

City of Whittier, California



Police Facility

Comprehensive Annual Financial Report ~ Year Ended June 30, 2010

**City of Whittier, California
Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2010



City Council

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Mayor

Cathy Warner
Mayor Pro Tem

Council Members

Joe Vinatieri

Owen Newcomer

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City of Whittier

Introductory Section

CITY OF WHITTIER, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2010

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City of Whittier

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December 15, 2010

The Honorable Mayor, Members of the City Council,
and City Manager
City of Whittier, California

It is my pleasure to submit the Comprehensive Annual Financial Report of the City of Whittier ("City") for the fiscal year ending June 30, 2010. This report is prepared in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America, as well as the opinion of Conrad Government Services Division of Mayer Hoffman McCann P.C., an independent firm of licensed certified public accountants. This financial report includes the closely related Whittier Redevelopment Agency, the Whittier Public Financing Authority, and the Whittier Utility Authority, for which the City is considered to be financially accountable. In accordance with the Governmental Accounting Standards Board, management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

The City of Whittier is responsible for the accuracy, completeness and fairness of the Comprehensive Annual Financial Report's presentation, including all disclosures. Management believes the data presented is accurate in all material respects and fairly present the financial position and the results of operations of the City's various funds. Informative disclosures are sufficient to enable the report's readers to gain an understanding of the City's financial affairs. The auditors' opinions included in this report reflect our belief.

Background

Whittier is located in Los Angeles County, about 12 miles southeast of the City of Los Angeles. A five member City Council under the Council – Manager form of government, governs the City. Whittier is a charter law city and was incorporated in 1898. The Charter form of City government was ratified in 1955. The City covers 14.8 square miles and has an estimated population of 86,788. Businesses and industries in the area include 457 professional services, 540 retail stores, 184 family type restaurants, 43 manufacturing plants, 11 hotels and motels, 2 automobile dealerships and over 274 specialty shops and boutiques, predominantly located in Uptown Whittier, the Quad shopping mall, as well as the Whittwood Town Center.

Founded in 1887 as a Quaker colony, Whittier's strong sense of history and vision for the future has made it an upscale and dynamic residential community. Throughout the years, the City of Whittier has striven to provide a healthy and safe community and a well-maintained infrastructure enhanced by planned patterns of growth and development. Through a balance of

economic, social, political, cultural and recreational opportunities, the City Council has encouraged an atmosphere conducive to community spirit and active participation in the affairs and progress of the community. Such efforts have been made to ensure a visually pleasing community in which the City's identity and character are preserved and enhanced.

Services Provided by the City

The City provides a full compliment of services to its citizens. The services provided by the City include police, park, street and infrastructure maintenance, planning, building, engineering, library, public transit, and general administration. The Los Angeles County Fire Protection District supplies fire services to City residents and businesses. In addition, the City provides police services through a contract to the neighboring city of Santa Fe Springs. The City also operates various enterprise operations that provide water, sewer and solid waste services. A portion of solid waste collection, along with the City's cable broadcasting, is provided through franchise arrangements with vendors in the private sector. The City provides transit administration services to the neighboring city of La Habra Heights. The City also provides fixed route transit services through Norwalk Transit Systems, the Whittier Transit fixed-route contractor.

In addition to the usual City services, Whittier offers a variety of programs to help local residents and businesses. The City operates a redevelopment agency that encompasses 1,524 acres. The Agency provides housing assistance to low and moderate income families, assists in the rehabilitation of commercial properties, and seeks to eliminate blight. The Community Development Block Grant program provides loans for the rehabilitation of low and moderate-income residential properties. Whittier's residents also receive assistance through the City's senior citizen programs.

Economic Condition and Outlook

The City of Whittier's economy is primarily based upon retail sales taxes and property taxes from commercial and residential properties. The weak national economy, a struggling housing market, and increased costs for consumers have significantly impacted the City's ability to generate revenues. The housing market has taken a downturn over the past few years, with resale values down significantly and foreclosures continuing.

Whittier is not immune from the economic downturn as we have experienced significant reductions in sales tax and other revenue sources. The focus of the City's 2009-10 budget plan was to identify organizational changes necessary to address the City's structural financial shortfall. Staff met with City Council in a couple of phases to arrive at a solution to balance the budget. City departments were asked to prepare deficit reduction proposals totaling 5% of their General Fund operating budgets. Of the total proposed reductions, which totaled \$2,083,518, City Council accepted \$1,258,235 in General Fund reductions. With the implementation of general fund operating budget reductions, fee increases, and the use of contingency reserve funds, the City was able to adopt a balanced budget for 2009-10.

In addition, according to Chapter 21 of the California Statutes of 2009, redevelopment agencies were required to shift \$1.7 billion in property tax revenues to K-12 schools during 2009-10. This

payment is better known as the Supplemental Educational Revenue Augmentation Fund (SERAF) shift and the amount was determined by the State of California's Director of Finance. Of this \$1.7 billion, the Whittier Redevelopment Agency (WRA) was required to remit \$3,024,847 into the SERAF by May 10, 2010. For the fiscal year 2010-11, the WRA will be required to pay an additional \$622,763.

The City values its unique history and strives to maintain the character of the community while recognizing the importance of being flexible to accommodate the changing economy in Southern California. Economic development is a top priority for the Council as it plays an integral role in the community. Even with the economy in its current state, the City strives to provide a high quality of life for workers, business owners, property owners and residents.

The City's economic development efforts include redevelopment of commercial and residential properties, and construction of affordable housing. The expansion of existing businesses and the attraction of new businesses have not only increased the property tax increment for the Redevelopment Agency, but also the sales tax base for the City. The City continues to actively promote Whittier through the Redevelopment and Housing Division of the Community Development Department. This division continues to promote the City's "Shop Whittier" campaign. They also represent the City at the annual International Council of Shopping Centers' convention and coordinate the implementation of the Economic Development Strategy. These and other efforts will contribute to the stability and growth of Whittier's economy.

The building of the new Police Facility, which will greatly enhance the workability of the Police Department, by giving them a new modern facility with new technology and jail capacity, was substantially completed during the year 2009-10. This structure does not replace a capital facility that is already in place, thus operation and maintenance costs have been taken into consideration when forecasting costs for the project. Costs to maintain and operate this new facility are estimated to be approximately \$300,000 per year.

The unemployment rate in the City has been consistently lower than the State and regional levels. In June of 2010, the City's unemployment rate was 8.8% compared with 12.2% for Los Angeles County and 12.3% statewide. The City's unemployment rate also compares favorably with neighboring cities of comparable size.

Taxable retail transactions in Whittier for the 2nd quarter 2010 decreased from the 2nd quarter 2009 by 20.5%. This significant decrease was the result of the loss of numerous car dealerships within the City of Whittier. Receipts for Los Angeles County increased by 5.4% over the comparable time period while the State, as a whole, increased 7.4%.

Long-Term Financial Planning

The City's General Fund accounts for the majority of vital services for its citizens, such as police services, community services, parks, public works and library facilities. The City utilizes a Five-Year Plan ("Plan") as a tool to project future expenditures and revenues for the General Fund and their effect on its year-end fund balance. This Plan takes into account projections for salary increases, benefit increases, maintenance costs of new construction projects and anticipated new businesses coming on-line, which would add sales tax to the City's revenue base. This Plan is updated annually.

The City's long-term organizational changes for 2010-11 include the consolidation of the Parks and Community Services Departments, elimination of the Parks Director position and twelve other full-time positions throughout the City. For 2010-11, City revenue sources included additional franchise fee revenues projected to be \$160,000 and lease revenue from the Whittier Utility Authority of \$825,000. As part of the budget balancing strategies, City departments were asked to prepare deficit reduction proposals totaling 5% of their General Fund operating budget which totaled \$2,158,489. Council accepted \$1,730,879 of the proposed reductions. Estimated salary savings of \$412,000 from the deferral of police salaries by Whittier Police Officers' Association (WPOA) were also considered in balancing the budget.

It is projected that in 2010-11 the salaries of two police officers, which are currently being supported by Traffic Offender Impound fees and COPS grants from the State, will be transferred to the General Fund, because these funds will no longer be able to solely support those positions.

In 2010-11, CalPERS rates are increasing to 12.730% and 40.270% for Miscellaneous and Safety, respectively. A 1% increase in CalPERS rates equates to \$94,493 of additional costs for Miscellaneous and \$135,532 for Safety. Rates will increase by another 1.5% in 2012-13.

Major Initiatives

For the Year. In carrying out the 2009-10 budget, staff worked diligently to implement the new programs and policies that the City Council has brought to the forefront. Although some of these activities are not necessarily reflected in the financial statements, they are significant to the future of the City. Some of the more important activities are summarized below.

The City continued providing administrative services for the Executive Director of the Puente Hills Landfill Native Habitat Preservation Authority through the Inter-Agency Agreement for the twelfth year. The Authority continued reimbursing the City 100% of the direct costs paid on behalf of the Authority.

The City Manager works under the direction of the City Council to oversee and implement City policies and programs set forth in the annual budget and those resulting from the City Council actions. Priority efforts for this fiscal year include providing oversight to the police facility construction; assessing funding options for library expansion or replacement; operation and improvement of the Whittier Greenway Trail, including seeking grant funds for the project, as well as the potential to extend the Trail to the east; soliciting State and Federal funding for local and regional projects; supporting the redevelopment of key commercial sites; implementing the Uptown Specific Plan; working with the State, the Whittier community and developers regarding reuse of the Nelles School property; and pursuing the feasibility of mineral extraction in the Whittier Hills.

The Police Department has worked diligently to obtain various grants from the Office of Traffic Safety. Two "Click it or ticket" grants and a Selective Traffic Enforcement grant were awarded to the department, providing funds for DUI checkpoints, seatbelt and speed enforcement. Through the Justice Assistance Grant Program, the Police Department received a grant enabling the purchase of personal computers to replace the existing 5-year-old technology equipment. The

Department continued to participate in A.T.A.G. (Aware Teens Against Graffiti) which is a diversion program for first time taggers and vandals. Members of the Department assist other community stakeholders with teaching and mentoring both violators and their parents during this weekend-long program.

The Redevelopment and Housing Division of the Community Development Department's efforts have been focused on the redevelopment of key sites in the City, continued implementation of the City's housing programs, and administration of the Federal CDBG and HOME grants annually allocated to the City. The City's annual Economic Development Strategy was approved and adopted by the City Council and is implemented through business visitations, business assistance seminars, and a variety of incentives programs. A specialized consultant was engaged in 2009-10 to help implement a park once plan for the Uptown. The former Alpha Beta site may be one of the first large scale developments under the new Uptown Whittier Specific Plan. The site consists of 3.4 acres of currently vacant land owned by the Whittier Redevelopment Agency. Conceptual development ideas for the site entail a mixed use project with components of market-rate and affordable housing, commercial space, and possible public uses. Redevelopment Staff continues to pursue redevelopment of the State of California's shuttered 73.8-acre Fred C. Nelles site. While the decline in sales tax negatively impacts the City, the Redevelopment Agency is optimistic that vacant commercial sites will present new opportunities for redevelopment. One of the main goals of the Economic Development Strategy is to promote a strong, diversified and sustainable local economy and enhance the quality of life in the community. The Agency continues to market the City to potential retail and housing developers at regional and international events hosted by the International Council of Shopping Centers (ICSC) and the Urban Land Institute (ULI). To further enhance the marketing and business attraction efforts, the Agency hired market leader, Buxton Company, to complete a detailed demographic and market analysis. The study names specific retailers whose outlets were found to be financially viable in Whittier. This list will be used for several years to come as a key tool in attracting new retailers to Whittier. Lastly, the Whittier Redevelopment Agency funded plans for infrastructure upgrades along portions of Whittier Boulevard. The first item implemented was the installation of new decorative street lights. Future streetscape enhancements include the construction of a raised landscape median, the installation of new parkway landscaping and street trees.

The Housing Division continued to pursue the goals outlined in the City/Redevelopment Agency housing strategy that is outlined in the Five Year Implementation Plan and also in the HUD-required annual Action Plan. These plans seek to address the housing and community needs of the City with CDBG, HOME, tax increment, and General Fund sources. Low-income families were able to rehabilitate their homes with five loans and one grant through the City's Home Rehabilitation program. The Minor Home Repair Grant Program completed 32 projects, while the Minor Home Modification Grant Program assisted one household. The City used HOME funds to assist Whittier Area First Day Coalition in rehabilitation of a triplex that will be utilized as a transitional housing project. The Gables 96-unit condominium development is underway on Whittier Boulevard. The Agency entered into an Affordable Housing Agreement with a developer to allocate 24 units as affordable ownership housing that will be available to moderate income homebuyers. A new program called the Affordable Home Ownership Program was approved to effectuate the sale of the 24 new units to qualifying buyers. The first eight units available under the program have been sold and occupied by moderate-income households.

The Planning Division is responsible for implementing the City's General Plan and enforcing the Whittier Municipal Code regulations for such planning related activities as: the design and development of new buildings, subdivisions, and historic preservation of existing structures over 50 years old. During 2009-10, the division received approximately 1,158 new planning applications ranging from conditional use permits, and development review applications to variances. The Planning Division has been very active in processing a variety of development applications including the Presbyterian Intercommunity Hospital Dialysis Center conversion, and continuing the environmental review process for the Whittier Main Oil Field project. Staff has completed the entitlement portion of the Whittier College pool and gymnasium remodel, as well as a number of wireless telecommunication facility applications. With respect to Advanced Planning matters, numerous Zoning Code Amendments were completed during 2009-10. Many of these Code Amendments involved developing or modifying standards for land-use issues within the Whittier Municipal Code such as: the development of an emergency shelter ordinance, enhancement of the City's telecommunication ordinance, modification of the City's 2nd unit and minimum dwelling unit ordinances and the creation and codification of the City's Traffic Demand Management Ordinance. During 2009-10, State certification was received for the City's update to its Housing Element. Also completed was the City's Natural Hazard Mitigation Plan update that was originally adopted in 2005. Finally, the Planning Division began the update to the Whittier Boulevard Specific Plan in February 2010, with anticipated completion in early 2011.

The Building & Safety Division continues to proactively maintain a cooperative working relationship with the design and development community. Primary elements of this effort continue to include: community education and awareness related to safe building practices, State-mandated technical education for staff, and fostering integration of the requirements of the Planning, Code Enforcement, Parks and Public Works and with other agencies and authorities having jurisdiction over projects. The Division performs the mandated functions of assuring compliance with the City's building regulations, coordinating the requirements of other departments and agencies, identifying and abating illegal dwelling units throughout the City, and facilitating City sponsored projects. Major accomplishments during 2009-10 included inspection of major projects including: PIH 5-story medical office building tenant improvements, major renovations at Whittier College, and the Ravello and Gables townhome projects.

The Parks Department has completed the educational elements of the Citrus and Sycamore Stations with the Oak Station soon to be completed along the Greenway Trail. Plans for three additional stations, Walnut, Laurel and Palm are progressing and will include educational elements, landscaping and cable fencing. Cable fencing and landscaping is being completed from the entrance from El Rancho Drive to Norwalk Boulevard, as well as along the Trail from Carley to Adele, from Laurel to Calmada and Pacific Place. Lastly, the playground rubberized surfacing has been replaced at Parnell Park and the Palm Park specifications are being completed. The program will eventually be broadened to include all City parks.

The Engineering Division was challenged this past fiscal year with the infusion of various grant projects. The American Recovery and Reinvestment Act (ARRA) funds totaled \$2.5 million and were used to eliminate unsafe intersection grades, improve intersection drainage, concrete pavement rehabilitation and asphalt pavement projects. HSIP grant funds will be used to offset the costs associated with new bike lane striping. Federal Energy Efficiency and Conservation Block Grant (EECBG) and Housing and Urban Development funds were used to replace the

HVAC at the Branch Library. Community Development Block Grant (CDBG) funds were used to reconstruct deteriorated concrete pavement and water valves. As a part of our Alley Rehabilitation Program, approximately 8 miles of asphalt alleys were rehabilitated.

The Fleet Division successfully completed the replacement of the City's two-way radio system to meet the 2013 FCC requirements. This included the programming and installation of all vehicle mounted two-way radios, base stations, and EOC "off-sites" i.e., school districts and hospitals. Fleet took delivery of a compressed natural gas (CNG) truck for the Parks Department and applied for, and received, \$25,000 in grant funding for the purchase. In compliance with the California Air Resources Board (CARB) requirements, the Fleet Division has placed an additional five (5) particulate matter (PM) emission control devices on existing City heavy-duty vehicles.

The Sewer Division complied with the new General Waste Discharge Requirements (GWDRs) for sanitary sewer systems by hiring a consultant to develop a Sewer System Management Plan (SSMP). The City Council adopted the SSMP in August 2009. As part of compliance with this program, video inspection of the entire sewer system began in FY 07/08 and is scheduled for completion in 2011.

The Water Division successfully acquired an emergency generator for the Greenleaf Booster Station. The rehabilitation of well 16 is currently underway and shall be completed by September 2010. Two submersible pumps were replaced with line shaft pump and above ground motors, and two wells were converted from submersible wells to above ground line shaft style wells. The Water Division continues to operate the EPA Water Treatment Plant and Central Basin Water Quality Pumping Plant.

The Solid Waste Disposal Division continued making operational improvements to the landfill gas system. These improvements were necessary for regulatory compliance. A consultant developed an Alternative Ground Water Monitoring Plan in conformance with requirements of the California Regional Water Quality Control Board (CRWQCB). And, a Landfill Gas Monitoring Program was developed in conformance with requirements of the California Integrated Waste Management (CIWMB). In 2011, the next phase of landfill liners are planned to begin construction.

The Community Services Department successfully presented a full range of leisure, cultural arts and social services programs for the Whittier community. The Cultural Arts Commission and the Art in Public Places Advisory Committee completed another major project this year with the installation of "Rocket Robin" at Parnell Park. Annual special event programs include: the Summer Concert Series, Easter Eggxtravaganza, Founders' Day, July 4th Flag-Raising Ceremony and "Freedom Walk" along the Greenway Trail. This year's Kiddie-K run at the Police Open House and Social Services Health Fair attracted a record number of runners/participants with over 350 finishers. Our "Volunteen" program doubled in size this summer with 34 teens added to the roster assisting with community events, senior programming, WYN Club and Summer Day Camp programs. The Whittier City School District grant-funded afterschool collaboration with the City celebrated its ten year anniversary. The Activate Whittier Walking Club which began in January 2009 continues to meet on the second Saturday of the month at Palm Park. Parnell Park Senior and Community Center has continued to be a popular place to rent for private parties. The site also drew large numbers of participants for a wide variety of classes

including tiny tots, fine arts, music and dance. Uptown Senior Center scheduled Tech Training for using cell phones and digital cameras. Two very successful performances were put on by the Therapeutic Recreation Program, New Frontiers Drama Players, with 200 people attending each performance. The Accessibility Committee hosted an extremely successful Abilities Expo at Parnell Park, which featured vendors, agencies, programs and information for our residents with disabilities. The Annual Gene Jung Mid-Winter Junior Tennis Tournament had over 900 participants enrolled again this year. The Whittier Community Center and Senior Center continued to be enhanced with various ADA upgrades including new classroom cabinets, a new reception desk and countertop, kitchen fire system, drinking fountain and new banquet chairs and tables. The Center Theatre saw a new 220 electrical line installed along with fire sprinklers, fire proof storage cabinets and a new display case. The Junior Theatre program continued to offer a larger variety of activities for youth and young adults with musical and drama productions, acting classes and theatre camps. The Sports and Facilities Division also provided support for various youth sports groups by providing assigned practice and game sites.

The Transit Division had a successful year with record ridership. In 2009-10, there was a 9.23% increase in Dial-A-Ride passengers, for a total of 69,818 passengers. An additional Dial-A-Ride vehicle was added in 2010, which has significantly reduced wait times and improved customer service. The supplementary Taxi Voucher Program has also been refined and expanded to meet passenger needs. The taxi service area was expanded to include medical and dental facilities in nearby cities. Taxi Voucher service hours have been expanded to 24 hours a day, seven days a week. Whittier also took a leadership role in promoting the Washington Boulevard Route for the Eastside Gold Line Light Rail extension.

The Library circulated over 490,834 items and served 479,336 patrons. The Library signed up over 4,700 children during the Summer Reading Program. This program encourages children to pursue literacy year round. A total of 42,300 children participated in a variety of programs, and 2,190 adults participated in the many programs offered by the Library. The Homework Center continues to provide much needed resources through databases and services for students, such as live online tutoring.

The City Clerk-Treasurer Department continued to produce and safeguard accurate quality official records on behalf of the City, Redevelopment Agency, Housing Authority, Public Financing Authority, and Utility Authority. The Department administered the City's General Municipal Election. The Business License Division processed over 8,300 licenses and, with specialized software was able to improve processing and business license record maintenance capabilities. The Department's Information Technology/Records Management Division continued to provide a variety of information services to citizens and staff. The Division has three main functional units: Information Technology, Records Management, and Geographic Information Systems (GIS). This year's major focuses for the IT Unit have been updating the City's central telephone system and supporting the new Police Department building project. The Records Management Unit continues to assist both citizens and staff to research a variety of topics. The unit handled almost 800 requests for information and provided 150 hours of project-specific research. GIS staff continues to add and improve the information layers including zoning, parcels, addresses, street center lines, specific plans, and redevelopment project areas. The City's water and sewer systems were among the layers added. GIS staff has continued to work with the Police Department to maintain their map of both Whittier and Santa Fe Springs for the CAD/RMS system.

The Controller's Department collaborated with City departments on a number of key personnel initiatives. Staff participated in the negotiation process with the Whittier City Employees' Association (WCEA) and negotiated a multi-year contract extension with the Whittier Police Officer's Association (WPOA). Staff continues to manage the accounting, auditing, and budgeting requirements of the City. In addition, the Department continues to oversee the risk management responsibilities of the City for both Workers' Compensation and Liability Risk Management.

For the Future. To assist the City in planning for the future, the City has a five-year capital improvement plan that provides a framework for the development and maintenance of infrastructure to meet current and future needs.

The Police Department will be working toward the completion and occupancy of the new Police Department building. New high technology equipment will augment the new facilities. Additionally, the department is looking into an on-line reporting system which will allow victims to report specific crimes using their personal computers. Such reporting would diminish waiting time and citizen inconvenience while expediting report review and subsequent investigations.

The Parks Department will continue with the educational elements on the Greenway Trail as well as cable fencing and landscape/irrigation upgrades along the Greenway and throughout the Park system as funding becomes available. The Department plans to add landscaping at 5-Points, augment Trail access at Comstock and Pickering and work with Public Works on the installation of a bioswale from Pacific Place to Pickering. The former school-age play area at Parnell Park is proposed to be converted into a rental picnic area and expansion of the "Smart" irrigation central system will include Palm, Penn and Parnell Parks.

The Planning Division has an aggressive project schedule for Fiscal Year 2010-11. It includes the finalizing of development entitlements and an Environmental Impact Report (EIR) for determining the feasibility of oil drilling and production on various City-owned sites within the Whittier Hills. Staff will be working with Kaiser Permanente on a new solar energy project in conjunction with a parking lot carport project. There are also several wireless facilities being proposed, with some being located on City owned property. Staff will continue to monitor post-entitlement projects as well, and continue to work with applicants to address their concerns prior to formal submittal. The work program for the Advanced Planning side of the division includes the creation of a dining and entertainment ordinance, barbed wire fence ordinance, institutional sign ordinance, an oil production ordinance and a demolition/recycling ordinance.

The Engineering Division will complete the construction of the ARRA projects, including new traffic signals, concrete pavement rehabilitation and asphalt overlay projects. Other street rehabilitation projects, such as overlay and annual cyclic slurry seals, will be implemented using Gas Tax, Proposition 1B, and potentially Measure R funds, and continued alley rehabilitation will be done using the Solid Waste Funds. The Engineering Division continues to collaborate with Community Development to develop an Uptown Parking Management Plan, which may include parking meters and a planned parking structure in Uptown Whittier.

Future plans in the Fleet Division are to procure additional CNG powered vehicles, and the Division will look for grant opportunities to subsidize the cost of these vehicles. As the new

Police Facility is finished, Fleet will look to remove and dispose of the old emergency standby generators at City Hall.

The Sewer Division will continue video inspection of sewer lines to comply with the General Waste Discharge Requirements (GWDR's) and to determine future sewer replacement projects. In early 2011, a second sewer crew and sewer jetting truck will begin service to ensure compliance with GWDRs.

The Water Division is developing plans and specifications for the rehabilitation of Pumping Plant II. The work will include a new SCADA system, new pumping plant, and additional water storage.

The Solid Waste Disposal Division will make improvements to the leachate collection system, which will allow leachate collected from the landfill to be directly discharged to the sewer system, rather than being trucked for offsite disposal.

The Community Services Department will continue its commitment to providing high-quality, low-cost, local classes, events and activities for our residents. The Blue Star Banner program will continue to honor the families' whose relatives are serving in the Armed Forces. The Cultural Arts Commission and the Art in Public Places Advisory Committee will be re-evaluating locations for several new art pieces. Sister City will be refocusing its commitment on strengthening its committee and educating the community as to the relationship between the City and Changshu, China. In addition, plans are scheduled to remodel the kitchenette and box office in the theatre, and re-surface the community center gym floor. The Whittier Community Foundation will be conducting the first annual "Fit for Life" 5K run/walk and "Paws 4 a Cause" K-9 fundraisers.

Transit plans for the future include the construction on Phase 1 Bus Stop Improvement Plan. The City of Whittier and Montebello Bus Lines (MBL) entered into an agreement, with MBL providing 80% of the capital costs for Phase 1 of this project using their Federal Transit funding. Montebello funds will provide up to \$660,000 for approximately 18 MBL bus stops within the Whittier City limits. Whittier will provide a 20% match, for a total project cost of \$850,000. The improved amenities at these 18 stops will include a solar bus shelter, bench, trash receptacle, new concrete paving and a solar bus stop pole. The stops will meet current ADA requirements, and increase the safety, comfort and convenience for all of our residents using this bus system. New Dial-A-Ride vehicles are scheduled for purchase to replace current aging vehicles in the fleet. They will be low-floor mini-vans, better suited for our paratransit purposes. Whittier transit staff will continue to coordinate community efforts to bring the Gold Line extension into Whittier.

The Library staff will be working closely with the Library Foundation to continue implementation of the Whittier Reads program and other programming opportunities. Library staff continues to seek outside funding to enhance their programs, services, and facilities.

The Controller's Department will continue to provide a high level of service to all other departments. The department will strive to improve control over the financial data of the City, as well as keep up to date on all new reporting requirements.

Financial Information

Management of the City of Whittier is responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft, or misuse and to ascertain that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

This report includes all funds of the City of Whittier, as well as the opinion of our independent certified public accountants, Mayer Hoffman McCann P.C. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have also been included.

The City is required to contract for an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. As a recipient of Federal, State and county financial assistance, the City is also responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the City of Whittier's single audit, tests are made to determine the adequacy of the internal control structure and the degree of compliance with applicable laws and regulations, including those portions related to Federal financial assistance programs. The City's independent auditors informed staff that the results of the City's single audit for the fiscal year ended June 30, 2010 disclosed no material weakness in the internal control structure or significant violations of applicable laws and regulations.

The budgetary controls maintained by the City of Whittier ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Budgetary control is primarily maintained at the budget code level for the general, special revenue, capital project and debt service funds. Budgetary control is upheld at the object level account. Encumbrances for unperformed contracts for goods and services are recorded for budgetary control purposes in the governmental and fiduciary fund types. Encumbrances outstanding at year-end are reported as a reservation of fund balance.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Whittier for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the twenty first consecutive year that the City has achieved this prestigious award since fiscal year 1987-88. In order to be awarded a Certificate of Achievement, the City

must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

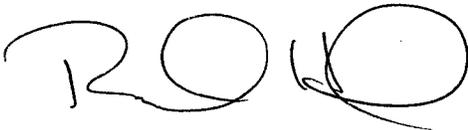
A Certificate of Achievement is valid for a period of one year only. Staff believes that the City's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

Other Information and Acknowledgments

Section 1116 of the Whittier Municipal Charter requires an annual audit by independent certified public accountants. The City selected the accounting firm of Mayer Hoffman McCann P.C. In addition to meeting the requirements of the Charter, an annual audit is designed to meet the requirements of the Single Audit Act of 1984 and related Federal Office of Management and Budget Circular A-133. The auditors' report on the general purpose financial statements and schedules is included in the financial section of this report.

The preparation of this comprehensive annual financial report was accomplished on a timely basis by the dedicated staff of the City Controller's Office. I wish to express my appreciation to them, and all City staff who have assisted in and contributed to the preparation of this comprehensive annual financial report. Appreciation is also expressed to the audit staff of Mayer Hoffman McCann P.C. for their advice and assistance in preparation of this report. Finally, I would like to thank the Mayor, members of City Council, and the City Manager for their continuing support in planning and conducting the financial operation of the City in a responsible and progressive manner.

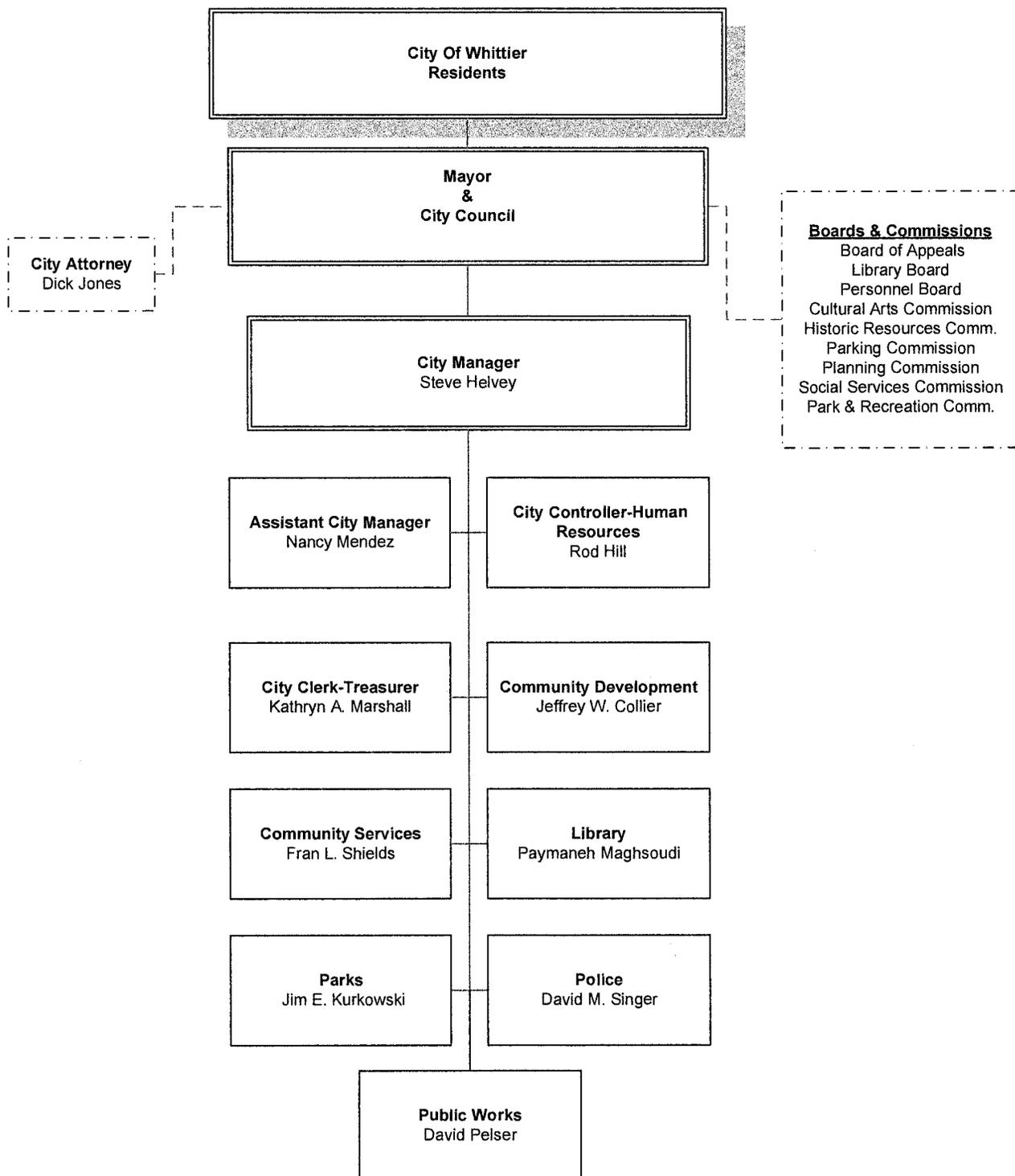
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rod C. Hill', written in a cursive style.

Rod C. Hill
City Controller



City of Whittier Organization Chart



CITY OF WHITTIER

Principal Officers
June 30, 2010

Stephen W. Helvey
City Manager

Nancy L. Mendez
Assistant City Manager

Jeffrey W. Collier
Community Development Director

David M. Singer
Chief of Police

Richard D. Jones
City Attorney

Kathryn A. Marshall
City Clerk/Treasurer

Rod C. Hill
City Controller & Director of Human Resources

Fran Shields
Community Services Director

Paymaneh Maghsoudi
Library Director

James E. Kurkowski
Parks Director

David Pelser
Public Works Director

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Whittier
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "JEFFREY R. EMERY".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EMERY".

Executive Director



City of Whittier

Financial Section



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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Irvine, California 92612

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INDEPENDENT AUDITORS' REPORT

The Members of the City Council
City of Whittier, California

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whittier, California ("City") as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, as of June 30, 2010, the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison information for the general fund and major special revenue fund of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



The Members of the City Council
City of Whittier, California
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2010 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
December 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City's Comprehensive Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's total assets exceeded its liabilities at the close of the 2009-10 fiscal year by \$225.1 million (net assets). Of this amount, \$132.1 million is invested in capital assets, net of related debt; \$9.2 million is restricted for public works; \$6.3 million is restricted for public safety; \$15.3 million is restricted for various projects, and \$62.2 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2.3 million or 1.0 percent from prior fiscal year. Total revenues from all sources were \$89.1 million and total expenses were the \$87.6 million. Of the total revenues, program revenues were \$48.8 million. Program revenues are broken into three categories: Charges for services at \$38.7 million, operating contributions and grants \$6.3 million, and capital contributions and grants at \$3.8 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$110.0 million, a decrease of \$15.6 million in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$16.9 million, or 31.8 percent of the total general fund expenditures.
- During the fiscal year, the City's general fund actual inflows (revenues and other financing sources) were less than final budget by \$0.6 million and actual outflows (expenditures and other financing uses) were \$2.2 million less than budget. This results in the total positive budget and actual variance of \$1.6 million in the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of a series of financial statements and notes to the basic financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the City as a Whole

The statement of net assets and the statement of activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector

companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

The *statement of net assets* and the *statement of activities* present information about the following:

- Governmental activities—All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works, libraries, local transit, parks and recreation and redevelopment. Property taxes, transient occupancy taxes, sales taxes and franchise fees finance most of these activities.
- Component units—The City's governmental activities include the blending of three separate legal entities—the Whittier Redevelopment Agency, the Whittier Public Financing Authority and the Whittier Utility Authority. Although legally separate, these “component units” are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund financial statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- *Governmental funds*—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between *governmental activities* (reported in the statement of net assets and the statement of activities) and *governmental funds* in reconciliation at the bottom of the fund financial statements.

Budgetary comparison statements have been provided for the general and major special revenue funds to demonstrate compliance with the City's annual budget as adopted and amended.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

- *Proprietary funds*—The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City used enterprise funds to account for its Whittier Utility Authority. *Internal service funds* are an accounting device used to

accumulate and allocate costs internally among the City's various functions—such as the City's self-insurance fund and its fleet of vehicles.

The proprietary fund financial statements can be found immediately following the governmental fund financial statements.

Reporting the City's Fiduciary Responsibilities

Fiduciary funds

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. We exclude these activities from the City's other financial statements because the resources of those funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net assets can be found immediately following the proprietary fund financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the statement of fiduciary net assets.

The combining and individual fund statements and schedules can be found immediately following the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental activities. The City reports its sewer, water and solid waste activities as business type activities and reports these activities in the government-wide statements.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Whittier, assets exceeded liabilities by \$225.1 million at the close of the most recent fiscal year. The largest portion of the City's net assets (58.7 percent) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Assets
(in Thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|---|--------------------------------|-------------|---------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Current and other assets | \$144,888 | 156,413 | 50,816 | 39,714 |
| Capital assets | 115,808 | 107,166 | 36,071 | 36,078 |
| Total assets | 260,696 | 263,579 | 86,887 | 75,792 |
| Noncurrent liabilities | 69,528 | 78,067 | 40,613 | 31,097 |
| Other liabilities | 10,726 | 5,627 | 1,635 | 1,787 |
| Total liabilities | 80,254 | 83,694 | 42,248 | 32,884 |
| Net assets: | | | | |
| Invested in capital assets, net of related debt | 105,775 | 98,199 | 26,357 | 26,875 |
| Restricted | 30,522 | 78,484 | 185 | 138 |
| Unrestricted | 44,145 | 3,202 | 18,097 | 15,895 |
| Total net assets | \$180,442 | 179,885 | 44,639 | 42,908 |

A portion of the City's net assets (13.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$62.2 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Capital assets had a net increase of \$8.6 million in the governmental activities. The current year depreciation expense was \$6.6 million. The most significant capital project during the fiscal year was the new police facility construction which began in December 2008 and was completed in October 2010, accumulated cost at the end of the fiscal year was \$24.3 million.

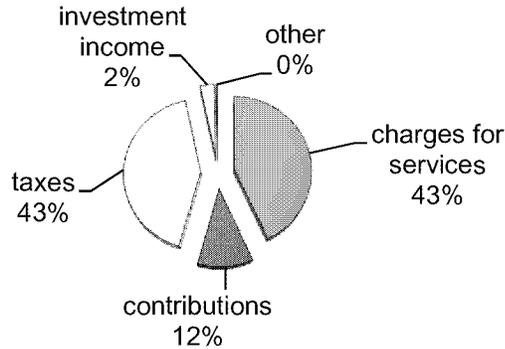
At the end of the current fiscal year, the City's governmental activities had total bonded debt and long-term liabilities of \$69.5 million, which is a decrease of \$8.5 million from the previous fiscal year. Of the total decrease, \$6.8 million was the result of an escrow payment on the 2007 Tax Allocation Bonds. There was a net increase in long term debt for the current fiscal year of \$9.5 million in the business-type activities mainly due to the 2009 Water Revenue Bonds issuance in the amount of \$9.1 million.

The following table indicates the changes in net assets for governmental and business-type activities:

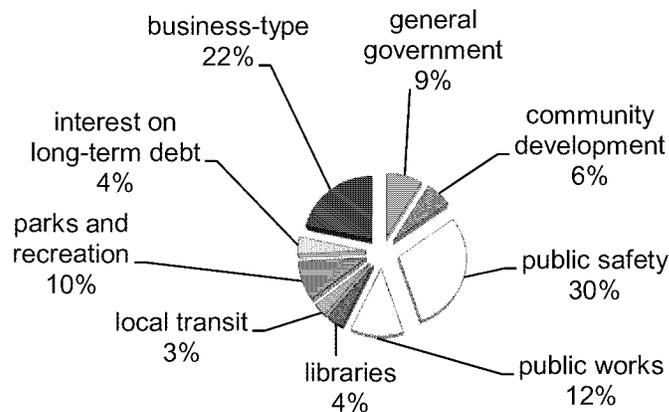
Table 2
Changes in Net Assets
(in Thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|--|--------------------------------|-------------|---------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$20,240 | 24,784 | 18,506 | 18,118 |
| Operating contributions and grants | 5,361 | 6,294 | 896 | 1,187 |
| Capital contributions and grants | 3,300 | 4,521 | 540 | 560 |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes | 9,690 | 13,252 | - | - |
| Transient occupancy taxes | 546 | 577 | - | - |
| Sales taxes | 7,460 | 8,651 | - | - |
| Franchise taxes | 1,914 | 1,718 | - | - |
| Business licenses and tax | 1,712 | 1,778 | - | - |
| Utility users tax | 7,366 | 7,660 | - | - |
| Transit tax | 2,035 | 2,314 | - | - |
| Motor vehicle in lieu, unrestricted | 7,253 | 7,410 | - | - |
| Investment income | 2,162 | 4,404 | 584 | 817 |
| Other | 136 | 16 | 157 | 2 |
| Total revenues | 69,175 | 83,379 | 20,683 | 20,684 |
| Program Expenses: | | | | |
| General government | 7,714 | 7,353 | - | - |
| Public safety | 25,967 | 30,429 | - | - |
| Public works | 10,781 | 11,688 | - | - |
| Community development | 5,598 | 6,414 | - | - |
| Libraries | 3,506 | 3,426 | - | - |
| Transit | 2,730 | 2,604 | - | - |
| Parks and recreation | 8,612 | 10,057 | - | - |
| Sewer | - | - | 1,390 | 1,752 |
| Water | - | - | 8,290 | 14,321 |
| Solid waste | - | - | 9,272 | 9,295 |
| Interest on long-term debt | 3,710 | 4,637 | - | - |
| Total expenses | 68,618 | 76,608 | 18,952 | 25,368 |
| Increase / (decrease) in net assets before transfers | 557 | 6,771 | 1,731 | (4,684) |
| Transfers | - | 914 | - | (914) |
| Increase (decrease) in net assets | 557 | 7,685 | 1,731 | (5,598) |
| Net assets, beginning of year | 179,885 | 172,200 | 42,908 | 48,506 |
| Net assets at end of year | \$180,442 | 179,885 | 44,639 | 42,908 |

FY 2009-10 Total Revenues by Sources



FY 2009-10 Total Expenses



The City’s total revenues for the fiscal year ended June 30, 2010 were \$90.0 million. Of the City’s total revenues, \$38.7 million (43.1 percent) were derived from fees charged for services and \$38.0 million (42.3 percent) were received in taxes.

The City’s total expenses were \$87.6 million, including \$26.0 million (29.7 percent) for public safety mainly resulting from employee services costs, \$10.8 million (12.3 percent) for public works mainly from street improvement projects, and \$19.0 million (21.6 percent) for business-type activities.

Governmental Activities

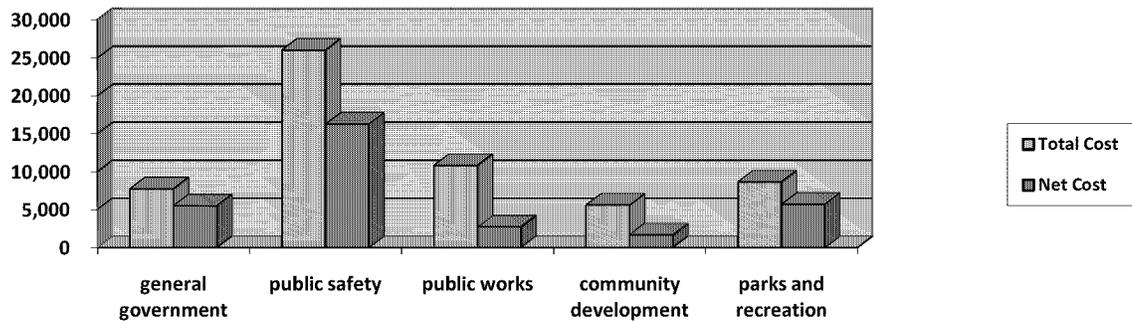
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, community development and parks and recreation—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City’s taxpayers by each of these functions.

**Table 3
Governmental Activities
(in Thousands)**

| | <u>Total Cost of Services</u> | | <u>Net Cost (Revenues) of Services</u> | |
|-----------------------|-------------------------------|---------------|--|---------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| General government | \$ 7,714 | 7,353 | 5,469 | 5,151 |
| Public safety | 25,967 | 30,428 | 16,338 | 20,300 |
| Public works | 10,781 | 11,688 | 2,730 | (4,084) |
| Community development | 5,598 | 6,414 | 1,647 | 2,517 |
| Parks and recreation | 8,612 | 10,057 | 5,682 | 8,052 |
| Total | \$58,672 | 65,940 | 31,866 | 31,936 |

- The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. See the Statement of Activities for further detail on program revenues and general revenues.

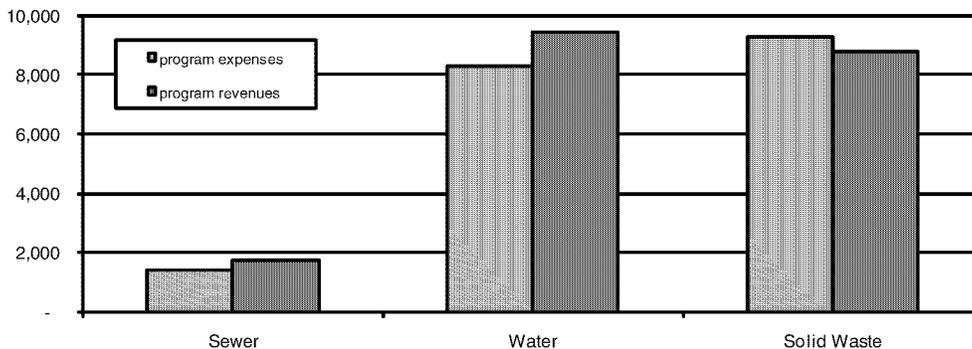
**Net Cost of Services
(in Thousands)**



Business-type Activities

Business-type activities had the net increase of \$1.7 million in City’s net assets. It resulted from the revenues of \$20.7 million and expenses of \$19.0 million during the fiscal year.

Program Expenses and Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unreserved* fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$110.0 million, a decrease of \$15.6 million in comparison with the prior year. \$50.6 million of this total amount constitutes *unreserved fund balances*, which is available for spending at the City's discretion. \$46.7 million of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed: 1) to reflect long-term advances and notes of \$21.5 million; 2) for continuing appropriations and encumbrances of \$19.6 million; and 3) for land held for resale in the amount of \$5.6 million. The remaining fund balance is unreserved, but designated for various purposes in the amount of \$12.7 million.

Revenues for governmental funds overall totaled \$79.2 million for the current fiscal year, a decrease of \$6.2 million or 7.3 percent over the prior fiscal year, mainly due to the decrease of \$4.5 million in charge for services mostly resulting from the advance lease payment in fiscal year 2008-09 from the Whittier Utility Authority, and the decrease of interest income of \$2.5 million. Expenditures for governmental funds totaled \$96.0 million, increased by \$12.1 million or 14.3 percent over the prior fiscal year, mainly due to the tax allocation bond escrow payment of \$6.2 million and \$3.0 million payment towards the State's Supplemental Educational Revenue Augmentation Fund (SERAF).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$16.9 million, while total fund balance was \$36.4 million. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Unreserved fund balance represents 31.9 percent of total general fund expenditures, while total fund balance represents 68.6 percent of that same amount.

The fund balance of the City's general fund had decreased by \$6.2 million during the current fiscal year. This represented a decrease of \$1.7 million in net change in fund balances from the prior year. Key factors for this change are as follows:

- A decrease of \$1.2 million in sales tax revenues from the prior fiscal year due to decreased consumer spending.
- A decrease of \$3.6 million in property tax revenues from the prior year was mainly due to the decrease in housing value.
- A decrease of \$0.5 million in interest earnings from the prior year due to lower interest rate compared to the prior fiscal year.
- A decrease of \$4.6 million in charges for services revenues from the prior year was mainly due to the \$4.5 million advance water lease payment made in the prior fiscal year.
- An increase of \$5.0 million in revenue from prior year due to the sale of the Alpha Beta site to the Whittier Redevelopment Agency.

The transit special revenue fund had a total fund balance of \$5.0 million, a slight increase of \$78,000 during the current fiscal year. This represented a decrease of \$0.4 million on net change in fund balances from the prior year as a result from lower local transit tax received and lower interest income.

The redevelopment agency low/moderate housing special revenue fund had a total fund balance of \$24.2 million, a net decrease of \$1.5 million during the current fiscal year. This represented a decrease of \$2.5 million on net change in fund balances from the prior year. The significant change was due to the transfer out of \$1.9 million to the General Fund for the purchase of land held for resale.

The subventions and grants special revenue fund had a deficit of \$1.2 million, a deficit decrease of \$2.2 million in fund balance from the prior year. The main reason was the result of pending reimbursements from governmental agencies for prior year expenditures received in this current fiscal year.

The redevelopment agency debt services fund had a fund balance of \$13.7 million. The fund balance decreased by \$14.1 million during the current fiscal year. The key revenues in the fiscal year were the tax increment revenues of \$7.5 million, and sales tax loan proceeds from the City of \$1.3 million. The significant expenditures incurred during the fiscal year were for the escrow payment of \$6.2 million of 2007 Series A Tax Allocation Bond, and \$3.0 million of the agency's required SERAF payment.

The capital outlay capital projects fund had a fund balance of \$6.2 million, a slight increase of \$0.2 million in fund balance from the prior year. The increase was mainly due to funding from general fund received, not yet spent.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City maintains two types of proprietary funds. The City uses an enterprise fund to account for sewer maintenance, water utility and solid waste operations. The City uses internal service fund to account for services provided to other funds, departments of the City and its component units.

Enterprise funds

The City used enterprise funds to account for sewer maintenance, water utility and solid waste operations of the Whittier Utility Authority. At the end of the current fiscal year, unrestricted net assets of the Authority were \$18.1 million with an increase of \$1.7 million in total net assets.

Internal service funds

The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance and workers' compensation insurance, vehicle operations and maintenance, vehicle and other equipment replacement. As of June 30, 2010, unrestricted net assets of the internal service funds were \$10.4 million, with a total increase in net assets of \$2.8 million. The services provided by the internal service funds have

been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

General Fund Budgetary Highlights

In the General Fund differences between the original adopted budget and the final budget for expenditures resulted in an increase in appropriation of \$1.2 million that can be briefly summarized as follows:

- \$463,831 increase allocated to general government expenditures for City Treasurer and City planning
- \$92,933 increase allocated to public safety expenditures for building and safety
- \$239,539 increase allocated to the Library department
- \$300,482 increase allocated to the Park and Community Services departments
- \$241,535 increase allocated to the Public Works department

The budget to actual variance in appropriations was principally due to conservative estimates at mid-year by management and the City's continued efforts to control expenditures. Actual total revenues were less than the final budget by \$2.5 million or 4.3 percent, mainly due to unfavorable variance of \$1.6 million in taxes. Budget amendments and supplemental appropriations were made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010, the City had \$151.9 million (net of accumulated depreciation of \$108.4 million) invested in a broad range of capital assets, including police equipment, buildings, land, rights-of-way, trees, park facilities, machinery and equipment, and roads. (See Table 4 below and relevant disclosures in the note 7 to the basic financial statements.) This amount represents a net increase (including additions and deductions) of \$8.6 million, or 6.0 percent, over last year. The total depreciation for the year was \$7.7 million.

Table 4
Capital Assets at Year-end
(net of depreciation, in Thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|----------------------------|--------------------------------|----------------|---------------------------------|---------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Land and trees | \$29,433 | 32,293 | 2,827 | 2,827 |
| Rights of way | 5,326 | 5,326 | - | - |
| Construction in progress | 24,746 | 8,675 | 1,209 | 1,162 |
| Buildings and improvements | 16,609 | 17,253 | 31,851 | 31,952 |
| Machinery and equipment | 7,443 | 7,973 | 184 | 137 |
| Infrastructure | 32,251 | 35,646 | - | - |
| Total | \$115,808 | 107,166 | 36,071 | 36,078 |

The City's five-year Capital Improvement Plan project spending another \$68.6 million through fiscal year 2014-2015. Typically, larger projects are funded and completed over several fiscal years. Funding will come from current available bond proceeds, current fund balances, and projected revenues over the next five years. The most significant projects include the pumping

plant replacement construction of \$13.5 million using water bonds proceeds, upgrading and maintaining the City's landfill of \$4.6 million, alley improvement program of \$2.0 million, water main and other water related improvements of \$10.4 million, sewer maintenance and replacement of \$7.4 million, mobile equipment replacement of \$1.0 million, bus stop improvement of \$2.9 million, and various pavement and street improvements of \$15.8 million principally from special revenue funds.

Long-term debt

As of June 30, 2010, the City had \$110.1 million in tax allocation and revenue bonds, developer loans, claims payable, net OPEB liability, compensated absences and landfill closure and postclosure outstanding versus \$109.2 million last year— an increase of \$977,000—as shown in Table 5 and note 8 to the basic financial statements. Of this amount, \$75.2 million represented total bonded debt outstanding, \$4.9 million represented claims payable, \$4.7 million represented developer loans payable, \$4.6 million represented compensated absences, and \$19.9 million represented landfill closure and postclosure, and \$0.8 million represented net OPEB liability. Deductions include repayment of outstanding principal totaling \$15.0 million.

Table 5
Outstanding Debt, at Year-end
(in Thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|----------------------------------|--------------------------------|-------------|---------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Compensated absences | \$4,341 | 4,074 | 288 | 365 |
| Developer loans payable | 4,756 | 4,527 | - | - |
| Tax allocation bonds | 34,370 | 41,180 | - | - |
| Revenue bonds | 20,465 | 21,100 | 20,335 | 11,800 |
| Landfill closure and postclosure | - | - | 19,894 | 18,888 |
| Claims payable | 4,922 | 6,844 | - | - |
| Net OPEB liability | 674 | 342 | 96 | 44 |
| Total | \$69,528 | 78,067 | 40,613 | 31,097 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy of the City is based on the citizens as well as retail sales. Over 38% of the City's General Fund revenues come from tax revenues.

The City's budget (2010-11) takes into account the historical consumer trends and current economic factors. An overall increase of \$4.5 million or 8% over the General Fund's operating revenue budgeted in 2009-10 is forecasted, primarily due to an increase in lease revenue. For fiscal year 2010-11, sales tax revenue is estimated to decrease 10% over the 2009-10 adopted budget, due to another projected economically difficult year. Property tax revenue has estimated revenue of \$4.5 million, which represents a 3% decrease over the 2009-10 projected revenue. Operating expenditures have been projected at \$59.6 million in General Fund. The City's General Fund is projected to have a balanced budget for fiscal year 2010-11, which includes approximately 4% in expenditure reductions, 11% increase in franchise fee, and modest fee increases for recreational activities and the merger of the Parks and Community Services departments. It is estimated that the General Fund will have a balance of approximately \$15.3 million at the end of fiscal year 2010-11.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Controller's Department, at the City of Whittier, 13230 E. Penn Street, Whittier, California 90602-1772.

CITY OF WHITTIER
Statement of Net Assets
June 30, 2010

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|--------------------|
| Assets: | | | |
| Cash and investments (note 3) | \$ 77,354,028 | 27,398,985 | 104,753,013 |
| Restricted assets: | | | |
| Cash and investments (note 3) | 2,600,029 | 8,225,367 | 10,825,396 |
| Cash and investments with fiscal agents (note 3) | 41,073,358 | 10,645,950 | 51,719,308 |
| Accounts receivable | - | 27,677 | 27,677 |
| Interest receivable | - | 30,827 | 30,827 |
| Receivables: | | | |
| Intergovernmental | 9,784,360 | - | 9,784,360 |
| Accounts | 599,539 | 3,199,607 | 3,799,146 |
| Notes and loans (note 5) | 6,187,852 | - | 6,187,852 |
| Interest | 364,463 | 71,776 | 436,239 |
| Inventory | - | 295,735 | 295,735 |
| Due from fiduciary funds (note 6) | 203,294 | - | 203,294 |
| Prepaid items | 16,623 | - | 16,623 |
| Deferred charges, net of accumulated amortization | 1,103,046 | 920,373 | 2,023,419 |
| Land held for resale (note 4) | 5,601,204 | - | 5,601,204 |
| Capital assets not being depreciated (note 7) | 59,504,536 | 4,036,292 | 63,540,828 |
| Capital assets being depreciated, net (note 7) | 56,303,585 | 32,034,644 | 88,338,229 |
| Total assets | <u>260,695,917</u> | <u>86,887,233</u> | <u>347,583,150</u> |
| Liabilities: | | | |
| Accounts payable | 8,515,405 | 1,321,723 | 9,837,128 |
| Accrued liabilities | 1,387,037 | 191,987 | 1,579,024 |
| Accrued interest payable | 417,930 | 121,450 | 539,380 |
| Deposits payable | 199,869 | - | 199,869 |
| Unearned revenue | 205,231 | - | 205,231 |
| Noncurrent liabilities (note 8): | | | |
| Due within one year | 6,488,054 | 884,933 | 7,372,987 |
| Due in more than one year | 63,040,362 | 39,727,726 | 102,768,088 |
| Total liabilities | <u>80,253,888</u> | <u>42,247,819</u> | <u>122,501,707</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 105,774,732 | 26,357,454 | 132,132,186 |
| Restricted for: | | | |
| Public safety | 6,255,521 | - | 6,255,521 |
| Library | 142,009 | - | 142,009 |
| Public works | 9,165,706 | - | 9,165,706 |
| Water | - | 185,034 | 185,034 |
| Transit | 5,027,359 | - | 5,027,359 |
| Community development | 9,931,345 | - | 9,931,345 |
| Unrestricted | 44,145,357 | 18,096,926 | 62,242,283 |
| Total net assets | <u>\$ 180,442,029</u> | <u>44,639,414</u> | <u>225,081,443</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Activities
Year Ended June 30, 2010

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|------------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ (7,714,195) | 2,128,106 | 116,659 | - |
| Public safety | (25,966,890) | 9,416,572 | 212,336 | - |
| Libraries | (3,505,402) | 719,325 | 387,799 | - |
| Parks and recreation | (8,611,404) | 2,339,520 | 589,724 | - |
| Public works | (10,781,204) | 3,353,435 | 1,992,864 | 2,705,097 |
| Transit | (2,730,368) | 175,515 | 218,277 | 594,422 |
| Community development | (5,598,151) | 2,107,441 | 1,843,843 | - |
| Interest on long-term debt | (3,709,844) | - | - | - |
| Total governmental activities | (68,617,458) | 20,239,914 | 5,361,502 | 3,299,519 |
| Business-type activities: | | | | |
| Sewer | (1,389,697) | 1,739,494 | - | - |
| Water | (8,289,445) | 8,556,241 | 867,545 | - |
| Solid waste | (9,272,079) | 8,210,037 | 28,756 | 539,640 |
| Total business-type activities | (18,951,221) | 18,505,772 | 896,301 | 539,640 |
| Total primary government | \$ (87,568,679) | 38,745,686 | 6,257,803 | 3,839,159 |

General revenues and transfers:

Taxes:

- Property taxes, net
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses tax
- Utility users tax
- Transit tax
- Motor vehicle in lieu tax, unrestricted
- Investment income
- Other
- Gain on sale of capital assets

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Assets

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|---------------------|
| (5,469,430) | - | (5,469,430) |
| (16,337,982) | - | (16,337,982) |
| (2,398,278) | - | (2,398,278) |
| (5,682,160) | - | (5,682,160) |
| (2,729,808) | - | (2,729,808) |
| (1,742,154) | - | (1,742,154) |
| (1,646,867) | - | (1,646,867) |
| (3,709,844) | - | (3,709,844) |
| <u>(39,716,523)</u> | <u>-</u> | <u>(39,716,523)</u> |
| - | 349,797 | 349,797 |
| - | 1,134,341 | 1,134,341 |
| - | (493,646) | (493,646) |
| <u>-</u> | <u>990,492</u> | <u>990,492</u> |
| <u>(39,716,523)</u> | <u>990,492</u> | <u>(38,726,031)</u> |
| 9,690,127 | - | 9,690,127 |
| 546,065 | - | 546,065 |
| 7,460,088 | - | 7,460,088 |
| 1,914,199 | - | 1,914,199 |
| 1,711,538 | - | 1,711,538 |
| 7,365,543 | - | 7,365,543 |
| 2,035,104 | - | 2,035,104 |
| 7,252,691 | - | 7,252,691 |
| 2,162,020 | 583,587 | 2,745,607 |
| 127,641 | 150,681 | 278,322 |
| 8,634 | 6,551 | 15,185 |
| <u>40,273,650</u> | <u>740,819</u> | <u>41,014,469</u> |
| 557,127 | 1,731,311 | 2,288,438 |
| 179,884,902 | 42,908,103 | 222,793,005 |
| <u>180,442,029</u> | <u>44,639,414</u> | <u>225,081,443</u> |

CITY OF WHITTIER
Balance Sheet
Governmental Funds
June 30, 2010

| | General Fund | Special Revenue Funds | |
|---|----------------------|-----------------------|--------------------------------------|
| | | Transit Fund | Redevelopment Agency Low/Mod Housing |
| Assets: | | | |
| Cash and investments | \$ 23,340,434 | 5,185,061 | 5,230,463 |
| Restricted assets: | | | |
| Cash and investments | - | - | - |
| Cash and investments with fiscal agents | - | - | 15,417,196 |
| Receivables: | | | |
| Intergovernmental | 7,609,934 | 144,724 | 100,404 |
| Accounts | 541,448 | 8,152 | - |
| Notes and loans | 472,481 | - | 2,172,632 |
| Interest | 93,899 | 13,681 | 31,707 |
| Due from other funds (Note 6) | 575,385 | - | 4,475 |
| Advances to other funds (Note 6) | 7,538,549 | - | 3,234,038 |
| Prepaid items | 12,945 | - | - |
| Land held for resale | - | - | 3,058,920 |
| Total assets | <u>\$ 40,185,075</u> | <u>5,351,618</u> | <u>29,249,835</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 845,748 | 166,999 | 5,022,401 |
| Accrued liabilities | 1,250,024 | 14,587 | - |
| Due to other funds (Note 6) | - | - | - |
| Deferred revenue | 1,543,766 | 142,673 | - |
| Deposits payable | 169,921 | - | - |
| Advances from other funds (Note 6) | - | - | - |
| Total liabilities | <u>3,809,459</u> | <u>324,259</u> | <u>5,022,401</u> |
| Fund Balances (Deficit): | | | |
| Reserved: | | | |
| Reserved for encumbrances | 66,257 | 577,509 | - |
| Reserved for prepaid items | 12,945 | - | - |
| Reserved for continuing appropriations | 603,593 | 575,335 | 2,825,592 |
| Reserved for long-term advances and notes | 6,726,507 | - | 5,406,670 |
| Reserved for land held for resale | - | - | 3,058,920 |
| Unreserved, designated for, reported in: | | | |
| General fund | 12,071,231 | - | - |
| Special revenue funds | - | 617,243 | - |
| Unreserved, undesignated reported in: | | | |
| General fund | 16,895,083 | - | - |
| Special revenue funds | - | 3,257,272 | 12,936,252 |
| Debt service funds | - | - | - |
| Capital projects funds | - | - | - |
| Total fund balances (deficit) | <u>36,375,616</u> | <u>5,027,359</u> | <u>24,227,434</u> |
| Total liabilities and fund balances | <u>\$ 40,185,075</u> | <u>5,351,618</u> | <u>29,249,835</u> |

See accompanying notes to the basic financial statements.

| Subventions and Grants | Debt Service Fund Redevelopment Agency Fund | Capital Projects Fund Capital Outlay | Non-major Governmental Funds | Total Governmental Funds |
|------------------------|--|--|------------------------------------|--------------------------------|
| 212,093 | 5,273,199 | 7,281,615 | 10,738,620 | 57,261,485 |
| - | - | - | 2,600,029 | 2,600,029 |
| - | 25,037,957 | - | 618,205 | 41,073,358 |
| 437,657 | 288,837 | - | 1,202,804 | 9,784,360 |
| - | - | - | 6,178 | 555,778 |
| - | - | - | 3,542,739 | 6,187,852 |
| 154 | 41,759 | 7,043 | 136,864 | 325,107 |
| - | - | - | 51,773 | 631,633 |
| - | - | - | 5,770,000 | 16,542,587 |
| - | - | - | - | 12,945 |
| - | - | - | 2,542,284 | 5,601,204 |
| 649,904 | 30,641,752 | 7,288,658 | 27,209,496 | 140,576,338 |
| 89,506 | 340,708 | 1,088,741 | 546,847 | 8,100,950 |
| 4,778 | - | 417 | 39,978 | 1,309,784 |
| - | 51,773 | - | 376,566 | 428,339 |
| 1,792,711 | - | - | 513,670 | 3,992,820 |
| - | - | - | 29,948 | 199,869 |
| - | 16,542,587 | - | - | 16,542,587 |
| 1,886,995 | 16,935,068 | 1,089,158 | 1,507,009 | 30,574,349 |
| 96,692 | - | 3,565,461 | 1,910,500 | 6,216,419 |
| - | - | - | - | 12,945 |
| 545,500 | - | 103,546 | 8,747,311 | 13,400,877 |
| - | - | - | 9,312,739 | 21,445,916 |
| - | - | - | 2,542,284 | 5,601,204 |
| - | - | - | - | 12,071,231 |
| - | - | - | - | 617,243 |
| - | - | - | - | 16,895,083 |
| (1,879,283) | - | - | (77,874) | 14,236,367 |
| - | 13,706,684 | - | 618,412 | 14,325,096 |
| - | - | 2,530,493 | 2,649,115 | 5,179,608 |
| (1,237,091) | 13,706,684 | 6,199,500 | 25,702,487 | 110,001,989 |
| 649,904 | 30,641,752 | 7,288,658 | 27,209,496 | 140,576,338 |



CITY OF WHITTIER
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds \$ 110,001,989

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds (including internal service funds).

| | |
|---|--------------|
| Capital assets - governmental funds | 191,218,803 |
| Capital assets - internal service funds | 15,810,315 |
| Accumulated depreciation - governmental funds | (81,261,783) |
| Accumulated depreciation - internal service funds | (9,959,214) |

Long-term debt has not been included in the governmental funds.

| | |
|------------------------------|--------------|
| Developer loans payable | (4,756,315) |
| Tax allocation bonds payable | (34,370,000) |
| Revenue bonds payable | (20,465,000) |
| Net OPEB liability | (673,666) |

Certain accounts and intergovernmental receivables are not available to pay for current-period expenditures and, therefore, are offset by deferred revenue in the governmental funds.

3,787,589

Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.

1,103,046

Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.

(417,930)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net assets (net of capital assets and long-term debt reported above).

| | |
|-----------------------------|-------------|
| Claims payable | (4,922,543) |
| Compensated absences | (4,340,892) |
| Other asset and liabilities | 19,687,630 |

| | |
|---------------------------------------|----------------|
| Net assets of governmental activities | \$ 180,442,029 |
|---------------------------------------|----------------|

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

| | Special Revenue Funds | | |
|--|-----------------------|-----------------|--|
| | General | Transit Fund | Redevelopment Agency Low/Mod Housing |
| Revenues: | | | |
| Taxes | \$ 28,735,370 | 2,023,794 | 1,881,035 |
| Licenses and permits | 3,072,798 | - | - |
| Fines and forfeits | 839,833 | - | - |
| Use of money and property | 1,631,955 | 161,993 | 173,876 |
| Intergovernmental | 627,153 | 355,769 | - |
| Charges for services | 17,379,427 | 54,450 | - |
| Other | 3,410,303 | 48,639 | - |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 55,696,839 | 2,644,645 | 2,054,911 |
| Expenditures: | | | |
| Current: | | | |
| General government | 7,796,820 | - | - |
| Public safety | 28,487,630 | - | - |
| Libraries | 3,089,413 | - | - |
| Parks and recreation | 8,563,508 | - | - |
| Public works | 4,455,201 | - | - |
| Local transit | - | 2,567,094 | - |
| Community development | 668,357 | - | 456,809 |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal | - | - | 295,000 |
| Interest and fiscal charges | - | - | 910,846 |
| Pass through agreements | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 53,060,929 | 2,567,094 | 1,662,655 |
| Excess (deficiency) of revenues over (under) expenditures | <hr/> | <hr/> | <hr/> |
| | 2,635,910 | 77,551 | 392,256 |
| Other financing sources (uses): | | | |
| Proceeds from loans | - | - | - |
| Transfers in (note 6) | 3,252,156 | - | - |
| Transfers out (note 6) | (12,095,024) | - | (1,926,856) |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | (8,842,868) | - | (1,926,856) |
| Net change in fund balances | (6,206,958) | 77,551 | (1,534,600) |
| Fund balances (deficit), beginning | <hr/> | <hr/> | <hr/> |
| | 42,582,574 | 4,949,808 | 25,762,034 |
| Fund balances (deficit), ending | <hr/> | <hr/> | <hr/> |
| | \$ 36,375,616 | 5,027,359 | 24,227,434 |

See accompanying notes to the basic financial statements.

| | Debt Service Fund | Capital Projects Fund | | |
|------------------------|---------------------------|-----------------------|------------------------------|--------------------------|
| Subventions and Grants | Redevelopment Agency Fund | Capital Outlay | Non-major Governmental Funds | Total Governmental Funds |
| - | 7,524,138 | - | 1,916,581 | 42,080,918 |
| - | - | - | 108,804 | 3,181,602 |
| - | - | - | 625,136 | 1,464,969 |
| 723 | 207,575 | 58,769 | 509,762 | 2,744,653 |
| 2,818,708 | - | - | 4,906,417 | 8,708,047 |
| - | - | - | 36,781 | 17,470,658 |
| - | - | - | 64,571 | 3,523,513 |
| 2,819,431 | 7,731,713 | 58,769 | 8,168,052 | 79,174,360 |
| - | - | - | - | 7,796,820 |
| 53,303 | - | - | 436,166 | 28,977,099 |
| 337,507 | - | - | 35,200 | 3,462,120 |
| 61,987 | - | - | - | 8,625,495 |
| 129,351 | - | - | 1,057,920 | 5,642,472 |
| - | - | - | - | 2,567,094 |
| - | 1,622,892 | - | 3,183,994 | 5,932,052 |
| - | - | 16,065,986 | - | 16,065,986 |
| - | 7,899,325 | - | 275,000 | 8,469,325 |
| - | 2,537,484 | - | 320,582 | 3,768,912 |
| - | 4,644,362 | - | - | 4,644,362 |
| 582,148 | 16,704,063 | 16,065,986 | 5,308,862 | 95,951,737 |
| 2,237,283 | (8,972,350) | (16,007,217) | 2,859,190 | (16,777,377) |
| - | 1,254,088 | - | - | 1,254,088 |
| - | 357,500 | 16,328,104 | 2,432,496 | 22,370,256 |
| - | (6,697,022) | (73,231) | (1,686,350) | (22,478,483) |
| - | (5,085,434) | 16,254,873 | 746,146 | 1,145,861 |
| 2,237,283 | (14,057,784) | 247,656 | 3,605,336 | (15,631,516) |
| (3,474,374) | 27,764,468 | 5,951,844 | 22,097,151 | 125,633,505 |
| (1,237,091) | 13,706,684 | 6,199,500 | 25,702,487 | 110,001,989 |

CITY OF WHITTIER
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2010

Net changes in fund balances - total governmental funds \$ (15,631,516)

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 their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period (includes internal service funds).

| | |
|--|-------------|
| Depreciation expense | (6,556,776) |
| Reclass of expenditures for purchases of capital assets recorded in governmental funds. | 18,490,926 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, retirements) is to decrease net assets. | (3,292,054) |

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

| | |
|--------------------|-----------|
| Bond principal | 7,445,000 |
| Notes payable | 1,024,325 |
| Net OPEB liability | 369,478 |

Issuance of tax allocation bonds and developer loan additions are reported as financial sources in governmental funds, which contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

| | |
|----------------|-------------|
| Loan additions | (1,254,088) |
|----------------|-------------|

| | |
|--|--------|
| The statement of net assets includes accrued interest on long term debt. | 59,068 |
|--|--------|

| | |
|--|-------------|
| Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting. | (2,540,039) |
|--|-------------|

| | |
|--|----------|
| Change in deferred charges that has not been reported in the governmental funds. | (39,372) |
|--|----------|

| | |
|---|-----------|
| Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. | (311,818) |
|---|-----------|

| | |
|--|-----------|
| Expenses reported in the statement of activities which do not require the use of current financial resources are not reported as expenditures in governmental funds. | (701,052) |
|--|-----------|

Internal service funds are not governmental funds. However, they are used by management to charge the net costs of certain activities, such as insurance, maintenance and vehicle replacement, to individual government funds. The net revenue of the internal service funds is reported with governmental activities.

3,495,045

| | |
|---|-------------------|
| Change in net assets of governmental activities | <u>\$ 557,127</u> |
|---|-------------------|

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 30,385,000 | 30,385,000 | 28,735,370 | (1,649,630) |
| Licenses and permits | 2,475,178 | 2,475,178 | 3,072,798 | 597,620 |
| Fines and forfeits | 691,750 | 691,750 | 839,833 | 148,083 |
| Use of money and property | 1,402,730 | 1,402,730 | 1,631,955 | 229,225 |
| Intergovernmental | 434,900 | 434,900 | 627,153 | 192,253 |
| Charges for services | 17,402,509 | 17,534,949 | 17,379,427 | (155,522) |
| Other | 5,199,665 | 5,287,765 | 3,410,303 | (1,877,462) |
| Total revenues | <u>57,991,732</u> | <u>58,212,272</u> | <u>55,696,839</u> | <u>(2,515,433)</u> |
| Expenditures: | | | | |
| General government: | | | | |
| City council | 34,198 | 38,698 | 28,356 | 10,342 |
| City clerk | 627,592 | 627,592 | 595,760 | 31,832 |
| City attorney | 300,524 | 300,524 | 487,100 | (186,576) |
| Elections | 83,559 | 138,559 | 124,685 | 13,874 |
| City manager | 684,289 | 690,389 | 672,585 | 17,804 |
| City controller | 1,535,544 | 1,555,967 | 1,256,770 | 299,197 |
| City treasurer | 452,516 | 469,156 | 283,811 | 185,345 |
| Business license | 225,685 | 232,685 | 196,445 | 36,240 |
| Human resources | 492,294 | 493,194 | 425,243 | 67,951 |
| Civic center maintenance | 1,178,035 | 1,183,236 | 1,134,247 | 48,989 |
| Non-Departmental | 1,086,000 | 1,099,534 | 1,109,945 | (10,411) |
| City planning | 978,979 | 1,303,012 | 857,446 | 445,566 |
| Fireworks show | 9,991 | 9,991 | 12,744 | (2,753) |
| Chamber of commerce | 46,400 | 46,400 | 46,400 | - |
| Employee special events | 8,000 | 8,000 | 8,116 | (116) |
| Public information services | 73,208 | 83,708 | 50,773 | 32,935 |
| Graffiti removal program | 393,053 | 393,053 | 323,223 | 69,830 |
| Social services | 185,175 | 185,175 | 184,798 | 377 |
| Total general government | <u>8,395,042</u> | <u>8,858,873</u> | <u>7,798,447</u> | <u>1,060,426</u> |
| Public safety: | | | | |
| Police department | 27,404,014 | 27,422,007 | 27,270,656 | 151,351 |
| Disaster preparedness | 35,126 | 35,126 | 37,617 | (2,491) |
| Code enforcement | 511,756 | 511,756 | 485,403 | 26,353 |
| Building and safety | 755,064 | 830,064 | 728,385 | 101,679 |
| Total public safety | <u>28,705,960</u> | <u>28,798,953</u> | <u>28,522,061</u> | <u>276,892</u> |
| Libraries | | | | |
| Total libraries | <u>3,054,977</u> | <u>3,294,516</u> | <u>3,089,413</u> | <u>205,103</u> |
| Parks and recreation | | | | |
| Parks and recreation | 4,859,932 | 5,038,977 | 5,076,431 | (37,454) |
| Community services | 3,349,886 | 3,471,323 | 3,509,633 | (38,310) |
| Total parks and recreation | <u>8,209,818</u> | <u>8,510,300</u> | <u>8,586,064</u> | <u>(75,764)</u> |

(continued)

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public works: | | | | |
| Weed control | 4,700 | 4,700 | 1,905 | 2,795 |
| Street lighting | 471,906 | 471,906 | 529,785 | (57,879) |
| Street maintenance | 3,567,846 | 3,744,416 | 3,360,705 | 383,711 |
| Traffic signals | 355,479 | 368,752 | 331,254 | 37,498 |
| City engineering | 308,928 | 360,620 | 239,195 | 121,425 |
| Total public works | <u>4,708,859</u> | <u>4,950,394</u> | <u>4,462,844</u> | <u>487,550</u> |
| Community development: | | | | |
| Community development | 772,867 | 772,867 | 668,357 | 104,510 |
| Total community development | <u>772,867</u> | <u>772,867</u> | <u>668,357</u> | <u>104,510</u> |
| Total expenditures | <u>53,847,523</u> | <u>55,185,903</u> | <u>53,127,186</u> | <u>2,058,717</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,144,209</u> | <u>3,026,369</u> | <u>2,569,653</u> | <u>(456,716)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from loans | (2,355,000) | (2,355,000) | (2,075,853) | 279,147 |
| Transfers in | 1,325,300 | 1,325,300 | 3,252,156 | 1,926,856 |
| Transfers out | (11,995,034) | (11,995,034) | (12,095,024) | (99,990) |
| Total other financing sources (uses) | <u>(13,024,734)</u> | <u>(13,024,734)</u> | <u>(10,918,721)</u> | <u>2,106,013</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures | <u>(8,880,525)</u> | <u>(9,998,365)</u> | <u>(8,349,068)</u> | <u>1,649,297</u> |
| Adjustments: | | | | |
| To adjust for encumbrances | - | - | 66,257 | 66,257 |
| To adjust for loan repayments | 2,355,000 | 2,355,000 | 2,075,853 | (279,147) |
| Total adjustments | <u>2,355,000</u> | <u>2,355,000</u> | <u>2,142,110</u> | <u>(212,890)</u> |
| Net change in fund balance (US GAAP basis) | (6,525,525) | (7,643,365) | (6,206,958) | 1,436,407 |
| Fund balance at beginning of year | <u>42,582,574</u> | <u>42,582,574</u> | <u>42,582,574</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 36,057,049</u> | <u>34,939,209</u> | <u>36,375,616</u> | <u>1,436,407</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Transit Special Revenue Fund
Year Ended June 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|---|-------------------------|------------------|------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Taxes | \$ 2,568,661 | 2,568,661 | 2,023,794 | (544,867) |
| Use of money and property | 183,200 | 183,200 | 161,993 | (21,207) |
| Intergovernmental | 363,000 | 844,609 | 355,769 | (488,840) |
| Charges for services | 58,200 | 58,200 | 54,450 | (3,750) |
| Other | 44,000 | 44,000 | 48,639 | 4,639 |
| Total revenues | <u>3,217,061</u> | <u>3,698,670</u> | <u>2,644,645</u> | <u>(1,054,025)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Local transit | 2,960,550 | 4,069,243 | 3,144,603 | 924,640 |
| Total expenditures | <u>2,960,550</u> | <u>4,069,243</u> | <u>3,144,603</u> | <u>924,640</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>256,511</u> | <u>(370,573)</u> | <u>(499,958)</u> | <u>(129,385)</u> |
| Adjustments: | | | | |
| To adjust for encumbrances | - | - | 577,509 | 577,509 |
| Total adjustments | <u>-</u> | <u>-</u> | <u>577,509</u> | <u>577,509</u> |
| Net change in fund balance (US GAAP basis) | 256,511 | (370,573) | 77,551 | 448,124 |
| Fund balance at beginning of year | <u>4,949,808</u> | <u>4,949,808</u> | <u>4,949,808</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 5,206,319</u> | <u>4,579,235</u> | <u>5,027,359</u> | <u>448,124</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Agency Low/Mod Housing Special Revenue Fund
Year Ended June 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--|-------------------------|--------------------|--------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | Final Budget |
| | | | | (Negative) |
| Revenues: | | | | |
| Taxes | \$ 1,981,000 | 1,981,000 | 1,881,035 | (99,965) |
| Use of money and property | 292,500 | 292,500 | 173,876 | (118,624) |
| Total revenues | <u>2,273,500</u> | <u>2,273,500</u> | <u>2,054,911</u> | <u>(218,589)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 462,903 | 9,428,295 | 456,809 | 8,971,486 |
| Debt service: | | | | |
| Principal | 295,000 | 295,000 | 295,000 | - |
| Interest and fiscal charges | 912,295 | 912,295 | 910,846 | 1,449 |
| Total expenditures | <u>1,670,198</u> | <u>10,635,590</u> | <u>1,662,655</u> | <u>8,972,935</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>603,302</u> | <u>(8,362,090)</u> | <u>392,256</u> | <u>8,754,346</u> |
| Other financing sources (uses): | | | | |
| Transfers out | - | - | (1,926,856) | (1,926,856) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(1,926,856)</u> | <u>(1,926,856)</u> |
| Net change in fund balance | 603,302 | (8,362,090) | (1,534,600) | 6,827,490 |
| Fund balance at beginning of year | <u>25,762,034</u> | <u>25,762,034</u> | <u>25,762,034</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 26,365,336</u> | <u>17,399,944</u> | <u>24,227,434</u> | <u>6,827,490</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Subventions and Grants Special Revenue Fund
Year Ended June 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--|-------------------------|--------------------|--------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>(Negative)</u> |
| Revenues: | | | | |
| Use of money and property | \$ - | - | 723 | 723 |
| Intergovernmental | 216,828 | 3,775,261 | 2,818,708 | (956,553) |
| Total revenues | <u>216,828</u> | <u>3,775,261</u> | <u>2,819,431</u> | <u>(955,830)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | 222,849 | 53,303 | 169,546 |
| Libraries | 21,865 | 318,927 | 337,507 | (18,580) |
| Parks and recreation | 43,262 | 572,180 | 158,679 | 413,501 |
| Public works | 57,643 | 446,833 | 129,351 | 317,482 |
| Total expenditures | <u>122,770</u> | <u>1,560,789</u> | <u>678,840</u> | <u>881,949</u> |
| Excess of revenues over expenditures | <u>94,058</u> | <u>2,214,472</u> | <u>2,140,591</u> | <u>(73,881)</u> |
| Adjustments: | | | | |
| To adjust for encumbrances | - | - | 96,692 | 96,692 |
| Total adjustments | <u>-</u> | <u>-</u> | <u>96,692</u> | <u>96,692</u> |
| Excess of revenues over expenditures (US GAAP basis) | 94,058 | 2,214,472 | 2,237,283 | 22,811 |
| Fund balance (deficit) at beginning of year | <u>(3,474,374)</u> | <u>(3,474,374)</u> | <u>(3,474,374)</u> | <u>-</u> |
| Fund balance (deficit) at end of fiscal year | <u>\$ (3,380,316)</u> | <u>(1,259,902)</u> | <u>(1,237,091)</u> | <u>22,811</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Net Assets
Proprietary Funds
June 30, 2010

| | Business-type Activities - Enterprise Funds | | | | Internal Service Funds |
|--|---|-------------------|-------------------|-------------------|---------------------------|
| | Sewer | Water | Solid Waste | Totals | |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments (Note 3) | \$ 1,483,161 | 13,837,926 | 12,077,898 | 27,398,985 | 20,092,543 |
| Receivables: | | | | | |
| Accounts | 104,257 | 1,443,110 | 1,652,240 | 3,199,607 | 43,761 |
| Interest | 3,427 | 36,611 | 31,738 | 71,776 | 39,356 |
| Inventory | - | 295,735 | - | 295,735 | - |
| Prepaid items | - | - | - | - | 3,678 |
| Total current assets | <u>1,590,845</u> | <u>15,613,382</u> | <u>13,761,876</u> | <u>30,966,103</u> | <u>20,179,338</u> |
| Noncurrent assets: | | | | | |
| Restricted cash and investments (Note 3) | - | 185,034 | 8,040,333 | 8,225,367 | - |
| Restricted cash and investments with fiscal agents (Note 3) | - | 9,667,927 | 978,023 | 10,645,950 | - |
| Accounts receivable | - | - | 27,677 | 27,677 | - |
| Interest receivable | - | 9,434 | 21,393 | 30,827 | - |
| Deferred issuance costs | - | 753,354 | 167,019 | 920,373 | - |
| Capital assets not being depreciated | - | 1,808,491 | 2,227,801 | 4,036,292 | - |
| Capital assets being depreciated, net | <u>2,682,288</u> | <u>21,051,870</u> | <u>8,300,486</u> | <u>32,034,644</u> | <u>5,851,101</u> |
| Total noncurrent assets | <u>2,682,288</u> | <u>33,476,110</u> | <u>19,762,732</u> | <u>55,921,130</u> | <u>5,851,101</u> |
| Total assets | <u>4,273,133</u> | <u>49,089,492</u> | <u>33,524,608</u> | <u>86,887,233</u> | <u>26,030,439</u> |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 3,691 | 374,242 | 943,790 | 1,321,723 | 414,455 |
| Accrued liabilities | 7,670 | 85,564 | 98,753 | 191,987 | 77,253 |
| Accrued interest payable | - | 76,658 | 44,792 | 121,450 | - |
| Claims payable | - | - | - | - | 3,199,653 |
| Current portion of long-term obligations | <u>7,986</u> | <u>464,228</u> | <u>412,719</u> | <u>884,933</u> | <u>1,953,401</u> |
| Total current liabilities | <u>19,347</u> | <u>1,000,692</u> | <u>1,500,054</u> | <u>2,520,093</u> | <u>5,644,762</u> |
| Noncurrent liabilities: | | | | | |
| Noncurrent portion of long-term obligations: | | | | | |
| Claims payable | - | - | - | - | 1,722,890 |
| Compensated absences | 11,978 | 81,342 | 79,078 | 172,398 | 2,387,491 |
| Net OPEB liability | 11,676 | 35,031 | 49,627 | 96,334 | - |
| Revenue bonds payable | - | 17,925,000 | 1,640,000 | 19,565,000 | - |
| Landfill closure and postclosure payable | - | - | 19,893,994 | 19,893,994 | - |
| Total noncurrent liabilities | <u>23,654</u> | <u>18,041,373</u> | <u>21,662,699</u> | <u>39,727,726</u> | <u>4,110,381</u> |
| Total liabilities | <u>43,001</u> | <u>19,042,065</u> | <u>23,162,753</u> | <u>42,247,819</u> | <u>9,755,143</u> |
| Net Assets | | | | | |
| Invested in capital assets, net of related debt | 2,682,288 | 14,168,856 | 9,506,310 | 26,357,454 | 5,851,101 |
| Restricted for connection fees | - | 185,034 | - | 185,034 | - |
| Unrestricted | <u>1,547,844</u> | <u>15,693,537</u> | <u>855,545</u> | <u>18,096,926</u> | <u>10,424,195</u> |
| Total net assets | <u>\$ 4,230,132</u> | <u>30,047,427</u> | <u>10,361,855</u> | <u>44,639,414</u> | <u>16,275,296</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Revenues, Expenses,
and Changes in Net Assets
Proprietary Funds
Year Ended June 30, 2010

| | Business-type Activities - Enterprise Funds | | | | Internal Service Funds |
|---|---|-------------------|-------------------|-------------------|---------------------------|
| | Sewer | Water | Solid Waste | Totals | |
| Operating Revenues: | | | | | |
| Charges for services | \$ 1,739,494 | 8,002,945 | 8,299,109 | 18,041,548 | 13,972,998 |
| Total operating revenues | <u>1,739,494</u> | <u>8,002,945</u> | <u>8,299,109</u> | <u>18,041,548</u> | <u>13,972,998</u> |
| Operating Expenses: | | | | | |
| Sewer operations | 1,309,992 | - | - | 1,309,992 | - |
| Water operations | - | 7,399,854 | - | 7,399,854 | - |
| Solid waste collection and disposal | - | - | 7,697,957 | 7,697,957 | - |
| Provision for landfill closure and postclosure | - | - | 1,006,219 | 1,006,219 | - |
| Self Insurance | - | - | - | - | 1,821,124 |
| Employee benefits | - | - | - | - | 4,500,380 |
| Maintenance | - | - | - | - | 4,069,714 |
| Amortization | - | 79,905 | 41,755 | 121,660 | - |
| Depreciation | 64,244 | 638,109 | 413,070 | 1,115,423 | 1,164,668 |
| Total operating expenses | <u>1,374,236</u> | <u>8,117,868</u> | <u>9,159,001</u> | <u>18,651,105</u> | <u>11,555,886</u> |
| Operating income (loss) | <u>365,258</u> | <u>(114,923)</u> | <u>(859,892)</u> | <u>(609,557)</u> | <u>2,417,112</u> |
| Nonoperating Revenues (Expenses): | | | | | |
| Intergovernmental | - | 970,702 | 28,756 | 999,458 | - |
| Use of money and property | 19,924 | 707,765 | 763,156 | 1,490,845 | 244,454 |
| Interest expense | (15,461) | (11,173) | (112,808) | (139,442) | - |
| Loss from disposal of capital assets | - | (1,560) | (270) | (1,830) | (128,549) |
| Other revenue | - | 150,681 | - | 150,681 | - |
| Bond issuance costs | - | (158,844) | - | (158,844) | 127,641 |
| Total nonoperating revenues | <u>4,463</u> | <u>1,657,571</u> | <u>678,834</u> | <u>2,340,868</u> | <u>243,546</u> |
| Income (loss) before transfers | <u>369,721</u> | <u>1,542,648</u> | <u>(181,058)</u> | <u>1,731,311</u> | <u>2,660,658</u> |
| Transfers: | | | | | |
| Transfers in (note 6) | - | - | - | - | 108,227 |
| Total contributions and transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>108,227</u> |
| Change in net assets | 369,721 | 1,542,648 | (181,058) | 1,731,311 | 2,768,885 |
| Net assets, beginning of the year | <u>3,860,411</u> | <u>28,504,779</u> | <u>10,542,913</u> | <u>42,908,103</u> | <u>13,506,411</u> |
| Net assets at end of the year | <u>\$ 4,230,132</u> | <u>30,047,427</u> | <u>10,361,855</u> | <u>44,639,414</u> | <u>16,275,296</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2010

| | Business-type Activities - Enterprise Funds | | | | Internal Service Funds |
|--|---|-------------------|-------------------|-------------------|---------------------------|
| | Sewer | Water | Solid Waste | Totals | |
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$ 1,743,231 | 8,522,048 | 8,283,898 | 18,549,177 | 12,511,710 |
| Payments to suppliers | (640,564) | (5,204,422) | (5,442,185) | (11,287,171) | (10,342,364) |
| Payments to employees | (705,828) | (2,384,751) | (2,179,913) | (5,270,492) | - |
| Nonoperating rental income revenue received | - | 469,335 | 453,385 | 922,720 | 127,641 |
| Other non-operating revenues (expenses) | - | 149,121 | - | 149,121 | - |
| Net cash provided (used) by operating activities | 396,839 | 1,551,331 | 1,115,185 | 3,063,355 | 2,296,987 |
| Cash flows from noncapital financing activities: | | | | | |
| Receipts from other governmental agencies | - | 970,702 | 28,756 | 999,458 | - |
| Receipt (from) to other funds | (319,209) | 319,209 | - | - | - |
| Transfers from other funds | - | - | - | - | (98,639) |
| Net cash provided (used) in noncapital financing activities | (319,209) | 1,289,911 | 28,756 | 999,458 | (98,639) |
| Cash flows from capital and related financing activities: | | | | | |
| Sale of capital assets | - | 1,560 | 124,874 | 126,434 | 181,491 |
| Purchase of capital assets | - | (979,375) | (255,115) | (1,234,490) | (931,817) |
| Principal payments on long-term debt | - | (220,000) | (340,000) | (560,000) | - |
| Proceeds from long-term debt issuance | - | 9,095,000 | - | 9,095,000 | - |
| Interest and fiscal agent fees paid on long-term debt | (15,461) | (130,469) | (120,423) | (266,353) | - |
| Net cash provided (used) in capital and related financing activities | (15,461) | 7,766,716 | (590,664) | 7,160,591 | (750,326) |
| Cash flows from investing activities: | | | | | |
| Interest on investments | 23,483 | 278,357 | 355,924 | 657,764 | 266,513 |
| Net cash provided by investing activities | 23,483 | 278,357 | 355,924 | 657,764 | 266,513 |
| Net increase (decrease) in cash and cash equivalents | 85,652 | 10,886,315 | 909,201 | 11,881,168 | 1,714,535 |
| Cash and cash equivalents, beginning of fiscal year | 1,397,509 | 12,804,572 | 20,187,053 | 34,389,134 | 18,378,008 |
| Cash and cash equivalents, end of fiscal year | <u>\$ 1,483,161</u> | <u>23,690,887</u> | <u>21,096,254</u> | <u>46,270,302</u> | <u>20,092,543</u> |
| Reconciliation of cash and cash equivalents to amounts reported on the balance sheet: | | | | | |
| Reported on the statement of net assets: | | | | | |
| Cash and investments | \$ 1,483,161 | 13,837,926 | 12,077,898 | 27,398,985 | 20,092,543 |
| Cash and investments with fiscal agents - restricted | - | 9,667,927 | 978,023 | 10,645,950 | - |
| Cash and investments - restricted | - | 185,034 | 8,040,333 | 8,225,367 | - |
| Cash and cash equivalents - June 30, 2010 | <u>\$ 1,483,161</u> | <u>23,690,887</u> | <u>21,096,254</u> | <u>46,270,302</u> | <u>20,092,543</u> |

(Continued)

CITY OF WHITTIER
Statement of Cash Flows
Proprietary Funds
(Continued)

| | Business-type Activities - Enterprise Funds | | | | Internal Service Funds |
|--|---|------------------|------------------|------------------|---------------------------|
| | Sewer | Water | Solid Waste | Totals | |
| Reconciliation of operating income to net cash provided by operations: | | | | | |
| Operating income (loss) | \$ 365,258 | (114,923) | (859,892) | (609,557) | 2,417,112 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | |
| Depreciation | 64,244 | 638,109 | 413,070 | 1,115,423 | 1,164,668 |
| Amortization | - | 79,905 | 41,755 | 121,660 | - |
| Rental income | - | 469,335 | 453,385 | 922,720 | 127,641 |
| Loss on sale of capital assets | - | (1,560) | (270) | (1,830) | (128,549) |
| Other non-operating revenues (expenses) | - | 150,681 | - | 150,681 | - |
| Decrease (increase) in accounts receivable | 3,737 | 519,103 | (15,211) | 507,629 | 193,605 |
| Decrease (increase) in prepaid items | - | - | 76,417 | 76,417 | 60,075 |
| Decrease (increase) in inventories | - | (17,277) | - | (17,277) | - |
| Increase (decrease) in accounts payable | (43,805) | (105,401) | 29,781 | (119,425) | 110,536 |
| Increase (decrease) in accrued liabilities | 566 | 2,161 | 10,416 | 13,143 | 6,792 |
| Increase (decrease) in deposits payable | - | - | (76,417) | (76,417) | - |
| Increase (decrease) in net OPEB liability | 5,349 | 22,377 | 24,700 | 52,426 | - |
| Increase (decrease) in claims payable | - | - | - | - | (1,921,334) |
| Increase (decrease) in compensated absences payable | 1,490 | (91,179) | 11,232 | (78,457) | 266,441 |
| Increase (decrease) in landfill closure and postclosure costs | - | - | 1,006,219 | 1,006,219 | - |
| Total adjustments | 31,581 | 1,666,254 | 1,975,077 | 3,672,912 | (120,125) |
| Net cash provided by operating activities | <u>\$ 396,839</u> | <u>1,551,331</u> | <u>1,115,185</u> | <u>3,063,355</u> | <u>2,296,987</u> |

Noncash investing, capital, and financing activities:

There were no significant noncash investing, capital, and financing activities for the year ended June 30, 2010.

CITY OF WHITTIER
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2010

Assets:

| | |
|--|---------------------|
| Cash and investments (note 3) | \$ 1,731,457 |
| Cash and investments with fiscal agents (note 3) | 1,090,831 |
| Receivable: | |
| Accounts | 247,743 |
| Interest | 468 |
| | <hr/> |
| Total assets | <u>\$ 3,070,499</u> |

Liabilities:

| | |
|-----------------------------|---------------------|
| Accounts payable | \$ 88,596 |
| Deposits payable | 875,610 |
| Due to other funds (note 6) | 203,294 |
| Due to bondholders | 1,902,999 |
| | <hr/> |
| Total liabilities | <u>\$ 3,070,499</u> |

See accompanying notes to the basic financial statements.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year ended June 30, 2010

(1) Summary of Significant Accounting Policies

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

a. Description of The Reporting Entity

The City of Whittier was incorporated in 1898, under the laws of the State of California.

The City of Whittier is a reporting entity which includes the following component units:

Whittier Redevelopment Agency
Whittier Public Financing Authority
Whittier Utility Authority

As required by accounting principles generally accepted in the United States of America, these financial statements present the City 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 either 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 if an organization is fiscally dependent upon the City (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.

All of the City's component units are considered to be blended component units because in all cases the City Council serves as the governing board for each component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations, therefore data from these units are reported with the interfund data of the primary government.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

a. Description of The Reporting Entity, (Continued)

The Whittier Redevelopment Agency and the Whittier Utility Authority issue separate component unit statements. Upon their completion, the financial statements of the component units can be obtained at City Hall. The following entities are considered to be component units of the City.

Whittier Redevelopment Agency

The Redevelopment Agency was established on September 21, 1971, pursuant to the State of California Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation, and development of blighted areas within the territorial limits of the City of Whittier.

Whittier Public Financing Authority

The Whittier Public Financing Authority was formed on June 6, 1989, by a joint powers agreement between the City of Whittier and the Whittier Redevelopment Agency. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or Agency.

Whittier Utility Authority

The Whittier Utility Authority (Authority) was established on February 1, 2002, by a joint powers agreement between the City of Whittier and the Whittier Public Financing Authority. The Authority was created to provide a legally binding framework for the relationship between the City's utility enterprise funds and the City's general fund, to address possible impacts of proposition 218, and to provide greater fiscal strength of the City's enterprise funds. The Authority is presented as Water, Sewer and Solid Waste enterprise funds in the accompanying financials.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

b. Government-wide and Fund Financial Statements, (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and agency funds, even though the latter are 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Fiduciary funds (Agency) use the accrual basis of accounting, but have no measurement focus. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. 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 the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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

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

The City reports the following major governmental funds:

The General Fund – This fund is the City’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 Transit Special Revenue Fund – This fund accounts for the receipt and expenditure of Los Angeles County Prop A and C funds for transit and transit related costs and improvement projects.

Redevelopment Agency Low/Mod Housing Special Revenue Fund – This fund accounts for revenues and expenditures for the Commercial Corridor, Greenleaf/Uptown, Whittier Boulevard, and Earthquake Recovery Redevelopment Project Area related to low and moderate income housing.

Subventions and Grants Special Revenue Fund – This fund accounts for activities of various State and Local monies.

Redevelopment Agency Debt Service Fund – This fund accounts for the property tax increment received by the Agency and also for the repayment of the Agency’s indebtedness.

Capital Outlay Capital Projects Fund – This fund accounts for major capital projects funded from general revenues, as required by Section 1112 of the City Charter.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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

The City reports the following Whittier Utility Authority as major proprietary funds:

The Water Enterprise Fund – This fund accounts for the operation and maintenance of the City’s water distribution system.

The Sewer Enterprise Fund – This fund accounts for the operation and maintenance of the wastewater system within the City’s boundaries.

The Solid Waste Enterprise Fund – This fund accounts for the collection and disposal of solid waste from industrial, commercial, and residential users throughout the Whittier area, for landfill closure and post closure costs, and for funding of environmental liabilities caused by water contamination.

Additionally, the City reports the following fund types:

The Capital Project Funds are used to account for capital expenditures funded from general revenues and to account for the financing, construction, and administrative activities of the Agency.

The Internal Service Funds account for financial transactions related to the City’s equipment maintenance, equipment replacement, and self-insurance programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which includes assets held on behalf of employees for the City’s flexible reimbursement account program, refundable deposits, CFD bondholders, and the Habitat Joint Powers Authority.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise funds financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For enterprise funds activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprises Funds and the Internal Service 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.

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.

d. Assets, Liabilities, Net Assets or Equity

Cash and Cash Equivalents

For purpose of the statement of cash flows, the City considered cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Cash and Cash Equivalents, (Continued)

City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Whittier Redevelopment Agency. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Cash and Investments

Investments are reported in the accompanying financial statements at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

In the fund financial statements, changes in fair value that occur during a fiscal year are recognized as *Use of money and property*. *Use of money and property* includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except 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.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (e.g., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Land Held For Resale

Land held for resale is capitalized at the lower of acquisition cost or estimated resale value. The fund balance is reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the City's operations until sold.

Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Los Angeles for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation. The City's share of the \$1.00 varies depending on the tax rate area and it ranges from \$0.0730 to \$0.0125. The City accrues only those taxes that are received within 60 days after year end.

| | |
|------------------|--|
| Lien date: | January 1 |
| Levy date: | July 1 |
| Due date: | November 1 – 1 st installment February 1 – 2 nd installment |
| Delinquent date: | December 11 – 1 st installment April 11 – 2 nd installment |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

Taxes are collected by the Assessor of the County of Los Angeles and are remitted to the City periodically. Dates and percentages are as follows:

| | |
|----------|---|
| December | 40% advance |
| January | 10% advance |
| February | Collection No. 1 |
| April | Advance to 85% |
| May | Collection of 2 nd installment collected |
| July | Collection No. 2 |
| August | Collection No. 3 |

Inventories

Inventories of materials and supplies are carried at cost on an average cost basis. The City uses the consumption method of accounting for inventories.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Restricted Assets

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the financial statements because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance, resolutions, and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 (\$100,000 for infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest that was capitalized during the fiscal year ended June 30, 2010 was \$766,815.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|----------|
| Buildings | 30 to 75 |
| Improvements other than buildings | 25 to 50 |
| Infrastructure | 20 to 50 |
| Utility systems | 30 to 80 |
| Vehicles | 8 to 15 |
| Other equipment and furnishings | 10 to 25 |
| Computer equipment | 10 |

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund which accounts for the City's self-insurance activities.

Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded in an Internal Service Fund 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.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. 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.

The City utilizes an Internal Service Fund to account for its compensated absences. The short-term portion is determined to be the amount due to employees for future absences which is attributed to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above and both portions are reflected in the Employee Benefits Fund.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee can not accrue more than one and one-half times their regular annual entitlement.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will be paid for any unused sick leave in excess of 500 hours up to a maximum of 340 or 360 hours. Any unused sick leave less than 500 hours, or more than 840 hours for safety employees, or 860 hours for other full-time employees are forfeited upon termination of employment. The vested portion of these compensated absences is accrued in the Employee Benefits Fund.

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the 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 assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense in the Statement of Activities.

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

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

d. Assets, Liabilities, Net Assets or Equity, (Continued)

Net Assets and Fund Equity

In the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

e. Estimates

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

(2) Stewardship, Compliance, and Accountability

General Budget Policies

The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Budget transfers that affect the total

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(2) Stewardship, Compliance, and Accountability, (Continued)

General Budget Policies, (Continued)

appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in appropriation within the budget code are approved by the City Manager only and do not require approval by the City Council. A budget code could be a program or a division of a department or a department. In most cases, expenditures may not legally exceed appropriations at the budget code level for the General fund, and fund level for Special Revenue, Capital Projects, and Debt Service Funds.

Legally adopted budgets for all governmental funds are established on a cash basis. At year end all operating budget appropriations lapse with the exception of encumbered and continuing appropriations. During the year, supplementary appropriations were immaterial. Budgets are adopted for all general, special revenue, capital project, and debt service funds.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities.

Continuing Appropriations

The unexpended and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year. These commitments are reported as a reservation of fund balance.

Budgetary Basis of Accounting

Budgets for governmental funds (which includes encumbrances, land acquisition and disposition, advances to other funds, loan payments and proceeds, and escrow fund releases) are adopted on a basis which differs from accounting principles generally accepted in the United States of America (US GAAP).

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(2) Stewardship, Compliance, and Accountability, (Continued)

Budget Basis of Accounting, (Continued)

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Budgetary Basis) – All Governmental Fund types present comparisons of the legally adopted budget with actual data on the budgetary basis. The differences between the budgetary basis and the US GAAP basis are presented on the same financial statements. Adjustments for the above budgetary differences were necessary to prepare statements on a US GAAP basis.

The following funds contained a deficit of fund balance as of June 30, 2010:

Special Revenue Fund:

| | |
|-----------------------------|--------------|
| Subventions and Grants Fund | \$ 1,237,091 |
|-----------------------------|--------------|

Non-Major Governmental Funds:

| | |
|--|---------|
| Traffic Offender | 106,318 |
| Whittier Uptown Parking District No. 1 | 8,225 |
| Federal Stimulus | 304,262 |

The deficit in the Subventions and Grants Fund is a result of expenditures being incurred but has not been reimbursed by granting agencies due to stipulations of having projects completed prior to reimbursement.

The deficit in the Traffic Offender fund is due to expenditures being incurred before the revenue has been received.

The deficit in the Whittier Uptown Parking District No. 1 fund is due to insufficient property tax revenues to cover expenditures incurred.

The deficit in the Federal Stimulus fund is due to the timing of expenditures prior to the receipt of grant revenues.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(2) Stewardship, Compliance, and Accountability, (Continued)

General Budget Policies, (Continued)

Excess of expenditures over appropriations in departments/cost centers of individual funds are as follows:

| <u>Fund</u> | <u>Final Budget</u> | <u>Expenditures</u> | <u>Excess</u> |
|----------------------------------|-------------------------|---------------------|---------------|
| <u>Major Funds:</u> | | | |
| General Fund: | | | |
| City attorney | \$ 300,524 | 487,100 | 186,576 |
| Non-departmental | 1,099,534 | 1,109,945 | 10,411 |
| Fireworks show | 9,991 | 12,744 | 2,753 |
| Employee special events | 8,000 | 8,116 | 116 |
| Disaster preparedness | 35,123 | 37,617 | 2,494 |
| Park and recreation | 5,038,977 | 5,076,431 | 37,454 |
| Community services | 3,471,323 | 3,509,633 | 38,310 |
| Street lighting | 471,906 | 529,785 | 57,879 |
| Transfers out | 11,995,034 | 12,095,024 | 99,990 |
| Redevelopment Agency Debt | | | |
| Service Fund: | | | |
| Principal | 5,384,455 | 7,899,325 | 2,514,870 |
| <u>Non-major Funds:</u> | | | |
| Business Improvement Area | | | |
| Special Revenue Fund: | 112,000 | 115,228 | 3,228 |
| Whittier Uptown Parking District | | | |
| No. 1 Special Revenue Fund: | 76,626 | 90,483 | 13,857 |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) Cash and Investments

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

| | <u>Governmental Activities</u> | <u>Business- type Activities</u> | <u>Fiduciary Funds</u> | <u>Total</u> |
|--|------------------------------------|--|----------------------------|--------------------|
| Cash and investments | \$ 77,354,028 | 27,398,985 | 1,731,457 | 106,484,470 |
| Restricted assets: | | | | |
| Cash and investments | 2,600,029 | 8,225,367 | - | 10,825,396 |
| Cash and investments with fiscal agents | <u>41,073,358</u> | <u>10,645,950</u> | <u>1,090,831</u> | <u>52,810,139</u> |
| Totals | <u>\$121,027,415</u> | <u>46,270,302</u> | <u>2,822,288</u> | <u>170,120,005</u> |

Cash and investments at June 30, 2010 consisted of the following:

| | |
|--------------------------------------|----------------------|
| Petty cash | \$ 11,333 |
| Deposits with financial institutions | 884,367 |
| Investments | <u>169,224,305</u> |
| Total | <u>\$170,120,005</u> |

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 trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) Cash and Investments, (Continued)

| Authorized Investment Type | Authorized by Investment Policy | *Maximum Maturity | *Maximum Percentage of Portfolio | *Maximum Investment in One Issuer |
|--|---------------------------------|-------------------|----------------------------------|-----------------------------------|
| Local Agency Investment Fund (LAIF) | Yes | N/A | 40% | None |
| U.S. Treasury Obligations | Yes | 5 years | None | None |
| U.S. Agency Securities | Yes | 5 years | 60% | None |
| Passbook Savings (Insured) Deposits with Banks and Savings and Loans | Yes | N/A | None | None |
| Certificates of Deposits | Yes | 5 years | 15% | None |
| Negotiable Certificates of Deposit | Yes | 5 years | 30% | None |
| Bankers Acceptance, Prime Quality | Yes | 5 years | 40% | 10% |
| Commercial Paper, Prime Quality | Yes | 270 days | 20% | 10% |
| Medium Term Corporate Notes | Yes | 1-3 years | 20% | None |
| Money Market Mutual Funds | Yes | N/A | None | 10% |
| Repurchase Agreements | No | 1 year | None | None |
| Reverse Repurchase Agreements | No | 92 days | 20% of base value | None |
| Mutual Funds | Yes | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | Yes | 5 years | 20% | None |
| County Pooled Investment Funds | Yes | N/A | None | None |
| JPA Pools (other investment pools) | Yes | N/A | None | None |

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

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

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|------------------|---------------------------------|----------------------------------|
| Certificates of Deposit with Bank of Savings & Loans | None | None | None |
| U.S. Treasury Obligations | None | None | None |
| U.S. Agency Securities | None | None | None |
| Banker's Acceptances, Prime Quality | 5 years | None | None |
| Commercial Paper, Prime Quality | 5 years | None | None |
| Money Market Mutual Funds - U.S. Treasury | N/A | None | None |
| Investment Contracts | 30 years | None | None |
| Medium Term Corporate Notes, Prime Quality | 1-3 years | None | None |
| Local Agency Investment Fund (State Pool) | None | None | None |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) 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 evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments and those 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:

| <u>Investment Type</u> | <u>Totals</u> | <u>Remaining Maturity (in Months)</u> | | | | |
|--|-----------------------------|---------------------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| | | <u>6 Months Or Less</u> | <u>7-12 Months</u> | <u>13-24 Months</u> | <u>25-42 Months</u> | <u>43-60 Months</u> |
| U.S. Treasury Bills | \$ 2,796,468 | 799,648 | 1,996,820 | - | - | - |
| Federal Agency Securities | 29,809,845 | 4,012,195 | 1,515,000 | 14,675,465 | 7,587,185 | 2,020,000 |
| Medium-Term Notes | 23,457,345 | - | 3,530,835 | 15,835,630 | 4,090,880 | - |
| Local Agency Investment Fund (LAIF) | 60,348,438 | 60,348,438 | - | - | - | - |
| Held by Fiscal Agents: | | | | | | |
| Money Market Funds | 2,707,720 | 2,707,720 | - | - | - | - |
| U.S. Treasury Bills | 10,065,189 | 10,065,189 | - | - | - | - |
| Local Agency Investment Fund (LAIF) | 35,375,118 | 35,375,118 | - | - | - | - |
| Federal Agency Securities | <u>4,664,182</u> | <u>4,664,182</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Totals | <u>\$169,224,305</u> | <u>117,972,490</u> | <u>7,042,655</u> | <u>30,511,095</u> | <u>11,678,065</u> | <u>2,020,000</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) Cash and Investments, (Continued)

Disclosures Relating to Credit Risk

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

| <u>Investment Type</u> | <u>Amount</u> | <u>Minimum Legal Rating</u> | <u>Exempt from Disclosure</u> | <u>Rating as of Year End</u> | |
|--|-----------------------------|-------------------------------------|---------------------------------------|------------------------------|--------------------------|
| | | | | <u>AAA</u> | <u>Not Rated</u> |
| U.S. Treasury Bills | \$ 2,796,468 | N/A | 2,796,468 | - | - |
| Federal Agency Securities | 29,809,845 | N/A | - | 29,809,845 | - |
| Medium-Term Notes | 23,457,345 | N/A | - | 23,457,345 | - |
| Local Agency Investment Fund (LAIF) | 60,348,438 | N/A | - | - | 60,348,438 |
| Held by Fiscal Agents: | | | | | |
| Money Market Funds | 2,707,720 | AAA | - | 2,707,720 | - |
| U.S. Treasury Bills | 10,065,189 | N/A | 10,065,189 | - | - |
| Local Agency Investment Fund (LAIF) | 35,375,118 | N/A | - | - | 35,375,118 |
| Federal Agency Securities | <u>4,664,182</u> | N/A | <u>-</u> | <u>4,664,182</u> | <u>-</u> |
| Total | <u>\$169,224,305</u> | | <u>12,861,657</u> | <u>60,639,092</u> | <u>95,723,556</u> |

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

| <u>Issuer</u> | <u>Investment Type</u> | <u>Reported Amount</u> |
|--------------------------|-------------------------|----------------------------|
| Federal Home Loan Bank | Federal Agency Security | \$22,337,772 |
| Federal Farm Credit Bank | Federal Agency Security | 12,136,255 |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) Cash and Investments, (Continued)

Concentration of Credit Risk

Investments in any one issuer that represent 5% or more of total investments by reporting unit (governmental activities, business-type activities, major funds) are as follows:

\$22,337,772 and \$12,136,255 of cash and investments (including amounts held by fiscal agents) reported in the governmental activities are held in the form of Federal Home Loan Bank, and Federal Farm Credit Bank, and mature in November 2012, and December 2015, respectively.

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 Entity'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 units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(3) Cash and Investments, (Continued)

Investment in State Investment Pool

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

(4) Investment – Land Held For Resale

The City of Whittier and Whittier Redevelopment Agency have acquired several parcels of land as part of their primary purpose to develop or redevelop blighted properties. During the fiscal year ended June 30, 2010, the Agency purchased the Alpha Beta site from the City in the amount of \$3,058,920 for future development. The City records these parcels as "land held for resale" in its financial records.

At June 30, 2010, the net realizable value for all land held for resale totaled \$5,601,204, with this amount offset by a reservation of fund balance.

(5) Notes and Loans Receivable

Outstanding
Balance
June 30, 2010

During the 2000-01 fiscal year, the City approved a Police Residence Incentive Program. Sworn Whittier police officers may apply for a forgivable loan toward the purchase of a single-family residence in the City. The loan shall be forgiven within 10 years for a \$10,000 loan applied before fiscal year 2005-06. During 2005-06, the City increased the loan amount to \$50,000 each and shall be forgiven within 15 years. The employee needs to maintain the property as his/her principal residence and remain an active sworn employee of the City. As of June 30, 2010, two loans of \$37,000 each, one loan of \$39,805, one loan of \$36,400, one loan of \$44,500, one loan of \$38,000, two loans of \$50,000 each, sixteen loans of \$10,000 each and one in the amount of \$8,000 have been provided, \$73,000 of principal has been forgiven and thirteen loans have been repaid in the amount of \$99,000.

\$ 328,705

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(5) Notes and Loans Receivable, (Continued)

Outstanding
Balance at
June 30, 2010

During the 1985-86 fiscal year, the Whittier Redevelopment Agency loaned the developer of the William Penn Manor Project, \$500,000 for the site acquisition. During 1989-90 William Penn Manor borrowed an additional \$103,401 (net of repayments) from the Whittier Redevelopment Agency, using Community Development Block Grant funds, for a total of \$603,401. This loan is non-interest bearing and is to be repaid to the Agency upon the recording of a construction loan to the developer for development of the site and the sale, transfer, conveyance or refinancing of the site, or any part, thereof, by developer, with the exception that such sale, transfer, conveyance, or refinancing must first be approved in writing by the Agency. The loan is evidenced by a promissory note and secured by a first deed of trust. The William Penn Manor project is the development of the William Penn Manor, a 75 dwelling unit project to be occupied by low income senior citizens.

603,401

During the 2000-01 fiscal year, the Agency implemented the Whittier CARE loan program. The program provides non-interest bearing loans to eligible homeowners for improvements to their owner or tenant occupied residence located in a specified area. The loans range from \$2,000 to \$25,000, and are secured by an agreement and covenants and may be written off after 5 years if the homeowner is in compliance with the programs' requirements. Repayment occurs if the property is sold or the requirements are not complied within the 5 year period. As of June 30, 2010, thirty-six families have received CARE loans and thirty-two loans were either paid or forgiven.

91,650

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(5) Notes and Loans Receivable, (Continued)

Outstanding
Balance
June 30, 2010

The City has entered into an owner participation agreement with TMG Properties Inc. (TMG) for economic development purposes. On January 24, 2002, the City loaned TMG \$355,000 for the purpose of procuring a parcel of land where TMG will operate an automobile dealership for a 10 year period. The City holds a note secured by a trust deed in 3rd position at an interest rate of 5%. One tenth of the principal will be due every year starting one year after completion of the project. If sales tax generated by the business exceeds the interest due then that year's interest will be forgiven. Entire principal is due if the business ceases operation within 10 years.

143,776

During the 1997-98 fiscal years, the Agency approved the First-time Homebuyer Program. Since then the Agency has loaned \$1,585,000 to seventy-seven families. The program provides "silent second" loans to homebuyers of low and moderate income. The loans are interest free with no payments for the first five years, after which the borrowers pay 5% per year. Starting in the sixth year, one-fifteenth of the loan is forgiven. If the Borrower ceases to be the owner-occupant, the loan becomes due and payable. During the fiscal year ended June 30, 2010, \$39,986 in loan principal was either paid or forgiven.

299,981

The City uses Community Development Block Grant funds and Federal HOME funds to issue loans to low and moderate income families and individuals. These loans are low interest or zero interest loans and can be fully amortized or deferred until the secured property is sold. The proceeds are used to rehabilitate residences and the loans are secured by a deed of trust on the property.

3,542,739

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(5) Notes and Loans Receivable, (Continued)

Outstanding
Balance
June 30, 2010

During fiscal year 2009-10, the City implemented the Gables of Whittier Affordable Home Ownership Loan Program (“Program”). The program provides “silent second” loans to homebuyers of low and moderate income. Homes purchased under the program have specific resale restrictions that intend to maintain the affordable units for a minimum of 45 years. The City’s assistance is a deferred loan with no annual accruing interest, except in some cases for the Equity Appreciation Share, in which the homebuyer has intentions to resale the property. The loan will not become due unless a sale or transfer of the property to an eligible buyer occurs. As of June 30, 2010, eight families received assistance from the program.

1,177,600

Total notes and loans receivable

\$6,187,852

(6) Interfund Activity

The following represents the interfund activity of the City for the year ended June 30, 2010:

Due From/To Other Funds:

| Due from (receivable fund) | Due to (payable fund) | Amount |
|-------------------------------|------------------------------|--------------------|
| General Fund | RDA Capital Projects Fund | \$ 14,578 |
| | Non-major Governmental Funds | 357,513 (A) |
| | Fiduciary Funds – Agency | <u>203,294 (A)</u> |
| | | 575,385 |
| RDA Low/Mod Housing Fund | Non-major Governmental Funds | 4,475 |
| Non-major Governmental Funds | RDA Debt Service Fund | <u>51,773</u> |
| | | <u>\$ 631,633</u> |

Amounts due to/from other funds represents: (A) elimination of negative cash balances in the funds.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(6) Interfund Activity, (Continued)

Advances To/From Other Funds

| <u>Advances to (receivable fund)</u> | <u>Advances from (payable fund)</u> | <u>Amount</u> |
|--|---|----------------------|
| General Fund | Redevelopment Agency Debt Service Fund | \$ 7,538,549 (A) |
| Redevelopment Agency Low/Mod Housing fund | Redevelopment Agency Debt Service Fund | 3,234,038 (B) |
| Public Financing Authority | Redevelopment Agency Debt Service Fund | <u>5,770,000 (C)</u> |
| | Total | <u>\$16,542,587</u> |

Advance to/from other funds are as follows: (A) to subsidize expenditures incurred in the various project areas; (B) to borrow funds for the Redevelopment Agency of the City of Whittier's ("Agency") allocation to the Supplemental Educational Revenue Augmentation Funds ("SERAF") pursuant to Health and Safety Code §33690(c). During the fiscal year ended June 30, 2010, the California State Legislature enacted ABX4-26, which added §33690 and §33690.5 to the Community Development Law (Health and Safety Code §33690 et. seq.) requiring redevelopment agencies to make certain payments to its County SERAF in fiscal years 2009-10 and 2010-11. Health and Safety Code §33690(c) provides that if a Agency is unable to make its full SERAF payment for 2009-10 with redevelopment funds, the Agency may borrow from its Low and Moderate Income Housing Fund set aside monies. The borrowed funds are to be fully repaid to the Low and Moderate Income Housing Fund by June 30, 2015; and (C) to reflect the amount owed to the Public Financing Authority Fund for the issuance of the 2002 Revenue Bonds.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(6) Interfund Activity, (Continued)

Transfers To/From Other Funds

| | | |
|---|--|---------------------|
| General Fund | Redevelopment Agency Low/Mod Housing Fund | \$ 1,926,856(A) |
| | Non-Major Governmental Funds | 1,325,300 |
| Redevelopment Agency Debt Service | Non-Major Governmental Funds | 357,500 |
| Capital Projects – Capital Outlay Fund | General Fund | 11,828,104(B) |
| | Redevelopment Agency Debt Service Fund | 4,500,000(C) |
| Non-Major Governmental Funds | General Fund | 231,924 |
| | Redevelopment Agency Debt Service Fund | 2,197,022(D) |
| | Non-Major Governmental Funds | <u>3,550</u> |
| | Total | <u>\$22,370,256</u> |
| Internal Service Funds | General Fund | \$ 34,996 |
| | Capital Projects – Capital Outlay Fund | <u>73,231</u> |
| | Total | <u>\$ 108,227</u> |

Transfers are used to: (A) reimburse the General Fund for the difference between the original purchase price and the fair market value of the land, (B) reimburse the Capital Outlay Fund for capital projects, (C) contribution towards capital projects within the project area, and (D) fund community development projects.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(7) Capital Assets

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2010 was as follows:

| | <u>Balance at July 1, 2009</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at Jun 30, 2010</u> |
|--|------------------------------------|--------------------|--------------------|------------------------------------|
| Capital Assets, not being depreciated | | | | |
| Land | \$ 29,909,913 | 210,493 | (3,058,920) | 27,061,486 |
| Rights of way | 5,325,506 | - | - | 5,325,506 |
| Trees | 2,382,725 | 2,000 | (13,441) | 2,371,284 |
| Construction in progress | <u>8,675,447</u> | <u>16,392,177</u> | <u>(321,364)</u> | <u>24,746,260</u> |
| Total | <u>46,293,591</u> | <u>16,604,670</u> | <u>(3,393,725)</u> | <u>59,504,536</u> |
| Capital Assets, being depreciated | | | | |
| Buildings | 13,478,908 | - | - | 13,478,908 |
| Improvements | 18,550,501 | 243,445 | (76,250) | 18,717,696 |
| Machinery and equipment | 23,485,434 | 1,274,175 | (2,341,691) | 22,417,918 |
| Infrastructure: | | | | |
| Roadways | 81,720,717 | - | - | 81,720,717 |
| Storm drains | 2,656,228 | - | - | 2,656,228 |
| Other street appurtenances | <u>7,843,115</u> | <u>690,000</u> | <u>-</u> | <u>8,533,115</u> |
| Total | <u>147,734,903</u> | <u>2,207,620</u> | <u>(2,417,941)</u> | <u>147,524,582</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (9,312,411) | (219,059) | - | (9,531,470) |
| Improvements | (5,464,421) | (666,262) | 74,684 | (6,055,999) |
| Machinery and equipment | (15,511,957) | (1,586,527) | 2,123,564 | (14,974,920) |
| Infrastructure: | | | | |
| Roadways | (51,130,786) | (3,688,980) | - | (54,819,766) |
| Storm drains | (816,208) | (52,216) | - | (868,424) |
| Other street appurtenances | <u>(4,626,686)</u> | <u>(343,732)</u> | <u>-</u> | <u>(4,970,418)</u> |
| Total | <u>(86,862,469)</u> | <u>(6,556,776)</u> | <u>2,198,248</u> | <u>(91,220,997)</u> |
| Capital Assets being depreciated, net | <u>60,872,434</u> | <u>(4,349,156)</u> | <u>(219,693)</u> | <u>56,303,585</u> |
| Capital Assets, net | <u>\$107,166,025</u> | <u>12,255,514</u> | <u>(3,613,418)</u> | <u>115,808,121</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(7) Capital Assets (Continued)

Governmental Activities (Continued)

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

| | <u>Governmental Activities</u> |
|-----------------------|------------------------------------|
| General government | \$ 401,118 |
| Public safety | 253,427 |
| Public works | 5,124,935 |
| Community development | 40,651 |
| Parks and recreation | 551,041 |
| Libraries | 28,462 |
| Transit | <u>157,142</u> |
| Total | <u>\$6,556,776</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(7) Capital Assets (Continued)

Business-type Activities

Capital asset business-type activity for the fiscal year ended June 30, 2010 was as follows:

| | Balance at | | | Balance at |
|--|---------------------|------------------|------------------|----------------------|
| | <u>July 1, 2009</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2010</u> |
| <u>Sewer Fund:</u> | | | | |
| Capital assets, being depreciated: | | | | |
| Improvements | \$ 3,216,481 | - | - | 3,216,481 |
| Total sewer capital assets, being depreciated | <u>3,216,481</u> | <u>-</u> | <u>-</u> | <u>3,216,481</u> |
| Less - accumulated depreciation for: | | | | |
| Improvements | <u>(469,949)</u> | <u>(64,244)</u> | <u>-</u> | <u>(534,193)</u> |
| Total accumulated depreciation | <u>(469,949)</u> | <u>(64,244)</u> | <u>-</u> | <u>-</u> |
| Total sewer capital assets, being depreciated, net | <u>2,746,532</u> | <u>(64,244)</u> | <u>-</u> | <u>2,682,288</u> |
| Total sewer capital assets, net | <u>\$ 2,746,532</u> | <u>(64,244)</u> | <u>-</u> | <u>2,682,288</u> |
| <u>Water Fund:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | 598,955 | - | - | 598,955 |
| Construction in progress | <u>1,134,165</u> | <u>766,815</u> | <u>(691,444)</u> | <u>1,209,536</u> |
| Total | <u>1,733,120</u> | <u>766,815</u> | <u>(691,444)</u> | <u>1,808,491</u> |
| Capital assets, being depreciated: | | | | |
| Improvements | 29,579,876 | 780,471 | (14,593) | 30,345,754 |
| Buildings | 1,123,295 | - | - | 1,123,295 |
| Machinery and equipment | <u>221,789</u> | <u>123,533</u> | <u>-</u> | <u>345,322</u> |
| Total water capital assets, being depreciated | <u>30,924,960</u> | <u>904,004</u> | <u>(14,593)</u> | <u>31,814,371</u> |
| Less - accumulated depreciation for: | | | | |
| Improvements | (8,951,061) | (583,373) | 13,033 | (9,521,401) |
| Buildings | (1,010,349) | (41,580) | - | (1,051,929) |
| Machinery and equipment | <u>(176,015)</u> | <u>(13,156)</u> | <u>-</u> | <u>(189,171)</u> |
| Total accumulated depreciation | <u>(10,137,425)</u> | <u>(638,109)</u> | <u>13,033</u> | <u>(10,762,501)</u> |
| Total water capital assets being depreciated, net | <u>20,787,535</u> | <u>265,895</u> | <u>(1,560)</u> | <u>21,051,870</u> |
| Total water capital assets, net | <u>\$22,520,655</u> | <u>1,032,710</u> | <u>(693,004)</u> | <u>22,860,361</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(7) Capital Assets, (Continued)

Business-type Activities, (Continued)

| | <u>Balance</u> <u>July 1, 2009</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2010</u> |
|---|---------------------------------------|------------------|--------------------|--|
| <u>Solid Waste Activity:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,227,801 | - | - | 2,227,801 |
| Construction in progress | <u>28,188</u> | <u>-</u> | <u>(28,188)</u> | <u>-</u> |
| Total solid waste capital assets, being depreciated | <u>2,255,989</u> | <u>-</u> | <u>(28,188)</u> | <u>2,227,801</u> |
| Capital assets, not being depreciated | | | | |
| Improvements | 13,532,841 | 283,303 | - | 13,816,144 |
| Buildings | 151,033 | - | - | 151,033 |
| Machinery and equipment | <u>1,519,270</u> | <u>-</u> | <u>(1,307,695)</u> | <u>211,575</u> |
| Total solid waste assets, being depreciated | <u>15,203,144</u> | <u>283,303</u> | <u>(1,307,695)</u> | <u>14,178,752</u> |
| Less - accumulated depreciation for: | | | | |
| Improvements | (5,071,472) | (400,836) | (73,879) | (5,546,187) |
| Buildings | (148,096) | (394) | - | (148,490) |
| Machinery and equipment | <u>(1,428,449)</u> | <u>(11,840)</u> | <u>1,256,700</u> | <u>(183,589)</u> |
| Total accumulated depreciation | <u>(6,648,017)</u> | <u>(413,070)</u> | <u>1,182,821</u> | <u>(5,878,266)</u> |
| Total solid waste assets, being depreciated, net | <u>8,555,127</u> | <u>(129,767)</u> | <u>(124,874)</u> | <u>8,300,486</u> |
| Total solid waste assets, net | <u>\$10,811,116</u> | <u>(129,767)</u> | <u>(153,062)</u> | <u>10,528,287</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(7) Capital Assets, (Continued)

Business-type Activities, (Continued)

| | <u>Balance</u> <u>July 1, 2009</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2010</u> |
|--|---------------------------------------|--------------------|--------------------|--|
| <u>Total Business-type Activities</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,826,756 | - | - | 2,826,756 |
| Construction in progress | <u>1,162,353</u> | <u>766,815</u> | <u>(719,632)</u> | <u>1,209,536</u> |
| Total capital assets, not being depreciated | <u>3,989,109</u> | <u>766,815</u> | <u>(719,632)</u> | <u>4,036,292</u> |
| Capital assets, being depreciated: | | | | |
| Improvements | 46,329,198 | 1,063,774 | (14,593) | 47,378,379 |
| Buildings | 1,274,328 | - | - | 1,274,328 |
| Machinery and equipment | <u>1,741,059</u> | <u>123,533</u> | <u>(1,307,695)</u> | <u>556,897</u> |
| Total capital assets, being depreciated | <u>49,344,585</u> | <u>1,187,307</u> | <u>(1,322,288)</u> | <u>49,209,604</u> |
| Less - Accumulated depreciation for: | | | | |
| Improvements | (14,492,482) | (1,048,453) | (60,846) | (15,601,781) |
| Buildings | (1,158,445) | (41,974) | - | (1,200,419) |
| Machinery and equipment | <u>(1,604,464)</u> | <u>(24,996)</u> | <u>1,256,700</u> | <u>(372,760)</u> |
| Total accumulated depreciation | <u>(17,255,391)</u> | <u>(1,115,423)</u> | <u>1,195,854</u> | <u>(17,174,960)</u> |
| Total capital assets, being depreciated, net | <u>32,089,194</u> | <u>71,884</u> | <u>(126,434)</u> | <u>32,034,644</u> |
| Total capital assets, net | <u>\$36,078,303</u> | <u>838,699</u> | <u>(846,066)</u> | <u>36,070,936</u> |

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

| | |
|---------------------------|---------------------|
| Business-Type Activities: | |
| Sewer | \$ 64,244 |
| Water | 638,109 |
| Solid Waste | <u>413,070</u> |
| Total | <u>\$ 1,115,423</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities

The following is a summary of changes in the City's long-term liabilities for the year ended June 30, 2010:

| | <u>Balance at July 1, 2009</u> | <u>Additions</u> | <u>Repayments</u> | <u>Balance at June 30, 2010</u> | <u>Due Within One Year</u> |
|----------------------------------|------------------------------------|-------------------|---------------------|-------------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Compensated absences | \$ 4,074,451 | 2,728,117 | (2,461,676) | 4,340,892 | 1,953,401 |
| Developer loans payable | 4,526,552 | 1,254,088 | (1,024,325) | 4,756,315 | - |
| Tax allocation bonds | 41,180,000 | - | (6,810,000) | 34,370,000 | 675,000 |
| Revenue bonds | 21,100,000 | - | (635,000) | 20,465,000 | 660,000 |
| Claims payable | 6,843,877 | 905,268 | (2,826,602) | 4,922,543 | 3,199,653 |
| Net OPEB Liability | <u>342,092</u> | <u>701,052</u> | <u>(369,478)</u> | <u>673,666</u> | <u>-</u> |
| | <u>\$78,066,972</u> | <u>5,588,525</u> | <u>(14,127,081)</u> | <u>69,528,416</u> | <u>6,488,054</u> |
| | | | | | |
| | <u>Balance at July 1, 2009</u> | <u>Additions</u> | <u>Repayments</u> | <u>Balance at June 30, 2010</u> | <u>Due Within One Year</u> |
| Business-type Activities: | | | | | |
| Water Fund: | | | | | |
| Compensated absences | \$ 226,749 | 87,079 | (178,258) | 135,570 | 54,228 |
| Revenue refunding bonds | 9,460,000 | 9,095,000 | (220,000) | 18,335,000 | 410,000 |
| Net OPEB liability | <u>12,654</u> | <u>37,317</u> | <u>(14,940)</u> | <u>35,031</u> | <u>-</u> |
| | <u>9,699,403</u> | <u>9,219,396</u> | <u>(413,198)</u> | <u>18,505,601</u> | <u>464,228</u> |
| Sewer Fund: | | | | | |
| Compensated absences | 18,474 | 7,852 | (6,362) | 19,964 | 7,986 |
| Net OPEB liability | <u>6,327</u> | <u>10,329</u> | <u>(4,980)</u> | <u>11,676</u> | <u>-</u> |
| | <u>24,801</u> | <u>18,181</u> | <u>(11,342)</u> | <u>31,640</u> | <u>7,986</u> |
| Solid Waste Fund: | | | | | |
| Compensated absences | 120,566 | 102,552 | (91,321) | 131,797 | 52,719 |
| Revenue refunding bonds | 2,340,000 | - | (340,000) | 2,000,000 | 360,000 |
| Landfill closure and postclosure | 18,887,775 | 1,006,219 | - | 19,893,994 | - |
| Net OPEB liability | <u>24,927</u> | <u>45,865</u> | <u>(21,165)</u> | <u>49,627</u> | <u>-</u> |
| | <u>21,373,268</u> | <u>1,154,636</u> | <u>(452,486)</u> | <u>22,075,418</u> | <u>412,719</u> |
| Total | <u>\$31,097,472</u> | <u>10,392,213</u> | <u>(877,026)</u> | <u>40,612,659</u> | <u>884,933</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Governmental long-term debt at June 30, 2010 consisted of the following:

Whittier Public Financing Authority 2002 Revenue Bonds, Series A

On March 19, 2002, the Whittier Public Financing Authority issued \$7,505,000 of 2002 Series A Revenue Bonds. The proceeds for the bonds were loaned to the Whittier Redevelopment Agency pursuant to a loan agreement. The proceeds from the loans after payment of an underwriters discount of \$172,998, plus bond funds from the 1992 Revenue Bonds Series A in the amount of \$191,994 were used to pay costs of issuance, fund a reserve account, repay loans to the City, finance improvements, and to refund the Authority's 1992 Revenue Bonds Series A in the amount of \$2,835,000. Interest on the bonds is payable semi-annually each November 1 and May 1. The principal matures each November 1 beginning in 2003 and maturing in 2023. The bonds have varying interest rates ranging from 2.50% to 5.60%. The bonds are secured by loan payments made by the Agency and the loan is secured by tax increment revenues of the redevelopment project area. The reserve requirement was \$597,365 and the reserve as of June 30, 2010 was \$602,288. The outstanding balance of the bonds at June 30, 2010 is \$5,770,000.

Whittier Public Financing Authority 2007 Revenue Bonds, Series A

On August 1, 2007, the Whittier Public Financing Authority ("Authority") issued \$15,425,000 of its 2007 Revenue Bonds, Series A ("Bonds"). The proceeds of \$5,790,000 were used to advance refund the 1998 Tax Allocation Refunding Bonds ("1998 TABS"). The remaining net proceeds will be used to finance or refinance various redevelopment capital projects. The principal of the loan is payable in installments commencing on November 1, 2008 through November 1, 2038 and interest is payable semi-annually each November 1 and May 1 beginning November 1, 2008. Interest rates range from 4.00% to 5.00%. Principal and interest on the loan is payable by the Agency to the bond trustee, as assignee of the Authority under the indenture. The 1998 TABS were deposited in an irrevocable trust with an escrow agent. As a result, these 1998 TABS are considered to be defeased and the liability for those bonds has been removed from the statement of net assets.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Whittier Public Financing Authority 2007 Revenue Bonds, Series A, (Continued)

The advance refunding resulted in a difference between the reacquisition price (amount placed in the escrow account) and the net carrying amount of the old debt of \$162,513. This difference, reported in the accompanying financial statements as a deferred refunding charge, is being charged to operations through the year 2038 using the straight line method. The Authority completed the advance refunding to reduce the cash flows associated with its debt service payments over the next 30 years by \$617,202 and to obtain a net economic gain (difference between the present values of the debt service payments on the old debt and the new debt) of \$364,048. The amount of the Bonds outstanding at June 30, 2010 is \$14,695,000.

2005 Tax Allocation Bonds

On June 14, 2005, the Whittier Redevelopment Agency issued \$7,730,000 of 2005 Series A Tax Allocation Bonds. Proceeds from the sale of bonds will be used to (i) finance redevelopment activities within or for the benefit of the Agency's Earthquake Recovery Project Area, (ii) purchase a reserve fund surety bond in-lieu of a cash reserve account; and (iii) provide for the costs of issuance.

The principal of the bonds is payable each November 1 commencing 2006 through 2035. Interest is payable semi-annually each May 1 and November 1 beginning November 2005. Interest rates on the bonds range from 3.0% to 5.0%. The reserve requirement was \$483,304 and the reserve as of June 30, 2010 was \$488,500. Payment of the principal and interest on the bonds is guaranteed by a municipal bond guaranty insurance policy. The principal amount outstanding at June 30, 2010 was \$7,140,000.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

2007A Tax Allocation Bonds

On May 24, 2007, the Whittier Redevelopment Agency issued \$18,695,000 of Tax Allocation Bonds, 2007 Series A (“Bonds”). Proceeds from the sale of the Bonds will be used to (i) finance redevelopment activities within or *for* the benefit of the Agency’s Commercial Corridor Redevelopment Project (the “Project Area.”) in the City of Whittier, (ii) fund a reserve account for the Bonds, (iii) fund net capitalizable interest with respect to a position of the Bonds through May 1, 2010, and (iv) provide for the costs of issuing the Bonds. The principal of the Bonds is payable commencing on November 1, 2007 through November 1, 2038, and interest is payable semiannually each May 1 and November 1 beginning November 1, 2007. Interest rates range from 3.9% to 4.875%. The reserve requirement was \$796,195 and the reserve as of June 30, 2010 was \$801,000. The principal amount outstanding at June 30, 2010 is \$12,145,000.

2007 B Taxable Tax Allocation Bonds

On May 24, 2007, the Whittier Redevelopment Agency issued \$15,660,000 of Taxable Tax Allocation Bonds, 2007 Series B (“Bonds”). Proceeds from the sale of the Bonds will be used to (i) finance low and moderate income housing activities throughout the geographic boundaries of the City of Whittier, (ii) fund a reserve account for the Bonds; and (iii) provide for the costs of issuing the Bonds. The principal of the bonds is payable commencing on November 1, 2007 through November 1, 2038, and interest is payable semi-annually each May 1 and November 1 beginning November 1, 2007. Interest rates range from 5.50% to 6.09%. The reserve requirement was \$1,205,108 and the reserve as of June 30, 2010 was \$1,212,203. The principal amount outstanding at June 30, 2010 is \$15,085,000.

Claims Payable

The City is self insured for general liability and workers’ compensation claims. The City records losses for claims incurred but not reported when the probable amount of loss can be reasonably estimated. Total amount of estimated claims outstanding at June 30, 2010 is \$4,922,543. The Internal Service Fund for self insurance has liquidated claims and judgments. Approximately 78% is funded by the general fund, 3% by Sewer fund, 11% by Water fund, and 8% by Solid Waste Fund.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Loans Payable

Quad Loan – the Whittier Redevelopment Agency has obligated an amount to GMS Realty, the owner of the Whittier Quad Shopping Center, pursuant to a Disposition and Development Agreement (DDA) dated October 20, 1988, a First Implementation Agreement dated November 16, 1990, a Second Implementation Agreement dated November 16, 1995, and an Amended and Restated DDA dated August 9, 1996.

The Agency originally entered into a Disposition and Development Agreement (DDA) with Ahmanson, a developer, for the development of the Whittier Quad, a retail and commercial shopping center. The Quad was sold to GMS Realty during the fiscal year 1996-97. The amended DDA states that the Agency has obligated 61.6% of gross property tax increment and 50% of sales tax revenues generated by the project. These two revenue sources will be used by the Agency to reimburse the developer for assessment district payments and City administrative costs on the Community Facilities District Bond 91-1 issued to finance the project less certain costs related to the December 1998 Refunding Bond.

In the event, however, that the tax increment and 50% of the sales tax generated by the Center are insufficient to cover the reimbursement, the balance becomes a loan from the owner of the Quad to the Agency at an annual interest rate of 8% from 1991-92 through 1993-94, 0% from 1994-95 through 1997-98, 3% from 1998-99 through 2001-02, 6% from 2002-03 through 2004-05 and 7% thereafter. Repayment of the remaining debt is still limited to the project's property tax increment and 50% of the sales tax. The balance outstanding at June 30, 2010 is \$3,265,244.

Urbatec Loan – In January 1989, the Agency entered into a Disposition and Development Agreement (DDA) with Urbatec, a developer, for the development of the Whittier Marketplace, a retail and commercial shopping center. The Agency obligated 80% of net tax increment and 50% of sales tax revenues generated by the project. The agreement was dated August 1988, amended in July 1991, and amended through court in June 1996. These two revenue sources will be used by the Agency to reimburse the developer for assessment district payments less \$50,000 and certain City administrative costs on the Community Facilities District Bond 89-1 issued to finance the project, refunded in August 1998.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Loans Payable, (Continued)

In the event, however, that the tax increment and 50% of the sales tax generated by the center are insufficient to cover the reimbursement, the balance becomes a loan from Urbatec to the Agency at 2% annual interest (formerly at 8% prior to fiscal year 1996-97). Repayment of the remaining debt is still limited to the project's property tax increment and 50% of the sales tax. The balance outstanding at June 30, 2010 is \$1,491,071.

No minimum debt service requirements are presented due to the fact the repayments are calculated based on sales tax revenue generated from the projects as well as tax increment received on the property.

Business-type activity long-term debt at June 30, 2010 consisted of the following:

Revenue Bonds, Water Fund 2003 Series A

On March 4, 2003, the Whittier Utility Authority issued 2003 Series A Revenue Bonds in the amount of \$10,945,000 in order to advance refund the 1993 Water Revenue Refunding Bonds in the amount of \$6,610,000, pay for discounts and costs of issuance, and finance improvements to the water production and distribution systems. In lieu of a reserve account, the Authority used a portion of the proceeds of issuance to purchase a reserve fund surety bond.

The bonds consist of \$3,855,000 of serial bonds maturing in part each June 1 beginning in 2003 and ending in 2018. Interest rates on the serial bonds vary from 2.00% to 4.50%. The issue also consists of \$7,090,000 of term bonds with maturity dates beginning on June 1, 2023 and then each subsequent 5 year period until final maturity in 2033.

The bonds will be paid from the net revenues (pledged revenue) of the water fund operations. The Authority has covenanted, to provide net revenues equal to at least 1.25 times the annual amount of principal and interest due on the bonds. For the fiscal year ended June 30, 2010, the net revenues are equal to or greater than the required amount times the aggregate amount of principal and interest.

The reserve requirement was \$683,500 and the reserve as of June 30, 2010 was \$683,500. The outstanding amount of bonds at June 30, 2010 is \$9,240,000.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Solid Waste Revenue Bonds, 1993 Series A

In December of 1993, the City of Whittier issued \$5,935,000 of Solid Waste Revenue Bonds, 1993 Series A. The proceeds were used to refund the Solid Waste Revenue Bonds, 1987 Series A and make improvements to prior projects. These bonds have been assigned to the Authority upon creation.

Bonds maturing in the years 1994 to 2008 are serial bonds payable in annual installments of \$175,000 to \$320,000. The bonds bear interest at 2.5% to 5.2%. Bonds maturing on August 1, 2014, in the amount of \$2,340,000 are term bonds and bear interest at 5.375%. Bonds maturing on or before August 1, 2003, are not subject to optional redemption. Bonds maturing on or after August 1, 2004, are subject to redemption in whole or in part by lot prior to their stated maturities on any date commencing on or after August 1, 2003, at a premium ranging from 2% in 2003 to 0% in 2006. The term bonds are subject to mandatory redemption in whole or in part by lot, without premium, commencing August 1, 2009, and on each August 1 thereafter from sinking fund payments made by the Authority. The required reserve for the Solid Waste Revenue Bonds, 1993 Series A, is \$451,901. As of June 30, 2010, the reserve was fully funded. The bonds are payable from the net revenues of the existing solid waste collection and disposal enterprise of the Authority. Net revenues must be equal to at least 1.50 times the aggregate amount of principal and interest on the bonds. At June 30, 2010, the net revenues are equal to 5.95 times the aggregate amount of principal and interest. The reserve requirement was \$457,825 and the reserve as of June 30, 2010 was \$468,918. The amount of bonds outstanding as of June 30, 2010 is \$2,000,000.

Revenue Bonds, Water Fund 2009 Series A

On October 14, 2009, the Authority issued Water Revenue Bonds 2009 Series A for \$9,095,000. The proceeds were used to (i) finance various improvements to the City's water production, storage, and distribution enterprise, (ii) fund a reserve fund for the Bonds, and (iii) pay the costs of issuance of the Bonds.

The bonds consist of \$3,150,000, in which the interest is excluded from gross income for purposes of federal income taxation ("Tax-Exempt Bonds"). The \$5,945,000 remaining portion of the bonds is issued as bonds designated as "Direct Payment Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009 ("Build America Bonds"), the interest on which is not excluded from gross income for purposes of federal income taxation. The Tax-Exempt Bonds mature in the years 2011 to 2039 and are payable in annual installments of \$185,000 to \$515,000. The Build America

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Revenue Bonds Payable, Water Fund 2009 Series A, (Continued)

Bonds maturing on June 1, 2029, are also subject to mandatory redemption, on June 1 of each year, commencing June 1, 2025, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account in annual installments of \$295,000 to \$345,000. The Build America Bonds maturing on June 1, 2039, are also subject to mandatory redemption, on June 1 in each year, commencing June 1, 2030, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the Authority in annual installments of \$360,000 to \$515,000.

The reserve requirement was \$669,887 and the reserve as of June 30, 2010 was \$670,055. The outstanding amount of bonds at June 30, 2010 was \$9,095,000.

Closure and Postclosure Payable, Continued Closure and Postclosure Payable

Federal and state laws and regulations require the City to place a final cover on its Savage Canyon landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date. The \$19,893,994 reported as landfill closure and postclosure care liability at June 30, 2010 represents the cumulative amount reported to date based on the use of 59.45% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$18,887,775 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The City expects to close the landfill in the year 2048. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by federal and state laws and regulations to accumulate assets held in trust to finance closure and postclosure care. At June 30, 2010, assets of \$8,040,333 are held for these purposes. These are reported as restricted assets on the statement of net asset. The closure and postclosure care costs are primarily funded by a portion of the fee collected from landfill users. Postclosure costs will be covered from revenues of the Solid Waste operation and interest earnings on the accumulated assets held in trust.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Governmental Long-Term Debt Service to Maturity Requirements

The annual requirements for repayment of principal and interest on long-term liabilities outstanding as of June 30, 2010 are as follows:

| Public Financing Authority 2002 Revenue Bonds, Series A | | | |
|--|-------------------------|------------------------|---------------------|
| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 290,000 | 302,833 | 592,833 |
| 2012 | 305,000 | 288,473 | 593,473 |
| 2013 | 320,000 | 273,000 | 593,000 |
| 2014 | 335,000 | 256,290 | 591,290 |
| 2015 | 350,000 | 238,305 | 588,305 |
| 2016-2020 | 2,065,000 | 876,048 | 2,941,048 |
| 2021-2024 | <u>2,105,000</u> | <u>239,388</u> | <u>2,344,388</u> |
| Total | <u>\$5,770,000</u> | <u>2,474,337</u> | <u>8,244,337</u> |

| Public Financing Authority 2007 Revenue Bonds, Series A | | | |
|--|-------------------------|------------------------|---------------------|
| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 370,000 | 683,363 | 1,053,363 |
| 2012 | 375,000 | 668,463 | 1,043,463 |
| 2013 | 385,000 | 653,263 | 1,038,263 |
| 2014 | 390,000 | 637,763 | 1,027,763 |
| 2015 | 395,000 | 622,063 | 1,017,063 |
| 2016-2020 | 2,060,000 | 2,863,828 | 4,923,828 |
| 2021-2024 | 4,175,000 | 2,149,613 | 6,324,613 |
| 2026-2030 | 2,600,000 | 1,319,591 | 3,919,591 |
| 2031-2035 | 1,710,000 | 711,250 | 2,421,250 |
| 2036-2039 | <u>2,235,000</u> | <u>263,875</u> | <u>2,498,875</u> |
| Total | <u>\$14,695,000</u> | <u>10,573,072</u> | <u>25,268,072</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Governmental Long-Term Debt Service to Maturity Requirements, (Continued)

| Fiscal Year Ending June 30, | 2005 Tax Allocation Bonds | | |
|--|----------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 160,000 | 319,120 | 479,120 |
| 2012 | 165,000 | 314,142 | 479,142 |
| 2013 | 170,000 | 308,801 | 478,801 |
| 2014 | 175,000 | 302,976 | 477,976 |
| 2015 | 185,000 | 296,676 | 481,676 |
| 2016-2020 | 1,035,000 | 1,371,700 | 2,406,700 |
| 2021-2025 | 1,270,000 | 1,135,598 | 2,405,598 |
| 2026-2030 | 1,550,000 | 808,750 | 2,358,750 |
| 2031-2035 | 1,975,000 | 370,625 | 2,345,625 |
| 2036 | <u>455,000</u> | <u>11,375</u> | <u>466,375</u> |
| Total | <u>\$7,140,000</u> | <u>5,239,763</u> | <u>12,379,763</u> |

| Fiscal Year Ending June 30, | 2007A Tax Allocation Bonds | | |
|--|-----------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 205,000 | 589,913 | 794,913 |
| 2012 | 215,000 | 581,195 | 796,195 |
| 2013 | 220,000 | 571,950 | 791,950 |
| 2014 | 230,000 | 562,160 | 792,160 |
| 2015 | 240,000 | 551,700 | 791,700 |
| 2016-2020 | 1,385,000 | 2,575,595 | 3,960,595 |
| 2021-2025 | 1,745,000 | 2,201,098 | 3,946,098 |
| 2026-2030 | 2,230,000 | 1,708,000 | 3,938,000 |
| 2031-2035 | 2,845,000 | 1,076,875 | 3,921,875 |
| 2036-2039 | <u>2,830,000</u> | <u>291,750</u> | <u>3,121,750</u> |
| Total | <u>\$12,145,000</u> | <u>10,710,236</u> | <u>22,855,236</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Governmental Long-Term Debt Service to Maturity Requirements, (Continued)

| <u>Fiscal Year</u> <u>Ending June 30,</u> | 2007B Tax Allocation Bonds | | |
|--|-----------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 310,000 | 892,658 | 1,202,658 |
| 2012 | 325,000 | 875,196 | 1,200,196 |
| 2013 | 340,000 | 856,908 | 1,196,908 |
| 2014 | 360,000 | 837,658 | 1,197,658 |
| 2015 | 380,000 | 817,308 | 1,197,308 |
| 2016-2020 | 2,195,000 | 3,739,351 | 5,934,351 |
| 2021-2025 | 2,890,000 | 2,982,578 | 5,872,578 |
| 2026-2030 | 3,175,000 | 2,016,856 | 5,191,856 |
| 2031-2035 | 2,730,000 | 1,119,951 | 3,849,951 |
| 2036-2039 | <u>2,380,000</u> | <u>302,933</u> | <u>2,682,933</u> |
| | <u>\$15,085,000</u> | <u>14,441,397</u> | <u>29,526,397</u> |

Business-Type Activity Long-Term Debt Service to Maturity Requirements

| <u>Fiscal Year</u> <u>Ending June 30,</u> | 2003 Water Revenue Bonds | | |
|--|---------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 225,000 | 438,063 | 663,063 |
| 2012 | 235,000 | 430,188 | 665,188 |
| 2013 | 245,000 | 421,375 | 666,375 |
| 2014 | 260,000 | 411,820 | 671,820 |
| 2015 | 275,000 | 401,420 | 676,420 |
| 2016-2020 | 1,585,000 | 1,815,765 | 3,400,765 |
| 2021-2025 | 2,005,000 | 1,406,938 | 3,411,938 |
| 2026-2030 | 2,550,000 | 860,000 | 3,410,000 |
| 2031-2033 | <u>1,860,000</u> | <u>189,000</u> | <u>2,049,000</u> |
| | <u>\$9,240,000</u> | <u>6,374,569</u> | <u>15,614,569</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(8) Long-Term Liabilities, (Continued)

Business-Type Activity Long-Term Debt Service to Maturity Requirements, (Continued)

| Fiscal Year Ending June 30, | 1993 Solid Waste Revenue Bonds | | |
|--|---------------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 360,000 | 97,825 | 457,825 |
| 2012 | 375,000 | 78,072 | 453,072 |
| 2013 | 400,000 | 57,244 | 457,244 |
| 2014 | <u>865,000</u> | <u>47,165</u> | <u>912,165</u> |
| | <u>\$2,000,000</u> | <u>280,306</u> | <u>2,280,306</u> |

| Fiscal Year Ending June 30, | 2009 Water Revenue Bonds | | |
|--|---------------------------------|------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 185,000 | 481,837 | 666,837 |
| 2012 | 190,000 | 478,137 | 668,137 |
| 2013 | 195,000 | 474,337 | 669,337 |
| 2014 | 195,000 | 470,437 | 665,437 |
| 2015 | 205,000 | 464,587 | 669,587 |
| 2016-2020 | 1,115,000 | 2,220,835 | 3,335,835 |
| 2021-2025 | 1,360,000 | 1,980,160 | 3,340,160 |
| 2026-2030 | 1,670,000 | 1,569,530 | 3,239,530 |
| 2031-2035 | 2,035,000 | 1,004,486 | 3,039,486 |
| 2036-2039 | <u>1,945,000</u> | <u>311,174</u> | <u>2,256,174</u> |
| | <u>\$9,095,000</u> | <u>9,455,520</u> | <u>18,550,520</u> |

Defeasance of Debt

The City defeased or partially defeased the 1998 Tax Allocation Refunding Bonds and by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the defeased debt. Accordingly, the trusts' assets and the liability for the defeased debt issues are not included in the City's financial statements. The outstanding balances of the debt considered defeased as of June 30, 2010 was \$5,345,000.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(9) Debt Without Government Commitment, (Continued)

The following bond issues are not reflected in long-term debt because these debts are solely payable from and secured by the assets and revenues of other parties. Neither the faith and credit, nor the taxing power of the City, the Redevelopment Agency, the Public Financing Authority, the State of California or any political subdivision thereof, is pledged for the payment of these debts.

Community Facilities District No. 1989-1 (Whittier Station Center) of the City of Whittier 1998 Special Tax Bonds

On July 23, 1998, the Community Facilities District issued \$5,470,000 of 1998 Special Tax Refunding Bonds. The bonds mature on September 1, 2024. The bonds have varying interest rates ranging from 5.1% to 6% and interest is payable semi-annually on March 1 and September 1 of each year. The bonds were authorized by Ordinance 2466 and were issued pursuant to Bonds, Article 5 of said Ordinance. The purpose of the bonds is to advance refund the outstanding Community Facilities District No. 1989-1 (Whittier Station Center) 1989 Special Tax Bonds. Funds for payment of bond principal and interest requirements, as they come due, are to be obtained from a special tax levied by the City on behalf of the District against lands within the District. These bonds are payable only from special assessment collections from the property owners and funds pledged under a Fiscal Agent Agreement. The City is in no way liable for repayment. The City is only acting as an agent for the property owners and bondholders in collecting and forwarding the special assessments toward bond debt service. The outstanding principal balance at June 30, 2010 is \$4,055,000.

Community Facilities District No. 1991-1 (Whittier Boulevard/Painter Avenue) 1998 Special Tax Bonds

On December 23, 1998, the Community Facilities District issued \$6,285,000 of 1998 Special Tax Refunding Bonds. The bonds mature on September 1 of each year from 1999 to 2012. The bonds have varying interest rates ranging from 3.6% to 5.4% and interest is payable semi-annually on March 1 and September 1, of each year, commencing September 1, 1999. The bonds were authorized by Ordinance 2466 and were issued pursuant to the provisions of the City of Whittier Special Tax Financing Improvement Code, enacted by the City on June 6, 1989. The purpose of the bonds is to advance refund the outstanding Community Facilities District No. 1991-1 (Whittier Boulevard/Painter Avenue) 1991 Special Tax Bonds. Funds for payment of bond principal and interest requirements, as they come due, are to be obtained from a special tax levied by the City on behalf of the District against lands within the District. These bonds are payable only from special assessment collections from the property owners. The City is in no way liable for repayment. The City is only acting as an agent for the

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(9) Debt Without Government Commitment, (Continued)

Community Facilities District No. 1991-1 (Whittier Boulevard/Painter Avenue) 1998
Special Tax Bonds, (Continued)

property owners and bondholders in collecting and forwarding the special assessments toward bond debt service. The outstanding principal balance at June 30, 2010 is \$1,695,000.

Variable Rate Demand Revenue and Refunding Bonds (Whittier College) Series 2004

The City of Whittier entered into a Loan Agreement dated April 7, 2004 with Whittier College (“College”), pursuant to which the City has issued bonds for \$60,000,000 on April 7, 2004, at a Weekly Interest rate with a maximum rate of 12% per annum. The proceeds of the Series 2004 Bonds will be applied to finance the acquisition, construction, expansion, rehabilitation, remodeling, renovation, and/or equipping of certain educational facilities of the College. In addition, to provide for the current refunding of the City’s Educational Facility Revenue Refunding Bonds (Whittier College) Series 1993, to fund a debt service reserve fund for the Bonds and to pay costs incurred in connection with the issuance of the Bonds. The Bonds mature in December 1, 2033. The City is not obligated to pay the principal, premium and interest on the Bonds. The Outstanding balance at June 30, 2010 is \$55,430,000.

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2009

The City of Whittier entered into a Loan Agreement dated May 1, 2009, and a Supplemental Master Indenture of Trust for Obligation No. 1 dated May 1, 2009, with Presbyterian Intercommunity Hospital, Inc. (“Hospital”), InterHealth Corp., and IHC Management Corp. pursuant to which the City has issued Bonds for \$280,000,000 on May 1, 2009. The proceeds of the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C and the 2009D Bonds will be applied to finance and refinance the acquisition, construction, equipping and improvement of certain facilities owned or operated by the Hospital. The proceeds received from (i) the sale of the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, \$222,000,000, consisting of the par amount of the Series 2009 A Bonds (\$74,000,000), the par amount of the Series 2009 B Bonds (\$74,000,000) and the par amount of the Series 2009 C Bonds (\$74,000,000) and (ii) the sale of the Series 2009 D Bonds, consisting of the par amount of the Series 2009 D Bonds (\$58,000,000). The Bonds mature in June 2036. The City is not obligated to pay the principal, premium and interest on the Bonds. Outstanding balance at June 30, 2010 is \$280,000,000.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(10) Defined Benefit Pension Plan

Plan Description

The City of Whittier contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. All full time employees other than Safety are in the 2.5% at age 55 plan, while Safety employees are in the 3% at age 50 plan with a maximum of 90% of their single highest year's pay. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions of 4.6% required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2010 was 31.16% for safety employees and 7.22% for miscellaneous employees. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2010, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2009 to June 30, 2010.

Annual Pension Cost

For the fiscal year ended June 30, 2010, the City's annual pension cost (employer contribution) of \$4,599,232 for safety employees and \$1,971,389 for miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of an actuarial valuation performed as of June 30, 2007 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a three-year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(10) Defined Benefit Pension Plan, (Continued)

Annual Pension Cost, (Continued)

unfunded liability and the current service unfunded liability into a single initial unfunded liability. The single funding horizon for this initial unfunded liability is June 30, 2036 for the safety plan and the miscellaneous plan.

A summary of principle assumptions and methods used to determine the ARC is shown below.

| | <u>Safety Plan</u> | <u>Miscellaneous Plan</u> |
|----------------------------|---|---|
| Valuation Date | June 30, 2007 | June 30, 2007 |
| Actuarial Cost Method | Entry Age Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Amortization Method | Level Percent of Payroll | Level Percent of Payroll |
| Average Remaining Period | 30 Years as of the Valuation Date | 30 Years as of the Valuation Date |
| Asset Valuation Method | 15 Year Smoothed Market | 15 Year Smoothed Market |
| Actuarial Assumptions | | |
| Investment Rate of Return | 7.75% (net of administrative expenses) | 7.75% (net of administrative expenses) |
| Projected Salary Increases | 3.25% to 13.15% depending on Age, Service, and type of employment | 3.25% to 14.45% depending on Age, Service, and type of employment |
| Inflation | 3.00% | 3.00% |
| Payroll Growth | 3.25% | 3.25% |
| Individual Salary Growth | A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%. |

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a period not to exceed 30 years.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(10) Defined Benefit Pension Plan, (Continued)

The Schedule of Funding Progress presented below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Required Supplementary Information – Safety

| <u>Valuation Date</u> | <u>Entry Age Normal Accrued Liability</u> | <u>Actuarial Value of Assets</u> | <u>Unfunded Liability (Excess Assets)</u> | <u>Funded Status</u> | <u>Annual Covered Payroll</u> | <u>UAAL* As a % of Payroll</u> |
|-----------------------|---|----------------------------------|---|----------------------|-------------------------------|--------------------------------|
| 6/30/2007 | 115,397,938 | 90,358,049 | 25,039,889 | 78.3% | 9,457,332 | 264.8% |
| 6/30/2008 | 122,577,936 | 95,425,726 | 27,152,210 | 77.8% | 10,194,557 | 266.3% |
| 6/30/2009 | 133,210,884 | 98,880,264 | 34,330,620 | 74.2% | 10,827,986 | 317.1% |

Required Supplementary Information – Miscellaneous

| <u>Valuation Date</u> | <u>Entry Age Normal Accrued Liability</u> | <u>Actuarial Value of Assets</u> | <u>Unfunded Liability (Excess Assets)</u> | <u>Funded Status</u> | <u>Annual Covered Payroll</u> | <u>UAAL* As a % of Payroll</u> |
|-----------------------|---|----------------------------------|---|----------------------|-------------------------------|--------------------------------|
| 6/30/2007 | 105,843,757 | 108,354,247 | (2,510,490) | 102.4% | 15,063,179 | (16.7)% |
| 6/30/2008 | 113,833,345 | 114,235,784 | (402,439) | 100.4% | 15,995,390 | (2.5)% |
| 6/30/2009 | 127,602,064 | 117,786,818 | 9,815,246 | 92.3% | 16,574,059 | 59.2% |

Three-Year Trend Information

Annual Pension Cost (Employer Contribution)

| <u>Fiscal Year</u> | <u>Safety</u> | <u>Miscellaneous</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|---------------|----------------------|--------------------------------------|-------------------------------|
| 6/30/2008 | 3,835,221 | 1,662,718 | 100% | - |
| 6/30/2009 | 4,436,613 | 1,875,615 | 100% | - |
| 6/30/2010 | 4,599,232 | 1,971,389 | 100% | - |

*UAAL refers to unfunded actuarial accrued liability.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(11) Other Postemployment Benefits

Plan Description

The City of Whittier Retiree Healthcare Plan (“Plan”) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides healthcare benefits (medical and dental) to eligible retirees and their dependents through the City’s group healthcare insurance plans, which covers both active and retired participants. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees, and the unions representing City employees. The Retiree Healthcare Plan does not issue a financial report.

The City contributes to eligible retiree medical and dental premiums up to \$415 per month until age 65.

Funding Policy

The City will continue to pay Plan benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2010, the City contributed approximately \$328,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately \$162,000 for implied subsidy benefit payments for 68 retirees. The Plan does not require employee contributions.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represented 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 (for funding excess) over a period not to exceed 30 years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City’s net OPEB obligation:

| | |
|--|-------------------|
| Annual required contribution | \$ 886,000 |
| Interest on net OPEB obligation | 17,000 |
| Adjustment to annual required contribution | <u>(29,000)</u> |
| Annual OPEB cost (expense) | 874,000 |
| Contributions to irrevocable trust | - |
| Benefit payments | <u>(490,000)</u> |
| Increase in net OPEB obligation | 384,000 |
| Net OPEB obligation – beginning of year | <u>386,000</u> |
| Net OPEB obligation – end of year | <u>\$ 770,000</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(11) Other Postemployment Benefits, (Continued)

Annual OPEB Cost and Net OPEB Obligation, (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended June 30, 2010 was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|------------------|--|------------------------|
| 6/30/09 | \$830,000 | 53% | \$386,000 |
| 6/30/10 | \$886,000 | 56% | \$384,000 |

Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2009, the Plan's most recent actuarial valuation date, was as follows:

| | |
|---|--------------|
| Actuarial accrued liability (AAL) | \$ 7,689,000 |
| Actuarial value of Plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 7,689,000 |
| Funded ratio (actuarial value of Plan assets/AAL) | 0% |
| Covered payroll (active Plan participants) | 26,098,000 |
| UAAL as a percentage of covered payroll | 29% |

Actuarial valuations of an ongoing Plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. 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, presented as required supplementary information following the notes to the financial statements, presents 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.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(11) Other Postemployment Benefits, (Continued)

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 January 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.50% investment rate of return (net of administrative expenses) and a 3% general inflation assumption. Medical premiums were assumed to increase with a pre-Medicare medical cost increase rate of 8.4% for the HMOs and 9.0% for the PPO for 2010/11, both grading down to 4.5% annual increases for 2016/17 and thereafter. Dental premiums are assumed to remain constant through 2010, and increase 3% annually thereafter. The UAAL is being amortized as a level percentage of payroll over 30 years on a closed basis.

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Unfunded Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--|--------------------------|---------------------------|---|
| 1/1/09 | \$ - | 7,689,000 | 7,689,000 | 0% | 26,098,000 | 29% |

(12) Pledged Revenues

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of the redevelopment agency tax increment revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(12) Pledged Revenues, (Continued)

| <u>Description of Pledged Revenue</u> | <u>Annual Amount of Pledged Revenue (net of expenses, where required)</u> | <u>Annual Debt Service Payments (of all debt secured by this revenue)</u> | <u>Debt Service as a Percentage of Pledged Revenue</u> |
|---------------------------------------|---|---|--|
| Tax Increment: | | | |
| Greenleaf/Uptown Project Area | \$1,741,448 | 830,952 | 48% |
| Earthquake Project Area | 3,319,875 | 1,577,717 | 48% |
| Whittier Blvd. Project Area | 1,624,014 | 681,128 | 42% |
| Commercial Corridor Project Area | <u>2,719,836</u> | <u>1,345,207</u> | 49% |
| Total | <u>\$9,405,173</u> | <u>4,435,004</u> | |

(13) Fund Balance Reservations

The City has established certain fund balance reserve accounts to report amounts which represent resources not available for appropriation.

- a. Amounts reserved for encumbrances are commitments for materials and services on purchase orders.
- b. Amounts reserved for long-term advances indicate that repayments are not available as a resource to meet expenditures of the current year.
- c. Amounts reserved for continuing projects in governmental funds are unexpended appropriations on incomplete capital improvement projects which have been carried forward into the new fiscal year.
- d. The reserve for land held for resale in the capital projects funds is equal to the amount of land inventory available for sale to developers for development purposes in future years.
- e. The reserve for public employees' retirement represents amounts set aside to be used to fund employees' retirement in the future.
- f. The 20% housing set aside money in the Whittier Redevelopment Agency.
- g. The reserve for prepaid items is equal to the prepaid expenses which are not available as a resource to meet current year expenditures.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(14) Risk Management

The City adopted a self-insured workers' compensation program which is administered by a third party administrator. The City is self-insured for the first \$500,000 on each claim. Insurance coverage in excess of the self-insured amount is provided by CSAC-EIA, a Joint Powers Authority, at statutory amounts for workers' compensation. Also, the City is self-insured for the first \$500,000 on each general liability claim against the City. The insurance coverage in excess of the self-insured amount is provided by California Insurance Pool Authority (CIPA) up to a limit of \$42,000,000.

While the ultimate amount of losses incurred through June 30, 2010, are dependent on future developments, based upon information from the City Attorney, outside counsel, third party administrators, and others involved with the administration of the programs, management believes that the designation is adequate to cover such losses. Costs relating to the litigation of claims are expensed as incurred. Losses for claims incurred but not reported are recorded when the probable amount of loss can be reasonably estimated.

The following is a schedule of changes in claims and judgments for the fiscal year ended June 30, 2010:

| | <u>Worker's Compensation</u> | <u>General Liability</u> | <u>Total</u> |
|--|----------------------------------|------------------------------|------------------|
| Claims and judgments at June 30, 2008 | \$3,528,136 | 3,110,647 | 6,638,783 |
| Claims payments | (1,220,701) | (3,234,629) | (4,455,330) |
| Claims incurred and changes in estimates | <u>900,595</u> | <u>3,759,829</u> | <u>4,660,424</u> |
| Claims and judgments at June 30, 2009 | <u>\$3,208,030</u> | <u>3,635,847</u> | <u>6,843,877</u> |
| Claims payments | (1,566,609) | (1,259,993) | (2,826,602) |
| Claims incurred and changes in estimates | <u>1,304,542</u> | <u>(399,274)</u> | <u>905,268</u> |
| Claims and judgments at June 30, 2010 | <u>\$2,945,963</u> | <u>1,976,580</u> | <u>4,922,543</u> |

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(15) Deferred Compensation Plans

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. One plan is available to full-time employees and the other plan is available to part-time employees only. The Omnibus Budget Reconciliation Act of 1990 mandates social security coverage for state and local government employees who are not covered by a retirement plan. The Internal Revenue Service regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. Since the City's PERS retirement plan is primarily available for full-time employees only, a deferred compensation plan was established in December 1991 to comply with the mandate. All part-time employees not covered under the PERS retirement plan contribute 7.5% of their salary to the plan. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by third party administrators for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

(16) Litigation

The City is a defendant in eminent domain and other personal injury lawsuits of a nature common to many similar jurisdictions. City management believes that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

(17) Commitments and Contingencies

The City has been named as a responsible party by the Environmental Protection Agency for clean up at a waste disposal facility located within the City. The City has already contributed to the clean up, however, assessments are continuing and the City may be liable for additional contributions. At the present time any amounts due are not known and City management believes that amounts due, if any, would not materially offset the financial statements of the City.

CITY OF WHITTIER
NOTES TO THE BASIC FINANCIAL STATEMENTS
(Continued)

(17) Commitments and Contingencies, (Continued)

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

The Whittier Redevelopment Agency and the Whittier Public Financing Authority created the Whittier Utility Authority (Authority) on February 1, 2002. The Authority leases from the City, all of its utility enterprise funds. The Authority has also entered into a management agreement with the City for the operation and maintenance of the utility enterprises. The lease expires January 31, 2057 and all of the utility enterprise assets and activities revert back to the City. The minimum annual lease payments from the Authority to the City amount to \$878,743. The maximum amount of lease payments over the term of the lease cannot exceed \$143,609,173, which is based on the 2003 appraisal value.

Future minimum lease payment requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2011 | \$ 878,743 |
| 2012 | 878,743 |
| 2013 | 878,743 |
| 2014 | 878,743 |
| 2015 | 878,743 |
| 2016-2020 | 4,393,715 |
| 2021-2025 | 4,393,715 |
| 2026-2030 | 4,393,715 |
| 2031-2035 | 4,393,715 |
| 2036-2040 | 4,393,715 |
| 2041-2045 | 4,393,715 |
| 2046-2050 | 4,393,715 |
| 2051-2055 | 4,393,715 |
| 2056-2057 | <u>1,757,486</u> |
| | <u>\$41,300,921</u> |

Supplementary Information



CITY OF WHITTIER
MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources and payment of the City's long-term debt.

The Whittier Redevelopment Agency Debt Service Fund – to account for the property tax increment received by the Agency and also for the repayment of the Agency's indebtedness.

CAPITAL PROJECTS FUND

Capital Project Funds are used to account for capital expenditures of the City.

Capital Outlay Fund – to account for major capital projects funded from general revenues, as required by Section 1112 of the City Charter.

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Agency Debt Service Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---|
| Revenues: | | | |
| Taxes | \$ 7,917,000 | 7,524,138 | (392,862) |
| Use of money and property | 741,800 | 207,575 | (534,225) |
| Total revenues | <u>8,658,800</u> | <u>7,731,713</u> | <u>(927,087)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 1,739,872 | 1,622,892 | 116,980 |
| Debt service: | | | |
| Principal | 5,384,455 | 7,899,325 | (2,514,870) |
| Interest and fiscal charges | 2,637,751 | 2,537,484 | 100,267 |
| Pass through agreements | 5,105,247 | 4,644,362 | 460,885 |
| Total expenditures | <u>14,867,325</u> | <u>16,704,063</u> | <u>(1,836,738)</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures | <u>(6,208,525)</u> | <u>(8,972,350)</u> | <u>(2,763,825)</u> |
| Other financing sources (Uses): | | | |
| Loan additions | 1,977,488 | 1,254,088 | (723,400) |
| Transfers in | 357,500 | 357,500 | - |
| Transfers out | (1,327,709) | (6,697,022) | (5,369,313) |
| Total other financing sources (uses) | <u>1,007,279</u> | <u>(5,085,434)</u> | <u>(6,092,713)</u> |
| Net change in fund balance | (5,201,246) | (14,057,784) | (8,856,538) |
| Fund balance (deficit) at beginning of year | <u>27,764,468</u> | <u>27,764,468</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ 22,563,222</u> | <u>13,706,684</u> | <u>(8,856,538)</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Outlay Capital Projects Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---|
| Revenues: | | | |
| Use of money and property | \$ 55,000 | 58,769 | 3,769 |
| Total revenues | <u>55,000</u> | <u>58,769</u> | <u>3,769</u> |
| Expenditures: | | | |
| Capital outlay | 20,050,177 | 19,631,447 | 418,730 |
| Total expenditures | <u>20,050,177</u> | <u>19,631,447</u> | <u>418,730</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(19,995,177)</u> | <u>(19,572,678)</u> | <u>422,499</u> |
| Other financing sources (uses): | | | |
| Transfers in | 16,228,100 | 16,328,104 | 100,004 |
| Transfers out | - | (73,231) | (73,231) |
| Total other financing sources (uses) | <u>16,228,100</u> | <u>16,254,873</u> | <u>26,773</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures (US GAAP basis) | <u>(3,767,077)</u> | <u>(3,317,805)</u> | <u>449,272</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 3,565,461 | 3,565,461 |
| Total adjustments | <u>-</u> | <u>3,565,461</u> | <u>3,565,461</u> |
| Net change in fund balance | (3,767,077) | 247,656 | 4,014,733 |
| Fund balance at beginning of year | <u>5,951,844</u> | <u>5,951,844</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 2,184,767</u> | <u>6,199,500</u> | <u>4,014,733</u> |

CITY OF WHITTIER

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

Home Grant Fund – to account for the receipt and expenditures of the City’s Home Grant entitlement from the U.S. Department of Housing and Urban Development (HUD).

Street Lighting District 1-91 Fund – to account for street lighting assessment charges to provide for street lighting facilities for Foxley Drive between Santa Fe Springs Road and Villa Drive.

Asset Seizure – Forfeitures Fund – to account for the receipt of seized assets that were the proceeds from, or used in the sale or possession of, illegal narcotics trafficking, and the expenditure of such assets for law enforcement purposes.

SB 358 Library Grant Fund – to account for the receipt and expenditure of state funds received under the Public Library Grant Program.

State COPs Fund – to account for the receipt and expenditure of state funds received under the Citizens Option for Public Safety program.

Air Quality Improvement Fund – to account for motor vehicle registration fees received from the South Coast Air Quality Management District to reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988.

Business Improvement Area fund – to account for special levy imposed on businesses in the Uptown Village area to promote various activities within the area.

Earthquake Relief Fund – to account for donations made to the Whittier Earthquake Relief Fund for providing earthquake relief grants to eligible establishments.

State Gas Tax Fund – to account for the construction and maintenance of the road network system of the City. Financing is provided by the City’s share of state gasoline taxes, which are required by state law to be used to maintain streets.

Traffic Safety Fund – to account for fines collected on vehicle code violations which can be expended only for traffic safety purposes.

Traffic Offender Fund – to account for revenues from the Vehicle Impound Program as well as court fines from traffic violations. This fund will support the Traffic Safety Program after a grant from the California Office of Traffic Safety has been exhausted.

CITY OF WHITTIER

NON-MAJOR GOVERNMENTAL FUNDS

**SPECIAL REVENUE FUNDS
(Continued)**

Traffic Congestion Fund – to account for the receipt and expenditures of State funds to relieve traffic congestion by supplementing the City’s Capital Improvement Program.

HUD Grants Fund – to account for the receipt and expenditure of the City’s entitlement under the federal Community Development Block Grant and the Rental Rehabilitation Grant programs of the U.S. Department of Housing and Urban Development (HUD).

Whittier Uptown Parking District No. 1 Fund – to account for the operation and maintenance of the multi-deck structure on Bright Avenue.

Whittier Uptown Parking District No. 2 Fund – to account for the operation and maintenance of the various surface parking lots in the Uptown Village area.

Uptown Village Maintenance District Fund – to account for benefit assessments against Uptown Village property owners for the maintenance of special street enhancements and litter control in the Uptown Village area.

Prop 1B Fund – to account for the repair and maintenance of streets and roads within the City to reduce local traffic congestion and increase traffic safety.

Federal Stimulus – to account for the American Recovery and Reinvestment Act (ARRA) money received and spent within the City.

Measure R – to account for the receipt and expenditures funded with voter approved ½ cent sales tax designated for traffic relief and transportation upgrades.

DEBT SERVICE FUND

Whittier Public Financing Authority Debt Service Fund – to account for the proceeds of the 2002 and 2007A Revenue Bonds, loaned to the Whittier Redevelopment Agency, and for the debt service payments.

CAPITAL PROJECTS FUND

The Whittier Redevelopment Agency Capital Projects Fund – to account for the financing, construction, and administrative activities of the Agency.

CITY OF WHITTIER
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2010

| | Special Revenue Funds | | | |
|---|-----------------------|----------------------------------|-----------------------------|------------------------|
| | HOME Grant | Street Lighting District 1-91 | Asset Seizure Forfeiture | SB358 Library Grant |
| Assets: | | | | |
| Cash and investments | \$ 85,019 | 921 | - | 141,639 |
| Restricted assets: | | | | |
| Cash and investments | - | - | 1,758,198 | - |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Intergovernmental | 4,623 | 109 | - | - |
| Accounts | - | - | - | - |
| Notes and loans | 1,648,509 | - | - | - |
| Interest | 44,633 | - | 5,067 | 370 |
| Due from other funds | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land held for resale | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 1,782,784</u> | <u>1,030</u> | <u>1,763,265</u> | <u>142,009</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | 38 | - | - |
| Accrued liabilities | 1,800 | - | 5,076 | - |
| Due to other funds | 4,475 | - | - | - |
| Deferred revenues | 44,634 | - | - | - |
| Deposits payable | 1,500 | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>52,409</u> | <u>38</u> | <u>5,076</u> | <u>-</u> |
| Fund Balances (deficit): | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | - | - | 56,367 | - |
| Reserved for continuing appropriations | 1,987,938 | - | - | - |
| Reserved for long-term advances and notes | 1,648,509 | - | - | - |
| Reserved for land held for resale | - | - | - | - |
| Unreserved/undesignated reported in: | | | | |
| Special revenue funds | (1,906,072) | 992 | 1,701,822 | 142,009 |
| Debt service fund | - | - | - | - |
| Capital projects fund | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances (deficit) | <u>1,730,375</u> | <u>992</u> | <u>1,758,189</u> | <u>142,009</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 1,782,784</u> | <u>1,030</u> | <u>1,763,265</u> | <u>142,009</u> |

| State COPS Grant | Air Quality Improvement | Business Improvement Area | Earthquake Relief | State Gas Tax | Traffic Safety | Traffic Offender | Traffic Congestion |
|---------------------|----------------------------|---------------------------------|----------------------|------------------|-------------------|---------------------|-----------------------|
| 348,453 | 290,351 | 8,651 | 4,800 | 2,611,164 | 259,734 | - | 893,109 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 24,127 | 23,709 | - | - | 160,222 | 34,369 | - | 218,196 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 776 | 660 | - | - | 4,391 | - | - | 948 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>373,356</u> | <u>314,720</u> | <u>8,651</u> | <u>4,800</u> | <u>2,775,777</u> | <u>294,103</u> | <u>-</u> | <u>1,112,253</u> |
| - | 8,318 | 8,651 | - | 81,727 | 8,662 | - | - |
| 5,036 | (3,002) | - | - | 1,867 | - | 4,709 | 1,103 |
| - | - | - | - | 221,087 | - | 101,609 | - |
| - | - | - | - | 97,825 | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>5,036</u> | <u>5,316</u> | <u>8,651</u> | | <u>402,506</u> | <u>8,662</u> | <u>106,318</u> | <u>1,103</u> |
| - | - | - | - | 2,040 | - | - | - |
| - | - | - | - | 2,242,454 | - | - | 1,209,954 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 368,320 | 309,404 | - | 4,800 | 128,777 | 285,441 | (106,318) | (98,804) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>368,320</u> | <u>309,404</u> | <u>-</u> | <u>4,800</u> | <u>2,373,271</u> | <u>285,441</u> | <u>(106,318)</u> | <u>1,111,150</u> |
| <u>373,356</u> | <u>314,720</u> | <u>8,651</u> | <u>4,800</u> | <u>2,775,777</u> | <u>294,103</u> | <u>-</u> | <u>1,112,253</u> |

(Continued)

CITY OF WHITTIER
Combining Balance Sheet
Non-major Governmental Funds
(Continued)

| | Special Revenue Funds | | | |
|--|-----------------------|---|---|---|
| | HUD Grants | Whittier Uptown Parking District No.1 | Whittier Uptown Parking District No.2 | Uptown Village Maintenance District |
| Assets: | | | | |
| Cash and investments | 210,612 | 35 | 750,375 | 16,679 |
| Restricted assets: | | | | |
| Cash and investments | - | - | - | - |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Intergovernmental | 364,992 | 1,779 | 158 | - |
| Accounts | - | 5,400 | 778 | - |
| Notes and loans | 1,894,230 | - | - | - |
| Interest | 66,949 | - | 5,787 | 36 |
| Due from other funds | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Land held for resale | - | - | - | - |
| Total Assets | 2,536,783 | 7,214 | 757,098 | 16,715 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | 37,899 | 992 | 10,583 | - |
| Accrued liabilities | 18,351 | 2,077 | 36 | - |
| Due to other funds | - | 12,370 | - | - |
| Deferred revenues | 66,949 | - | - | - |
| Deposits payable | 3,448 | - | - | - |
| Total Liabilities | 126,647 | 15,439 | 10,619 | - |
| Fund Balances: | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | 8,937 | - | - | - |
| Reserved for continuing appropriations | 1,029,831 | - | - | - |
| Reserved for long-term advances and notes | 1,894,230 | - | - | - |
| Reserved for land held for resale | - | - | - | - |
| Unreserved/undesignated reported in: | | | | |
| Special revenue funds | (522,862) | (8,225) | 746,479 | 16,715 |
| Debt service fund | - | - | - | - |
| Capital projects fund | - | - | - | - |
| Total fund balances (deficit) | 2,410,136 | (8,225) | 746,479 | 16,715 |
| Total liabilities and fund balances | 2,536,783 | 7,214 | 757,098 | 16,715 |

| Prop 1B | Federal Stimulus | Measure R | Debt Service Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|------------------|------------------|----------------|-------------------------------|---------------------------------|---|
| | | | Public Financing Authority | Redevelopment Agency Fund | |
| 2,015,572 | - | 491,092 | - | 2,610,414 | 10,738,620 |
| - | - | - | - | 841,831 | 2,600,029 |
| - | - | - | 618,205 | - | 618,205 |
| - | 304,262 | 66,258 | - | - | 1,202,804 |
| - | - | - | - | - | 6,178 |
| - | - | - | - | - | 3,542,739 |
| 2,336 | - | 400 | 207 | 4,304 | 136,864 |
| - | - | - | - | 51,773 | 51,773 |
| - | - | - | 5,770,000 | - | 5,770,000 |
| - | - | - | - | 2,542,284 | 2,542,284 |
| <u>2,017,908</u> | <u>304,262</u> | <u>557,750</u> | <u>6,388,412</u> | <u>6,050,606</u> | <u>27,209,496</u> |
| 1,646 | 279,167 | - | - | 109,164 | 546,847 |
| 277 | 2,648 | - | - | - | 39,978 |
| - | 22,447 | - | - | 14,578 | 376,566 |
| - | 304,262 | - | - | - | 513,670 |
| - | - | - | - | 25,000 | 29,948 |
| <u>1,923</u> | <u>608,524</u> | <u>-</u> | <u>-</u> | <u>148,742</u> | <u>1,507,009</u> |
| 131,344 | 1,216,492 | - | - | 495,320 | 1,910,500 |
| 481,397 | 1,580,592 | - | - | 215,145 | 8,747,311 |
| - | - | - | 5,770,000 | - | 9,312,739 |
| - | - | - | - | 2,542,284 | 2,542,284 |
| 1,403,244 | (3,101,346) | 557,750 | - | - | (77,874) |
| - | - | - | 618,412 | - | 618,412 |
| - | - | - | - | 2,649,115 | 2,649,115 |
| <u>2,015,985</u> | <u>(304,262)</u> | <u>557,750</u> | <u>6,388,412</u> | <u>5,901,864</u> | <u>25,702,487</u> |
| <u>2,017,908</u> | <u>304,262</u> | <u>557,750</u> | <u>6,388,412</u> | <u>6,050,606</u> | <u>27,209,496</u> |

CITY OF WHITTIER
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2010

| | Special Revenue Funds | | | |
|--|-----------------------|----------------------------------|-----------------------------|------------------------|
| | HOME Grant | Street Lighting District 1-91 | Asset Seizure Forfeiture | SB358 Library Grant |
| Revenues: | | | | |
| Taxes | \$ - | - | - | - |
| Licenses and permits | - | - | - | - |
| Fines and forfeits | - | - | 125,094 | - |
| Use of money and property | - | 13 | 28,375 | 2,098 |
| Intergovernmental | 698,525 | - | - | 30,740 |
| Charges for services | - | 1,433 | - | - |
| Other | - | - | - | - |
| Total Revenues | <u>698,525</u> | <u>1,446</u> | <u>153,469</u> | <u>32,838</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | 260,251 | - |
| Libraries | - | - | - | 35,200 |
| Public works | - | 1,028 | - | - |
| Community development | 391,972 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | <u>391,972</u> | <u>1,028</u> | <u>260,251</u> | <u>35,200</u> |
| Excess (deficiency) of Revenues Over (Under) Expenditures | <u>306,553</u> | <u>418</u> | <u>(106,782)</u> | <u>(2,362)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>306,553</u> | <u>418</u> | <u>(106,782)</u> | <u>(2,362)</u> |
| Fund balances (deficit), beginning of year | <u>1,423,822</u> | <u>574</u> | <u>1,864,971</u> | <u>144,371</u> |
| Fund balances (deficit), end of year | <u>\$ 1,730,375</u> | <u>992</u> | <u>1,758,189</u> | <u>142,009</u> |

| State COPS Grant | Air Quality Improvement Area | Business Improvement Area | Earthquake Relief | State Gas Tax | Traffic Safety | Traffic Offender | Traffic Congestion |
|---------------------|------------------------------------|---------------------------------|----------------------|------------------|-------------------|---------------------|-----------------------|
| - | - | - | - | - | - | - | - |
| - | - | 108,804 | - | - | - | - | - |
| 40,126 | - | 6,424 | - | - | 415,800 | 37,692 | - |
| 4,917 | 4,673 | - | - | 28,155 | - | - | 11,715 |
| 116,579 | 98,268 | - | - | 1,949,629 | - | - | 785,684 |
| - | - | - | - | - | - | 14,017 | - |
| - | - | - | - | - | - | - | - |
| <u>161,622</u> | <u>102,941</u> | <u>115,228</u> | <u>-</u> | <u>1,977,784</u> | <u>415,800</u> | <u>51,709</u> | <u>797,399</u> |
| 76,895 | - | - | - | - | - | 99,020 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 367,102 | - | - | 19,901 |
| - | 34,063 | 115,228 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>76,895</u> | <u>34,063</u> | <u>115,228</u> | <u>-</u> | <u>367,102</u> | <u>-</u> | <u>99,020</u> | <u>19,901</u> |
| 84,727 | 68,878 | - | - | 1,610,682 | 415,800 | (47,311) | 777,498 |
| - | - | - | - | - | - | 129,996 | - |
| - | - | - | - | (988,550) | (336,750) | - | - |
| - | - | - | - | (988,550) | (336,750) | 129,996 | - |
| 84,727 | 68,878 | - | - | 622,132 | 79,050 | 82,685 | 777,498 |
| 283,593 | 240,526 | - | 4,800 | 1,751,139 | 206,391 | (189,003) | 333,652 |
| <u>368,320</u> | <u>309,404</u> | <u>-</u> | <u>4,800</u> | <u>2,373,271</u> | <u>285,441</u> | <u>(106,318)</u> | <u>1,111,150</u> |

(Continued)

CITY OF WHITTIER
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
(Continued)

| | Special Revenue Funds | | | |
|--|-----------------------|--|--------------------------------------|---|
| | HUD Grants | Whittier Uptown Parking District No. 1 | Whittier Uptown District No. 2 | Uptown Village Maintenance District |
| Revenues: | | | | |
| Taxes | - | 9,067 | 59,208 | - |
| Licenses and permits | - | - | - | - |
| Fines and forfeits | - | - | - | - |
| Use of money and property | - | 43,240 | 11,493 | 334 |
| Intergovernmental | 1,104,699 | 63 | 13 | - |
| Charges for services | - | 1,800 | 19,531 | - |
| Other | - | 24,931 | 36,682 | - |
| Total Revenues | 1,104,699 | 79,101 | 126,927 | 334 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Libraries | - | - | - | - |
| Public works | - | 90,483 | 80,740 | 44,828 |
| Community development | 1,086,339 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 1,086,339 | 90,483 | 80,740 | 44,828 |
| Excess (deficiency) of Revenues Over (Under) Expenditures | 18,360 | (11,382) | 46,187 | (44,494) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | 50,484 | - | 51,444 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | 50,484 | - | 51,444 |
| Net change in fund balances | 18,360 | 39,102 | 46,187 | 6,950 |
| Fund balances (deficit), beginning of year | 2,391,776 | (47,327) | 700,292 | 9,765 |
| Fund balances (deficit), end of year | 2,410,136 | (8,225) | 746,479 | 16,715 |

| Prop 1B | Federal Stimulus | Measure R | Debt Service Fund | Capital Projects Fund | Total Nonmajor Governmental Funds |
|------------------|------------------|----------------|-------------------------------|---------------------------------|---|
| | | | Public Financing Authority | Redevelopment Agency Fund | |
| 1,296,196 | - | 552,110 | - | - | 1,916,581 |
| - | - | - | - | - | 108,804 |
| - | - | - | - | - | 625,136 |
| 25,127 | - | 5,640 | 316,159 | 27,823 | 509,762 |
| - | 122,217 | - | - | - | 4,906,417 |
| - | - | - | - | - | 36,781 |
| - | - | - | - | 2,958 | 64,571 |
| <u>1,321,323</u> | <u>122,217</u> | <u>557,750</u> | <u>316,159</u> | <u>30,781</u> | <u>8,168,052</u> |
| - | - | - | - | - | 436,166 |
| - | - | - | - | - | 35,200 |
| 27,359 | 426,479 | - | - | - | 1,057,920 |
| - | - | - | - | 1,556,392 | 3,183,994 |
| - | - | - | 275,000 | - | 275,000 |
| - | - | - | 319,595 | 987 | 320,582 |
| <u>27,359</u> | <u>426,479</u> | <u>-</u> | <u>594,595</u> | <u>1,557,379</u> | <u>5,308,862</u> |
| <u>1,293,964</u> | <u>(304,262)</u> | <u>557,750</u> | <u>(278,436)</u> | <u>(1,526,598)</u> | <u>2,859,190</u> |
| - | - | - | 3,550 | 2,197,022 | 2,432,496 |
| - | - | - | - | (361,050) | (1,686,350) |
| - | - | - | 3,550 | 1,835,972 | 746,146 |
| 1,293,964 | (304,262) | 557,750 | (274,886) | 309,374 | 3,605,336 |
| 722,021 | - | - | 6,663,298 | 5,592,490 | 22,097,151 |
| <u>2,015,985</u> | <u>(304,262)</u> | <u>557,750</u> | <u>6,388,412</u> | <u>5,901,864</u> | <u>25,702,487</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
HOME Grant Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|----------------------------|-------------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 2,544,693 | 563,618 | (1,981,075) |
| Total revenues | <u>2,544,693</u> | <u>563,618</u> | <u>(1,981,075)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 2,454,910 | 391,972 | 2,062,938 |
| Total expenditures | <u>2,454,910</u> | <u>391,972</u> | <u>2,062,938</u> |
| Excess of revenues over expenditures | <u>89,783</u> | <u>171,646</u> | <u>81,863</u> |
| Adjustments: | | | |
| To adjust for loan payments | - | 221,240 | 221,240 |
| To adjust for loan receipts | - | (86,333) | (86,333) |
| Total adjustments | <u>-</u> | <u>134,907</u> | <u>134,907</u> |
| Net change in fund balance | 89,783 | 306,553 | 216,770 |
| Fund balance at beginning of year | <u>1,423,822</u> | <u>1,423,822</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 1,513,605</u></u> | <u><u>1,730,375</u></u> | <u><u>216,770</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Street Lighting District 1-91 Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|---------------|---|
| Revenues: | | | |
| Use of money and property | \$ - | 13 | 13 |
| Charges for services | 1,380 | 1,433 | 53 |
| Total revenues | <u>1,380</u> | <u>1,446</u> | <u>66</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 1,369 | 1,028 | 341 |
| Total expenditures | <u>1,369</u> | <u>1,028</u> | <u>341</u> |
| Net change in fund balance | 11 | 418 | 407 |
| Fund balance at beginning of year | <u>574</u> | <u>574</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 585</u> | <u>992</u> | <u>407</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Asset Seizure Forfeiture Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeits | \$ 74,000 | 125,094 | 51,094 |
| Use of money and property | 30,000 | 28,375 | (1,625) |
| Total revenues | <u>104,000</u> | <u>153,469</u> | <u>49,469</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 372,201 | 316,618 | 55,583 |
| Total expenditures | <u>372,201</u> | <u>316,618</u> | <u>55,583</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(268,201)</u> | <u>(163,149)</u> | <u>105,052</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 56,367 | 56,367 |
| Total adjustments | <u>-</u> | <u>56,367</u> | <u>56,367</u> |
| Net change in fund balance (US GAAP basis) | (268,201) | (106,782) | 161,419 |
| Fund balance at beginning of year | <u>1,864,971</u> | <u>1,864,971</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,596,770</u> | <u>1,758,189</u> | <u>161,419</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
SB 358 Library Grant Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Use of money and property | \$ 3,000 | 2,098 | (902) |
| Intergovernmental | 29,533 | 30,740 | 1,207 |
| Total revenues | <u>32,533</u> | <u>32,838</u> | <u>305</u> |
| Expenditures: | | | |
| Current: | | | |
| Libraries | 35,200 | 35,200 | - |
| Total expenditures | <u>35,200</u> | <u>35,200</u> | <u>-</u> |
| Net change in fund balance | (2,667) | (2,362) | 305 |
| Fund balances at beginning of year | 144,371 | 144,371 | - |
| Fund balances at end of year | <u>\$ 141,704</u> | <u>142,009</u> | <u>305</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
State COPS Grant Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|--------------------------|-----------------------|---|
| Revenues: | | | |
| Fines and forfeits | \$ 15,000 | 40,126 | 25,126 |
| Use of money and property | 2,500 | 4,917 | 2,417 |
| Intergovernmental | 100,000 | 116,579 | 16,579 |
| Total revenues | <u>117,500</u> | <u>161,622</u> | <u>44,122</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 247,783 | 76,895 | 170,888 |
| Total expenditures | <u>247,783</u> | <u>76,895</u> | <u>170,888</u> |
| Net change in fund balance | (130,283) | 84,727 | 215,010 |
| Fund balance at beginning of year | <u>283,593</u> | <u>283,593</u> | - |
| Fund balance at end of year | <u><u>\$ 153,310</u></u> | <u><u>368,320</u></u> | <u><u>215,010</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Use of money and property | \$ 6,500 | 4,673 | (1,827) |
| Intergovernmental | 107,000 | 98,268 | (8,732) |
| Total revenues | <u>113,500</u> | <u>102,941</u> | <u>(10,559)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 50,353 | 34,063 | 16,290 |
| Total expenditures | <u>50,353</u> | <u>34,063</u> | <u>16,290</u> |
| Net change in fund balance | 63,147 | 68,878 | 5,731 |
| Fund balance at beginning of year | <u>240,526</u> | <u>240,526</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 303,673</u> | <u>309,404</u> | <u>5,731</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Business Improvement Area Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Licenses and permits | \$ 110,000 | 108,804 | (1,196) |
| Fines and forfeits | 2,000 | 6,424 | 4,424 |
| Total revenues | <u>112,000</u> | <u>115,228</u> | <u>3,228</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | <u>112,000</u> | <u>115,228</u> | <u>(3,228)</u> |
| Total expenditures | <u>112,000</u> | <u>115,228</u> | <u>(3,228)</u> |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>-</u> | <u>-</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Earthquake Relief Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|---------------|---|
| Revenues: | | | |
| Taxes | \$ - | - | - |
| Total revenues | - | - | - |
| Net change in fund balance | - | - | - |
| Fund balance at beginning of year | 4,800 | 4,800 | - |
| Fund balance at end of year | \$ 4,800 | 4,800 | - |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
State Gas Tax Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---|
| Revenues: | | | |
| Use of money and property | \$ 6,500 | 28,155 | 21,655 |
| Intergovernmental | 2,679,420 | 1,949,629 | (729,791) |
| Total revenues | <u>2,685,920</u> | <u>1,977,784</u> | <u>(708,136)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 3,003,068 | 369,142 | 2,633,926 |
| Total expenditures | <u>3,003,068</u> | <u>369,142</u> | <u>2,633,926</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(317,148)</u> | <u>1,608,642</u> | <u>1,925,790</u> |
| Other financing sources (uses): | | | |
| Transfers out | (988,550) | (988,550) | - |
| Total other financing sources (uses) | <u>(988,550)</u> | <u>(988,550)</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures | <u>(1,305,698)</u> | <u>620,092</u> | <u>1,925,790</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 2,040 | 2,040 |
| Total adjustments | <u>-</u> | <u>2,040</u> | <u>2,040</u> |
| Net change in fund balance (US GAAP basis) | (1,305,698) | 622,132 | 1,927,830 |
| Fund balance at beginning of year | <u>1,751,139</u> | <u>1,751,139</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 445,441</u> | <u>2,373,271</u> | <u>1,927,830</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|-----------------------|---|
| Revenues: | | | |
| Fines and forfeits | \$ 353,000 | 415,800 | 62,800 |
| Total revenues | <u>353,000</u> | <u>415,800</u> | <u>62,800</u> |
| Excess of revenues over expenditures | <u>353,000</u> | <u>415,800</u> | <u>62,800</u> |
| Other financing sources (uses): | | | |
| Transfers out | (336,750) | (336,750) | - |
| Total other financing sources (uses) | <u>(336,750)</u> | <u>(336,750)</u> | <u>-</u> |
| Net change in fund balance | 16,250 | 79,050 | 62,800 |
| Fund balance at beginning of year | <u>206,391</u> | <u>206,391</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 222,641</u></u> | <u><u>285,441</u></u> | <u><u>62,800</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Traffic Offender Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---|
| Revenues: | | | |
| Fines and forfeits | \$ 50,000 | 37,692 | (12,308) |
| Charges for services | 20,000 | 14,017 | (5,983) |
| Total revenues | <u>70,000</u> | <u>51,709</u> | <u>(18,291)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 140,142 | 99,020 | 41,122 |
| Total expenditures | <u>140,142</u> | <u>99,020</u> | <u>41,122</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(70,142)</u> | <u>(47,311)</u> | <u>22,831</u> |
| Other financing sources (uses): | | | |
| Transfers in | 130,000 | 129,996 | (4) |
| Total other financing sources (uses) | <u>130,000</u> | <u>129,996</u> | <u>(4)</u> |
| Net change in fund balance | 59,858 | 82,685 | 22,827 |
| Fund balance (deficit) at beginning of year | <u>(189,003)</u> | <u>(189,003)</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u><u>\$ (129,145)</u></u> | <u><u>(106,318)</u></u> | <u><u>22,827</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Traffic Congestion Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|------------------|---|
| Revenues: | | | |
| Use of money and property | \$ - | 11,715 | 11,715 |
| Intergovernmental | 822,400 | 785,684 | (36,716) |
| Total revenues | <u>822,400</u> | <u>797,399</u> | <u>(25,001)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 1,229,855 | 19,901 | 1,209,954 |
| Total expenditures | <u>1,229,855</u> | <u>19,901</u> | <u>1,209,954</u> |
| Net change in fund balance | (407,455) | 777,498 | 1,184,953 |
| Fund balance at beginning of year | <u>333,652</u> | <u>333,652</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ (73,803)</u> | <u>1,111,150</u> | <u>1,184,953</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budgetary Basis)
HUD Grants Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 2,034,100 | 1,104,699 | (929,401) |
| Total revenues | <u>2,034,100</u> | <u>1,104,699</u> | <u>(929,401)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 2,069,268 | 949,436 | 1,119,832 |
| Total expenditures | <u>2,069,268</u> | <u>949,436</u> | <u>1,119,832</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(35,168)</u> | <u>155,263</u> | <u>190,431</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 8,937 | 8,937 |
| To adjust for loan payments | - | 12,508 | 12,508 |
| To adjust for loan receipts | - | (158,348) | (158,348) |
| Total adjustments | <u>-</u> | <u>(136,903)</u> | <u>(136,903)</u> |
| Net change in fund balance (US GAAP basis) | (35,168) | 18,360 | 53,528 |
| Fund balance at beginning of year | <u>2,391,776</u> | <u>2,391,776</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 2,356,608</u></u> | <u><u>2,410,136</u></u> | <u><u>53,528</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Whittier Uptown Parking District No. 1 Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|---|
| Revenues: | | | |
| Taxes | \$ 6,710 | 9,067 | 2,357 |
| Use of money and property | 31,600 | 43,240 | 11,640 |
| Intergovernmental | 75 | 63 | (12) |
| Charges for services | 2,400 | 1,800 | (600) |
| Other | 21,800 | 24,931 | 3,131 |
| Total revenues | <u>62,585</u> | <u>79,101</u> | <u>16,516</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 76,626 | 90,483 | (13,857) |
| Total expenditures | <u>76,626</u> | <u>90,483</u> | <u>(13,857)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(14,041)</u> | <u>(11,382)</u> | <u>2,659</u> |
| Other financing sources (uses): | | | |
| Transfers in | 50,486 | 50,484 | (2) |
| Total other financing sources (uses) | <u>50,486</u> | <u>50,484</u> | <u>(2)</u> |
| Net change in fund balance | 36,445 | 39,102 | 2,657 |
| Fund balance (deficit) at beginning of year | <u>(47,327)</u> | <u>(47,327)</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ (10,882)</u> | <u>(8,225)</u> | <u>2,657</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Whittier Uptown Parking District No. 2 Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|----------------|---|
| Revenues: | | | |
| Taxes | \$ 54,400 | 59,208 | 4,808 |
| Use of money and property | 3,000 | 11,493 | 8,493 |
| Intergovernmental | 25 | 13 | (12) |
| Charges for services | 16,000 | 19,531 | 3,531 |
| Other | 30,200 | 36,682 | 6,482 |
| Total revenues | <u>103,625</u> | <u>126,927</u> | <u>23,302</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 90,612 | 80,740 | 9,872 |
| Total expenditures | <u>90,612</u> | <u>80,740</u> | <u>9,872</u> |
| Net change in fund balance | 13,013 | 46,187 | 33,174 |
| Fund balance at beginning of year | 700,292 | 700,292 | - |
| Fund balance at end of year | <u>\$ 713,305</u> | <u>746,479</u> | <u>33,174</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Uptown Village Maintenance District Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|---|
| Revenues: | | | |
| Use of money and property | \$ - | 334 | 334 |
| Total revenues | <u>-</u> | <u>334</u> | <u>334</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 53,280 | 44,828 | 8,452 |
| Total expenditures | <u>53,280</u> | <u>44,828</u> | <u>8,452</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(53,280)</u> | <u>(44,494)</u> | <u>8,786</u> |
| Other financing sources (uses): | | | |
| Transfers in | 51,448 | 51,444 | (4) |
| Total other financing sources (uses) | <u>51,448</u> | <u>51,444</u> | <u>(4)</u> |
| Net change in fund balance | (1,832) | 6,950 | 8,782 |
| Fund balance at beginning of year | <u>9,765</u> | <u>9,765</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 7,933</u> | <u>16,715</u> | <u>8,782</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Prop 1B Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| Revenues: | | | |
| Taxes | \$ - | 1,296,196 | 1,296,196 |
| Use of money and property | 15,000 | 25,127 | 10,127 |
| Total revenues | <u>15,000</u> | <u>1,321,323</u> | <u>1,306,323</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 825,689 | 158,703 | 666,986 |
| Total expenditures | <u>825,689</u> | <u>158,703</u> | <u>666,986</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(810,689)</u> | <u>1,162,620</u> | <u>1,973,309</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 131,344 | 131,344 |
| Total adjustments | <u>-</u> | <u>131,344</u> | <u>131,344</u> |
| Net change in fund balance (US GAAP basis) | (810,689) | 1,293,964 | 2,104,653 |
| Fund balance at beginning of year | <u>722,021</u> | <u>722,021</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ (88,668)</u> | <u>2,015,985</u> | <u>2,104,653</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Federal Stimulus Special Revenue Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 3,367,300 | 122,217 | (3,245,083) |
| Total revenues | <u>3,367,300</u> | <u>122,217</u> | <u>(3,245,083)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public works | 3,367,300 | 1,642,971 | 1,724,329 |
| Total expenditures | <u>3,367,300</u> | <u>1,642,971</u> | <u>1,724,329</u> |
| Excess (deficiency) of revenues over (under) expenditures (US GAAP basis) | <u>-</u> | <u>(1,520,754)</u> | <u>(1,520,754)</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 1,216,492 | 1,216,492 |
| Total adjustments | <u>-</u> | <u>1,216,492</u> | <u>1,216,492</u> |
| Net change in fund balance | - | (304,262) | (304,262) |
| Fund balance at beginning of year | - | - | - |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>(304,262)</u> | <u>(304,262)</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Measure R Special Revenue Fund
Year Ended June 30, 2010

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---|
| Revenues: | | | |
| Taxes | \$ 447,772 | 552,110 | 104,338 |
| Use of money and property | - | 5,640 | 5,640 |
| Total revenues | <u>447,772</u> | <u>557,750</u> | <u>109,978</u> |
| Net change in fund balance | 447,772 | 557,750 | 109,978 |
| Fund balance at beginning of year | - | - | - |
| Fund balance (deficit) at end of year | <u>\$ 447,772</u> | <u>557,750</u> | <u>109,978</u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Public Financing Authority Debt Service Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---|
| Revenues: | | | |
| Use of money and property | \$ 1,014,007 | 316,159 | (697,848) |
| Total revenues | <u>1,014,007</u> | <u>316,159</u> | <u>(697,848)</u> |
| Expenditures: | | | |
| Debt service: | | | |
| Interest and fiscal charges | 1,017,982 | 319,595 | 698,387 |
| Total expenditures | <u>1,017,982</u> | <u>594,595</u> | <u>423,387</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,975)</u> | <u>(278,436)</u> | <u>(274,461)</u> |
| Other financing sources (Uses): | | | |
| Transfers in | 3,975 | 3,550 | (425) |
| Transfers out | - | - | - |
| Total other financing sources (uses) | <u>3,975</u> | <u>3,550</u> | <u>(425)</u> |
| Net change in fund balance | - | (274,886) | (274,886) |
| Fund balance at beginning of year | <u>6,663,298</u> | <u>6,663,298</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 6,663,298</u></u> | <u><u>6,388,412</u></u> | <u><u>274,886</u></u> |

CITY OF WHITTIER
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Redevelopment Agency Capital Projects Fund
Year Ended June 30, 2010

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|--------------------|---|
| Revenues: | | | |
| Use of money and property | \$ 37,600 | 27,823 | (9,777) |
| Other | - | 2,958 | 2,958 |
| Total revenues | <u>37,600</u> | <u>30,781</u> | <u>(6,819)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 3,504,176 | 2,051,712 | 1,452,464 |
| Debt Service: | | | |
| Interest and fiscal charges | 975 | 987 | (12) |
| Total expenditures | <u>3,505,151</u> | <u>2,052,699</u> | <u>1,452,452</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,467,551)</u> | <u>(2,021,918)</u> | <u>1,445,633</u> |
| Other financing sources (uses): | | | |
| Transfers in | 1,327,709 | 2,197,022 | 869,313 |
| Transfers out | (361,475) | (361,050) | 425 |
| Total other financing sources (uses) | <u>966,234</u> | <u>1,835,972</u> | <u>869,738</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures (US GAAP basis) | <u>(2,501,317)</u> | <u>(185,946)</u> | <u>2,315,371</u> |
| Adjustments: | | | |
| To adjust for encumbrances | - | 495,320 | 495,320 |
| Total other financing sources (uses) | <u>-</u> | <u>495,320</u> | <u>495,320</u> |
| Net change in fund balance | (2,501,317) | 309,374 | 2,810,691 |
| Fund balance at beginning of year | <u>5,592,490</u> | <u>5,592,490</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 3,091,173</u> | <u>5,901,864</u> | <u>2,810,691</u> |

CITY OF WHITTIER
INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one City department to others, or to other agencies, on a cost-reimbursement basis (including depreciation).

Self Insurance Fund – to account for costs of operating self-insurance programs for general liability and workers compensation.

Employee Benefits Fund – to account for employee compensated absences and medical insurance benefits.

Mobile Equipment Fund – to account for the costs of City vehicle and equipment maintenance.

Mobile Equipment Replacement Fund – to account for the acquisition costs of City motorized equipment and to accumulate funds for equipment replacement.

Other Equipment Replacement Fund – to account for major replacement/refurbishment of office equipment and the radio communications system.

CITY OF WHITTIER
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

| | <u>Self Insurance</u> | <u>Employee Benefits</u> | <u>Mobile Equipment</u> | <u>Mobile Equipment Replacement</u> | <u>Other Equipment Replacement</u> | <u>Totals</u> |
|--|---------------------------|------------------------------|-----------------------------|---|--|--------------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 5,885,365 | 4,917,155 | 128,353 | 6,639,084 | 2,522,586 | 20,092,543 |
| Accounts receivable, net | 23,163 | - | 20,598 | - | - | 43,761 |
| Interest receivable | 14,565 | 1,220 | - | 16,921 | 6,650 | 39,356 |
| Prepaid items | <u>-</u> | <u>3,678</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,678</u> |
| Total current assets | <u>5,923,093</u> | <u>4,922,053</u> | <u>148,951</u> | <u>6,656,005</u> | <u>2,529,236</u> | <u>20,179,338</u> |
| Capital assets: | | | | | | |
| Improvements | - | - | 300,879 | - | - | 300,879 |
| Field and shop equipment | - | - | 45,511 | - | 190,085 | 235,596 |
| Office machines | - | - | - | - | 1,847,325 | 1,847,325 |
| Mobile equipment | - | - | - | 13,426,515 | - | 13,426,515 |
| Less-accumulated depreciation | <u>-</u> | <u>-</u> | <u>(267,486)</u> | <u>(8,698,311)</u> | <u>(993,417)</u> | <u>(9,959,214)</u> |
| Total capital assets, net | <u>-</u> | <u>-</u> | <u>78,904</u> | <u>4,728,204</u> | <u>1,043,993</u> | <u>5,851,101</u> |
| Total assets | <u>5,923,093</u> | <u>4,922,053</u> | <u>227,855</u> | <u>11,384,209</u> | <u>3,573,229</u> | <u>26,030,439</u> |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 284,562 | 2,604 | 62,422 | - | 64,867 | 414,455 |
| Accrued liabilities | 2,034 | - | 44,871 | - | 30,348 | 77,253 |
| Claims payable | 3,199,653 | - | - | - | - | 3,199,653 |
| Compensated absences payable - current | <u>-</u> | <u>1,953,401</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,953,401</u> |
| Total current liabilities | <u>3,486,249</u> | <u>1,956,005</u> | <u>107,293</u> | <u>-</u> | <u>95,215</u> | <u>5,644,762</u> |
| Long-term liabilities: | | | | | | |
| Claims payable - non-current | 1,722,890 | - | - | - | - | 1,722,890 |
| Compensated absences payable - non-current | <u>-</u> | <u>2,387,491</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,387,491</u> |
| Total liabilities | <u>5,209,139</u> | <u>4,343,496</u> | <u>107,293</u> | <u>-</u> | <u>95,215</u> | <u>9,755,143</u> |
| Net assets | | | | | | |
| Investment in capital assets | - | - | 78,904 | 4,728,204 | 1,043,993 | 5,851,101 |
| Unrestricted | <u>713,954</u> | <u>578,557</u> | <u>41,658</u> | <u>6,656,005</u> | <u>2,434,021</u> | <u>10,424,195</u> |
| Total net assets (deficit) | <u>\$ 713,954</u> | <u>578,557</u> | <u>120,562</u> | <u>11,384,209</u> | <u>3,478,014</u> | <u>16,275,296</u> |

CITY OF WHITTIER
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
Year Ended June 30, 2010

| | Self Insurance | Employee Benefits | Mobile Equipment | Mobile Equipment Replacement | Other Equipment Replacement | Totals |
|---|--------------------|----------------------|---------------------|------------------------------------|-----------------------------------|-------------------|
| Operating revenues: | | | | | | |
| Charges for services | \$ 4,101,108 | 4,286,335 | 2,872,978 | 1,824,408 | 888,169 | 13,972,998 |
| Total operating revenues | <u>4,101,108</u> | <u>4,286,335</u> | <u>2,872,978</u> | <u>1,824,408</u> | <u>888,169</u> | <u>13,972,998</u> |
| Operating expenses: | | | | | | |
| Self insurance | 1,821,124 | - | - | - | - | 1,821,124 |
| Employee benefits | - | 4,500,380 | - | - | - | 4,500,380 |
| Maintenance | - | - | 2,547,299 | 716,512 | 805,903 | 4,069,714 |
| Depreciation | - | - | 20,422 | 1,005,654 | 138,592 | 1,164,668 |
| Total operating expenses | <u>1,821,124</u> | <u>4,500,380</u> | <u>2,567,721</u> | <u>1,722,166</u> | <u>944,495</u> | <u>11,555,886</u> |
| Operating income (loss) | <u>2,279,984</u> | <u>(214,045)</u> | <u>305,257</u> | <u>102,242</u> | <u>(56,326)</u> | <u>2,417,112</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Use of money and property | 97,303 | 6,013 | - | 105,762 | 35,376 | 244,454 |
| Gain (loss) on disposal of capital assets | - | - | - | 43,286 | (171,835) | (128,549) |
| Other revenue (expense) | 125,010 | - | 2,631 | - | - | 127,641 |
| Total non-operating revenues | <u>222,313</u> | <u>6,013</u> | <u>2,631</u> | <u>149,048</u> | <u>(136,459)</u> | <u>243,546</u> |
| Income (loss) before transfers | <u>2,502,297</u> | <u>(208,032)</u> | <u>307,888</u> | <u>251,290</u> | <u>(192,785)</u> | <u>2,660,658</u> |
| Transfers in | - | - | - | 73,231 | 34,996 | 108,227 |
| Change in net assets | 2,502,297 | (208,032) | 307,888 | 324,521 | (157,789) | 2,768,885 |
| Net assets (deficit), beginning of the year | <u>(1,788,343)</u> | <u>786,589</u> | <u>(187,326)</u> | <u>11,059,688</u> | <u>3,635,803</u> | <u>13,506,411</u> |
| Net assets at end of the year | <u>\$ 713,954</u> | <u>578,557</u> | <u>120,562</u> | <u>11,384,209</u> | <u>3,478,014</u> | <u>16,275,296</u> |

CITY OF WHITTIER
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2010

| | Self Insurance | Employee Benefits | Mobile Equipment | Mobile Equipment Replacement | Other Equipment Replacement | Totals |
|--|---------------------|----------------------|---------------------|------------------------------------|-----------------------------------|-------------------|
| Cash flows from operating activities: | | | | | | |
| Receipts from customers and users | \$ 2,340,152 | 4,552,776 | 2,874,205 | 1,856,408 | 888,169 | 12,511,710 |
| Payments to suppliers | (1,705,451) | (4,437,701) | (2,541,617) | (706,081) | (951,514) | (10,342,364) |
| Nonoperating rental income revenue received | 125,010 | - | 2,631 | - | - | 127,641 |
| Net cash provided by operating activities | 759,711 | 115,075 | 335,219 | 1,150,327 | (63,345) | 2,296,987 |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers from other funds | - | - | (206,866) | 73,231 | 34,996 | (98,639) |
| Net cash provided (used) in noncapital financing activities | - | - | (206,866) | 73,231 | 34,996 | (98,639) |
| Cash flows from capital and related financing activities: | | | | | | |
| Sale of capital assets | - | - | - | 9,657 | 171,834 | 181,491 |
| Purchase of capital assets | - | - | - | (789,744) | (142,073) | (931,817) |
| Net cash provided (used) in capital and related financing activities | - | - | - | (780,087) | 29,761 | (750,326) |
| Cash flows from investing activities: | | | | | | |
| Interest on investments | 100,974 | 6,989 | - | 116,853 | 41,697 | 266,513 |
| Net cash provided by investing activities | 100,974 | 6,989 | - | 116,853 | 41,697 | 266,513 |
| Net increase (decrease) in cash and cash equivalents | 860,685 | 122,064 | 128,353 | 560,324 | 43,109 | 1,714,535 |
| Cash and cash equivalents, beginning of fiscal year | 5,024,680 | 4,795,091 | - | 6,078,760 | 2,479,477 | 18,378,008 |
| Cash and cash equivalents, end of fiscal year | <u>\$ 5,885,365</u> | <u>4,917,155</u> | <u>128,353</u> | <u>6,639,084</u> | <u>2,522,586</u> | <u>20,092,543</u> |
| Reconciliation of operating income to net cash provided by operations: | | | | | | |
| Operating income (loss) | \$ 2,279,984 | (214,045) | 305,257 | 102,242 | (56,326) | 2,417,112 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation | - | - | 20,422 | 1,005,654 | 138,592 | 1,164,668 |
| Rental income | 125,010 | - | 2,631 | - | - | 127,641 |
| Gain (loss) on sale of capital assets | - | - | - | 43,286 | (171,835) | (128,549) |
| Decrease (increase) in accounts receivable | 160,378 | - | 1,227 | 32,000 | - | 193,605 |
| Decrease (increase) in prepaid items | - | 60,075 | - | - | - | 60,075 |
| Increase (decrease) in accounts payable | 115,780 | 2,604 | 1,532 | (32,855) | 23,475 | 110,536 |
| Increase (decrease) in accrued liabilities | (107) | - | 4,150 | - | 2,749 | 6,792 |
| Increase (decrease) in claims payable | (1,921,334) | - | - | - | - | (1,921,334) |
| Increase (decrease) in compensated absences payable | - | 266,441 | - | - | - | 266,441 |
| Total adjustments | (1,520,273) | 329,120 | 29,962 | 1,048,085 | (7,019) | (120,125) |
| Net cash provided by operating activities | <u>\$ 759,711</u> | <u>115,075</u> | <u>335,219</u> | <u>1,150,327</u> | <u>(63,345)</u> | <u>2,296,987</u> |

Noncash investing, capital, and financing activities:

There were no significant noncash investing, capital, and financing activities for the fiscal year ended June 30, 2010.

CITY OF WHITTIER

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as trustee or agent for individuals, private organizations, or other governmental units or funds.

Flex-RAP Fund – to account for employee contributions and related reimbursements for the City’s Flexible Reimbursement Account Program in accordance with Section 125 of the Internal Revenue Code.

Special Deposits Fund – to account for refundable deposits being held by the City.

Community Facilities District 1989-1 Fund – to account for funds set aside by the City, on behalf of the CFD 89-1 bondholders, for debt service payments and reserves.

Community Facilities District 1991-1 Fund – to account for funds set aside by the City, on behalf of the CFD 91-1 bondholders, for debt service payments and reserves.

Habitat JPA Fund – to account for funds used and subsequently reimbursed by the Habitat JPA for operations.

CITY OF WHITTIER
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2010

| | <u>Flex-RAP</u> | <u>Special Deposits</u> | <u>Community Facilities District 1989-1</u> | <u>Community Facilities District 1991-1</u> | <u>Habitat JPA</u> | <u>Totals</u> |
|---|------------------|-----------------------------|---|---|------------------------|------------------|
| Assets: | | | | | | |
| Cash and investments | \$ - | 919,757 | 284,936 | 526,764 | - | 1,731,457 |
| Cash and investments with fiscal agents | - | - | 420,294 | 670,537 | - | 1,090,831 |
| Receivable: | | | | | | |
| Accounts | 11,093 | 11,158 | - | - | 225,492 | 247,743 |
| Interest | - | - | 219 | 249 | - | 468 |
| | <u>-</u> | <u>-</u> | <u>219</u> | <u>249</u> | <u>-</u> | <u>468</u> |
| Total assets | <u>\$ 11,093</u> | <u>930,915</u> | <u>705,449</u> | <u>1,197,550</u> | <u>225,492</u> | <u>3,070,499</u> |
| Liabilities: | | | | | | |
| Accounts payable | \$ 8,682 | 55,305 | - | - | 24,609 | 88,596 |
| Deposits payable | - | 875,610 | - | - | - | 875,610 |
| Due to other funds | 2,411 | - | - | - | 200,883 | 203,294 |
| Due to bondholders | - | - | 705,449 | 1,197,550 | - | 1,902,999 |
| | <u>-</u> | <u>-</u> | <u>705,449</u> | <u>1,197,550</u> | <u>-</u> | <u>1,902,999</u> |
| Total liabilities | <u>\$ 11,093</u> | <u>930,915</u> | <u>705,449</u> | <u>1,197,550</u> | <u>225,492</u> | <u>3,070,499</u> |

CITY OF WHITTIER
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year ended June 30, 2010

| Flex-Rap | Balance June 30, 2009 | Additions | Deletions | Balance June 30, 2010 |
|---|----------------------------------|------------------|------------------|----------------------------------|
| Assets | | | | |
| Cash and investments | \$ - | 871,396 | (871,396) | - |
| Accounts receivable | 50,474 | 11,093 | (50,474) | 11,093 |
| Total assets | <u>\$ 50,474</u> | <u>882,489</u> | <u>(921,870)</u> | <u>11,093</u> |
| Liabilities | | | | |
| Accounts payable | \$ 17,697 | 8,682 | (17,697) | 8,682 |
| Due to other funds | 32,777 | 2,411 | (32,777) | 2,411 |
| Total Liabilities | <u>\$ 50,474</u> | <u>11,093</u> | <u>(50,474)</u> | <u>11,093</u> |
| Special Deposits | | | | |
| Assets | | | | |
| Cash and investments | \$ 849,468 | 836,584 | (766,295) | 919,757 |
| Accounts receivable | 10,403 | 11,158 | (10,403) | 11,158 |
| Total Assets | <u>\$ 859,871</u> | <u>847,742</u> | <u>(776,698)</u> | <u>930,915</u> |
| Liabilities | | | | |
| Accounts payable | \$ 4,990 | 55,305 | (4,990) | 55,305 |
| Deposits payable | 854,881 | 757,794 | (737,065) | 875,610 |
| Total Liabilities | <u>\$ 859,871</u> | <u>813,099</u> | <u>(742,055)</u> | <u>930,915</u> |
| Community Facilities District 1989-1 | | | | |
| Assets | | | | |
| Cash and investments | \$ 279,510 | 418,805 | (413,379) | 284,936 |
| Cash and investments with fiscal agent | 421,006 | 410,377 | (411,089) | 420,294 |
| Interest receivable | 862 | 219 | (862) | 219 |
| Total Assets | <u>\$ 701,378</u> | <u>829,401</u> | <u>(825,330)</u> | <u>705,449</u> |
| Liabilities | | | | |
| Due to bondholders | \$ 701,378 | 829,401 | (825,330) | 705,449 |
| Total Liabilities | <u>\$ 701,378</u> | <u>829,401</u> | <u>(825,330)</u> | <u>705,449</u> |

(Continued)

CITY OF WHITTIER
Combining Statement of Changes in Assets and Liabilities
Agency Funds
(Continued)

| <u>Community Facilities District 1991-1</u> | <u>Balance</u> <u>June 30, 2009</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2010</u> |
|---|--|------------------|--------------------|--|
| Assets | | | | |
| Cash and investments | \$ 506,114 | 648,717 | (628,067) | 526,764 |
| Cash and investments with fiscal agent | 670,827 | 568,830 | (569,120) | 670,537 |
| Interest receivable | 651 | 249 | (651) | 249 |
| | <u>1,177,592</u> | <u>1,217,796</u> | <u>(1,197,838)</u> | <u>1,197,550</u> |
| Total assets | | | | |
| | <u>\$ 1,177,592</u> | <u>1,217,796</u> | <u>(1,197,838)</u> | <u>1,197,550</u> |
| Liabilities | | | | |
| Due to bondholders | \$ 1,177,592 | 1,217,796 | (1,197,838) | 1,197,550 |
| | <u>1,177,592</u> | <u>1,217,796</u> | <u>(1,197,838)</u> | <u>1,197,550</u> |
| Total liabilities | | | | |
| | <u>\$ 1,177,592</u> | <u>1,217,796</u> | <u>(1,197,838)</u> | <u>1,197,550</u> |
| <u>Habitat JPA</u> | | | | |
| Assets | | | | |
| Accounts receivable | \$ 161,642 | 225,492 | (161,642) | 225,492 |
| | <u>161,642</u> | <u>225,492</u> | <u>(161,642)</u> | <u>225,492</u> |
| Total assets | | | | |
| | <u>\$ 161,642</u> | <u>225,492</u> | <u>(161,642)</u> | <u>225,492</u> |
| Liabilities | | | | |
| Accounts payable | \$ 16,775 | 24,609 | (16,775) | 24,609 |
| Due to other funds | 144,867 | 200,883 | (144,867) | 200,883 |
| | <u>161,642</u> | <u>225,492</u> | <u>(161,642)</u> | <u>225,492</u> |
| Total liabilities | | | | |
| | <u>\$ 161,642</u> | <u>225,492</u> | <u>(161,642)</u> | <u>225,492</u> |
| <u>Total Agency Funds</u> | | | | |
| Assets | | | | |
| Cash investments | \$ 1,635,092 | 2,775,502 | (2,679,137) | 1,731,457 |
| Cash and investments with fiscal agent | 1,091,833 | 979,207 | (980,209) | 1,090,831 |
| Receivables: | | | | |
| Accounts | 222,519 | 247,743 | (222,519) | 247,743 |
| Interest | 1,513 | 468 | (1,513) | 468 |
| | <u>2,950,957</u> | <u>4,002,920</u> | <u>(3,883,378)</u> | <u>3,070,499</u> |
| Total assets | | | | |
| | <u>\$ 2,950,957</u> | <u>4,002,920</u> | <u>(3,883,378)</u> | <u>3,070,499</u> |
| Liabilities | | | | |
| Accounts payable | \$ 39,462 | 88,596 | (39,462) | 88,596 |
| Deposits payable | 854,881 | 757,794 | (737,065) | 875,610 |
| Due to other funds | 177,644 | 203,294 | (177,644) | 203,294 |
| Due to bondholders | 1,878,970 | 2,047,197 | (2,023,168) | 1,902,999 |
| | <u>2,950,957</u> | <u>3,096,881</u> | <u>(2,977,339)</u> | <u>3,070,499</u> |
| Total liabilities | | | | |
| | <u>\$ 2,950,957</u> | <u>3,096,881</u> | <u>(2,977,339)</u> | <u>3,070,499</u> |

City of Whittier

Statistical Section

Statistical Section

This section of the City of Whittier's Comprehensive Annual Report provides detailed information to better understand information presented within the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This has not been audited by the independent auditor.

| |
|---|
| <p><i>Financial Trends</i></p> <p>Contain trend information to help the reader understand how the City's financial performance has changed over time.</p> |
| <p><i>Revenue Capacity</i></p> <p>Contain information to help the reader assess the City's most significant local revenue source, the property tax.</p> |
| <p><i>Debt Capacity</i></p> <p>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.</p> |
| <p><i>Demographic and Economic Information</i></p> <p>Offer information to help the reader understand the environment within which the City's financial activities take place.</p> |
| <p><i>Operating Information</i></p> <p>Contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.</p> |

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in the fiscal year ending June 30, 2003; schedules presenting government-wide information include information beginning in that year.

City of Whittier
Net Assets by Component - Last Eight Fiscal Years
(in thousands)
(accrual basis of accounting)

| | Fiscal Year ending June 30, | | | | | | | |
|---|-----------------------------|------------|---------|---------|---------|----------|----------|----------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 (1) | 2004 (1) | 2003 (1) |
| <i>Governmental Activities:</i> | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 105,775 | 98,199 | 91,640 | 84,556 | 84,382 | 84,755 | 90,639 | 94,188 |
| Restricted | 30,522 | 78,484 | 82,986 | 72,206 | 51,929 | 45,827 | 20,480 | 20,282 |
| Unrestricted | 44,145 | 3,202 | (2,427) | 5,817 | 18,731 | 22,136 | 43,152 | 38,367 |
| Total Governmental Activities Net Assets | 180,442 | 179,885 | 172,199 | 162,579 | 155,042 | 152,718 | 154,271 | 152,837 |
| % change from prior year | 0.3% | 4.5% | 5.9% | 4.9% | 1.5% | -1.0% | 0.9% | N/A |
| <i>Business-type Activities:</i> | | | | | | | | |
| Invested in capital assets, net of related debt | 26,357 | 26,875 | 26,607 | 22,700 | 25,552 | 27,027 | 25,917 | 22,658 |
| Restricted | 185 | 138 | 120 | 48 | 34 | 24 | 117 | 106 |
| Unrestricted | 18,097 | 15,895 | 21,780 | 23,135 | 16,283 | 12,953 | 11,327 | 12,645 |
| Total Business-Type Activities Net Assets | 44,639 | 42,908 | 48,507 | 45,883 | 41,869 | 40,004 | 37,361 | 35,409 |
| % change from prior year | 4.0% | -11.5% | 5.7% | 9.6% | 4.7% | 7.1% | 5.5% | N/A |
| <i>Primary Government:</i> | | | | | | | | |
| Invested in capital assets, net of related debt | 132,132 | 125,074 | 118,247 | 107,256 | 109,934 | 111,782 | 116,556 | 116,846 |
| Restricted | 30,707 | 78,622 | 83,106 | 72,254 | 51,963 | 45,851 | 20,597 | 20,388 |
| Unrestricted | 62,242 | 19,097 | 19,353 | 28,952 | 35,014 | 35,089 | 54,479 | 51,012 |
| Total Primary Government Net Assets | \$ 225,081 | \$ 222,793 | 220,706 | 208,462 | 196,911 | 192,722 | 191,632 | 188,246 |
| % change from prior year | 1.0% | 0.9% | 5.9% | 5.9% | 2.2% | 0.6% | 1.8% | N/A |

The City implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available

(1) Restated net assets to record rights of way \$5,325,506 and report internal service funds as governmental activities.

City of Whittier
Changes in Net Assets - Last Eight Fiscal Years
(in thousands)
(accrual basis of accounting)

| | Fiscal Year ending June 30, | | | | | | | |
|--|-----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Expenses: | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| General government | \$ 7,714 | 7,353 | 8,443 | 7,588 | 6,840 | 8,499 | 7,155 | 6,621 |
| Public safety | 25,967 | 30,428 | 18,146 | 22,765 | 25,477 | 24,789 | 23,010 | 22,689 |
| Public works | 10,781 | 11,688 | 13,790 | 10,726 | 11,583 | 10,262 | 9,582 | 11,010 |
| Community development | 5,598 | 6,414 | 7,608 | 5,596 | 5,668 | 5,342 | 5,720 | 3,951 |
| Libraries | 3,506 | 3,426 | 3,412 | 3,394 | 3,118 | 3,017 | 3,117 | 3,057 |
| Transit | 2,731 | 2,604 | 4,671 | 3,373 | 3,243 | 2,767 | 2,442 | 2,313 |
| Parks and recreation | 8,612 | 10,057 | 11,373 | 11,747 | 8,724 | 9,089 | 7,978 | 9,622 |
| Interest on long-term debt | 3,710 | 4,637 | 5,445 | 2,406 | 1,614 | 736 | 1,358 | 1,345 |
| Total Governmental activities expenses | <u>68,619</u> | <u>76,607</u> | <u>72,888</u> | <u>67,595</u> | <u>66,267</u> | <u>64,501</u> | <u>60,362</u> | <u>60,608</u> |
| <i>Business-type activities:</i> | | | | | | | | |
| Sewer | 1,390 | 1,752 | 1,282 | 1,170 | 1,126 | 1,036 | 1,063 | 1,074 |
| Water | 8,289 | 14,321 | 8,688 | 7,828 | 7,469 | 6,146 | 5,772 | 6,010 |
| Solid waste | 9,272 | 9,295 | 8,950 | 8,305 | 8,601 | 7,918 | 7,642 | 6,988 |
| Total Business-type activities expenses | <u>18,951</u> | <u>25,368</u> | <u>18,920</u> | <u>17,303</u> | <u>17,196</u> | <u>15,100</u> | <u>14,477</u> | <u>14,072</u> |
| Total primary government expenses | <u>87,570</u> | <u>101,975</u> | <u>91,808</u> | <u>84,898</u> | <u>83,463</u> | <u>79,601</u> | <u>74,839</u> | <u>74,680</u> |
| Program revenues: | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | 2,128 | 2,047 | 2,021 | 2,494 | 2,583 | 1,711 | 2,105 | 2,174 |
| Public safety | 9,417 | 9,200 | 8,381 | 6,839 | 7,524 | 7,587 | 6,360 | 6,209 |
| Public works | 3,353 | 8,589 | 3,450 | 1,598 | 3,824 | 2,148 | 388 | 323 |
| Parks and recreation | 2,340 | 1,746 | 1,560 | 2,623 | 2,359 | 2,192 | 2,332 | 1,222 |
| Community development | 2,107 | 2,221 | 1,940 | 1,176 | 846 | 295 | 1,006 | 1,655 |
| Other activities | 895 | 981 | 967 | 389 | 310 | 615 | 143 | 165 |
| Operating contributions and grants | 5,362 | 6,294 | 5,665 | 6,874 | 5,051 | 6,211 | 2,554 | 3,692 |
| Capital contributions and grants | 3,300 | 4,521 | 4,033 | 585 | 3,920 | 2,645 | 4,078 | 1,137 |
| Total governmental activities program revenues | <u>28,902</u> | <u>35,599</u> | <u>28,017</u> | <u>22,578</u> | <u>26,417</u> | <u>23,404</u> | <u>18,966</u> | <u>16,577</u> |

City of Whittier
Changes in Net Assets - Last Eight Fiscal Years
(in thousands)
(accrual basis of accounting)

| | Fiscal Year ending June 30, | | | | | | | |
|---|-----------------------------|--------------|---------------|---------------|--------------|--------------|--------------|-------------|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| <i>Business-type activities:</i> | | | | | | | | |
| Charges for services: | | | | | | | | |
| Sewer | 1,740 | 1,902 | 1,913 | 1,836 | 1,282 | 1,233 | 1,129 | 987 |
| Water | 8,556 | 7,811 | 8,225 | 8,399 | 7,050 | 5,979 | 6,043 | 5,522 |
| Solid waste | 8,210 | 8,406 | 8,977 | 8,945 | 8,972 | 8,595 | 8,130 | 6,977 |
| Operating contributions and grants | 896 | 1,187 | 991 | 134 | 1,084 | 414 | 4 | - |
| Capital contributions and grants | 540 | 559 | 337 | - | - | - | - | 276 |
| Total business-type activities program revenues | 19,942 | 19,865 | 20,443 | 19,314 | 18,388 | 16,221 | 15,306 | 13,762 |
| Total primary government program revenues | 48,844 | 55,464 | 48,460 | 41,892 | 44,805 | 39,625 | 34,272 | 30,339 |
| Net revenues (expenses): | | | | | | | | |
| <i>Governmental activities</i> | (39,717) | (41,008) | (44,871) | (45,017) | (39,850) | (41,097) | (41,396) | (44,031) |
| <i>Business-type activities</i> | 991 | (5,503) | 1,523 | 2,011 | 1,192 | 1,121 | 829 | (310) |
| Total primary government net revenues (expenses) | (38,726) | (46,511) | (43,348) | (43,006) | (38,658) | (39,976) | (40,567) | (44,341) |
| General revenues and other changes in net assets | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | 9,690 | 13,252 | 12,501 | 12,191 | 7,337 | 8,108 | 8,482 | 7,470 |
| Sales taxes | 7,460 | 8,651 | 10,379 | 10,010 | 8,768 | 9,019 | 9,262 | 9,510 |
| Franchise taxes | 1,914 | 1,718 | 2,036 | 1,778 | 1,626 | 1,588 | 1,552 | 1,394 |
| Utility users tax | 7,366 | 7,659 | 7,806 | 7,872 | 7,529 | 7,253 | 7,175 | 6,703 |
| Motor vehicle in lieu tax, unrestricted | 7,253 | 7,410 | 8,786 | 8,403 | 8,219 | 7,123 | 5,862 | 5,173 |
| Transit tax | 2,035 | 2,314 | 2,544 | 2,560 | 2,610 | 2,304 | 2,176 | 2,077 |
| Other taxes | 2,257 | 2,356 | 2,734 | 2,776 | 1,542 | 1,459 | 2,613 | 1,713 |
| Investment income | 2,162 | 4,404 | 6,438 | 6,051 | 3,539 | 2,083 | 2,085 | 2,281 |
| Other | 136 | 16 | 444 | 801 | 656 | 449 | 3,840 | 6,627 |
| Transfers | - | 914 | 824 | 112 | 348 | (74) | - | (161) |
| <i>Business-type activities:</i> | | | | | | | | |
| Investment income | 584 | 818 | 1,924 | 2,115 | 1,021 | 1,680 | 906 | 1,366 |
| Transfers | 157 | (914) | (824) | (112) | (348) | 74 | - | 161 |
| Total general revenues and transfers | 41,014 | 48,598 | 55,592 | 54,557 | 42,847 | 41,066 | 43,953 | 44,314 |
| Change in net assets - total primary government | \$ 2,288 | 2,087 | 12,244 | 11,551 | 4,189 | 1,090 | 3,386 | (27) |

The City implemented GASB 34 for the fiscal year ended June 30, 2003.
Information prior to the implementation of GASB 34 is not available

City of Whittier
Fund Balances of Governmental Funds (1)
Last Eight Fiscal Years
(in thousands)

| | Fiscal Year Ending June 30, | | | | | | | |
|--|-----------------------------|----------------|----------------|----------------|---------------|-----------------|-----------------|-----------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005 (2)</u> | <u>2004 (2)</u> | <u>2003 (2)</u> |
| General fund: | | | | | | | | |
| Reserved | \$ 7,410 | 8,286 | 8,970 | 9,640 | 9,437 | 8,710 | 8,176 | 9,395 |
| Unreserved, designated for | 12,071 | 18,203 | 18,259 | 17,935 | 13,360 | 13,009 | 12,605 | 10,560 |
| Unreserved | 16,895 | 16,094 | 19,847 | 18,562 | 19,236 | 17,013 | 13,002 | 10,975 |
| Total general fund | <u>36,376</u> | <u>42,583</u> | <u>47,076</u> | <u>46,137</u> | <u>42,033</u> | <u>38,732</u> | <u>33,783</u> | <u>30,930</u> |
| Other governmental funds: | | | | | | | | |
| Reserved | 39,268 | 96,938 | 40,993 (5) | 43,305 (4) | 21,003 (3) | 20,904 (3) | 22,882 | 27,794 |
| Unreserved, designated for, reported in: | | | | | | | | |
| Special revenue funds | 617 | 541 | 303 | 215 | 215 | 251 | 748 | 612 |
| Debt service funds | - | - | 28,345 | 18,493 | 7,582 | 610 | 605 | 606 |
| Capital projects funds | - | - | - | - | 3,000 | 2,892 | 2,927 | - |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | 14,236 | (10,630) | 7,850 | 2,806 | 8,793 | 10,442 | 7,690 | 5,103 |
| Debt service funds | 14,325 | (6,044) | (2,978) | (4,412) | (14,014) | (7,680) | (15,805) | (16,637) |
| Capital projects funds | 5,180 | 2,246 | 2,773 | 2,877 | 2,215 | 2,833 | 2,631 | 2,897 |
| Total other governmental funds | <u>73,626</u> | <u>83,051</u> | <u>77,286</u> | <u>63,284</u> | <u>28,794</u> | <u>30,252</u> | <u>21,678</u> | <u>20,375</u> |
| Total governmental funds | <u>\$ 110,002</u> | <u>125,634</u> | <u>124,362</u> | <u>109,421</u> | <u>70,827</u> | <u>68,984</u> | <u>55,461</u> | <u>51,305</u> |

The City of Whittier has elected to show only the past eight years of data for this schedule.

- (1) This schedule reports using the modified accrual basis of accounting.
- (2) The City implemented GASB 34, the new reporting standard, in fiscal year 2003.
- (3) Reserved fund balance at June 30, 2005 and June 30, 2006 include \$7,582,289 unexpended bond proceeds from the 2005 Tax Allocation Bonds.
- (4) Reserved fund balance at June 30, 2007 include \$7,582,289 unexpended bond proceeds from the 2005 Tax Allocation Bonds, and \$25,929,113 from the 2007 Tax Allocation Bonds reserved for redevelopment projects.
- (5) Reserved fund balance at June 30, 2008 include \$10,280,054 unexpended proceeds from the 2007 Public Financing Authority Revenue Bonds reserved for redevelopment projects and debt services.

City of Whittier
Changes in Fund Balances of Governmental Funds (1)
Last Eight Fiscal Years
(in thousands)

| | Fiscal Year Ending June 30, | | | | | | | |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Revenues: | | | | | | | | |
| Taxes | \$ 42,081 | 37,264 | 38,161 | 36,163 | 35,056 | 30,487 | 30,167 | 27,260 |
| Licenses and permits | 3,182 | 2,777 | 1,938 | 3,037 | 2,622 | 1,935 | 1,572 | 1,326 |
| Fines and forfeits | 1,465 | 1,699 | 1,332 | 929 | 992 | 1,144 | 1,200 | 1,222 |
| Use of money and property | 2,745 | 5,210 | 6,760 | 5,442 | 3,841 | 3,092 | 1,175 | 2,097 |
| Intergovernmental | 8,708 | 15,933 | 19,302 | 13,081 | 12,572 | 13,239 | 11,849 | 12,626 |
| Charges for services | 17,470 | 22,015 | 14,277 | 13,589 | 13,148 | 12,697 | 13,227 | 13,309 |
| Other | 3,523 | 496 | 1,914 | 657 | 615 | 591 | 3,128 | 2,131 |
| Total revenues | <u>79,174</u> | <u>85,394</u> | <u>83,684</u> | <u>72,898</u> | <u>68,846</u> | <u>63,185</u> | <u>62,318</u> | <u>59,971</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 7,797 | 7,885 | 7,951 | 7,331 | 6,479 | 6,230 | 6,073 | 6,300 |
| Public safety | 28,977 | 30,942 | 27,773 | 26,778 | 25,074 | 24,330 | 23,506 | 22,087 |
| Public works | 5,643 | 6,639 | 7,976 | 5,762 | 6,369 | 5,769 | 7,515 | 6,887 |
| Community development | 5,932 | 6,472 | 7,379 | 5,440 | 5,460 | 5,622 | 5,228 | 3,841 |
| Libraries | 3,462 | 3,388 | 3,376 | 3,339 | 3,058 | 2,963 | 3,077 | 2,995 |
| Local transit | 2,567 | 2,442 | 4,526 | 3,148 | 3,012 | 2,555 | 2,532 | 2,104 |
| Parks and recreation | 8,626 | 9,663 | 10,493 | 11,038 | 10,304 | 8,675 | 7,543 | 9,217 |
| Capital outlay | 16,066 | 8,515 | 1,997 | 402 | 1,744 | 889 | 552 | 2,000 |
| Debt service: | | | | | | | | |
| Principal retirement | 8,469 | 1,571 | 1,463 | 1,447 | 1,304 | 1,327 | 1,156 | 1,599 |
| Interest and fiscal charges | 3,769 | 4,644 | 4,159 | 1,997 | 1,628 | 1,386 | 1,195 | 1,304 |
| Pass through agreements | 4,644 | 1,736 | 2,220 | 778 | 1,574 | 821 | 597 | - |
| Bond issuance costs | - | - | 293 | 269 | - | 298 | - | - |
| Total expenditures | <u>95,952</u> | <u>83,897</u> | <u>79,606</u> | <u>67,729</u> | <u>66,006</u> | <u>60,865</u> | <u>58,974</u> | <u>58,334</u> |
| Excess of revenues over (under) expenditures | <u>(16,778)</u> | <u>1,497</u> | <u>4,078</u> | <u>5,169</u> | <u>2,840</u> | <u>2,320</u> | <u>3,344</u> | <u>1,637</u> |
| Other financing sources (uses): | | | | | | | | |
| Proceeds from developer loans | 1,254 | 1,206 | 1,143 | 1,158 | 1,303 | 1,153 | 1,148 | 1,780 |
| Transfers in | 22,370 | 14,875 | 7,681 | 3,530 | 2,380 | 2,950 | 2,903 | 4,322 |
| Transfers out | (22,478) | (16,307) | (7,595) | (4,803) | (2,377) | (3,112) | (3,239) | (4,658) |
| Issuance of debt | - | - | 15,425 | 34,355 | - | 7,730 | - | - |
| Payment to escrow agent | - | - | (5,790) | - | - | - | - | - |
| Premium (discount) from bond issuance | - | - | - | (815) | - | 179 | - | - |
| Total other financing sources (uses) | <u>1,146</u> | <u>(226)</u> | <u>10,864</u> | <u>33,425</u> | <u>1,306</u> | <u>8,900</u> | <u>812</u> | <u>1,444</u> |
| Net change in fund balances | <u>\$ (15,632)</u> | <u>1,271</u> | <u>14,942</u> | <u>38,594</u> | <u>4,146</u> | <u>11,220</u> | <u>4,156</u> | <u>3,081</u> |
| Debt service as a percentage of non-capital expenditures | 17.92% | 9.68% | 10.45% | 6.81% | 7.01% | 6.46% | 5.42% | 5.17% |

The City of Whittier has elected to show only eight years of data for this schedule.

(1) This schedule reports using the modified accrual basis of accounting.

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

| Fiscal Year Ended June 30 | City | | | Taxable Assessed Value | Redevelopment Agency | | | Taxable Assessed Value | Total Direct Tax Rate |
|---------------------------------|--------------|-----------|---------------------|------------------------------|----------------------|-----------|---------------------|------------------------------|-----------------------------|
| | Secured | Unsecured | Less: Exemptions | | Secured | Unsecured | Less: Exemptions | | |
| 2001 | \$ 3,733,305 | 83,287 | (169,240) | 3,647,352 | 539,214 | 46,445 | (28,000) | 557,659 | 0.1483% |
| 2002 | 3,966,903 | 93,202 | (179,093) | 3,881,012 | 557,562 | 49,604 | (30,450) | 576,716 | 0.1428% |
| 2003 | 4,194,336 | 91,102 | (148,158) | 4,137,280 | 592,689 | 47,127 | (28,996) | 610,820 | 0.1447% |
| 2004 | 4,244,395 | 83,824 | (222,733) | 4,105,486 | 911,965 | 45,720 | (35,417) | 922,268 | 0.1461% |
| 2005 | 4,535,960 | 42,445 | (201,089) | 4,377,316 | 945,865 | 75,812 | (38,515) | 983,162 | 0.1498% |
| 2006 | 4,925,787 | 52,803 | (227,860) | 4,750,730 | 1,022,370 | 81,577 | (41,284) | 1,062,663 | 0.1573% |
| 2007 | 5,353,653 | 51,934 | (241,980) | 5,163,607 | 1,220,075 | 94,901 | (48,068) | 1,266,908 | 0.1728% |
| 2008 | 5,764,223 | 44,770 | (244,924) | 5,564,069 | 1,385,732 | 100,310 | (60,686) | 1,425,356 | 0.1847% |
| 2009 | 6,018,883 | 45,223 | (250,595) | 5,813,511 | 1,484,842 | 103,550 | (67,704) | 1,520,688 | 0.1917% |
| 2010 | 5,820,412 | 42,021 | (221,491) | 5,640,942 | 1,527,176 | 100,306 | (54,649) | 1,572,833 | 0.2004% |

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property 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 increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price 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: County of Los Angeles Auditor-Controller/Tax Division.

City of Whittier
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

| Agency | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Basic Levy* | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| County Detention Facilities 1987 Debt | 0.00000 | 0.00000 | 0.00000 | 0.00066 | 0.00080 | 0.00092 | 0.00099 | 0.00103 | 0.00113 | 0.00131 |
| East Whittier City School District | 0.03553 | 0.03320 | 0.02750 | 0.02612 | 0.02991 | 0.03265 | 0.03565 | 0.03761 | 0.03918 | 0.04307 |
| El Monte Union High School District | 0.09654 | 0.05160 | 0.02820 | 0.05847 | 0.05425 | 0.03928 | 0.03573 | 0.00000 | 0.00000 | 0.00000 |
| Fullerton Union High School District | 0.01529 | 0.01431 | 0.01346 | 0.01540 | 0.01503 | 0.01554 | 0.01750 | 0.02088 | 0.00000 | 0.00000 |
| Hacienda-La Puente Unified School District | 0.05973 | 0.05681 | 0.05103 | 0.05239 | 0.05511 | 0.05625 | 0.05559 | 0.05166 | 0.05521 | 0.05956 |
| LA County Flood Control | 0.00000 | 0.00000 | 0.00000 | 0.00005 | 0.00005 | 0.00025 | 0.00046 | 0.00088 | 0.00107 | 0.00155 |
| La Habra Heights Co. Water District | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.02779 | 0.04061 | 0.03858 | 0.04316 |
| Los Nietos School District 08 Series 2008A | 0.02885 | 0.02680 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Metropolitan Water District | 0.00430 | 0.00430 | 0.00450 | 0.00470 | 0.00520 | 0.00580 | 0.00610 | 0.00670 | 0.00770 | 0.00880 |
| Mt. San Antonio College | 0.02571 | 0.02333 | 0.01750 | 0.02530 | 0.02122 | 0.01473 | 0.01525 | 0.01946 | 0.00000 | 0.00000 |
| N Orange Co. Community College District | 0.01649 | 0.01493 | 0.01502 | 0.01444 | 0.01666 | 0.01441 | 0.01597 | 0.01573 | 0.00000 | 0.00000 |
| Rio Hondo Community College District | 0.02714 | 0.02320 | 0.01369 | 0.01469 | 0.01802 | 0.02170 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| South Whittier School District | 0.06169 | 0.05783 | 0.05588 | 0.06270 | 0.06879 | 0.05315 | 0.05629 | 0.05376 | 0.05666 | 0.06075 |
| Uptown Parking District #2 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 | 0.16666 |
| Whittier City School District | 0.03443 | 0.03365 | 0.03582 | 0.04031 | 0.03924 | 0.05177 | 0.04649 | 0.03011 | 0.02133 | 0.01380 |
| Whittier Union High School District | 0.04224 | 0.03728 | 0.04359 | 0.08918 | 0.04489 | 0.03085 | 0.03793 | 0.02631 | 0.02926 | 0.01859 |
| Total Direct & Overlapping Tax Rates | 1.61460 | 1.54390 | 1.47285 | 1.57107 | 1.53583 | 1.50396 | 1.51840 | 1.47140 | 1.41678 | 1.41725 |
| City's Share of 1% Levy Per Prop 13^ | 0.07171 |
| Redevelopment Rate** | 1.00430 | 1.00430 | 1.00450 | 1.00541 | 1.00604 | 1.00697 | 1.00755 | 1.00861 | 1.00990 | 1.01167 |
| Total Direct Rate**^ | 0.20043 | 0.19172 | 0.18471 | 0.17279 | 0.15731 | 0.14983 | 0.14606 | 0.14466 | 0.14278 | 0.14833 |

Notes:

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

^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.

Source: The HdL Companies, Los Angeles County Assessor

City of Whittier
Ten Principal Property Taxpayers
Year Ended June 30, 2010

| Taxpayer | No. of Parcels | Assessed Value | Percentage of Total City Property Assessed Value |
|---|-------------------|-------------------------|--|
| PPF RTL 15603 Whittwood Lane LP | 11 | \$ 106,667,421 | 1.48% |
| GMS Five LLC | 11 | 56,869,826 | 0.79% |
| Interhealth Corporation | 15 | 45,643,986 | 0.63% |
| CLPF Whittier Industrial LP | 3 | 40,179,874 | 0.56% |
| Whittier Marketplace LP | 1 | 39,535,200 | 0.55% |
| Whittier Financial Center LP | 4 | 30,171,598 | 0.42% |
| Whittier Calmed Investment LP | 3 | 21,427,213 | 0.30% |
| Arbor Venture LLC | 3 | 20,226,376 | 0.28% |
| JSP Kendallwood LLC | 1 | 17,900,904 | 0.25% |
| MGP XXXIII | 6 | <u>17,004,498</u> | <u>0.24%</u> |
| Total taxable assessed value of ten largest taxpayers | | 395,626,896 | 5.49% |
| Total taxable assessed value of other taxpayers | | <u>6,818,148,306</u> | <u>94.52%</u> |
| Total taxable assessed value of all taxpayers | | <u>\$ 7,213,775,202</u> | <u>100.00%</u> |

The amounts shown above include assessed value data for both the City and the Redevelopment Agency. Information is not available for nine years prior.

Source: The HdL Companies, Los Angeles County Assessor

City of Whittier
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collection within the Fiscal Year of Levy | | Delinquent Tax Collections in Subsequent Years (2) | Total Collections to Date | |
|---------------------------------|--|--|--------------------|---|---------------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2001 | \$ 2,846,755 | 2,768,008 | 97.23% | 109,799 | 2,877,807 | 101.09% |
| 2002 | 3,016,548 | 2,880,488 | 95.49% | 146,981 | 3,027,469 | 100.36% |
| 2003 | 3,234,156 | 3,191,371 | 98.68% | 198,723 | 3,390,094 | 104.82% |
| 2004 | 3,451,229 | 3,361,573 | 97.40% | 247,441 | 3,609,014 | 104.57% |
| 2005 | 3,576,103 | 3,562,882 | 99.63% | 443,453 | 4,006,335 | 112.03% |
| 2006 | 3,911,717 | 3,767,850 | 96.32% | 673,755 | 4,441,605 | 113.55% |
| 2007 | 4,125,910 | 3,929,805 | 95.25% | 635,568 | 4,565,373 | 110.65% |
| 2008 | 4,353,503 | 4,139,659 | 95.09% | 599,133 | 4,738,792 | 108.85% |
| 2009 | 4,576,488 | 4,389,226 | 95.91% | 551,843 | 4,941,069 | 107.97% |
| 2010 | 4,467,498 | 4,393,704 | 98.35% | 294,281 | 4,687,985 | 104.94% |

Note: (1) The figures provided for property tax levies and collections are for the City of Whittier, special taxing districts (Uptown Parking District & Uptown Village Maintenance District) and property with weed abatement liens only. Do not include tax increments levied and collected on behalf of the Whittier Redevelopment Agency.

(2) Includes prior years secured supplemental collections.

Source: Los Angeles County Auditor Controller's Office

City of Whittier
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|----------------------------|-------------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Apparel stores | \$ 43,334 | 41,210 | 45,059 | 45,171 | 44,534 | 42,520 | 42,035 | 45,376 | 45,949 | 45,902 |
| General merchandise | 81,819 | 97,052 | 106,691 | 99,090 | 66,397 | 56,746 | 56,339 | 58,124 | 62,141 | 61,648 |
| Food stores | 40,247 | 42,594 | 44,319 | 44,293 | 39,789 | 36,326 | 43,753 | 45,187 | 45,507 | 45,480 |
| Eating and drinking places | 114,697 | 118,849 | 118,907 | 109,887 | 104,257 | 97,486 | 90,055 | 87,096 | 84,464 | 82,216 |
| Building materials | 51,413 | 64,244 | 66,238 | 71,199 | 71,717 | 58,152 | 55,819 | 52,637 | 48,226 | 47,377 |
| Auto dealers and supplies | 72,267 | 115,497 | 186,875 | 210,485 | 210,881 | 230,425 | 228,920 | 205,219 | 185,424 | 192,952 |
| Service stations | 78,790 | 107,227 | 93,259 | 85,547 | 73,643 | 68,356 | 56,554 | 45,766 | 45,700 | 48,281 |
| Other retail stores | 107,015 | 116,470 | 124,614 | 124,648 | 114,777 | 105,879 | 110,208 | 109,503 | 113,554 | 109,662 |
| All other outlets | 190,649 | 182,738 | 231,416 | 219,625 | 205,530 | 196,829 | 183,086 | 199,198 | 200,848 | 187,343 |
| Total | \$ 780,231 | 885,881 | 1,017,378 | 1,009,945 | 931,525 | 892,719 | 866,769 | 848,106 | 831,813 | 820,861 |

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State of California Board of Equalization and the HdL Companies

City of Whittier
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | DDA Loans | PFA Revenue Bonds | Tax Allocation Bonds | Capital Lease Payable | Loans (1) | Total Governmental Activities (2) |
|---------------------------------|--------------|-------------------------|----------------------------|-----------------------------|------------|---|
| 2001 | \$2,740,451 | 2,835,000 | 6,525,000 (5) | 176,516 (6) | 9,980,454 | 22,257,421 |
| 2002 | 2,895,324 | 7,505,000 (7) | 6,415,000 | 148,304 | 10,191,888 | 27,155,516 |
| 2003 | 3,191,643 | 7,505,000 | 6,300,000 | 118,477 | 9,637,647 | 26,752,767 |
| 2004 | 3,528,162 | 7,280,000 | 6,180,000 | 86,945 | 9,896,983 | 26,972,090 |
| 2005 | 3,742,270 | 7,050,000 | 13,785,000 (9) | 53,610 | 10,383,408 | 35,014,288 |
| 2006 | 3,981,417 | 6,810,000 | 13,655,000 | 18,369 | 10,540,893 | 35,005,679 |
| 2007 | 4,230,511 | 6,565,000 | 47,735,000 (10) | - | 9,972,409 | 68,502,920 |
| 2008 | 4,310,395 | 21,735,000 (12) | 41,800,000 (11) | - | 10,486,245 | 78,331,640 |
| 2009 | 4,526,553 | 21,100,000 | 41,180,000 | - | 8,559,510 | 75,366,063 |
| 2010 | 4,756,315 | 20,465,000 | 34,370,000 | - | 7,538,549 | 67,129,864 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Includes operating and sales tax loans to the Whittier Redevelopment Agency from the City.

(2) Not includes noncommitment debt.

(3) Assessed property value has been used because personal income is not available.

(4) The ratio is calculated using population for the prior calendar year.

(5) The Whittier Redevelopment Agency issued \$6,795,000 of 1998 tax allocation bonds to refund one of the Whittier Public Financing Authority revenue bonds.

(6) The City entered into a capital lease agreement with City National Bank.

(7) The Whittier Public Financing Authority issued \$7,505,000 of 2002 revenue bonds and part of the proceeds to refund the existing revenue bonds.

(8) The Whittier Utility Authority issued 2003 revenue bonds to refund the 1993 revenue bonds.

(9) The Whittier Redevelopment issued \$7,730,000 of 2005 tax allocation bonds.

(10) The Whittier Redevelopment issued \$34,355,000 of 2007 tax allocation bonds.

(11) The Whittier Redevelopment 1998 tax allocation bonds were refunded.

(12) The Whittier Public Financing Authority issued \$15,425,000 of 2007 revenue bonds.

(13) The Whittier Utility Authority issued \$9,095,000 of 2009 revenue bonds.

| <u>Water Revenue Bonds</u> | <u>Solid Waste Revenue Bonds</u> | <u>Total Business- Type Activities</u> | <u>Total Primary Government</u> | <u>Percent of Assessed Value (3)</u> | <u>Debt per Capita (4)</u> |
|------------------------------------|--|--|---|--|------------------------------------|
| 6,880,000 | 4,500,000 | 11,380,000 | 33,637,421 | 0.76% | 398 |
| 6,610,000 | 4,270,000 | 10,880,000 | 38,035,516 | 0.81% | 444 |
| 10,595,000 (8) | 4,035,000 | 14,630,000 | 41,382,767 | 0.84% | 479 |
| 10,425,000 | 3,790,000 | 14,215,000 | 41,187,090 | 0.78% | 474 |
| 10,255,000 | 3,530,000 | 13,785,000 | 48,799,288 | 0.87% | 563 |
| 10,070,000 | 3,255,000 | 13,325,000 | 48,330,679 | 0.79% | 556 |
| 9,875,000 | 2,965,000 | 12,840,000 | 81,342,920 | 1.21% | 933 |
| 9,670,000 | 2,660,000 | 12,330,000 | 90,661,640 | 1.24% | 1,043 |
| 9,460,000 | 2,340,000 | 11,800,000 | 87,166,063 | 1.14% | 1,008 |
| 18,335,000 (13) | 2,000,000 | 20,335,000 | 87,464,864 | 1.17% | 1,004 |

City of Whittier
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands, except Per Capita)

| Fiscal Year Ended June 30 | Outstanding General Bonded Debt | | | Percent of Assessed Value (1) | Per Capita |
|---------------------------------|---------------------------------|----------------------------|--------|-------------------------------------|---------------|
| | PFA Revenue Bonds | Tax Allocation Bonds | Total | | |
| 2001 | \$ 2,835 | 6,525 | 9,360 | 0.21% | 111 |
| 2002 | 7,505 | 6,415 | 13,920 | 0.30% | 163 |
| 2003 | 7,505 | 6,300 | 13,805 | 0.28% | 160 |
| 2004 | 7,280 | 6,180 | 13,460 | 0.25% | 155 |
| 2005 | 7,050 | 13,785 | 20,835 | 0.37% | 240 |
| 2006 | 6,810 | 13,655 | 20,465 | 0.34% | 235 |
| 2007 | 6,565 | 47,735 | 54,300 | 0.81% | 623 |
| 2008 | 21,735 | 41,800 | 63,535 | 0.87% | 731 |
| 2009 | 21,100 | 41,180 | 62,280 | 0.81% | 720 |
| 2010 | 20,465 | 34,370 | 54,835 | 0.73% | 629 |

Notes: General bonded debt is debt payable with government fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

City of Whittier
Direct and Overlapping Debt
June 30, 2010

| | |
|--|--------------------------------|
| City Assessed Valuation | \$ 5,640,941,847 |
| Redevelopment Agency Incremental Valuation | <u>1,572,833,355</u> |
| Total 2009-2010 Assessed Valuation | <u><u>\$ 7,213,775,202</u></u> |

| | Percentage Applicable | Outstanding Debt 6/30/10 | Estimated Share of Overlapping Debt |
|--|--------------------------|------------------------------|--|
| Overlapping Debt: | | | |
| Metropolitan Water District | 0.722% | \$ 121,475,156 | 876,456 |
| E Whittier City DS 2007 Ref Bonds | 64.252% | 14,975,000 | 9,621,802 |
| Los Nietos School Debt 2008 Series A | 11.977% | 9,618,130 | 1,151,916 |
| S Whittier SD DS 1998 Series A | 0.376% | 10,644,631 | 40,004 |
| S Whittier Elementary DS 2004 Series A | 0.376% | 7,444,788 | 27,978 |
| Whittier City SD DS 2000 Series C | 52.793% | 4,420,000 | 2,333,433 |
| Whittier City SD DS 2000 Series D | 52.793% | 8,920,000 | 4,709,101 |
| Whittier City SD DS 2000 Series E | 52.793% | 4,610,000 | 2,433,739 |
| Whittier City SD DS 2006 Ref Bonds | 52.793% | 9,195,000 | 4,854,280 |
| Fullerton Union HSD DS 2002 Series A | 24.919% | 2,670,360 | 665,426 |
| Fullerton Union HSD DS 2002 Series B | 24.919% | 2,244,658 | 559,346 |
| Whittier Union HSD DS 2005 Ref Bonds | 36.413% | 86,342,133 | 31,440,086 |
| Whittier Union HSD DS 2009 Series A | 36.413% | 38,001,949 | 13,837,793 |
| N Orange Co CCD DS 2002 Series A | 24.330% | 213,658 | 51,982 |
| N Orange Co CCD DS 2003 Series B | 24.330% | 1,234,158 | 300,266 |
| N Orange Co CCD DS 2005 | 24.330% | 3,766,667 | 916,417 |
| Rio Hondo CCD DS 2004 Series A | 23.245% | 8,475,000 | 1,970,027 |
| Rio Hondo CCD DS 2005 Ref Bonds | 23.245% | 45,590,253 | 10,597,526 |
| Rio Hondo CCD DS 2008 Ref Bonds | 23.245% | 64,996,844 | 15,108,618 |
| | | | |
| Total overlapping debt | | <u><u>\$ 444,838,385</u></u> | <u>101,496,196</u> |
| City direct debt | | | <u>5,750,000</u> |
| Total direct and overlapping debt | | | <u><u>(1) 107,246,196</u></u> |

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Debt to 2009-2010 City Assessed Valuation Ratios:

| | |
|------------------|---------------------|
| Direct Debt | 0.10% |
| Overlapping Debt | <u>1.80%</u> |
| Total Debt | <u><u>1.90%</u></u> |

Source: HdL Coren & Cone

**City of Whittier
Legal Debt Margin
Last Ten Fiscal Years**

| Fiscal Year | Assessed Valuation | Conversion Percentage | Adjusted Assessed Valuation | Debt Limit Percentage | Debt Limit | Debt Applicable to Limit | Legal Debt Margin |
|--------------------|---------------------------|------------------------------|------------------------------------|------------------------------|-------------------|---------------------------------|--------------------------|
| 2000-01 | \$ 4,205,011,072 | 25% | 1,051,252,768 | 15% | 157,687,915 | - | 157,687,915 |
| 2001-02 | 4,457,727,668 | 25% | 1,114,431,917 | 15% | 167,164,788 | - | 167,164,788 |
| 2002-03 | 4,748,100,147 | 25% | 1,187,025,037 | 15% | 178,053,756 | - | 178,053,756 |
| 2003-04 | 5,027,753,728 | 25% | 1,256,938,432 | 15% | 188,540,765 | - | 188,540,765 |
| 2004-05 | 5,360,478,410 | 25% | 1,340,119,603 | 15% | 201,017,940 | - | 201,017,940 |
| 2005-06 | 5,813,393,289 | 25% | 1,453,348,322 | 15% | 218,002,248 | - | 218,002,248 |
| 2006-07 | 6,430,515,245 | 25% | 1,607,628,811 | 15% | 241,144,322 | - | 241,144,322 |
| 2007-08 | 6,989,424,760 | 25% | 1,747,356,190 | 15% | 262,103,429 | - | 262,103,429 |
| 2008-09 | 7,334,199,357 | 25% | 1,833,549,839 | 15% | 275,032,476 | - | 275,032,476 |
| 2009-10 | 7,213,775,202 | 25% | 1,803,443,801 | 15% | 270,516,570 | - | 270,516,570 |

Note: The Government Code of the State of California provides for a legal debt limit of 15% of assessed valuation.

However, this provision was enacted when assessed valuation was based upon 25% of market value.

Effective 1981-82, assessed value became equivalent to full market value. The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Controller's Office, City of Whittier

City of Whittier
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years
(in thousands)

| Fiscal Year Ended June 30 | Gross Revenue (1) | Operating Expenses (2) | Net Available Revenue | Debt Service | | | Coverage |
|---------------------------------|-----------------------|---------------------------|-----------------------------|--------------|----------|-------|----------|
| | | | | Principal | Interest | Total | |
| 2001 | \$ 6,501 | 4,035 | 2,466 | 255 | 391 | 646 | 3.82 |
| 2002 | 6,180 | 4,608 | 1,572 | 270 | 379 | 649 | 2.42 |
| 2003 | 17,009 ⁽³⁾ | 4,698 | 12,311 | 6,960 | 355 | 7,315 | 1.68 |
| 2004 | 6,583 | 4,588 | 1,995 | 170 | 485 | 655 | 3.05 |
| 2005 | 6,828 | 5,177 | 1,651 | 170 | 479 | 649 | 2.54 |
| 2006 | 8,445 | 6,922 | 1,523 | 185 | 471 | 656 | 2.32 |
| 2007 | 9,459 | 6,642 | 2,817 | 195 | 464 | 659 | 4.27 |
| 2008 | 9,662 | 7,503 | 2,159 | 205 | 456 | 661 | 3.27 |
| 2009 | 9,768 | 7,271 | 2,497 | 210 | 451 | 661 | 3.78 |
| 2010 | 10,067 | 7,764 | 2,303 | 220 | 778 | 998 | 2.31 |

Note: The rate covenant of the 1993, 2003 and 2009 water bonds requires net revenue to equal at least 125 percent of the debt service requirements. The bond originally issued in 1987 was defeased in 1993, and was refunded in March 2003. The Authority issued new 2009 Water Revenue Bonds of \$9,095,000 in October 2009

- (1) Restated to exclude AB1600 Water Connection Fee.
- (2) Excludes depreciation.
- (3) Includes bond proceeds in the amount of \$10,777,584.

Source: Controller's Office, City of Whittier

City of Whittier
Pledged-Revenue Coverage
Solid Waste Revenue Bonds
Last Ten Fiscal Years
(in thousands)

| Fiscal Year Ended June 30 | Gross Revenue (1) | Operating Expenses (2) | Net Available Revenue | Debt Service | | | Coverage |
|---------------------------------|----------------------|---------------------------|-----------------------------|--------------|----------|-------|----------|
| | | | | Principal | Interest | Total | |
| 2001 | \$ 7,111 | 5,406 | 1,705 | 215 | 238 | 453 | 3.76 |
| 2002 | 7,235 | 5,313 | 1,922 | 230 | 228 | 458 | 4.20 |
| 2003 | 6,507 | 5,611 | 896 | 235 | 217 | 452 | 1.98 |
| 2004 | 7,770 | 5,717 | 2,053 | 245 | 205 | 450 | 4.56 |
| 2005 | 8,361 | 5,892 | 2,469 | 260 | 193 | 453 | 5.45 |
| 2006 | 8,589 | 6,275 | 2,314 | 275 | 174 | 449 | 5.15 |
| 2007 | 8,826 | 6,358 | 2,468 | 290 | 159 | 449 | 5.50 |
| 2008 | 8,828 | 6,593 | 2,235 | 305 | 144 | 449 | 4.98 |
| 2009 | 8,516 | 6,965 | 1,551 | 320 | 127 | 447 | 3.47 |
| 2010 | 8,249 | 6,556 | 1,693 | 340 | 109 | 449 | 3.77 |

Note: The rate covenant of the 1993 solid waste bonds requires net revenue to equal at least 150 percent of the debt service requirements. The bond originally issued in 1989 was defeased in December 1993.

(1) Restated to exclude fees collected for the landfill expansion.

(2) Excludes depreciation.

Source: Controller's Office, City of Whittier

City of Whittier
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | City Population (1) | Median Household Income Whittier (2) | **Per Capita Personal Income (3) | Unemployment Rate (4) |
|----------------|---------------------------|--|--|-----------------------------|
| 2000-01 | 84,602 | \$ 40,021 | \$ 32,155 | 3.9% |
| 2001-02 | 85,593 | 46,935 | 32,155 | 3.7% |
| 2002-03 | 86,414 | 53,849 | 32,544 | 4.4% |
| 2003-04 | 86,919 | 56,139 | 33,435 | 3.9% |
| 2004-05 | 86,736 | 57,612 | 35,170 | 4.1% |
| 2005-06 | 86,841 | 59,085 | 37,441 | 3.3% |
| 2006-07 | 87,190 | 62,178 | 39,880 | 3.6% |
| 2007-08 | 86,945 | 63,059 | 43,801 | 5.8% |
| 2008-09 | 86,472 | 62,189 | 44,519 | 8.1% |
| 2009-10 | 87,128 | 50,804 | 42,818 | 8.8% |

** Per Capita Personal Income in Los Angeles-Long Beach-Santa Ana metropolitan statistical area.

Sources: (1) California Department of Finance, Demographic Research Unit

(2) Sourcebook of Zip Code Demographics / Sales & Marketing Management

(3) U.S Dept. of Commerce, Bureau of Economic Analysis

(4) State of California Employment Development Department, Labor Market Information Division

City of Whittier
Demographic and Economic Statistics
2010 Ten Largest Employers

| Rank | Name | Number of Employees | % of City Employment | Type |
|------|--|------------------------|-------------------------|-----------------|
| 1 | Interhealth Corporation | 2,600 | 7.86% | Healthcare |
| 2 | Whittier Union HS District | 958 | 2.90% | Education |
| 3 | Whittier Medical Center | 850 | 2.57% | Healthcare |
| 4 | Whittier City School District | 726 | 2.19% | Education |
| 5 | City of Whittier | 614 | 1.86% | Municipality |
| 6 | U.S. Post Office | 364 | 1.10% | Postal Service |
| 7 | Bright Health Physicians | 300 | 0.91% | Healthcare |
| 8 | Ralph's | 273 | 0.83% | Grocery/Retail |
| 9 | East Whittier City Elementary District | 270 | 0.82% | Education |
| 10 | Johnson Controls Inc | 250 | 0.76% | Plumbing & HVAC |

Information is not available for nine years prior.

Source: Hdl Coren & Cone / InfoGroup

City of Whittier
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

| As of June 30 | Full-time and Part-time Employees by function | | | | | | | | | Total |
|------------------|---|------------------|-----------------|--------------------------|---------|---------|-------------------------|------------------|----------------|-------|
| | General government | Public safety | Public works | Community development | Library | Transit | Parks and recreation | Water / sewer | Solid waste | |
| 2001 | 48 | 205 | 60 | 21 | 77 | 8 | 162 | 24 | 31 | 636 |
| 2002 | 61 | 203 | 62 | 17 | 85 | 10 | 175 | 24 | 28 | 665 |
| 2003 | 52 | 188 | 55 | 19 | 82 | 8 | 184 | 25 | 28 | 641 |
| 2004 | 50 | 204 | 57 | 17 | 72 | 7 | 174 | 24 | 35 | 640 |
| 2005 | 50 | 191 | 61 | 20 | 82 | 6 | 152 | 22 | 32 | 616 |
| 2006 | 52 | 179 | 60 | 24 | 76 | 3 | 159 | 27 | 33 | 613 |
| 2007 | 46 | 190 | 64 | 21 | 83 | 3 | 152 | 27 | 32 | 618 |
| 2008 | 53 | 208 | 58 | 22 | 101 | 4 | 300 | 27 | 34 | 807 |
| 2009 | 49 | 204 | 56 | 23 | 94 | 4 | 216 | 25 | 31 | 702 |
| 2010 | 46 | 194 | 52 | 24 | 77 | 3 | 160 | 26 | 32 | 614 |

Source: *City of Whittier Controller's Office*

**City of Whittier
Operating Indicators
Last Ten Fiscal Years**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <i>Public Safety</i> | | | | | | | | | | |
| Sworn employees-full time | 133 | 133 | 130 | 130 | 124 | 121 | 128 | 135 | 126 | 124 |
| Civilian employees-full time | 58 | 58 | 52 | 56 | 69 | 68 | 68 | 75 | 50 | 48 |
| Physical arrests | 3,265 | 3,246 | 3,378 | 3,660 | 3,391 | 3,558 | 3,321 | 2,923 | 3,405 | 3,022 |
| Parking violations | 17,638 | 14,703 | 18,220 | 13,474 | 13,305 | 10,480 | 11,263 | 13,635 | 11,504 | 15,494 |
| Traffic violations | 10,135 | 9,617 | 7,559 | 8,952 | 7,323 | 6,599 | 7,349 | 11,044 | 8,066 | 12,259 |
| <i>Libraries</i> | | | | | | | | | | |
| Total items | 305,000 | 305,000 | 386,276 | 362,450 | 360,000 | 378,828 | 381,975 | 332,299 | 331,885 | 327,336 |
| Volumes checked out | 701,000 | 706,143 | 645,747 | 545,342 | 530,872 | 545,885 | 531,400 | 571,904 | 545,629 | 535,962 |
| Library patrons | not available | 498,445 | 509,181 | 473,564 | 465,784 | 431,078 | 473,510 | 452,823 | 460,738 | 479,336 |
| New library cards | 8,336 | 9,107 | 8,400 | 6,500 | 7,129 | 7,335 | 6,864 | 7,291 | 7,785 | 7,054 |
| <i>Public Transit System</i> | | | | | | | | | | |
| Fixed route: | | | | | | | | | | |
| Routes | 2 | 2 | 2 | 2 | 2 | 2 | 2 | N/A | N/A | N/A |
| Revenue service miles | 142,676 | 169,923 | 170,899 | 157,223 | 159,070 | 149,683 | 148,373 | N/A | N/A | N/A |
| Riders | 361,097 | 327,985 | 293,573 | 255,135 | 212,087 | 182,306 | 166,078 | N/A | N/A | N/A |
| Dial-A-Ride: | | | | | | | | | | |
| Revenue service miles | not available | ----- | ----- | ----- | ----- | 172,072 | 167,881 | 176,830 | 179,739 | 185,589 |
| Riders | not available | ----- | ----- | ----- | ----- | 46,904 | 53,870 | 54,648 | 63,931 | 69,818 |
| <i>Parks & Recreation</i> | | | | | | | | | | |
| Senior center patrons | 144,000 | 144,000 | 120,000 | 103,860 | 103,860 | 119,786 | 100,860 | 129,506 | 78,648 | 92,656 |
| Aquatics program participants | 88,000 | 88,000 | 62,500 | 61,654 | 61,654 | 58,172 | 55,720 | 61,300 | 62,120 | 61,800 |
| Tennis program participants | 78,000 | 78,000 | 55,000 | 47,300 | 47,300 | 26,560 | 26,000 | 31,400 | 32,300 | 32,500 |
| Youth program participants | 225,000 | 220,000 | 190,000 | 175,805 | 195,000 | 206,181 | 209,850 | 209,960 | 200,558 | 226,594 |
| Community center patrons | 248,000 | 260,000 | 245,000 | 217,000 | 230,000 | 223,825 | 235,810 | 236,105 | 253,000 | 264,000 |
| Parnell community & senior center patrons | N/A | ----- | ----- | ----- | ----- | ----- | 74,563 | 80,576 | 88,587 | 93,870 |
| York field patrons | N/A | ----- | ----- | ----- | ----- | ----- | 45,360 | 103,000 | 110,000 | 113,000 |
| <i>Water Utility</i> | | | | | | | | | | |
| Avg daily water consumption | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 |
| Maximum plant capacity per day | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 | 19,400,000 |
| <i>Sanitary Landfill</i> | | | | | | | | | | |
| Permitted limit tons per day | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| <i>Sewer System</i> | | | | | | | | | | |
| Single-family sewer service | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 | 18,442 |
| Multi-residential sewer service | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 | 2,024 |
| Commercial sewer service | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 |

Source: City of Whittier Departments

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>Public Safety</i> | | | | | | | | | | |
| Number of police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of patrol units | 29 | 29 | 29 | 29 | 29 | 29 | 32 | 32 | 32 | 32 |
| Number of canine units | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Number of motorcycle units | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 |
| <i>Public Works:</i> | | | | | | | | | | |
| Miles of streets | 190 | 190 | 190 | 190 | 190 | 212 | 212 | 212 | 212 | 212 |
| Traffic signals | 93 | 97 | 97 | 97 | 97 | 98 | 99 | 99 | 99 | 99 |
| Number of street lamps | 3,235 | 3,240 | 3,240 | 3,248 | 3,248 | 3,248 | 3,262 | 3,262 | 3,262 | 3,262 |
| <i>Libraries</i> | | | | | | | | | | |
| Number of libraries | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| <i>Public Transit System</i> | | | | | | | | | | |
| Number of fixed route vehicles | 4 | 4 | 4 | 4 | 4 | 4 | 4 | N/A | N/A | N/A |
| Number of dial-a-ride vehicles | 3 | 5 | 5 | 6 | 5 | 7 | 7 | 9 | 11 | 12 |
| <i>Parks & Recreation:</i> | | | | | | | | | | |
| Number of parks | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Acres of parks | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 |
| Acres of designated open space | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 | 1,679 |
| Number of swimming pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of tennis courts | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Number of community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of senior centers | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| <i>Water Utility</i> | | | | | | | | | | |
| Miles of mains | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 |
| Number of hydrants | 910 | 910 | 910 | 910 | 910 | 910 | 910 | 910 | 910 | 910 |
| <i>Sanitary Landfill</i> | | | | | | | | | | |
| Acres of landfill permitted | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 |
| <i>Sewer System</i> | | | | | | | | | | |
| Miles of sanitary sewer lines | 214 | 214 | 214 | 214 | 214 | 214 | 214 | 214 | 214 | 214 |

Source: City of Whittier Departments

