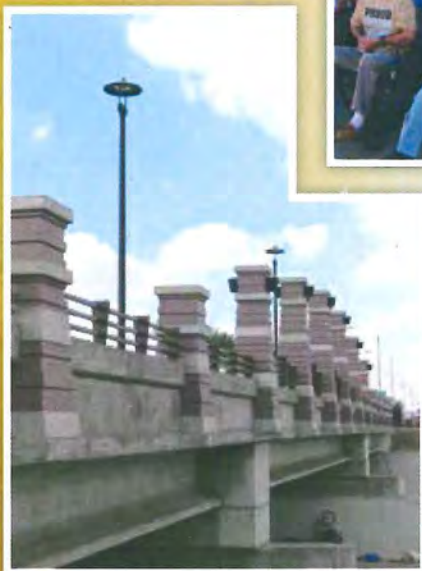
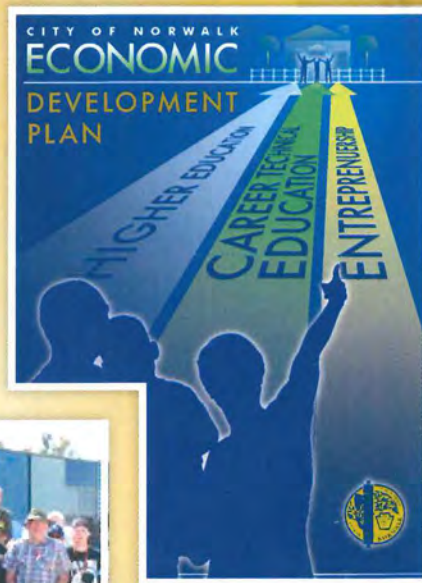




COMPREHENSIVE ANNUAL FINANCIAL REPORT



*City of Norwalk, California
Year Ended June 30, 2015*

**Comprehensive Annual Financial Report
City of Norwalk, California
For the Fiscal Year Ended June 30, 2015**

Prepared by the Finance Department

(This page intentionally left blank)

**CITY OF NORWALK
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

NORWALK City Council

Leonard Shryock
Mayor

Michael Mendez
Vice Mayor

Cheri Kelley
Councilmember

Marcel Rodarte
Councilmember

Luigi Vernola
Councilmember

Michael J. Egan
City Manager

Jana Stuard
Director of Finance/City Treasurer

(This page intentionally left blank)

	<u>Page Number</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
List of Elected Officials and Management Personnel	xiv
Organization Chart	xv
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	xvi
 FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	23
Statement of Net Position	25
Statement of Activities	26
Balance Sheet - Governmental Funds	28
Reconciliation of 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 of 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 Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	40
Statement of Net Position - Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	45
 Notes to Basic Financial Statements	 47
 Required Supplementary Information:	 103
Schedule of Changes in the Net Pension Liability and Related Ratios	104
Schedule of Contributions - CalPERS	105
Schedules of Funding Progress and Employer Contributions - OPEB	106
Budgetary Comparison Schedules:	
General Fund	107
Housing and Community Development Special Revenue Fund	109
Housing Authority Special Revenue Fund	110
Note to Required Supplementary Information	111

	<u>Page Number</u>
FINANCIAL SECTION (CONTINUED):	
Other Supplementary Information:	113
Budgetary Comparison Schedules:	
Debt Service Fund - Major Fund	114
Highway Bridge Replacement and Rehabilitation Capital Projects Fund - Major Fund	115
Other Governmental Funds:	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	117
Special Revenue Funds:	
Description of Other Special Revenue Funds	119
Combining Balance Sheet	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	122
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Child Development Program Special Revenue Fund	124
State Gasoline Tax Special Revenue Fund	125
Air Quality Improvement Special Revenue Fund	126
Norwalk Senior Program Special Revenue Fund	127
Proposition "C" Special Revenue Fund	128
Public Safety Special Revenue Fund	129
Parking Structure Special Revenue Fund	130
Forfeiture Special Revenue Fund	131
Special Grants Special Revenue Fund	132
Proposition "A" Special Revenue Fund	133
Measure "R" Special Revenue Fund	134
Other Federal Grants Special Revenue Fund	135

	<u>Page Number</u>
FINANCIAL SECTION (CONTINUED):	
Other Supplementary Information (Continued):	
Capital Projects Funds:	
Description of Other Capital Projects Funds	137
Combining Balance Sheet	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	140
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Proposition "1B" Capital Projects Fund	142
Proposition "C" I-5 Mitigation Capital Projects Fund	143
Public Art Capital Projects Fund	144
Special Projects Capital Projects Fund	145
Highway User Tax - 2103 Capital Projects Fund	146
Playground Equipment Replacement Capital Projects Fund	147
Sports Complex Equipment Replacement Capital Projects Fund	148
Computer Replacement Capital Projects Fund	149
Vehicle and Equipment Replacement Capital Projects Fund	150
Building Renovation Capital Projects Fund	151
Internal Service Funds:	
Description of Internal Service Funds	153
Combining Statement of Net Position	154
Combining Statement of Revenues, Expenses and Changes in Net Position	155
Combining Statement of Cash Flows	156
Agency Fund:	
Description of Agency Fund	157
Statement of Changes in Assets and Liabilities	158
STATISTICAL SECTION:	
Description of Statistical Section Content	159
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	161
Changes in Net Position - Expenses and Program Revenues - Last Ten Fiscal Years	162
Changes in Net Position - General Revenues - Last Ten Fiscal Years	163
Fund Balances - Governmental Funds - Last Ten Fiscal Years	164
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	165
Governmental Activities Tax Revenues by Sources - Last Ten Fiscal Years	166

	<u>Page Number</u>
STATISTICAL SECTION (CONTINUED):	
Revenue Capacity:	
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	167
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	168
Principal Property Taxpayers - Current Fiscal Year and Ten Fiscal Years Ago	169
Secured Property Tax Levies and Collections - Last Ten Fiscal Years	170
Debt Capacity:	
Direct and Overlapping Governmental Activities Debt	171
Legal Debt Margin Information - Last Ten Fiscal Years	172
Outstanding Debt- Last Ten Fiscal Years	173
Pledged-Revenue Bond Coverage:	
Norwalk Community Facilities Authority - Last Ten Fiscal Years	174
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Fiscal Years	175
Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago	176
Operating Information:	
Full and Part-Time Equivalent City Employees by Functions - Last Ten Fiscal Years	177
Operating Indicators by Functions - Last Ten Fiscal Years	178
Capital Asset Statistics by Function - Last Ten Fiscal Years	179
Water System:	
Statement of Net Position - Last Eight Fiscal Years	180
Operating Results - Last Eight Fiscal Years	181
Projected Operating Results and Debt Service Coverage - Last Three Fiscal Years and Two Year Projection	182
Service Charges and Per Unit Rates - Last Eight Fiscal Years	183
Service Charges Revenues - Last Eight Fiscal Years	184
Water Sources and Service Connections - Current Fiscal Year and Prior Fiscal Year	185
Water Sources - Last Eight Fiscal Years	186
Service Connections by Type - Last Eight Fiscal Years	187
Top Ten Customers - Current Fiscal Year and Prior Fiscal Year	188

MARCEL RODARTE
Mayor
LEONARD SHRYOCK
Vice Mayor
CHERI KELLEY
Councilmember
MICHAEL MENDEZ
Councilmember
LUIGI VERNOLA
Councilmember
MICHAEL J. EGAN
City Manager



12700 NORWALK BLVD., P.O. BOX 1030, NORWALK, CA 90651-1030 * PHONE: 562/929-5700 * FACSIMILE: 562/929-5773 * WWW.NORWALKCA.GOV

December 11, 2015

**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, 2015, 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 White, Nelson, Diehl, Evans, 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, 2015, 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2015, 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 106,679. 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 705 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 better than estimated for revenues and expenditures; other sources were on target with projections.

This results in an ending General Fund unassigned fund balance of \$12.3 million, which is \$3.5 million higher than budgetary estimates. However, it is consistent with the interim results reported to the City Council in May and June 2015. 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 position itself 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 meet the changing times.

The City's outlook, however, is cautious in light of the steadily slow economic growth. The City's first two-year 2015-17 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 25,830 calls for service and incidents including illegally parked and abandoned vehicles, graffiti incidents, Sheriff's Department assistance, fingerprinting services at crime scenes, and patrol checks in neighborhoods, parks and shopping centers;
- Continued to implement use of technology through use of iPads by staff and implementation of Automated License Plate Recognition cameras on two Sheriff's patrol vehicles and fixed mount locations;
- Utilized grant funds awarded by the Department of Alcohol Beverage Control to combat under aged drinking and minor access to alcohol;
- Continued Public Safety Customer Service Committee meetings in order to provide customer service workshops to all staff;
- The focus of the Community Safety Partnership Team continued on City parks by providing community relations and public outreach at parks, and working closely with Recreation staff;
- In March 2015, introduced a new community relations program, *Coffee with a Cop*, to provide community members an opportunity to meet and discuss concerns with Public Safety and Sheriff's officials;
- Conducted two sessions of a new preparedness workshop specifically tailored toward child care providers.

Public Services:

Administration

- Conducted a citywide Park Lighting Study to determine needs for lighting upgrades to walkways and parking lots;
- Conducted a citywide Security Assessment to include recommendations for alarms, access control, cameras, etc.;
- Continued working on Energy Efficiency Strategic Plan budgeted through grant funding in the amount of \$185,250 from Southern California Edison (SCE);
- Continued tracking of the Community Feedback Survey program to monitor satisfaction levels for services received and the overall department satisfaction rating is 91% satisfied;
- Held 12 Mini Mr. Sun neighborhood cleanup events at various locations throughout the city.

Facilities

- Installed new LED lighting at the Alondra Library, City Hall Concourse, Transportation/Public Services lobbies and Senior Center kitchen;
- Replaced carpet in several rooms of City Hall; on the 2nd and 3rd floor offices and waiting areas in the Transportation/Public Services facility; as well as in the Exercise and Fitness Rooms at the Senior Center;
- Design work began for the City Hall Memorial/ADA ramp project;
- Pressure-washed and restriped the Civic Center Parking Structure ;
- Repaired roof leak and water damage at the Senior Center;
- Painted lobby, the exterior building fascia, pillars, wrought iron and the interior of the multipurpose room at the Social Services Center.

Parks Facilities

- Gerdes Park – painted main building and snack bar, remodeled restrooms and replaced patio wrought iron fencing, replaced countertops and cabinets, remodeled kitchen in main building;
- Gerdes Park - painted sports-themed art mural on the handball courts;
- Glazier Park – painted basketball court surface and roof, poured cement for picnic area near building;
- Holifield Park – installed new roof on recreation building and small snack;
- Norwalk Arts Sports Complex - installed new carpet for the lobby, hallways and Sproul Room; installed HVAC units in the Sproul Room, repaired drywall, painted all exterior window frames;
- Ramona Park – painted game lines and basketball court surface, remodeled interior of office/kitchen, painted the exterior of building;
- Sproul Reception Center - installed new doors and flooring, updated and painted the interior;
- Zimmerman Park - replaced roof, installed new eaves and fascia board along with new LED lighting, metal doors and window frames were installed for security.

Parks Landscape

- Installed new planters near the Gerdes Park meeting room, main building and parking lot;
- Created planters and installed new monument sign at Glazier Park, along with upgrade of building planters and new planter at the picnic shelter, upgraded the irrigation throughout the park;
- Installed perimeter plant material throughout the exterior of the Sproul Reception Center;
- Redesigned Zimmerman Park planters; installed new landscape material along the south wall and entries;
- Laser leveled the outfields at City parks;
- Completed beautification project in Sections 2 and 3 of Foster Road Greenbelt;
- Completed several water line repair/replacement projects for irrigation at parks.

Traffic

- Completed 283 replacements of damaged/missing traffic/parking signs;
- Painted 650 square feet of crosswalks citywide;
- Painted 40,000 linear feet of red curbs;
- Restriped 21,000 linear feet of road lanes, including City facility/parks parking lots;
- Painted approximately 12,500 square feet of traffic legends citywide;
- Initiated the design phase for three federal HSIP grant funded traffic signal corridor improvements to include the upgrade of traffic signals and curb ramps;
- Replaced two signal cabinets at the intersections of Norwalk Boulevard at Excelsior Drive and Excelsior Drive at Elmcroft Avenue.

Trees/Greenscape

- Responded to 1,135 residential requests for tree inspections, trimming, and/or planting;
- Removed 300 trees in response to addressing hazards and/or declining/diseased trees;
- Utilized contractor to trim 4,544 trees, as part of City's three-year trimming cycle;
- Completed implementation of the Cal Fire "Green Trees for the Golden State" Grant for the by planting 870 trees at various sites throughout the City including around schools, at parks, and in residential parkways;
- Continued community educational outreach about the benefits of trees;
- Staff conducted 3 tree planting and presentations events in collaboration with Edmondson Elementary, Sanchez Elementary, & Ramona Head Start Schools;
- Hosted 2 Community Tree Planting events at Zimmerman and Bob White Parks;
- Hosted second annual Arbor Day, community tree planting event along Taddy Street behind Norwalk High School and in the surrounding neighborhood;
- Completed and City Council adopted the City's Urban Forest Management Plan;
- Designated a "Tree City USA" by the Arbor Day Foundation.

Graffiti

- Responded to 8,492 community requests for Graffiti removal.

Streets

- Responded to 155 requests for concrete/sidewalk repairs citywide;
- Initiated the Curb and Gutter Project to repair concrete including curb and gutter, sidewalks, and drive aprons raised by tree roots in four City zones;
- Responded to 1,043 Community requests for pickup of litter/illegally dumped items in right-of-way;
- Created a door hanger to enhance communication with the public and discourage illegal dumping.

Water/Sewer

- Coordinated with contractor for the annual cleaning of half of the City's sewer system;
- Continued monitoring operations at new Norwalk Park Well #10;
- Initiated the design phase to construct phosphate treatment facility at Well 10 in Norwalk Park;
- Coordinated with contractor to complete Phase 6 of the annual CCTV sewer line inspection program;
- Implemented the Water Master Plan Update to initiate system improvement for the Norwalk Municipal Water System;
- Initiated the design phase to install Norwalk Park Well standby emergency generator project;
- Initiated the design phase to replace distribution pipeline in the Central Service Area;
- Initiated the design phase to construct new transmission pipeline to connect the Central Service Area with both the West Service Area and South Service Areas;
- Completed Sewer System Management Plan Update to evaluate existing system and develop a capital improvement program for City's sanitary sewer system;
- Completed the design phase to repair or replace 12 high priority "hot spots" in the sanitary sewer pipeline;
- Replaced 280 water meters as a part of annual water meter replacement program;
- Replaced 110 water connections as a part of annual water service replacement program;
- Responded to 28 water main emergencies and 134 service connection leaks.

Parks and Recreation:

- Installed video boards in the NASC to improve communication on past, current, and future programs;
- Installed new sound and public address system in the Norwalk Arts & Sports Complex to provide a more enjoyable setting as well as improve security throughout the facility in case of an emergency;
- Incorporated the Family Intervention program into the Recreation Department to provide more opportunities for Youth at risk;
- Installed Pet Waste Stations at Norwalk Park to encourage pet owners to help keep the park clean for everyone to use;
- Resurfaced the wading pool at the Norwalk Aquatic Pavilion for a safer and more comfortable environment;
- Installed new carpeting throughout the Community Meeting Center at the Norwalk Arts & Sports Complex, providing a cleaner, more professional environment;
- Updated the Lions' Den Boxing Room at the Norwalk Arts & Sports Complex by replacing the aging boxing ring with a new one;
- Completed and opened the new Gerdes Park Playground providing new recreation opportunities to Norwalk youth.

Community Development:

Building & Safety

- Issued 3,193 building permits;
- Conducted 5,850 inspections;
- Performed 461 plan checks.

Economic Development

- Established the Norwalk Education Alliance;
- Sold property at Imperial Highway and Hoxie Avenue to Costco for the development of a gasoline station;
- Sold property at Rosecrans Avenue/Pioneer Boulevard/San Antonio Drive intersection that will be renovated to expand an existing dental practice;
- Completed a lease agreement and land transaction with the Norwalk-La Mirada Unified School District that will enable the County of Los Angeles to construct major improvements to the Norwalk Golf Course on Shoemaker Avenue and operate a new public golf course and youth golf academy.

Planning

- On a daily basis staff assisted the public with inquiries about zoning requirements and processed administrative approvals, such as Animal Permits, Home Occupation Permits, Temporary Sign Permits, Site Plan approvals for new residences, Artificial Turf approvals, Business License approvals, and Building Plan Check approvals.
- Processed entitlements, which require Planning Commission approval, for development plans, use permits, and signs, some of which include:
 - Several condominium developments, 5-unit, 31 unit, and 16-unit developments,
 - Interior and exterior remodel at Northgate Market,
 - Interior and exterior remodel of an existing building to accommodate a new restaurant,
 - New signage at McKenna European Auto Center,
 - New gasoline station in conjunction with Costco,

- New outdoor soccer facility,
 - New single-family dwelling on a substandard sized lot,
 - Request to add live entertainment at an existing restaurant in conjunction with alcohol sales,
 - New wireless telecommunications facilities,
 - Request to add beer and wine sales at an existing restaurant,
 - Request to allow a personal training center through a parking study,
 - Expand the square footage and parking for an existing industrial building,
 - New 3,500 square foot office building,
 - Expand the square footage and remodel the exterior of an existing McKenna BMW auto dealership building,
 - Expand the square footage and remodel the exterior of 2 existing temple buildings,
 - Expand the square footage of the Norwalk Senior Center, and
 - New drive-through signage and equipment for Starbucks Coffee.
- Planning Division staff took the lead on bringing several items before the City Council and Planning Commission for review and adoption including:
 - The 2014 Norwalk General Plan and Housing Element Annual Progress Report,
 - Drought tolerant landscape ordinances for private properties and parkways,
 - Smoke shops regulations, and
 - Changed the Zoning and/or General Plan designation on several properties to accommodate new developments and/or to be consistent with the General Plan.

Engineering

Work was completed on the following projects:

- Project No. 7147 - 90% construction completed for Firestone Bridge over San Gabriel River
- Project No. 7177 - Completed Norwalk Boulevard/San Antonio Drive between Florence Avenue and Rosecrans Avenue per I-5 mitigation
- Issued a total of 567 permits:
 - Construction permits issued – 178
 - Oversized permits issued – 174
 - Excavation permits issued – 81
 - TCP permits issued – 56
 - Trash bin permits issued – 43
 - Road closure permits issued – 26
 - Encroachment permits issued – 9

Code Compliance

- Staff continued to provide code compliance service 7 days a week;
- Issued 1,655 yard sale permits;
- Removed 1,347 signs from the public right-of-way;
- Received 413 Code Compliance complaint reports, 171 of which became violation cases;
- Closed 298 code enforcement complaint and violation cases.

Storm Water Compliance

- First year in which the City collected a storm water fee to cover City's costs for conducting mandatory storm water inspections. Alongside the City's consultant, 357 businesses were inspected and 17 follow ups completed for storm water compliance as required by the Municipal Separate Storm Sewer System (MS4) Permit.

Housing Authority

- Received a “High Performer” rating under the United States Department of Housing and Urban Development’s Section 8 Management Assessment Program (SEMAP), which scores housing authority performance based upon 14 key indicators. This is the eighth consecutive year that the Housing Authority has received the “High Performer” rating.
- Conducted over 150 eligibility interviews from the Section 8 and Soroptimist Village waiting lists and provided housing assistance to an average of 700 households per month.
- Received grant award of \$64,098 from the United States Department of Housing and Urban Development under the Family Self Sufficiency (FSS) Coordinator Grant to cover the cost of staffing the FSS program.

CDBG and HOME Programs

- Rehabilitated 55 homes for low-income households using CDBG funds.
- Funded acquisition of one home by the City’s Community Development Housing Organization to provide affordable housing for individuals with developmental disabilities. Rehabilitation of two other homes acquired in FY13/14 were completed and occupied in FY14/15.
- Completed the citizen participation process and developed a Neighborhood Revitalization Strategy Area in the San Antonio Village neighborhood.
 - Finalized the City’s 2015-2020 Consolidated Plan;
 - Completed monitoring of 132 deferred loans under the Home Improvement Program, 7 down payment assistance loans, and 3 Neighborhood Stabilization Program (NSP) loans. The monitoring included a homeowner certification and proof of owner occupancy and monitoring of taxes, insurance and title. NSP monitoring also includes property inspections.

Social Services:

- The Social Services Department celebrated 40th year anniversary;
- In conjunction with the Los Angeles Homeless Services Authority, the City of Norwalk hosted the 2015 Homeless Count;
- Entered into an Agreement in partnership with Norwalk-La Mirada Unified School District, and California State University Long Beach Foundation for the Health on Wheels Program to provide mobile health care services to children attending District schools located within the City boundaries and to other children in their families;
- The Child Development program was awarded over \$3,000,000 in grant funding from the State of California Department of Education and the Los Angeles County Department of Public Social Services;
- Purchased a total of 93 new chairs and 13 new round tables for the multi-purpose room at the Social Services Center and 76 banquet chairs for Senior Center;
- Installed a new 48” flat screen TV for the lobby area of the Social Services Center;
- Installed six new outdoor security cameras to view the exterior areas of the Senior Center;
- Through the Food Bank program and USDA commodities, 4,000 individuals were provided with essential food for their households;
- The Annual Angel Tree Project - 1,200 children were provided with gifts of clothing and toys;
- The Norwalk Dispute Resolution Program hosted a 30 hour Mediation Training and Certification. 19 City staff participated in the training and received a certificate in Mediation.

Other Accomplishments:

- Launched new City website in November 2014;
- City Council approved an updated Norwalk Park Master Plan in December 2014, developed through the LA County Health Department *Healthy Policies Initiative*;
- The first of several Utility Box Art Projects, located at Firestone Boulevard and San Antonio Drive, was completed in November 2014, with an Asian art themed box painted by three local Artastic winners;
- Through Congresswoman Linda Sanchez' efforts, legislation for the transfer of 15 acres of Tank Farm property for the expansion of Holifield Park was approved in December 2014;
- Initiated consultant services for a communications assessment to identify strengths and develop strategies for improvement in the City's public affairs program;
- Timely adoption of the City's first two-year budget by the Council;
- Started prefunding the other post employment benefits (OPEB) through the annual contributions to the newly established irrevocable trust fund.
- Received the financial reporting excellence award from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR).

LONG-TERM FINANCIAL PLANNING

Budget

The City transitioned from adopting its financial plan annually to bi-annually. The two-year 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 its component units, and capital improvement projects. The City Manager submits the proposed budget to the City Council. During multiple study sessions, the City Council reviews the proposed budget document and directs staff to make revisions. The two-year budget is adopted during a public hearing no later than June 30th.

Capital Asset Replacement and Renovation Reserves

Funds are set aside annually for the replacement and renovation of City-owned facilities and capital assets. The balance in Capital Asset Replacement and Renovation Reserves at June 30, 2015 was \$6.2 million.

ECONOMIC OUTLOOK

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. In the presence of fiscal difficulty, or for other politically driven agendas, both the Federal and State governments have cut funding to local governments. The State, in particular has shown historically that it can and will unilaterally take and shift local governments' revenues to balance its budget or meet other financial obligations.

The U.S. economy anticipates the GDP growth of 2.9% in fiscal year 2015/16 and 3.0% in 2016-17. The national unemployment rate is anticipated to dip to 5.2% - down from its peak of 10.0% in October 2010 and 5.8% in 2015. Inflation is expected to increase to 2.3% by the end of 2016, from 1.5% inflation in 2015. Crude oil and energy prices are expected to remain fairly moderate overall, allowing motorists to save at the gasoline pump. Consequently, the disposable income should rise to 3.9% in 2016 from 3.5% in 2015.

Private consumption is expected to grow by around 3% in 2016 in the U.S. Consumer confidence is at its highest since 2007. This is due to the positive effects of the recovery in the U.S. housing market and the slight improvement in the employment levels.

Economic forecast for the upcoming years reflects continued improvement in the State's finances. Current 6.6%, California's unemployment rate is expected to drop to 6.1% in fiscal year 2015-16 and 5.9% in 2016-17. California's real estate market is showing great improvement, tourism remains a key driver of growth with positive impact on local transient occupancy taxes.

Locally, Beacon Economics' Forecast foresees continuous improvement in the economy of the Los Angeles County. The labor market is growing across most industries; consumers, businesses, and tourists continue to spend; property market picked up and will positively impact future assessed value growth, new construction is bouncing back. Overall Los Angeles region economy is expected to accelerate in 2015 and beyond.

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.

Capital Improvement Projects:

- Improve City's aging infrastructure focusing on rehabilitating the City's parks, streets, traffic signal upgrades, Metrolink station pedestrian and bicycle improvements and median refurbishment and repair;
- Replace water mains and meters, evaluate 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; Transportation center's fuel island, CNG fueling station and bus wash facility; lighting at public parking facilities.

Other Initiatives:

- Continue the implementation of the Economic Development Strategy and supporting programs to strengthen existing businesses and attract new business development;
- Participate in programs that provide support and resources to local small businesses and veterans;
- Implementation of City's Geographical Information System (GIS);
- Evaluate proposals for trash haulers' services and negotiate new contract;
- Continue conducting a positive property maintenance education and improving the quality of neighborhoods and well maintained properties;
- 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, Measure R, 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, 2014. That was the 28th 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.

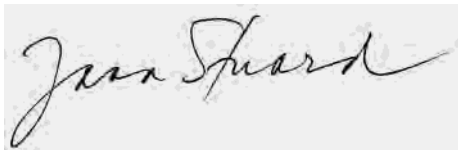
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The continued dedicated and efficient service of the Finance Department staff is appreciated by all levels of City Management. Our independent auditors, White, Nelson, Diehl, Evans, CPA's, provided expertise and advice in preparing an outstanding financial report for the fiscal year ended June 30, 2015.

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 black ink on a light gray background. The signature reads "Jana Stuard" in a cursive script.

Jana Stuard
Finance Director / City Treasurer

City of Norwalk, California
List of Elected Officials and Management Personnel
June 30, 2015

ELECTED OFFICIALS

Leonard Shryock, Mayor
Michael Mendez, Vice Mayor
Cheri Kelley, Councilmember
Marcel Rodarte, Councilmember
Luigi Vernola, Councilmember

CITY MANAGER AND DEPARTMENT HEADS

City Manager	Michael J. Egan
Deputy City Manager	Ernie Hernandez
Deputy City Manager	Gary DiCorpo
City Clerk	Theresa Devoy
Director of Community Development.....	Kurt Anderson
Director of Finance/City Treasurer.....	Jana Stuard
Director of Public Safety	Carlos Ramos
Director of Recreation and Park Services.....	Dave Verhaaf
Director of Social Services	Veronica Garcia
Director of Transportation.....	James C. Parker

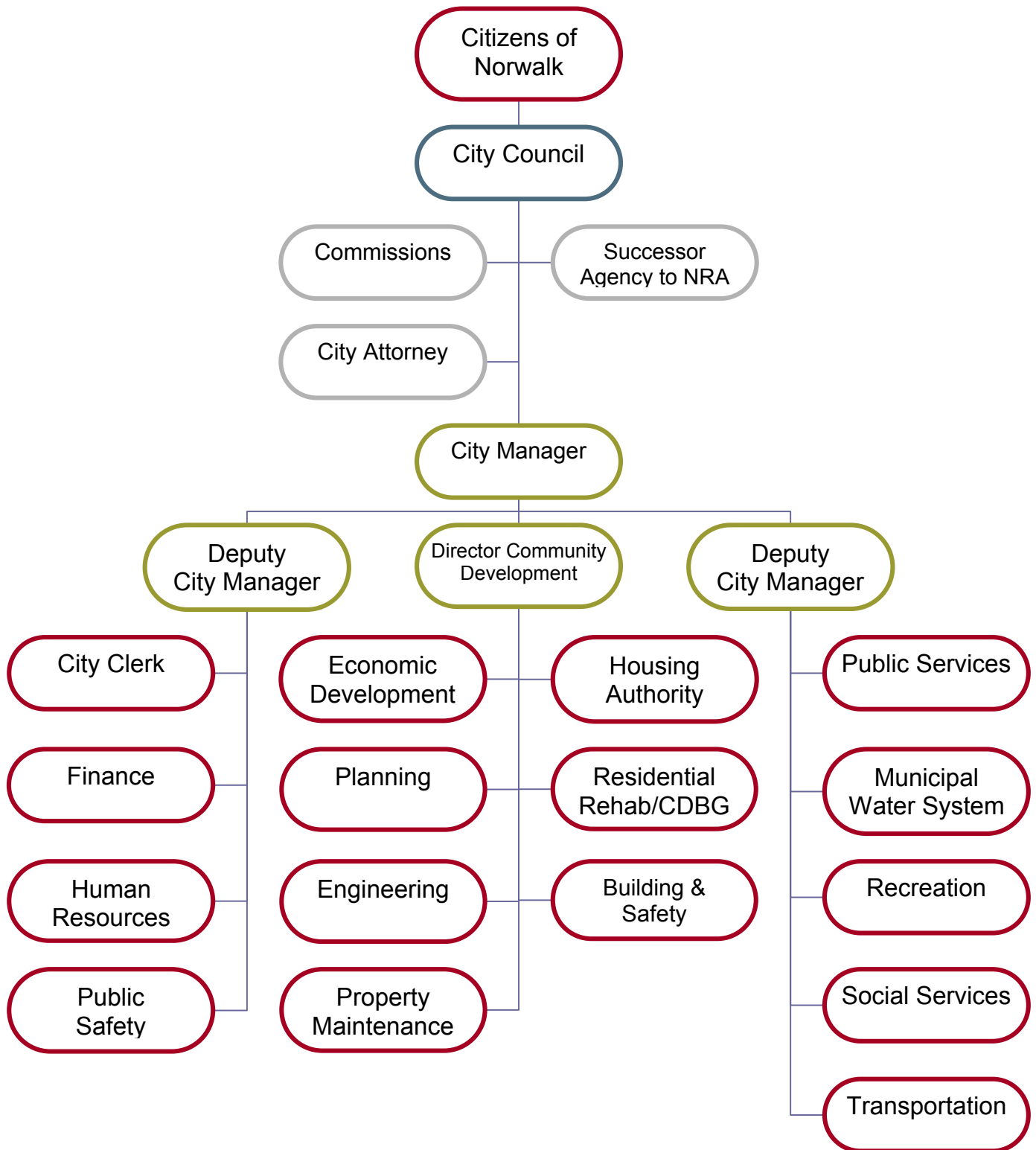
RECOGNITION

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, 2014

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk (the City), as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, as of June 30, 2015, 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 Matters

As discussed in Notes 1B and 18 to the financial statements, the City adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a \$29,024,546 and \$9,674,849 reduction of previously reported net position of the governmental activities and business-type activities, respectively. Our opinions are not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the City has determined that proceeds of long-term loans receivable would either be forgiven or remitted to the original funding agency. In previous years, these loans had been recognized as revenue in the government-wide governmental activities. Correction of the previously reported long-term loans receivable resulted in a reduction of previously reported governmental activities net position by \$8,908,248. 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 schedules of funding progress and employer contributions for OPEB, and 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 the 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 Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, Debt Service Fund - Major Fund, the Highway Bridge Replacement and Rehabilitation Capital Projects Fund - Major Fund budgetary comparison schedules, combining and individual other governmental funds fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Debt Service Fund - Major Fund, the Highway Bridge Replacement and Rehabilitation Capital Projects Fund - Major Fund budgetary comparison schedules, and individual other governmental funds fund financial statements and schedules (other supplementary information), as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 taken 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 11, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Irvine, California
December 11, 2015

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, 2015. 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, 2015, 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, 2015, the City's total assets and deferred outflows of resources were \$319.8 million and total liabilities and deferred inflows of resources were \$95.0 million, resulting in net position of \$224.8 million. The majority of the City's net position is invested in capital assets or restricted for specific purposes. The City's total net position decreased by \$16.2 million from the prior fiscal year. This 7% decrease in City's net position resulted mainly from two items: \$38.6 million increase in pension liabilities, which were recorded for the first time in accordance with the GASB 68; and the transfer in of \$22.2 million of former Redevelopment Agency bond proceeds to the City.
- Due to the effects of GASB 68, the net position of City's governmental activities decreased by \$10.6 million. The net position of the City's business-type activities decreased by a corresponding \$5.6 million.
- The City's long-term liabilities of \$69.6 million increased by \$32.9 million and include \$23.9 million of outstanding bonded debt, which was used to finance the acquisition of capital assets, and to fund various capital improvements of governmental and enterprise activities; \$33.6 million of net pension liability; and \$9.1 million of accrued other post-employment benefit liability.
- The total of the City's capital assets at the end of fiscal year amounted to \$215.7 million. Out of this amount \$38.8 million, 18%, are non-depreciable assets, and \$176.9 million, or approximately 82%, 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 \$67.1 million, an increase of \$25.1 million; approximately \$8.3 million of this balance is unassigned, available for spending at the City's discretion.
- At June 30, 2015, the General Fund balance was \$25.1 million, a decrease of \$1.0 million from the prior year. The unassigned fund balance of \$12.3 million decreased \$3.3 million from the prior year, largely due to the transfers to the City's capital reserves.
- The actual General Fund revenues and transfers in of \$42.1 million represented an increase of \$1.2 million from the prior year actual of \$40.9 million, and were \$0.2 million over the final budget of \$41.9 million.

- The actual General Fund expenditures and transfers out of \$43.8 million represented an increase of \$2.8 million from the prior year actual of \$41.0 million. This was \$2.7 million under the final budget of \$46.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The governmental funds Balance Sheets 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, Transit System and Golf Course. 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 Transit, Water, Sewer and Golf Course funds. All of the Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements.

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

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's changes in the net pension liability and related ratios, contributions to the CalPERS pension plans, and progress in funding its other post-employment benefits to employees 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, 2015, as shown in Table 1, was \$224.8 million.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 85,127	\$ 62,769	\$ 15,654	\$ 12,286	\$ 100,781	\$ 75,055
Capital assets	157,877	157,551	57,850	56,561	215,727	214,112
Total assets	<u>243,004</u>	<u>220,320</u>	<u>73,504</u>	<u>68,847</u>	<u>316,508</u>	<u>289,167</u>
Deferred outflows of resources	<u>2,513</u>	<u>176</u>	<u>783</u>	<u>-</u>	<u>3,296</u>	<u>176</u>
Liabilities:						
Long-term liabilities	48,483	23,937	21,147	12,808	69,630	\$ 36,745
Other liabilities	13,376	8,215	4,119	3,385	17,495	11,600
Total liabilities	<u>61,859</u>	<u>32,152</u>	<u>25,266</u>	<u>16,193</u>	<u>87,125</u>	<u>48,345</u>
Deferred inflows of resources	<u>5,890</u>	<u>-</u>	<u>1,963</u>	<u>-</u>	<u>7,853</u>	<u>-</u>
Net position:						
Net investment in capital assets	144,603	142,690	51,993	47,316	196,596	190,006
Restricted	39,772	13,781	3,498	3,496	43,270	17,277
Unrestricted	(6,607)	31,873	(8,433)	1,842	(15,040)	33,715
Total net position	<u>\$ 177,768</u>	<u>\$ 188,344</u>	<u>\$ 47,058</u>	<u>\$ 52,654</u>	<u>\$ 224,826</u>	<u>\$ 240,998</u>

The City's Government-wide total net position was \$224.8 million, with total assets and deferred outflows of resources of \$319.8 million, liabilities and deferred inflows of resources of \$95.0 million. The net investment in capital assets was \$196.6 million. Another portion of the City's net position, \$43.3 million, represents resources that are subject to external restrictions in how they may be used. The remaining negative balance of \$15.0 million resulted from the increase of long-term liabilities, namely pension liabilities recorded for the first time in accordance with GASB 68.

Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-type activities		Government-Wide Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 7,817	\$ 7,781	\$ 8,952	\$ 9,231	\$ 16,769	\$ 17,012
Operating grants and capital contributions	27,713	26,577	7,984	9,222	35,697	35,799
Capital grants and contributions			3,997	2,155	3,997	2,155
General Revenues:						
Taxes:						
Sales taxes	9,525	9,328	-	-	9,525	9,328
Property taxes	6,842	6,616	-	-	6,842	6,616
Property tax in-lieu of VLF	9,566	9,021	-	-	9,566	9,021
Utility users taxes	5,287	5,257	-	-	5,287	5,257
Business operations taxes	843	799	-	-	843	799
Transient occupancy taxes	1,379	1,309	-	-	1,379	1,309
Other taxes	1,909	1,860	-	-	1,909	1,860
Investment income	342	339	76	51	418	390
Other					-	-
Total Revenues	<u>71,223</u>	<u>68,887</u>	<u>21,009</u>	<u>20,659</u>	<u>92,232</u>	<u>89,546</u>
Expenses:						
General government	9,020	9,256	-	-	9,020	9,256
Public safety	13,083	13,614	-	-	13,083	13,614
Urban development	5,244	5,767	-	-	5,244	5,767
Public works	16,233	18,701	-	-	16,233	18,701
Culture and leisure	8,157	7,104	-	-	8,157	7,104
Health and welfare	12,589	12,864	-	-	12,589	12,864
Interest and fiscal charges	479	544	-	-	479	544
Bond issue costs	-	203	-	-	-	203
Transit	-	-	12,554	13,178	12,554	13,178
Water	-	-	4,445	4,471	4,445	4,471
Sewer	-	-	1,749	1,574	1,749	1,574
Golf Course	-	-	218	320	218	320
Total Expenses	<u>64,805</u>	<u>68,053</u>	<u>18,966</u>	<u>19,543</u>	<u>83,771</u>	<u>87,596</u>
Transfers	<u>(2,035)</u>	<u>(22,045)</u>	<u>2,035</u>	<u>22,045</u>	<u>-</u>	<u>-</u>
Change in net position	4,383	(21,211)	4,078	23,161	8,461	1,950
Extraordinary items	22,973	(2,227)	-	-	22,973	(2,227)
Net position - beginning of year *	150,412	211,782	42,980	29,493	193,392	241,275
Net position - ending of year	<u>\$ 177,768</u>	<u>\$ 188,344</u>	<u>\$ 47,058</u>	<u>\$ 52,654</u>	<u>\$ 224,826</u>	<u>\$ 240,998</u>

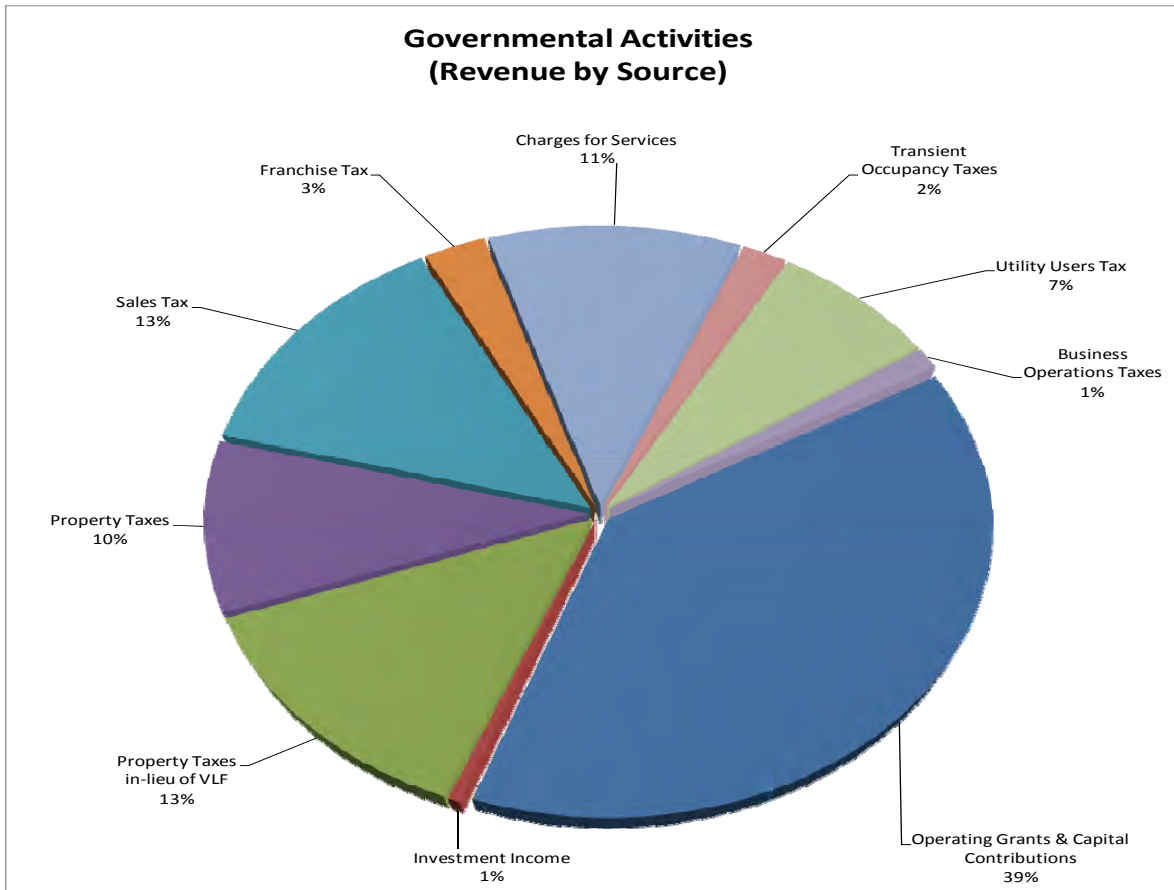
*FY 2015- Net position includes implementation of GASB 68 which was not required in FY 2014

Governmental Activities

Revenues for the City's governmental activities increased \$2.3 million or 3.4%, from \$68.9 million last fiscal year to \$71.2 million in this fiscal year. Key elements of significant changes are as follows:

- The largest revenue source was operating grants and capital contributions at \$27.7 million, increasing \$1.1 million, or 4.3%, from the preceding fiscal year.
- The second largest revenue source was property taxes in-lieu of VLF. Property taxes in-lieu of VLF are a recent revenue stream that was "swapped" with the City's vehicle license fee (VLF) revenues beginning in fiscal year 2004-05. The State took action to permanently reduce the VLF rate from 2.0% to 0.65% that impacted local governments significantly. To make affected cities financially whole, it took subsequent action to swap the lost VLF revenues for its property taxes. During fiscal year 2014-15, the City received \$9.7 million in property tax in-lieu of VLF revenue. This is an increase of \$0.5 million, or 6%, from the preceding fiscal year.
- The third largest revenue source was sales tax, general revenue, at \$9.5 million, increased \$0.2 million, or 2%, from the preceding fiscal year.
- The fourth largest revenue source was charges for services at \$7.8 million, which remained flat from the preceding fiscal year.
- Property taxes were the fifth largest revenue, at \$6.8 million, an increase of \$0.2 million or 3% from the prior fiscal year revenues.

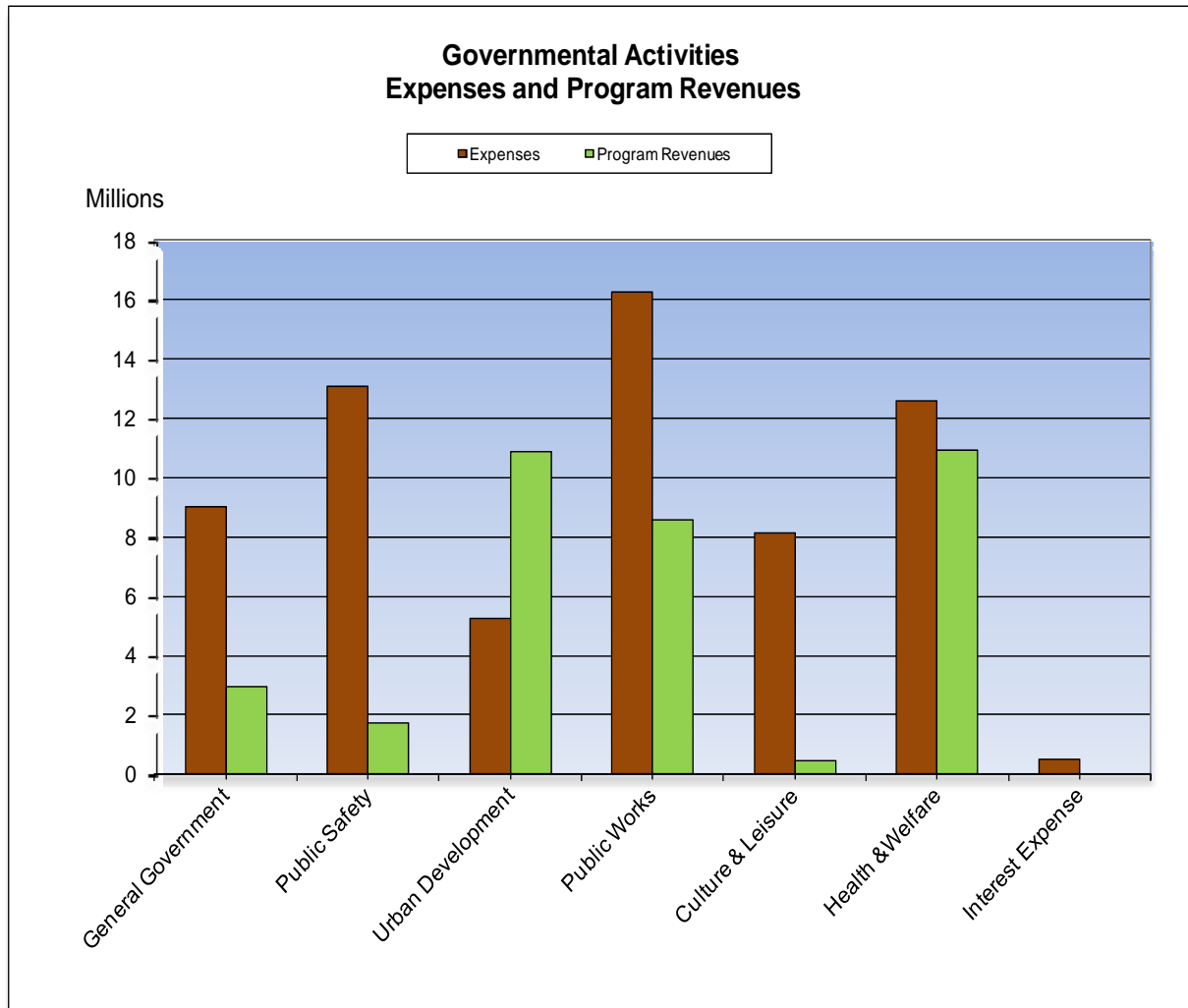
Governmental activities also recorded two positive extraordinary items in total of \$23.0 million. These resulted from items related to the dissolution of the redevelopment. The City received \$22.2 million in bond proceeds from the Successor Agency to the Redevelopment Agency' private-purpose trust fund. Based on the California's Department of Finance (DOF) finding letter related to ROPS I, the Successor Agency also wrote-off a \$0.8 million loan to the City, which was granted from the former Redevelopment Agency's taxable bond proceeds. The purpose of the loan was to rehabilitate the city-owned building located at 13629 San Antonio Drive. The City recorded both transactions as special items.



The cost of providing all governmental activities this year was \$64.8 million. Program revenues funded \$35.5 million, or 55% of governmental activities. The remaining portion of governmental activities was paid with general revenues.

- Public Works, was the largest category of governmental activities, at \$16.2 million, it represented 25% of the total expenses; decreasing \$2.5 million from the prior fiscal year. Approximately \$8.6 million in expense was funded with program revenues.
- Public Safety expense category was the second largest at \$13.1 million, or 20% of governmental activities, of which approximately \$1.7 million was funded with program revenues. Expenses for this category decreased by \$0.5 million, or 3.9% from the prior fiscal year.
- Health and Welfare was the third largest expense category. During fiscal year ended June 30, 2015, these expenses represented \$12.6 million, or 19% of governmental activities. Approximately \$10.9 million was funded with program revenues. Expenses decreased from the preceding fiscal year by \$0.3 million, or 2%.
- General Government, the fourth largest category of governmental activities recorded expenses at \$9.0 million; it represented 14% of total governmental expenses. Program revenues funded \$3.0 million of the General Government expense category. Expenses in this category recorded a decrease of \$0.2 million, or 3% compared to preceding fiscal year.

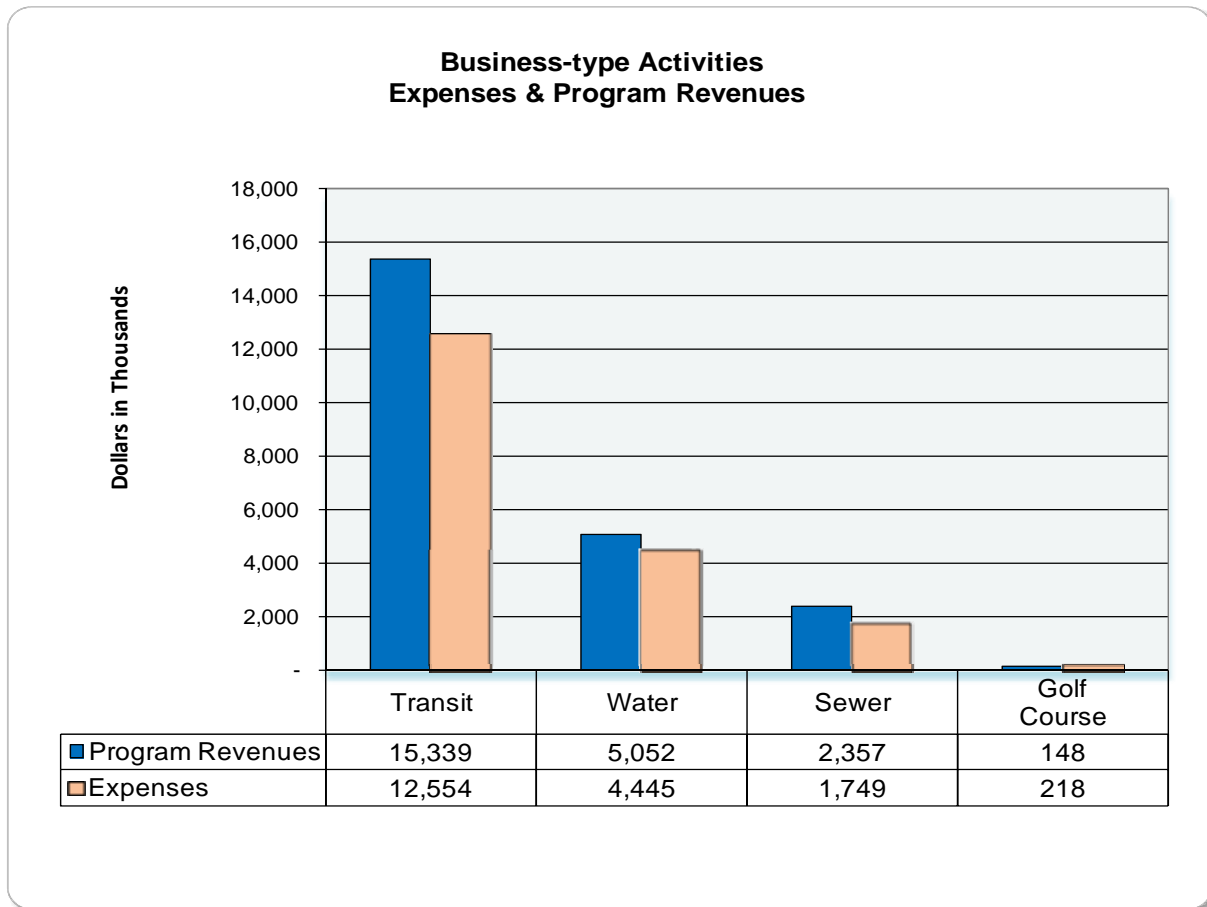
- Culture and Leisure was the fifth largest governmental activity with \$8.2 million in expenses, or 13% of governmental activities. Approximately \$0.5 million was funded with program revenues. Expenses of this category increased \$1.0 million, or 15% compared to prior fiscal year.



Business-type Activities

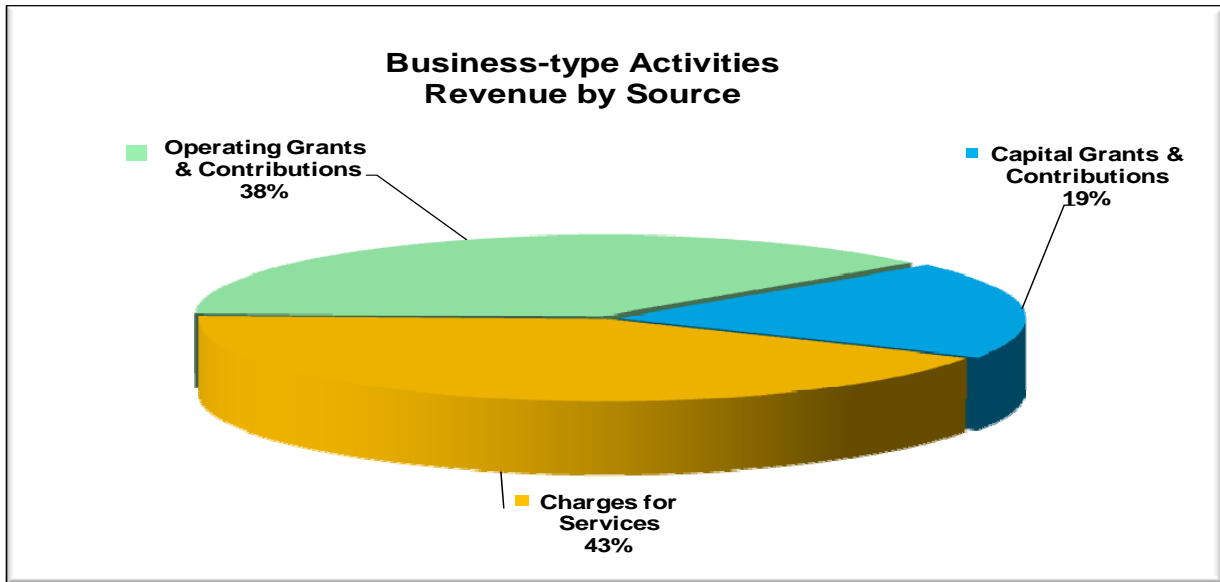
The City's business type activities, which are Transit, Water, Sewer and Golf Course, account for services to the general public. As of June 30, 2015, total net position of Business-type activities was \$47.1 million, out of which, the unrestricted net position represented a negative \$8.4 million; net investment in capital assets represented \$52.0 million. Total net position decreased \$5.6 million from the prior year's balance of \$52.7 million. This decrease is primarily attributed to pension liability recorded for the first time during fiscal year 2014-15 in accordance with GASB 68.

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



Total operating revenues of Business-type activities were \$9.0 million; a decrease of \$0.3 million, or 3% from the prior year's operating revenues. The majority of this decrease is related to the establishment of water conservation regulations, which decreased water usage and consequently decreased water consumption revenues.

As shown in the pie chart below, Operating Grants and Contributions represent 38% of program revenues of Business-type activities. This is the result of Transit operations funded by grants from the federal and state governments. Water and Sewer are 100% funded through service charges. The Golf Course is partially funded by service charges; the remaining deficit is funded by a transfer in from the general fund.

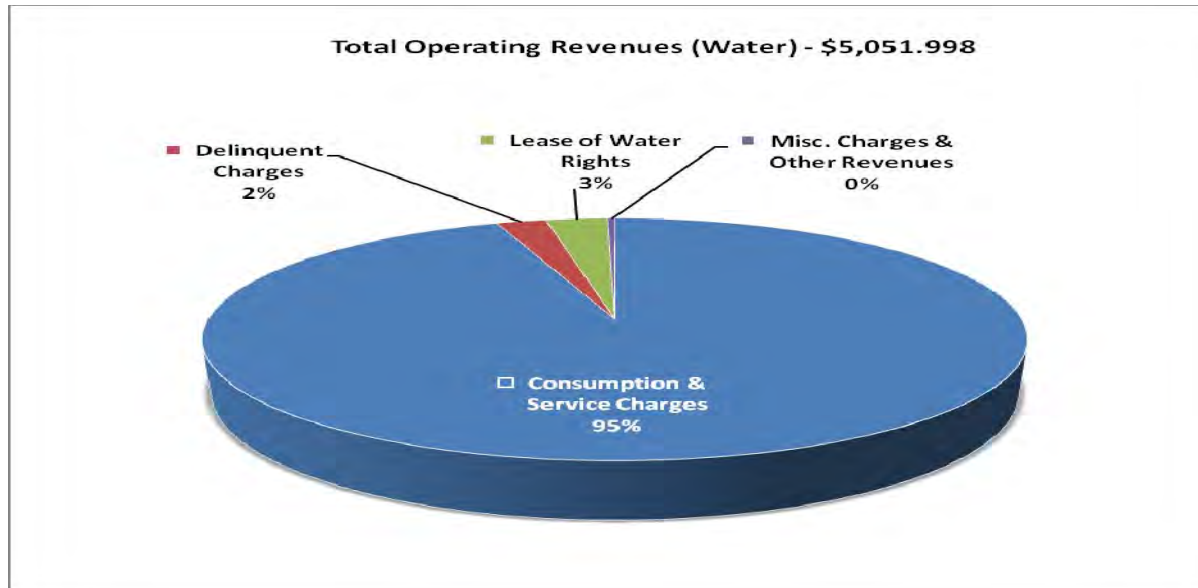


Transit System

Charges for service, \$1.4 million, decrease by \$0.1 million during fiscal year 2014-15. Operating grants and contributions were \$8.0 million, a increase of \$0.6 million. Transfer in of Prop A funds, \$2.0 million, had a slight increase of \$0.1 million from the prior fiscal year. Capital grants and contributions of \$4.0 million recorded an increase of \$1.8 million from prior year. This substantial increase is due to the construction of new CNG fueling station and transportation center capital projects, which were funded by capital grants. Combined revenues increased by \$2.4 million, or 19%, when compared to the prior fiscal year. Operating expenses of \$12.6 million recorded a decrease of \$0.6 million, or 5%, from the previous fiscal year.

Water System

Operating revenues totaled \$5.1 million; a decrease of \$0.3 million, or 5%, from the preceding year's operating revenues. As demonstrated in the chart below, consumption and service charges at \$4.8 million represented 95% of operating revenues, a recorded decrease of 4% from the prior year.



Operating expenses of \$3.9 million decreased from the prior year by \$39 thousand, or 1%.

Total net position of the Water Fund decreased \$0.5 million, from the \$14.8 million in prior fiscal year, to \$14.3 million in fiscal year 2015. This decrease is related to a net pension liability of \$1.1 million, which was booked in fiscal year 2014-15. This decrease was offset in part by revenues exceeding expenses during the year, \$0.6 million.

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

Effective July 1, 2013 the City established an enterprise fund to account for Sewer revenues and expenses. During the same year, the City completed the sewer system management plan and successfully passed the Prop 218, establishing for the first time since the City's incorporation, fees for providing wastewater collection service.

In fiscal year 2014-15, operating revenues totaled \$2.4 million, while operating expenses were \$1.7 million. Total net position of the Sewer Fund is \$22.8 million, of which \$20.5 million is net investment in capital assets; unrestricted net position is \$2.2 million.

Golf Course

The operating expenses of the Golf Course exceeded the operating revenues by \$70 thousand during the year. Revenues were \$148 thousand, which is consistent with the prior year. Expenses decreased by \$102 thousand from the prior fiscal year. General fund transferred \$70 thousand to cover the operating deficit of the Golf Course.

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 \$67.1 million, an increase of \$25.2 million, or 60%, from the prior year’s combined fund balance of \$41.9 million. This increase was primarily due to transfer in of bond proceeds from the Successor Agency.

The nonspendable portion of governmental funds’ fund balance totaled \$9.1 million, a decrease of \$0.2 million or 2% from last year.

Total restricted fund balance was \$39.7 million, an increase of \$25.9 million is due to transfer in of the former redevelopment agency bond proceeds; \$11.2 million is obligated by its funding nature under Special Revenue Funds, \$27.4 million for Capital Projects and \$1.1 million is restricted to Debt Service.

Total committed fund balance was \$8.3 million: \$6.2 million to finance asset replacement funds and \$2.1 million for the loss of revenues and the increase of pension cost.

The City assigned \$1.6 million for future capital improvement projects. The combined unassigned fund balance of governmental funds is \$8.3 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, 2015 were \$70.3 million. An increase of \$6.5 million, or 6%, from the prior fiscal year’s total of \$66.6 million. It is attributed to taxes and intergovernmental revenues related to federal and state funding for street projects.

Expenditures of governmental funds were \$66.1 million and remained constant from the prior year.

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 \$12.3 million, assigned fund balance was \$1.6 million, non-spendable fund balance was \$9.1 million, while committed fund balance was \$2.1

million. These resulted in total General fund balance of \$25.1 million. The key factors affecting the General Fund's financial position are as follows:

General Fund revenues and transfers in for the fiscal year totaled \$42.1 million, an increase of \$1.2 million or 3%, from the prior year's total of \$40.9 million, is attributed to the higher tax revenues.

Taxes represent the largest General Fund revenue sources. They represent 84% of the total General Fund revenues and include: sales taxes, property taxes in-lieu of vehicle license fee (VLF), property taxes, utility users' tax and other taxes.

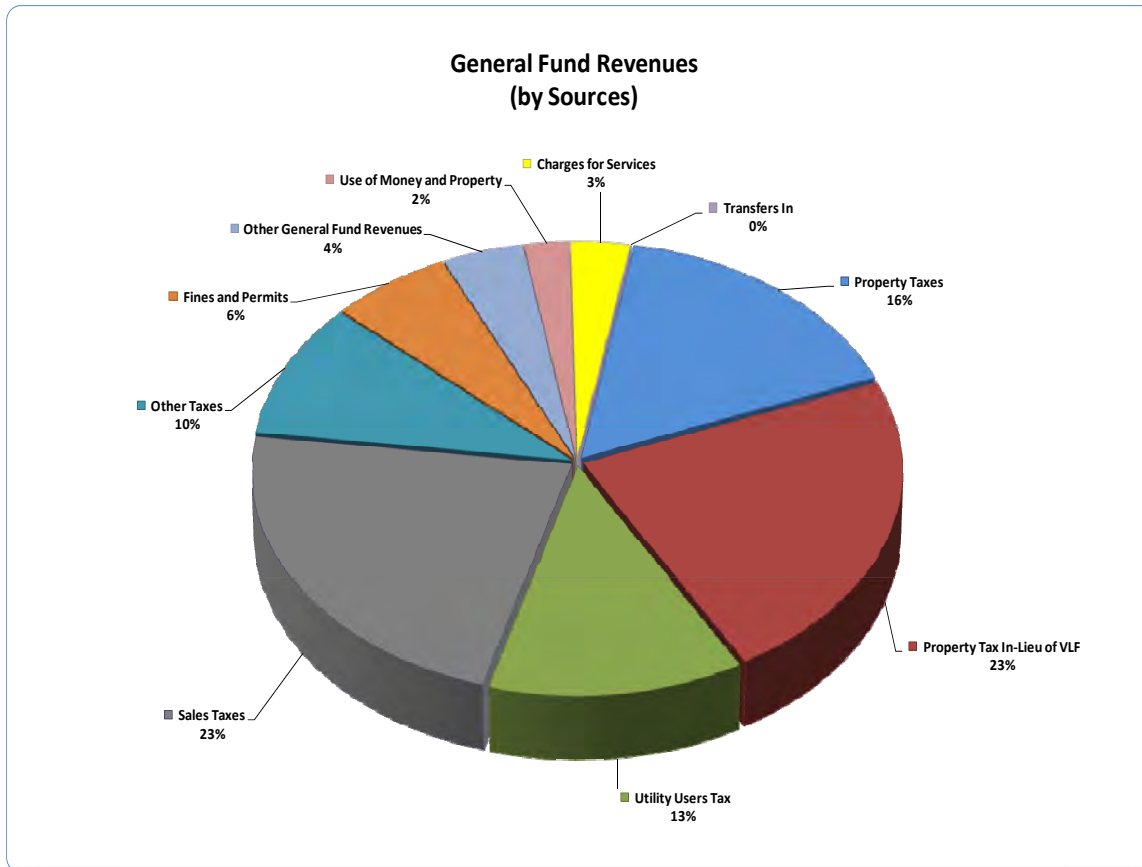
- The largest revenue source, 23% of General Fund revenues, was Property Tax In-Lieu of Vehicle License Fees at \$9.6 million. This is an increase of \$0.5 million or 6% from prior year.
- Sales Taxes represented the second largest revenue source at \$9.5 million, or 23% of General Fund revenues. This revenue source increased \$0.2 million, 2%, from fiscal year 2014. Sectors affected were autos and transportation, food and drugs categories.
- Property Taxes came in third at \$6.8 million, representing 16% of the General Fund revenues, a slight increase of \$0.2 million and from last year's total of \$6.6 million. Majority of these real property value derived revenues came from No/Low property tax and property tax apportionment from the county for the Southeast Recreation Park Area.
- Utility Users Tax came in fourth at \$5.3 million or 13% of the total General Fund revenues. This revenue is based on utilities like telephone, wireless, electricity and gas. It recorded a small increase of 0.6% or \$30 thousand from prior year.
- The fifth largest revenue source was Other Taxes at \$4.1 million, or 10% of General Fund revenues. It increased by \$162 thousand, or 4% from prior year, mainly due to transient occupancy tax and franchise tax categories.

General Fund expenditures and transfers out totaled \$43.8 million, an increase of \$2.8 million, or 7%, from the prior year's total of \$41 million. The increase is attributed to \$1.8 million increase in the transfers to the City's capital reserves; and the \$0.7 million increase under the cost culture and leisure activities. Expenditures by function from highest to lowest are summarized as follows:

- Public Safety was the largest General Fund function at \$12.7 million, or 29% of General Fund expenditures and transfers out, a slight decrease of \$0.2 million, or 2%, from the preceding fiscal year.
- General Government (City Council, City Commissions, Administration, City Attorney, Management Services, Community Information, Cable TV, City Clerk's Office, Human Resources and Risk Management, Finance, and Management Information Systems) was the second largest General Fund function at \$7.5 million, or 17%, of the General Fund expenditures and transfers out. This function increased by \$123 thousand from last year or 2%
- The Culture and Leisure expenditures represented the third largest expenditure category at \$7.4 million, or 17%, of the General Fund expenditures and transfers out. This category increased by

\$0.7 million, or 11%, from the prior year's total of \$6.7 million. Increased parks maintenance cost contributed to the overall increase.

- Public Works ranked fourth at \$5.3 million, or 12% of the General Fund expenditures and transfers out, decreased by \$ 167 thousand, or 3% from the previous fiscal year's total of \$5.4 million.
- Fifth in rank is Urban Development function at \$3.7 million, representing 8% of the General Fund expenditures and transfers out. It increased by \$57 thousand, or 2% from the prior year.



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 2014-15, CDBG received entitlement grant in the amount of \$ 0.9 million with a program income (proceeds of repayments of HUD funded loans) of \$0.3 million. The City's annual allocation of HOME funds was in the amount of \$0.2 million and program income was \$0.3 million.

The City expended \$1.3 million of CDBG funds on 18 activities. A \$0.6 million decrease from prior year's total of \$1.9 million was due to completion of a street rehabilitation project in prior fiscal year. HOME expenditures totaled \$0.3 million for the year; \$0.1 million was spent for home repairs and \$0.2 million for CHDO (Community Housing Development Organization) project.

Highway Bridge Replacement and Rehabilitation Capital Projects (HBRR) Fund. The purpose of the Program is to replace or rehabilitate public highway bridges over waterways, other topographical barriers, other highways, or railroads when the State and the Federal Highway Administration determine that a bridge is significantly important and is unsafe because of structural deficiencies, physical deterioration, or functional obsolescence. Reimbursable scopes of work include replacement, rehabilitation, painting, scour countermeasure, bridge approach barrier and railing replacement, low water crossing replacement, ferry service replacement, and preventative maintenance activities. The federal reimbursement rate is 88.53% of the eligible participating project costs, including preliminary engineering, right of way, and construction costs.

In fiscal year 2014-15, the City expended \$5.6 million in HBRR funds for the construction of the Firestone Boulevard Bridge over the San Gabriel River. The project is scheduled to be completed in September 2015.

General Fund Budgetary Highlights

The following table displays the General Fund's original budget, final budget and actual results for 2015 revenues, expenditures and transfers. Actual revenues and transfers in were \$0.2 million, 0.5% higher than the City's final budget, of \$41.9 million. Expenditures and transfers out were lower by \$2.7 million than the final budget of \$46.5 million, or 6% under budget. The budget savings resulted mainly from savings under personnel costs (\$1.1 million). These savings primarily comprised from: attrition under full-time positions (\$0.5 million), savings from part-time positions (\$0.2 million), medical cost (\$0.1 million). Close to \$1.0 million in savings was realized under contract services, some of which were anticipated to be carried over for fiscal year 2015-16. In addition savings were realized in both utilities (\$0.2 million) and insurance (\$0.3 million) expenditures.

The final revenue budget reflects an increase of \$0.5 million (1%) from the original revenue estimates.

Differences between the original and final total expenditures budget reflect an increase of \$0.6 million, or 1%. The budget of transfers to equipment replacement funds remained unchanged.

Table 3
General Fund Budgetary Comparison
(in thousands)

	Original Budget	Final Budget	Actual Amount
Revenues	\$ 41,428	\$ 41,864	\$ 42,071
Expenditures	(41,386)	(42,000)	(38,944)
Other Financing Sources (Uses):			
Transfers in	8	8	10
Transfers out	(4,509)	(4,509)	(4,839)
Special Item	-	-	750
		#	
Net Change in Fund Balance	<u>\$ (4,459)</u>	<u>\$ (4,637)</u>	<u>\$ (952)</u>

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for Governmental and Business-type Activities as of June 30, 2015 was \$215.7 million (net of accumulated depreciation). This investment, in a broad range of capital assets, includes land, construction in progress, buildings and improvements, machinery and equipment, tools and equipment, water rights, infrastructure and miscellaneous capital assets. The total net increase of \$1.6 million represents a 1% increase from the previous year and can be mainly attributed to the increase in capital improvement projects category.

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

Table 4
Capital Assets – Net of Depreciation
June 30, 2015 and 2014

	Governmental Activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Capital assets not being depreciated:						
Land	\$ 5,385,755	\$ 5,257,966	\$ 23,125	\$ 23,125	\$ 5,408,880	\$ 5,281,091
Construction in progress	18,130,849	9,546,762	6,844,513	3,256,796	24,975,362	12,803,558
Water Rights			8,396,581	8,396,581	8,396,581	8,396,581
Total capital assets not being depreciated	<u>23,516,604</u>	<u>14,804,728</u>	<u>15,264,219</u>	<u>11,676,502</u>	<u>38,780,823</u>	<u>26,481,230</u>
Capital assets being depreciated:						
Buildings and improvements	48,168,143	48,136,949	7,323,939	7,323,939	55,492,082	55,460,888
Distribution system	-	-	11,311,114	11,311,114	11,311,114	11,311,114
Machinery and equipment	6,231,406	6,198,138	-	-	6,231,406	6,198,138
Office Equipment	-	-	713,297	723,928	713,297	723,928
Vehicles	-	-	16,726,085	17,126,974	16,726,085	17,126,974
Tools and equipment	-	-	1,415,253	1,415,253	1,415,253	1,415,253
Infrastructure	245,545,809	245,479,510	46,955,976	46,955,976	292,501,785	292,435,486
Miscellaneous			150,096	178,320	150,096	178,320
Total capital assets being depreciated	<u>299,945,358</u>	<u>299,814,597</u>	<u>84,595,760</u>	<u>85,035,504</u>	<u>384,541,118</u>	<u>384,850,101</u>
Less: Total accumulated depreciation	<u>(165,585,125)</u>	<u>(157,068,720)</u>	<u>(42,009,417)</u>	<u>(40,150,841)</u>	<u>(207,594,542)</u>	<u>(197,219,561)</u>
Net Capital Assets, being depreciated	<u>134,360,233</u>	<u>142,745,877</u>	<u>42,586,343</u>	<u>44,884,663</u>	<u>176,946,576</u>	<u>187,630,540</u>
Net Capital Assets	<u>\$ 157,876,837</u>	<u>\$157,550,605</u>	<u>\$57,850,562</u>	<u>\$ 56,561,165</u>	<u>\$ 215,727,399</u>	<u>\$214,111,770</u>

Long-term Liabilities. At June 30, 2015, the City had \$36.0 million in outstanding long-term liabilities for governmental and business-type activities. In addition the City also recognized for the first time in fiscal year 2014-15, net pension liability in the amount of \$33.6 million, for a total of \$69.6 million.

**Table 5
Outstanding Debt as of June 30, 2015 and 2014
(In thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Compensated absences	\$ 2,431	\$ 2,531	\$ 563	\$ 594	\$ 2,994	\$ 3,125
Other post-employment benefits	6,270	5,866	2,824	2,672	9,094	8,538
Claims payable	-	-	4	-	4	-
Bond indebtedness	14,582	15,540	9,356	9,542	23,938	25,082
Net pension liability	25,200	-	8,400	-	33,600	-
Total long term liabilities	<u>\$ 48,483</u>	<u>\$ 23,937</u>	<u>\$ 21,147</u>	<u>\$ 12,808</u>	<u>\$ 69,630</u>	<u>\$ 36,745</u>

The City's total debt decreased by \$0.6 million during fiscal year 2014-15, and can be attributed to the combination of two factors: annual principal payment on outstanding bonds (\$1.0 million), and an increase in other post-employment benefits, \$0.4 million.

Additional information on the City's long-term liabilities can be found in Note number 7 and 8 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 2015, projected 2016-17 general fund reserves of \$11.5 billion. Growth in total General Fund revenues and transfers (5.9%) is projected to outpace growth in General Fund spending (5.1%) in 2016-17. The State's budgetary condition is stronger than at any point in the past decade. However the continued caution is needed, as the State's continued fiscal recovery is dependent on a number of assumptions that may not come to pass.

The City will continue to monitor Federal and State's budget development as their budget affect a substantial portion of the City's intergovernmental funding source via grants and pass-through revenues.

The City adopted two-year 2015-17 operating budget, which is both balanced and fiscally responsible. This spending plan maintains essential services to the community and continues to provide funding to stimulate local economy through various development and beautification projects throughout the City.

The key assumptions in the General Fund forecast for the fiscal year 2015-17 are:

The proposed operating budget is balanced with no use of reserves. The available fund balance is planned to be used for one-time expenditures: special studies, capital outlays, capital projects, and transfers to reserve funds. 2015-17 Budget maintains General Fund reserves within the City's reserve policy, at 20% of operating expenditures.

Some major components of the 2015-17 Budget are as follows:

- General Fund revenues are projected to increase 2% from year to year, or \$0.7 million in Year 1, and \$0.9 million in Year 2. Among the major contributors to the overall increase in ongoing available resources are the following revenues:
 - Sales and Use Tax – with the improving economy and consumer confidence this important revenue source is estimated to grow 5% annually and increase by approximately \$0.5 million each fiscal year.
 - “Property Taxes” – four revenue categories derived from real property values (No/Low Property Tax, South-East Recreation Park, Property Tax in Lieu of VLF and Property Taxes from Successor Agencies to the local Redevelopment Agencies) are expected to grow by 3% in Year 1 and 2% in Year 2, or \$0.45 million and \$0.3 million respectively.
 - Utility User Tax (UUT) – after years of decline, the estimated \$150 thousand annual increase is anticipated in both years. It is a result of the November 2014 voters' approval of the modernization of the UUT ordinance.

Other general and departmental revenues are estimated to decrease mainly due to the reduction in reimbursements for the projects completed during the Base Year, and lower estimates of fees for services.

- Proposed General Fund ongoing operating expenditures are projected to increase by 2% each year. Year 1 will increase from the 0.8 million from Year 1. These amounts do not include cost of capital outlays or two special studies planned for Year 1. Some of the examples contributing to the overall increases are:
 - Personnel Expenditures – 2% or \$0.5 million increase in the overall personnel cost in Year 1, and 3%, \$0.6 million in Year 2.
 - Public Safety - Los Angeles County Sheriff's Department Contract – will increase \$0.45 million from the Base Year, and the additional \$0.3 million in Year 2. The budgeted amounts include two positions funded during the last four years by the Federal COPS Hiring Grant.
 - Public Services – \$0.2 million cost of increased maintenance and repair of parks and facilities City-wide.
 - Utilities – 3% estimated annual cost increase for the cost of electricity, gas, water and sewer utilities.
- The portion of the reserves above the City's minimum level of 20% of operating cost is programmed to be used for the following onetime expenditures:
 - Two special studies to be conducted in Year 1: Specific economic development plan for the area of San Antonio/Firestone, \$250 thousand; and ADA self-evaluation and transition plan, \$50 thousand.

- After several years of not replacing aging equipment due to the economic downturn, there is a total of \$0.8 million (\$0.6 million in Year 1 and \$0.2 million in Year 2) dedicated to Capital Outlay purchases.
- \$0.8 million in new appropriations for Capital Projects (\$0.7 million in Year 1 and \$0.1 million in Year 2) will be used to redesign the Senior Center parking lot, improve ADA accessibility to the City Hall, replace storm drains, improve lighting in the parks, and slurry seal in parking lots city-wide. This amount also includes the installation of the security system at the City Hall, added by the City Council during the budget discussions.
- Total \$0.7 million in Transfers from General Fund to Park Renovation Fund (\$0.3 million in Year 1 and \$0.3 million in Year 2), to help fund park beautification projects.
- Advance of \$0.5 million to the Parking Structure Fund for installation and implementation of the automated payment kiosks in both parking structure and the parking lot in front of the City Hall. The new automated system will help reduce future operating cost.

The General Fund Unassigned Budgetary Fund Balance is projected to be \$9.9 million as of June 30, 2016, and \$8.8 million as of June 30, 2017. These amounts represent 23% and 20% of the operational & minor capital outlays expenditures in Year 1 and Year 2 respectively. Year 1 is 3%, or \$1.3 million, over the City's reserve policy of 20%.

The following table summarizes the General Fund 2015-17 Budget.

GENERAL FUND - FISCAL YEAR 2015-2017 BUDGET	YEAR 1	YEAR 2
PROJECTED FY REVENUES	\$ 42,568,141	\$ 43,438,150
Plus Other Financial Resources	\$ 328,938	\$ 155,581
TOTAL AVAILABLE RESOURCES	\$ 42,897,079	\$ 43,593,731
Less Proposed Appropriations:		
OPERATIONS	42,839,126	43,592,527
OPERATING SURPLUS	57,953	1,204
Less Other Onetime Appropriations:		
CAPITAL OUTLAYS	645,410	128,854
ONETIME EXPENDITURES: SPECIAL STUDIES (YR1) & ADVANCE TO PARKING STRUCTURE FUND (YR2)	300,000	500,000
CAPITAL PROJECTS	734,000	68,500
TRANSFERS TO PARKS RENOVATION FUND	304,855	347,800
TOTAL ONETIME APPROPRIATIONS	\$ 1,984,265	\$ 1,045,154
OVERALL DECREASE IN FUND BALANCE	(1,926,312)	(1,043,950)
Less CARRYOVER CAPITAL PROJECTS	(477,006)	-
ESTIMATED BEGINNING FUND BALANCE AS OF JULY 1st	12,294,145	9,890,827
ESTIMATED BUDGETARY FUND BALANCE AS OF JUNE 30th	\$ 9,890,827	\$ 8,846,876

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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 58,460,618	\$ 12,147,263	\$ 70,607,881
Cash and investments with fiscal agents	1,145,296	3,498,268	4,643,564
Accounts receivable	1,371,522	690,803	2,062,325
Interest receivable	269,804	-	269,804
Other receivables	14,831	-	14,831
Due from other governments	6,538,211	1,884,867	8,423,078
Due from Successor Agency	63,200	-	63,200
Advances to Successor Agency	6,531,388	-	6,531,388
Internal balances	2,846,472	(2,846,472)	-
Inventory	98,735	277,822	376,557
Prepaid items and deposits	34,283	627	34,910
Loans receivable	7,752,692	-	7,752,692
Capital assets:			
Non-depreciable	23,516,604	15,264,219	38,780,823
Depreciable, net of accumulated depreciation	134,360,233	42,586,343	176,946,576
Total assets	<u>243,003,889</u>	<u>73,503,740</u>	<u>316,507,629</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount from pension plans	2,350,241	783,415	3,133,656
Unamortized loss on bond defeasance	162,475	-	162,475
Total deferred outflows of resources	<u>2,512,716</u>	<u>783,415</u>	<u>3,296,131</u>
LIABILITIES:			
Accounts payable	4,851,405	958,767	5,810,172
Accrued expenses	53,978	182,560	236,538
Interest payable	42,740	44,964	87,704
Other liabilities	12,775	24,885	37,660
Due to other governments	8,327,334	-	8,327,334
Advances from grantors	29,325	-	29,325
Deposits payable	43,963	121,748	165,711
Unearned revenue	14,867	2,785,497	2,800,364
Noncurrent liabilities:			
Due within one year	1,313,600	255,200	1,568,800
Due in more than one year	15,699,335	9,668,095	25,367,430
Accrued other post-employment benefits	6,269,586	2,824,140	9,093,726
Net pension liability	25,200,576	8,400,193	33,600,769
Total liabilities	<u>61,859,484</u>	<u>25,266,049</u>	<u>87,125,533</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount from pension plans	5,890,025	1,963,342	7,853,367
Total deferred inflows of resources	<u>5,890,025</u>	<u>1,963,342</u>	<u>7,853,367</u>
NET POSITION:			
Net investment in capital assets	144,602,594	51,992,532	196,595,126
Restricted	39,771,841	3,498,268	43,270,109
Unrestricted	(6,607,339)	(8,433,036)	(15,040,375)
Total net position	<u>\$ 177,767,096</u>	<u>\$ 47,057,764</u>	<u>\$ 224,824,860</u>

See accompanying notes to basic financial statements.

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,020,311	\$ 2,512,428	\$ 451,518	\$ -
Public safety	13,083,280	1,445,437	286,006	-
Urban development	5,243,770	2,532,799	8,337,513	-
Public works	16,233,351	292,171	8,275,779	-
Culture and leisure	8,156,765	457,254	3,049	-
Health and welfare	12,588,832	576,593	10,358,492	-
Interest expense	479,252	-	-	-
Total governmental activities	64,805,561	7,816,682	27,712,357	-
Business-type activities:				
Transit system	12,553,592	1,394,973	7,984,501	3,997,176
Water	4,444,880	5,051,998	-	-
Sewer	1,749,438	2,356,627	-	-
Golf course	218,307	147,956	-	-
Total business-type activities	18,966,217	8,951,554	7,984,501	3,997,176
Total primary government	\$ 83,771,778	\$ 16,768,236	\$ 35,696,858	\$ 3,997,176

General revenues:

Taxes:

Sales taxes
Property taxes
Utility users taxes
Business operation taxes
Transient occupancy taxes
Property taxes in lieu of vehicle license fees
Franchise taxes

Investment income

Transfers

Total general revenues and transfers

Changes in net position, before special items

Special items:

Payment from Successor Agency of bond proceeds
Write-off of Successor Agency advance payable

Total special items

Changes in net position

Net position - beginning of year, as restated

Net position - end of year

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Activities
For the year ended June 30, 2015

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (6,056,365)	\$ -	\$ (6,056,365)
(11,351,837)	-	(11,351,837)
5,626,542	-	5,626,542
(7,665,401)	-	(7,665,401)
(7,696,462)	-	(7,696,462)
(1,653,747)	-	(1,653,747)
(479,252)	-	(479,252)
<u>(29,276,522)</u>	<u>-</u>	<u>(29,276,522)</u>
-	823,058	823,058
-	607,118	607,118
-	607,189	607,189
<u>-</u>	<u>(70,351)</u>	<u>(70,351)</u>
<u>-</u>	<u>1,967,014</u>	<u>1,967,014</u>
<u>(29,276,522)</u>	<u>1,967,014</u>	<u>(27,309,508)</u>
9,525,144	-	9,525,144
6,842,242	-	6,842,242
5,287,009	-	5,287,009
843,097	-	843,097
1,378,504	-	1,378,504
9,566,153	-	9,566,153
1,908,525	-	1,908,525
342,057	76,182	418,239
<u>(2,034,880)</u>	<u>2,034,880</u>	<u>-</u>
<u>33,657,851</u>	<u>2,111,062</u>	<u>35,768,913</u>
<u>4,381,329</u>	<u>4,078,076</u>	<u>8,459,405</u>
22,223,297	-	22,223,297
750,000	-	750,000
<u>22,973,297</u>	<u>-</u>	<u>22,973,297</u>
27,354,626	4,078,076	31,432,702
<u>150,412,470</u>	<u>42,979,688</u>	<u>193,392,158</u>
<u>\$ 177,767,096</u>	<u>\$ 47,057,764</u>	<u>\$ 224,824,860</u>

ASSETS	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund
Assets:			
Cash and investments	\$ 13,397,140	\$ 804,771	\$ 1,413,026
Cash and investments with fiscal agents	-	-	-
Accounts receivable, net	1,152,174	7,416	44,527
Interest receivable	61,496	192,858	12
Other receivable	14,831	-	-
Due from other funds	3,522,531	-	-
Due from other governments	1,381,818	169,735	18,394
Inventory	6,684	-	-
Prepaid items	34,283	-	-
Loans receivable	-	7,752,692	-
Due from Successor Agency	63,200	-	-
Advances to Successor Agency	6,531,388	-	-
Advances to other funds	2,846,472	-	-
Total assets	\$ 29,012,017	\$ 8,927,472	\$ 1,475,959
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,177,716	\$ 54,903	\$ -
Due to other funds	-	-	196,231
Due to other governments	381,453	7,945,550	-
Advances from grantors	-	-	-
Deposits payable	-	-	43,963
Other liabilities	12,775	-	-
Unearned revenue	-	-	-
Total liabilities	3,571,944	8,000,453	240,194
Deferred inflows of resources:			
Unavailable revenues	325,004	-	43,011
Total deferred inflows of resources	325,004	-	43,011
Fund balances (deficit):			
Nonspendable	9,093,823	-	-
Restricted	-	927,019	1,192,754
Committed	2,120,000	-	-
Assigned	1,631,006	-	-
Unassigned	12,270,240	-	-
Total fund balances (deficit)	25,115,069	927,019	1,192,754
Total liabilities, deferred inflows of resources and fund balances	\$ 29,012,017	\$ 8,927,472	\$ 1,475,959

See accompanying notes to basic financial statements.

**City of Norwalk
Balance Sheet
Governmental Funds
June 30, 2015**

Debt Service Fund	Highway Bridge Replacement and Rehabilitation Capital Projects Fund	Economic Development Capital Projects Fund	Housing Successor Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 11,703,067	\$ 10,989,451	\$ 19,968,342	\$ 58,275,797
1,145,296	-	-	-	-	1,145,296
-	-	-	-	167,405	1,371,522
-	-	8,120	7,318	-	269,804
-	-	-	-	-	14,831
-	-	-	-	-	3,522,531
-	2,588,567	-	-	2,379,697	6,538,211
-	-	-	-	-	6,684
-	-	-	-	-	34,283
-	-	-	-	-	7,752,692
-	-	-	-	-	63,200
-	-	-	-	-	6,531,388
-	-	-	-	-	2,846,472
<u>\$ 1,145,296</u>	<u>\$ 2,588,567</u>	<u>\$ 11,711,187</u>	<u>\$ 10,996,769</u>	<u>\$ 22,515,444</u>	<u>\$ 88,372,711</u>
\$ -	\$ 569,332	\$ -	\$ -	\$ 947,712	\$ 4,749,663
-	2,019,234	-	-	1,307,066	3,522,531
-	-	-	-	331	8,327,334
-	-	-	-	29,325	29,325
-	-	-	-	-	43,963
-	-	-	-	-	12,775
-	-	-	-	14,867	14,867
-	<u>2,588,566</u>	-	-	<u>2,299,301</u>	<u>16,700,458</u>
-	<u>2,588,567</u>	-	-	<u>1,645,785</u>	<u>4,602,367</u>
-	<u>2,588,567</u>	-	-	<u>1,645,785</u>	<u>4,602,367</u>
-	-	-	-	-	9,093,823
1,145,296	-	11,711,187	10,996,769	13,750,110	39,723,135
-	-	-	-	6,232,327	8,352,327
-	-	-	-	-	1,631,006
-	(2,588,566)	-	-	(1,412,079)	8,269,595
<u>1,145,296</u>	<u>(2,588,566)</u>	<u>11,711,187</u>	<u>10,996,769</u>	<u>18,570,358</u>	<u>67,069,886</u>
<u>\$ 1,145,296</u>	<u>\$ 2,588,567</u>	<u>\$ 11,711,187</u>	<u>\$ 10,996,769</u>	<u>\$ 22,515,444</u>	<u>\$ 88,372,711</u>

(This page intentionally left blank)

City of Norwalk
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Fund balances - total governmental funds		\$ 67,069,886
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred outflows of resources represent 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.		162,475
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 \$8,332 of internal service fund net capital assets.		
Capital assets	\$ 323,324,497	
Accumulated depreciation	<u>(165,455,992)</u>	157,868,505
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the governmental funds.		(42,740)
Certain revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		4,602,367
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, 2015 are:		
Compensated absences (this amount does not include \$129,484 of internal service fund compensated absences)	(2,301,437)	
Lease revenue bonds	(13,960,000)	
Bond premium	<u>(622,014)</u>	(16,883,451)
Pension 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 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 pensions	2,350,241	
Deferred inflows of resources related to pensions	(5,890,025)	
Pension liability	<u>(25,200,576)</u>	(28,740,360)
Other post-employment benefit obligation is not accrued in governmental funds, but rather is recognized as an expenditure when paid.		<u>(6,269,586)</u>
Net position of governmental activities		<u><u>\$ 177,767,096</u></u>

See accompanying notes to basic financial statements.

	General Fund	Housing and Community Development Special Revenue Fund	Housing Authority Special Revenue Fund
Revenues:			
Taxes	\$ 35,350,674	\$ -	\$ -
Licenses and permits	1,113,986	-	-
Fines, forfeitures and penalties	1,532,833	-	-
Use of money and property	165,860	4,054	142
Intergovernmental	732,692	1,158,034	6,904,333
Charges for services	1,301,068	-	-
Rental income	830,042	-	-
Other	1,043,606	651,129	123,561
Total revenues	<u>42,070,761</u>	<u>1,813,217</u>	<u>7,028,036</u>
Expenditures:			
Current:			
General government	7,499,823	-	-
Public safety	12,702,261	-	-
Urban development	3,696,581	1,468,935	-
Public works	5,287,038	54,232	-
Culture and leisure	7,413,270	-	-
Health and welfare	1,919,304	45,345	6,911,697
Capital outlay and improvement	425,755	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>38,944,032</u>	<u>1,568,512</u>	<u>6,911,697</u>
Excess (deficiency) of revenues over expenditures	<u>3,126,729</u>	<u>244,705</u>	<u>116,339</u>
Other financing sources (uses):			
Transfers in	10,474	-	-
Transfers out	(4,838,916)	-	-
Total other financing sources (uses)	<u>(4,828,442)</u>	<u>-</u>	<u>-</u>
Special items:			
Payment from Successor Agency of bond proceeds	-	-	-
Write-off of Successor Agency advance payable	750,000	-	-
Total special items	<u>750,000</u>	<u>-</u>	<u>-</u>
Change in fund balances	(951,713)	244,705	116,339
Beginning fund balances (deficit), as restated	<u>26,066,782</u>	<u>682,314</u>	<u>1,076,415</u>
Ending fund balances (deficit)	<u>\$ 25,115,069</u>	<u>\$ 927,019</u>	<u>\$ 1,192,754</u>

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2015

Debt Service Fund	Highway Bridge Replacement and Rehabilitation Capital Projects Fund	Economic Development Capital Projects Fund	Housing Successor Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,350,674
-	-	-	-	-	1,113,986
-	-	-	-	-	1,532,833
634	-	13,192	10,863	133,811	328,556
-	5,558,090	-	-	12,553,047	26,906,196
-	-	-	-	964,819	2,265,887
-	-	-	-	-	830,042
-	-	-	-	143,360	1,961,656
<u>634</u>	<u>5,558,090</u>	<u>13,192</u>	<u>10,863</u>	<u>13,795,037</u>	<u>70,289,830</u>
4,392	-	-	-	509,953	8,014,168
-	-	-	-	302,094	13,004,355
-	-	-	-	39,025	5,204,541
-	-	-	-	3,261,334	8,602,604
-	-	-	-	425,255	7,838,525
-	-	-	-	3,582,588	12,458,934
-	5,682,019	-	-	3,408,488	9,516,262
900,000	-	-	-	-	900,000
548,881	-	-	-	-	548,881
<u>1,453,273</u>	<u>5,682,019</u>	<u>-</u>	<u>-</u>	<u>11,528,737</u>	<u>66,088,270</u>
<u>(1,452,639)</u>	<u>(123,929)</u>	<u>13,192</u>	<u>10,863</u>	<u>2,266,300</u>	<u>4,201,560</u>
1,453,252	-	451,349	9,255	3,105,532	5,029,862
-	-	-	-	(2,225,826)	(7,064,742)
<u>1,453,252</u>	<u>-</u>	<u>451,349</u>	<u>9,255</u>	<u>879,706</u>	<u>(2,034,880)</u>
-	-	11,246,646	10,976,651	-	22,223,297
-	-	-	-	-	750,000
<u>-</u>	<u>-</u>	<u>11,246,646</u>	<u>10,976,651</u>	<u>-</u>	<u>22,973,297</u>
613	(123,929)	11,711,187	10,996,769	3,146,006	25,139,977
<u>1,144,683</u>	<u>(2,464,637)</u>	<u>-</u>	<u>-</u>	<u>15,424,352</u>	<u>41,929,909</u>
<u>\$ 1,145,296</u>	<u>\$ (2,588,566)</u>	<u>\$ 11,711,187</u>	<u>\$ 10,996,769</u>	<u>\$ 18,570,358</u>	<u>\$ 67,069,886</u>

(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
For the year ended June 30, 2015

Net change in fund balances - total governmental funds \$ 25,139,977

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. This does not include internal service fund activity of \$0 in additions and \$4,536 in depreciation expense.

Depreciation expense	\$ (8,663,682)	
Loss on retirement of assets	(7,893)	
Capital outlay	<u>9,006,045</u>	334,470

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. 931,940

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.

Principal bond repayments	900,000	
Net change in compensated absences	<u>97,560</u>	997,560

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.

Other post-employment benefits	(403,136)	
Change in accrued interest on long-term debt	25,870	
Amortization of bond premium	57,598	
Amortization of loss on bond refunding	<u>(13,839)</u>	(333,507)

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

284,186

Change in net position of governmental activities \$ 27,354,626

See accompanying notes to basic financial statements.

	Business-type Activities - Enterprise Funds		
	Transit System Fund	Water Fund	Sewer Fund
ASSETS:			
Current assets:			
Cash and investments	\$ 2,133,674	\$ 7,244,665	\$ 2,690,723
Cash and investments with fiscal agents	-	3,498,268	-
Accounts receivable	55,016	633,751	2,036
Inventory	277,822	-	-
Prepaid items	627	-	-
Due from other governments	1,850,786	-	34,081
Total current assets	<u>4,317,925</u>	<u>11,376,684</u>	<u>2,726,840</u>
Capital assets:			
Not being depreciated	4,198,993	10,940,224	125,002
Being depreciated, net of accumulated depreciation	15,917,338	6,249,753	20,419,252
Total capital assets	<u>20,116,331</u>	<u>17,189,977</u>	<u>20,544,254</u>
Total assets	<u>24,434,256</u>	<u>28,566,661</u>	<u>23,271,094</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount from pension plans	658,068	94,010	31,337
Total deferred outflows of resources	<u>658,068</u>	<u>94,010</u>	<u>31,337</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	552,578	300,518	84,050
Accrued expenses	157,108	24,949	8,102
Interest payable	-	44,964	-
Deposits payable	-	121,748	-
Other liabilities	-	24,885	-
Advances from other funds	-	2,846,472	-
Unearned revenue	2,785,497	-	-
Compensated absences payable, current portion	52,700	19,600	2,900
Bonds payable, current portion	-	180,000	-
Total current liabilities	<u>3,547,883</u>	<u>3,563,136</u>	<u>95,052</u>
Noncurrent liabilities:			
Bonds payable	-	9,176,298	-
Claims payable	-	3,927	-
Compensated absences payable, long-term portion	327,143	114,169	14,824
Accrued other post-employment benefits	2,532,694	248,896	10,105
Net pension liability	7,056,162	1,008,023	336,008
Total noncurrent liabilities	<u>9,915,999</u>	<u>10,551,313</u>	<u>360,937</u>
Total liabilities	<u>13,463,882</u>	<u>14,114,449</u>	<u>455,989</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount from pension plans	1,649,207	235,601	78,534
Total deferred inflows of resources	<u>1,649,207</u>	<u>235,601</u>	<u>78,534</u>
NET POSITION:			
Net investment in capital assets	20,116,331	11,331,947	20,544,254
Restricted - debt service	-	3,498,268	-
Unrestricted	(10,137,096)	(519,594)	2,223,654
Total net position	<u>\$ 9,979,235</u>	<u>\$ 14,310,621</u>	<u>\$ 22,767,908</u>

See accompanying notes to basic financial statements

City of Norwalk
Statement of Net Position
Proprietary Funds
June 30, 2015

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Golf Course Fund	Totals	Internal Service Funds
\$ 78,201	\$ 12,147,263	\$ 184,821
-	3,498,268	-
-	690,803	-
-	277,822	92,051
-	627	-
-	1,884,867	-
<u>78,201</u>	<u>18,499,650</u>	<u>276,872</u>
-	15,264,219	-
-	42,586,343	8,332
-	<u>57,850,562</u>	<u>8,332</u>
<u>78,201</u>	<u>76,350,212</u>	<u>285,204</u>
-	783,415	-
-	<u>783,415</u>	-
8,291	945,437	101,742
5,731	195,890	53,978
-	44,964	-
-	121,748	-
-	24,885	-
-	2,846,472	-
-	2,785,497	-
-	75,200	26,100
-	180,000	-
<u>14,022</u>	<u>7,220,093</u>	<u>181,820</u>
-	9,176,298	-
-	3,927	-
31,734	487,870	103,384
32,445	2,824,140	-
-	8,400,193	-
<u>64,179</u>	<u>20,892,428</u>	<u>103,384</u>
<u>78,201</u>	<u>28,112,521</u>	<u>285,204</u>
-	1,963,342	-
-	<u>1,963,342</u>	-
-	51,992,532	8,332
-	3,498,268	-
-	<u>(8,433,036)</u>	<u>(8,332)</u>
<u>\$ -</u>	<u>\$ 47,057,764</u>	<u>\$ -</u>

	Business-type Activities - Enterprise Funds		
	Transit System Fund	Water Fund	Sewer Fund
Operating revenues:			
Charges for services	\$ 1,394,973	\$ 5,051,524	\$ 2,356,627
Other	-	474	-
Total operating revenues	<u>1,394,973</u>	<u>5,051,998</u>	<u>2,356,627</u>
Operating expenses:			
Administrative	381,310	462,605	114,961
Utilities	99,434	138,288	8,967
Salaries and benefits	7,982,428	870,467	74,883
Contractual services	701,569	284,846	642,818
Cost of water	-	1,535,855	-
Maintenance and repairs	812,225	-	-
Supplies and materials	263,852	315,019	88,299
Insurance	646,893	-	-
Loss on disposition of capital assets	-	-	-
Depreciation	1,665,881	290,956	819,510
Total operating expenses	<u>12,553,592</u>	<u>3,898,036</u>	<u>1,749,438</u>
Operating income (loss)	<u>(11,158,619)</u>	<u>1,153,962</u>	<u>607,189</u>
Nonoperating revenues (expenses):			
Proposition "A" taxes	1,856,119	-	-
Proposition "C" taxes	799,229	-	-
State and local grants	5,329,153	-	-
Investment income	17,267	48,833	10,082
Interest expense	-	(546,844)	-
Total nonoperating revenues (expenses)	<u>8,001,768</u>	<u>(498,011)</u>	<u>10,082</u>
Net income (loss) before capital contributions and transfers	<u>(3,156,851)</u>	<u>655,951</u>	<u>617,271</u>
Capital contributions and transfers:			
Capital contributions	3,997,176	-	-
Transfers in	1,964,529	-	-
Total capital contributions and transfers	<u>5,961,705</u>	<u>-</u>	<u>-</u>
Change in net position	<u>2,804,854</u>	<u>655,951</u>	<u>617,271</u>
Net position - beginning of year, as restated	<u>7,174,381</u>	<u>13,654,670</u>	<u>22,150,637</u>
Net position - end of year	<u>\$ 9,979,235</u>	<u>\$ 14,310,621</u>	<u>\$ 22,767,908</u>

See accompanying notes to basic financial statements

City of Norwalk
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Golf Course Fund	Totals	Internal Service Funds
\$ 147,956	\$ 8,951,080	\$ 13,375,981
-	474	-
<u>147,956</u>	<u>8,951,554</u>	<u>13,375,981</u>
9,538	968,414	28,545
46,668	293,357	62,826
106,419	9,034,197	12,439,548
23,491	1,652,724	-
-	1,535,855	-
-	812,225	836,824
32,191	699,361	-
-	646,893	-
-	-	3,702
-	2,776,347	4,536
<u>218,307</u>	<u>18,419,373</u>	<u>13,375,981</u>
<u>(70,351)</u>	<u>(9,467,819)</u>	<u>-</u>
-	1,856,119	-
-	799,229	-
-	5,329,153	-
-	76,182	-
-	(546,844)	-
<u>-</u>	<u>7,513,839</u>	<u>-</u>
<u>(70,351)</u>	<u>(1,953,980)</u>	<u>-</u>
-	3,997,176	-
<u>70,351</u>	<u>2,034,880</u>	<u>-</u>
<u>70,351</u>	<u>6,032,056</u>	<u>-</u>
-	4,078,076	-
-	42,979,688	-
<u>\$ -</u>	<u>\$ 47,057,764</u>	<u>\$ -</u>

	Business-type Activities - Enterprise Funds		
	Transit System Fund	Water Fund	Sewer Fund
Cash flows from operating activities:			
Receipts from tenants, customers and users	\$ 1,385,546	\$ 5,306,307	\$ 2,355,723
Payments to suppliers	(2,538,820)	(2,729,991)	(790,196)
Payments to employees	(7,956,468)	(869,395)	(75,220)
Net cash provided (used) by operating activities	(9,109,742)	1,706,921	1,490,307
Cash flows from capital and related financing activities:			
Purchases and construction of capital assets	(3,532,091)	(418,072)	(115,581)
Payment of bonds payable	-	(175,000)	-
Interest paid	-	(501,880)	-
Net cash used by capital and related financing activities	(3,532,091)	(1,094,952)	(115,581)
Cash flows from noncapital financing activities			
Cash contributions from other governments	11,307,164	-	-
Cash received from other funds	1,964,529	-	-
Cash transferred to other funds	-	(96,363)	-
Net cash provided (used) by noncapital financing activities	13,271,693	(96,363)	-
Cash flows from investing activities:			
Investment income	17,267	48,833	10,082
Net cash provided by investing activities	17,267	48,833	10,082
Net increase (decrease) in cash and cash equivalents	647,127	564,439	1,384,808
Cash and cash equivalents - beginning of year	1,486,547	10,178,494	1,305,915
Cash and cash equivalents - end of year	\$ 2,133,674	\$ 10,742,933	\$ 2,690,723

See accompanying notes to basic financial statements.

City of Norwalk
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities Enterprise Funds (Continued)		Governmental Activities
Golf Course Fund	Totals	Internal Service Funds
\$ 147,956	\$ 9,195,532	\$ 13,375,981
(113,287)	(6,172,294)	(894,679)
<u>(106,960)</u>	<u>(9,008,043)</u>	<u>(12,442,633)</u>
<u>(72,291)</u>	<u>(5,984,805)</u>	<u>38,669</u>
-	(4,065,744)	-
-	(175,000)	-
<u>-</u>	<u>(501,880)</u>	<u>-</u>
<u>-</u>	<u>(4,742,624)</u>	<u>-</u>
-	11,307,164	-
70,351	2,034,880	-
<u>-</u>	<u>(96,363)</u>	<u>-</u>
<u>70,351</u>	<u>13,245,681</u>	<u>-</u>
<u>-</u>	<u>76,182</u>	<u>-</u>
<u>-</u>	<u>76,182</u>	<u>-</u>
(1,940)	2,594,434	38,669
<u>80,141</u>	<u>13,051,097</u>	<u>146,152</u>
<u>\$ 78,201</u>	<u>\$ 15,645,531</u>	<u>\$ 184,821</u>

(Continued)

	Business-type Activities - Enterprise Funds		
	Transit System Fund	Water Fund	Sewer Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (11,158,619)	\$ 1,153,962	\$ 607,189
Depreciation	1,665,881	290,956	819,510
Loss on disposition of capital assets	-	-	-
Amortization of bond discount	-	(10,224)	-
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivable	(9,427)	48,906	(1,072)
(Increase) decrease in inventory	74,634	-	-
(Increase) decrease in prepaid items	(627)	-	-
(Increase) decrease in due from other governments	-	175,000	168
(Increase) decrease in deferred outflows of resources from pension plans	(64,208)	(9,173)	(3,058)
Increase (decrease) in accounts payable	266,901	4,286	57,609
Increase (decrease) in accrued expenses	25,555	5,338	7,240
Increase (decrease) in deposits payable	-	30,403	-
Increase (decrease) in other liabilities	-	3,295	-
Increase (decrease) in claims payable	-	3,927	-
Increase (decrease) in other post-employment benefits	130,347	18,131	3,234
Increase (decrease) in compensated absences payable	(24,815)	(5,691)	218
Increase (decrease) in net pension liability	(1,664,571)	(237,796)	(79,265)
Increase (decrease) in deferred inflows of resources from pension plans	1,649,207	235,601	78,534
Net cash provided (used) by operating activities	\$ (9,109,742)	\$ 1,706,921	\$ 1,490,307
Noncash investing, capital and related financing activities:			
Amortization related to long-term debt	\$ -	\$ 10,224	\$ -

See accompanying notes to basic financial statements

City of Norwalk
Statement of Cash Flows (Continued)
Proprietary Funds
For the year ended June 30, 2015

Business-type Activities Enterprise Funds (Continued)		Governmental Activities	
Golf Course Fund	Totals	Internal Service Funds	
\$ (70,351)	\$ (9,467,819)	\$ -	
-	2,776,347	4,536	
-	-	3,702	
-	(10,224)	-	
-	38,407	-	
-	74,634	34,789	
-	(627)	-	
-	175,168	-	
-	(76,439)	-	
(2,202)	326,594	(12,681)	
803	38,936	11,408	
-	30,403	-	
-	3,295	-	
-	3,927	-	
-	151,712	-	
(541)	(30,829)	(3,085)	
-	(1,981,632)	-	
-	1,963,342	-	
<u>\$ (72,291)</u>	<u>\$ (5,984,805)</u>	<u>\$ 38,669</u>	
<u>\$ -</u>	<u>\$ 10,224</u>	<u>\$ -</u>	

City of Norwalk
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund	Agency Fund
ASSETS:			
Current assets:			
Cash and investments	\$ 8,995,112	\$ -	\$ 524,257
Cash and investments held by trust	-	628,000	-
Cash and investments with fiscal agents	4,274,046	-	-
Interest receivable	3,998	-	-
Due from other governments	476	-	-
Land held for resale	2,889,896	-	-
Total current assets	<u>16,163,528</u>	<u>628,000</u>	<u>524,257</u>
Noncurrent assets:			
Capital assets - land held for development	1,737,847	-	-
Capital assets - being depreciated, net of accumulated depreciation	985,128	-	-
Total noncurrent assets	<u>2,722,975</u>	<u>-</u>	<u>-</u>
Total assets	<u>18,886,503</u>	<u>628,000</u>	<u>\$ 524,257</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Unamortized loss on bond refunding	138,729	-	
Total deferred outflows of resources	<u>138,729</u>	<u>-</u>	
LIABILITIES:			
Current liabilities:			
Accounts payable	744	-	\$ 15,258
Interest payable	690,442	-	-
Deposits payable	-	-	508,999
Due to City of Norwalk	63,200	-	-
Total current liabilities	<u>754,386</u>	<u>-</u>	<u>524,257</u>
Long-term liabilities:			
Due within one year	1,485,000	-	-
Due in more than one year	94,364,389	-	-
Advances from City of Norwalk	6,531,388	-	-
Total noncurrent liabilities	<u>102,380,777</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>103,135,163</u>	<u>-</u>	<u>\$ 524,257</u>
NET POSITION:			
Net position restricted for private purpose	(84,109,931)	-	
Held in trust for OPEB benefits	-	628,000	
Total net position	<u>\$ (84,109,931)</u>	<u>\$ 628,000</u>	

See accompanying notes to basic financial statements

City of Norwalk
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2015

	Successor Agency to the Dissolved Redevelopment Agency Private-Purpose Trust Fund	Other Post-Employment Benefit (OPEB) Trust Fund
Additions:		
Tax increment	\$ 4,667,905	\$ -
Use of money and property	80,740	-
Gain on sale of property	38,136	-
Rental income	659,250	-
Employer contributions	-	628,000
	5,446,031	628,000
Deductions:		
General government	1,015,857	-
Urban development	741,648	-
Debt service:		
Interest and fiscal charges	2,779,692	-
	4,537,197	-
Total deductions	4,537,197	-
Change in net position, before special items	908,834	628,000
Special items:		
Payment of bond proceeds to the City	(22,223,297)	-
Write-off of advance receivable from the City	(750,000)	-
	(22,973,297)	-
Total special items	(22,973,297)	-
Change in net position	(22,064,463)	628,000
Net position - beginning of year	(62,045,468)	-
Net position - end of year	\$ (84,109,931)	\$ 628,000

See accompanying notes to basic financial statements

This page intentionally left blank)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of the City of Norwalk, California (the City), have been prepared in conformity 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, 2015, 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.

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:

Current Year Standards:

In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the governmental activities and business-type activities net position at July 1, 2014 by \$29,024,546 and \$9,674,849, respectively.

GASB Statement No. 69 - "*Government Combinations and Disposals of Government Operations*" was required to be implemented in the current fiscal year and did not impact the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. New Accounting Pronouncements (Continued):

Pending Accounting Standards:

GASB has issued the following statements which may impact the City's financial reporting requirements in the future.

- GASB 72 - "*Fair Value Measurement and Application*", effective for periods beginning after June 15, 2015.
- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*", effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", effective for periods beginning after June 15, 2016.
- GASB 75 - "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", effective for periods beginning after June 15, 2017.
- GASB 76 - "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", effective for periods beginning after June 15, 2015.

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 activity have been eliminated and net balances are included in the governmental activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Government-wide Financial Statements (Continued):

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

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

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

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

Fund Financial Statements:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The City reports the following major governmental funds:

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

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

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

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

The Highway Bridge Replacement and Rehabilitation Capital Projects Fund accounts for money received for the Firestone Boulevard Bridge Widening over San Gabriel River project.

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

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

The City reports the following major proprietary funds:

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

The Water Fund accounts for the Norwalk Municipal Water System, which consists of approximately 5,374 service connections which service over 18,000 Norwalk and Artesia residents.

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

The Golf Fund accounts for the Norwalk Golf Course operated by the City since September 2006. The expenses are partially funded by the fees for services, the remainder is funded by the transfers from the General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The City reports the following fund types:

Governmental Funds:

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

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

Proprietary Funds:

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

Fiduciary Funds:

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

The Other Post-Employment Benefit Trust Fund is a fiduciary fund type used by the City to account for the activities of the City's plan for post-retirement medical benefits.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary, fiduciary private-purpose trust, and other post-employment benefit trust funds. The City's fiduciary agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Under the *economic resources measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, deferred outflows of resources, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

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, 2015, are due and payable in two installments on November 1, 2014 and February 1, 2015 and became delinquent on December 10, 2014 and April 10, 2015, respectively. A tax lien is attached to the property on January 1, 2015. The City as a no/low property tax city does not levy property taxes from its residents, but receives allocation from the State and County based on City's assessed valuation.

Interfund Transfers:

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

Cash and Investments:

Investments are reported in the accompanying balance sheet at fair value, except for certain investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Cash and 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, 2015.

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".

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for reporting in this category. The first item is the deferred loss on refunding reported in the government-wide statement of net position and the fiduciary funds financial statements. A deferred loss on refunding 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. The second item is the deferred outflow related to pensions reported in the government-wide and business-type activities statements of net position. This amount is equal to employer contributions made after the measurement date of the net pension liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Deferred Outflows and Inflows of Resources (Continued):

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item is unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants and investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position, which is reported in the government-wide and business-type activities statements of net position. This amount is amortized over five years.

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 fair 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	15 - 50 years
Vehicles	5 - 15 years
Office equipment	5 - 30 years
Tools and equipment	2 - 20 years
Miscellaneous	5 - 10 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Compensated Absences:

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

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. If an employee terminates with a minimum of 5 service years, the employee is entitled to receive 25% of the value of unused sick leave. The percentage increases by 25% for each five year period thereafter until the employee is entitled to 100% of the value of unused sick leave. This will occur upon the completion of twenty years of continuous employment.

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

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

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

Claims and Judgments:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Revenue Recognition for the Transit System Enterprise Fund:

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

Noncurrent Liabilities:

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

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

Net Position:

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

Net Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt (including premiums) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Net Position (Continued):

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

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

Fund Balances:

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

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City’s nonspendable fund balances represent inventories, prepaid expenses, and long-term receivables.

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

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 fund balance policy, the City Council, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken (resolution). Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action (resolution) taken to establish the commitment. As of June 30, 2015, the City Council, through adoption of a resolution has committed \$2,120,000 of its fund balances for the following (1) \$320,000 to provide for future CalPERS defined benefit pension plan costs and (2) \$1,800,000 for use in the case of a 35% decrease of annual utility users tax revenue.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Fund Balances (Continued):

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

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

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.

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 and liabilities 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.

2. CASH AND INVESTMENTS:

Cash and Investments:

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

	Government Wide Statement of <u>Net Position</u>	Fiduciary Funds Statement of <u>Net Position</u>	<u>Total</u>
Unrestricted assets:			
Cash and investments	\$ 70,607,881	\$ 9,519,369	\$ 80,127,250
Restricted assets:			
Cash and investments held by trust	-	628,000	628,000
Cash and investments with fiscal agents	<u>4,643,564</u>	<u>4,274,046</u>	<u>8,917,610</u>
Total cash and investments	<u>\$ 75,251,445</u>	<u>\$ 14,421,415</u>	<u>\$ 89,672,860</u>

Cash and investments at June 30, 2015 consisted of the following:

Cash in hand	\$ 6,360
Deposits with financial institutions	3,963,459
Investments	<u>85,703,041</u>
Total cash and investments	<u>\$ 89,672,860</u>

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, 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>
Demand Deposits	N/A	None	\$ 1,500,000
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
Local Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposits	1 year	30%	None
Non-negotiable Certificates of Deposits	1 year	None	None
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	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Collateralized Bank Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 40,000,000
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.

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.

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk:

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)					Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	
Local Agency Investment Fund (LAIF)	\$30,136,933	\$ -	\$ -	\$ -	\$ -	\$ 30,136,933
CalTRUST Short Term Fund	4,012,455	-	-	-	-	4,012,455
CalTRUST Medium Term Fund	31,232,909	-	-	-	-	31,232,909
Bonds:						
Norwalk-La Mirada Unified						
School District (USD)	-	751,830	-	1,004,530	-	1,756,360
Federal Home Loan Mortgage						
Corporation (FHLMC)	-	-	998,473	-	-	998,473
Corporate Notes:						
Costco	-	-	-	-	989,404	989,404
General Electric Capital Corporation	1,006,034	-	-	-	-	1,006,034
Federal National Mortgage						
Association (FNMA)	-	-	994,814	-	-	994,814
Johnson & Johnson	1,013,532	-	-	-	-	1,013,532
Federal Farm Credit Bank (FFCB)	-	-	-	995,630	-	995,630
Toyota Motor Credit Corp.	-	1,013,825	-	-	1,003,209	2,017,034
Time Certificates of Deposits	-	250,750	-	-	753,103	1,003,853
Held in OPEB Trust:						
Money Market Mutual Funds	628,000	-	-	-	-	628,000
Held by Bond Trustee:						
Money Market Mutual Funds	<u>8,917,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,917,610</u>
Total	<u>\$76,947,473</u>	<u>\$ 2,016,405</u>	<u>\$ 1,993,287</u>	<u>\$ 2,000,160</u>	<u>\$ 2,745,716</u>	<u>\$ 85,703,041</u>

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

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 Standards and Poor as of year end for each investment type:

Investment Type	Total	Minimum					Not
	as of	Legal	AAA	AA+	AA-	A+	Rated
	June 30, 2015	Rating					
LAIF	\$ 30,136,933	N/A	\$ -	\$ -	\$ -	\$ -	\$30,136,933
CalTRUST Short Term Fund	4,012,455	N/A	-	4,012,455	-	-	-
CalTRUST Medium Term Fund	31,232,909	N/A	-	-	-	-	31,232,909
Bonds:							
Norwalk-La Mirada USD	1,756,360	A	-	-	1,756,360	-	-
FHLMC	998,473	A	998,473	-	-	-	-
Corporate Notes:							
Costco	989,404	A	-	-	-	989,404	-
General Electric Capital Corp.	1,006,034	A	-	1,006,034	-	-	-
FNMA	994,814	N/A	994,814	-	-	-	-
Johnson & Johnson	1,013,532	A	1,013,532	-	-	-	-
FFCB	995,630	N/A	995,630	-	-	-	-
Toyota Motor Credit Corp	2,017,034	A	-	-	2,017,034	-	-
Time Certificates of Deposits	1,003,853	N/A	-	-	-	-	1,003,853
Held in OPEB Trust:							
Money Market Mutual Fund	628,000	N/A	-	-	-	-	628,000
Held by Bond Trustee:							
Money Market Mutual Fund	<u>8,917,610</u>	AAA	<u>8,917,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>85,703,041</u>		<u>\$12,920,059</u>	<u>\$ 5,018,489</u>	<u>\$ 3,773,394</u>	<u>\$ 989,404</u>	<u>\$63,001,695</u>

N/A - Not Applicable

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental unit by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure state and local government deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2015, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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 (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS:

Due To and Due From:

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

Due To (Receivable) Fund	Due From (Payable) Fund	Amount
General Fund	Housing Authority Special Revenue Fund	\$ 196,231
	Highway Bridge Replacement and Rehabilitation Capital Projects Fund	2,019,234
	Other Governmental Funds	<u>1,307,066</u>
		<u>\$ 3,522,531</u>

The receivable of the General Fund from the Housing Authority Special Revenue Fund, Highway Bridge Replacement and Rehabilitation Capital Projects Fund, and Other Governmental Funds is mainly for temporary deficit cash balances.

Advances:

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

	Balance at July 1, 2014	Current Advances	Repayments	Balance at June 30, 2015
Water Enterprise Fund	\$ 2,942,835	\$ -	\$ (96,363)	\$ 2,846,472

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, will be \$243,500. Actual principal payment made during the fiscal year 2014/15 was \$96,363.

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED):

Interfund Transfers:

The composition of the City's interfund transfers for the year ended June 30, 2015, is as follows:

Transfers Out	Transfers In	Amount
General Fund	Debt Service Fund	\$ 1,202,429
	Economic Development Capital Projects Fund	451,349
	Housing Successor Capital Projects Fund	9,255
	Other Governmental Funds	3,105,532
	Golf Enterprise Fund	70,351
Other Governmental Funds	General Fund	10,474
	Debt Service Fund	250,823
	Transit Enterprise Fund	<u>1,964,529</u>
		<u>\$ 7,064,742</u>

Transfers from the General Fund to the Debt Service Fund, Economic Development Capital Projects Fund, Housing Successor Capital Projects Fund, Other Governmental Funds and Golf Enterprise Fund were to fund debt service, capital property, equipment replacement and building renovation funds. The transfer to the Golf Enterprise Fund funded its operating deficit. The Other Governmental Funds, Parking Structure Fund also transferred to the Other Governmental Funds to fund debt service payments. The transfer from the Other Governmental Funds to the Transit Enterprise Fund was to move Prop A funds to the fund in which the revenue was utilized.

4. ADVANCES TO SUCCESSOR AGENCY:

The City advanced money to the former redevelopment agency in the amount of \$939,586 to cover the general start-up cost. Out of this amount, the California Department of Finance (DOF) recognized as an enforceable obligation and authorized the Successor Agency to repay the City the amount of \$552,169. The balance of this advance outstanding as of June 30, 2015 is \$342,284 in principal and \$1,491 accrued interest (interest receivable is offset by deferred inflows of resources, unavailable revenues).

4. ADVANCES TO SUCCESSOR AGENCY (CONTINUED):

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. Repayment term modifications include, among other things, a re-calculation of the accumulated interest on the remaining principal amount of the loan, from origination, at the rate earned by moneys deposited in the California Local Agency Investment Fund (LAIF). The balance of outstanding advances was recalculated with LAIF interest rates, and as of June 30, 2014, the Agency owed the City \$5,864,100 in principal and \$309,674 in accrued unpaid interest (interest receivable is offset by deferred inflows of resources, unavailable revenues).

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). No payments were made on the advance in fiscal year 2014-2015. The balance of this advance outstanding as of June 30, 2015 is \$5,864,100 in principal and \$323,513 accrued interest (interest receivable is offset by deferred inflows of resources, unavailable revenues).

The SB 107 enacted by the State legislation in September 2015, allows the Successor Agency to recalculate and repay these loans using 3% or 4% interest rate, instead of 0.236% LAIF rate. The 4% interest would apply only if the Successor Agency opts to file last and final ROPS.

The Former Redevelopment Agency loaned the City \$750,000 for the renovation of the former senior center building. This loan is payable one year after the completion of the project and carries an interest of 5% per annum. Due to the dissolution of redevelopment, the project could not be completed; the DOF in its letter dated May 11, 2012 did not recognize this loan and it was written off in fiscal year 2014-2015, which is shown as a special item in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds. There is no amount due on this loan.

5. LOANS RECEIVABLE:

Loans receivable consists of \$7,945,549 in deferred-payment rehabilitation loans to qualifying low income households in connection with the CDBG and Home Programs and a \$1,350,957 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 \$964,802 and offset the remaining loans with restricted fund balance at June 30, 2015.

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

6. CAPITAL ASSETS:

Governmental Activities:

A summary of changes in the Governmental Activities capital assets at June 30, 2015 is as follows:

	Balance at <u>July 1, 2014</u>	<u>Additions</u>	Reclass/ <u>Transfers</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>
Capital assets, not being depreciated:					
Land	\$ 5,257,966	\$ 127,789	\$ -	\$ -	\$ 5,385,755
Construction in progress	<u>9,546,762</u>	<u>8,782,918</u>	<u>-</u>	<u>(198,831)</u>	<u>18,130,849</u>
Total capital assets, not being depreciated	<u>14,804,728</u>	<u>8,910,707</u>	<u>-</u>	<u>(198,831)</u>	<u>23,516,604</u>
Capital assets, being depreciated:					
Buildings and improvements	48,136,949	31,194	-	-	48,168,143
Machinery and equipment	6,198,138	196,676	(14,165)	(149,243)	6,231,406
Infrastructure	<u>245,479,510</u>	<u>66,299</u>	<u>-</u>	<u>-</u>	<u>245,545,809</u>
Total capital assets, being depreciated	<u>299,814,597</u>	<u>294,169</u>	<u>(14,165)</u>	<u>(149,243)</u>	<u>299,945,358</u>
Less accumulated depreciation for:					
Buildings and improvements	(19,862,513)	(1,243,039)	-	-	(21,105,552)
Machinery and equipment	(4,319,210)	(343,490)	14,165	137,648	(4,510,887)
Infrastructure	<u>(132,886,997)</u>	<u>(7,081,689)</u>	<u>-</u>	<u>-</u>	<u>(139,968,686)</u>
Total accumulated depreciation	<u>(157,068,720)</u>	<u>(8,668,218)</u>	<u>14,165</u>	<u>137,648</u>	<u>(165,585,125)</u>
Total capital assets, being depreciated, net	<u>142,745,877</u>	<u>(8,374,049)</u>	<u>-</u>	<u>(11,595)</u>	<u>134,360,233</u>
Total governmental activities capital assets, net	<u>\$ 157,550,605</u>	<u>\$ 536,658</u>	<u>\$ -</u>	<u>\$ (210,426)</u>	<u>\$ 157,876,837</u>

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

General government	\$ 1,078,328
Public safety	66,394
Urban development	21,380
Public works	7,067,511
Culture and leisure	312,783
Health and welfare	117,286
Depreciation on capital assets held by the Internal Service Funds	<u>4,536</u>
Total depreciation expense - governmental activities	<u>\$ 8,668,218</u>

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

6. CAPITAL ASSETS (CONTINUED):

Business-type Activities:

A summary of changes in the Business-type Activities capital assets at June 30, 2015 is as follows:

	Balance at <u>July 1, 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>
Capital assets, not being depreciated:					
Land	\$ 23,125	\$ -	\$ -	\$ -	\$ 23,125
Construction in progress	3,256,796	3,587,717	-	-	6,844,513
Water rights	<u>8,396,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,396,581</u>
Total capital assets, not being depreciated	<u>11,676,502</u>	<u>3,587,717</u>	<u>-</u>	<u>-</u>	<u>15,264,219</u>
Capital assets, being depreciated:					
Buildings and improvements	7,323,939	-	-	-	7,323,939
Distribution system	11,311,114	-	-	-	11,311,114
Sewer infrastructure	46,955,976	-	-	-	46,955,976
Office equipment	723,928	-	-	(10,631)	713,297
Vehicles	17,126,974	478,027	14,165	(893,081)	16,726,085
Tools and equipment	1,415,253	-	-	-	1,415,253
Miscellaneous	<u>178,320</u>	<u>-</u>	<u>-</u>	<u>(28,224)</u>	<u>150,096</u>
Total capital assets, being depreciated	<u>85,035,504</u>	<u>478,027</u>	<u>14,165</u>	<u>(931,936)</u>	<u>84,595,760</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,205,280)	(216,357)	-	-	(2,421,637)
Distribution system	(5,202,957)	(268,812)	-	-	(5,471,769)
Sewer infrastructure	(25,723,841)	(818,510)	-	-	(26,542,351)
Office equipment	(351,036)	(35,646)	-	10,631	(376,051)
Vehicles	(5,804,544)	(1,324,915)	(14,165)	893,081	(6,250,543)
Tools and equipment	(686,035)	(100,445)	-	-	(786,480)
Miscellaneous	<u>(177,148)</u>	<u>(11,662)</u>	<u>-</u>	<u>28,224</u>	<u>(160,586)</u>
Total accumulated depreciation	<u>(40,150,841)</u>	<u>(2,776,347)</u>	<u>(14,165)</u>	<u>931,936</u>	<u>(42,009,417)</u>
Total capital assets, being depreciated, net	<u>44,884,663</u>	<u>(2,298,320)</u>	<u>-</u>	<u>-</u>	<u>42,586,343</u>
Total business-type activities capital assets, net	<u>\$ 56,561,165</u>	<u>\$ 1,289,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,850,562</u>

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

Transit	\$ 1,665,881
Water	290,956
Sewer	<u>819,510</u>
Total depreciation expense - business-type activities	<u>\$ 2,776,347</u>

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

7. LONG-TERM LIABILITIES:

Changes in long-term liabilities for the year ended June 30, 2015, were as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
Governmental activities:					
2013A Lease Revenue Refunding Bonds	\$ 6,775,000	\$ -	\$ (365,000)	\$ 6,410,000	\$ 385,000
Add: Unamortized bond premium	172,608	-	(11,507)	161,101	-
2013B Lease Revenue Refunding Bonds	8,085,000	-	(535,000)	7,550,000	550,000
Add: Unamortized bond premium	<u>507,004</u>	-	<u>(46,091)</u>	<u>460,913</u>	-
	15,539,612	-	(957,598)	14,582,014	935,000
Compensated absences	2,531,565	279,223	(379,867)	2,430,921	378,600
Other post-employment benefits	<u>5,866,450</u>	<u>1,731,025</u>	<u>(1,327,889)</u>	<u>6,269,586</u>	-
Total governmental activities	<u>23,937,627</u>	<u>2,010,248</u>	<u>(2,665,354)</u>	<u>23,282,521</u>	<u>1,313,600</u>
Business-type activities:					
2013A Water Revenue Bonds	9,245,000	-	(175,000)	9,070,000	180,000
Add: Unamortized bond premium	<u>296,522</u>	-	<u>(10,224)</u>	<u>286,298</u>	-
	9,541,522	-	(185,224)	9,356,298	180,000
Compensated absences	593,899	37,818	(68,647)	563,070	75,200
Other post-employment benefits	2,672,428	693,882	(542,170)	2,824,140	-
Claims payable	<u>-</u>	<u>3,927</u>	<u>-</u>	<u>3,927</u>	-
Total business-type activities	<u>12,807,849</u>	<u>735,627</u>	<u>(796,041)</u>	<u>12,747,435</u>	<u>255,200</u>
Total long-term liabilities	<u>\$ 36,745,476</u>	<u>\$ 2,745,875</u>	<u>\$ (3,461,395)</u>	<u>\$ 36,029,956</u>	<u>\$ 1,568,800</u>

Debt service payments for governmental activities are made from Debt Service Fund, the General Fund, and the Parking Structure Special Revenue Fund.

Compensated Absences Payable:

The City's policies relating to compensated absences are described in Note 1. The outstanding balance at June 30, 2015, was \$2,430,921 and \$563,070 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.

Other Post-Employment Benefits:

Refer to Note 11 for related disclosures regarding other post-employment benefits. 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.

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, 2015, this reserve was fully funded with a balance of \$302,116. The \$7,120,000 proceeds were used to purchase state and local government securities that were deposited in a trust with an escrow agent to provide for all future debt service payments on the remaining Lease Revenue Refunding Bonds, Series 1999. As a result, the 1999 bonds were fully defeased on May 1, 2013. The defeasance of the bonds resulted in a loss from defeasance of \$96,343. The balance of the loss from defeasance, net of accumulated amortization, is \$84,301 as of June 30, 2015.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2015. The balance outstanding on the 2013A Lease Revenue Refunding Bonds at June 30, 2015, was \$6,410,000.

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 385,000	\$ 218,531	\$ 603,531
2017	400,000	203,131	603,131
2018	415,000	187,131	602,131
2019	430,000	170,531	600,531
2020	450,000	153,331	603,331
2021 - 2025	2,460,000	540,575	3,000,575
2026 - 2029	<u>1,870,000</u>	<u>139,169</u>	<u>2,009,169</u>
Subtotals	6,410,000	1,612,399	8,022,399
Add: Bond premium	<u>161,101</u>	<u>-</u>	<u>161,101</u>
Totals	<u>\$ 6,571,101</u>	<u>\$ 1,612,399</u>	<u>\$ 8,183,500</u>

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 \$842,319, 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, 2015, this reserve was fully funded with a balance of \$843,180. The \$8,630,000 proceeds were used to purchase state and local government securities that were deposited in a trust with an escrow agent to provide for all future debt service payments on the remaining Lease Revenue Refunding Bonds, Series 2001. As a result, the 2001 bonds were fully defeased in July 2013. The defeasance of the bonds resulted in loss from defeasance of \$93,810. The balance of the loss from defeasance, net of accumulated amortization, is \$78,174 as of June 30, 2015.

The Lease Revenue Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2015. The balance outstanding on the 2013B Lease Revenue Refunding Bonds at June 30, 2015, was \$7,550,000.

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 550,000	\$ 294,350	\$ 844,350
2017	580,000	272,350	852,350
2018	610,000	249,150	859,150
2019	625,000	224,750	849,750
2020	650,000	199,750	849,750
2021 - 2025	<u>4,535,000</u>	<u>557,750</u>	<u>5,092,750</u>
Subtotals	7,550,000	1,798,100	9,348,100
Add: Bond premium	<u>460,913</u>	<u>-</u>	<u>460,913</u>
Totals	<u>\$ 8,010,913</u>	<u>\$ 1,798,100</u>	<u>\$ 9,809,013</u>

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

7. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities:

2013A Water Revenue Bonds

\$9,395,000 Water Revenue Bonds; issued May 2, 2013; serial bonds due in amounts ranging from \$150,000 to \$305,000 on June 1 of each year starting in 2014 through 2029, 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 will be 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, 2015, was \$9,070,000.

The Water Revenue Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2015. The City is required, to maintain the rates and charges for the water services to be at least 125% of maximum annual debt service payment. As of June 30, 2015, the City's net revenue coverage was 165%, which meets the requirements.

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 180,000	\$ 359,712	\$ 539,712
2017	185,000	352,512	537,512
2018	195,000	345,113	540,113
2019	200,000	337,313	537,313
2020	210,000	329,313	539,313
2021 - 2025	1,210,000	1,478,813	2,688,813
2026 - 2030	1,490,000	1,203,200	2,693,200
2031 - 2035	1,765,000	933,500	2,698,500
2036 - 2040	2,135,000	562,800	2,697,800
2041 - 2043	<u>1,500,000</u>	<u>121,600</u>	<u>1,621,600</u>
Subtotals	9,070,000	6,023,876	15,093,876
Add: Bond premium	<u>286,298</u>	<u>-</u>	<u>286,298</u>
Totals	<u>\$ 9,356,298</u>	<u>\$ 6,023,876</u>	<u>\$ 15,380,174</u>

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 with statutorily reduced benefits. PEPPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Miscellaneous		
	Prior to November 1, 2011	On or After November 1, 2011 and Prior to January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.7%@55	2%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates	20.467%	20.467%	6.75%

8. CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
 (CONTINUED):

A. General Information about the Pension Plans (Continued):

Employees Covered:

At June 30, 2015, the following employees were covered by the benefit terms for all Plans:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	282
Inactive employees entitled to but not yet receiving benefits	143
Active employees	225
Total	650

Contributions:

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

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 all Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. for more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate:

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

8. CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(CONTINUED):

B. Net Pension Liability (Continued):

Discount Rate (Continued):

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

8. CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued):

B. Net Pension Liability (Continued):

Discount Rate (Continued):

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

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

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

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

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 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	<u>\$ 140,673,471</u>	<u>\$ 99,146,172</u>	<u>\$ 41,527,299</u>
Changes in the Year:			
Service cost	2,846,128	-	2,846,128
Interest on the total pension liability	10,415,206	-	10,415,206
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	2,827,904	(2,827,904)
Contribution - employee	-	1,213,682	(1,213,682)
Net investment income	-	17,146,278	(17,146,278)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(6,454,235)	(6,454,235)	-
Net Changes	<u>6,807,099</u>	<u>14,733,629</u>	<u>(7,926,530)</u>
Balance at June 30, 2015	<u>\$ 147,480,570</u>	<u>\$ 113,879,801</u>	<u>\$ 33,600,769</u>

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	6.50%
Net Pension Liability	\$ 53,269,005
Current Discount Rate	7.50%
Net Pension Liability	\$ 33,600,769
1% Increase	8.50%
Net Pension Liability	\$ 17,344,602

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, 2015, the City recognized pension expense of \$2,754,741. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 3,133,656	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(7,853,367)
Total	\$ 3,133,656	\$ (7,853,367)

8. CITY EMPLOYEE RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(Continued):

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

\$3,133,656 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (1,963,342)
2017	(1,963,342)
2018	(1,963,342)
2019	(1,963,341)
2020	-
Thereafter	-

E. Payable to the Pension Plan:

At June 30, 2015, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

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 \$4,745,895 and employee contributions made during the fiscal year ended June 30, 2015, were \$355,944. Any amendments to the plan go through a resolution for adoption by the City Council.

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, 2015, 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 \$89,904 with 27 participants was remitted to ICMA with an ending investment balance of \$1,388,515. On the other hand, employee contributions to deferred compensation plan 457 are voluntary. During the year, there were 152 participants. Contributions totaled \$542,641. Total plan assets at June 30, 2015, were \$14,317,381. International City Management Association Retirement Corporation's Retirement Trust and Nationwide Retirement Solutions administer 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.

11. OTHER POST-EMPLOYMENT BENEFITS:

Plan Description and Funding Policy:

In addition to providing pension benefits, the City as a single-employer provides medical insurance for certain employees after they have separated from the City, as provided under the City's contractual agreements with the Management and General Unit employees. Members from each unit that retire from the City on or after attaining the age of 50, with at least 5 years of service, are eligible for these benefits. Effective November 1, 2011, the City, the Norwalk City Employees Association, and the Norwalk Association of Management Employees agreed to implement a longevity stipend for its employees and retirees.

11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED):

Plan Description and Funding Policy:

The longevity stipend of the retirees will be determined based on the provisions as applicable below:

Longevity Stipend (Tier 1) - Employees/Retirees Hired Before November 1, 2011:

	<u>General</u>	<u>Management</u>
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	\$800 per month	PERSCare Family Rate

Longevity Stipend (Tier 2) - Employees/Retirees Hired On or After November 1, 2011:

	<u>General</u>	<u>Management</u>
Years of Service:	Percentage of Maximum Longevity Stipend	
10 to 14 years	50%	50%
15 to 19 years	75%	75%
20+ years	100%	100%
City Cap	\$800 per month	PERSCare Family Rate

Longevity Stipend (Tier 3) - Employees/Retirees Hired Before November 1, 2011, But Who Do Not Retire Until After June 30, 2014:

	<u>General</u>	<u>Management</u>
Years of Service:	Percentage of Maximum Longevity Stipend	
5 to 9 years	50%	50%
10+ years	100%	100%
City Cap	\$800 per month	PERSCare Family Rate

11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED):

Plan Description and Funding Policy (Continued):

Eligible participants to the plan at August 1, 2014, the date of the latest actuarial valuation are as follows:

Eligible Active Employees:	
General	206
Management	23
Subtotal	229
Eligible Retirees	184
Total	413

As of June 30, 2015, there were 190 eligible retirees receiving medical benefits paid through CalPERS. The City pays insurance premiums for these benefits based on the maximum PERSCare Family Rate of \$1,682 (effective January 1, 2015) for Management Unit retirees and \$800 per month for General Unit retirees. In fiscal year 2014-2015, the City established the other post-employment benefit trust and deposited \$628,000 in an irrevocable trust. This represents an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. For fiscal year ended June 30, 2015, \$1,242,059 was paid for retiree health care premiums and \$628,000 was paid into the trust.

The contribution requirements of plan members and the City are established and may be amended by the City, the City’s City Council, and/or the employee associations. The plan does not require employee contributions. Administrative costs of this plan are financed through investment earnings.

Accounting for the Plan:

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

Method Used to Value Investments:

Investments are reported at fair value, which is determined by the mean of the most recent bid and asked prices as obtained from dealers that make markets in such securities. 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.

11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED):

Annual OPEB Cost and Net OPEB Obligation:

The following table shows the components of the City's annual Other Post-employment Benefits (OPEB) cost for the year (based on closed 30-year amortization period for the initial UAAL and open 25-year amortization period for any residual UAAL), the amount of benefits and/or insurance premiums actually paid, and the City's Net OPEB obligation as of June 30, 2015:

Annual required contribution	\$ 2,530,828
Interest on net OPEB obligation	388,194
Adjustment to annual required contribution	<u>(494,115)</u>
Annual OPEB cost (expense)	2,424,907
Contributions to irrevocable trust	(628,000)
Premium payments including benefit payments	<u>(1,242,059)</u>
Increase in net OPEB obligation	554,848
Net OPEB obligation - beginning of year	<u>8,538,878</u>
 Net OPEB obligation - end of year	 <u>\$ 9,093,726</u>

The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 25 years.

Three Year Trend Information:

The City's annual OPEB cost, the actual contributions, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three years ended June 30, 2015, were as follows:

Fiscal Year	Annual OPEB Cost	Actual Annual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 2,623,131	\$ 1,237,734	47.0%	\$ 7,012,074
6/30/2014	2,758,721	1,231,917	45.0%	8,538,878
6/30/2015	2,424,907	1,870,059	77.1%	9,093,726

11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED):

Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2015 based on the plan's most recent actuarial valuation date of August 1, 2014, was:

Actuarial accrued liability (AAL)	\$ 32,712,407
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 32,712,407</u>
Covered payroll	\$ 14,964,768
Ratio of UAAL to covered payroll	218.60%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress and the schedule of employer contributions, presented as required supplementary information following the notes to the basic financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits and the percentage of the annual required contribution that was contributed.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the August 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used to value liabilities. Under the entry age normal cost method, an average age at hire and average retirement age are determined for eligible employees. The actuarial assumptions included a 4.5% discount rate, an annual average increase of 4% in pay-as-you-go retiree health costs over the next 10 years, a 2.75% general inflation rate, and a 2.75% annual payroll increase. The UAAL is being amortized as a level percentage of projected payroll over 30 years. Amortization methods used a closed 30-year amortization period for the initial UAAL and an open 25-year amortization period for any residual UAAL.

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

12. FUND BALANCES AND NET POSITION CLASSIFICATION:

Fund balances at June 30, 2015, consisted of the following:

	Special Revenue Funds			Capital Projects Funds				Other Governmental Funds	Total Governmental Funds
	Housing and Community		Housing	Debt Service Fund	Highway Bridge Replacement & Renovation		Economic Development		
	General Fund	Development	Authority	Fund	Development	Successor			
Nonspendable:									
Advances to Successor Agency \$	6,206,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,206,384
Advances to other funds	2,846,472	-	-	-	-	-	-	-	2,846,472
Inventory of material and supplies	6,684	-	-	-	-	-	-	-	6,684
Prepaid items	<u>34,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,283</u>
Total nonspendable	<u>9,093,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,093,823</u>
Restricted:									
Public safety	-	-	-	-	-	-	-	211,261	211,261
Urban development	-	927,019	1,192,754	-	-	11,711,187	10,996,769	-	24,827,729
Public works	-	-	-	-	-	-	-	12,790,057	12,790,057
Public art	-	-	-	-	-	-	-	599,960	599,960
Culture & leisure	-	-	-	-	-	-	-	19,188	19,188
Health & welfare	-	-	-	-	-	-	-	129,644	129,644
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,145,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,145,296</u>
Total restricted	<u>-</u>	<u>927,019</u>	<u>1,192,754</u>	<u>1,145,296</u>	<u>-</u>	<u>11,711,187</u>	<u>10,996,769</u>	<u>13,750,110</u>	<u>39,723,135</u>
Committed:									
CalPERS defined benefit pension plan	320,000	-	-	-	-	-	-	-	320,000
Stabilization (see note 1E)	1,800,000	-	-	-	-	-	-	-	1,800,000
Public works	-	-	-	-	-	-	-	73,183	73,183
Equipment replacement	-	-	-	-	-	-	-	3,641,885	3,641,885
Building renovation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,259</u>	<u>2,517,259</u>
Total committed	<u>2,120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,232,327</u>	<u>8,352,327</u>
Assigned:									
Capital projects	<u>1,631,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631,006</u>
Unassigned									
	<u>12,270,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,588,566)</u>	<u>-</u>	<u>-</u>	<u>(1,412,079)</u>	<u>8,269,595</u>
Total fund balances	<u>\$ 25,115,069</u>	<u>\$ 927,019</u>	<u>\$ 1,192,754</u>	<u>\$ 1,145,296</u>	<u>\$ (2,588,566)</u>	<u>\$ 11,711,187</u>	<u>\$ 10,996,769</u>	<u>\$ 18,570,358</u>	<u>\$ 67,069,886</u>

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

12. FUND BALANCES AND NET POSITION CLASSIFICATION (CONTINUED):

The City's net position at June 30, 2015 is tabulated below, followed by explanations as to the nature and purpose of each classification.

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Capital assets, not being depreciated	\$ 23,516,604	\$ 15,264,219
Depreciable capital assets, net	134,360,233	42,586,343
Lease revenue refunding bonds	(13,960,000)	-
Water revenue bonds	-	(9,070,000)
Bond premiums	(622,014)	(286,298)
Cash and investments with fiscal agents	1,145,296	3,498,268
Deferred amount on refunding	162,475	-
Net investment in capital assets	144,602,594	51,992,532
Restricted net position:		
Public safety	213,131	-
Urban development	24,870,740	-
Public works	12,790,057	-
Public art	599,960	-
Culture & leisure	19,188	-
Health & welfare	133,469	-
Debt service	1,145,296	3,498,268
Total restricted net position	39,771,841	3,498,268
Unrestricted net position	(6,607,339)	(8,433,036)
Total net position	\$ 177,767,096	\$ 47,057,764

13. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Deficit Fund Balances:

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

Major Fund:	
Highway Bridge Replacement and Rehabilitation Capital Projects Fund	\$ (2,588,566)
Other Governmental Funds:	
Other Federal Grants Special Revenue Fund	(96,412)
Proposition "C" I-5 Mitigation Capital Projects Fund	(594,179)
Special Projects Capital Projects Fund	(721,488)
	\$ (4,000,645)

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

13. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED):

B. Excess of Expenditures over Appropriations:

The following funds reported expenditures exceeding appropriations in individual departments at June 30, 2015:

	Budget	Actual	Variance with Final Budget
Major Fund:			
Debt Service Fund:			
General government	\$ 1,501	\$ 4,392	\$ (2,891)
Other Governmental Funds:			
Proposition "C" Special Revenue Fund:			
General government	77,009	78,759	(1,750)
Special Projects Capital Projects Fund:			
Public works	60,200	63,881	(3,681)

14. INSURANCE POLICIES:

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement:

City of Norwalk is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the Authority:

Each member pays an annual contribution to cover estimated losses for the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

14. INSURANCE POLICIES (CONTINUED):

Self-Insurance Programs of the Authority (Continued):

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

Liability

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

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

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

Workers' Compensation

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

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

14. INSURANCE POLICIES (CONTINUED):

Self-Insurance Programs of the Authority (Continued):

Workers' Compensation (Continued)

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

Purchased Insurance:

Pollution Legal Liability Insurance

The City of Norwalk participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Norwalk. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

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 \$98,197,732. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of 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 \$35,683,831. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of 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. Premiums are paid annually and are not subject to retrospective adjustments.

14. INSURANCE POLICIES (CONTINUED):

Purchased Insurance (Continued):

Special Event Tenant User Liability Insurance

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

Adequacy of Protection:

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

The aforementioned information is not included in the accompanying financial statements. Complete financial statements for the Insurance 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, 2015, the amount of these liabilities was \$3,927. This liability is the City's best estimate based on available information.

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

Year Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30,
2013	\$ -	\$ 441,129	\$ (441,129)	\$ -
2014	-	307,938	(307,938)	-
2015	-	262,840	(258,913)	3,927

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.

15. CONTINGENT LIABILITIES (CONTINUED):

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%.

16. JOINT POWERS AGREEMENTS:

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

Southwest Water Coalition:

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

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

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

I-5 Consortium Joint Powers Authority:

The City of Norwalk is one of six cities that formed the I-5 Consortium Joint Powers Authority (Consortium) in May 1991. The Consortium was created to act in concert with the State of California and Federal Agencies in matters pertaining to the development of plans and financing for I-5 Freeway improvements. Each member city has appointed one board member to represent its city. Annual contributions are required on an equal pro-rata basis upon approval by the Board. For the year ended June 30, 2015, the City of Norwalk contributed \$35,000.

16. JOINT POWERS AGREEMENTS (CONTINUED):

I-5 Consortium Joint Powers Authority (Continued):

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.

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 Receivable:

Agency's Advance to the General Fund

The former Redevelopment Agency had planned to loan moneys to the City for the costs of rehabilitating a city-owned building located at 13629 San Antonio Drive. On December 4, 2007, the former Redevelopment Agency made an advance of \$750,000 to the City as part of this loan. The Successor Agency listed the remaining advances to be made, in the estimated amount of \$1.25 million, on the Successor Agency's Recognized Obligation Payment Schedule for the period from January 1, 2012 through June 30, 2012 ("ROPS"). The State Department of Finance ("DOF"), in its letter dated May 11, 2012, disapproved the relevant ROPS line item, and indicated that, pursuant to the Dissolution Law, this loan between the former Redevelopment Agency and the City was unenforceable. Subsequently, per the DOF's approval of ROPS 14-15B (i.e., the ROPS covering the period from January 1, 2015 through June 30, 2015), the Successor Agency transferred all remaining unspent taxable bond proceeds to the City, to be applied towards projects eligible to be funded by such bond proceeds. The City applied a portion of such bond proceeds toward the San Antonio Drive building rehabilitation project. During the fiscal year 2014-15, for accounting purposes, the Successor Agency wrote off the advance made in 2007 as uncollectible and recorded a deduction in the statement of changes in fiduciary net position.

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

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

Disclosure of Successor Agency Capital Assets:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital assets, not being depreciated:					
Land	\$ 1,737,847	\$ -	\$ -	\$ -	\$ 1,737,847
Capital assets, being depreciated:					
Buildings and improvements	<u>1,010,388</u>	-	-	-	<u>1,010,388</u>
Less accumulated depreciation for:					
Buildings and improvements	-	<u>(25,260)</u>	-	-	<u>(25,260)</u>
Total capital assets, being depreciated, net	<u>1,010,388</u>	<u>(25,260)</u>	-	-	<u>985,128</u>
Total successor agency capital assets, net	<u>\$ 2,748,235</u>	<u>\$ (25,260)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,722,975</u>

Disclosure of Successor Agency Debts:

Details of the Successor Agency's long-term debt as of June 30, 2015 follows:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2015</u>	<u>Due Within One Year</u>
Tax Allocation Refunding Bonds:					
2005 Series A	\$ 29,240,000	\$ -	\$ (795,000)	\$ 28,445,000	\$ 835,000
Add: Bond premium	340,943	-	(16,045)	324,898	-
2005 Series B (Taxable)	25,340,000	-	(615,000)	24,725,000	650,000
Less: Bond discount	(251,461)	-	11,833	(239,628)	-
County Deferred Loans:					
Project Area No. 1	30,555,579	-	-	30,555,579	-
Project Area No. 2	<u>11,250,972</u>	<u>787,568</u>	-	<u>12,038,540</u>	-
Subtotals	<u>96,476,033</u>	<u>787,568</u>	<u>(1,414,212)</u>	<u>95,849,389</u>	<u>1,485,000</u>
Advances from the City of Norwalk:					
Agency expenditures paid by the City	389,246	-	(45,471)	343,775	-
Metro Center parcels	<u>6,173,774</u>	<u>13,839</u>	-	<u>6,187,613</u>	-
Subtotals	<u>6,563,020</u>	<u>13,839</u>	<u>(45,471)</u>	<u>6,531,388</u>	-
Total long-term liabilities	<u>\$ 103,039,053</u>	<u>\$ 801,407</u>	<u>\$ (1,459,683)</u>	<u>\$ 102,380,777</u>	<u>\$ 1,485,000</u>

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

Disclosure of Successor Agency Debts (Continued):

Tax Allocation Refunding Bonds, 2005 Series A

\$34,815,000 Tax Allocation Refunding Bonds, 2005 Series A; issued November 2005 to refund the Tax Allocation Refunding Bonds, Series 1995A and Series 1995B; serial bonds due in amounts ranging from \$610,000 to \$1,285,000 on October 1 of each year starting 2006 through 2025 and term bonds with principal amounts of \$7,445,000 and \$9,500,000 due on October 1, 2030 and 2035, respectively; interest rates vary from 3.50% to 5.00%. The defeasance of the bonds resulted in a loss from defeasance of \$200,388. The balance of the loss from defeasance, net of accumulated amortization, is \$138,729 as of June 30, 2015.

The Tax Allocation Refunding Bonds are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due as of June 30, 2015. The balance outstanding on the Tax Allocation Refunding Bonds, 2005 Series A at June 30, 2015, was \$28,445,000.

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>
2016	\$ 835,000	\$ 1,338,543	\$ 2,173,543
2017	875,000	1,300,168	2,175,168
2018	910,000	1,262,192	2,172,192
2019	950,000	1,221,530	2,171,530
2020	995,000	1,179,950	2,174,950
2021 -2025	5,650,000	5,188,814	10,838,814
2026 -2030	7,090,000	3,703,341	10,793,341
2031 -2035	9,050,000	1,697,464	10,747,464
2036	<u>2,090,000</u>	<u>52,250</u>	<u>2,142,250</u>
Subtotals	28,445,000	16,944,252	45,389,252
Add: Bond premium	<u>324,898</u>	<u>-</u>	<u>324,898</u>
Totals	<u>\$ 28,769,898</u>	<u>\$ 16,944,252</u>	<u>\$ 45,714,150</u>

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

Disclosure of Successor Agency Debts (Continued):

Tax Allocation Refunding Bonds, 2005 Series B (Taxable)

\$29,310,000 Tax Allocation Refunding Bonds, 2005 Series B (Taxable); issued November 2005 to finance certain redevelopment activities; serial bonds due in amounts ranging from \$415,000 to \$585,000 on October 1 of each year starting 2006 through 2013 and term bonds with principal amounts of \$1,265,000 to \$15,275,000 due on October 1, 2015 through October 1, 2035, respectively; interest rates vary from 4.77% to 5.75%. The balance outstanding on the Tax Allocation Refunding Bonds, 2005 Series B (Taxable) at June 30, 2015, was \$24,725,000.

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 650,000	\$ 1,385,450	\$ 2,035,450
2017	685,000	1,349,713	2,034,713
2018	720,000	1,311,075	2,031,075
2019	760,000	1,270,375	2,030,375
2020	800,000	1,227,475	2,027,475
2021 -2025	4,725,000	5,396,644	10,121,644
2026 -2030	6,220,000	3,855,256	10,075,256
2031 -2035	8,225,000	1,793,281	10,018,281
2036	<u>1,940,000</u>	<u>55,775</u>	<u>1,995,775</u>
Subtotals	24,725,000	17,645,044	42,370,044
Less: Bond discount	<u>(239,628)</u>	<u>-</u>	<u>(239,628)</u>
Totals	<u>\$ 24,485,372</u>	<u>\$ 17,645,044</u>	<u>\$ 42,130,416</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, 2015, this reserve was fully funded with a balance of \$4,246,862.

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

Disclosure of Successor Agency Debts (Continued):

County Deferred Loans

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

Project Area No. 1:

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

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

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

The County has stated that as of June 30, 2015, the deferred loan balance payable to the County of Los Angeles for Project Area No. 1 was \$30,555,579.

Project Area No. 2:

An agreement was entered into on August 17, 1987, between the Agency and the County of Los Angeles in regards 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.

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

Disclosure of Successor Agency Debts (Continued):

County Deferred Loans (Continued)

Project Area No. 2 (Continued):

The County has stated that as of June 30, 2015, the deferred loan balance payable to the County of Los Angeles for Project Area No. 2 was \$12,038,540.

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

Advances from the City's General Fund

The former Redevelopment Agency advances were used for the general cost and to build the Metro Center. The balance outstanding as of June 30, 2015 is \$6,531,388.

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

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 (Developer). On March 22, 2011, the Developer 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, 2016.

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 the Agency is receiving from the Developer as Percentage Rent.

18. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

Restatements of the Government-Wide Financial Statements' net position as of July 1, 2014 are as follows:

	Governmental Activities	Business-type Activities	Total
Net position at July 1, 2014, as originally reported	\$ 188,345,264	\$ 52,654,537	\$ 240,999,801
Implementation of GASB Statements 68 and 71 to record pension liability at beginning of year	(29,024,546)	(9,674,849)	(38,699,395)
Reclassification of long-term loans receivable from deferred inflows of resources, unavailable revenues, to an allowance for doubtful accounts or due to other agency - removal of revenue previously recognized in government-wide financial statements	(8,908,248)	-	(8,908,248)
Net position at July 1, 2014, as restated	\$ 150,412,470	\$ 42,979,688	\$ 193,392,158

City of Norwalk
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2015

18. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS (CONTINUED):

Restatement of the Enterprise Fund's net position as of July 1, 2014 is as follows:

	Transit System Enterprise <u>Fund</u>	Water Enterprise <u>Fund</u>	Sewer Enterprise <u>Fund</u>
Net position at July 1, 2014, as originally reported	\$ 15,301,254	\$ 14,815,652	\$ 22,537,631
Implementation of GASB Statements 68 and 71 to record pension liability at beginning of year	<u>(8,126,873)</u>	<u>(1,160,982)</u>	<u>(386,994)</u>
Net position at July 1, 2014, as restated	<u>\$ 7,174,381</u>	<u>\$ 13,654,670</u>	<u>\$ 22,150,637</u>

19. SUBSEQUENT EVENT:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 11, 2015, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015
Total Pension Liability:	
Service cost	\$ 2,846,128
Interest on total pension liability	10,415,206
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(6,454,235)
Net Change in Total Pension Liability	6,807,099
Total Pension Liability - Beginning of Year	140,673,471
Total Pension Liability - End of Year (a)	\$ 147,480,570
Plan Fiduciary Net Position:	
Contributions - employer	\$ 2,827,904
Contributions - employee	1,213,682
Net investment income	17,146,278
Benefit payments	(6,454,235)
Net Change in Plan Fiduciary Net Position	14,733,629
Plan Fiduciary Net Position - Beginning of Year	99,146,172
Plan Fiduciary Net Position - End of Year (b)	\$ 113,879,801
Net Pension Liability - Ending (a)-(b)	\$ 33,600,769
Plan fiduciary net position as a percentage of the total pension liability	77.22%
Covered - employee payroll	\$ 14,721,610
Net pension liability as percentage of covered- employee payroll	228.24%

Notes to Schedule:

Benefit Changes:

There were not changes in benefits.

Changes in Assumptions:

There were not changes in assumptions

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

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

	2015
Actuarially determined contribution	\$ 3,133,656
Contributions in relation to the actuarially determined contributions	(3,133,656)
Contribution deficiency (excess)	\$ -
Covered - employee payroll	\$ 15,310,767
Contributions as a percentage of covered - employee payroll	20.47%

Notes to Schedule:

Valuation Date 6/30/12

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (2%@55) and 30 years (2%@62)
Asset valuation method	Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years (2.7%@55 and 2%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Norwalk
Other Post-Employment Benefits (OPEB)
For the year ended June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Payroll [(b)-(a)]/c]
08/01/2010	\$ -	\$ 29,011,374	\$ 29,011,374	0.00%	\$ 14,555,235	199.32%
08/01/2012	-	32,031,534	32,031,534	0.00%	14,312,812	223.80%
08/01/2014	-	32,712,407	32,712,407	0.00%	14,964,768	218.60%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 2,463,610	41.24%
2010	2,463,610	41.65%
2011	2,422,442	48.49%
2012	2,422,442	50.11%
2013	2,440,264	50.72%
2014	2,530,828	48.68%
2015	2,530,828	73.89%

City of Norwalk
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 34,603,750	\$ 34,939,800	\$ 35,350,674	\$ 410,874
Licenses and permits	1,110,000	1,155,150	1,113,986	(41,164)
Fines, forfeitures and penalties	1,555,000	1,555,000	1,532,833	(22,167)
Use of money and property	227,142	227,142	165,860	(61,282)
Intergovernmental	637,650	659,199	732,692	73,493
Charges for services	1,230,800	1,232,800	1,301,068	68,268
Rental income	782,300	782,300	830,042	47,742
Other	1,281,360	1,312,560	1,043,606	(268,954)
Total revenues	<u>41,428,002</u>	<u>41,863,951</u>	<u>42,070,761</u>	<u>206,810</u>
Expenditures:				
Current:				
General government:				
Mayor, council and boards	420,011	421,611	401,843	19,768
Management and administration	2,927,701	3,032,601	2,634,902	397,699
City clerk	1,097,526	980,726	792,540	188,186
Personnel services	1,856,978	2,252,918	1,944,285	308,633
Financial services	1,777,224	1,780,324	1,726,253	54,071
Total general government	<u>8,079,440</u>	<u>8,468,180</u>	<u>7,499,823</u>	<u>968,357</u>
Public safety				
Public safety operations	13,137,956	13,055,741	12,664,062	391,679
Emergency preparedness	37,053	37,053	16,618	20,435
Family resource center	253,339	27,500	21,581	5,919
Total public safety	<u>13,428,348</u>	<u>13,120,294</u>	<u>12,702,261</u>	<u>418,033</u>
Urban development:				
Community development operations	723,091	723,691	680,780	42,911
Building and safety	863,926	854,126	852,680	1,446
Engineering	778,944	778,144	660,353	117,791
Property maintenance	963,819	936,319	879,136	57,183
Planning	474,058	497,858	430,624	67,234
Storm water compliance	385,098	385,098	193,008	192,090
Total urban development	<u>4,188,936</u>	<u>4,175,236</u>	<u>3,696,581</u>	<u>478,655</u>
Public works:				
Public services administration	1,189,252	1,207,752	1,124,919	82,833
Security and emergency services	28,389	33,089	27,186	5,903
Facilities maintenance	1,604,663	1,653,563	1,526,791	126,772
Street maintenance	38,327	37,727	14,457	23,270
Traffic maintenance	6,280	8,280	(4,077)	12,357
Signals and street lighting	547,669	583,969	572,246	11,723
Street sweeping	225,575	237,575	236,022	1,553
Tree planting	36,891	36,891	46,206	(9,315)
Graffiti removal	568,853	565,353	569,318	(3,965)
Tree maintenance	453,846	428,846	401,831	27,015
Greenscape maintenance	805,020	795,820	772,139	23,681
Total public works	<u>5,504,765</u>	<u>5,588,865</u>	<u>5,287,038</u>	<u>301,827</u>

See accompanying note to required supplementary information.

(Continued)

City of Norwalk
Budgetary Comparison Schedule
General Fund (Continued)
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures (Continued):				
Current (Continued):				
Culture and leisure:				
Recreation	\$ 4,090,860	\$ 4,369,629	\$ 4,188,190	\$ 181,439
Park services	3,247,193	3,369,133	3,225,080	144,053
Total culture and leisure	<u>7,338,053</u>	<u>7,738,762</u>	<u>7,413,270</u>	<u>325,492</u>
Health and welfare:				
Social services administration	975,273	984,873	972,511	12,362
Senior programs	944,286	976,236	919,359	56,877
Emergency food and shelter program	67,945	67,945	27,434	40,511
Total health and welfare	<u>1,987,504</u>	<u>2,029,054</u>	<u>1,919,304</u>	<u>109,750</u>
Capital outlay and improvement	<u>859,018</u>	<u>879,540</u>	<u>425,755</u>	<u>453,785</u>
Total expenditures	<u>41,386,064</u>	<u>41,999,931</u>	<u>38,944,032</u>	<u>3,055,899</u>
Excess (deficiency) of revenues over expenditures	<u>41,938</u>	<u>(135,980)</u>	<u>3,126,729</u>	<u>3,262,709</u>
Other financing sources (uses):				
Transfers in	8,000	8,000	10,474	2,474
Transfers out	<u>(4,509,322)</u>	<u>(4,509,322)</u>	<u>(4,838,916)</u>	<u>(329,594)</u>
Total other financing sources (uses)	<u>(4,501,322)</u>	<u>(4,501,322)</u>	<u>(4,828,442)</u>	<u>(327,120)</u>
Special item:				
Write-off of Successor Agency advance payable	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>
Change in fund balance	<u>(4,459,384)</u>	<u>(4,637,302)</u>	<u>(951,713)</u>	<u>3,685,589</u>
Beginning fund balance	<u>26,066,782</u>	<u>26,066,782</u>	<u>26,066,782</u>	<u>-</u>
Ending fund balance	<u>\$ 21,607,398</u>	<u>\$ 21,429,480</u>	<u>\$ 25,115,069</u>	<u>\$ 3,685,589</u>

See accompanying note to required supplementary information.

City of Norwalk
Budgetary Comparison Schedule
Housing and Community Development Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 4,054	\$ 2,054
Intergovernmental	1,449,428	1,449,428	1,158,034	(291,394)
Other	123,044	423,044	651,129	228,085
Total revenues	<u>1,574,472</u>	<u>1,874,472</u>	<u>1,813,217</u>	<u>(61,255)</u>
Expenditures:				
Current:				
Urban development	1,472,165	1,478,445	1,468,935	9,510
Public works	56,000	56,000	54,232	1,768
Health and welfare	50,000	50,000	45,345	4,655
Total expenditures	<u>1,578,165</u>	<u>1,584,445</u>	<u>1,568,512</u>	<u>15,933</u>
Excess (deficiency) of revenues over expenditures	(3,693)	290,027	244,705	(45,322)
Beginning fund balance, as restated	<u>682,314</u>	<u>682,314</u>	<u>682,314</u>	<u>-</u>
Ending fund balance	<u><u>\$ 678,621</u></u>	<u><u>\$ 972,341</u></u>	<u><u>\$ 927,019</u></u>	<u><u>\$ (45,322)</u></u>

See accompanying note to required supplementary information.

City of Norwalk
Budgetary Comparison Schedule
Housing Authority Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Use of money and property	\$ 145	\$ 145	\$ 142	\$ (3)
Intergovernmental	7,268,454	7,268,454	6,904,333	(364,121)
Other	24,050	24,050	123,561	99,511
Total revenues	<u>7,292,649</u>	<u>7,292,649</u>	<u>7,028,036</u>	<u>(264,613)</u>
Expenditures:				
Current:				
Health and welfare	7,314,310	7,326,870	6,911,697	415,173
Total expenditures	<u>7,314,310</u>	<u>7,326,870</u>	<u>6,911,697</u>	<u>415,173</u>
Excess (deficiency) of revenues over expenditures	(21,661)	(34,221)	116,339	150,560
Beginning fund balance	<u>1,076,415</u>	<u>1,076,415</u>	<u>1,076,415</u>	<u>-</u>
Ending fund balance	<u>\$ 1,054,754</u>	<u>\$ 1,042,194</u>	<u>\$ 1,192,754</u>	<u>\$ 150,560</u>

See accompanying note to required supplementary information.

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 overexpend 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 reappropriated through the formal budget process. The City controls expenditures without the aid of encumbrances. 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 Economic Development Capital Projects Fund, Housing Successor Capital Projects Fund, and the Park Development Capital Projects Fund. Quarterly reports are prepared and distributed to the City Council and the executive management team to assure budgetary controls through fiscal management. Since there is no legal requirement for the City's Proprietary Funds to be reported to the City Council, the budgetary reporting under these funds are not presented in the accompanying financial statements.

Budgets are prepared on a modified accrual basis. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. 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

City of Norwalk
Budgetary Comparison Schedule
Debt Service Fund - Major Fund
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 634	\$ 634
Total revenues	<u>-</u>	<u>-</u>	<u>634</u>	<u>634</u>
Expenditures:				
Current:				
General government	1,501	1,501	4,392	(2,891)
Debt service:				
Principal retirement	900,000	900,000	900,000	-
Interest and fiscal charges	548,881	548,881	548,881	-
Total expenditures	<u>1,450,382</u>	<u>1,450,382</u>	<u>1,453,273</u>	<u>(2,891)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,450,382)</u>	<u>(1,450,382)</u>	<u>(1,452,639)</u>	<u>(2,257)</u>
Other financing sources:				
Transfers in	1,450,382	1,450,382	1,453,252	2,870
Total other financing sources	<u>1,450,382</u>	<u>1,450,382</u>	<u>1,453,252</u>	<u>2,870</u>
Change in fund balance	-	-	613	613
Beginning fund balance	<u>1,144,683</u>	<u>1,144,683</u>	<u>1,144,683</u>	<u>-</u>
Ending fund balance	<u>\$ 1,144,683</u>	<u>\$ 1,144,683</u>	<u>\$ 1,145,296</u>	<u>\$ 613</u>

City of Norwalk
Budgetary Comparison Schedule
Highway Bridge Replacement and Rehabilitation Capital Projects Fund - Major Fund
For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 11,704,870	\$ 11,704,870	\$ 5,558,090	\$ (6,146,780)
Total revenues	<u>11,704,870</u>	<u>11,704,870</u>	<u>5,558,090</u>	<u>(6,146,780)</u>
Expenditures:				
Capital outlay and improvement	11,704,870	9,351,610	5,682,020	3,669,590
Total expenditures	<u>11,704,870</u>	<u>9,351,610</u>	<u>5,682,020</u>	<u>3,669,590</u>
Excess (deficiency) of revenues over expenditures	-	2,353,260	(123,930)	(2,477,190)
Beginning fund balance (deficit)	<u>(2,464,637)</u>	<u>(2,464,637)</u>	<u>(2,464,637)</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ (2,464,637)</u>	<u>\$ (111,377)</u>	<u>\$ (2,588,567)</u>	<u>\$ (2,477,190)</u>

City of Norwalk
Combining Balance Sheet
Other Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
ASSETS			
Assets:			
Cash and investments	\$ 9,055,595	\$ 10,912,747	\$ 19,968,342
Accounts receivable, net	167,405	-	167,405
Due from other governments	725,286	1,654,411	2,379,697
	<u>9,948,286</u>	<u>12,567,158</u>	<u>22,515,444</u>
Total assets	\$ 9,948,286	\$ 12,567,158	\$ 22,515,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 642,359	\$ 305,353	\$ 947,712
Due to other funds	135,217	1,171,849	1,307,066
Due to other governments	331	-	331
Advances from grantors	29,325	-	29,325
Unearned revenue	-	14,867	14,867
Total liabilities	<u>807,232</u>	<u>1,492,069</u>	<u>2,299,301</u>
Deferred inflows of resources:			
Unavailable revenues	<u>102,106</u>	<u>1,543,679</u>	<u>1,645,785</u>
Total deferred inflows of resources	<u>102,106</u>	<u>1,543,679</u>	<u>1,645,785</u>
Fund balances:			
Restricted	9,062,177	4,687,933	13,750,110
Committed	73,183	6,159,144	6,232,327
Unassigned	<u>(96,412)</u>	<u>(1,315,667)</u>	<u>(1,412,079)</u>
Total fund balances	<u>9,038,948</u>	<u>9,531,410</u>	<u>18,570,358</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 9,948,286	\$ 12,567,158	\$ 22,515,444

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the year ended June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Use of money and property	\$ 56,641	\$ 77,170	\$ 133,811
Intergovernmental	10,254,041	2,299,006	12,553,047
Charges for services	964,819	-	964,819
Other	134,480	8,880	143,360
Total revenues	<u>11,409,981</u>	<u>2,385,056</u>	<u>13,795,037</u>
Expenditures:			
Current:			
General government	499,776	10,177	509,953
Public safety	296,094	6,000	302,094
Urban development	30,474	8,551	39,025
Public works	2,442,712	818,622	3,261,334
Culture and leisure	-	425,255	425,255
Health and welfare	3,548,135	34,453	3,582,588
Capital outlay and improvement	970,090	2,438,398	3,408,488
Total expenditures	<u>7,787,281</u>	<u>3,741,456</u>	<u>11,528,737</u>
Excess (deficiency) of revenues over expenditures	<u>3,622,700</u>	<u>(1,356,400)</u>	<u>2,266,300</u>
Other financing sources (uses):			
Transfers in	55,532	3,050,000	3,105,532
Transfers out	(2,225,826)	-	(2,225,826)
Total other financing sources (uses)	<u>(2,170,294)</u>	<u>3,050,000</u>	<u>879,706</u>
Change in fund balances	1,452,406	1,693,600	3,146,006
Beginning fund balances	<u>7,586,542</u>	<u>7,837,810</u>	<u>15,424,352</u>
Ending fund balances	<u>\$ 9,038,948</u>	<u>\$ 9,531,410</u>	<u>\$ 18,570,358</u>

(This page intentionally left blank)

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.

Other Federal Grants Fund - This fund accounts mainly federal grants received for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety
ASSETS						
Assets:						
Cash and investments	\$ -	\$ 533,678	\$ 94,581	\$ -	\$ 5,364,436	\$ 232,220
Accounts receivable, net	439	-	-	-	102,022	-
Due from other governments	380,233	165,833	34,715	1,406	-	1,870
Total assets	\$ 380,672	\$ 699,511	\$ 129,296	\$ 1,406	\$ 5,466,458	\$ 234,090
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 261,444	\$ -	\$ -	\$ 658	\$ 50,958	\$ 31,554
Due to other funds	118,897	-	-	748	-	-
Due to other governments	331	-	-	-	-	-
Advances from grantors	-	-	-	-	-	-
Total liabilities	380,672	-	-	1,406	50,958	31,554
Deferred inflows of resources:						
Unavailable revenues	-	-	-	-	-	1,870
Total deferred inflows of resources	-	-	-	-	-	1,870
Fund balances (deficit):						
Restricted	-	699,511	129,296	-	5,415,500	200,666
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	-	699,511	129,296	-	5,415,500	200,666
Total liabilities, deferred inflows of resources and fund balances	\$ 380,672	\$ 699,511	\$ 129,296	\$ 1,406	\$ 5,466,458	\$ 234,090

City of Norwalk
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015

Parking Structure	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Other Federal Grants	Total Other Special Revenue Funds
\$ 32,420	\$ 8,828	\$ 30,429	\$ 2,872	\$ 2,756,131	\$ -	\$ 9,055,595
64,944	-	-	-	-	-	167,405
-	1,767	3,825	-	-	135,637	725,286
<u>\$ 97,364</u>	<u>\$ 10,595</u>	<u>\$ 34,254</u>	<u>\$ 2,872</u>	<u>\$ 2,756,131</u>	<u>\$ 135,637</u>	<u>\$ 9,948,286</u>
\$ 24,181	\$ -	\$ 756	\$ 2,872	\$ 149,870	\$ 120,066	\$ 642,359
-	-	-	-	-	15,572	135,217
-	-	-	-	-	-	331
-	-	29,325	-	-	-	29,325
<u>24,181</u>	<u>-</u>	<u>30,081</u>	<u>2,872</u>	<u>149,870</u>	<u>135,638</u>	<u>807,232</u>
-	-	3,825	-	-	96,411	102,106
-	-	3,825	-	-	96,411	102,106
-	10,595	348	-	2,606,261	-	9,062,177
73,183	-	-	-	-	-	73,183
-	-	-	-	-	(96,412)	(96,412)
<u>73,183</u>	<u>10,595</u>	<u>348</u>	<u>-</u>	<u>2,606,261</u>	<u>(96,412)</u>	<u>9,038,948</u>
<u>\$ 97,364</u>	<u>\$ 10,595</u>	<u>\$ 34,254</u>	<u>\$ 2,872</u>	<u>\$ 2,756,131</u>	<u>\$ 135,637</u>	<u>\$ 9,948,286</u>

	Child Development Program	State Gasoline Tax	Air Quality Improvement	Norwalk Senior Program	Proposition "C"	Public Safety
Revenues:						
Use of money and property	\$ -	\$ 3,289	\$ 685	\$ -	\$ 35,632	\$ 1,399
Intergovernmental	3,197,100	1,893,700	132,297	54,239	1,559,160	302,061
Charges for services	68,454	-	-	-	210,522	-
Other	45,981	-	-	-	86,824	-
Total revenues	3,311,535	1,896,989	132,982	54,239	1,892,138	303,460
Expenditures:						
Current:						
General government	-	-	-	-	78,759	-
Public safety	-	-	-	-	-	284,820
Urban development	-	-	-	-	18,235	-
Public works	-	1,606,701	-	-	454,153	-
Health and welfare	3,311,535	-	102,288	72,871	-	-
Capital outlay and improvement	-	-	-	-	674,955	-
Total expenditures	3,311,535	1,606,701	102,288	72,871	1,226,102	284,820
Excess (deficiency) of revenues over expenditures	-	290,288	30,694	(18,632)	666,036	18,640
Other financing sources (uses):						
Transfers in	-	-	-	18,632	-	-
Transfers out	-	-	(30,000)	-	(115,997)	-
Total other financing sources (uses)	-	-	(30,000)	18,632	(115,997)	-
Change in fund balances	-	290,288	694	-	550,039	18,640
Beginning fund balances (deficit)	-	409,223	128,602	-	4,865,461	182,026
Ending fund balances (deficit)	\$ -	\$ 699,511	\$ 129,296	\$ -	\$ 5,415,500	\$ 200,666

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Other Special Revenue Funds
For the year ended June 30, 2015

Parking Structure	Forfeiture	Special Grants	Proposition "A"	Measure "R"	Other Federal Grants	Total Other Special Revenue Funds
\$ -	\$ 112	\$ 235	\$ -	\$ 15,289	\$ -	\$ 56,641
-	8,697	20,717	1,876,285	1,167,512	42,273	10,254,041
685,843	-	-	-	-	-	964,819
1,675	-	-	-	-	-	134,480
<u>687,518</u>	<u>8,809</u>	<u>20,952</u>	<u>1,876,285</u>	<u>1,182,801</u>	<u>42,273</u>	<u>11,409,981</u>
421,017	-	-	-	-	-	499,776
-	11,274	-	-	-	-	296,094
-	-	-	-	12,239	-	30,474
-	-	-	47,278	334,580	-	2,442,712
-	-	61,441	-	-	-	3,548,135
-	-	-	-	156,715	138,420	970,090
<u>421,017</u>	<u>11,274</u>	<u>61,441</u>	<u>47,278</u>	<u>503,534</u>	<u>138,420</u>	<u>7,787,281</u>
<u>266,501</u>	<u>(2,465)</u>	<u>(40,489)</u>	<u>1,829,007</u>	<u>679,267</u>	<u>(96,147)</u>	<u>3,622,700</u>
-	-	36,900	-	-	-	55,532
(250,822)	-	-	(1,829,007)	-	-	(2,225,826)
<u>(250,822)</u>	<u>-</u>	<u>36,900</u>	<u>(1,829,007)</u>	<u>-</u>	<u>-</u>	<u>(2,170,294)</u>
15,679	(2,465)	(3,589)	-	679,267	(96,147)	1,452,406
<u>57,504</u>	<u>13,060</u>	<u>3,937</u>	<u>-</u>	<u>1,926,994</u>	<u>(265)</u>	<u>7,586,542</u>
<u>\$ 73,183</u>	<u>\$ 10,595</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 2,606,261</u>	<u>\$ (96,412)</u>	<u>\$ 9,038,948</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Child Development Program Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,274,076	\$ 3,197,100	\$ (76,976)
Charges for services	35,000	68,454	33,454
Other	49,488	45,981	(3,507)
Total revenues	<u>3,358,564</u>	<u>3,311,535</u>	<u>(47,029)</u>
Expenditures:			
Current:			
Health and welfare	<u>3,377,404</u>	<u>3,311,535</u>	<u>65,869</u>
Total expenditures	<u>3,377,404</u>	<u>3,311,535</u>	<u>65,869</u>
Excess (deficiency) of revenues over expenditures	(18,840)	-	18,840
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ (18,840)</u>	<u>\$ -</u>	<u>\$ 18,840</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
State Gasoline Tax Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 300	\$ 3,289	\$ 2,989
Intergovernmental	1,967,820	1,893,700	(74,120)
Total revenues	<u>1,968,120</u>	<u>1,896,989</u>	<u>(71,131)</u>
Expenditures:			
Current:			
Public works	1,606,701	1,606,701	-
Total expenditures	<u>1,606,701</u>	<u>1,606,701</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	361,419	290,288	(71,131)
Beginning fund balance	<u>409,223</u>	<u>409,223</u>	<u>-</u>
Ending fund balance	<u><u>\$ 770,642</u></u>	<u><u>\$ 699,511</u></u>	<u><u>\$ (71,131)</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Air Quality Improvement Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	\$ 685	\$ (315)
Intergovernmental	120,000	132,297	12,297
Total revenues	<u>121,000</u>	<u>132,982</u>	<u>11,982</u>
Expenditures:			
Current:			
Health and welfare	187,464	102,288	85,176
Total expenditures	<u>187,464</u>	<u>102,288</u>	<u>85,176</u>
Excess (deficiency) of revenues over expenditures	<u>(66,464)</u>	<u>30,694</u>	<u>97,158</u>
Other financing uses:			
Transfers out	(30,000)	(30,000)	-
Total other financing uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Change in fund balance	(96,464)	694	97,158
Beginning fund balance	<u>128,602</u>	<u>128,602</u>	<u>-</u>
Ending fund balance	<u><u>\$ 32,138</u></u>	<u><u>\$ 129,296</u></u>	<u><u>\$ 97,158</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Norwalk Senior Program Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,130	\$ 54,239	\$ (6,891)
Other	200	-	(200)
Total revenues	<u>61,330</u>	<u>54,239</u>	<u>(7,091)</u>
Expenditures:			
Current:			
Health and welfare	88,525	72,871	15,654
Total expenditures	<u>88,525</u>	<u>72,871</u>	<u>15,654</u>
Excess (deficiency) of revenues over expenditures	<u>(27,195)</u>	<u>(18,632)</u>	<u>8,563</u>
Other financing sources:			
Transfers in	27,195	18,632	(8,563)
Total other financing sources	<u>27,195</u>	<u>18,632</u>	<u>(8,563)</u>
Change in fund balance	-	-	-
Beginning fund balance	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "C" Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 20,000	\$ 35,632	\$ 15,632
Intergovernmental	1,540,960	1,559,160	18,200
Charges for services	258,000	210,522	(47,478)
Other	49,470	86,824	37,354
Total revenues	<u>1,868,430</u>	<u>1,892,138</u>	<u>23,708</u>
Expenditures:			
Current:			
General government	77,009	78,759	(1,750)
Urban development	18,500	18,235	265
Public works	470,949	454,153	16,796
Capital outlay and improvement	2,874,276	674,955	2,199,321
Total expenditures	<u>3,440,734</u>	<u>1,226,102</u>	<u>2,214,632</u>
Excess (deficiency) of revenues over expenditures	<u>(1,572,304)</u>	<u>666,036</u>	<u>2,238,340</u>
Other financing uses:			
Transfers out	(133,513)	(115,997)	17,516
Total other financing uses	<u>(133,513)</u>	<u>(115,997)</u>	<u>17,516</u>
Change in fund balance	(1,705,817)	550,039	2,255,856
Beginning fund balance	<u>4,865,461</u>	<u>4,865,461</u>	<u>-</u>
Ending fund balance	<u>\$ 3,159,644</u>	<u>\$ 5,415,500</u>	<u>\$ 2,255,856</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Public Safety Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 200	\$ 1,399	\$ 1,199
Intergovernmental	298,402	302,061	3,659
Total revenues	<u>298,602</u>	<u>303,460</u>	<u>4,858</u>
Expenditures:			
Current:			
Public safety	385,045	284,820	100,225
Total expenditures	<u>385,045</u>	<u>284,820</u>	<u>100,225</u>
Excess (deficiency) of revenues over expenditures	(86,443)	18,640	105,083
Beginning fund balance	<u>182,026</u>	<u>182,026</u>	<u>-</u>
Ending fund balance	<u>\$ 95,583</u>	<u>\$ 200,666</u>	<u>\$ 105,083</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Parking Structure Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 635,000	\$ 685,843	\$ 50,843
Other	-	1,675	1,675
Total revenues	<u>635,000</u>	<u>687,518</u>	<u>52,518</u>
Expenditures:			
Current:			
General government	490,388	421,017	69,371
Total expenditures	<u>490,388</u>	<u>421,017</u>	<u>69,371</u>
Excess (deficiency) of revenues over expenditures	<u>144,612</u>	<u>266,501</u>	<u>121,889</u>
Other financing uses:			
Transfers out	(251,215)	(250,822)	393
Total other financing uses	<u>(251,215)</u>	<u>(250,822)</u>	<u>393</u>
Change in fund balance	(106,603)	15,679	122,282
Beginning fund balance	<u>57,504</u>	<u>57,504</u>	<u>-</u>
Ending fund balance	<u>\$ (49,099)</u>	<u>\$ 73,183</u>	<u>\$ 122,282</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Forfeiture Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 112	\$ 112
Intergovernmental	-	8,697	8,697
Total revenues	<u>-</u>	<u>8,809</u>	<u>8,809</u>
Expenditures:			
Current:			
Public safety	<u>11,518</u>	<u>11,274</u>	<u>244</u>
Total expenditures	<u>11,518</u>	<u>11,274</u>	<u>244</u>
Excess (deficiency) of revenues over expenditures	(11,518)	(2,465)	9,053
Beginning fund balance	<u>13,060</u>	<u>13,060</u>	<u>-</u>
Ending fund balance	<u>\$ 1,542</u>	<u>\$ 10,595</u>	<u>\$ 9,053</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Special Grants Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 100	\$ 235	\$ 135
Intergovernmental	<u>25,000</u>	<u>20,717</u>	<u>(4,283)</u>
Total revenues	<u>25,100</u>	<u>20,952</u>	<u>(4,148)</u>
Expenditures:			
Current:			
Health and welfare	<u>112,037</u>	<u>61,441</u>	<u>50,596</u>
Total expenditures	<u>112,037</u>	<u>61,441</u>	<u>50,596</u>
Excess (deficiency) of revenues over expenditures	<u>(86,937)</u>	<u>(40,489)</u>	<u>46,448</u>
Other financing sources:			
Transfers in	<u>87,036</u>	<u>36,900</u>	<u>(50,136)</u>
Total other financing sources	<u>87,036</u>	<u>36,900</u>	<u>(50,136)</u>
Change in fund balance	99	(3,589)	(3,688)
Beginning fund balance	<u>3,937</u>	<u>3,937</u>	<u>-</u>
Ending fund balance	<u>\$ 4,036</u>	<u>\$ 348</u>	<u>\$ (3,688)</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "A" Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,857,756	\$ 1,876,285	\$ 18,529
Total revenues	<u>1,857,756</u>	<u>1,876,285</u>	<u>18,529</u>
Expenditures:			
Current:			
Public works	54,429	47,278	7,151
Total expenditures	<u>54,429</u>	<u>47,278</u>	<u>7,151</u>
Excess (deficiency) of revenues over expenditures	<u>1,803,327</u>	<u>1,829,007</u>	<u>25,680</u>
Other financing uses:			
Transfers out	(1,803,470)	(1,829,007)	(25,537)
Total other financing uses	<u>(1,803,470)</u>	<u>(1,829,007)</u>	<u>(25,537)</u>
Change in fund balance	(143)	-	143
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ (143)</u>	<u>\$ -</u>	<u>\$ 143</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Measure "R" Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 1,500	\$ 15,289	\$ 13,789
Intergovernmental	1,103,102	1,167,512	64,410
Total revenues	<u>1,104,602</u>	<u>1,182,801</u>	<u>78,199</u>
Expenditures:			
Current:			
Urban development	70,000	12,239	57,761
Public works	413,500	334,580	78,920
Capital outlay and improvement	1,479,300	156,715	1,322,585
Total expenditures	<u>1,962,800</u>	<u>503,534</u>	<u>1,459,266</u>
Excess (deficiency) of revenues over expenditures	(858,198)	679,267	1,537,465
Beginning fund balance	<u>1,926,994</u>	<u>1,926,994</u>	<u>-</u>
Ending fund balance	<u><u>\$ 1,068,796</u></u>	<u><u>\$ 2,606,261</u></u>	<u><u>\$ 1,537,465</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Other Federal Grants Special Revenue Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,757,766	\$ 42,273	\$ (4,715,493)
Total revenues	<u>4,757,766</u>	<u>42,273</u>	<u>(4,715,493)</u>
Expenditures:			
Capital outlay and improvement	<u>4,762,007</u>	<u>138,420</u>	<u>4,623,587</u>
Total expenditures	<u>4,762,007</u>	<u>138,420</u>	<u>4,623,587</u>
Excess (deficiency) of revenues over expenditures	(4,241)	(96,147)	(91,906)
Beginning fund balance (deficit)	<u>(265)</u>	<u>(265)</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ (4,506)</u>	<u>\$ (96,412)</u>	<u>\$ (91,906)</u>

(This page intentionally left blank)

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”.

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.

Special Projects Fund - This fund accounts 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.

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

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

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

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

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

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

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

	Proposition "1B"	Proposition "C" I-5 Mitigation	Public Art	Special Projects	Highway User Tax - 2103
ASSETS					
Assets:					
Cash and investments	\$ 1,457,745	\$ -	\$ 599,960	\$ -	\$ 2,562,623
Due from other governments	-	594,179	-	949,500	110,732
Total assets	\$ 1,457,745	\$ 594,179	\$ 599,960	\$ 949,500	\$ 2,673,355
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 52,082	\$ -	\$ -	\$ 128,951	\$ 10,233
Due to other funds	-	594,179	-	577,670	-
Unearned revenue	-	-	-	14,867	-
Total liabilities	52,082	594,179	-	721,488	10,233
Deferred inflows of resources:					
Unavailable revenues	-	594,179	-	949,500	-
Total deferred inflows of resources	-	594,179	-	949,500	-
Fund balances (deficits):					
Restricted	1,405,663	-	599,960	-	2,663,122
Committed	-	-	-	-	-
Unassigned	-	(594,179)	-	(721,488)	-
Total fund balances (deficits)	1,405,663	(594,179)	599,960	(721,488)	2,663,122
Total liabilities, deferred inflows of resources and fund balances	\$ 1,457,745	\$ 594,179	\$ 599,960	\$ 949,500	\$ 2,673,355

**City of Norwalk
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2015**

Park Development	Playground Equipment Replacement	Sports Complex Equipment Replacement	Computer Replacement	Vehicle and Equipment Replacement	Building Renovation	Total Other Capital Projects Funds
\$ 19,188	\$ 1,145,319	\$ 183,463	\$ 316,979	\$ 2,031,844	\$ 2,595,626	\$ 10,912,747
-	-	-	-	-	-	1,654,411
<u>\$ 19,188</u>	<u>\$ 1,145,319</u>	<u>\$ 183,463</u>	<u>\$ 316,979</u>	<u>\$ 2,031,844</u>	<u>\$ 2,595,626</u>	<u>\$ 12,567,158</u>
\$ -	\$ 32,338	\$ -	\$ -	\$ 3,382	\$ 78,367	\$ 305,353
-	-	-	-	-	-	1,171,849
-	-	-	-	-	-	14,867
-	<u>32,338</u>	-	-	<u>3,382</u>	<u>78,367</u>	<u>1,492,069</u>
-	-	-	-	-	-	1,543,679
-	-	-	-	-	-	<u>1,543,679</u>
19,188	-	-	-	-	-	4,687,933
-	1,112,981	183,463	316,979	2,028,462	2,517,259	6,159,144
-	-	-	-	-	-	(1,315,667)
<u>19,188</u>	<u>1,112,981</u>	<u>183,463</u>	<u>316,979</u>	<u>2,028,462</u>	<u>2,517,259</u>	<u>9,531,410</u>
<u>\$ 19,188</u>	<u>\$ 1,145,319</u>	<u>\$ 183,463</u>	<u>\$ 316,979</u>	<u>\$ 2,031,844</u>	<u>\$ 2,595,626</u>	<u>\$ 12,567,158</u>

	Proposition "1B"	Proposition "C" I-5 Mitigation	Public Art	Special Projects	Highway User Tax - 2103
Revenues:					
Use of money and property	\$ 10,676	\$ -	\$ 4,361	\$ -	\$ 17,637
Intergovernmental	-	1,061,151	-	107,183	1,130,672
Other	-	-	8,880	-	-
Total revenues	<u>10,676</u>	<u>1,061,151</u>	<u>13,241</u>	<u>107,183</u>	<u>1,148,309</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Urban development	-	-	-	-	-
Public works	-	-	12,424	63,881	740,233
Culture and leisure	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay and improvement	125,777	1,313,628	25,921	517,381	18,824
Total expenditures	<u>125,777</u>	<u>1,313,628</u>	<u>38,345</u>	<u>581,262</u>	<u>759,057</u>
Excess (deficiency) of revenues over expenditures	<u>(115,101)</u>	<u>(252,477)</u>	<u>(25,104)</u>	<u>(474,079)</u>	<u>389,252</u>
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	(115,101)	(252,477)	(25,104)	(474,079)	389,252
Beginning fund balances (deficits)	<u>1,520,764</u>	<u>(341,702)</u>	<u>625,064</u>	<u>(247,409)</u>	<u>2,273,870</u>
Ending fund balances (deficits)	<u>\$ 1,405,663</u>	<u>\$ (594,179)</u>	<u>\$ 599,960</u>	<u>\$ (721,488)</u>	<u>\$ 2,663,122</u>

City of Norwalk
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Other Capital Projects Funds
For the year ended June 30, 2015

Park Development	Playground Equipment Replacement	Sports Complex Equipment Replacement	Computer Replacement	Vehicle and Equipment Replacement	Building Renovation	Total Other Capital Projects Funds
\$ -	\$ 8,758	\$ 1,365	\$ 2,284	\$ 14,149	\$ 17,940	\$ 77,170
-	-	-	-	-	-	2,299,006
-	-	-	-	-	-	8,880
-	8,758	1,365	2,284	14,149	17,940	2,385,056
-	-	-	10,177	-	-	10,177
-	-	-	6,000	-	-	6,000
-	-	-	8,551	-	-	8,551
-	-	-	2,084	-	-	818,622
-	416,512	-	8,743	-	-	425,255
-	-	24,824	9,629	-	-	34,453
-	-	-	31,160	135,816	269,891	2,438,398
-	416,512	24,824	76,344	135,816	269,891	3,741,456
-	(407,754)	(23,459)	(74,060)	(121,667)	(251,951)	(1,356,400)
-	1,000,000	50,000	150,000	750,000	1,100,000	3,050,000
-	1,000,000	50,000	150,000	750,000	1,100,000	3,050,000
-	592,246	26,541	75,940	628,333	848,049	1,693,600
19,188	520,735	156,922	241,039	1,400,129	1,669,210	7,837,810
<u>\$ 19,188</u>	<u>\$ 1,112,981</u>	<u>\$ 183,463</u>	<u>\$ 316,979</u>	<u>\$ 2,028,462</u>	<u>\$ 2,517,259</u>	<u>\$ 9,531,410</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "1B" Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 3,000	\$ 10,676	\$ 7,676
Total revenues	<u>3,000</u>	<u>10,676</u>	<u>7,676</u>
Expenditures:			
Capital outlay and improvement	<u>1,500,997</u>	<u>125,777</u>	<u>1,375,220</u>
Total expenditures	<u>1,500,997</u>	<u>125,777</u>	<u>1,375,220</u>
Excess (deficiency) of revenues over expenditures	(1,497,997)	(115,101)	1,382,896
Beginning fund balance	<u>1,520,764</u>	<u>1,520,764</u>	<u>-</u>
Ending fund balance	<u>\$ 22,767</u>	<u>\$ 1,405,663</u>	<u>\$ 1,382,896</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "C" I-5 Mitigation Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,535,695	\$ 1,061,151	\$ (474,544)
Total revenues	<u>1,535,695</u>	<u>1,061,151</u>	<u>(474,544)</u>
Expenditures:			
Capital outlay and improvement	<u>1,316,926</u>	<u>1,313,628</u>	<u>3,298</u>
Total expenditures	<u>1,316,926</u>	<u>1,313,628</u>	<u>3,298</u>
Excess (deficiency) of revenues over expenditures	218,769	(252,477)	(471,246)
Beginning fund balance (deficit)	<u>(341,702)</u>	<u>(341,702)</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ (122,933)</u>	<u>\$ (594,179)</u>	<u>\$ (471,246)</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Public Art Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	\$ 4,361	\$ 2,361
Other	10,000	8,880	(1,120)
Total revenues	<u>12,000</u>	<u>13,241</u>	<u>1,241</u>
Expenditures:			
Current:			
Public works	15,000	12,424	2,576
Capital outlay and improvement	32,092	25,921	6,171
Total expenditures	<u>47,092</u>	<u>38,345</u>	<u>8,747</u>
Excess (deficiency) of revenues over expenditures	(35,092)	(25,104)	9,988
Beginning fund balance	<u>625,064</u>	<u>625,064</u>	<u>-</u>
Ending fund balance	<u><u>\$ 589,972</u></u>	<u><u>\$ 599,960</u></u>	<u><u>\$ 9,988</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Special Projects Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 800	\$ -	\$ (800)
Intergovernmental	7,141,699	107,183	(7,034,516)
Total revenues	<u>7,142,499</u>	<u>107,183</u>	<u>(7,035,316)</u>
Expenditures:			
Current:			
Urban development	9,000	-	9,000
Public works	60,200	63,881	(3,681)
Capital outlay and improvement	6,767,800	517,381	6,250,419
Total expenditures	<u>6,837,000</u>	<u>581,262</u>	<u>6,255,738</u>
Excess (deficiency) of revenues over expenditures	305,499	(474,079)	(779,578)
Beginning fund balance (deficit)	<u>(247,409)</u>	<u>(247,409)</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ 58,090</u>	<u>\$ (721,488)</u>	<u>\$ (779,578)</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Highway User Tax - 2103 Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 5,000	\$ 17,637	\$ 12,637
Intergovernmental	1,151,771	1,130,672	(21,099)
Total revenues	<u>1,156,771</u>	<u>1,148,309</u>	<u>(8,462)</u>
Expenditures:			
Current:			
Public works	807,000	740,233	66,767
Capital outlay and improvement	1,444,714	18,824	1,425,890
Total expenditures	<u>2,251,714</u>	<u>759,057</u>	<u>1,492,657</u>
Excess (deficiency) of revenues over expenditures	(1,094,943)	389,252	1,484,195
Beginning fund balance	<u>2,273,870</u>	<u>2,273,870</u>	<u>-</u>
Ending fund balance	<u><u>\$ 1,178,927</u></u>	<u><u>\$ 2,663,122</u></u>	<u><u>\$ 1,484,195</u></u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Playground Equipment Replacement Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 400	\$ 8,758	\$ 8,358
Total revenues	<u>400</u>	<u>8,758</u>	<u>8,358</u>
Expenditures:			
Current:			
Culture and leisure	<u>1,538,590</u>	<u>416,512</u>	<u>1,122,078</u>
Total expenditures	<u>1,538,590</u>	<u>416,512</u>	<u>1,122,078</u>
Excess (deficiency) of revenues over expenditures	<u>(1,538,190)</u>	<u>(407,754)</u>	<u>1,130,436</u>
Other financing sources:			
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Change in fund balance	(538,190)	592,246	1,130,436
Beginning fund balance	<u>520,735</u>	<u>520,735</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ (17,455)</u>	<u>\$ 1,112,981</u>	<u>\$ 1,130,436</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Sports Complex Equipment Replacement Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 250	\$ 1,365	\$ 1,115
Total revenues	<u>250</u>	<u>1,365</u>	<u>1,115</u>
Expenditures:			
Current:			
Health and welfare	26,500	24,824	1,676
Total expenditures	<u>26,500</u>	<u>24,824</u>	<u>1,676</u>
Excess (deficiency) of revenues over expenditures	<u>(26,250)</u>	<u>(23,459)</u>	<u>2,791</u>
Other financing sources:			
Transfers in	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Change in fund balance	23,750	26,541	2,791
Beginning fund balance	<u>156,922</u>	<u>156,922</u>	<u>-</u>
Ending fund balance	<u>\$ 180,672</u>	<u>\$ 183,463</u>	<u>\$ 2,791</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Computer Replacement Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 700	\$ 2,284	\$ 1,584
Total revenues	<u>700</u>	<u>2,284</u>	<u>1,584</u>
Expenditures:			
Current:			
General government	10,177	10,177	-
Public safety	6,000	6,000	-
Urban development	8,551	8,551	-
Public works	2,084	2,084	-
Culture and leisure	8,743	8,743	-
Health and welfare	9,629	9,629	-
Capital outlay and improvement	52,716	31,160	21,556
Total expenditures	<u>97,900</u>	<u>76,344</u>	<u>21,556</u>
Excess (deficiency) of revenues over expenditures	<u>(97,200)</u>	<u>(74,060)</u>	<u>23,140</u>
Other financing sources:			
Transfers in	150,000	150,000	-
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Change in fund balance	52,800	75,940	23,140
Beginning fund balance	<u>241,039</u>	<u>241,039</u>	<u>-</u>
Ending fund balance	<u>\$ 293,839</u>	<u>\$ 316,979</u>	<u>\$ 23,140</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Vehicle and Equipment Replacement Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 4,000	\$ 14,149	\$ 10,149
Total revenues	<u>4,000</u>	<u>14,149</u>	<u>10,149</u>
Expenditures:			
Capital outlay and improvement	197,150	135,816	61,334
Total expenditures	<u>197,150</u>	<u>135,816</u>	<u>61,334</u>
Excess (deficiency) of revenues over expenditures	<u>(193,150)</u>	<u>(121,667)</u>	<u>71,483</u>
Other financing sources:			
Transfers in	750,000	750,000	-
Total other financing sources	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Change in fund balance	556,850	628,333	71,483
Beginning fund balance	<u>1,400,129</u>	<u>1,400,129</u>	<u>-</u>
Ending fund balance	<u>\$ 1,956,979</u>	<u>\$ 2,028,462</u>	<u>\$ 71,483</u>

City of Norwalk
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Building Renovation Capital Projects Fund
For the year ended June 30, 2015

	Budgeted Amount <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 4,500	\$ 17,940	\$ 13,440
Total revenues	<u>4,500</u>	<u>17,940</u>	<u>13,440</u>
Expenditures:			
Capital outlay and improvement	<u>1,204,547</u>	<u>269,891</u>	<u>934,656</u>
Total expenditures	<u>1,204,547</u>	<u>269,891</u>	<u>934,656</u>
Excess (deficiency) of revenues over expenditures	<u>(1,200,047)</u>	<u>(251,951)</u>	<u>948,096</u>
Other financing sources:			
Transfers in	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Total other financing sources	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Change in fund balance	(100,047)	848,049	948,096
Beginning fund balance	<u>1,669,210</u>	<u>1,669,210</u>	<u>-</u>
Ending fund balance	<u>\$ 1,569,163</u>	<u>\$ 2,517,259</u>	<u>\$ 948,096</u>

(This page intentionally left blank)

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, 2015

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
ASSETS:			
Current assets:			
Cash and investments	\$ -	\$ 184,821	\$ 184,821
Inventory	-	92,051	92,051
Total current assets	-	276,872	276,872
Capital assets:			
Being depreciated, net of accumulated depreciation	-	8,332	8,332
Total assets	-	285,204	285,204
LIABILITIES:			
Current liabilities:			
Accounts payable	-	101,742	101,742
Accrued expenses	-	53,978	53,978
Compensated absences payable, current portion	-	26,100	26,100
Total current liabilities	-	181,820	181,820
Noncurrent liabilities:			
Compensated absences payable, long-term portion	-	103,384	103,384
Total noncurrent liabilities	-	103,384	103,384
Total liabilities	-	285,204	285,204
NET POSITION:			
Net investment in capital assets	-	8,332	8,332
Unrestricted	-	(8,332)	(8,332)
Total net position	\$ -	\$ -	\$ -

City of Norwalk
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2015

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
Operating revenues:			
Charges for services	\$ 10,387,030	\$ 2,988,951	\$ 13,375,981
Total operating revenues	<u>10,387,030</u>	<u>2,988,951</u>	<u>13,375,981</u>
Operating expenses:			
Administrative	-	28,545	28,545
Utilities	-	62,826	62,826
Salaries and benefits	10,387,030	2,052,518	12,439,548
Maintenance and repairs	-	836,824	836,824
Loss on disposition of capital assets	-	3,702	3,702
Depreciation	-	4,536	4,536
Total operating expenses	<u>10,387,030</u>	<u>2,988,951</u>	<u>13,375,981</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>
Net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Norwalk
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2015

	Governmental Activities		
	Employee Benefits	Vehicle Maintenance	Totals
Cash flows from operating activities:			
Receipts from tenants, customers and users	\$ 10,387,030	\$ 2,988,951	\$ 13,375,981
Payments to suppliers	-	(894,679)	(894,679)
Payments to employees	(10,387,030)	(2,055,603)	(12,442,633)
Net cash provided by operating activities	<u>-</u>	<u>38,669</u>	<u>38,669</u>
Net increase in cash and cash equivalents	-	38,669	38,669
Cash and cash equivalents - beginning of year	<u>-</u>	<u>146,152</u>	<u>146,152</u>
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ 184,821</u>	<u>\$ 184,821</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	\$ -	\$ -
Depreciation	-	4,536	4,536
Loss on disposition of capital assets	-	3,702	3,702
Changes in operating assets and liabilities:			
(Increase) decrease in inventory	-	34,789	34,789
Increase (decrease) in accounts payable	-	(12,681)	(12,681)
Increase (decrease) in accrued expenses	-	11,408	11,408
Increase (decrease) in compensated absences payable	-	(3,085)	(3,085)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 38,669</u>	<u>\$ 38,669</u>

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

City of Norwalk
Statement of Changes in Assets and Liabilities
Agency Fund
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets:				
Cash and investments	\$ 683,572	\$ 595,827	\$ 755,142	\$ 524,257
Total assets	\$ 683,572	\$ 595,827	\$ 755,142	\$ 524,257
 Liabilities:				
Accounts payable	\$ 11,118	\$ 26,055	\$ 21,915	\$ 15,258
Deposits payable	672,454	569,772	733,227	508,999
Total liabilities	\$ 683,572	\$ 595,827	\$ 755,142	\$ 524,257

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	161 - 166
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	167 - 170
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	171 - 174
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	175 - 176
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	177 - 179
<u>Water Systems</u> these schedules contain historical operating and statistical data pertaining to the Continuing Disclosure requirements for the Water Revenue Bonds.	180 - 188

(This page intentionally left blank)

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

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15**
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 5,952,077	\$ 155,330,406	\$ 151,673,273	\$ 147,890,947	\$ 149,429,572	\$ 151,855,529	\$ 169,952,289	\$ 166,403,726	\$ 142,690,605	\$ 144,602,594
Restricted	40,828,568	26,291,971	33,985,481	35,531,227	34,151,864	25,645,644	11,828,031	11,877,331	13,781,493	39,771,841
Unrestricted	(30,251,245)	(15,915,040)	(24,445,926)	(27,568,372)	(33,627,069)	(30,664,965)	21,990,115	24,521,888	31,873,166	(6,607,339)
Total governmental activities net assets	<u>16,529,400</u>	<u>165,707,337</u>	<u>161,212,828</u>	<u>155,853,802</u>	<u>149,954,367</u>	<u>146,836,208</u>	<u>203,770,435</u>	<u>202,802,945</u>	<u>188,345,264</u>	<u>177,767,096</u>
Business-type Activities:										
Invested in capital assets, net of related debt	17,486,832	19,530,370	20,091,062	21,117,166	26,764,133	26,295,346	25,663,416	30,689,254	47,316,165	51,992,532
Restricted	-	-	-	-	-	-	-	-	3,496,405	3,498,268
Unrestricted	(2,777,203)	(1,189,903)	(4,846,849)	(6,217,597)	(7,171,135)	(3,789,468)	(3,131,920)	(1,196,453)	1,841,967	(8,433,036)
Total business-type activities net assets	<u>14,709,629</u>	<u>18,340,467</u>	<u>15,244,213</u>	<u>14,899,569</u>	<u>19,592,998</u>	<u>22,505,878</u>	<u>22,531,496</u>	<u>29,492,801</u>	<u>52,654,537</u>	<u>47,057,764</u>
Primary Government:										
Invested in capital assets, net of related debt	23,438,909	174,860,776	171,764,335	169,008,113	176,193,705	178,150,875	195,615,705	197,092,980	190,006,770	196,595,126
Restricted	40,828,568	26,291,971	33,985,481	35,531,227	34,151,864	25,645,644	11,828,031	11,877,331	17,277,898	43,270,109
Unrestricted	(33,028,448)	(17,104,943)	(29,292,775)	(33,785,969)	(40,798,204)	(34,454,433)	18,858,195	23,325,435	33,715,133	(15,040,375)
Total primary government net assets	<u>\$ 31,239,029</u>	<u>\$ 184,047,804</u>	<u>\$ 176,457,041</u>	<u>\$ 170,753,371</u>	<u>\$ 169,547,365</u>	<u>\$ 169,342,086</u>	<u>\$ 226,301,931</u>	<u>\$ 232,295,746</u>	<u>\$ 240,999,801</u>	<u>\$ 224,824,860</u>

*The Norwalk Redevelopment Agency was dissolved as of 1/31/12. The Successor Agency is reported as a Fiduciary Fund GASB 34 was implemented for the fiscal year ended June 30, 2003.

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

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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15
Expenses:										
Governmental Activities:										
General government	\$ 8,381,799	\$ 9,686,834	\$ 8,747,054	\$ 9,059,800	\$ 9,702,843	\$ 8,985,356	\$ 8,884,242	\$ 8,710,567	\$ 9,256,135	\$ 9,020,311
Public safety	12,311,292	12,613,947	13,608,020	12,666,249	11,978,780	12,427,683	13,612,574	13,570,520	13,614,116	13,083,280
Urban development	5,933,164	6,784,733	7,586,773	8,037,078	7,681,035	13,771,165	6,018,037	5,061,932	5,766,474	5,243,770
Public works	8,589,020	16,568,320	16,906,730	14,680,280	18,252,303	17,763,495	17,301,304	18,113,188	18,700,498	16,233,351
Culture and leisure	7,328,319	8,121,309	7,964,496	7,106,356	6,271,529	6,079,088	6,370,760	6,655,568	7,103,859	8,156,765
Health and welfare	16,342,569	16,161,939	20,078,619	20,797,540	20,023,252	18,893,417	13,873,285	13,203,687	12,864,079	12,588,832
Interest expense	5,991,359	6,106,478	6,297,018	6,338,135	5,527,615	4,665,588	2,420,418	756,657	544,494	479,252
Bond Interest Costs	-	-	-	-	-	-	-	214,454	203,147	-
Total governmental activities net expenses	<u>64,877,522</u>	<u>76,043,560</u>	<u>81,188,710</u>	<u>78,685,438</u>	<u>79,437,357</u>	<u>82,585,792</u>	<u>68,480,620</u>	<u>66,286,573</u>	<u>68,052,802</u>	<u>64,805,561</u>
Business-type Activities:										
Transit system	12,465,594	12,909,714	15,271,506	13,332,392	13,612,036	14,947,479	13,188,597	13,097,504	13,178,039	12,553,592
Water	3,824,316	3,261,143	3,522,631	3,133,057	3,416,962	3,703,524	4,189,925	4,080,423	4,471,239	4,444,880
Sewer	-	-	-	-	-	-	-	-	1,574,191	1,749,438
Golf Course	-	-	371,664	394,129	349,697	303,959	309,777	334,630	319,816	218,307
Total business-type activities net assets	<u>16,289,910</u>	<u>16,170,857</u>	<u>19,165,801</u>	<u>16,859,578</u>	<u>17,378,695</u>	<u>18,954,962</u>	<u>17,688,299</u>	<u>17,512,557</u>	<u>19,543,285</u>	<u>18,966,217</u>
Total primary government expenses	<u>\$ 81,167,432</u>	<u>\$ 92,214,417</u>	<u>\$ 100,354,511</u>	<u>\$ 95,545,016</u>	<u>\$ 96,816,052</u>	<u>\$ 101,540,754</u>	<u>\$ 86,168,919</u>	<u>\$ 83,799,130</u>	<u>\$ 87,596,087</u>	<u>\$ 83,771,778</u>
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 979,342	\$ 1,623,920	\$ 2,025,932	\$ 1,557,278	\$ 1,581,959	\$ 1,542,150	\$ 1,688,661	\$ 3,530,210	\$ 2,627,910	\$ 2,512,428
Public safety	1,926,096	2,047,466	2,346,304	1,941,504	1,607,987	1,621,750	1,658,004	1,845,530	1,679,052	1,445,437
Urban development	1,039,933	1,074,215	1,916,448	2,633,236	3,095,020	3,451,811	4,117,944	2,006,273	2,013,100	2,532,799
Public works	-	122,055	235,480	191,071	158,557	295,550	191,032	257,232	270,449	292,171
Culture and leisure	900,161	1,107,127	638,882	445,549	410,833	567,608	524,419	526,005	749,021	457,254
Health and welfare	59,623	64,405	68,544	481,394	421,513	400,554	440,685	1,332,438	441,309	576,593
Operating contributions and grants	14,983,486	18,160,029	21,084,705	19,890,244	23,678,181	34,397,088	24,545,865	21,347,543	26,576,829	27,712,357
Capital contributions and grants	2,743,420	4,899,984	2,687,485	49,980	-	-	-	-	-	-
Total governmental activities program revenues	<u>22,632,061</u>	<u>29,099,201</u>	<u>31,003,780</u>	<u>27,190,256</u>	<u>30,954,050</u>	<u>42,276,511</u>	<u>33,166,610</u>	<u>30,845,231</u>	<u>34,357,670</u>	<u>35,529,039</u>
Business-type Activities:										
Charges for services:										
Transit system	3,012,905	2,934,122	2,325,682	1,448,755	2,015,786	1,588,163	1,612,290	1,525,603	1,542,350	1,394,973
Water utility	2,989,417	3,067,817	3,233,957	3,934,301	4,287,509	4,900,159	4,871,980	5,172,247	5,303,496	5,051,998
Sewer (2)	-	-	-	-	-	-	-	-	2,231,922	2,356,627
Golf Course (1)	-	-	196,155	192,102	194,718	152,878	163,186	143,235	153,622	147,956
Operating contributions and grants	9,866,303	7,928,959	8,758,685	8,411,655	7,223,874	8,767,042	9,994,239	10,526,038	9,222,713	7,984,501
Capital contributions and grants	1,216,405	2,486,866	1,554,473	2,528,121	8,340,444	2,481,567	212,763	6,864,247	2,155,536	3,997,176
Total business-type activities program revenues	<u>17,085,030</u>	<u>16,417,764</u>	<u>16,068,952</u>	<u>16,514,934</u>	<u>22,062,331</u>	<u>17,889,809</u>	<u>16,854,458</u>	<u>24,231,370</u>	<u>20,609,639</u>	<u>20,933,231</u>
Primary government program revenues	<u>\$ 39,717,091</u>	<u>\$ 45,516,965</u>	<u>\$ 47,072,732</u>	<u>\$ 43,705,190</u>	<u>\$ 53,016,381</u>	<u>\$ 60,166,320</u>	<u>\$ 50,021,068</u>	<u>\$ 55,076,601</u>	<u>\$ 54,967,309</u>	<u>\$ 56,462,270</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (42,245,461)	\$ (46,944,359)	\$ (50,184,930)	\$ (51,495,182)	\$ (48,483,307)	\$ (40,309,281)	\$ (35,314,010)	\$ (35,441,342)	\$ (33,695,132)	\$ (29,276,522)
Business-type activities	795,120	246,907	(3,096,849)	(344,644)	4,683,636	(1,065,153)	(833,841)	6,718,813	1,066,354	1,967,014
Total primary government net expense	<u>\$ (41,450,341)</u>	<u>\$ (46,697,452)</u>	<u>\$ (53,281,779)</u>	<u>\$ (51,839,826)</u>	<u>\$ (43,799,671)</u>	<u>\$ (41,374,434)</u>	<u>\$ (36,147,851)</u>	<u>\$ (28,722,529)</u>	<u>\$ (32,628,778)</u>	<u>\$ (27,309,508)</u>

(1) City of Norwalk established Golf course as business-type activity as of 7/1/2007.

(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

Source: City of Norwalk

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

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Sales taxes	\$ 9,706,650	\$ 9,542,688	\$ 9,702,359	\$ 8,668,272	\$ 7,519,647	\$ 8,222,180	\$ 8,760,445	\$ 9,323,299	\$ 9,327,844	\$ 9,525,144
Property taxes	13,350,001	14,007,951	15,061,208	15,742,859	16,341,203	14,764,697	7,823,406	6,986,560	6,616,294	6,842,242
Utility users tax	5,809,592	6,023,059	5,985,219	6,023,038	5,974,407	5,743,933	5,421,616	5,354,039	5,256,908	5,287,009
Business operation taxes	671,677	694,324	684,429	637,385	649,357	669,931	858,584	782,573	798,659	843,097
Transient occupancy taxes	1,388,776	1,165,284	1,161,167	1,165,698	1,021,084	876,639	1,128,493	1,227,030	1,309,026	1,378,504
Property tax in-lieu of VLF (1)	7,641,419	8,643,615	8,806,441	9,208,157	8,536,095	8,394,222	8,535,764	8,727,028	9,021,481	9,566,153
Franchise taxes	1,414,502	1,554,160	1,539,710	1,637,196	1,615,826	1,676,175	1,747,542	1,790,365	1,859,947	1,908,525
Investment income	3,003,323	4,333,908	2,749,889	3,053,551	926,253	799,896	2,083,266	474,353	338,779	342,057
Gain on sale of assets	179,812	12,114	-	-	-	-	-	-	-	-
Miscellaneous/Extraordinary Items/Transfers	2,146,303	638,154	-	-	-	(3,956,551)	55,889,121	(191,395)	(24,270,932)	(20,938,417)
Total governmental activities	45,312,055	46,615,257	45,690,422	46,136,156	42,583,872	37,191,122	92,248,237	34,473,852	10,258,006	56,631,148
Business-type Activities:										
Investment income	\$ -	\$ -	\$ 595	\$ -	\$ 9,793	\$ 21,482	\$ 29,272	\$ 51,097	\$ 50,866	\$ 76,182
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous/ Transfers	-	-	-	-	-	\$ 3,956,551	\$ 830,187	191,395	22,044,516	2,034,880
Total business-type activities	-	-	595	-	9,793	3,978,033	859,459	242,492	22,095,382	2,111,062
Total primary government	\$ 45,312,055	\$ 46,615,257	\$ 45,691,017	\$ 46,136,156	\$ 42,593,665	\$ 41,169,155	\$ 93,107,696	\$ 34,716,344	\$ 32,353,388	\$ 58,742,210
Change in Net Assets:										
Governmental activities	\$ 3,066,594	\$ (329,102)	\$ (4,494,508)	\$ (5,359,026)	\$ (5,899,435)	\$ (3,118,159)	\$ 56,934,227	\$ (967,490)	\$ (23,437,126)	\$ 27,354,626
Business-type activities	795,120	246,907	(3,096,254)	(344,644)	4,693,429	2,912,880	25,618	6,961,305	23,161,736	4,078,076
Total primary government	\$ 3,861,714	\$ (82,195)	\$ (7,590,762)	\$ (5,703,670)	\$ (1,206,006)	\$ (205,279)	\$ 56,959,845	\$ 5,993,815	\$ (275,390)	\$ 31,432,702

GASB 34 was implemented for the fiscal year ended June 30, 2003.

(1) Motor vehicle taxes swapped for property tax in-lieu of VLF in fiscal year 2004-05, prior to fiscal year 2004-05 this line item represented motor vehicle taxes

*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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 *	2012-13	2013-14	2014-15
General Fund:										
Nonspendable	\$ 6,914,781	\$ 6,902,322	\$ 9,000,407	\$ 8,757,760	\$ 9,891,125	\$ 9,895,075	\$ 11,593,888	\$ 10,337,174	\$ 9,295,515	\$ 9,093,823
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	327,083	283,583	238,865	2,120,000
Assigned	1,322,660	1,766,415	3,011,812	3,206,293	3,110,768	8,846,359	1,282,729	776,628	960,316	1,631,006
Unassigned	13,894,290	12,356,460	6,995,375	6,686,737	8,680,524	10,736,919	10,668,298	14,728,463	15,572,086	12,270,240
Total General Fund	<u>\$ 22,131,731</u>	<u>\$ 21,025,197</u>	<u>\$ 19,007,594</u>	<u>\$ 18,650,790</u>	<u>\$ 21,682,417</u>	<u>\$ 29,478,353</u>	<u>\$ 23,871,998</u>	<u>\$ 26,125,848</u>	<u>\$ 26,066,782</u>	<u>\$ 25,115,069</u>
All Other Governmental Funds:										
Nonspendable	\$ 7,785,108	\$ 8,585,108	\$ 7,785,108	\$ 8,535,108	\$ 8,535,108	\$ 750,000	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue funds	5,717,674	4,804,197	4,508,999	7,932,266	10,437,238	12,543,334	6,474,186	7,884,277	9,274,339	11,181,950
Capital projects funds	20,871,122	22,422,940	25,754,027	23,293,951	20,670,954	5,840,744	4,660,152	3,691,069	4,438,886	27,395,889
Debt service funds	5,026,426	5,037,489	4,990,856	4,974,905	4,967,743	4,967,744	693,691	301,985	1,144,683	1,145,296
Committed	774,538	1,282,770	1,528,608	1,583,324	1,345,469	1,216,247	1,558,255	2,859,188	3,988,035	6,232,327
Assigned	(3,646,416)	(4,673,177)	(4,941,420)	(5,326,034)	(5,014,254)	327,575	-	-	-	-
Unassigned	(274,676)	(1,483,689)	(167,056)	(16,955)	-	(99,030)	(307,188)	(752,744)	(3,054,013)	(4,000,645)
Total All Other Governmental Funds	<u>\$ 36,253,776</u>	<u>\$ 35,975,638</u>	<u>\$ 39,459,122</u>	<u>\$ 40,976,565</u>	<u>\$ 40,942,258</u>	<u>\$ 25,546,614</u>	<u>\$ 13,079,096</u>	<u>\$ 13,983,775</u>	<u>\$ 15,791,930</u>	<u>\$ 41,954,817</u>

*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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14**	2014-15
Revenues:										
Taxes	\$ 35,810,385	\$ 37,862,309	\$ 39,326,706	\$ 39,476,247	\$ 40,628,502	\$ 40,347,777	\$ 34,275,850	\$ 34,190,894	\$ 34,190,159	\$ 35,350,674
Licenses and permits	906,972	942,629	1,130,924	1,017,798	985,508	951,871	1,061,945	1,095,276	1,040,872	1,113,986
Fines, forfeiture and penalties	1,626,460	1,654,552	1,647,442	1,673,057	1,467,150	1,436,004	1,500,648	1,558,155	1,503,552	1,532,833
Use of money and Property	1,690,923	2,909,622	3,208,729	1,780,514	926,253	6,799,896	665,890	454,973	324,026	328,556
Intergovernmental	20,532,413	22,801,825	27,028,688	22,948,214	22,416,893	27,117,886	25,269,879	21,578,666	24,305,935	26,906,196
Motor vehicle license fee	828,779	595,116	490,330	372,401	323,150	558,902	56,479	46,743	-	-
Charges for services	1,827,500	2,061,106	1,957,538	1,855,635	1,829,628	1,813,133	2,006,230	2,159,938	2,141,011	2,265,887
Rental Income	1,184,487	1,218,510	1,233,858	1,255,826	1,265,097	1,334,820	778,045	778,252	779,951	830,042
Other	2,874,347	2,409,040	2,175,940	1,673,683	1,728,486	9,202,662	1,987,727	3,257,486	2,342,477	1,961,656
Total revenues	67,282,266	72,454,709	78,200,155	72,053,375	71,570,667	89,562,951	67,602,693	65,120,383	66,627,983	70,289,830
Expenditures:										
Current:										
General government	8,022,028	8,644,601	8,384,031	7,802,225	7,789,901	7,650,241	7,529,673	7,353,954	7,827,623	8,014,168
Public safety	12,082,002	12,819,814	13,436,368	12,463,523	11,781,821	12,248,786	13,437,672	13,411,537	13,446,443	13,004,355
Urban development	5,745,947	6,339,425	8,439,595	7,961,931	7,436,094	14,232,826	5,742,654	4,769,650	5,332,311	5,204,541
Public works	8,351,127	7,621,670	8,169,855	8,007,714	10,206,797	10,355,027	9,677,375	10,398,397	10,547,015	8,602,604
Culture and leisure	7,132,203	8,027,798	7,859,831	6,593,909	5,744,112	5,607,531	5,906,584	6,176,819	6,712,625	7,838,525
Health and welfare	15,789,360	15,776,975	20,078,619	20,205,820	19,572,065	18,560,049	13,549,014	12,849,407	12,474,045	12,458,934
Capital outlay nad improvement	2,133,948	7,018,445	4,873,054	2,281,518	1,175,345	18,926,378	4,299,315	4,833,258	7,955,265	9,516,262
Debt service:										
Principal retirement	1,455,000	1,875,000	1,680,000	1,740,000	1,820,000	1,890,000	1,975,000	780,000	890,000	900,000
Interest and fiscal charges	4,931,001	6,117,985	6,217,981	6,260,210	5,450,217	6,247,967	2,386,516	992,099	741,268	548,881
Bond issuance cost	-	-	-	-	-	-	-	214,454	203,147	-
Total expenditures	65,642,616	74,241,713	79,139,334	73,316,850	70,976,352	95,718,805	64,503,803	61,779,575	66,129,742	66,088,270
Excess (deficiency) of revenues over (under) expenditures	1,639,650	(1,787,004)	(939,179)	(1,263,475)	594,315	(6,155,854)	3,098,890	3,340,808	498,241	4,201,560
Other Financing Sources (Uses):										
Issuance of County deferred loans	2,379,452	2,450,332	2,405,060	2,424,113	2,403,006	2,512,697	-	-	-	-
Payment to bond escrow agent	(31,859,549)	-	-	-	-	-	-	-	-	-
Proceeds of tax allocation refunding revenue bonds	64,125,000	-	-	-	-	-	-	-	-	-
Proceeds from bonds issuances, net	-	-	-	-	-	-	-	7,120,000	8,630,000	-
Defeasance of debt	-	-	-	-	-	-	-	(7,295,000)	(7,945,000)	-
Bond discount	(353,028)	-	-	-	-	-	-	184,115	553,095	-
Bond premium	478,662	-	-	-	-	-	-	-	-	-
Bond issuance costs	(2,665,330)	-	-	-	-	-	-	-	-	-
Transfers in	31,213,830	2,884,925	3,432,019	2,892,272	6,717,098	13,386,923	4,583,186	3,205,025	3,367,409	5,029,862
Transfers out	(31,213,830)	(4,932,925)	(3,432,019)	(2,892,272)	(6,717,098)	(17,343,474)	(5,413,373)	(3,396,420)	(3,354,656)	(7,064,742)
Total other financing sources (uses)	32,105,207	402,332	2,405,060	2,424,113	2,403,006	(1,443,854)	(830,187)	(182,280)	1,250,848	(2,034,880)
Extraordinary items	-	-	-	-	-	-	(20,342,575)	-	71,197	22,973,297
Net change in fund balances	33,744,857	(1,384,672)	1,465,881	1,160,638	2,997,321	(7,599,708)	(18,073,872)	3,158,528	1,820,286	25,139,977
Fund balances - July 1	24,640,650	58,385,507	57,000,835	58,466,716	59,627,354	62,624,675	55,024,967	36,951,095	40,109,623	41,929,909
Fund balances - June 30	<u>\$ 58,385,507</u>	<u>\$ 57,000,835</u>	<u>\$ 58,466,716</u>	<u>59,627,354</u>	<u>62,624,675</u>	<u>55,024,967</u>	<u>36,951,095</u>	<u>40,109,623</u>	<u>41,929,909</u>	<u>67,069,886</u>
Debt service (exclunding bond issuance costs) as a percentage of noncapital expenditures	10.06%	11.89%	10.63%	11.26%	10.42%	10.60%	7.24%	3.11%	2.80%	2.56%

*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.

Source: City of Norwalk

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

Fiscal Year	Property Tax		Sales and Use Tax	Utility Users Tax	Business Operations Tax	Transient Occupancy Tax	Property Tax in-lieu of VLF*	Franchise Tax	Total Taxes
	City	Redevelopment Agency							
2005-06	5,995,006	7,354,995	9,706,650	5,809,592	671,677	1,388,776	7,641,419	1,414,502	39,982,617
2006-07	5,806,655	8,201,296	9,542,688	6,023,059	694,324	1,165,284	8,643,615	1,554,160	41,631,081
2007-08	6,188,471	8,872,737	9,702,359	5,985,219	684,429	1,161,167	8,806,441	1,539,711	42,940,534
2008-09	6,475,400	9,267,459	8,668,275	6,023,035	637,385	1,165,698	9,208,157	1,637,196	43,082,605
2009-10	7,073,934	9,267,269	7,519,647	5,974,407	649,357	1,021,084	8,536,095	1,615,826	41,657,619
2010-11	5,658,080	9,106,617	8,222,180	5,743,933	669,931	876,639	8,394,222	1,676,175	40,347,777
2011-12 (1)	5,708,121	2,115,285	8,760,445	5,421,616	858,584	1,128,493	8,535,764	1,747,542	34,275,850
2012-13	6,986,560	-	9,323,299	5,354,039	782,573	1,227,030	8,727,028	1,790,365	34,190,894
2013-14	6,616,294	-	9,327,844	5,256,908	798,659	1,309,026	9,021,481	1,859,947	34,190,159
2014-15	6,842,242	-	9,525,144	5,287,009	843,097	1,378,504	9,566,153	1,908,525	35,350,674

*Motor vehicle taxes swapped for property tax in-lieu of VLF in fiscal year 2004-05, prior to fiscal year 2004-05 this line item represented motor vehicle taxes

(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
2005-06	3,789,390	489,793	188,488	286,903	36,859	4,754,574	0.19424%
2006-07	4,310,627	542,293	189,639	286,285	37,368	5,328,844	0.19753%
2007-08	4,766,625	584,168	203,328	276,747	38,844	5,830,868	0.19825%
2008-09	4,960,294	622,788	220,165	293,355	39,287	6,096,602	0.20525%
2009-10	4,464,323	655,276	225,728	306,709	39,305	5,652,036	0.22484%
2010-11	4,397,888	638,634	237,745	283,921	41,012	5,558,188	0.22213%
2011-12	4,495,242	639,267	227,164	288,436	40,773	5,650,109	0.21830%
2012-13	4,593,039	651,375	233,802	298,414	44,013	5,776,630	0.22158%
2013-14	4,758,897	666,384	247,283	298,845	40,913	5,971,409	0.09311%
2014-15	5,088,372	682,359	252,944	308,032	46,424	6,331,707	0.09306%

*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)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total Direct Rate	0.19424	0.19753	0.19825	0.20525	0.22484	0.22213	0.21830	0.22158	0.09311	0.09306
Overlapping Rates:										
Los Angeles County General	0.23242	0.23242	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210	0.23210
Norwalk-La Mirada Unified School District	0.18781	0.18781	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780	0.18780
Consolidated Fire Protection District of LA Co.	0.17004	0.17004	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000	0.17000
Educational Augmentation Fund Impound	0.13529	0.13529	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530	0.13530
Educational Revenue Augmentation Fund	0.06813	0.06813	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850	0.06850
City Norwalk Tax District 1	0.06625	0.06625	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	0.02459	0.02459	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460	0.02460
La Mirada Southeast Recreation and Park	0.02436	0.02436	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440	0.02440
LA County Library	0.02248	0.02248	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250	0.02250
County Sanitation District No. 18 Operating	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223	0.01223
LA County Flood Control Maintenance	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936	0.00936
LA County Fire - Ffw	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693	0.00693
County School Service Fund Norwalk - La Mirada	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652	0.00652
Children's Institutional Tuition Fund	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272	0.00272
LA County Flood Control Dr. Imp. Dist. Maint.	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165	0.00165
County School Services	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137	0.00137
Little Lake Cemetery District	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091	0.00091
Greater LA Co. Vector Control	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036	0.00036
Water Replenishment District of Southern Calif.	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017	0.00017
LA County Accumulative Capital Outlay	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011	0.00011
Total Proposition 13 Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ABC Unified School District	0.02745	0.02427	0.02434	0.02388	0.02695	0.02920	0.02858	0.02453	0.02894	0.02916
Cerritos Community College District	0.02423	0.02392	0.01071	0.00994	0.01854	0.02677	0.01782	0.02594	0.02502	0.04809
Detention Facilities 1987 Debt	0.00080	0.00066	-	-	-	-	-	-	-	-
Downey Unified School District	0.07719	0.06148	0.07569	0.05790	0.06507	0.07018	0.06725	0.07132	0.06603	0.06549
LA County Flood Control	0.00005	0.00005	-	-	-	-	-	-	-	-
Little Lake City School District	0.03994	0.03483	0.07499	0.07360	0.07233	0.07647	0.05286	0.06942	0.08537	0.07964
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350
Norwalk-La Mirada Unified School District	0.05368	0.05036	0.05226	0.06271	0.06110	0.06197	0.06496	0.06997	0.07238	0.07063
Rio Hondo Community College Dist	0.01802	0.01469	0.01369	0.02320	0.02714	0.03439	0.03418	0.02812	0.02892	0.02821
Whittier Union High School District	0.04489	0.08918	0.04359	0.03728	0.04224	0.04239	0.04317	0.04556	0.04473	0.05270
Total Voter Approved Rate	0.29145	0.30414	0.29977	0.29281	0.31767	0.34507	0.31252	0.33836	0.35489	0.37742
Total Direct & Overlapping Tax Rates	1.29145	1.30414	1.29977	1.29281	1.31767	1.34507	1.31252	1.33836	1.35489	1.37742
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	1.00604	1.00541	1.00450	1.00430	1.00430	1.00370	1.00370	-	-	-

Notes:

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

In 1978 the voters of the State of California passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of voter approved bonds.

City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to 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	2014-15			2005-06		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
	Value		Value			
Norwalk MM LLC	\$ 67,463,680	1	1.07%	-		-
SRGMF Bloomfield Norwalk LLC	46,000,770	2	0.73%	-		-
IMT Capital II Palm Cntry Club LLC	43,608,612	3	0.69%	-		-
Target Corporation	37,934,954	4	0.60%	-		-
Levian Family Norwalk LLC	34,214,905	5	0.54%	-		-
Miracle Mile Properties LLC	31,109,137	6	0.49%	-		-
Advance Group	25,668,589	7	0.41%	-		-
McKenna Norwalk LP	23,037,076	8	0.36%	-		-
Norwalk Industrial Sub LLC	22,916,327	9	0.36%	-		-
Turner of Marek Trust	21,563,380	10	0.34%	-		-
Norwalk LLC Etal				53,830,000	1	1.13%
Target Corporation				31,245,520	2	0.66%
Hekmatravan Family Norwalk LLC ETAL				30,090,000	3	0.63%
Rohnert Civic LLC				27,593,700	4	0.58%
Sam Manlo Trust				27,463,220	5	0.58%
TGM Palm Country Club INC				22,315,210	6	0.47%
Coast Plaza Doctors Hospital				21,099,587	7	0.44%
Norwalk Industrial I LLC				20,080,489	8	0.42%
Zeno Table Company Inc				17,647,545	9	0.37%
OLP Norwalk LLC				17,593,080	10	0.37%
	<u>\$ 353,517,430</u>		<u>5.58%</u>	<u>\$ 268,958,351</u>		<u>5.66%</u>

Excludes government and tax-exempt property owners

Source: L.A. County Assessor 2005/06 and 2014/15 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 ⁽²⁾
2004-05	1,845,132	1,761,293	95.46%	50,231	1,811,524	98.18%
2005-06	2,021,348	1,802,980	89.20%	182,094	1,985,074	98.21%
2006-07	2,220,446	2,031,704	91.50%	9,207	2,040,911	91.91%
2007-08	2,378,821	2,150,802	90.41%	14,849	2,165,651	91.04%
2008-09	2,512,009	2,283,740	90.91%	30,774	2,314,514	92.14%
2009-10	2,322,951	2,120,057	91.27%	21,579	2,141,636	92.19%
2010-11	2,280,220	2,138,030	93.76%	(36,293)	2,101,737	92.17%
2011-12	2,354,260	2,162,196	91.84%	9,720	2,171,916	92.25%
2012-13	2,413,472	2,332,515	96.65%	3,209	2,335,723	96.78%
2013-14	2,500,671	2,423,743	96.92%	(35,972)	2,387,771	95.49%

Source: L.A. County Auditor/Controller

City of Norwalk
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

Governmental Unit	Gross Bonded Debt Balance	Estimated Percentage Applicable ⁽¹⁾	Net Bonded Debt
Direct Debt			
Lease Revenue Bonds	\$ 13,960,000	100.000%	\$ 13,960,000
Total Direct Debt			13,960,000
Overlapping Debt			
Metropolitan Water District	53,296,395	0.545%	290,240
Little Lake City School District SD DS 2005 Refunding Bond	430,000	36.846%	158,437
Little Lake City School District SD DS 2000 Series C	520,000	36.846%	191,599
Little Lake City School District SD DS 00RS D-1QSCBS	7,520,000 #	36.846%	2,770,812
Little Lake City SD DS 2011 Refunding Bond	999,901	36.846%	368,423
Little Lake City SD DS 2012 Series A	4,675,000	36.846%	1,722,546
Little Lake City SD DS 2014 Ref Bonds Series A	5,470,000	36.846%	2,015,471
Little Lake City SD DS 2014 Ref Bonds Series B	11,890,000	36.846%	4,380,978
Whittier Union HSD DS 2005 Refunding Bonds	111,930,795	6.217%	6,959,201
Whittier Union HSD DS 2008 SER 2014B	18,000,000	6.217%	1,119,134
Cerritos CC DS 2004 Series 2004A	50,000	12.917%	6,458
Cerritos CC DS 2005 Refunding Bonds	488,591	12.917%	63,110
Cerritos CC DS 2004 Series 2009C	5,115,000	12.917%	660,690
Cerritos CC DS 2004 Series 2012D	82,591,432	12.917%	10,668,093
Cerritos CC DS 2012 Series 2014A	198,370,000 #	12.917%	25,622,870
Rio Hondo CCD DS 2005 Refunding Bonds	40,012,336	3.987%	1,595,166
Rio Hondo CCD DS 2004 Ser 2008	120,977,824	3.987%	4,823,006
ABC Unified 2003 Refunding Bond Series A	29,626,700	3.455%	1,023,657
ABC Unified DS 2010 Refunding Bonds	16,055,000	3.455%	554,730
Downey USD DS Refunding 1999 Series A	8,165,256	0.002%	150
Downey USD DS 2006 Refunding Bonds	7,945,000	0.002%	146
Downey USD DS 2007 Ref BDS	19,000,000	0.002%	349
Downey USD DS 2011 Refunding Bonds	10,000,000	0.002%	184
Downey USD DS 2012 Ref Bonds	17,110,000	0.002%	314
Norwalk-La Mirada USD DS 2002 Series-05A	46,444,270	43.356%	20,136,377
Norwalk-La Mirada USD DS 2002 Series 2007A	22,540,602	43.356%	9,772,704
Norwalk-La Mirada USD DS 2009 Ref Bonds	39,372,452	43.356%	17,070,321
Norwalk-La Mirada USD DS 2013 Refunding Series A	11,260,000	43.356%	4,881,886
Norwalk-La Mirada USD DS 2014 Ref Bonds	14,825,000	43.356%	6,427,527
Total Overlapping Debt			123,284,579
Total Overlapping Debt			137,244,579

2014/15 Assessed Valuation: \$5,295,813,336 after deducting \$1,035,893,885 in Incremental Value
Debt to Assessed Valuation Ratios: Direct Debt-.26%, Overlapping Debt-2.33% Total Debt- 2.59%

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 2014/15 Lien Date Tax Rolls

City of Norwalk
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15
Assessed valuation	\$4,754,573,629	\$5,328,844,193	\$5,830,868,429	\$6,096,601,866	\$5,652,036,105	\$5,558,188,319	\$5,650,108,854	\$5,776,629,334	\$5,971,408,845	\$6,331,707,221
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,188,643,407	1,332,211,048	1,457,717,107	1,524,150,467	1,413,009,026	1,389,547,080	1,412,527,214	1,444,157,334	1,492,852,211	1,582,926,805
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	178,296,511	199,831,657	218,657,566	228,622,570	211,951,354	208,432,062	211,879,082	216,623,600	223,927,832	237,439,021
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 178,296,511</u>	<u>\$ 199,831,657</u>	<u>\$ 218,657,566</u>	<u>\$ 228,622,570</u>	<u>\$ 211,951,354</u>	<u>\$ 208,432,062</u>	<u>\$ 211,879,082</u>	<u>\$ 216,623,600</u>	<u>\$ 223,927,832</u>	<u>\$ 237,439,021</u>
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:	112,633,456	113,217,104	117,044,353	114,642,909	114,205,114	114,836,127	16,020,000	15,249,115	15,539,612	14,582,014
Debt per capita: (2015 Pop 106,679)	1,059	1,070	1,110	1,088	1,082	1,088	152	144	146	137
Debt as a percentage of personal income:	7%	6%	6%	6%	6%	6%	1%	1%	1%	1%

* 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

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15
Governmental Activities										
Lease Revenue										
Refunding Bonds	\$ 20,080,000	\$ 19,465,000	\$ 18,830,000	\$ 18,175,000	\$ 17,485,000	\$ 16,770,000	\$ 16,020,000	\$ 15,065,000	\$ 14,860,000	\$ 13,960,000
Tax Allocation Refunding										
Bonds, 2005	64,125,000	62,865,000	61,820,000	60,735,000	59,605,000	58,430,000	-	-	-	-
County deferred loans	28,545,405	30,995,737	33,400,797	35,824,910	37,198,799	39,711,496	-	-	-	-
Subtotal	112,750,405	113,325,737	114,050,797	114,734,910	114,288,799	114,911,496	16,020,000	15,065,000	14,860,000	13,960,000
Add (deduct) deferred amounts:										
Bond Premium	469,303	453,258	437,213	421,168	405,123	389,078	-	184,115	679,612	622,014
Bond discount	(346,125)	(334,292)	(322,459)	(310,626)	(298,793)	(286,960)	-	-	-	-
Deferred charge on refunding	(240,127)	(227,599)	(215,071)	(202,543)	(190,015)	(177,487)	-	-	-	-
Subtotal	112,633,456	113,217,104	113,950,480	114,642,909	114,205,114	114,836,127	16,020,000	15,249,115	15,539,612	14,582,014
Note Payable	-	-	-	-	-	-	-	-	-	-
Loan Payable	-	-	-	-	-	-	-	-	-	-
Compensated absences	2,202,011	2,436,046	2,558,594	2,616,730	2,304,911	2,316,421	2,268,880	2,445,802	2,531,565	2,430,921
Other post-employment benefits ⁽¹⁾	n/a	n/a	n/a	1,005,156	2,010,826	2,909,662	3,816,505	4,797,806	5,866,450	6,269,586
Net Pension Liability ⁽²⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25,200,576
Total Governmental Activities	\$ 114,835,467	\$ 115,653,150	\$ 116,509,074	\$ 118,264,795	\$ 118,520,851	\$ 120,062,210	\$ 22,105,385	\$ 22,492,723	\$ 23,937,627	\$ 48,483,097
Business-type Activities										
Water Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,395,000	\$ 9,245,000	\$ 9,070,000
Add (deduct) deferred amounts:										
Bond Premium	-	-	-	-	-	-	-	306,747	296,522	286,298
Subtotal	-	-	-	-	-	-	-	9,701,747	9,541,522	9,356,298
Compensated absences	455,518	474,142	535,279	588,109	529,610	510,633	523,683	537,270	593,899	563,070
Other post-employment benefits ⁽¹⁾	n/a	n/a	n/a	442,480	925,017	1,369,441	1,810,172	2,214,268	2,672,428	2,824,140
Net Pension Liability ⁽²⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8,400,193
Claims Payable	-	-	-	-	-	-	-	-	-	3,927
Total Business-type Activities	\$ 455,518	\$ 474,142	\$ 535,279	\$ 1,030,589	\$ 1,454,627	\$ 1,880,074	\$ 2,333,855	\$ 12,453,285	\$ 12,807,849	\$ 21,147,628
Total long-term liabilities	\$ 115,290,985	\$ 116,127,292	\$ 117,044,353	\$ 119,295,384	\$ 119,975,478	\$ 121,942,284	\$ 24,439,240	\$ 34,946,008	\$ 36,745,476	\$ 69,630,725

Note:

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

(1) Prior to June 30, 2009, the eligible number of retirees receiving benefits was below 150.

(2) GASB 68 was implemented in fiscal year ended June 30, 2015.

* 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 Revenue Refunding Bonds				
Fiscal Year	Lease Revenue	Debt Service		Coverage
		Principal	Interest	
2005-06	1,573,594	590,000	983,594	1.00
2006-07	1,577,756	615,000	962,756	1.00
2007-08	1,575,006	635,000	940,006	1.00
2008-09	1,570,431	655,000	915,431	1.00
2009-10	1,578,981	690,000	888,981	1.00
2010-11	1,575,641	715,000	860,641	1.00
2011-12	1,580,806	750,000	830,806	1.00
2012-13	1,947,099	955,000	992,099	1.00
2013-14	946,268	205,000	741,268	1.00
2014-15	1,448,881	900,000	548,881	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
2005-06	109,405	1,722,192	15,741	5.7%
2006-07	109,268	1,819,715	16,654	5.1%
2007-08	108,992	1,881,198	17,260	5.4%
2008-09	108,898	1,894,837	17,400	7.9%
2009-10	109,162	1,851,493	16,961	12.2%
2010-11	109,817	1,902,799	17,327	13.3%
2011-12	105,714	2,028,757	19,191	13.0%
2012-13	106,093	2,041,442	19,242	9.8%
2013-14	106,630	2,051,561	19,240	8.1%
2014-15	106,679	2,060,398	19,314	8.4%

Source:

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

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

Employer	2014-2015			2005-2006		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Los Angeles County	2,271	1	8.84%	1,868	4	20.01%
Norwalk-La Mirada Unified School District	2,001	2	7.79%	4,161	1	44.57%
Cerritos College	1,529	3	5.95%	2,100	2	22.50%
Metropolitan State Hospital	1,450	4	5.64%	1,836	3	19.67%
Target	449	5	1.75%	420	7	4.50%
City of Norwalk	432	6	1.68%			0.00%
Costco Wholesale	300	7	1.17%	318	9	3.41%
Doty Brother's Construction	300	8	1.17%			0.00%
Coast Plaza Dr Hospital	289	9	1.12%	500	6	5.36%
Los Angeles Community Hospital	250	10	0.97%			0.00%
LA County Sheriff's Department	240	11	0.93%			0.00%
Wal Mart	240	12	0.93%			0.00%
Mc Donalds	213	13	0.83%			0.00%
Kerber Brothers Inc	200	14	0.78%			0.00%
Little Lake School District	197	15	0.77%			0.00%
Southland Care Center	180	16	0.70%			0.00%
West Central Produce	167	17	0.65%			0.00%
BHHS California Properties	150	18	0.58%			0.00%
State of California Board of Equalization	150	19	0.58%			0.00%
Key West Collision	150	20	0.58%			0.00%
All Other Employers	14,538		56.58%			0.00%
Total	25,696		100.00%	9,335		100.00%

Source: *ReferenceUSA* Prepared by: City of Norwalk 10/2015

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

Function	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
General Government	49	50	51	43	42	49	51	46	47	48
Public Safety	51	56	63	53	43	40	41	43	38	37
Public Works	53	58	59	57	46	53	55	77	78	78
Social Services	32	34	35	33	31	28	26	30	29	32
Recreation	154	157	151	116	93	89	98	85	97	109
Community Development	45	46	49	45	38	25	26	34	35	35
Transit	112	134	135	133	131	116	107	94	98	93
Total	496	535	543	480	424	400	404	409	422	432

Source: City of Norwalk

City of Norwalk
Operating Indicators by Function
Last Ten Fiscal Years

Function	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Police:										
Calls responded	32,933	26,624	31,533	24,260	29,702	24,046	28,410	28,265	27,068	27,431
Response Time: (minutes)										
Emergency	4.6	4.0	4.1	3.9	3.7	3.7	3.6	3.8	3.9	3.8
Non-Emergency	12.1	11.7	11.7	10.8	10	10.2	9.4	9.3	9.6	9
Routine	32.7	26.0	27.5	27.8	29.7	29.4	31	31.8	34.4	33
Community development:										
Number of residential permits	3,873	4,694	3,421	2848	1999	2565	3114	2719	2746	2835
Number of commercial permits	356	496	646	520	507	479	425	357	447	357
Water:										
New connections	-	7	2	4	11	0	10	3	1	0
Average daily consumption (millions of gallons)	872	313	222	213	197	189	188	198	200	157
Sewers:										
New connections	23	24	3	3	2	4	0	11	11	3
Transit:										
Buses-number of riders	2,741,211	2,745,283	2,730,248	2,941,545	2,232,333	2,291,089	2,126,885	1,880,629	1,739,670	1,528,931
Dial-A-Ride-number of riders	95,018	72,040	21,660	23,121	22,754	18,139	20,493	16,146	21,754	21,908

Source: City of Norwalk

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

Function	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	3	3	3	3	2	2	2	2	2	2
Public works:										
Streets (miles)	181	181	181	181	180	187	187	187	187	187
Street lights	5,479	5,479	5,479	5,479	5,479	5,479	5,479	5,400	5,400	5,400
Traffic Lights	84	86	86	87	83	81	83	81	81	81
Parks and recreation:										
Parks	13	13	13	14	14	14	14	14	14	14
Community centers	1	1	1	1	1	1	1	1	1	1
Sports center	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
Maximum daily capacity (million gallons per day)	4	4	4	4	4	4	4	4	4	4
Waste water:										
Sanitary sewers (miles)	180	180	180	180	180	180	180	180	180	180
Transit:										
Buses	29	36	32	36	33	33	33	28	33	33
Dial-A-Ride Vans	18	19	8	7	7	7	7	7	7	7

Source: City of Norwalk

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

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
ASSETS								
Current assets								
Pooled Cash and Investments	-	-	483,916	4,315,796	4,467,519	5,947,048	6,682,089	7,244,665
Cash With Fiscal Agent	-	-	-	-	-	3,497,853	3,496,405	3,498,268
Other Current Assets	533,768	542,552	887,749	1,129,167	651,650	844,735	857,657	633,751
Total current assets	533,768	542,552	1,371,665	5,444,963	5,119,169	10,289,636	11,036,151	11,376,684
Noncurrent assets								
Noncurrent Assets	7,249,043	8,284,672	9,687,469	11,040,617	11,395,877	17,171,995	17,062,861	17,189,977
TOTAL ASSETS	7,782,811	8,827,224	11,059,134	16,485,580	16,515,046	27,461,631	28,099,012	28,566,661
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amount from pension plans	-	-	-	-	-	-	-	94,010
TOTAL DEFERRED OUTFLOWS OF INTEREST	-	-	-	-	-	-	-	94,010
LIABILITIES								
Total Current Liabilities	2,432,814	2,636,720	3,993,512	4,213,310	3,461,529	3,678,108	3,542,226	3,563,136
Total Noncurrent Liabilities	96,211	135,474	140,045	174,304	247,575	9,842,236	9,741,134	10,551,313
TOTAL LIABILITIES	2,529,025	2,772,194	4,133,557	4,387,614	3,709,104	13,520,344	13,283,360	14,114,449
DEFERRED INFLOWS OF RESOURCES								
Deferred amount from pension plans	-	-	-	-	-	-	-	235,601
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	235,601
NET ASSETS								
Invested in capital assets	7,249,042	8,284,672	9,687,469	11,040,617	11,395,877	7,773,643	7,817,861	11,331,947
Restricted - debt service	-	-	-	-	-	3,497,853	3,496,405	3,498,268
Unrestricted	(1,995,256)	(2,229,642)	(2,761,892)	1,057,349	1,410,065	2,669,791	3,501,386	(519,594)
TOTAL NET ASSETS	5,253,786	6,055,030	6,925,577	12,097,966	12,805,942	13,941,287	14,815,652	14,310,621

Source: City of Norwalk

City of Norwalk
Water System - Operating Results
Last Eight Fiscal Years

CITY OF NORWALK - WATER SYSTEM								
Historic Operating Results								
Fiscal Year Ending June 30								
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
ANNUAL RATE INCREASE								
Fixed Service Charge	22.25% ⁽¹⁾	14.8%	11.3%	14.8%	2.8%	2.1%	2.2%	0.67%
Per Unit Consumption Charge	84.34% ⁽¹⁾	145.8%	11.3%	14.8%	2.8%	3.1%	2.0%	0.5%
WATER REVENUES								
Charges for Services ⁽²⁾	\$3,233,957	\$3,934,301	\$4,271,647	\$4,900,781	\$4,871,113	\$5,170,527	\$5,302,823	\$5,051,524
Investment Income	595	-	-	19,203	25,921	43,521	42,108	48,833
Other	-	-	15,862	(622)	867	1,720	673	474
TOTAL REVENUES	\$3,234,552	\$3,934,301	\$4,287,509	\$4,919,362	\$4,897,901	\$5,215,768	\$5,345,604	\$5,100,831
OPERATION & MAINTENANCE COSTS								
Administrative	\$350,535	\$342,796	\$335,063	\$357,641	\$423,877	\$398,996	\$434,562	\$462,605
Utilities	81,488	54,598	42,562	45,919	80,409	128,623	136,040	138,288
Salaries and Benefits	628,877	641,353	645,621	624,146	793,379	769,042	858,182	870,467
Contractual Services	389,922	15,094	191,518	180,022	163,150	193,585	267,803	284,846
Cost of Water	1,394,192	1,389,046	1,584,034	1,739,615	1,912,508	1,466,426	1,569,671	1,535,855
Maintenance and Repairs	35,812	-	-	-	-	0	0	0
Supplies and Materials	218,097	202,062	205,830	219,809	240,508	338,686	384,239	315,019
Depreciation	244,008	303,231	139,813	263,632	303,573	297,405	286,765	290,956
TOTAL OPERATING EXPENSES	\$3,342,931	\$2,948,180	\$3,144,441	\$3,430,784	\$3,917,404	\$3,592,763	\$3,937,262	\$3,898,036
NET WATER REVENUES	(\$108,379)	\$986,121	\$1,143,068	\$1,488,578	\$980,497	\$1,623,005	\$1,408,342	\$1,202,795
DEBT SERVICE COVERAGE	N/A	N/A	N/A	N/A	N/A	N/A	3.13	2.77

⁽¹⁾ Partial increase - only applicable to former County Water customers, now part of the NMWS Applicable to approximately 1,900 accounts

⁽²⁾ 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 Operating Results and Debt Service Coverage
Last Three Fiscal Years and Two Year Projection

NORWALK MUNICIPAL WATER SYSTEM					
Debt Service Coverage					
	FY 2013	FY 2014	FY 2015	FY2016	FY2017
	(Actual)	(Actual)	(Actual)	(Projected)	(Projected)
WATER REVENUES					
Charges for Services	\$5,170,527	\$5,302,823	\$5,051,524	\$4,898,650	\$4,642,650
Investment income	43,521	42,108	48,833	22,000	22,000
Other	1,720	673	474	-	-
TOTAL REVENUES	\$5,215,768	\$5,345,604	\$5,100,831	\$4,920,650	\$4,664,650
OPERATION & MAINTENANCE COSTS					
Administrative	\$398,996	\$434,562	\$462,605	\$510,420	\$541,100
Utilities	128,623	136,040	138,288	197,000	420,000
Salaries and Benefits	769,042	858,182	870,467	923,955	952,778
Contractual Services	193,585	267,803	284,846	506,460	298,960
Cost of Water	1,466,426	1,569,671	1,535,855	1,583,000	841,000
Supplies and Materials	338,686	384,239	315,019	425,400	725,150
TOTAL EXPENSES	\$3,295,358	\$3,650,497	\$3,607,080	\$4,146,235	\$3,778,988
NET WATER REVENUES	\$1,920,410	\$1,695,107	\$1,493,751	\$774,415	\$885,662
NONOPERATING COST					
Bond Issuance	122,936	1,000	-	-	-
Bond Interest		391,471	364,963	359,712	352,512
Interest Expense	278,223	141,506	181,881	142,324	137,295
CHANGE IN NET POSITION	1,519,251	1,161,130	946,907	272,379	395,855
<i>DEBT SERVICE</i>					
<i>2013A Bonds Installment Payment</i>	-	<i>\$541,471</i>	<i>\$539,963</i>	<i>539,713</i>	<i>537,512</i>
DEBT SERVICE COVERAGE	<i>N/A</i>	<i>3.13</i>	<i>2.77</i>	<i>1.43</i>	<i>1.65</i>

Source: City of Norwalk

City of Norwalk
 Norwalk Municipal Water System - Service Charges and Per Unit Rates
 Last Eight 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)
Sept. 2008	\$17.60	15.0%	\$58.47	15.0%	\$2.25	14.8%
Nov. 2009	37.60	113.6%	78.47	34.2%	2.25	0.0%
Jan. 2010	41.83	11.3%	87.30	11.3%	2.50	11.1%
Jul. 2010	48.00	14.8%	100.17	14.7%	2.87	14.8%
Jul. 2011	49.10	2.3%	102.47	2.3%	2.95	2.8%
Jul. 2012	50.13	2.1%	104.62	2.1%	3.04	3.1%
Jul. 2013	51.23	2.2%	106.92	2.2%	3.10	2.0%
Jul. 2014	51.49	0.5%	107.45	0.5%	3.12	0.6%
Jul. 2015	51.49	0.0%	107.45	0.0%	3.12	0.0%

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

* Bi-monthly charge

Source: City of Norwalk

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

Historic Charges for Services				
Fiscal Year	Residential Service Charge Revenues	Commercial Service Charge Revenues	Total Service Charge Revenues	% Increase/ (Decrease)
2008	\$2,910,561	\$323,396	\$3,233,957	0.0%
2009	3,540,871	393,430	3,934,301	21.7%
2010	3,844,482	427,165	4,271,647	8.6%
2011	4,410,703	490,078	4,900,781	14.7%
2012	4,384,002	487,111	4,871,113	-0.6%
2013	4,488,765	443,944	4,932,709	1.3%
2014	4,497,508	499,723	4,997,231	1.3%
2015	4,299,933	477,770	4,777,703	-4.4%

Source: City of Norwalk

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

Fiscal Year 2014-15		Groundwater	Purchased	
Water Source	Number of Connections	Consumption (acre ft.)	Consumption (acre ft.)	Price (per acre ft.)
Santa Fe Springs	718		173	\$1,716
Norwalk Wells	2,402	921	290*	\$1,117
City of Cerritos	2,242		778	\$990
TOTAL	5,362	921	1,316	
Total City Groundwater Rights		2,273		

Fiscal Year 2013-14		Groundwater	Purchased	
Water Source	Number of Connections	Consumption (acre ft.)	Consumption (acre ft.)	Price (per acre ft.)
Santa Fe Springs	718		180	\$1,700
Norwalk Wells	2,411	943	278*	\$1,117
City of Cerritos	2,242		797	\$990
TOTAL	5,371	943	1,342	
Total City Groundwater Rights(1)		2,273		

⁽¹⁾ Includes the purchase of 500 acre feet of water acquisition rights (APA) from the City of Vernon in October 2012
* Central service area purchased water derived from the Central Basin Municipal Water District

Source: City of Norwalk

City of Norwalk
 Norwalk Municipal Water System - Water Sources
 Last Eight 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%	2,563.25	-0.9%	3,050.59
2009	419.21	-14.0%	2,262.50	-11.7%	2,681.71
2010	410.68	-2.0%	2,234.21	-1.3%	2,644.89
2011	404.39	-1.5%	1,796.80	-19.6%	2,201.19
2012	733.62	81.4%	1,422.64	-20.8%	2,156.26
2013	899.50	22.6%	1,334.89	-6.2%	2,234.39
2014	943.29	4.9%	1,373.27	2.9%	2,316.56
2015	868.16	-8.0%	1,256.06	-8.5%	2,124.22

Source: City of Norwalk

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

CITY OF NORWALK					
Historic Water Service Connections					
Fiscal Year	Residential Connections	Commercial Connections	Connections 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	0.06%
2015	4,899	463	12	5,374	0.06%

Source: City of Norwalk

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

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2015		
Customer	Total Billed⁽¹⁾	% of Total
Norwalk La Mirada School District	\$161,713	3.38%
Heritage HOA	57,794	1.21%
Shapnell Industries	35,760	0.75%
Norwalk Preservation, LP	32,558	0.68%
Fiesta Coin Laundry	28,962	0.61%
Norwalk Housing Investors	21,656	0.45%
Pioneer Mobile Estates	18,365	0.38%
Weber Distribution	9,829	0.21%
Sparkle Fresh Laundry	9,228	0.19%
Pine Meadows	8,910	0.19%
TOP TEN TOTAL	\$384,775	8.05%
TOTAL SYSTEM	\$4,777,703	

⁽¹⁾ Total sales to customers

Source: City of Norwalk

CITY OF NORWALK - WATER		
Top Ten Customers—Fiscal Year 2014		
Customer	Total Billed⁽¹⁾	% of Total
Norwalk La Mirada School District	\$229,423	4.59%
Heritage HOA	59,939	1.20%
Shapnell Industries	48,359	0.97%
Norwalk Preservation, LP	29,637	0.59%
Fiesta Coin Laundry	27,908	0.56%
Norwalk Housing Investors	23,136	0.46%
Weber Distribution	21,685	0.43%
Pioneer Mobile Estates	19,499	0.39%
Pine Meadows	14,823	0.30%
Tran, Duc	9,054	0.18%
TOP TEN TOTAL	\$483,464	9.67%
TOTAL SYSTEM	\$4,997,231	

⁽¹⁾ Total sales to customers

Source: City of Norwalk