TEN FISCAL YEARS *

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 4,882,298	\$ 4,252,350	\$ 3,620,111	\$ 3,574,267	\$ 3,133,656
Contributions in Relation to the Actuarially Determined Contributions	<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>
Covered Payroll	\$ 17,344,449	\$ 17,213,375	\$ 16,611,011	\$ 15,835,113	\$ 15,392,118
Contributions as a Percentage of Covered Payroll	28.15%	24.70%	21.79%	22.57%	20.36%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate Of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

See accompanying Note to Required Supplementary Information.

CITY OF NORWALK
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

Fiscal Year End	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:				
Service Cost	\$ 1,365,581	\$ 1,299,093	\$ 1,522,089	\$ 1,477,756
Interest on Total OPEB Liability	2,792,494	2,664,436	2,797,595	2,696,630
Changes of Benefit Terms	553,607	-	596,892	-
Differences Between Expected and Actual Experience	(631,994)	(45,071)	(2,047,171)	-
Changes of Assumptions	451,302	507,024	(2,818,474)	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(2,054,171)	(1,831,888)	(1,728,952)	(1,714,146)
Net Change in Total OPEB Liability	2,476,819	2,593,594	(1,678,021)	2,460,240
Total OPEB Liability - Beginning of Year	41,278,418	38,684,824	40,362,845	37,902,605
Total OPEB Liability - End of Year (a)	43,755,237	41,278,418	38,684,824	40,362,845
Plan Fiduciary Net Position:				
Contributions - Employer	3,664,771	3,442,488	2,895,732	3,295,446
Net Investment Income	254,002	586,074	404,743	483,661
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(2,054,171)	(1,831,888)	(1,728,952)	(1,714,146)
Administrative Expenses	(43,618)	(18,267)	(10,566)	-
Net Change In Plan Fiduciary Net Position	1,820,984	2,178,407	1,560,957	2,064,961
Plan Fiduciary Net Position - Beginning of Year	8,747,362	6,568,955	5,007,998	2,943,037
Plan Fiduciary Net Position - End of Year (b)	10,568,346	8,747,362	6,568,955	5,007,998
Net OPEB Liability - Ending (a)-(b)	<u>\$ 33,186,891</u>	<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	24.15%	21.19%	16.98%	12.41%
Covered-Employee Payroll	\$ 17,391,243	\$ 17,344,449	\$ 17,213,375	\$ 16,611,011
Net OPEB Liability as Percentage of Covered-Employee Payroll	190.83%	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, 2020 to June 30, 2021:

The City pays for 100% of medical benefit premiums up to the cap, which was \$900 per month for 2017, \$1,200 per month for 2018 and \$1,600 per month for 2019 and later. PERSCare Family Rate was \$2,421 in 2020 and \$2,694 in 2021.

Changes in Assumptions:

Discount rate changed as noted in the columns 6.21% 6.71% 6.82% 7.00%

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

The mortality, disability, termination, and retirement assumptions for June 30, 2018 utilized the CalPERS 1997-2015 experience study while the December 2017 CalPERS experience study was utilized for June 30, 2019.

June 30, 2018 contained healthcare rates of 7.00% trending down to 3.94% over 57 years while June 30, 2019 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 healthcare rates decreased from 6.50% to 6.00% trending down to 3.84% over 55 years.

From fiscal year June 30, 2020 to June 30, 2021:

The healthcare trend rates increased from 6.00% trending down to 3.84% over 55 years to 6.50% trending down to 4.04% over 57 years.

CalPERS salary merit scale updated from 2015 to 2018.

The ACA Excise Tax Assumption was removed.

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

See accompanying Note to Required Supplementary Information.

**CITY OF NORWALK
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS ***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 3,588,344	\$ 3,125,815	\$ 3,175,795	\$ 2,974,742
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,808,238)</u>	<u>(3,664,739)</u>	<u>(3,442,488)</u>	<u>(2,961,987)</u>
Contribution Deficiency (Excess)	<u>\$ (219,894)</u>	<u>\$ (538,924)</u>	<u>\$ (266,693)</u>	<u>\$ 12,755</u>
Covered-Employee Payroll	\$ 17,473,578	\$ 17,391,243	\$ 17,344,449	\$ 17,213,375
Contributions as a Percentage of Covered-Employee Payroll	21.79%	21.07%	19.85%	17.21%

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2018	6/30/2018	6/30/2016
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	25 Years	20 Years	25 Years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Discount rate	6.71%	6.71%	6.82%	7.00%
Inflation	1.75%	1.75%	2.50%	2.50%
Mortality, disability, termination, retirement	(6)	(6)	(6)	(5)
Healthcare trend rates	(4)	(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) 6.50% trending down to 4.04% over 57 years
- (5) CalPERS 1997-2015 experience study
- (6) CalPERS December 2017 experience study

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

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 47,061,900	\$ 51,259,184	\$ 54,543,010	\$ 3,283,826
Licenses and Permits	1,257,800	1,229,000	1,544,374	315,374
Fines, Forfeitures, and Penalties	1,226,300	967,200	1,011,394	44,194
Use of Money and Property	653,300	728,300	502,631	(225,669)
Intergovernmental	240,635	2,018,881	2,039,482	20,601
Charges for Services	967,380	753,940	954,078	200,138
Rental Income	814,500	723,800	731,215	7,415
Other	1,024,140	1,027,640	1,309,465	281,825
Total Revenues	<u>53,245,955</u>	<u>58,707,945</u>	<u>62,635,649</u>	<u>3,927,704</u>
EXPENDITURES				
Current:				
General Government:				
Mayor, Council, and Boards	487,211	485,366	429,793	55,573
Management and Administration	3,275,984	3,453,677	3,045,177	408,500
City Clerk	881,061	869,195	906,775	(37,580)
Personnel Services	3,059,592	3,033,377	3,104,960	(71,583)
Financial Services	2,258,782	2,229,583	2,174,667	54,916
Total General Government	<u>9,962,630</u>	<u>10,071,198</u>	<u>9,661,372</u>	<u>409,826</u>
Public Safety:				
Public Safety Operations	16,951,180	17,507,656	17,152,538	355,118
Emergency Preparedness	197,251	197,251	99,150	98,101
Homeless Activities	344,041	349,041	457,563	(108,522)
Code Compliance	1,055,457	1,055,457	1,021,966	33,491
Total Public Safety	<u>18,547,929</u>	<u>19,109,405</u>	<u>18,731,217</u>	<u>378,188</u>
Urban Development:				
Community Development Operations	796,525	843,587	891,370	(47,783)
Building and Safety	1,120,465	1,111,707	1,081,988	29,719
Planning	989,187	976,392	846,516	129,876
Total Urban Development	<u>2,906,177</u>	<u>2,931,686</u>	<u>2,819,874</u>	<u>111,812</u>
Public Works:				
Public Services Administration	886,916	1,170,722	1,589,792	(419,070)
Security and Emergency Services	27,612	27,612	11,441	16,171
Facilities Maintenance	1,982,508	1,955,781	1,770,071	185,710
Street Maintenance	159,907	154,778	254,835	(100,057)
Traffic Maintenance	41,426	35,512	285,447	(249,935)
Signals and Street Lighting	268,105	462,739	633,898	(171,159)
Street Sweeping	418,229	418,229	492,159	(73,930)
Graffiti Removal	575,026	572,381	481,174	91,207
Tree Maintenance	671,689	663,835	725,688	(61,853)
Greenscape Maintenance	808,646	822,046	667,634	154,412
Storm Water Compliance	291,032	291,032	158,833	132,199
Engineering	959,743	951,643	670,282	281,361
Park Services	3,556,572	3,400,627	3,223,640	176,987
Total Public Works	<u>10,647,411</u>	<u>10,926,937</u>	<u>10,964,894</u>	<u>(37,957)</u>

See accompanying Note to Required Supplementary Information.

CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Leisure:				
Recreation	\$ 4,533,050	\$ 4,241,804	\$ 2,759,168	\$ 1,482,636
Total Culture and Leisure	<u>4,533,050</u>	<u>4,241,804</u>	<u>2,759,168</u>	<u>1,482,636</u>
Health and Welfare:				
Social Services Administration	991,194	878,425	871,391	7,034
Senior Programs	1,128,008	1,049,834	704,831	345,003
Emergency Food and Shelter Program	43,875	43,875	26,737	17,138
Family Resource Center	229,567	229,567	209,244	20,323
Homeless Activities	24,791	24,791	18,958	5,833
Total Health and Welfare	<u>2,417,435</u>	<u>2,226,492</u>	<u>1,831,161</u>	<u>395,331</u>
Capital Outlay and Improvement	396,235	744,960	585,379	159,581
Total Expenditures	<u>49,410,867</u>	<u>50,252,482</u>	<u>47,353,065</u>	<u>2,899,417</u>
Excess of Revenues Over Expenditures	3,835,088	8,455,463	15,282,584	6,827,121
OTHER FINANCING SOURCES (USES)				
Transfers In	22,000	22,000	1,264,282	1,242,282
Transfers Out	<u>(4,627,554)</u>	<u>(7,646,554)</u>	<u>(7,645,476)</u>	<u>1,078</u>
Total Other Financing Sources (Uses)	<u>(4,605,554)</u>	<u>(7,624,554)</u>	<u>(6,381,194)</u>	<u>1,243,360</u>
CHANGE IN FUND BALANCE	(770,466)	830,909	8,901,390	8,070,481
Fund Balance - Beginning of Year, as Restated	<u>24,008,591</u>	<u>24,008,591</u>	<u>24,008,591</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 23,238,125</u>	<u>\$ 24,839,500</u>	<u>\$ 32,909,981</u>	<u>\$ 8,070,481</u>

See accompanying Note to Required Supplementary Information.

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 1,301	\$ 1,301
Intergovernmental	2,666,888	3,517,596	1,664,527	(1,853,069)
Other	144,054	195,844	258,061	62,217
Total Revenues	<u>2,810,942</u>	<u>3,713,440</u>	<u>1,923,889</u>	<u>(1,789,551)</u>
EXPENDITURES				
Current:				
Urban Development	2,683,664	3,586,072	1,781,331	1,804,741
Health and Welfare	75,000	75,000	49,610	25,390
Capital Outlay and Improvement	524,200	2,195	6,297	(4,102)
Total Expenditures	<u>3,282,864</u>	<u>3,663,267</u>	<u>1,837,238</u>	<u>1,826,029</u>
CHANGE IN FUND BALANCE	(471,922)	50,173	86,651	36,478
Fund Balance - Beginning of Year	<u>317,405</u>	<u>317,405</u>	<u>317,405</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (154,517)</u></u>	<u><u>\$ 367,578</u></u>	<u><u>\$ 404,056</u></u>	<u><u>\$ 36,478</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 2,100	\$ 2,100	\$ 3,412	\$ 1,312
Intergovernmental	7,577,939	8,422,023	9,031,746	609,723
Other	20,000	20,000	25,162	5,162
Total Revenues	<u>7,600,039</u>	<u>8,444,123</u>	<u>9,060,320</u>	<u>616,197</u>
EXPENDITURES				
Current:				
Health and Welfare	7,662,026	8,212,541	8,518,339	(305,798)
Capital Outlay and Improvement	-	87,500	85,829	1,671
Total Expenditures	<u>7,662,026</u>	<u>8,300,041</u>	<u>8,604,168</u>	<u>(304,127)</u>
CHANGE IN FUND BALANCE	(61,987)	144,082	456,152	312,070
Fund Balance - Beginning of Year	<u>1,297,947</u>	<u>1,297,947</u>	<u>1,297,947</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,235,960</u>	<u>\$ 1,442,029</u>	<u>\$ 1,754,099</u>	<u>\$ 312,070</u>

See accompanying Note to Required Supplementary Information.

CITY OF NORWALK
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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 Funds: American Rescue Plan Act (ARPA) Special Revenue Fund, Forfeiture Special Revenue Fund, Measure "W" Special Revenue Fund, Proposition "1B" Capital Projects Fund, and Proposition "C" I-5 Mitigation 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.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 5,000	\$ 5,000	\$ 473	\$ (4,527)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>473</u>	<u>(4,527)</u>
EXPENDITURES				
Current:				
General Government	-	5,600	10,230	(4,630)
Debt Service:				
Principal Retirement	-	2,321,242	2,321,242	-
Interest and Fiscal Charges	-	1,373,457	1,373,455	2
Total Expenditures	<u>-</u>	<u>3,700,299</u>	<u>3,704,927</u>	<u>(4,628)</u>
Excess (Deficiency) of Revenues Over Expenditures	5,000	(3,695,299)	(3,704,454)	(9,155)
OTHER FINANCING SOURCES				
Transfers In	3,695,299	3,695,299	3,704,889	9,590
Total Other Financing Sources	<u>3,695,299</u>	<u>3,695,299</u>	<u>3,704,889</u>	<u>9,590</u>
CHANGE IN FUND BALANCE	3,700,299	-	435	435
Fund Balance - Beginning of Year	<u>1,208,580</u>	<u>1,208,580</u>	<u>1,208,580</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,908,879</u>	<u>\$ 1,208,580</u>	<u>\$ 1,209,015</u>	<u>\$ 435</u>

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
SPECIAL PROJECTS CAPITAL PROJECTS FUNDS – MAJOR FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 48,165	\$ 48,165	\$ 4,744	\$ (43,421)
Intergovernmental	10,648,203	10,648,203	783,694	(9,864,509)
Other	-	-	3	3
Total Revenues	<u>10,696,368</u>	<u>10,696,368</u>	<u>788,441</u>	<u>(9,907,927)</u>
EXPENDITURES				
Current:				
Public Works	369,007	396,081	236,612	159,469
Capital Outlay and Improvement	11,820,893	20,824,371	4,544,818	16,279,553
Total Expenditures	<u>12,189,900</u>	<u>21,220,452</u>	<u>4,781,430</u>	<u>16,439,022</u>
CHANGE IN FUND BALANCE	(1,493,532)	(10,524,084)	(3,992,989)	6,531,095
Fund Balance - Beginning of Year	<u>23,213,144</u>	<u>23,213,144</u>	<u>23,213,144</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 21,719,612</u>	<u>\$ 12,689,060</u>	<u>\$ 19,220,155</u>	<u>\$ 6,531,095</u>

**CITY OF NORWALK
 BUDGETARY COMPARISON SCHEDULE
 ECONOMIC DEVELOPMENT CAPITAL PROJECTS FUND – MAJOR FUND
 YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 35,000	\$ 35,000	\$ 40,881	\$ 5,881
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>40,881</u>	<u>5,881</u>
EXPENDITURES				
Capital Outlay and Improvement	1,405,091	1,454,249	175,538	1,278,711
Total Expenditures	<u>1,405,091</u>	<u>1,454,249</u>	<u>175,538</u>	<u>1,278,711</u>
CHANGE IN FUND BALANCE	(1,370,091)	(1,419,249)	(134,657)	1,284,592
Fund Balance - Beginning of Year	<u>11,450,170</u>	<u>11,450,170</u>	<u>11,450,170</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,080,079</u>	<u>\$ 10,030,921</u>	<u>\$ 11,315,513</u>	<u>\$ 1,284,592</u>

**CITY OF NORWALK
BUDGETARY COMPARISON SCHEDULE
HOUSING SUCCESSOR FUND CAPITAL PROJECTS FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 35,300	\$ 35,300	\$ 51,051	\$ 15,751
Total Revenues	<u>35,300</u>	<u>35,300</u>	<u>51,051</u>	<u>15,751</u>
EXPENDITURES				
Current:				
Urban Development	189,712	189,712	94,667	95,045
Capital Outlay and Improvement	4,005,260	4,171,918	296,503	3,875,415
Total Expenditures	<u>4,194,972</u>	<u>4,361,630</u>	<u>391,170</u>	<u>3,970,460</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,159,672)	(4,326,330)	(340,119)	3,986,211
OTHER FINANCING SOURCES				
Transfers In	147,000	147,000	146,974	(26)
Total Other Financing Sources	<u>147,000</u>	<u>147,000</u>	<u>146,974</u>	<u>(26)</u>
CHANGE IN FUND BALANCE	(4,012,672)	(4,179,330)	(193,145)	3,986,185
Fund Balance - Beginning of Year	<u>12,453,140</u>	<u>12,453,140</u>	<u>12,453,140</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,440,468</u>	<u>\$ 8,273,810</u>	<u>\$ 12,259,995</u>	<u>\$ 3,986,185</u>

**CITY OF NORWALK
 BUDGETARY COMPARISON SCHEDULE
 OTHER FEDERAL GRANTS CAPITAL PROJECTS FUND – MAJOR FUND
 YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,336,359	\$ 7,336,359	\$ 124,511	\$ (7,211,848)
Total Revenues	<u>7,336,359</u>	<u>7,336,359</u>	<u>124,511</u>	<u>(7,211,848)</u>
EXPENDITURES				
Capital Outlay and Improvement	7,238,280	7,187,735	1,578,264	5,609,471
Total Expenditures	<u>7,238,280</u>	<u>7,187,735</u>	<u>1,578,264</u>	<u>5,609,471</u>
CHANGE IN FUND BALANCE	98,079	148,624	(1,453,753)	(1,602,377)
Fund Balance (Deficit) - Beginning of Year	<u>(114,703)</u>	<u>(114,703)</u>	<u>(114,703)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (16,624)</u>	<u>\$ 33,921</u>	<u>\$ (1,568,456)</u>	<u>\$ (1,602,377)</u>

**CITY OF NORWALK
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 16,110,736	\$ 16,512,202	\$ 32,622,938
Accounts Receivable, Net	140	-	140
Due from Other Governments	2,296,846	686,845	2,983,691
Prepaid Items	5,658	-	5,658
	<u>18,413,380</u>	<u>17,199,047</u>	<u>35,612,427</u>
Total Assets			
	<u>\$ 18,413,380</u>	<u>\$ 17,199,047</u>	<u>\$ 35,612,427</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts Payable	\$ 1,450,806	\$ 50,521	\$ 1,501,327
Due to Other Funds	138,228	232,634	370,862
Due to Other Governments	125,479	-	125,479
Unearned Revenue	65,270	-	65,270
Total Liabilities	<u>1,779,783</u>	<u>283,155</u>	<u>2,062,938</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	750,404	232,634	983,038
Total Deferred Inflows of Resources	<u>750,404</u>	<u>232,634</u>	<u>983,038</u>
FUND BALANCES (DEFICITS)			
Nonspendable	5,658	-	5,658
Restricted	16,569,967	7,905,368	24,475,335
Committed	-	9,010,524	9,010,524
Unassigned	(692,432)	(232,634)	(925,066)
Total Fund Balances (Deficits)	<u>15,883,193</u>	<u>16,683,258</u>	<u>32,566,451</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 18,413,380</u>	<u>\$ 17,199,047</u>	<u>\$ 35,612,427</u>

CITY OF NORWALK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
REVENUES			
Use of Money and Property	\$ 130,239	\$ 97,129	\$ 227,368
Intergovernmental	17,924,968	2,695,920	20,620,888
Charges for Services	203,396	-	203,396
Other	25,295	231,275	256,570
Total Revenues	<u>18,283,898</u>	<u>3,024,324</u>	<u>21,308,222</u>
EXPENDITURES			
Current:			
General Government	382,535	110,232	492,767
Public Safety	221,689	5,768	227,457
Public Works	1,304,077	214,507	1,518,584
Culture and Leisure	-	44,213	44,213
Health and Welfare	8,852,807	3,311	8,856,118
Capital Outlay and Improvement	1,875,672	1,969,659	3,845,331
Debt Service:			
Principal Retirement	-	74,781	74,781
Interest and Fiscal Charges	-	10,197	10,197
Total Expenditures	<u>12,636,780</u>	<u>2,432,668</u>	<u>15,069,448</u>
Excess of Revenues Over Expenditures	5,647,118	591,656	6,238,774
OTHER FINANCING SOURCES (USES)			
Capital Lease Issuance	-	1,125,558	1,125,558
Transfers In	496,441	5,461,865	5,958,306
Transfers Out	(4,238,864)	-	(4,238,864)
Total Other Financing Sources (Uses)	<u>(3,742,423)</u>	<u>6,587,423</u>	<u>2,845,000</u>
CHANGE IN FUND BALANCES	1,904,695	7,179,079	9,083,774
Fund Balances - Beginning of Year	<u>13,978,498</u>	<u>9,504,179</u>	<u>23,482,677</u>
FUND BALANCES - END OF YEAR	<u>\$ 15,883,193</u>	<u>\$ 16,683,258</u>	<u>\$ 32,566,451</u>

CITY OF NORWALK
DESCRIPTION OF OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2021

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.

Measure W Fund – This fund accounts for revenues received as a portion of special tax for parcels located in the Los Angeles County Flood Control District, which covers the majority of Los Angeles County. The tax revenue was approved by voters in 2018 as Measure "W - The Safe, Clean Water Act". It is taxed at a rate of 2.5 cents per square foot of "impermeable area" (i.e. paved or built-on surfaces that that prevent "stormwater and urban runoff from entering the earth," like concrete patios and driveways) and paid by property owners to fund projects, infrastructure, and programs to capture, treat, and recycle rainwater.

**CITY OF NORWALK
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety	Parking Structure
ASSETS							
Cash and Investments	\$ -	\$ 453,140	\$ 118,154	\$ 44,151	\$ 7,541,260	\$ 422,660	\$ 20,111
Accounts Receivable, Net	-	-	-	-	140	-	-
Due from Other Governments	743,117	164,360	67,317	67,194	6,767	23,772	-
Prepaid Items	-	-	-	-	5,658	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,658</u>	<u>-</u>	<u>-</u>
 Total Assets	<u>\$ 743,117</u>	<u>\$ 617,500</u>	<u>\$ 185,471</u>	<u>\$ 111,345</u>	<u>\$ 7,553,825</u>	<u>\$ 446,432</u>	<u>\$ 20,111</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 582,616	\$ -	\$ -	\$ 68,724	\$ 370,507	\$ 66,070	\$ 20,111
Due to Other Funds	12,373	-	-	-	-	-	-
Due to Other Governments	82,858	-	-	42,621	-	-	-
Unearned Revenue	65,270	-	-	-	-	-	-
Total Liabilities	<u>743,117</u>	<u>-</u>	<u>-</u>	<u>111,345</u>	<u>370,507</u>	<u>66,070</u>	<u>20,111</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	554,310	-	32,217	-	-	16,183	-
Total Deferred Inflows of Resources	<u>554,310</u>	<u>-</u>	<u>32,217</u>	<u>-</u>	<u>-</u>	<u>16,183</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	5,658	-	-
Restricted	-	617,500	153,254	-	7,177,660	364,179	-
Unassigned	(554,310)	-	-	-	-	-	-
Total Fund Balances	<u>(554,310)</u>	<u>617,500</u>	<u>153,254</u>	<u>-</u>	<u>7,183,318</u>	<u>364,179</u>	<u>-</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 743,117</u>	<u>\$ 617,500</u>	<u>\$ 185,471</u>	<u>\$ 111,345</u>	<u>\$ 7,553,825</u>	<u>\$ 446,432</u>	<u>\$ 20,111</u>

**CITY OF NORWALK
COMBINING BALANCE SHEET (CONTINUED)
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Measure "M"	Measure "W"	Total Other Special Revenue Funds
ASSETS							
Cash and Investments	\$ 678	\$ -	\$ 345,990	\$ 3,485,658	\$ 3,678,934	\$ -	\$ 16,110,736
Accounts Receivable, Net	-	-	-	-	-	-	140
Due from Other Governments	-	147,694	-	-	-	1,076,625	2,296,846
Prepaid Items	-	-	-	-	-	-	5,658
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,658</u>
 Total Assets	 <u>\$ 678</u>	 <u>\$ 147,694</u>	 <u>\$ 345,990</u>	 <u>\$ 3,485,658</u>	 <u>\$ 3,678,934</u>	 <u>\$ 1,076,625</u>	 <u>\$ 18,413,380</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 12,267	\$ 2,088	\$ 328,423	\$ -	\$ -	\$ 1,450,806
Due to Other Funds	-	125,855	-	-	-	-	138,228
Due to Other Governments	-	-	-	-	-	-	125,479
Unearned Revenue	-	-	-	-	-	-	65,270
Total Liabilities	<u>-</u>	<u>138,122</u>	<u>2,088</u>	<u>328,423</u>	<u>-</u>	<u>-</u>	<u>1,779,783</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	<u>-</u>	<u>147,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,404</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>147,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,404</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	5,658
Restricted	678	-	343,902	3,157,235	3,678,934	1,076,625	16,569,967
Unassigned	-	(138,122)	-	-	-	-	(692,432)
Total Fund Balances	<u>678</u>	<u>(138,122)</u>	<u>343,902</u>	<u>3,157,235</u>	<u>3,678,934</u>	<u>1,076,625</u>	<u>15,883,193</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 678</u>	 <u>\$ 147,694</u>	 <u>\$ 345,990</u>	 <u>\$ 3,485,658</u>	 <u>\$ 3,678,934</u>	 <u>\$ 1,076,625</u>	 <u>\$ 18,413,380</u>

**CITY OF NORWALK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021**

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety	Parking Structure
REVENUES							
Use of Money and Property	\$ -	\$ 4,248	\$ 955	\$ -	\$ 56,984	\$ 2,826	\$ -
Intergovernmental	6,751,148	1,608,844	105,826	1,022,252	1,781,441	386,976	-
Charges for Services	108,005	-	-	-	95,346	-	45
Other	-	-	-	100	25,195	-	-
Total Revenues	6,859,153	1,613,092	106,781	1,022,352	1,958,966	389,802	45
EXPENDITURES							
Current:							
General Government	-	-	-	-	100,367	-	282,168
Public Safety	-	-	-	-	7,748	213,941	-
Public Works	-	-	-	-	815,926	-	-
Health and Welfare	7,413,463	-	90,434	1,094,019	-	-	-
Capital Outlay and Improvement	-	1,374,592	-	-	148,934	-	-
Total Expenditures	7,413,463	1,374,592	90,434	1,094,019	1,072,975	213,941	282,168
Excess (Deficiency) of Revenues Over Expenditures	(554,310)	238,500	16,347	(71,667)	885,991	175,861	(282,123)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	71,667	-	-	424,774
Transfers Out	-	-	-	-	(374,017)	-	(252,827)
Total Other Financing Sources (Uses)	-	-	-	71,667	(374,017)	-	171,947
CHANGE IN FUND BALANCES	(554,310)	238,500	16,347	-	511,974	175,861	(110,176)
Fund Balances (Deficits) - Beginning of Year	-	379,000	136,907	-	6,671,344	188,318	110,176
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (554,310)	\$ 617,500	\$ 153,254	\$ -	\$ 7,183,318	\$ 364,179	\$ -

CITY OF NORWALK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Measure "M"	Measure "W"	Total Other Special Revenue Funds
REVENUES							
Use of Money and Property	\$ 5	\$ 261	\$ 5,563	\$ 30,328	\$ 29,069	\$ -	\$ 130,239
Intergovernmental	-	190,295	2,147,701	1,337,933	1,515,927	1,076,625	17,924,968
Charges for Services	-	-	-	-	-	-	203,396
Other	-	-	-	-	-	-	25,295
Total Revenues	<u>5</u>	<u>190,556</u>	<u>2,153,264</u>	<u>1,368,261</u>	<u>1,544,996</u>	<u>1,076,625</u>	<u>18,283,898</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	382,535
Public Safety	-	-	-	-	-	-	221,689
Public Works	-	-	48,647	439,504	-	-	1,304,077
Health and Welfare	-	254,891	-	-	-	-	8,852,807
Capital Outlay and Improvement	-	-	-	344,542	7,604	-	1,875,672
Total Expenditures	<u>-</u>	<u>254,891</u>	<u>48,647</u>	<u>784,046</u>	<u>7,604</u>	<u>-</u>	<u>12,636,780</u>
Excess (Deficiency) of Revenues Over Expenditures	5	(64,335)	2,104,617	584,215	1,537,392	1,076,625	5,647,118
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	496,441
Transfers Out	-	-	(1,770,780)	(866,600)	(974,640)	-	(4,238,864)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,770,780)</u>	<u>(866,600)</u>	<u>(974,640)</u>	<u>-</u>	<u>(3,742,423)</u>
CHANGE IN FUND BALANCES	5	(64,335)	333,837	(282,385)	562,752	1,076,625	1,904,695
Fund Balances (Deficits) - Beginning of Year	<u>673</u>	<u>(73,787)</u>	<u>10,065</u>	<u>3,439,620</u>	<u>3,116,182</u>	<u>-</u>	<u>13,978,498</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 678</u>	<u>\$ (138,122)</u>	<u>\$ 343,902</u>	<u>\$ 3,157,235</u>	<u>\$ 3,678,934</u>	<u>\$ 1,076,625</u>	<u>\$ 15,883,193</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD DEVELOPMENT PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Intergovernmental	\$ 6,543,769	\$ 6,751,148	\$ 207,379
Charges for Services	102,000	108,005	6,005
Total Revenues	<u>6,645,769</u>	<u>6,859,153</u>	<u>213,384</u>
EXPENDITURES			
Current:			
Health and Welfare	<u>6,645,769</u>	<u>7,413,463</u>	<u>(767,694)</u>
Total Expenditures	<u>6,645,769</u>	<u>7,413,463</u>	<u>(767,694)</u>
CHANGE IN FUND BALANCE	-	(554,310)	(554,310)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (554,310)</u>	<u>\$ (554,310)</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE GASOLINE TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 500	\$ 4,248	\$ 3,748
Intergovernmental	1,594,070	1,608,844	14,774
Total Revenues	<u>1,594,570</u>	<u>1,613,092</u>	<u>18,522</u>
EXPENDITURES			
Capital Outlay and Improvement	1,719,000	1,374,592	344,408
Total Expenditures	<u>1,719,000</u>	<u>1,374,592</u>	<u>344,408</u>
CHANGE IN FUND BALANCE	(124,430)	238,500	362,930
Fund Balance - Beginning of Year	<u>379,000</u>	<u>379,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 254,570</u>	<u>\$ 617,500</u>	<u>\$ 362,930</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 100	\$ 955	\$ 855
Intergovernmental	134,000	105,826	(28,174)
Total Revenues	<u>134,100</u>	<u>106,781</u>	<u>(27,319)</u>
EXPENDITURES			
Current:			
Health and Welfare	90,564	90,434	130
Total Expenditures	<u>90,564</u>	<u>90,434</u>	<u>130</u>
Excess (Deficiency) of Revenues Over Expenditures	43,536	16,347	(27,189)
OTHER FINANCING USES			
Transfers Out	(10,000)	-	10,000
Total Other Financing Uses	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
CHANGE IN FUND BALANCE	33,536	16,347	(17,189)
Fund Balance - Beginning of Year	<u>136,907</u>	<u>136,907</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 170,443</u>	<u>\$ 153,254</u>	<u>\$ (17,189)</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NORWALK SENIOR PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Intergovernmental	\$ 2,003,967	\$ 1,022,252	\$ (981,715)
Other	-	100	100
Total Revenues	<u>2,003,967</u>	<u>1,022,352</u>	<u>(981,615)</u>
EXPENDITURES			
Current:			
Health and Welfare	2,046,926	1,094,019	952,907
Total Expenditures	<u>2,046,926</u>	<u>1,094,019</u>	<u>952,907</u>
Deficiency of Revenues Over Expenditures	(42,959)	(71,667)	(28,708)
OTHER FINANCING SOURCES			
Transfers In	41,064	71,667	30,603
Total Other Financing Sources	<u>41,064</u>	<u>71,667</u>	<u>30,603</u>
CHANGE IN FUND BALANCE	(1,895)	-	1,895
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,895)</u>	<u>\$ -</u>	<u>\$ 1,895</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PROPOSITION "C" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 20,000	\$ 56,984	\$ 36,984
Intergovernmental	1,866,250	1,781,441	(84,809)
Charges for Services	256,500	95,346	(161,154)
Other	-	25,195	25,195
Total Revenues	<u>2,143,250</u>	<u>1,958,966</u>	<u>(184,284)</u>
EXPENDITURES			
Current:			
General Government	98,306	100,367	(2,061)
Public Safety	-	7,748	(7,748)
Public Works	1,245,802	815,926	429,876
Capital Outlay and Improvement	<u>4,461,358</u>	<u>148,934</u>	<u>4,312,424</u>
Total Expenditures	<u>5,805,466</u>	<u>1,072,975</u>	<u>4,732,491</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,662,216)	885,991	4,548,207
OTHER FINANCING USES			
Transfers Out	<u>(396,017)</u>	<u>(374,017)</u>	<u>22,000</u>
Total Other Financing Uses	<u>(396,017)</u>	<u>(374,017)</u>	<u>22,000</u>
CHANGE IN FUND BALANCE	(4,058,233)	511,974	4,570,207
Fund Balance - Beginning of Year	<u>6,671,344</u>	<u>6,671,344</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,613,111</u>	<u>\$ 7,183,318</u>	<u>\$ 4,570,207</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 1,400	\$ 2,826	\$ 1,426
Intergovernmental	374,376	386,976	12,600
Total Revenues	<u>375,776</u>	<u>389,802</u>	<u>14,026</u>
EXPENDITURES			
Current:			
Public Safety	456,710	213,941	242,769
Total Expenditures	<u>456,710</u>	<u>213,941</u>	<u>242,769</u>
CHANGE IN FUND BALANCE	(80,934)	175,861	256,795
Fund Balance - Beginning of Year	<u>188,318</u>	<u>188,318</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 107,384</u>	<u>\$ 364,179</u>	<u>\$ 256,795</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKING STRUCTURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Charges for Services	\$ -	\$ 45	\$ 45
Total Revenues	<u>-</u>	<u>45</u>	<u>45</u>
EXPENDITURES			
Current:			
General Government	302,848	282,168	20,680
Total Expenditures	<u>302,848</u>	<u>282,168</u>	<u>20,680</u>
Excess (Deficiency) of Revenues Over Expenditures	(302,848)	(282,123)	20,725
OTHER FINANCING SOURCES (USES)			
Transfers In	447,106	424,774	(22,332)
Transfers Out	(254,512)	(252,827)	1,685
Total Other Financing Sources (Uses)	<u>192,594</u>	<u>171,947</u>	<u>(20,647)</u>
CHANGE IN FUND BALANCE	(110,254)	(110,176)	78
Fund Balance - Beginning of Year	<u>110,176</u>	<u>110,176</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (78)</u>	<u>\$ -</u>	<u>\$ 78</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ -	\$ 261	\$ 261
Intergovernmental	161,039	190,295	29,256
Total Revenues	<u>161,039</u>	<u>190,556</u>	<u>29,517</u>
EXPENDITURES			
Current:			
Health and Welfare	198,040	254,891	(56,851)
Total Expenditures	<u>198,040</u>	<u>254,891</u>	<u>(56,851)</u>
CHANGE IN FUND BALANCE	(37,001)	(64,335)	(27,334)
Fund Balance (Deficit) - Beginning of Year	<u>(73,787)</u>	<u>(73,787)</u>	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (110,788)</u>	<u>\$ (138,122)</u>	<u>\$ (27,334)</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PROPOSITION "A" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ -	\$ 5,563	\$ 5,563
Intergovernmental	2,249,950	2,147,701	(102,249)
Total Revenues	<u>2,249,950</u>	<u>2,153,264</u>	<u>(96,686)</u>
EXPENDITURES			
Current:			
Public Works	166,009	48,647	117,362
Total Expenditures	<u>166,009</u>	<u>48,647</u>	<u>117,362</u>
Excess of Revenues Over Expenditures	2,083,941	2,104,617	20,676
OTHER FINANCING USES			
Transfers Out	(1,770,780)	(1,770,780)	-
Total Other Financing Uses	<u>(1,770,780)</u>	<u>(1,770,780)</u>	<u>-</u>
CHANGE IN FUND BALANCE	313,161	333,837	20,676
Fund Balance - Beginning of Year	<u>10,065</u>	<u>10,065</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 323,226</u>	<u>\$ 343,902</u>	<u>\$ 20,676</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE "R" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 2,500	\$ 30,328	\$ 27,828
Intergovernmental	1,399,830	1,337,933	(61,897)
Total Revenues	<u>1,402,330</u>	<u>1,368,261</u>	<u>(34,069)</u>
EXPENDITURES			
Current:			
Public Works	597,000	439,504	157,496
Capital Outlay and Improvement	<u>2,823,774</u>	<u>344,542</u>	<u>2,479,232</u>
Total Expenditures	<u>3,420,774</u>	<u>784,046</u>	<u>2,636,728</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,018,444)	584,215	2,602,659
OTHER FINANCING USES			
Transfers Out	<u>(863,850)</u>	<u>(866,600)</u>	<u>(2,750)</u>
Total Other Financing Uses	<u>(863,850)</u>	<u>(866,600)</u>	<u>(2,750)</u>
CHANGE IN FUND BALANCE	(2,882,294)	(282,385)	2,599,909
Fund Balance - Beginning of Year	<u>3,439,620</u>	<u>3,439,620</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 557,326</u>	<u>\$ 3,157,235</u>	<u>\$ 2,599,909</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE "M" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Final			
REVENUES				
Use of Money and Property	\$ 2,500		\$ 29,069	\$ 26,569
Intergovernmental	1,586,310		1,515,927	(70,383)
Total Revenues	1,588,810		1,544,996	(43,814)
EXPENDITURES				
Current:				
Public Works	200,000		-	200,000
Capital Outlay and Improvement	1,378,713		7,604	1,371,109
Total Expenditures	1,578,713		7,604	1,571,109
Excess of Revenues Over Expenditures	10,097		1,537,392	1,527,295
OTHER FINANCING USES				
Transfers Out	(970,553)		(974,640)	(4,087)
Total Other Financing Uses	(970,553)		(974,640)	(4,087)
CHANGE IN FUND BALANCE	(960,456)		562,752	1,523,208
Fund Balance - Beginning of Year	3,116,182		3,116,182	-
FUND BALANCE - END OF YEAR	\$ 2,155,726		\$ 3,678,934	\$ 1,523,208

CITY OF NORWALK
DESCRIPTION OF OTHER CAPITAL PROJECTS FUNDS
JUNE 30, 2021

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.

Street Renovation Fund – This fund accounts for the maintenance and improvements of streets. Financing is provided by operating transfers or grants received.

**CITY OF NORWALK
COMBINING BALANCE SHEET
OTHER CAPITAL PROJECTS FUND
JUNE 30, 2021**

	Proposition "1B"	Road Maintenance Rehabilitation	Proposition "C" I-5 Mitigation	Public Art	Highway User Tax - 2103	Park Development
ASSETS						
Cash and Investments	\$ 230,230	\$ 4,300,523	\$ -	\$ 414,500	\$ 2,090,708	\$ 415,289
Due from Other Governments	-	357,139	232,634	-	97,072	-
Total Assets	\$ 230,230	\$ 4,657,662	\$ 232,634	\$ 414,500	\$ 2,187,780	\$ 415,289
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ 93	\$ -	\$ -
Due to Other Funds	-	-	232,634	-	-	-
Total Liabilities	-	-	232,634	93	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	-	-	232,634	-	-	-
Total Deferred Inflows of Resources	-	-	232,634	-	-	-
FUND BALANCES (DEFICITS)						
Restricted	230,230	4,657,662	-	414,407	2,187,780	415,289
Committed	-	-	-	-	-	-
Unassigned	-	-	(232,634)	-	-	-
Total Fund Balances (Deficits)	230,230	4,657,662	(232,634)	414,407	2,187,780	415,289
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 230,230	\$ 4,657,662	\$ 232,634	\$ 414,500	\$ 2,187,780	\$ 415,289

**CITY OF NORWALK
COMBINING BALANCE SHEET (CONTINUED)
OTHER CAPITAL PROJECTS FUND
JUNE 30, 2021**

ASSETS	Playground Equipment Replacement	Sports Complex Equipment Replacement	Computer Replacement	Vehicle and Equipment Replacement	Building Renovation	Street Renovation	Total Other Capital Projects Funds
Cash and Investments	\$ 1,336,558	\$ 211,883	\$ 712,157	\$ 2,140,246	\$ 1,587,564	\$ 3,072,544	\$ 16,512,202
Due from Other Governments	-	-	-	-	-	-	686,845
Total Assets	<u>\$ 1,336,558</u>	<u>\$ 211,883</u>	<u>\$ 712,157</u>	<u>\$ 2,140,246</u>	<u>\$ 1,587,564</u>	<u>\$ 3,072,544</u>	<u>\$ 17,199,047</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
LIABILITIES							
Accounts Payable	\$ 26,441	\$ -	\$ 13,619	\$ -	\$ 10,368	\$ -	\$ 50,521
Due to Other Funds	-	-	-	-	-	-	232,634
Total Liabilities	<u>26,441</u>	<u>-</u>	<u>13,619</u>	<u>-</u>	<u>10,368</u>	<u>-</u>	<u>283,155</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	-	-	-	-	-	232,634
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,634</u>
FUND BALANCES (DEFICITS)							
Restricted	-	-	-	-	-	-	7,905,368
Committed	1,310,117	211,883	698,538	2,140,246	1,577,196	3,072,544	9,010,524
Unassigned	-	-	-	-	-	-	(232,634)
Total Fund Balances (Deficits)	<u>1,310,117</u>	<u>211,883</u>	<u>698,538</u>	<u>2,140,246</u>	<u>1,577,196</u>	<u>3,072,544</u>	<u>16,683,258</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,336,558</u>	<u>\$ 211,883</u>	<u>\$ 712,157</u>	<u>\$ 2,140,246</u>	<u>\$ 1,587,564</u>	<u>\$ 3,072,544</u>	<u>\$ 17,199,047</u>

**CITY OF NORWALK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Proposition "1B"	Road Maintenance Rehabilitation	Proposition "C" I-5 Mitigation	Public Art	Highway User Tax - 2103	Park Development
REVENUES						
Use of Money and Property	\$ 1,871	\$ 25,255	\$ -	\$ 1,921	\$ 14,888	\$ 2,466
Intergovernmental	-	1,959,839	-	-	736,081	-
Charges for Services	-	-	-	-	-	-
Other	-	-	-	231,275	-	-
Total Revenues	<u>1,871</u>	<u>1,985,094</u>	<u>-</u>	<u>233,196</u>	<u>750,969</u>	<u>2,466</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	15,900	185,000	-
Culture and Leisure	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Capital Outlay and Improvement	-	882	-	-	178	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>882</u>	<u>-</u>	<u>15,900</u>	<u>185,178</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	1,871	1,984,212	-	217,296	565,791	2,466
OTHER FINANCING SOURCES						
Capital Lease Issuance	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	1,871	1,984,212	-	217,296	565,791	2,466
Fund Balances (Deficits) - Beginning of Year	<u>228,359</u>	<u>2,673,450</u>	<u>(232,634)</u>	<u>197,111</u>	<u>1,621,989</u>	<u>412,823</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 230,230</u>	<u>\$ 4,657,662</u>	<u>\$ (232,634)</u>	<u>\$ 414,407</u>	<u>\$ 2,187,780</u>	<u>\$ 415,289</u>

CITY OF NORWALK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
OTHER CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Playground Equipment Replacement	Sports Complex Equipment Replacement	Computer Replacement	Vehicle and Equipment Replacement	Building Renovation	Street Renovation	Total Other Capital Projects Funds
REVENUES							
Use of Money and Property	\$ 10,367	\$ 1,198	\$ 3,365	\$ 14,560	\$ 10,559	\$ 10,679	\$ 97,129
Intergovernmental	-	-	-	-	-	-	2,695,920
Charges for Services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	231,275
Total Revenues	<u>10,367</u>	<u>1,198</u>	<u>3,365</u>	<u>14,560</u>	<u>10,559</u>	<u>10,679</u>	<u>3,024,324</u>
EXPENDITURES							
Current:							
General Government	-	-	110,232	-	-	-	110,232
Public Safety	-	-	1,976	3,792	-	-	5,768
Public Works	-	-	373	13,234	-	-	214,507
Culture and Leisure	34,246	-	8,839	1,128	-	-	44,213
Health and Welfare	-	-	2,964	347	-	-	3,311
Capital Outlay and Improvement	23,750	-	-	1,827,271	117,578	-	1,969,659
Debt Service:							
Principal Retirement	-	-	-	74,781	-	-	74,781
Interest and Fiscal Charges	-	-	-	10,197	-	-	10,197
Total Expenditures	<u>57,996</u>	<u>-</u>	<u>124,384</u>	<u>1,930,750</u>	<u>117,578</u>	<u>-</u>	<u>2,432,668</u>
Excess (Deficiency) of Revenues Over Expenditures	(47,629)	1,198	(121,019)	(1,916,190)	(107,019)	10,679	591,656
OTHER FINANCING SOURCES							
Capital Lease Issuance	-	-	-	1,125,558	-	-	1,125,558
Transfers In	100,000	100,000	500,000	1,200,000	500,000	3,061,865	5,461,865
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>500,000</u>	<u>2,325,558</u>	<u>500,000</u>	<u>3,061,865</u>	<u>6,587,423</u>
CHANGE IN FUND BALANCES	52,371	101,198	378,981	409,368	392,981	3,072,544	7,179,079
Fund Balances (Deficits) - Beginning of Year	<u>1,257,746</u>	<u>110,685</u>	<u>319,557</u>	<u>1,730,878</u>	<u>1,184,215</u>	<u>-</u>	<u>9,504,179</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,310,117</u>	<u>\$ 211,883</u>	<u>\$ 698,538</u>	<u>\$ 2,140,246</u>	<u>\$ 1,577,196</u>	<u>\$ 3,072,544</u>	<u>\$ 16,683,258</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD MAINTENANCE REHABILITATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ -	\$ 25,255	\$ 25,255
Intergovernmental	1,834,570	1,959,839	125,269
Total Revenues	<u>1,834,570</u>	<u>1,985,094</u>	<u>150,524</u>
EXPENDITURES			
Capital Outlay and Improvement	3,120,498	882	3,119,616
Total Expenditures	<u>3,120,498</u>	<u>882</u>	<u>3,119,616</u>
CHANGE IN FUND BALANCE	(1,285,928)	1,984,212	3,270,140
Fund Balance - Beginning of Year	<u>2,673,450</u>	<u>2,673,450</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,387,522</u>	<u>\$ 4,657,662</u>	<u>\$ 3,270,140</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC ART CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 1,000	\$ 1,921	\$ 921
Other	20,000	231,275	211,275
Total Revenues	<u>21,000</u>	<u>233,196</u>	<u>212,196</u>
EXPENDITURES			
Current:			
Public Works	18,000	15,900	2,100
Total Expenditures	<u>18,000</u>	<u>15,900</u>	<u>2,100</u>
CHANGE IN FUND BALANCE	3,000	217,296	214,296
Fund Balance - Beginning of Year	<u>197,111</u>	<u>197,111</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 200,111</u>	<u>\$ 414,407</u>	<u>\$ 214,296</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HIGHWAY USER TAX – 2103 CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 1,000	\$ 14,888	\$ 13,888
Intergovernmental	901,904	736,081	(165,823)
Total Revenues	<u>902,904</u>	<u>750,969</u>	<u>(151,935)</u>
EXPENDITURES			
Current:			
Public Works	620,000	185,000	435,000
Capital Outlay and Improvement	1,026,665	178	1,026,487
Total Expenditures	<u>1,646,665</u>	<u>185,178</u>	<u>1,461,487</u>
CHANGE IN FUND BALANCE	(743,761)	565,791	1,309,552
Fund Balance - Beginning of Year	<u>1,621,989</u>	<u>1,621,989</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 878,228</u>	<u>\$ 2,187,780</u>	<u>\$ 1,309,552</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARK DEVELOPMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ -	\$ 2,466	\$ 2,466
Total Revenues	<u>-</u>	<u>2,466</u>	<u>2,466</u>
EXPENDITURES			
Capital Outlay and Improvement	300,000	-	300,000
Total Expenditures	<u>300,000</u>	<u>-</u>	<u>300,000</u>
CHANGE IN FUND BALANCE	(300,000)	2,466	302,466
Fund Balance - Beginning of Year	<u>412,823</u>	<u>412,823</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 112,823</u>	<u>\$ 415,289</u>	<u>\$ 302,466</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PLAYGROUND EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 500	\$ 10,367	\$ 9,867
Total Revenues	<u>500</u>	<u>10,367</u>	<u>9,867</u>
EXPENDITURES			
Current:			
Culture and Leisure	118,651	34,246	84,405
Capital Outlay and Improvement	698,308	23,750	674,558
Total Expenditures	<u>816,959</u>	<u>57,996</u>	<u>758,963</u>
Excess (Deficiency) of Revenues Over Expenditures	(816,459)	(47,629)	768,830
OTHER FINANCING SOURCES			
Transfers In	100,000	100,000	-
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(716,459)	52,371	768,830
Fund Balance - Beginning of Year	1,257,746	1,257,746	-
FUND BALANCE - END OF YEAR	<u>\$ 541,287</u>	<u>\$ 1,310,117</u>	<u>\$ 768,830</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPORTS COMPLEX EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 500	\$ 1,198	\$ 698
Total Revenues	<u>500</u>	<u>1,198</u>	<u>698</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	500	1,198	698
OTHER FINANCING SOURCES			
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	100,500	101,198	698
Fund Balance - Beginning of Year	<u>110,685</u>	<u>110,685</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 211,185</u></u>	<u><u>\$ 211,883</u></u>	<u><u>\$ 698</u></u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMPUTER REPLACEMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES			
Use of Money and Property	\$ 500	\$ 3,365	\$ 2,865
Total Revenues	<u>500</u>	<u>3,365</u>	<u>2,865</u>
EXPENDITURES			
Current:			
General Government	100,491	110,232	(9,741)
Public Safety	1,976	1,976	-
Public Works	373	373	-
Culture and Leisure	8,839	8,839	-
Health and Welfare	2,964	2,964	-
Total Expenditures	<u>114,643</u>	<u>124,384</u>	<u>(9,741)</u>
Deficiency of Revenues Over Expenditures	(114,143)	(121,019)	(6,876)
OTHER FINANCING SOURCES			
Transfers In	500,000	500,000	-
Total Other Financing Sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	385,857	378,981	(6,876)
Fund Balance - Beginning of Year	<u>319,557</u>	<u>319,557</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 705,414</u>	<u>\$ 698,538</u>	<u>\$ (6,876)</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
VEHICLE AND EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
REVENUES			
Use of Money and Property	\$ 500	\$ 14,560	\$ 14,060
Total Revenues	<u>500</u>	<u>14,560</u>	<u>14,060</u>
EXPENDITURES			
Current:			
Public Safety	47,749	3,792	43,957
Public Works	119,968	13,234	106,734
Culture and Leisure	1,348	1,128	220
Health and Welfare	3,407	347	3,060
Capital Outlay and Improvement	1,821,458	1,827,271	(5,813)
Debt Service:			
Principal Retirement	74,781	74,781	-
Interest and Fiscal Charges	10,197	10,197	-
Total Expenditures	<u>2,078,908</u>	<u>1,930,750</u>	<u>148,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,078,408)</u>	<u>(1,916,190)</u>	<u>162,218</u>
OTHER FINANCING SOURCES			
Capital Lease Issuance	1,125,558	1,125,558	-
Transfers In	1,200,000	1,200,000	-
Total Other Financing Sources	<u>2,325,558</u>	<u>2,325,558</u>	<u>-</u>
CHANGE IN FUND BALANCE	247,150	409,368	162,218
Fund Balance - Beginning of Year	<u>1,730,878</u>	<u>1,730,878</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,978,028</u>	<u>\$ 2,140,246</u>	<u>\$ 162,218</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING RENOVATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 500	\$ 10,559	\$ 10,059
Total Revenues	<u>500</u>	<u>10,559</u>	<u>10,059</u>
EXPENDITURES			
Capital Outlay and Improvement	659,147	117,578	541,569
Total Expenditures	<u>659,147</u>	<u>117,578</u>	<u>541,569</u>
Excess (Deficiency) of Revenues Over Expenditures	(658,647)	(107,019)	551,628
OTHER FINANCING SOURCES			
Transfers In	500,000	500,000	-
Total Other Financing Sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(158,647)	392,981	551,628
Fund Balance - Beginning of Year	<u>1,184,215</u>	<u>1,184,215</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,025,568</u>	<u>\$ 1,577,196</u>	<u>\$ 551,628</u>

CITY OF NORWALK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STREET RENOVATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	
REVENUES			
Use of Money and Property	\$ -	\$ 10,679	\$ 10,679
Total Revenues	<u>-</u>	<u>10,679</u>	<u>10,679</u>
EXPENDITURES			
Capital Outlay and Improvement	61,865	-	61,865
Total Expenditures	<u>61,865</u>	<u>-</u>	<u>61,865</u>
Excess (Deficiency) of Revenues Over Expenditures	(61,865)	10,679	72,544
OTHER FINANCING SOURCES			
Transfers In	3,000,000	3,061,865	61,865
Total Other Financing Sources	<u>3,000,000</u>	<u>3,061,865</u>	<u>61,865</u>
CHANGE IN FUND BALANCE	2,938,135	3,072,544	134,409
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,938,135</u>	<u>\$ 3,072,544</u>	<u>\$ 134,409</u>

CITY OF NORWALK
DESCRIPTION OF INTERNAL SERVICE FUNDS
JUNE 30, 2021

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, 2021**

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,438	\$ 244,045	\$ 245,483
Inventory	-	133,682	133,682
Prepaid Items	-	5,658	5,658
Total Current Assets	<u>1,438</u>	<u>383,385</u>	<u>384,823</u>
Total Assets	1,438	383,385	384,823
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,438	70,478	71,916
Accrued Expenses	-	123,549	123,549
Compensated Absences Payable, Current Portion	-	12,169	12,169
Total Current Liabilities	<u>1,438</u>	<u>206,196</u>	<u>207,634</u>
Noncurrent Liabilities:			
Compensated Absences Payable, Long-Term Portion	-	177,189	177,189
Total Noncurrent Liabilities	<u>-</u>	<u>177,189</u>	<u>177,189</u>
Total Liabilities	1,438	383,385	384,823
NET POSITION			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF NORWALK
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2021**

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
OPERATING REVENUES			
Charges for Services	\$ 15,071,017	\$ 3,229,481	\$ 18,300,498
Total Operating Revenues	15,071,017	3,229,481	18,300,498
OPERATING EXPENSES			
Administrative	-	29,111	29,111
Utilities	-	39,284	39,284
Salaries and Benefits	15,071,017	2,569,086	17,640,103
Maintenance and Repairs	-	592,000	592,000
Total Operating Expenses	15,071,017	3,229,481	18,300,498
CHANGE IN NET POSITION	-	-	-
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	\$ -	\$ -	\$ -

**CITY OF NORWALK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Tenants, Customers, and Users	\$ 15,071,017	\$ 3,229,481	\$ 18,300,498
Payments to Suppliers	(15,232,897)	(747,775)	(15,980,672)
Payments to Employees	-	(2,556,491)	(2,556,491)
Net Cash Used by Operating Activities	<u>(161,880)</u>	<u>(74,785)</u>	<u>(236,665)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(161,880)	(74,785)	(236,665)
Cash and Cash Equivalents - Beginning of Year	<u>163,318</u>	<u>318,830</u>	<u>482,148</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,438</u>	<u>\$ 244,045</u>	<u>\$ 245,483</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ -	\$ -	\$ -
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Inventory	-	(48,590)	(48,590)
(Increase) Decrease in Prepaid Items	-	5,328	5,328
Increase (Decrease) in Accounts Payable	(161,880)	(54,982)	(216,862)
Increase (Decrease) in Accrued Expenses	-	10,864	10,864
Increase (Decrease) in Compensated Absences Payable	-	12,595	12,595
Net Cash Used By Operating Activities	<u>\$ (161,880)</u>	<u>\$ (74,785)</u>	<u>\$ (236,665)</u>

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF NORWALK, CALIFORNIA
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2021**

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	166 – 171
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	172 – 175
Debt Capacity These tables 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.	176 – 179
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	180 – 181
Operating Information These tables 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.	182 – 184
Water Systems These schedules contain historical operating and statistical data pertaining to the Continuing Disclosure requirements for the Water Revenue Bonds.	185 – 193

**CITY OF NORWALK
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011-12*	2012-13	2013-14	2014-15**	2015-16	2016-17	2017-18 ***	2018-19	2019-20	2020-21
GOVERNMENTAL ACTIVITIES										
Net Invested In Capital Assets	\$ 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	\$ 127,752,356
Restricted	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	58,219,821
Unrestricted	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)	(18,624,283)
Total Governmental Activities Net Position	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	167,347,894
BUSINESS-TYPE ACTIVITIES										
Net Invested In Capital Assets	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	52,516,818
Restricted	-	-	3,496,405	3,498,268	-	-	-	-	-	-
Unrestricted	(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)	(2,952,610)
Total Business-Type Activities Net Position	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	49,564,208
PRIMARY GOVERNMENT										
Net Invested In Capital Assets	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	180,269,174
Restricted	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	58,219,821
Unrestricted	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)	(21,576,893)
Total Primary Government Net Position	<u>\$ 226,301,931</u>	<u>\$ 232,295,746</u>	<u>\$ 240,999,801</u>	<u>\$ 224,824,860</u>	<u>\$ 237,031,626</u>	<u>\$ 229,790,510</u>	<u>\$ 203,398,509</u>	<u>\$ 201,258,179</u>	<u>\$ 198,946,126</u>	<u>\$ 216,912,102</u>

* The Norwalk Redevelopment Agency was dissolved as of January 31, 2012. 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									
	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
EXPENSES										
Governmental Activities: **										
General Government	\$ 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	\$ 11,308,923
Public Safety	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	19,009,188
Urban Development	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	4,728,224
Public Works	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	22,717,145
Culture and Leisure	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	2,985,333
Health and Welfare	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	19,381,336
Interest Expense	2,420,418	756,657	544,494	479,252	485,817	426,822	387,397	563,307	1,094,395	1,083,084
Bond Interest Costs	-	214,454	203,147	-	-	-	-	-	386,656	-
Total Governmental Activities Net Expenses	<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>	<u>81,213,233</u>
Business-Type Activities:										
Transit System	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	17,218,130
Water	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	5,079,180
Sewer	-	-	1,574,191	1,749,438	1,579,050	1,777,414	1,973,782	3,158,180	1,898,276	1,849,459
Golf Course	309,777	334,630	319,816	218,307	100,336	-	-	-	-	-
Total Business-Type Activities Net Position	<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>	<u>24,146,769</u>
Total Primary Government Expenses	<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>	<u>\$ 105,360,002</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 2,402,382
Public Safety	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	1,131,942
Urban Development	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	2,183,063
Public Works	191,032	257,232	270,449	292,171	299,108	298,619	339,800	333,688	461,959	316,521
Culture and Leisure	524,419	526,005	749,021	457,254	841,809	591,702	637,317	527,511	600,466	297,017
Health and Welfare	440,685	1,332,438	441,309	576,593	543,048	499,164	438,658	409,203	339,588	389,550
Operating Contributions and Grants	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	36,864,163
Capital Contributions and Grants	-	-	-	-	-	129,325	311,635	176,220	655,852	41,010
Total Governmental Activities Program Revenues	<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>	<u>43,625,648</u>
Business-Type Activities:										
Charges for Services:										
Transit System	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	234,374
Water Utility	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	6,141,485
Sewer (2)	-	-	2,231,922	2,356,627	2,423,016	2,443,276	2,573,946	2,600,121	2,598,408	2,625,416
Golf Course (1)	163,186	143,235	153,622	147,956	60,128	-	-	-	-	-
Operating Contributions and Grants	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	11,751,454
Capital Contributions and Grants	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	3,217,655
Total Business-Type Activities Program Revenues	<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>	<u>23,970,384</u>
Primary Government Program Revenues	<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>	<u>\$ 67,596,032</u>
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (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)	\$ (37,587,585)
Business-Type Activities	(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)	(176,385)
Total Primary Government Net Expense	<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>	<u>\$ (37,763,970)</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.

Source: City of Norwalk

CITY OF NORWALK
CHANGES IN NET POSITION – GENERAL REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Sales Taxes	\$ 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	\$ 13,110,164
Property Taxes	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	9,040,237
Utility Users Tax	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	9,577,756
Business Operation Taxes	858,584	782,573	798,659	843,097	844,971	857,171	880,709	911,424	874,725	4,454,135
Transient Occupancy Taxes	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	761,811
Property Tax in-Lieu of VLF	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	1,480,676
Franchise Fees	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	12,928,583
Investment Income	2,083,266	474,353	338,779	342,057	1,250,061	399,167	211,385	2,892,859	2,844,473	3,189,648
Miscellaneous/Extraordinary Items/Transfers	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)	(2,144,797)
Total Governmental Activities	92,248,237	34,473,852	10,258,006	56,631,148	41,862,690	35,831,109	37,857,153	43,120,920	43,261,329	54,715,376
Business-Type Activities:										
Investment Income	29,272	51,097	50,866	76,182	137,457	118,220	192,254	345,014	355,488	167,520
Miscellaneous/ Transfers	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	2,144,797
Total Business-Type Activities	859,459	242,492	22,095,382	2,111,062	2,138,122	2,144,654	2,143,287	2,428,026	2,460,842	2,312,317
Total Primary Government	<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>	<u>\$ 57,027,693</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 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)	\$ 17,127,791
Business-Type Activities	25,618	6,961,305	23,161,736	4,078,076	5,926,052	(529,808)	903,951	(481,802)	2,386,174	2,135,932
Total Primary Government	<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>	<u>\$ 19,263,723</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									
	2011-12 *	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
GENERAL FUND										
Nonspendable	\$ 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	\$ 4,166,923
Restricted	-	-	-	-	-	-	1,002,530	2,142,296	3,250,800	4,759,234
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	1,282,729	776,628	960,316	1,631,006	1,723,843	1,236,546	641,000	603,959	481,865	800,005
Unassigned	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	23,183,819
Total General Fund	\$ 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	\$ 32,909,981
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,619	\$ 21,220	\$ 42,350	\$ 5,658
Restricted:										
Special Revenue Funds	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	18,728,122
Capital Projects Funds	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	51,826,811
Debt Service Funds	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	1,209,015
Committed	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	9,010,524
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(307,188)	(752,744)	(3,054,013)	(4,000,645)	(2,647,765)	(616,702)	(1,976,299)	(1,411,737)	(1,585,764)	(3,615,170)
Total All Other Governmental Funds	\$ 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	\$ 77,164,960

* 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									
	2011-12*	2012-13	2013-14**	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
REVENUES										
Taxes	\$ 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	\$ 54,543,010
Licenses and Permits	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	1,544,374
Fines, Forfeiture, and Penalties	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	1,011,394
Use of Money and Property	665,890	454,973	324,026	328,556	1,107,863	673,248	485,468	2,744,380	3,151,186	835,993
Intergovernmental	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	35,522,193
Motor Vehicle License Fee	56,479	46,743	-	45,152	42,340	47,284	55,559	51,623	84,483	77,564
Charges for Services	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	1,157,474
Rental Income	778,045	778,252	779,951	830,042	857,530	867,191	909,372	936,240	833,535	731,215
Other	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	1,849,261
Total Revenues	67,602,693	65,120,383	66,627,983	70,289,830	72,006,005	69,573,579	71,877,146	79,372,561	83,229,499	97,272,477
EXPENDITURES **										
Current:										
General Government	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	10,164,369
Public Safety	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	18,958,674
Urban Development	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	4,695,872
Public Works	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	12,720,090
Culture and Leisure	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	2,803,381
Health and Welfare	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	19,255,228
Capital Outlay and Improvement	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	11,117,959
Debt Service:										
Principal Retirement	1,975,000	780,000	890,000	900,000	935,000	980,000	1,025,000	1,249,077	2,371,127	2,396,023
Interest and Fiscal Charges	2,386,516	992,099	741,268	548,881	512,881	475,481	436,281	612,341	1,326,277	1,383,652
Bond Issuance Cost	-	214,454	203,147	-	-	-	74,144	-	386,656	-
Total Expenditures	64,503,803	61,779,575	66,129,742	66,088,270	71,308,110	68,093,051	71,463,175	74,469,045	77,513,056	83,495,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,098,890	3,340,808	498,241	4,201,560	697,895	1,480,528	413,971	4,903,516	5,716,443	13,777,229
OTHER FINANCING SOURCES (USES)										
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	-
Capital Lease Issuance	-	-	-	-	-	-	-	-	-	1,125,558
Transfers In	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	11,074,451
Transfers Out	(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)	(13,219,248)
Total Other Financing Sources (Uses)	(830,187)	(182,280)	1,250,848	(2,034,880)	(2,000,665)	(2,026,434)	2,385,975	(2,083,012)	21,468,484	(1,019,239)
EXTRAORDINARY ITEMS	(20,342,575)	-	71,197	22,973,297	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(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	12,757,990
Fund Balances - Beginning of Year	55,024,967	36,951,095	40,109,623	41,929,909	67,069,886	65,767,116	65,492,669	68,292,615	71,113,119	97,316,951
FUND BALANCES - END OF YEAR	\$ 36,951,095	\$ 40,109,623	\$ 41,929,909	\$ 67,069,886	\$ 65,767,116	\$ 65,221,210	\$ 68,292,615	\$ 71,113,119	\$ 98,298,046	\$ 110,074,941
Debt Service (Excluding Bond Issuance Costs) as a Percentage of Noncapital Expenditures	7.24%	3.11%	2.80%	2.56%	2.38%	2.33%	2.30%	2.80%	4.99%	5.22%

* 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	Sales Tax - Measure P	Utility Users Tax	Business Operations Tax	Transient Occupancy Tax	Property Tax in-Lieu of VLF	Franchise Fees	Total Taxes
	City	Redevelopment Agency								
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
2020-21	9,577,756	-	13,110,164	9,040,237	4,454,135	761,811	1,480,676	12,928,583	3,189,648	54,543,010

(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
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%
2020-21	6,897,213	901,783	379,738	379,010	38,450	8,557,744	0.09291%

* 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									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
TOTAL DIRECT RATE	0.21830	0.22158	0.09311	0.09306	0.09304	0.09301	0.09296	0.09294	0.09294	0.09291
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	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
ABC Unified School District	0.02858	0.02453	0.02894	0.02916	0.03243	0.03132	0.03107	0.03019	0.08193	0.07798
Cerritos Community College District	0.01782	0.02594	0.02502	0.04809	0.04829	0.04698	0.04370	0.04446	0.04449	0.04348
Downey Unified School District	0.06725	0.07132	0.06603	0.06549	0.11466	0.11473	0.10538	0.10113	0.09708	0.08771
Little Lake City School District	0.05286	0.06942	0.08537	0.07964	0.06522	0.07527	0.07876	0.07611	0.06532	0.06606
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Norwalk-La Mirada Unified School District	0.06496	0.06997	0.07238	0.07063	0.14114	0.13400	0.13818	0.13425	0.14019	0.12220
Rio Hondo Community College Dist	0.03418	0.02812	0.02892	0.02821	0.02712	0.02808	0.02748	0.02554	0.02571	0.01361
Whittier Union High School District	0.04317	0.04556	0.04473	0.05270	0.05063	0.06035	0.05781	0.05822	0.05502	0.05433
Total Voter Approved Rate	0.31252	0.33836	0.35489	0.37742	0.48299	0.49423	0.48588	0.47340	0.51324	0.46887
Total Direct and Overlapping Tax Rates	1.31252	1.33836	1.35489	1.37742	1.48299	1.49423	1.48588	1.47340	1.51324	1.46887
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	-	-	-	-	-	-	-	-	-

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 989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

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 across rows.

Source: L.A. County Assessor's Office

**CITY OF NORWALK
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND TEN FISCAL YEARS AGO**

Taxpayer	2020-21			2011-12		
	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	\$ 82,860,977	1	0.97%			0.00%
Veranda Associates LP	73,925,896	2	0.86%			
Norwalk Industrial Sub LLC	62,138,424	3	0.73%			0.00%
TLUS Sam Red SCC Owner LLC	60,434,779	4	0.71%			0.00%
Pedestal Capital II LLC	47,140,566	5	0.55%			
Global Pacific Imperial LLC	45,608,878	6	0.53%			0.00%
Target Corporation	41,876,487	7	0.49%			0.00%
Levian Family Norwalk LLC	38,351,203	8	0.45%			0.00%
Miracle Mile Properties LP	34,850,950	9	0.41%			0.00%
Rexford Industrial Realty LP	32,526,023	10	0.38%			0.00%
Norwalk MM LLC				59,130,000	1	1.05%
Avalon California Value III LLC				40,775,888	2	0.72%
Target Corporation				37,279,561	3	0.66%
Hekmatravan Family Norwalk LLC				32,737,737	4	0.58%
Sam Menlo Trust				29,817,851	5	0.53%
Advanced Group 9 99				24,890,449	6	0.44%
IMT Capital II Palm Cntry Club				24,558,959	7	0.43%
McKenna Norwalk LP				22,042,471	8	0.39%
Norwalk Industrial Sub LLC				21,856,460	9	0.39%
Paddison Associates				21,209,982	10	0.38%
Totals	\$ 519,714,183		6.07%	\$ 314,299,358		5.56%

Excludes government and tax-exempt property owners

Source: L.A. County Assessor 2011/12 and 2020/21 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
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%
2019-20	3,390,424	3,236,705	95.47%	(2,892)	3,233,813	95.38%

Source: L.A. County Auditor/Controller

CITY OF NORWALK
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

Governmental Unit	Gross Bonded Debt Balance	Estimated Percentage Applicable ⁽¹⁾	Net Bonded Debt
DIRECT DEBT			
Lease Revenue Refunding Bonds 2013A/B	\$ 8,001,425	100.000%	\$ 8,001,425
Lease Payable	4,751,339	100.000%	4,751,339
Tax Revenue Bonds 2019A/B	21,045,325	100.000%	21,045,325
Total Direct Debt			<u>33,798,089</u>
OVERLAPPING DEBT			
Metropolitan Water District	13,101,783	0.537%	70,398
Little Lake City SD DS 00SR D-1QSCBS	5,020,000	35.161%	1,765,082
Little Lake City SD DS 2011 Refunding Bond	3,809,902	35.161%	1,339,599
Little Lake City SD DS 2012 Series A	4,480,000	35.161%	1,575,213
Little Lake City SD DS 2014 Ref Bonds Series A	4,545,000	35.161%	1,598,067
Little Lake City SD DS 2014 Ref Bonds Series B	3,040,000	35.161%	1,068,894
Little Lake City SD DS 2012 Series B	11,470,000	35.161%	4,032,966
Whittier Union HSD DS 2008 Series 2014B	7,130,682	6.143%	438,054
Whittier Union HSD DS 2008 Series 2015C	8,945,000	6.143%	549,512
Whittier Union HSD DS 2015 Ref Bonds	28,815,000	6.143%	1,770,172
Whittier Union HSD DS 2016 Ref Bonds	111,533,679	6.143%	6,851,771
Cerritos CCD DS 2004 Series 2012D	31,855,943	13.063%	4,161,264
Cerritos CCD DS 2012 Series 2014A	73,900,000	13.063%	9,653,378
Cerritos CCD DS 2014 REF BONDS SERIES A	74,670,000	13.063%	9,753,961
Cerritos CCD DS 2014 REF BONDS SERIES B	7,620,000	13.063%	995,382
Cerritos CCD DS 2012 Series 2018B	53,415,000	13.063%	6,977,472
Cerritos CCD DS 2012 Series 2019C	99,125,000	13.063%	12,948,458
Cerritos CCD DS 2020 REF Bonds	51,830,000	13.063%	6,770,427
Rio Hondo CCD DS Ref 2004 2019 Ser B	117,637,824	3.093%	4,609,472
ABC Unified 2003 Refund Bond Series A	2,350,000	3.851%	90,498
ABC Unified DS 1997 Series B	22,791,624	3.851%	877,697
ABC Unified DS 2018 Series A	57,000,000	3.851%	2,195,048
Norwalk-La Mirada USD DS 2002 Series 2005B	48,076,564	42.371%	20,370,718
Norwalk-La Mirada USD DS 2009 Ref Bonds	31,892,452	42.371%	13,513,282
Norwalk-La Mirada USD DS 2015 Ref Bonds	49,900,000	42.371%	2,114,333
Norwalk-La Mirada USD DS 2014 Series B	5,945,000	42.371%	2,518,980
Norwalk-La Mirada USD DS 2017 Ref Bonds	59,930,000	42.371%	21,156,045
Norwalk-La Mirada USD DS 2014 Series C	94,300,000	42.371%	3,995,624
Norwalk-La Mirada USD DS 2014 Series D	139,810,000	42.371%	59,239,470
Total Overlapping Debt			<u>203,001,236</u>
Total Direct and Overlapping Debt			<u>\$ 236,799,325</u>

2020/21 Assessed Valuation: \$6,999,308,039 after deducting \$1,558,435,601 in Incremental Value.
Debt to Assessed Valuation Ratios: Direct Debt-0.48%, Overlapping Debt-2.90% Total Debt- 3.38%

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 2020/21 Lien Date Tax Rolls

**CITY OF NORWALK
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Assessed Valuation	\$ 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	\$ 8,557,743,640
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	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	2,139,435,910
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	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	320,915,387
Total Net Debt Applicable to Limit: General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 320,915,387</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:	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	44,896,720
Debt Per Capita: (2020 Pop 105,717)	152	235	237	229	216	204	228	216	414	426
Debt as a Percentage of Personal Income:	1%	1%	1%	1%	1%	1%	1%	1%	2%	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									
	2011-12*	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
GOVERNMENTAL ACTIVITIES										
Lease Revenue:										
Refunding Bonds, 2013A/B	\$ 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	\$ 7,725,000
Tax Revenue ;										
Bonds, 2019 A/B	-	-	-	-	-	-	-	-	18,630,000	17,675,000
Tax Allocation Refunding:										
Bonds, 2005	-	-	-	-	-	-	-	-	-	-
Lease Payable	-	-	-	-	-	-	4,337,008	4,142,931	3,926,804	4,751,339
Subtotal	<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>	<u>30,151,339</u>
Add (Deduct) Deferred Amounts:										
Bond Premium	-	184,115	679,612	622,014	564,416	506,818	449,220	391,622	3,963,605	3,646,750
Bond Discount	-	-	-	-	-	-	-	-	-	-
Deferred Charge on Refunding	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>33,798,089</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	7,880,000
Add (Deduct) Deferred Amounts:										
Bond Premium	-	306,747	296,522	286,298	276,073	265,848	255,623	245,398	235,173	224,948
Lease Payable	-	-	-	-	-	-	-	-	-	37,740
Total Business-Type Activities	<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>	<u>8,142,688</u>
Total Long-Term Liabilities	<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>	<u>\$ 41,940,777</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 Principal	Interest	Coverage
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
2020-21	1,449,081	538,813	1,835,600	2,315,000	1,508,494	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**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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%
2020-21	105,393	2,436,616	23,119	13.5%

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	2020-21			2011-12		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
County of Los Angeles	2,141	1	8.41%	862	4	4.49%
Norwalk-LA Mirada Unified School District	1,655	2	6.50%	1,880	1	9.80%
Cerritos College	1,542	3	6.06%	1,143	3	5.96%
Metropolitan State Hospital	1,530	4	6.01%	1,350	2	7.04%
City of Norwalk	451	5	1.77%	404	6	2.11%
Target	425	6	1.67%	439	5	2.29%
Little Lake City School District	361	7	1.42%	314	8	1.64%
Costco Wholesale	318	8	1.25%	322	7	1.68%
Los Angeles County Sheriff	310	9	1.22%	240	12	1.25%
Doty Bros Equipment Co	300	10	1.18%	300	9	1.56%
Coast Plaza Hospital	298	11	1.17%	298	10	1.55%
Norwalk Community Hospital	271	12	1.06%	250	11	1.30%
Mc Donald's	213	13	0.84%	213	14	1.11%
Southland Care Center	180	14	0.71%	180	18	0.94%
West Central Produce Inc	167	15	0.66%			0.00%
Stater Brothers Markets	160	16	0.63%			0.00%
Ec Hispanic Media	150	17	0.59%			0.00%
Eco Sanitary Supplies Inc	138	18	0.54%			0.00%
United States Postal Service	134	19	0.53%			0.00%
Norwalk Meadows Nursing Center	126	20	0.49%			0.00%
All Other Employers	14,593		57.31%	14,758		76.95%
Total	<u>25,463</u>		<u>100.00%</u>	<u>19,178</u>		<u>119.68%</u>

Source: *ReferenceUsa*

Prepared by: City of Norwalk 10/2021

**CITY OF NORWALK
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2011-12*	2012-13*	2013-14*	2014-15*	2015-16*	2016-17*	2017-18*	2018-19	2019-20	2020-21
General Government	51	46	47	48	51	55	58	55	56	40
Public Safety	47	49	44	43	47	39	47	59	54	49
Public Works	59	81	82	82	80	85	87	85	79	72
Social Services	26	30	29	32	34	32	28	32	44	48
Recreation	98	85	97	94	90	89	92	94	99	100
Community Development	16	24	25	25	28	14	14	16	14	26
Transit	107	94	98	93	101	97	100	102	103	99
Total	404	409	422	417	431	411	426	443	449	434

Source: City of Norwalk

* Reclassified to reflect current reporting structure.

**CITY OF NORWALK
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Police:										
Calls Responded	28,410	28,265	27,068	27,431	30,134	30,671	30,044	28,841	27,278	25,213
Response Time: (Minutes)										
Emergency	3.6	3.8	3.9	3.8	3.3	3.8	4.0	3.8	3.7	3.6
Non-Emergency	9.4	9.3	9.6	9.0	8.7	8.9	9.3	9.5	8.6	8.0
Routine	31.0	31.8	34.4	33.0	34.5	37.5	41.8	39.3	42.8	40.7
Community Development:										
Number of Residential Permits	3,114	2,719	2,746	2,835	4,461	4,586	3,360	2,856	2,638	2,085
Number of Commercial Permits	425	357	447	357	542	470	331	350	285	256
Water:										
New Connections	10	3	1	-	4	7	-	3	-	7
Average Daily Consumption (Millions of Gallons)	188	198	200	157	131	135	143	133	134	135
Sewers:										
New Connections	-	11	11	3	4	15	15	4	13	9
Transit:										
Buses - Number of Riders	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	695,951
Dial-A-Ride - Number of Riders	20,493	16,146	21,754	21,908	22,031	21,849	22,344	24,227	18,992	4,941

Source: City of Norwalk

**CITY OF NORWALK
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
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	197	197	200	200	200
Street Lights	5,479	5,400	5,400	5,400	5,400	5,373	5,373	4,891	4,989	4,989
Traffic Lights	83	81	81	81	80	80	86	85	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	56	59	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	164	164	164
Transit:										
Buses	33	28	33	33	34	33	34	34	31	29
Dial-A-Ride Vans	7	7	7	7	7	7	7	7	7	7

Source: City of Norwalk

**CITY OF NORWALK
WATER SYSTEM – STATEMENT OF NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
ASSETS										
Current Assets:										
Pooled Cash and Investments	\$ 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	\$ 7,437,561
Cash with Fiscal Agent	-	3,497,853	3,496,405	3,498,268	3,505,991	2,605	2,706	315	11	3
Other Current Assets	651,650	844,735	857,657	633,751	708,259	753,366	1,055,583	759,438	1,032,617	1,140,425
Total Current Assets	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	8,577,989
Net Capital Assets	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	22,634,194
Total Assets	<u>\$ 16,515,046</u>	<u>\$ 27,461,631</u>	<u>\$ 28,099,012</u>	<u>\$ 28,566,661</u>	<u>\$ 29,049,271</u>	<u>\$ 29,792,296</u>	<u>\$ 29,974,359</u>	<u>\$ 30,003,131</u>	<u>\$ 30,466,190</u>	<u>\$ 31,212,183</u>
DEFERRED OUTFLOWS OF INTEREST										
Deferred Amount from OPEB Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,234	\$ 65,387	\$ 74,469	\$ 88,376
Deferred Amount from Pension Plans	-	-	-	94,010	111,365	306,324	379,083	263,217	215,205	237,631
Total Deferred Outflows of Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,010</u>	<u>\$ 111,365</u>	<u>\$ 306,324</u>	<u>\$ 440,317</u>	<u>\$ 328,604</u>	<u>\$ 289,674</u>	<u>\$ 326,007</u>
LIABILITIES										
Current Liabilities:										
Accounts Payable	\$ 288,735	\$ 345,355	\$ 296,232	\$ 300,518	\$ 392,906	\$ 674,407	\$ 752,698	\$ 559,862	\$ 467,516	\$ 608,856
Other Current liabilities	138,184	298,143	332,546	416,146	478,559	733,699	593,361	609,398	636,109	691,121
Total Current Liabilities	426,919	643,498	628,778	716,664	871,465	1,408,106	1,346,059	1,169,260	1,103,625	1,299,977
Noncurrent liabilities:										
Advances from Other Funds	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	2,022,653
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	7,874,948
Compensated Absences Payable	102,903	106,749	114,460	118,096	85,475	98,064	94,905	89,248	84,259	31,467
Net Other Post-Employment Benefits										
Liabilities	144,672	183,740	230,765	248,896	243,643	251,749	1,015,032	944,348	959,042	1,021,693
Net Pension Liabilities	-	-	-	1,008,023	1,144,215	1,391,318	1,576,048	1,545,820	1,646,641	1,746,226
Total Noncurrent Liabilities	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	12,818,456
Total Liabilities	<u>\$ 3,709,104</u>	<u>\$ 13,520,344</u>	<u>\$ 13,283,360</u>	<u>\$ 14,114,449</u>	<u>\$ 14,071,162</u>	<u>\$ 14,564,136</u>	<u>\$ 15,008,035</u>	<u>\$ 14,381,455</u>	<u>\$ 14,066,986</u>	<u>\$ 14,118,433</u>
DEFERRED INFLOW OF RESOURCES										
Deferred Amount from OPEB Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,758	\$ 83,596	\$ 65,307	\$ 29,383
Deferred Amount from Pension Plans	-	-	-	235,601	86,495	41,315	35,035	37,837	36,065	3,212
Total Deferred Inflow of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,601</u>	<u>\$ 86,495</u>	<u>\$ 41,315</u>	<u>\$ 39,793</u>	<u>\$ 121,433</u>	<u>\$ 101,372</u>	<u>\$ 32,595</u>
NET POSITION										
Invested in Capital Assets	\$ 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	\$ 14,206,273
Restricted - Debt Service	-	3,497,853	3,496,405	3,498,268	3,505,991	2,605	2,706	315	11	-
Unrestricted	1,410,065	(828,062)	3,501,386	(519,594)	(60,106)	1,772,994	1,326,372	1,901,361	1,886,022	3,180,889
Total Net Position	<u>\$ 12,805,942</u>	<u>\$ 13,941,287</u>	<u>\$ 14,815,652</u>	<u>\$ 14,310,621</u>	<u>\$ 15,002,979</u>	<u>\$ 15,493,170</u>	<u>\$ 15,366,848</u>	<u>\$ 15,828,847</u>	<u>\$ 16,587,506</u>	<u>\$ 17,387,162</u>

Source: City of Norwalk

CITY OF NORWALK
WATER SYSTEM – HISTORIC NET WATER REVENUE AND DEBT SERVICE COVERAGE
LAST TEN FISCAL YEARS

	Fiscal Year										
	2011-12	2012-13	2013-14	2014-15	2008-09	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
ANNUAL RATE INCREASE											
Fixed Service Charge	2.8%	2.1%	2.2%	0.50%	14.8%	0.0%	-1.50%	6.00%	6.00%	6.00%	6.00%
Per Unit Consumption Charge	2.8%	3.1%	2.0%	0.6%	145.8%	0.0%	12.80%	6.30%	6.20%	6.20%	6.20%
WATER REVENUES											
Charges for Services ⁽¹⁾	\$ 4,871,113	\$ 5,170,527	\$ 5,302,823	\$ 5,051,524	\$ 3,934,301	\$ 4,953,919	\$ 5,147,289	\$ 5,704,279	\$ 5,659,007	\$ 5,792,198	\$ 61,414,855
Investment Income	25,921	43,521	42,108	48,833	-	82,318	65,844	82,160	145,501	145,334	54,003
Other	867	1,720	673	474	-	-	-	-	-	-	-
Total Revenues	<u>4,897,901</u>	<u>5,215,768</u>	<u>5,345,604</u>	<u>5,100,831</u>	<u>3,934,301</u>	<u>5,036,237</u>	<u>5,213,133</u>	<u>5,786,439</u>	<u>5,804,508</u>	<u>5,937,532</u>	<u>61,468,858</u>
OPERATION AND MAINTENANCE COSTS											
Administrative	423,877	398,996	434,562	462,605	342,796	411,005	452,125	421,376	414,930	492,776	557,190
Utilities	80,409	128,623	136,040	138,288	54,598	129,563	113,163	75,218	65,162	126,233	171,546
Salaries and Benefits	793,379	769,042	858,182	870,467	641,353	843,037	1,011,509	1,133,317	987,290	970,717	948,473
Contractual Services	163,150	193,585	267,803	284,846	15,094	733,789	653,584	524,343	575,926	779,321	899,339
Cost of Water	1,912,508	1,466,426	1,569,671	1,535,855	1,389,046	1,383,957	1,679,760	2,177,554	2,229,993	1,840,153	11,268,692
Maintenance and Repairs	-	-	-	-	-	-	-	-	-	-	141,738
Supplies and Materials	240,508	338,686	384,239	315,019	202,062	44,967	25,754	57,199	221,693	40,021	-
Total Operating Expense	<u>3,613,831</u>	<u>3,295,358</u>	<u>3,650,497</u>	<u>3,607,080</u>	<u>2,644,949</u>	<u>3,546,318</u>	<u>3,935,895</u>	<u>4,389,007</u>	<u>4,494,994</u>	<u>4,249,221</u>	<u>13,986,978</u>
NET WATER REVENUES	<u>\$ 1,284,070</u>	<u>\$ 1,920,410</u>	<u>\$ 1,695,107</u>	<u>\$ 1,493,751</u>	<u>\$ 1,289,352</u>	<u>\$ 1,489,919</u>	<u>\$ 1,277,238</u>	<u>\$ 1,397,432</u>	<u>\$ 1,309,514</u>	<u>\$ 1,688,311</u>	<u>\$ 47,481,880</u>
DEBT SERVICE COVERAGE	N/A	N/A	3.13	2.76	N/A	2.75	2.36	2.58	2.58	3.12	4.10

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

CITY OF NORWALK
WATER SYSTEM – PROJECTED NET WATER REVENUES AND DEBT SERVICE COVERAGE
LAST FIVE FISCAL YEARS AND ONE YEAR PROJECTION

	Fiscal Year								
	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Projected)
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	\$ 6,141,485	\$ 6,053,000
Investment income	42,108	48,833	82,318	65,844	82,160	145,501	145,334	54,003	60,000
Other	673	474	-	-	-	-	-	-	-
Total Revenue	<u>5,345,604</u>	<u>5,100,831</u>	<u>5,036,237</u>	<u>5,213,133</u>	<u>5,786,439</u>	<u>5,804,508</u>	<u>5,937,532</u>	<u>6,195,488</u>	<u>6,113,000</u>
OPERATION AND MAINTENANCE COSTS									
Administrative	434,562	462,605	411,005	452,125	421,376	414,930	492,776	557,190	640,400
Utilities	136,040	138,288	129,563	113,163	75,218	65,162	126,233	171,546	413,500
Salaries and Benefits	858,182	870,467	843,037	1,011,509	1,133,317	987,290	970,717	948,473	947,329
Contractual Services	267,803	284,846	733,789	653,584	524,343	575,926	779,321	899,339	385,900
Cost of Water	1,569,671	1,535,855	1,383,957	1,679,760	2,177,554	2,229,993	1,840,153	1,268,692	1,550,000
Supplies and Materials	384,239	315,019	44,967	25,754	57,199	221,693	40,021	141,738	809,401
Total Expense	<u>3,650,497</u>	<u>3,607,080</u>	<u>3,546,318</u>	<u>3,935,895</u>	<u>4,389,007</u>	<u>4,494,994</u>	<u>4,249,221</u>	<u>3,986,978</u>	<u>4,746,530</u>
NET WATER REVENUES	<u>\$ 1,695,107</u>	<u>\$ 1,493,751</u>	<u>\$ 1,489,919</u>	<u>\$ 1,277,238</u>	<u>\$ 1,397,432</u>	<u>\$ 1,309,514</u>	<u>\$ 1,688,311</u>	<u>\$ 2,208,510</u>	<u>\$ 1,366,470</u>
DEBT SERVICE									
2013A Bond - Maximum Annual Debt Service	\$ 541,213	\$ 541,213	\$ 541,213	\$ 541,213	\$ 541,213	\$ 541,213	\$ 541,213	\$ 538,813	\$ 537,813
DEBT SERVICE COVERAGE	3.13	2.76	2.75	2.36	2.58	2.42	3.12	4.10	2.54

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. 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%
Jul. 2021	64.08	0.0%	85.54	0.0%	4.47	0.0%

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 CHARGES 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)
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	7.3%
2021	5,557,101	617,456	6,174,557	7.9%

Source: City of Norwalk

**CITY OF NORWALK
WATER SYSTEM – WATER SOURCES AND SERVICE CONNECTIONS
CURRENT FISCAL YEAR AND PRIOR FISCAL YEAR**

Fiscal Year 2020-21		Groundwater	Purchased	
Water Source	Number of Connections	Consumption (acre ft.)	Consumption (acre ft.)	Price (per acre ft.)
Santa Fe Springs	721		178	\$1,930
Norwalk Wells	2,427	665	250*	\$1,372
City of Cerritos	2,243		465	\$1,268
Total	5,391	665	1,028	
Total City Groundwater Rights		1,693		

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		

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

Source: City of Norwalk

**CITY OF NORWALK
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
2008	487.34	-5.5%	2563.25	-0.9%	3050.59
2009	419.21	-14.0%	2262.50	-11.7%	2681.71
2010	410.68	-2.0%	2234.21	-1.3%	2644.89
2011	404.39	-1.5%	1796.80	-19.6%	2201.19
2012	733.62	81.4%	1422.64	-20.8%	2156.26
2013	899.50	22.6%	1334.89	-6.2%	2234.39
2014	943.29	4.9%	1373.27	2.9%	2316.56
2015	868.16	-8.0%	1256.06	-8.5%	2124.22
2016	787.82	-9.3%	1137.78	-9.4%	1925.60
2017	664.98	-15.6%	1292.93	13.6%	1957.91
2018	428.22	-35.6%	1718.18	32.9%	2146.40
2019	383.87	-10.4%	1686.68	-1.8%	2070.55
2020	706.93	65.1%	1323.05	-23.0%	2029.98
2021	1060.49	176.3%	893.27	-47.0%	1953.76

Source: City of Norwalk

**CITY OF NORWALK
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	Total Connections	% Increase (Decrease)
2008	4,897	457	17	5,371	-0.78%
2009	4,899	460	12	5,371	0.00%
2010	4,899	460	12	5,371	0.00%
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	0.06%
2021	4,907	466	18	5,391	0.13%

Source: City of Norwalk

**CITY OF NORWALK
WATER SYSTEM – TOP TEN CUSTOMERS
CURRENT FISCAL YEAR AND PRIOR FISCAL YEAR**

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2021		
Customer	Total Billed ⁽¹⁾	% of Total
Norwalk La Mirada School District	\$ 222,363	3.60%
Fiesta Coin Laundry	81,390	1.32%
Shapell Industries	75,373	1.22%
Heritage HOA	73,079	1.18%
Norwalk Preservation, LP	39,943	0.65%
Pioneer Mobile Estates	38,301	0.62%
Norwalk Housing Investors	28,597	0.46%
Sunstone Community Association	19,929	0.32%
Weber Distribution	16,556	0.27%
Sparkle Fresh Laundry	13,089	0.21%
Top Ten Total	\$ 608,620	9.86%
Total System	\$ 6,174,557	

⁽¹⁾ Total sales to customers
Source: City of Norwalk

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2020		
Customer	Total Billed ⁽¹⁾	% of Total
Norwalk La Mirada School District	\$ 189,525	3.07%
Heritage HOA	71,956	1.17%
Shapell Industries	53,363	0.86%
Pioneer Mobile Estates	37,341	0.60%
Fiesta Coin Laundry	36,462	0.59%
Norwalk Preservation, LP	33,079	0.54%
Norwalk Housing Investors	27,591	0.45%
Sunstone Community Association	17,287	0.28%
Sparkle Fresh Laundry	14,594	0.24%
Weber Distribution	10,520	0.17%
Top Ten Total	\$ 491,718	7.96%
Total System	\$ 5,724,007	

⁽¹⁾ Total sales to customers
Source: City of Norwalk