

**CITY OF WHITTIER, CALIFORNIA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**



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

**Fiscal Year Ended June 30, 2012**



**City Council**

Owen Newcomer  
*Mayor*

Bob L. Henderson  
*Mayor Pro Tem*

*Council Members*

Joe Vinatieri

Cathy Warner

Fernando Dutra

Jeffrey W. Collier  
*City Manager*

*Prepared by*  
Controller's Office  
Rod C. Hill  
*City Controller*



**CITY OF WHITTIER, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2012**

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# City of Whittier

13230 Penn Street, Whittier, California 90602-1772  
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December 1, 2012

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, 2012. 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 Vavrinek, Trine, Day & Co., LLP, an independent firm of licensed certified public accountants. This financial report includes the former 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 85,654. Businesses and industries in the area include 409 professional services, 553 retail stores, 191 family type restaurants, 37 manufacturing plants, 9 hotels and motels, 5 automobile dealerships and over 310 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 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. 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. With the elimination of redevelopment in early 2012, the City is working to develop new business assistance programs utilizing various resources, including grant opportunities.

### **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. Fortunately, it appears the housing market is beginning to experience some improvement and foreclosures are declining.

Whittier is not immune from the economic downturn as we have experienced significant reductions in sales tax revenue. The focus of the City's 2011-12 budget continues to be identifying organizational changes necessary to address the City's structural financial shortfall and explore revenue opportunities. Staff worked with City Council to arrive at a solution to balance the budget. City departments were asked to prepare deficit reduction proposals for General Fund operating budgets. Of the total proposed reductions, which totaled \$853,383, City Council accepted \$561,651 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 2011-12.

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 unemployment rate in the City has been consistently lower than the State and regional levels. In June of 2012, the City's unemployment rate was 7.9% compared with 11.1% for Los Angeles County and 10.7% statewide. The City's unemployment rate also compares favorably with neighboring cities of comparable size.

Taxable retail transactions in Whittier for the 2<sup>nd</sup> quarter 2012 increased from the 2<sup>nd</sup> quarter 2011 by 3%. Sales receipts for Los Angeles County increased by 5.8% over the comparable time period while the State increased 6.7%.

### **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 Financial 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 during the budget process.

For 2011-12, City revenue sources included multi-year lease revenue from the Whittier Utility Authority of \$1,500,000. As part of the budget balancing strategies, City departments were asked to analyze deficit reduction opportunities related to their General Fund operating budgets.

It is projected that in future years the salaries of two police officers, which are currently being supported by Traffic Offender Impound fees and COPS grants from the State, may need to be funded through new sources, as these funds continue to operate with a declining fund balance.

In 2012-13, CalPERS rates decreased slightly to 20.504% from 20.881% and 44.528% from 45.172% for Miscellaneous and Safety respectively.

### **Major Initiatives**

*For the Year.* In carrying out the 2011-12 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 fourteenth 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 branch library facility construction; assessing funding options for Central Library improvements; negotiating for an eastern extension and seeking grant funds for the Whittier Greenway Trail; soliciting State and Federal funding for local and regional projects; working with the State and Brookfield Homes regarding reuse of the Nelles School property; working with local cities to support the City's position on the Metro Gold Line light rail eastside extension; representing the City's position regarding State and Federal legislation; working with the State on funding options for keeping Pio Pico State Historic Park open; and implementing the Conditional Use Permit for mineral extraction in the Whittier Hills.

The Police Department has been thorough in its recruitment efforts throughout the year to fill important vacancies with qualified people. The Department used grant funds to replace a portion of its computers and printers as part of its ongoing technology plan. The chaplain program was expanded to enhance service to the public who experience distressing emergency incidents. The Emergency Operations Center project has progressed, with software and audio/visual systems having been installed. The Trauma Team was expanded; it provides support to police personnel who are exposed to significantly traumatic events. The Code Enforcement work unit was successfully relocated into the new police facility. Additionally, essential personal protective equipment was purchased to update old stock that had expired (Kevlar helmets, chemical gear, and breathing equipment) so officers can adequately handle any emergency. This was a two-phased project which will be completed next fiscal year.

The Building & Safety Division of the Community Development Department proactively maintained a cooperative working relationship with homeowners, builders, contractors and the design and development community. Primary elements of this effort continue to include providing: excellent customer service, 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 Engineering Divisions and with other departments, agencies and authorities having jurisdiction over a project. The Division performed 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 FY 11-12 included: adoption of the 2010 California Building Standards Codes and continued training of staff regarding the extensive changes contained in the new code manuals; inspection of major projects including: The Gables residential project, new retail tenants at the Whittwood Town Center, Mosaic Gardens, Whittier College - Graham Sport Center,

PIH 5-story medical building tenant improvements, start of construction of the Sprouts Market, various cellular towers and antenna improvements and increased levels of code enforcement activity.

The Planning Division maintained responsibility for implementing the City's General Plan and enforcing the Whittier Municipal Code for planning related activities. During Fiscal Year 2011-12, the division received approximately 1192 new planning applications ranging from conditional use permits, and development review applications to variances and temporary use permits. This year saw the processing and opening of multiple new restaurants within the Whittwood Town Center. An amendment to the Whittwood Town Center Specific Plan was also processed to address current market trends. The Planning Division has also been actively processing a variety of development applications for upcoming projects, including: an 84-unit (104 bed) assisted living and memory care facility, an L.A. Fitness project and a Drive-thru Starbucks. In addition, the Planning Division completed a residential historic resources survey (based on an architectural context) for those buildings constructed within the City prior to 1941 and processed 12 Certificate of Appropriateness applications for vintage and historic buildings within the City.

The Redevelopment and Housing Division of the Community Development Department's efforts have been focused on managing the dramatic effects of the elimination of redevelopment by the State of California. Based on the December 29, 2011 State of California Supreme Court's ruling, redevelopment agencies throughout the State were dissolved on February 1, 2012. The City Council adopted a resolution electing for the City to serve as the Successor Agency for the Whittier Redevelopment Agency upon the Agency's dissolution. The assets of the Whittier Redevelopment Agency transferred to the Successor Agency and the Whittier Housing Authority on February 1, 2012.

In light of Whittier Redevelopment Agency's dissolution, the City continues to aggressively research viable funding replacements for the economic development incentives lost by the elimination of redevelopment. This year the City of Whittier was recognized as the 2012 Most Business Friendly City, by the Los Angeles County Economic Development Corporation, in the "large city" category. Whittier continues to recognize the importance of looking for new and innovative ways to assist the local business community.

The main redevelopment project approved and funded prior to the dissolution was the Mosaic Gardens 21-unit affordable housing complex. The project was awarded highly competitive Federal Low Income Housing Tax Credits and was completed in October of 2012. And, another ongoing housing project is the Gables 96-unit condominium development underway on Whittier Boulevard after a period of inactivity. 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. The first eight units available under the program have been sold and occupied by moderate-income households.

Additional program cuts were experienced in 2011 and 2012 for Federal CDBG and HOME grants. Staff is continuing to assist low-income families with rehabilitation of homes through the City's Minor Home Repair Grant and the Minor Home Modification Grant Programs.

The Parks Division has completed several projects along the Greenway Trail. Those projects include completion of the Oak Station's nine vehicle parking lot, the first element of the Palm Station consisting of the restored columns from the Nelles property forming a pergola, 90% of the Laurel Station, and completion of the topo/design phase of the Bioswale at Walnut Station. Additional Park Division Projects include the renovation of the Joe Miller Field Restroom Project which is nearing completion with installation of landscaping remaining. The playground removal/replacement of rubberized surfacing has been completed at Central, Broadway, Leffingwell Ranch, Parnell, Penn and Palm Parks as well as the poured-in-place animal characters added to the Laurel Park surfacing. The play area at Palm Park was also enhanced with new play equipment. Final design of the Laurel Park Restroom Renovation is complete with construction drawings approximately 80% complete.

The Engineering Division completed several large grant-funded projects in addition to the typical annual Capital Improvement Projects. American Recovery and Reinvestment Act (ARRA) funds totaling \$2.5 million were used for transportation-based projects. These included improvements for intersection drainage, concrete and asphalt pavement improvements, installation of in-roadway lighted crosswalks, construction of signals, and conversion of some of our nostalgic streetlights to LED. In addition, \$775,000 of Federal Energy Efficiency and Conservation Block Grant (EECBG) ARRA funds were used for the replacement of windows in the City Hall lobby and second floor, and for replacement of the HVAC system at the Central Library. The intersection of Santa Gertrudes Avenue at Lambert Road was widened to provide new left turn lanes, protected left turn signal phasing and upgraded railroad grade crossing gates using Federal HSIP and Prop 1B funds. As a part of the City's Alley Rehabilitation Program, additional asphalt alleys were rehabilitated. Focus will now shift to repairing and reconstructing many of the City's concrete alleys. The annual street surface seal program, using a combination of Traffic Congestion Relief and Prop 1B funds, is underway in Area 3 of the City. This project will continue next fiscal year into Area 4 utilizing Measure R funds instead of Prop 1B bond funds (Prop 1B funds must be used by June 30 after which this funding source is no longer available).

The Sewer Division added a second jetter/vacuum truck and crew. In addition, one third of the sewer system was chemically treated to kill and inhibit roots.

The Water Division initiated a water meter replacement program where older manually read meters are being systematically replaced with automatic remotely read meters. This program should improve the accuracy with which water is metered and improve the efficiency of Water Division labor. The plans for the replacement of Pumping Plant II have been substantially completed and approved by the California Department of Public Health. Plans have been submitted to the City of Pico Rivera,

where the pumping plant is located, for construction approval. Once approval is received, this project will be advertised for competitive bids. Well No. 8 rehabilitation is currently underway. The rehabilitation of Well No. 8 will allow the Water Division to produce lower cost water from the Central Basin for its customers and then lease surplus Main Basin production rights to others for a net return.

The Solid Waste Disposal Division continued making operational improvements to the landfill. The design and regulatory approval of the Phase II C liner project has been completed and construction is underway with completion anticipated by December 2012.

The Community Services Division successfully presented a full range of leisure, cultural arts and social services programs for the Whittier community. A monthly email blast for the Department's upcoming activities was launched. This year, WhittierRec.com began to handle the online registration for all classes. In addition, WhittierRec.com was expanded to book Senior Trips and Youth Services programs. The Cultural Arts Commission and the Art in Public Places Advisory Committee completed a major project this year with the installation of four sculptures in the Uptown Galleries. After a maintenance refurbishment they also rededicated the "Welcome Friends" sculpture on the corner of Painter Ave. & Whittier Blvd. The Blue Star program recognized 29 families whose loved ones are currently serving in the Armed Forces.

Also honoring all service men and women, past and present, Veteran's Day, Memorial Day and July 4<sup>th</sup> ceremonies were conducted. Other annual special event programs included: the Summer Concerts in the Park series, Easter Eggxtravaganza, Arbor Day, Senior Information & Referral Fair and Senior Art Fair. Additionally, this year's Kiddie-K run at the Police Open House and Community Health Fair attracted a record number of runners/participants with over 350 children completing the course. The Whittier Community Foundation and Kaiser Permanente presented the City with \$72,573 to install gym-quality fitness equipment on the Greenway Trail. The Parnell Park Center, Palm Park and Community Center have continued to be popular places to rent for private parties. These sites also drew large numbers of participants for a wide variety of classes including tiny tots, fine arts, music, aquatics and dance, and other programs of interest to those of all ages. The senior program at Parnell Park hosted a "MediCal Update - 2012", sponsored by Congresswoman Linda Sanchez.

The Uptown Senior Center continues to plan successful excursions throughout the year. The Therapeutic Recreation Program continued its various programs for those with disabilities, including a very successful participation in the Special Olympics event at Cal State Long Beach. The Accessibility Committee hosted an extremely successful Abilities Awareness Faire, "Living Life without Limits," at the Community Center, which featured vendors, agencies, programs and information for our residents with disabilities, and approximately 400 attended. The WYN Club programs continued serving youth and families at after school and summer programs. Their "Volunteer" program operated in the summer, with 45 participants assisting with community events, senior programming, WYN Club and Summer Day Camp

programs. The Annual Gene Jung Mid-Winter Junior Tennis Tournament had over 770 participants this year.

The Whittier Center Theatre programs continued to offer a larger variety of activities for youth and young adults with musical and drama productions, acting classes and theatre camps. In addition, the outdated sound system in the Center Theatre was replaced. The Sports and Facilities Division provided support for various youth sports groups by providing assigned practice and game sites. This Division also continued its thriving Adult Softball League, with 212 teams participating over three seasons.

The Transit Division had another successful year with record ridership. In FY 2011-12, there was a 5.22% increase in Dial-A-Ride passengers, for a total of 79,466 trips carried. Three new replacement Dial-A-Ride vehicles were purchased which has significantly reduced breakdowns and improved customer service. The supplementary Taxi Voucher Program continues to be refined and expanded to meet our passenger's needs and provided 6,253 trips. The taxi service area was expanded and now includes medical and dental facilities in Downey, Hacienda Heights, La Habra, La Habra Heights, La Mirada, Norwalk, Santa Fe Springs and unincorporated Whittier county area, as well as Beverly Hospital, Montebello; Kaiser Hospitals in Bellflower and Baldwin Park; and St. Jude Medical Center, Fullerton. Whittier also took a leadership role in promoting the Washington Boulevard Route for the Eastside Gold Line Light Rail extension. Whittier secured a \$100,000 grant from the Southern California Association of Governments (SCAG) Compass Blueprint program for a study on the Transit Orientated Development (TOD) potential around three of the six proposed stations on the Washington Boulevard proposed alignment. In the area of fixed-route bus service, Whittier completed the design and specification plans for Phase II of the Bus Stop Improvement Plan which will use a Federal Section 5316 Job Access and Reverse Commute (JARC) grant providing 80% of the capital costs. These funds will provide improvements to 20 new bus shelters within the Whittier City limits and will include a combination of a solar bus shelter, bench, trash receptacle, new concrete paving and a solar bus stop pole. The stops meet current ADA requirements, and will increase the safety, comfort and convenience for all of our residents using this bus system.

The Whittwood Branch Library was closed for expansion and improvement from November 2011 with an anticipated re-opening in December 2012. The Library circulated over 432,084 items and served 420,521 patrons. The Library signed up over 3,501 children during the Summer Reading Program. This program encourages children to pursue literacy year round. A total of 40,180 children participated in a variety of programs, and 1,574 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 administered programs safeguarding funds and maintaining official records and making information available to the public on behalf of the City, Redevelopment Agency, Housing Authority, Public Financing Authority, and Utility Authority. In February 2012 the Redevelopment Agency (WRA) was

dissolved and the Whittier Redevelopment Successor Agency (WRSA) was created. WRA investment portfolios were transferred to the WRSA. Legislative documents, agendas, legal notices, and reports were compiled, disseminated and secured for 34 City Council meetings. The Department administered the City's General Municipal Election which resulted in the reelection of three Council Members to four-year terms. The Department administered the City Council's Advisory Board appointment process resulting in the appointment of 15 City Board and Commission members as well as the annual recognition event for current and outgoing advisory board members. The Treasury Division invested funds not needed for current operations to generate \$868,000 in revenue. The Business License Division processed over 7,500 licenses. The Department's Information Technology/Records Management Division has three main functional units: Information Technology, Records Management, and Geographic Information Systems (GIS). This year the major focus for IT was working with City departments to initiate broadcasting City Council and Planning Commission meetings over the Internet. Records Management continued to assist citizens and staff with inquiries. The unit handled over 975 requests for information. GIS staff continues to add and improve the information layers including zoning, parcels, addresses, street center lines, specific plans, and building footprints. GIS worked with IT and the Planning Division to develop a web application for Historic Resources, which went live in August 2011. 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 issues, including various personnel initiatives. Staff continues to manage the accounting, auditing, budgeting, and human resources 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 is implementing several mobile radar detection devices to monitor speed in various locations within the City. Critical pieces of equipment and protective gear will be purchased for officers who are frequently the first responders in emergency and disaster situations. The Department will be enhancing its mobile data communications for the police officers through the leasing of cellular data technology. The Property and Evidence facility will gain some much needed square footage through a basement improvement project that will be completed later this year. The Police building is getting its final touch through a decoration initiative with vintage photographs of former police personnel, buildings, and activities. These photos will produced in-house by Department personnel to save costs.

The Park Division will continue with installation of the educational panels at Laurel Station pending installation of the demonstration garden of plant material representing the plantings on the Greenway Trail and the Puente Hills, the final element of the Palm Station will be completed with installation of hand-made

birdhouses depicting architectural styles of the homes of Whittier and construction of the Bioswale will commence followed by installation of the trees at Walnut Station. Installation of landscaping and cable fencing along the Greenway Trail will continue as funding permits. Poured-in-place animal characters will be added to the Central Park rubberized surfacing, construction of the Laurel Park Restroom will commence and the Barefoot Boy water feature will be relocated to the Central Library. Approvals and final design for the Pio Pico Bikeway Extension is back on track with completion expected FY 2012-13. Irrigation upgrades to the SMART system continue at Penn Park and Joe Miller Field. In addition, installation of the Barefoot Boy Statue and Centennial Clock will be handled by the Park Division.

The Planning Division is in the process of reviewing three residential projects including a 124-unit mixed-use residential project on Bright Avenue, as well as two apartment projects on Whittier Boulevard, 50 and 84 units respectively. The division is also preparing for the resurgence of the Fred C. Nelles development, which consists of 650 – 750 housing units and 15 – 25 acres of commercial development on the 73.8 acre site. There are also several wireless facilities being processed, with several being antenna replacements only. Planning will continue to monitor post-entitlement projects, and continue to work with applicants on new projects to address their concerns prior to formal submittal through the pre-application process.

The Engineering Division workplan includes the installation of several in-roadway lighted crosswalks near schools and institutions, bus shelters using Federal funds, and sidewalk connections to the Whittier Greenway Trail along Mills Avenue and Lambert Road. Continuation of the alley improvement/rehabilitation, other pavement rehabilitation projects such as Carretera and Villaverde Drives, and local streets with overlays and annual cyclic slurry seals will be implemented using Gas Tax, Proposition 1B, and potentially Measure R funds. Additional road rehabilitation and bike lanes are planned to complete our Bicycle Master Plan as a part of our BTA grant. Installation of new LED streetlights and landscaped median islands are planned for Beverly Boulevard from the I-605 Freeway to Norwalk Boulevard/Workman Mill Road utilizing HSIP Grant funds. This will provide safety enhancements and beautification to this main entrance to the City. The Engineering Division continues to collaborate with the Community Development Department in seeking funding to install parking meters and a planned parking structure in Uptown Whittier. The Engineering Division will collaborate with the Water Division on the Palm Avenue/Scenic Drive water and sewer main replacement and street reconstruction.

The Water Division is finalizing the construction documents for the replacement of Pumping Plant II. The work will include a new SCADA system, new pumping plant, and additional water storage. In addition, the Water Division has commissioned a study to look at the possible expansion of Starlight Reservoir to more cost effectively provide the water storage needs identified in the Water System Master Plan. The Water Division will continue to acquire and pump more water from the Central Basin in order to free up more highly valued Main Basin water rights for lease to other water providers.

The Solid Waste Disposal Division will begin design for the Phase III Liner expansion project and the first phase of partial final closure.

The Community Services Division will continue its commitment to providing high-quality, low-cost, local classes, events and activities for our residents as detailed above. The Cultural Arts Commission will work to update their goals and objectives and strengthen their relationship with the Whittier Cultural Arts Foundation to better support local arts programs/projects. With City Council direction plans are also underway to reinstall the Barefoot Boy Statue and the Centennial Clock on the grounds of the Civic Center. The Social Services Commission will work more closely this year with local agencies providing homeless residents with temporary shelter and/or permanent supportive housing. The Youth Services Division will continue its partnership with the SKILLS Foundation to operate the popular Friday Forum events and a new fee-based after school program. The Whittier Community Foundation, Kaiser Permanente and the City will present the grand opening of the GWT Fitness Project when installation is complete this fall. Activate Whittier will continue their efforts to make Whittier a healthier place to live, work and play by working with community agencies and residents on initiatives to “make the healthy choice, the easy choice”.

Transit staff will continue to monitor the public transportation needs of our population who are dependent on these services for their regular transportation. We are facing new challenges as our population continues to age and the state of the economy forces residents to use transportation other than their private cars. Transit staff advocated with the City of Norwalk when Norwalk Transit Systems reviewed their service, which will result in the full weekday reinstatement of Norwalk Route 3, which is the only Norwalk service still serving the Transit Depot in Whittier, within the new fiscal year. Previously, this route only operated a partial schedule, with no service in the mid-morning until early afternoon. As this line serves Presbyterian Hospital, the reduced schedule caused hardship to our residents. Staff is also working on a “swipe card” for the Taxi Voucher Program, which will eliminate the current three-part paper vouchers. Passengers will be able to load cash value on the cards (similar to the Metro TAP cards), and simply swipe the card when they board and alight the taxi. This will be more cost effective for both the passenger and the City, as the amount deducted will be the exact amount of the trip. It will also provide GPS tracking information and driver accountability, which will also benefit our passengers. Whittier transit staff will continue to coordinate community efforts to bring the Gold Line Light Rail extension into Whittier. Whittier transit staff will work with Metro for Phase II of the Bus Stop Improvement project using a Federal Section 5316 grant for bus stop improvements at 20 locations along Whittier Boulevard. Whittier transit staff will also work with Metro for Phase III of the Bus Stop Improvement project using an earmark from the Federal Government, thanks to Congresswoman Linda Sanchez.

The Whittwood Branch Library will re-open in December 2012 with improved technology access, expanded children’s and young adult areas, state-of-the-art meeting room, homework center, and efficiency improvements. The City Council continues to explore options to improve the Central Library facility. The Central

Library will be a hub for wifi connectivity starting early 2013. Both Central and Whittwood libraries continue to provide collections and programs to enrich the community.

## **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, Vavrinek, Trine, Day & Co., LLP. 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.

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, 2011. This was the twenty third 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.

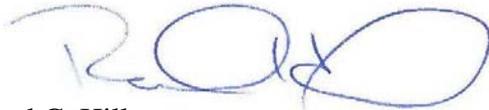
A Certificate of Achievement is valid for a period of one year only. Staff believes that the City's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

### **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 Vavrinek, Trine, Day & Co., LLP. 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 basic 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 Vavrinek, Trine, Day & Co., LLP 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,

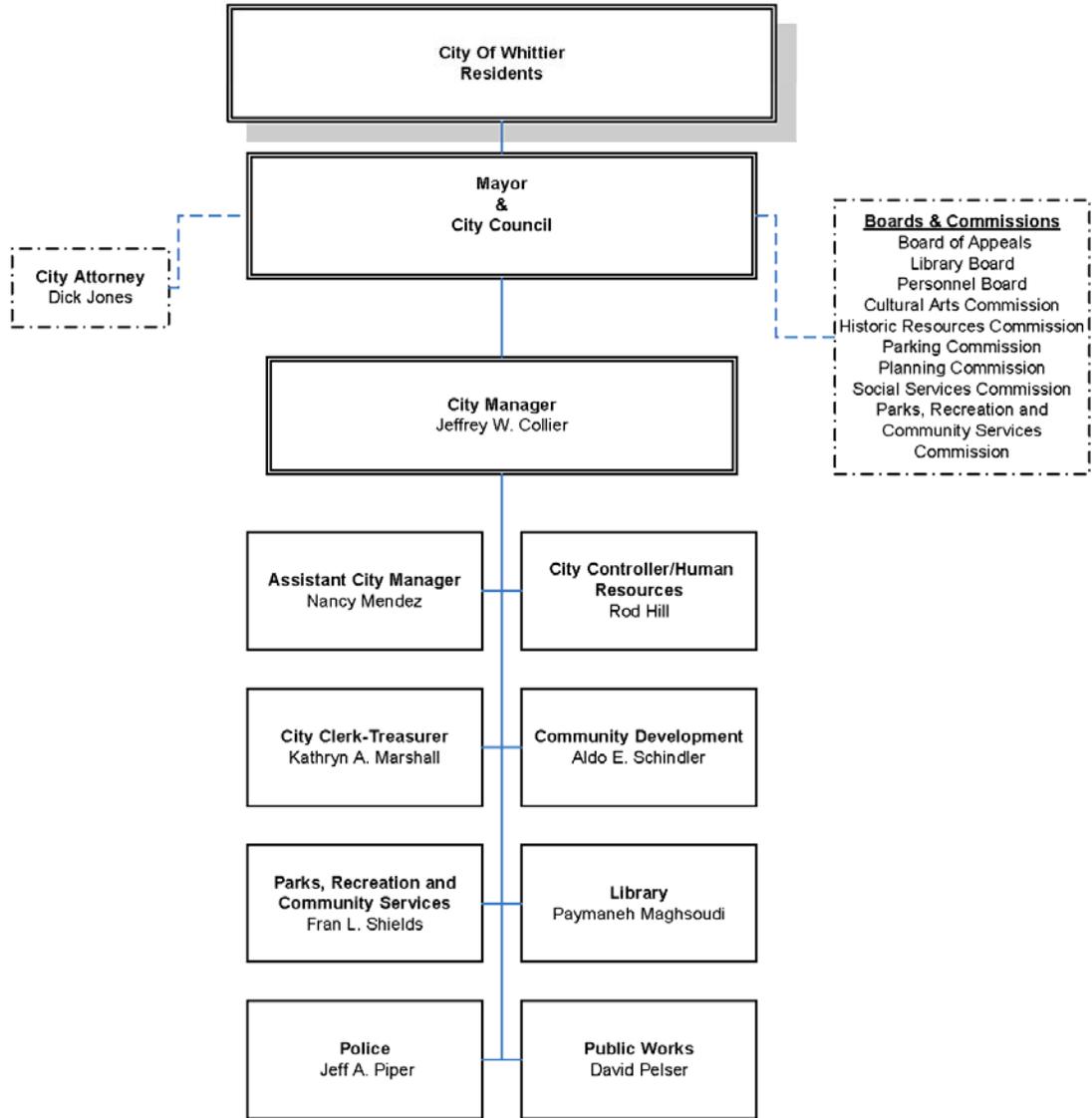


Rod C. Hill  
City Controller



# City of Whittier

## Organization Chart



CITY OF WHITTIER

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*Principal Officers  
June 30, 2012*

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**Jeffrey W. Collier**  
*City Manager*

**Nancy L. Mendez**  
*Assistant City Manager*

**Jeff Piper**  
*Chief of Police*

**Richard D. Jones**  
*City Attorney*

**Kathryn A. Marshall**  
*City Clerk/Treasurer*

**Rod C. Hill**  
*City Controller/ Human Resources Director*

**Aldo E. Schindler**  
*Community Development Director*

**Fran Shields**  
*Parks, Recreation and Community Services Director*

**Paymaneh Maghsoudi**  
*Library Director*

**David Pelser**  
*Public Works Director*

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# 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, 2011

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.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



## INDEPENDENT AUDITORS' REPORT

The Members of the City Council  
City of Whittier, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Whittier, California, (City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16, the Redevelopment Agency of the City of Whittier was dissolved on February 1, 2012 pursuant to Assembly Bill (AB) x1 26. Housing assets of the former Redevelopment Agency were transferred to the Housing Authority of the City of Whittier pursuant to Health and Safety Code Section 34176. All other remaining assets, contracts and enforceable obligations were transferred to the Whittier Redevelopment Successor Agency resulting in an extraordinary gain in the amount of \$33,672,435 to the City of Whittier's governmental activities.

As described in Note 18, the City has disclosed contingencies regarding advances to the Successor Agency in the amount of \$7,322,089 reported in the General Fund. Such advances have been denied by the State of California Department of Finance as enforceable obligations. Should the City not prevail in obtaining approval recognizing the loans as enforceable obligations, there could be a significant financial impact to the City's General Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 14 and 83, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and nonmajor fund financial statements and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and nonmajor fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of basic financial statements. The introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it



Rancho Cucamonga, California  
November 30, 2012

**CITY OF WHITTIER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

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, 2012. 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 2011-12 fiscal year by \$272.1 million (net assets). Of this amount, \$138.5 million is invested in capital assets, net of related debt; \$24.7 million is restricted for public works; \$12.7 million is restricted for community development; \$5.4 million is restricted for various projects, and \$90.8 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 \$42.0 million or 18.3% from prior fiscal year. Total revenues from all sources were \$92.6 million; total expenses were \$84.3 million, and extraordinary gain resulting from former Redevelopment Agency dissolution of \$33.7 million. Of the total revenues, program revenues were \$54.6 million. Program revenues are broken into three categories: Charges for services at \$39.6 million, operating contributions and grants at \$12.4 million, and capital contributions and grants at \$2.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$88.9 million, a decrease of \$23.8 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20.9 million, or 38.7% 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 \$2.8 million and actual outflows (expenditures and other financing uses) were \$3.2 million less than budget. This results in the total positive budget and actual variance of \$0.4 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 (dissolved February 1, 2012), 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, employee benefits 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 other beneficiaries. 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 \$272.1 million at the close of the most recent fiscal year. The largest portion of the City's net assets (50.8%) 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$125,384	143,442	46,605	47,764
Capital assets	114,832	119,835	37,393	37,449
Total assets	<u>240,216</u>	<u>263,277</u>	<u>83,998</u>	<u>85,213</u>
Noncurrent liabilities	16,199	70,427	30,348	40,578
Other liabilities	4,092	5,577	1,442	1,775
Total liabilities	<u>20,291</u>	<u>76,004</u>	<u>31,790</u>	<u>42,353</u>
Net assets:				
Invested in capital assets, net of related debt	109,657	95,435	28,819	27,974
Restricted	42,717	46,374	134	124
Unrestricted	67,551	45,464	23,254	14,762
Total net assets	<u>\$219,925</u>	<u>187,273</u>	<u>52,207</u>	<u>42,860</u>

A portion of the City's net assets (15.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$90.8 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 decrease of \$5.0 million in the governmental activities. The current year depreciation expense was \$7.4 million. The most significant capital project during the fiscal year was the construction of an expansion to the Whittwood branch library which began in November 2011 and grand opening is scheduled for December 1, 2012. The total cost at the end of the fiscal year was \$2.8 million.

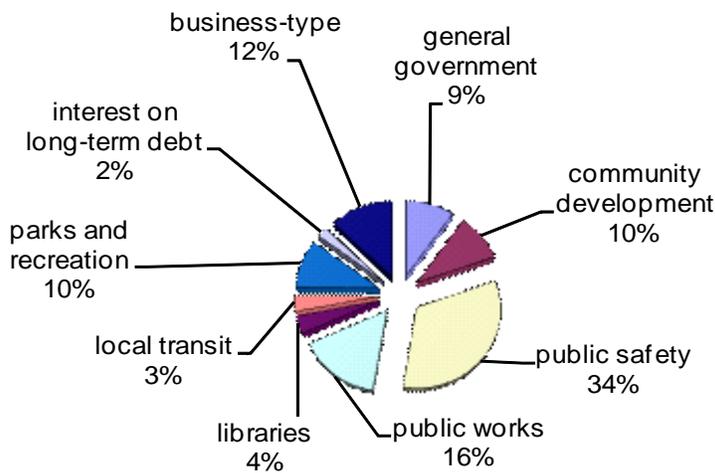
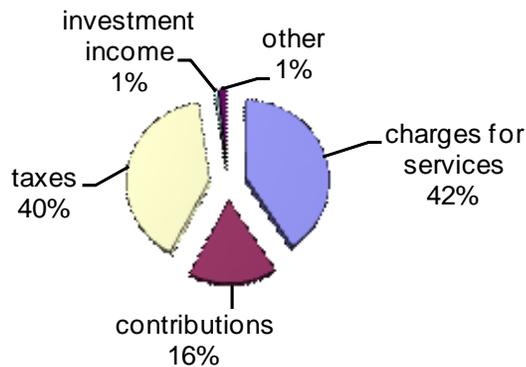
At the end of the current fiscal year, the City's governmental activities had total bonded debt and long-term liabilities of \$16.2 million, which is a decrease of \$54.2 million from the previous fiscal year. The significant decrease was the result of transferring long-term liabilities of the former Redevelopment Agency's to the Successor Agency as a result of the dissolution on February 1, 2012. There was a decrease in long term debt for the current fiscal year of \$10.2 million in the business-type activities due to \$9.5 million decrease in accumulated landfill closure and post-closure liability, net increase of \$84,370 in compensated absences and net OPEB liability, and \$800,000 in revenue bonds repayments.

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:				
Program revenues:				
Charges for services	\$20,458	25,530	19,154	20,409
Operating contributions and grants	11,754	6,139	633	1,239
Capital contributions and grants	2,561	2,788	-	-
General revenues:				
Taxes:				
Property taxes	8,779	11,830	-	-
Transient occupancy taxes	586	560	-	-
Sales taxes	7,900	7,663	-	-
Franchise taxes	2,189	1,891	-	-
Business licenses and tax	1,763	1,748	-	-
Utility users tax	6,760	7,034	-	-
Transit tax	2,332	2,150	-	-
Motor vehicle in lieu, unrestricted	7,076	7,285	-	-
Investment income	443	1,154	186	935
Other	45	4	12	588
Total revenues	<u>72,646</u>	<u>75,776</u>	<u>19,985</u>	<u>23,171</u>
Program Expenses:				
General government	7,687	7,547	-	-
Public safety	28,479	28,642	-	-
Libraries	3,166	8,931	-	-
Parks and recreation	8,554	5,499	-	-
Public works	13,256	3,282	-	-
Transit	2,836	4,567	-	-
Community development	8,317	8,456	-	-
Sewer	-	-	1,365	1,259
Water	-	-	9,592	14,133
Solid waste	-	-	(841)	9,558
Interest on long-term debt	1,893	3,562	-	-
Total expenses	<u>74,188</u>	<u>70,486</u>	<u>10,116</u>	<u>24,950</u>
Transfers	522	-	(522)	-
Extraordinary gain	<u>33,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	32,652	5,290	9,347	(1,779)
Net assets, beginning of year	187,273	181,983	42,860	44,639
Net assets at end of year	<u>\$219,925</u>	<u>187,273</u>	<u>52,207</u>	<u>42,860</u>

### FY 2011-12 Total Revenues by Sources



The City’s total revenues for the fiscal year ended June 30, 2012 were \$92.6 million. Of the City’s total revenues, \$39.6 million (42%) were derived from fees charged for services and \$37.4 million (40%) were received in taxes.

The City’s total expenses were \$84.3 million, including \$28.5 million (34%) for public safety mainly resulting from employee services costs, \$13.3 million (16%) for public works mainly from street improvement projects, and \$10.1 million (12%) for business-type activities.

### Governmental Activities

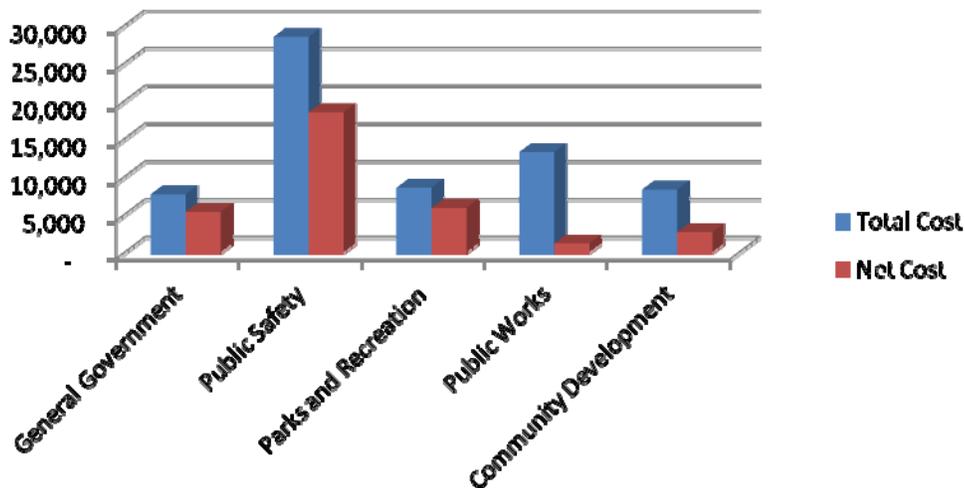
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General government	\$7,687	7,547	5,357	5,315
Public safety	28,479	28,642	18,509	17,989
Parks and recreation	8,554	8,456	5,887	6,210
Public works	13,256	8,931	1,209	(4,114)
Community development	8,317	5,499	2,677	1,865
<b>Total</b>	<b>\$66,293</b>	<b>59,075</b>	<b>33,639</b>	<b>27,265</b>

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

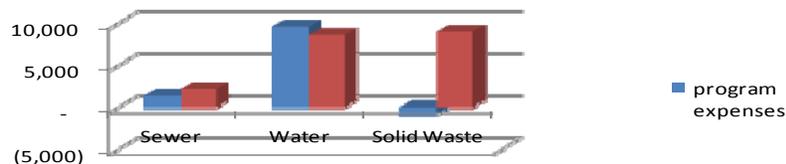
**Net Cost of Services  
(in Thousands)**



**Business-type Activities**

Business-type activities had the net increase of \$9.3 million in City’s net assets, resulting from the revenues of \$19.8 million and expenses of \$10.6 million during the fiscal year. The key factor of this increase was the significant reduction of landfill closure and post-closure maintenance cost estimate of \$9.5 million as of the end of the fiscal year.

**Program Expenses and Program Revenues – Business-type Activities (in Thousands)**



## 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, *unassigned* 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 \$88.9 million, a decrease of \$23.8 million in comparison with the prior year. \$35.5 million of this total amount constitutes *unrestricted fund balances*. \$3.0 million of *unrestricted fund balances* is *committed fund balance* that represents resources whose use is constrained by limitations imposed at highest level of decision making that requires formal action at the same level to remove, this includes emergency contingency of \$2.7 million. \$11.6 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. \$20.9 million of the remaining fund balance is *unassigned fund balance*. Please refer to note 14 to basic financial statements for additional detail.

Below is an analysis of the City's major governmental fund activities for the year (in thousands):

	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
<b>Fund Balance:</b>			
General Fund	\$34,874	36,473	(1,599)
Transit Fund	3,870	3,864	6
HOME Fund	1,700	1,734	(34)
Housing Authority Fund	19,697	-	19,697
RDA Low/Mod Housing Fund	-	24,528	(24,528)
RDA Debt Service Fund	-	11,524	(11,524)
Total Fund Balance	\$60,141	78,123	(17,982)

The general fund is the chief operating fund of the City. The fund balance of the City's general fund decreased \$1,599,370 during the current fiscal year. This represented a decrease of \$1.5 million in net change in fund balances from the prior year. Key factors for this change are as follows:

- A decrease of \$997,000 was not reimbursed by the former Redevelopment Agency to the General Fund as a result of the dissolution related to outstanding loans (\$795,000) and administrative reimbursements (\$202,000).
- An increase of \$485,573 in a one time payment to Santa Fe Springs for reimbursement of amounts held in reserve on behalf of Santa Fe Springs.
- An increase of \$107,673 in general fund expenditures was mainly due to increase in full-time salary costs due to step or merit increases.

The transit special revenue fund had a total fund balance of \$3.9 million, a minimal increase of \$5,662 during the current fiscal year primarily due to decreased expenditures.

The HOME fund had a total fund balance of \$1.7 million, a slight decrease of \$33,842 during the current fiscal year as a result of fluctuations in loan repayments received lower than expected.

Due to the dissolution of the former redevelopment agency, the housing activities and assets of the former redevelopment low and moderate income housing fund were transferred to the Whittier Housing Authority; and the remaining of assets and liabilities of the former redevelopment funds were transferred to the redevelopment successor agency on February 1, 2012 (see Note 16). As a result, there were no assets and liabilities in Redevelopment Agency Low/Mod Housing fund and debt service fund as of February 1, 2012. As of the end of the fiscal year, the Housing Authority fund had a total fund balance of \$19.7 million.

***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 \$23.3 million with an increase of \$9.3 million in total net assets, mainly resulting from decrease of landfill closure and postclosure maintenance cost estimate.

#### *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, 2012, unrestricted net assets of the internal service funds were \$14.8 million, with a total increase in net assets of \$4.3 million from the prior fiscal year. 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**

#### Changes to Original Budget

Final budgeted revenues for the General Fund increased \$117,683 or 0.2% from the original (adopted) budget for the fiscal year. The change from original to final budget occurred primarily as a result of adjustments made to budgeted revenue from donations.

Comparing the current fiscal year original (adopted) budget General Fund expenditures amount of \$56,303,888 to the final budgeted amount of \$57,681,527 shows a net increase of \$1,377,639 or 2.4%.

The increase in appropriation of \$1,377,639 can be briefly summarized as follows:

- \$269,534 increase allocated to general government expenditures for City clerk, Elections, City controller, Civic center maintenance and City planning.
- \$99,614 increase allocated to public safety expenditures for police, disaster preparedness, code enforcement, and building and safety.
- \$259,909 increase allocated to library.
- \$295,450 increase allocated to parks and community services.
- \$453,132 increase allocated to public works.

Significant increases are related to unspent appropriations from the prior year that were carried over for various unfinished projects.

### Variance with the Final Budget

General Fund actual revenues were less than final budget by \$2,804,305 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was net of \$707,607 negative variance with the final budget in total tax revenues. The key factors were \$165,472 negative variance in motor vehicle tax revenue due to less vehicle license fees collected statewide, \$640,082 negative variance in utility users tax primarily due to slow growth in utility usage, and \$102,763 positive variance in franchises and PEG fee.
- Licenses and permits: The \$234,041 positive variance in actual vs. final budgeted revenue was from increase in business licenses and building permits revenue.
- Fines and forfeits: The \$119,835 negative variance in actual vs. final budgeted revenue was from decreases in court fines.
- Use of money and property: The net \$836,054 negative variance in actual vs. final budget was due to declines in interest rates.
- Intergovernmental: The \$80,983 negative variance in actual vs. final budget was due to unreimbursed grants.
- Charges for services: Actual charges for services were \$691,991 less than the final budget mainly due to the decline in recreation revenues of \$93,575 and parkland dedication fee of \$260,490, the decrease of Santa Fe Spring police contract revenue of \$151,572, and decrease of administrative charge to former Redevelopment Agency of \$175,149 due to the redevelopment agency dissolution.
- Other: The net \$601,876 negative variance in actual vs. final budget was mainly due to the anticipated loan repayment from the former Redevelopment Agency of \$794,722 that has been deferred due to redevelopment agency dissolution.

General Fund expenditures were \$3,653,190 less than the final budget. 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. 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 2012, the City had \$152.2 million (net of accumulated depreciation of \$118.2 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 8 to the basic financial statements.) This amount represents a net decrease (including additions and deductions) of \$5.1 million, or 3.2%, over last year. The total depreciation for the year was \$8.5 million.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and trees	\$26,816	29,436	2,827	2,827
Rights of way	5,326	5,326	-	-
Construction in progress	3,543	790	2,819	2,176
Buildings and improvements	43,539	46,378	31,628	32,295
Machinery and equipment	7,619	7,713	119	151
Infrastructure	27,989	30,192	-	-
Total	<u>\$114,832</u>	<u>119,835</u>	<u>37,393</u>	<u>37,449</u>

The City's five-year Capital Improvement Plan projected to spend another \$82.1 million through fiscal year 2016-17. 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 \$11.6 million, water main and other water related improvements of \$21.1 million, upgrading and maintaining the City's landfill of \$6.0 million, sewer maintenance and replacement of \$10.2 million, mobile equipment replacement of \$1.2 million, bus stop improvement of \$2.4 million, Whittwood branch library expansion of \$3.8 million, Greenway trail improvement of \$1.4 million, information technology maintenance and replacement projects of \$3.5 million and various pavement and street improvements of \$14.0 million principally from special revenue funds.

### Long-term debt

As of June 30, 2012, the City transferred \$52,077,139 of tax allocation bonds, loans and developer loans payable as a result of the dissolution of the former Redevelopment Agency as of January 31, 2012. As noted in Table 5 and note 9 to the basic financial statements, there was \$6,300,038 in principal repayments in accordance with certain debt schedules. City had no significant changes in its credit ratings and has subsequently issued Water Revenue Bonds, Series 2012 for \$10,085,000 with an AA rating.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Compensated absences	\$4,499	4,122	362	320
Developer loans payable	-	5,002	-	-
Tax allocation bonds	5,175	33,695	-	-
Tax allocation loans	-	19,805	-	-
Revenue bonds	-	-	18,765	19,565
Landfill closure and postclosure	-	-	11,039	20,553
Claims payable	4,479	6,472	-	-
Net OPEB liability	2,046	1,331	182	140
Total	<u>\$16,199</u>	<u>70,427</u>	<u>30,348</u>	<u>40,578</u>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The economy of the City is based around the needs of its citizens, with over 40% of the City’s General Fund operating revenues come from tax revenues.

The City’s budget (2012-13) projections take into account the historical trends and current economic factors. An overall decrease in operating revenues of approximately \$2.9 million or 3.6% as compared to the 2011-12 adopted budget is anticipated. The decrease in forecasted revenues is primarily attributed to decreases in various grants revenues, including CDBG and HOME, and the loss of redevelopment revenues of \$2.7 million. The General Fund’s operating revenues reflect a minimal decrease of \$104,170 or 0.19%. For fiscal year 2012-13, sales tax revenue is estimated to increase by 9.26% of \$768,500 compared to the 2011-12 adopted budget, which is attributed to increased consumer confidence and spending. Property Tax revenue is estimated at \$4.6 million, which represents a 2.75% increase from the 2011-12 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Due to the loss of Redevelopment, the cost allocation charged by the General Fund to other funds for administrative costs is reduced 17.12% from fiscal year 2011-12. Operating expenditures have been projected at \$57.1 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for 2012-13 which are 20.504% for miscellaneous employees and 44.528% for safety employees. It is estimated that the General Fund will have an available fund balance of approximately \$12.1 million at the end of fiscal year 2012-13.

**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.

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and investments (note 3)	\$ 76,794,700	24,177,539	100,972,239
Restricted assets:			
Cash and investments (note 3)	1,543,401	8,614,313	10,157,714
Cash and investments with fiscal agents (note 3)	9,926,649	9,052,522	18,979,171
Accounts receivable	-	31,708	31,708
Interest receivable	-	17,150	17,150
Receivables:			
Intergovernmental	3,407,955	-	3,407,955
Accounts	1,244,187	3,222,538	4,466,725
Notes and loans (note 5)	13,705,697	-	13,705,697
Interest	237,757	5,956	243,713
Inventory	-	353,552	353,552
Due from fiduciary funds	159,343	-	159,343
Advances to Successor Agency (note 7)	15,111,216	-	15,111,216
Prepaid items	193,681	453,000	646,681
Deferred charges, net of accumulated amortization	-	677,053	677,053
Land held for resale (note 4)	3,058,920	-	3,058,920
Capital assets not being depreciated (note 8)	35,685,106	5,646,227	41,331,333
Capital assets being depreciated, net (note 8)	79,147,277	31,746,712	110,893,989
Total Assets	<u>240,215,889</u>	<u>83,998,270</u>	<u>324,214,159</u>
<b>Liabilities:</b>			
Accounts payable	3,033,973	1,267,008	4,300,981
Accrued liabilities	713,843	72,814	786,657
Accrued interest payable	-	102,974	102,974
Due to Successor Agency	14,731	-	14,731
Deposits payable	184,969	-	184,969
Unearned revenue	144,811	-	144,811
Noncurrent liabilities (note 9):			
Due within one year	5,112,268	966,612	6,078,880
Due in more than one year	11,086,757	29,380,995	40,467,752
Total Liabilities	<u>20,291,352</u>	<u>31,790,403</u>	<u>52,081,755</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	109,657,383	28,819,206	138,476,589
Restricted for:			
Public safety	1,386,642	-	1,386,642
Library	103,396	-	103,396
Public works	24,656,146	-	24,656,146
Water	-	134,339	134,339
Transit	3,870,076	-	3,870,076
Community development	12,700,273	-	12,700,273
Unrestricted	67,550,621	23,254,322	90,804,943
Total Net Assets	<u>\$ 219,924,537</u>	<u>52,207,867</u>	<u>272,132,404</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ (7,686,504)	2,090,010	239,329	-
Public safety	(28,479,656)	9,099,464	871,515	-
Libraries	(3,166,373)	646,134	100,700	-
Parks and recreation	(8,554,101)	1,864,200	802,427	-
Public works	(13,255,701)	4,542,268	5,730,496	1,774,143
Transit	(2,836,006)	250,649	336,173	786,939
Community development	(8,316,661)	1,965,357	3,673,846	-
Interest on long-term debt	(1,893,582)	-	-	-
<b>Total governmental activities</b>	<b>(74,188,585)</b>	<b>20,458,082</b>	<b>11,754,486</b>	<b>2,561,082</b>
<b>Business-type activities:</b>				
Sewer	(1,365,187)	2,216,426	-	-
Water	(9,592,169)	7,969,132	610,183	-
Solid waste	841,081	8,968,825	23,452	-
<b>Total business-type activities</b>	<b>(10,116,275)</b>	<b>19,154,383</b>	<b>633,635</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ (84,304,860)</b>	<b>39,612,465</b>	<b>12,388,121</b>	<b>2,561,082</b>

**General Revenues:**

**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

Gain on sale of capital assets

Investment income

Transfers in (out)

**Total General Revenues**

Extraordinary gain - dissolution of redevelopment agency (note 16)

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

See accompanying notes to financial statements.

Net Revenue (Expense) and Change in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
(5,357,165)	-	(5,357,165)
(18,508,677)	-	(18,508,677)
(2,419,539)	-	(2,419,539)
(5,887,474)	-	(5,887,474)
(1,208,794)	-	(1,208,794)
(1,462,245)	-	(1,462,245)
(2,677,458)	-	(2,677,458)
(1,893,582)	-	(1,893,582)
<u>(39,414,935)</u>	<u>-</u>	<u>(39,414,935)</u>
-	851,239	851,239
-	(1,012,854)	(1,012,854)
-	9,833,358	9,833,358
<u>-</u>	<u>9,671,743</u>	<u>9,671,743</u>
<u>(39,414,935)</u>	<u>9,671,743</u>	<u>(29,743,192)</u>
8,778,919	-	8,778,919
585,837	-	585,837
7,899,565	-	7,899,565
2,188,611	-	2,188,611
1,763,341	-	1,763,341
6,759,918	-	6,759,918
2,332,034	-	2,332,034
7,076,528	-	7,076,528
44,803	11,932	56,735
442,492	185,939	628,431
522,108	(522,108)	-
<u>38,394,156</u>	<u>(324,237)</u>	<u>38,069,919</u>
<u>33,672,435</u>	<u>-</u>	<u>33,672,435</u>
32,651,656	9,347,506	41,999,162
<u>187,272,881</u>	<u>42,860,361</u>	<u>230,133,242</u>
<u>219,924,537</u>	<u>52,207,867</u>	<u>272,132,404</u>



# **FUND FINANCIAL STATEMENTS**

**CITY OF WHITTIER, CALIFORNIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012**

	Special Revenue Funds		
	General Fund	Transit Fund	HOME Fund
<b>Assets:</b>			
Cash and investments	\$ 26,661,957	3,765,126	15,090
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Receivables:			
Intergovernmental	2,396,121	78,051	89,609
Accounts	632,578	3,383	-
Notes and loans	516,421	-	5,050,231
Interest	23,992	2,576	63,707
Due from other funds (note 6)	277,014	-	-
Advances to Successor Agency (note 7)	7,322,089	-	-
Prepaid items	19,148	147,862	-
Land held for sale	-	-	-
Total Assets	<u>\$ 37,849,320</u>	<u>3,996,998</u>	<u>5,218,637</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 913,434	121,633	-
Accrued liabilities	662,477	5,289	-
Due to other funds (note 6)	36,079	-	103,146
Deferred revenue	1,179,049	-	3,415,207
Deposits payable	184,344	-	-
Total Liabilities	<u>2,975,383</u>	<u>126,922</u>	<u>3,518,353</u>
<b>Fund Balances:</b>			
Nonspendable	7,857,658	-	-
Restricted	837,594	3,870,076	1,700,284
Committed	2,985,351	-	-
Assigned	2,317,843	-	-
Unassigned	20,875,491	-	-
Total Fund Balances	<u>34,873,937</u>	<u>3,870,076</u>	<u>1,700,284</u>
 Total Liabilities and Fund Balances	 <u>\$ 37,849,320</u>	 <u>3,996,998</u>	 <u>5,218,637</u>

See accompanying notes to financial statements.

Special Revenue Funds		Debt Service Fund		Non-major Governmental Funds	Total Governmental Funds
Housing Authority	Redevelopment Agency Low/Mod Housing	Redevelopment Agency Fund			
2,083,544	-	-	20,193,324	52,719,041	
-	-	-	1,543,401	1,543,401	
9,308,968	-	-	617,681	9,926,649	
-	-	-	844,174	3,407,955	
566,543	-	-	2,918	1,205,422	
6,014,060	-	-	2,124,985	13,705,697	
5,873	-	-	129,236	225,384	
25,238	-	-	-	302,252	
2,614,127	-	-	5,175,000	15,111,216	
-	-	-	-	167,010	
3,058,920	-	-	-	3,058,920	
<u>23,677,273</u>	<u>-</u>	<u>-</u>	<u>30,630,719</u>	<u>101,372,947</u>	
59,676	-	-	1,562,538	2,657,281	
-	-	-	20,133	687,899	
3,890	-	-	14,525	157,640	
3,916,405	-	-	229,513	8,740,174	
-	-	-	625	184,969	
<u>3,979,971</u>	<u>-</u>	<u>-</u>	<u>1,827,334</u>	<u>12,427,963</u>	
-	-	-	-	7,857,658	
19,697,302	-	-	19,482,855	45,588,111	
-	-	-	-	2,985,351	
-	-	-	9,320,530	11,638,373	
-	-	-	-	20,875,491	
<u>19,697,302</u>	<u>-</u>	<u>-</u>	<u>28,803,385</u>	<u>88,944,984</u>	
<u>23,677,273</u>	<u>-</u>	<u>-</u>	<u>30,630,719</u>	<u>101,372,947</u>	



**CITY OF WHITTIER, CALIFORNIA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

Fund Balances of Governmental Funds	\$ 88,944,984
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	198,769,916
Capital assets - internal service funds	16,376,555
Accumulated depreciation - governmental funds	(89,600,820)
Accumulated depreciation - internal service funds	(10,713,268)
Long-term debt has not been included in the governmental funds	
Net OPEB liability	(2,045,832)
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.	
	8,595,363
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	(4,479,433)
Compensated absences	(4,498,760)
Other assets and liabilities	23,750,832
Net Assets of Governmental Activities	\$ 219,924,537

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds		
	General	Transit Fund	HOME Fund
<b>Revenues:</b>			
Taxes	\$ 29,267,893	2,332,034	-
Licenses and permits	1,885,541	-	-
Fines and forfeits	626,265	-	-
Use of money and property	542,045	124,211	-
Intergovernmental	232,517	336,173	2,326,140
Charges for services	15,331,533	118,914	-
Other	3,838,360	78,723	-
Total Revenues	<u>\$ 51,724,154</u>	<u>2,990,055</u>	<u>2,326,140</u>
<b>Expenditures:</b>			
Current:			
General government	\$ 8,027,015	-	-
Public safety	28,757,147	-	-
Libraries	3,224,084	-	-
Parks and recreation	8,604,939	-	-
Public works	4,694,023	-	-
Local transit	-	2,956,455	-
Community development	628,148	-	2,359,982
Pass through agreements	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>53,935,356</u>	<u>2,956,455</u>	<u>2,359,982</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,211,202)</u>	<u>33,600</u>	<u>(33,842)</u>
<b>Other financing sources (uses):</b>			
Issuance of debt	-	-	-
Transfers in (note 6)	1,375,295	-	-
Transfers out (note 6)	(763,463)	(27,938)	-
Total Other Financing Sources (Uses)	<u>611,832</u>	<u>(27,938)</u>	<u>-</u>
<b>Extraordinary Item:</b>			
Dissolution of former Redevelopment Agency (note 16)	-	-	-
Net change in fund balances	(1,599,370)	5,662	(33,842)
Fund Balances, Beginning	<u>36,473,307</u>	<u>3,864,414</u>	<u>1,734,126</u>
Fund Balances, Ending	<u>\$ 34,873,937</u>	<u>3,870,076</u>	<u>1,700,284</u>

See accompanying notes to financial statements.

Special Revenue Funds		Debt Service Fund		Non-major Governmental Funds	Total Governmental Funds
Housing Authority	Redevelopment Agency Low/Mod Housing	Redevelopment Agency Fund			
-	777,086	3,108,340	922,998	36,408,351	
-	-	-	111,114	1,996,655	
-	-	-	498,197	1,124,462	
34,829	57,832	28,627	421,842	1,209,386	
-	-	-	5,587,165	8,481,995	
-	-	-	103,967	15,554,414	
-	-	-	3,869	3,920,952	
34,829	834,918	3,136,967	7,649,152	68,696,215	
-	-	-	-	8,027,015	
-	-	-	911,463	29,668,610	
-	-	-	76,769	3,300,853	
-	-	-	312,569	8,917,508	
-	-	-	3,642,267	8,336,290	
-	-	-	-	2,956,455	
64,873	3,236,031	872,446	1,538,992	8,700,472	
-	-	694,969	-	694,969	
-	-	-	3,042,146	3,042,146	
-	325,000	1,257,139	305,000	1,887,139	
-	443,666	1,079,323	289,671	1,812,660	
64,873	4,004,697	3,903,877	10,118,877	77,344,117	
(30,044)	(3,169,779)	(766,910)	(2,469,725)	(8,647,902)	
-	-	625,398	-	625,398	
-	-	-	10,891,268	12,266,563	
-	-	(5,300,000)	(6,800,202)	(12,891,603)	
-	-	(4,674,602)	4,091,066	358	
19,727,346	(21,357,880)	(6,082,948)	(7,468,308)	(15,181,790)	
19,697,302	(24,527,659)	(11,524,460)	(5,846,967)	(23,829,334)	
-	24,527,659	11,524,460	34,650,352	112,774,318	
19,697,302	-	-	28,803,385	88,944,984	

**CITY OF WHITTIER, CALIFORNIA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

Net changes in fund balances - total governmental funds	\$ (23,829,334)
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	(4,309,846)
Reclass of expenditures for purchases of capital assets recorded in governmental funds.	6,547,874
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net assets.	(4,454,926)
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	1,385,000
Notes payable	502,139
Net OPEB liability	325,123
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	(637,187)
The statement of net assets includes accrued interest on long term debt.	(46,171)
Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.	5,166,560
Change in deferred charges that has not been reported in the governmental funds	(22,963)
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.	
Increase in net pension obligation	(1,039,745)
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 government activities.	4,210,907
Effect of extraordinary items due to dissolution of former redevelopment agency	
Reduction of capital assets, net of depreciation	(2,786,073)
Reduction of long-term debt (tax allocation bonds and developer loans payable)	52,077,139
Reduction of interest payable associated with long-term debt	603,867
Reduction of deferred charges, net of amortization	(1,040,708)
Change in net assets of governmental activities	<u>\$ 32,651,656</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 29,975,500	29,975,500	29,267,893	(707,607)
Licenses and permits	1,651,500	1,651,500	1,885,541	234,041
Fines and forfeits	746,100	746,100	626,265	(119,835)
Use of money and property	1,378,099	1,378,099	542,045	(836,054)
Intergovernmental	313,500	313,500	232,517	(80,983)
Charges for services	15,984,930	16,023,524	15,331,533	(691,991)
Other	4,361,147	4,440,236	3,838,360	(601,876)
Total Revenues	<u>54,410,776</u>	<u>54,528,459</u>	<u>51,724,154</u>	<u>(2,804,305)</u>
<b>Expenditures:</b>				
General government:				
City council	34,187	34,187	29,045	5,142
City clerk	652,244	672,244	612,648	59,596
City attorney	300,531	300,531	429,681	(129,150)
Elections	83,605	166,620	133,117	33,503
City manager	706,099	706,099	832,621	(126,522)
City controller	1,932,363	1,958,929	1,643,561	315,368
City treasurer	385,588	385,588	253,352	132,236
Business license	156,041	156,041	151,900	4,141
Human resources	421,230	421,230	371,152	50,078
Civic center maintenance	1,192,250	1,202,203	1,095,513	106,690
Non-departmental	2,356,012	2,356,012	993,750	1,362,262
City planning	1,013,158	1,143,158	849,991	293,167
Fireworks show	12,491	12,491	12,804	(313)
Chamber of commerce	46,400	46,400	46,400	-
Employee special events	9,000	9,000	9,012	(12)
Public information services	73,203	73,203	69,484	3,719
Graffiti removal program	372,923	372,923	309,951	62,972
Social services	185,175	185,175	183,033	2,142
Total General Government	<u>9,932,500</u>	<u>10,202,034</u>	<u>8,027,015</u>	<u>2,175,019</u>
Public safety:				
Police department	27,678,276	27,712,245	27,367,648	344,597
Disaster preparedness	73,303	75,003	68,772	6,231
Code enforcement	544,824	547,232	513,733	33,499
Building and safety	776,404	837,941	809,705	28,236
Total Public Safety	<u>29,072,807</u>	<u>29,172,421</u>	<u>28,759,858</u>	<u>412,563</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued):</b>				
Libraries:	\$ 3,160,116	3,420,025	3,228,510	191,515
Total Libraries	3,160,116	3,420,025	3,228,510	191,515
Parks and recreation:				
Parks and recreation	5,089,397	5,327,552	5,178,790	148,762
Community services	3,349,579	3,406,874	3,493,183	(86,309)
Total Parks and Recreation	8,438,976	8,734,426	8,671,973	62,453
Public works:				
Weed control	4,700	4,700	6,987	(2,287)
Street lighting	471,918	474,102	510,957	(36,855)
Street maintenance	3,785,025	3,845,973	3,448,878	397,095
Traffic signals	374,951	374,951	354,694	20,257
City engineering	258,757	648,757	391,317	257,440
Total Public Works	4,895,351	5,348,483	4,712,833	635,650
Community development:				
Community development	804,138	804,138	628,148	175,990
Total Community Development	804,138	804,138	628,148	175,990
 Total Expenditures	 56,303,888	 57,681,527	 54,028,337	 3,653,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,893,112)	(3,153,068)	(2,304,183)	848,885
<b>Other financing sources (uses):</b>				
Transfers in	1,375,295	1,375,295	1,375,295	-
Transfers out	(218,100)	(298,330)	(763,463)	(465,133)
Total Other Financing Sources (Uses)	1,157,195	1,076,965	611,832	(465,133)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(735,917)	(2,076,103)	(1,692,351)	383,752
<b>Adjustments:</b>				
To adjust for encumbrances				
Total Adjustments	-	-	92,981	92,981
Net Change in Fund Balance (US GAAP basis)	(735,917)	(2,076,103)	(1,599,370)	476,733
Fund Balance at Beginning of Year	36,473,307	36,473,307	36,473,307	-
Fund Balance at End of Year	\$ 35,737,390	34,397,204	34,873,937	476,733

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**TRANSIT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,138,499	2,138,499	2,332,034	193,535
Use of money and property	145,300	145,300	124,211	(21,089)
Intergovernmental	855,601	855,601	336,173	(519,428)
Charges for services	40,500	40,500	118,914	78,414
Other	44,000	44,000	78,723	34,723
Total Revenues	<u>3,223,900</u>	<u>3,223,900</u>	<u>2,990,055</u>	<u>(233,845)</u>
<b>Expenditures:</b>				
Current:				
Local transit	3,836,978	5,325,949	2,956,455	2,369,494
Total Expenditures	<u>3,836,978</u>	<u>5,325,949</u>	<u>2,956,455</u>	<u>2,369,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(613,078)</u>	<u>(2,102,049)</u>	<u>33,600</u>	<u>2,135,649</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(27,938)	(27,938)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(27,938)</u>	<u>(27,938)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under)	<u>(613,078)</u>	<u>(2,129,987)</u>	<u>5,662</u>	<u>2,135,649</u>
Net Change in Fund Balance	<u>(613,078)</u>	<u>(2,129,987)</u>	<u>5,662</u>	<u>2,135,649</u>
Fund Balance at Beginning of Year	<u>3,864,414</u>	<u>3,864,414</u>	<u>3,864,414</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,251,336</u>	<u>1,734,427</u>	<u>3,870,076</u>	<u>2,135,649</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**HOME GRANT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 520,948	520,948	2,340,597	1,819,649
Total Revenues	<u>520,948</u>	<u>520,948</u>	<u>2,340,597</u>	<u>1,819,649</u>
<b>Expenditures:</b>				
Current:				
Community development	520,948	2,807,037	2,431,207	375,830
Total Expenditures	<u>520,948</u>	<u>2,807,037</u>	<u>2,431,207</u>	<u>375,830</u>
Excess of (Deficiency) Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,286,089)</u>	<u>(90,610)</u>	<u>2,195,479</u>
<b>Adjustments:</b>				
To adjust for loan payments	-	-	71,225	71,225
To adjust for loan receipts	-	-	(14,457)	(14,457)
Total Adjustments	<u>-</u>	<u>-</u>	<u>56,768</u>	<u>56,768</u>
Net Change in Fund Balance	-	(2,286,089)	(33,842)	2,252,247
Fund Balance at Beginning of Year	1,734,126	1,734,126	1,734,126	-
Fund Balance (Deficit) at End of Year	<u>\$ 1,734,126</u>	<u>(551,963)</u>	<u>1,700,284</u>	<u>2,252,247</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**REDEVELOPMENT AGENCY LOW/MOD HOUSING SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,885,000	1,885,000	777,086	(1,107,914)
Use of money and property	76,500	76,500	57,832	(18,668)
Total Revenues	<u>1,961,500</u>	<u>1,961,500</u>	<u>834,918</u>	<u>(1,126,582)</u>
<b>Expenditures:</b>				
Current:				
Community development	11,736,842	17,387,438	3,236,031	14,151,407
Debt service:				
Principal	325,000	325,000	325,000	-
Interest and fiscal charges	877,996	877,996	443,666	434,330
Total Expenditures	<u>12,939,838</u>	<u>18,590,434</u>	<u>4,004,697</u>	<u>14,585,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,978,338)</u>	<u>(16,628,934)</u>	<u>(3,169,779)</u>	<u>13,459,155</u>
<b>Extraordinary Items:</b>				
Dissolution of former Redevelopment Agency (note 16)	-	-	(21,357,880)	(21,357,880)
Net Change in fund Balance	(10,978,338)	(16,628,934)	(24,527,659)	(7,898,725)
Fund Balance at Beginning of Year	<u>24,527,659</u>	<u>24,527,659</u>	<u>24,527,659</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 13,549,321</u>	<u>7,898,725</u>	<u>-</u>	<u>(7,898,725)</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2012**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
<b>Assets:</b>					
Current assets:					
Cash and investments (note 3)	\$ 2,503,821	10,423,605	11,250,113	24,177,539	24,075,659
Receivables:					
Accounts	120,277	1,323,175	1,779,086	3,222,538	38,765
Interest	1,565	7,839	7,746	17,150	12,373
Inventory	-	353,552	-	353,552	-
Prepaid items	-	453,000	-	453,000	26,671
Total Current Assets	<u>2,625,663</u>	<u>12,561,171</u>	<u>13,036,945</u>	<u>28,223,779</u>	<u>24,153,468</u>
Noncurrent assets:					
Restricted cash and investments (note 3)	-	134,339	8,479,974	8,614,313	-
Restricted cash and investments with fiscal agents (note 3)	-	8,187,951	864,571	9,052,522	-
Accounts receivable	-	-	31,708	31,708	-
Interest receivable	-	134	5,822	5,956	-
Unamortized bond issuance costs	-	593,544	83,509	677,053	-
Capital assets, net	<u>2,780,507</u>	<u>23,605,374</u>	<u>11,007,058</u>	<u>37,392,939</u>	<u>5,663,287</u>
Total Noncurrent Assets	<u>2,780,507</u>	<u>32,521,342</u>	<u>20,472,642</u>	<u>55,774,491</u>	<u>5,663,287</u>
Total Assets	<u>5,406,170</u>	<u>45,082,513</u>	<u>33,509,587</u>	<u>83,998,270</u>	<u>29,816,755</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	791	250,406	1,015,811	1,267,008	376,692
Accrued liabilities	5,179	31,872	35,763	72,814	25,944
Accrued interest payable	-	74,643	28,331	102,974	-
Claims payable	-	-	-	-	2,911,631
Current portion of compensated absences	10,915	49,697	66,000	126,612	1,574,567
Current portion of long-term obligations	-	440,000	400,000	840,000	-
Total Current Liabilities	<u>16,885</u>	<u>846,618</u>	<u>1,545,905</u>	<u>2,409,408</u>	<u>4,888,834</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	1,567,802
Compensated absences	20,271	92,293	122,570	235,134	2,924,193
Net OPEB liability	31,337	56,821	94,010	182,168	-
Revenue bonds payable	-	17,060,000	865,000	17,925,000	-
Landfill closure and postclosure payable	-	-	11,038,693	11,038,693	-
Total Noncurrent Liabilities	<u>51,608</u>	<u>17,209,114</u>	<u>12,120,273</u>	<u>29,380,995</u>	<u>4,491,995</u>
Total Liabilities	<u>68,493</u>	<u>18,055,732</u>	<u>13,666,178</u>	<u>31,790,403</u>	<u>9,380,829</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	2,780,507	14,962,662	11,076,037	28,819,206	5,663,287
Restricted for connection fees	-	134,339	-	134,339	-
Unrestricted	<u>2,557,170</u>	<u>11,929,780</u>	<u>8,767,372</u>	<u>23,254,322</u>	<u>14,772,639</u>
Total Net Assets	<u>\$ 5,337,677</u>	<u>27,026,781</u>	<u>19,843,409</u>	<u>52,207,867</u>	<u>20,435,926</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 YEAR ENDED JUNE 30, 2012**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
<b>Operating Revenues:</b>					
Charges for services	\$ 2,216,426	7,504,391	8,503,432	18,224,249	13,346,024
Total Operating Revenues	<u>2,216,426</u>	<u>7,504,391</u>	<u>8,503,432</u>	<u>18,224,249</u>	<u>13,346,024</u>
<b>Operating Expenses:</b>					
Sewer operations	1,296,009	-	-	1,296,009	-
Water operations	-	8,081,526	-	8,081,526	-
Solid waste collection and disposal	-	-	8,035,099	8,035,099	-
Provision for landfill closure and postclosure	-	-	(9,514,773)	(9,514,773)	-
Self insurance	-	-	-	-	774,191
Employee benefits	-	-	-	-	4,660,565
Maintenance	-	-	-	-	3,622,668
Amortization	-	79,904	41,755	121,659	-
Depreciation	69,178	559,177	454,477	1,082,832	1,163,015
Total Operating Expenses	<u>1,365,187</u>	<u>8,720,607</u>	<u>(983,442)</u>	<u>9,102,352</u>	<u>10,220,439</u>
Operating Income (Loss)	<u>851,239</u>	<u>(1,216,216)</u>	<u>9,486,874</u>	<u>9,121,897</u>	<u>3,125,585</u>
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	-	610,183	23,452	633,635	30,000
Investment Income	11,710	74,384	99,845	185,939	96,172
Interest expense	-	(582,319)	(73,609)	(655,928)	-
Loss from disposal of capital assets	-	(289,243)	(68,752)	(357,995)	(121,191)
Rental income	-	464,741	465,393	930,134	-
Other revenue	-	-	11,932	11,932	655
Total Nonoperating Revenues (Expenses)	<u>11,710</u>	<u>277,746</u>	<u>458,261</u>	<u>747,717</u>	<u>5,636</u>
Income (Loss) Before Transfers	<u>862,949</u>	<u>(938,470)</u>	<u>9,945,135</u>	<u>9,869,614</u>	<u>3,131,221</u>
<b>Transfers:</b>					
Transfers in (note 6)	-	-	-	-	1,147,148
Transfers out (note 6)	(472,108)	(25,000)	(25,000)	(522,108)	-
Total Transfers	<u>(472,108)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(522,108)</u>	<u>1,147,148</u>
Change in Net Assets	390,841	(963,470)	9,920,135	9,347,506	4,278,369
Net Assets, Beginning of the Year	4,946,836	27,990,251	9,923,274	42,860,361	16,157,557
Net Assets at End of the Year	<u>\$ 5,337,677</u>	<u>27,026,781</u>	<u>19,843,409</u>	<u>52,207,867</u>	<u>20,435,926</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2012**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 2,186,262	9,465,396	8,329,894	19,981,552	13,380,297
Payments to suppliers for goods and services	(714,118)	(6,581,334)	(6,202,461)	(13,497,913)	(11,475,954)
Payments to employees for services	(596,103)	(2,270,432)	(1,670,645)	(4,537,180)	-
Non-operating rental income revenue received	-	464,741	465,393	930,134	655
Net cash provided by operating activities	<u>876,041</u>	<u>1,078,371</u>	<u>922,181</u>	<u>2,876,593</u>	<u>1,904,998</u>
<b>Cash flows from noncapital financing activities:</b>					
Receipts from other governmental agencies	-	610,183	23,452	633,635	-
Receipts from interfund services	-	-	-	-	1,147,148
Receipt from miscellaneous sales	-	-	11,932	11,932	-
Transfer to other funds	(472,108)	(25,000)	(25,000)	(522,108)	-
Net cash (used in) provided by noncapital financing activities	<u>(472,108)</u>	<u>585,183</u>	<u>10,384</u>	<u>123,459</u>	<u>1,147,148</u>
<b>Cash flows from capital and related financing activities:</b>					
Sale of capital assets	-	-	-	-	(1,351,667)
Purchase of capital assets	(231,641)	(643,200)	(509,643)	(1,384,484)	-
Principal payments on long-term debt	-	(425,000)	(375,000)	(800,000)	-
Interest and fiscal agent fees paid on long-term debt	-	(583,370)	(82,007)	(665,377)	-
Net cash provided (used) for capital and related financing activities	<u>(231,641)</u>	<u>(1,651,570)</u>	<u>(966,650)</u>	<u>(2,849,861)</u>	<u>(1,351,667)</u>
<b>Cash flows from investing activities:</b>					
Interest received on investments	14,994	107,944	144,171	267,109	113,375
Net cash provided by investing activities	<u>14,994</u>	<u>107,944</u>	<u>144,171</u>	<u>267,109</u>	<u>113,375</u>
Net increase in cash and cash equivalents	187,286	119,928	110,086	417,300	1,813,854
Cash and cash equivalents at beginning of the year	<u>2,316,535</u>	<u>18,625,967</u>	<u>20,484,572</u>	<u>41,427,074</u>	<u>22,261,805</u>
Cash and cash equivalents at end of year	<u>\$ 2,503,821</u>	<u>18,745,895</u>	<u>20,594,658</u>	<u>41,844,374</u>	<u>24,075,659</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the balance sheet:</b>					
Reported on the statement of net assets:					
Cash and investments	\$ 2,503,821	10,423,605	11,250,113	24,177,539	24,075,659
Cash and investments - restricted	-	134,339	8,479,974	8,614,313	-
Cash and investments with fiscal agents	-	8,187,951	864,571	9,052,522	-
<b>Cash and Cash Equivalents - June 30, 2012</b>	<u>\$ 2,503,821</u>	<u>18,745,895</u>	<u>20,594,658</u>	<u>41,844,374</u>	<u>24,075,659</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 YEAR ENDED JUNE 30, 2012**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 851,239	(1,216,216)	9,486,874	9,121,897	3,125,585
Adjustments to reconcile income (loss) from operating to net cash provided by operating activities:					
Depreciation	69,178	559,177	454,477	1,082,832	1,163,015
Amortization	-	79,904	41,755	121,659	-
Rental Income	-	464,741	465,393	930,134	30,655
(Increase)/ decrease in accounts receivable	(30,164)	1,962,056	(108,320)	1,823,572	18,774
(Increase)/ decrease in prepaid items	-	(453,000)	-	(453,000)	7,356
Decrease in inventory	-	2,429	-	2,429	-
(Decrease)/ increase in accounts payable	(23,195)	(276,000)	120,205	(178,990)	(772,919)
Decrease in accrued liabilities	(8,981)	(62,244)	(72,312)	(143,537)	(52,074)
Decrease in claims payable	-	17,612	-	17,612	(1,992,179)
Increase in net OPEB liability	10,880	(88)	13,886	24,678	-
Increase/ (decrease) in compensated absences	7,084	-	34,996	42,080	376,785
Decrease in landfill closure and postclosure	-	-	(9,514,773)	(9,514,773)	-
Total Adjustments	24,802	2,294,587	(8,564,693)	(6,245,304)	(1,220,587)
Net Cash Provided by Operating Activities	<u>\$ 876,041</u>	<u>1,078,371</u>	<u>922,181</u>	<u>2,876,593</u>	<u>1,904,998</u>

Noncash investing, capital, and financing activities:

There were no significant non-cash investing, capital, and financing activities for the year ended June 30, 2012.

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2012**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>	<b>Agency Fund</b>
<b>Assets:</b>		
Cash and investments (note 3)	\$ 8,880,783	841,172
Cash and investments with fiscal agents (note 3)	18,296,334	1,089,647
Receivable:		
Accounts	-	497,769
Interest	4,841	285
Due from City of Whittier	14,731	-
Deferred charges, net of accumulated amortization	1,024,302	-
Land held for resale	5,281,155	-
Capital assets not being depreciated	2,625,434	-
Capital assets being depreciated, net	151,614	-
Total Assets	<u>\$ 36,279,194</u>	<u>2,428,873</u>
<b>Liabilities and Net Assets:</b>		
Accounts payable	\$ 619,017	79,178
Accrued liabilities	307,497	-
Accrued interest payable	402,576	-
Deposits payable	25,000	232,266
Due to City of Whittier	1,668	157,675
Due to bondholders	-	1,959,754
City Loan	15,111,216	-
Noncurrent liabilities:		
Due within one year	1,435,000	-
Due in more than one year	50,450,685	-
Total Liabilities	<u>68,352,659</u>	<u>2,428,873</u>
<b>Net Assets:</b>		
Held in trust for beneficiaries	<u>\$ (32,073,465)</u>	

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 JUNE 30, 2012**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>
<b>Additions:</b>	
Revenues:	
Tax increment	\$ 3,502,254
Other	5,000
Investment earnings	22,428
Total Additions	3,529,682
<b>Deductions:</b>	
Professional services	42,570
Community development	387,755
Debt service:	
Interest and fiscal charges	1,474,956
Amortization	16,406
Depreciation	9,025
Total Deductions	1,930,712
<b>Extraordinary Item:</b>	
Dissolution of redevelopment agency	(33,672,435)
Change in Net Assets	(32,073,465)
<b>Net Assets, Beginning of Year</b>	-
<b>Net Assets, End of Year</b>	\$ (32,073,465)

See accompanying notes to financial statements.



**NOTES TO BASIC FINANCIAL STATEMENTS**



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

A. Reporting Entity

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

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

- Whittier Redevelopment Agency (Agency) (Dissolved February 1, 2012)
- Whittier Public Financing Authority
- Whittier Utility Authority
- Whittier Housing 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 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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

A. Reporting Entity (Continued)

The Whittier Utility Authority issues separate component unit statements. Upon their completion, the financial statements of the component unit can be obtained at City Hall. A description of the City's component units are as follows:

Whittier Redevelopment Agency (Dissolved February 1, 2012)

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. As further disclosed in note 16, the Agency was dissolved on February 1, 2012.

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 former 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 former Redevelopment 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.

Whittier Housing Authority

The Whittier Housing Authority (Housing Authority) was established on February 1, 2012 as the territorial jurisdiction of the former Redevelopment Agency. The Housing Authority retained the housing assets and functions previously performed by the former Redevelopment Agency.

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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 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 fiduciary 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, including the private-purpose trust fund, use the economic resources measurement focus and the accrual basis of accounting. The Agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting assets and liabilities. 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.

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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

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 restricted for transit and transit related costs and improvement projects.

The HOME Fund — This fund accounts for the receipt and expenditure of the Home Ownership and Mortgage Education (HOME) federal program related to costs of provide housing for low-income families.

The Housing Authority — This fund accounts for restricted revenues and expenditures for the housing activities of the former Redevelopment Agency's Low and Moderate Income Fund activities which includes the Commercial Corridor, Greenleaf/Uptown, Whittier Boulevard, and Earthquake Recovery Redevelopment Project Areas.

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

Redevelopment Agency Debt Service Fund — This fund accounted for the property tax increment received by the former Agency and also for the repayment of the former Agency's indebtedness.

The City reports the 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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

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 Redevelopment Successor Agency Private-purpose Trust Fund accounts for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the Redevelopment Agency was dissolved February 1, 2012. Refer to Note 16 for details of the dissolution.

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. The City has elected not to follow subsequent private sector guidance.

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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

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 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 Successor Agency. For the purposes of the statement of cash flows, the enterprise funds consider the entire amount to be cash and cash equivalents.

**Cash and Investments**

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

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.

Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

**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 due from/due to other fund (e.g., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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.

**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 percent of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. 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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

Tax Levies — are limited to 1 percent 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 accrues only those taxes that are received within 60 days after year end in the governmental funds.

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

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 2nd 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, 2012 are recorded as prepaid items and are offset equally by a nonspendable fund balance classification which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

**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 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.

**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, 2012 was \$330,205.

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, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 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. An Internal Service Fund is used for recording 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 cannot accrue more than one and one-half times their regular annual entitlement.

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. These compensated absences are accrued in the Employee Benefits Fund.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

**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. 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, are reported as deferred bond issuance costs. Issuance costs and deferred amounts on refunding are included in interest expense in the Statement of Activities.

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

**Assets and Fund Equity**

In the government-wide financial statements and proprietary 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. All other net assets are considered unrestricted.

Fund balance is the difference between the assets and liabilities or the net assets reported in a governmental fund. There are five components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent based on the adopted City Council policy classified in accordance with GASB issued Statement No. 54:

- *Nonspendable Fund Balance* — represents amounts that cannot be spent because they are either not in spendable form (e.g. inventories, prepaid items, long-term portion of loans receivable, land held for resale); or legally or contractually required to be maintained intact.
- *Restricted Fund Balance* — externally imposed by law or constrained by grantors, contributors, or laws or regulations of other governments.
- *Committed Fund Balance* — committed on use for specific purposes by formal action of the City's Council such as an ordinance or resolution. The constraints remains binding unless removed in the same formal manner by the City's Council. City action to commit fund balance must occur within the fiscal period while the amount committed may be determined subsequently.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

- *Assigned Fund Balance* — intended on use for specific purposes by the governing body itself or official delegated with the authority to assign amounts to be used for specific purposes, which are neither restricted nor committed. The City has designated the authority to assign amounts used for specific purposes to the City Controller.
- *Unassigned Fund Balance* — the available and uncommitted fund balance.

Unless necessary by other requirements and circumstances, the accounting policies of the City consider restricted fund balance to be spent first when an expenditure is incurred for its purpose, for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes, for which an amount in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

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.

*NOTE 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 adjustments that affect the total appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in total appropriation within a fund and budget code are approved by the City Manager and do not require additional approval by the City Council. A budget code could be a department, program or a division. Expenditures may not exceed appropriations at the budget code level for the General Fund, and fund level for Special Revenue, Capital Projects, and Debt Service Funds except the Housing Authority without additional approval by the City Council or related Board.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)*

Legally adopted budgets for all governmental funds are established on a modified accrual basis. At year end all operating budget appropriations lapse with the exception of encumbered and continuing appropriations. Budgets are adopted for General Fund, all 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. 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.

**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).

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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)*

Excess of expenditures over appropriations in department/cost centers of individual funds is as follows:

Fund	Final Budget	Expenditures	Excess
<b>Major Funds:</b>			
<b>General Fund:</b>			
City attorney	\$ 300,531	429,681	129,150
City manager	706,099	832,621	126,522
Fireworks show	12,491	12,804	313
Employee special events	9,000	9,012	12
Community services	3,406,874	3,493,183	86,309
Weed control	4,700	6,987	2,287
Street lighting	474,102	510,957	36,855
Transfers out	298,330	763,463	465,133
<b>Non-major Funds:</b>			
<b>Business Improvement Area</b>			
Special Revenue Fund	114,000	116,264	2,264
<b>Traffic Congestion Fund</b>			
Special Revenue Fund	1,971,606	1,976,940	5,334
<b>Whittier Uptown Parking District</b>			
No. 1 Special Revenue Fund	67,712	84,431	16,719
<b>Capital Outlay Capital Projects Fund</b>			
Transfers out	86,724	99,907	13,183

*NOTE 3 – CASH AND INVESTMENTS*

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

	Governmental Activities	Business- Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 76,794,700	24,177,539	9,721,955	110,694,194
<b>Restricted assets:</b>				
Cash and investments	1,543,401	8,614,313	-	10,157,714
Cash and investments with fiscal agents	9,926,649	9,052,522	19,385,981	38,365,152
Totals	<u>\$ 88,264,750</u>	<u>41,844,374</u>	<u>29,107,936</u>	<u>159,217,060</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

Cash and investments at June 30, 2012 consisted of the following:

Petty cash	\$ 9,410
Deposits with financial institutions	207,955
Investments	158,999,695
Total Cash and Investments	<u>\$ 159,217,060</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.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Investment Fund (LAIF)	Yes	N/A	50%	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	60%	None
Certificates of Deposits	Yes	5 years	30%	None
Bankers Acceptance, Prime Quality	Yes	180 days	20%	10%
Commercial Paper, Prime Quality	Yes	270 days	20%	10%
Medium Term Corporate Notes	Yes	5 years	30%	None
JPA Pools (other investment pools)	Yes	N/A	20%	None

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

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

**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 Allowed	Maximum Investment In One Issuer
Certificates of Deposit with Bank of Savings & U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	5 years	None	None
Commercial Paper	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	5 years	None	None
Local Agency Investment Fund (State Pool)	None	None	None

**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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

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:

Investment Type	Totals	Remaining Maturing (In Months)			
		6 Months Or Less	7 to 12 Months	13 to 24 Months	25 to 42 Months
U.S. Treasury Bills	\$ 11,994,060	8,000,400	3,993,660	-	-
Federal Agency Securities	52,089,820	7,999,420	20,012,200	16,044,320	8,033,880
Certificate of Deposit	750,000	250,000	500,000	-	-
Medium-Term Notes	6,045,420	6,045,420	-	-	-
Local Agency Investment Fund (LAIF)	49,807,873	49,807,873	-	-	-
Held by fiscal agent:					
Money Market Funds	25,558,273	25,558,273	-	-	-
U.S. Treasury Bills	4,847,576	4,847,576	-	-	-
Local Agency Investment Fund (LAIF)	5,955	5,955	-	-	-
Federal Agency Securities	7,900,718	7,900,718	-	-	-
<b>Total</b>	<b>\$ 158,999,695</b>	<b>110,415,635</b>	<b>24,505,860</b>	<b>16,044,320</b>	<b>8,033,880</b>

**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.

Investment Type	Totals	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End	
				AA+	Not Rated
U.S. Treasury Bills	\$ 11,994,060	N/A	11,994,060	-	-
Federal Agency Securities	52,089,820	N/A	-	52,089,820	-
Certificate of Deposit	750,000	N/A	-	-	750,000
Medium-Term Notes	6,045,420	N/A	-	6,045,420	-
Local Agency Investment Fund (LAIF)	49,807,873	N/A	-	-	49,807,873
Held by fiscal agent:					
Money Market Funds	25,558,273	N/A	-	25,558,273	-
U.S. Treasury Bills	4,847,576	N/A	4,847,576	-	-
Local Agency Investment Fund (LAIF)	5,955	N/A	-	-	5,955
Federal Agency Securities	7,900,718	N/A	-	7,900,718	-
<b>Total</b>	<b>\$ 158,999,695</b>		<b>16,841,636</b>	<b>91,594,231</b>	<b>50,563,828</b>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

**Concentration of Credit Risk**

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 percent 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	\$ 39,899,497
Federal Farm Credit Bank	Federal Agency Security	18,000,000

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental 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 percent 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 percent 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.

**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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 4 – INVESTMENT – LAND HELD FOR RESALE*

The City’s former Redevelopment Agency acquired several parcels of land as part of its primary purpose to develop or redevelop blighted properties. At June 30, 2012, the Whittier Housing Authority held the land held for resale with a net realizable value of \$3,058,920.

*NOTE 5 – NOTES AND LOANS RECEIVABLE*

Outstanding  
Balance  
June 30, 2012

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, 2012, two loans of \$50,000 each, one loan of \$44,500, one loan of \$42,000, one loan of \$39,805, two loans of \$38,000 each, three loans of \$37,000 each, one loan of \$36,400, one loan of \$33,500, one loan of \$31,200, one loan of \$29,500, and three loans of \$10,000 each have been provided, \$10,994 of principal has been forgiven and thirteen loans have been repaid in the amount of \$3,000.

\$ 516,421

During the 1985-86 fiscal year, the former Redevelopment Agency (taken over by the Housing Authority) loaned the developer of the William Penn Manor Project, \$500,000 for the site acquisition. During fiscal year 1989-90, William Penn Manor borrowed an additional \$103,401 from the former 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 Housing Authority 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 Housing Authority. The loans 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 1997-98 fiscal years, the Agency approved the First-time Homebuyer Program. Since then the Agency had 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, 2012, \$79,892 in loan principal was either paid or forgiven.

173,197

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 5 – NOTES AND LOANS RECEIVABLE*

Outstanding  
Balance  
June 30, 2012

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.

\$ 3,913,325

During the fiscal year 1999-2000, the City and the former Redevelopment Agency had entered into an affordable housing project agreement with Seasons Uptown Whittier, L.P. (Hoover). In the agreement, the City and Agency would assist Hoover in the financing of the acquisition and development of the 50 senior apartment units projects by providing Hoover with two residual receipts loans from the Agency's Low and Moderate Income Housing Fund and the City's HOME fund. The first promissory note with the original principal of \$845,045 is an interest compounded loan at the long-term applicable federal rate as defined in Internal Revenue Code Section 1274(d)(1). The second promissory note in the original principal amount of \$494,003 is a non-interest bearing loan. Both notes shall be paid over a period of fifty-five years and secured by a first deed of trust. The borrower is obligated to repay the principal amount of the notes and the accrued interest each month in which there is positive cash flow as defined in the notes. During the fiscal year 2011-12, nothing was repaid. Of the \$1,984,434, the Housing Authority portion of the amount is \$1,051,750. The remainder is due to the HOME fund.

1,984,434

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, 2012, nine families received assistance from the program.

1,321,057

On March 8, 2011, the former Redevelopment Agency and the City entered into an Owner Participation and Loan Agreement with LINC Community Development Corporation (LINC) to facilitate acquisition and development of a half-acre parcel of land located in the City of Whittier in the Agency's Whittier Boulevard Redevelopment Project Area. The Agency loaned LINC \$2,803,254 from the Agency's affordable housing set-aside funds for land acquisition and construction costs for the 21 unit affordable apartment complex called Mosaic Gardens. In addition, the City loaned LINC \$2,291,746 from federal HOME funds for the project. Twenty of the units will be restricted to households at certain income levels at affordable rents and thereby increase the supply of affordable housing in the City. The one additional unit would be an unrestricted manager's unit. The loans are due and payable in 58 years at an interest rate of 2.5%. Any interim repayment is out of Surplus Cash as defined in the promissory notes. Of the \$5,175,951 outstanding at year end, the Housing Authority portion of the amount is \$2,846,744.

5,175,951

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)*

	<u>Outstanding Balance June 30, 2012</u>
<p>On May 23, 2011, the Agency entered into a Exclusive Negotiation and Loan Agreement with Heritage Housing Partners (Developer) to provide a predevelopment loan of \$97,749 from the Agency’s affordable housing set-aside funds. The agreement anticipated the Agency and Developer would subsequently enter into a disposition and development agreement that would allow the Developer to acquire and then develop a 28,000 square foot Agency-owned site as a nine to ten unit affordable home ownership housing project located on 7306, 7312, and 7316 Comstock Avenue. Staff postponed disbursement of the loan as the redevelopment dissolution process was implemented. While temporarily on hold, it is likely in the upcoming months that the project will be able to continue through the Whittier Housing Authority (Authority). The Authority was selected as the housing successor to the Agency.</p>	<p>\$ 17,911</p>
<p>Total notes and loans receivable</p>	<p><u>\$ 13,705,697</u></p>

*NOTE 6 – INTERFUND ACTIVITY*

The following represents the interfund activity of the City for the year ended June 30, 2012:

**Due From/To Other Funds:**

Due from (receivable fund)	Due to (payable fund)	Amount
General Fund	Non-major Governmental Funds HOME Fund Fiduciary Funds - Private-purpose Trust Fiduciary Funds - Agency	\$ 14,525 (A) 103,146 (A) 1,668 157,675 (A) <hr style="width: 100%;"/> 277,014
Whittier Housing Authority	General Fund	<hr style="width: 100%;"/> 25,238 (B)
Fiduciary Funds - Private-purpose Trust	General Fund Whittier Housing Authority	10,841 3,890 <hr style="width: 100%;"/> \$ 316,983

Amounts due to/from other funds represents: (A) elimination of negative cash balances in the funds, and (B) payments due for certain expenditures incurred and paid by General Fund related to housing activities.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 6 – INTERFUND ACTIVITY (CONTINUED)*

**Transfers To/From Other Funds:**

Transfer In	Transfer Out		
General Fund	Non-Major Governmental Funds	\$	1,375,295 (A)
Non-Major Governmental Funds	General Fund		263,330 (B)
	Redevelopment Debt Service Fund		5,300,000 (B)
	Non-Major Governmental Funds		5,300,000 (B)
	Transit Fund		27,938 (C)
	Subtotal		12,266,563
Internal Service Funds	General Fund		500,133 (D)
	Sewer Fund		472,108 (E)
	Water Fund		25,000 (E)
	Solid Waste Fund		25,000 (E)
	Non-Major Governmental Funds		124,907 (F)
	Subtotal		1,147,148
	Total		\$ 13,413,711

Transfers are used to: (A) reimburse the General Fund for street maintenance expenditures, (B) reimburse the Capital Outlay Fund for capital projects, (C) fund a portion of the Greenway Trail, (D) reimburse for insurance payments, (E) reimburse for capital purchases and, (F) reimburse for services rendered.

*NOTE 7 – ADVANCES TO SUCCESSOR AGENCY*

The City loaned the former Redevelopment Agency funds prior to dissolution. The General Fund loaned \$7,322,089 to finance expenditures incurred in the following project areas: the Whittier Housing Authority Fund is owed \$2,614,127 for funds loaned for the allocation to the Supplemental Education Revenue Augmentation (“SERAF”) pursuant to the Health and Safety Code Section 33690(c); and the Public Financing Authority, a non-major fund, is owed \$5,175,000 for the issuance of the 2002 Revenue Bonds. All debt, totaling \$15,111,216, is a liability to the Successor Agency. As further described in Note 18, the repayment of the loans is subject to the approval of the California Department of Finance.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 8 – CAPITAL ASSETS*

**Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2012 was as follows:

	Balance at June 30, 2011	Additions	Deletions	Transfer to Successor Agency	Balance at June 30, 2012
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 27,061,486	-	-	(2,625,434)	24,436,052
Rights of way	5,325,506	-	-	-	5,325,506
Trees	2,374,565	17,600	(11,760)	-	2,380,405
Construction in progress	790,615	3,014,170	(261,642)	-	3,543,143
Total	<u>35,552,172</u>	<u>3,031,770</u>	<u>(273,402)</u>	<u>(2,625,434)</u>	<u>35,685,106</u>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	42,207,973	25,745	(981,884)	(1,797,600)	39,454,234
Improvements	21,661,675	522,929	(694,700)	-	21,489,904
Machinery and equipment	23,244,648	1,818,453	(2,626,776)	-	22,436,325
Infrastructure:					
Roadways	83,320,634	1,134,535	-	-	84,455,169
Storm drains	2,656,228	-	-	-	2,656,228
Other street appurtenances	8,693,421	276,084	-	-	8,969,505
Total	<u>181,784,579</u>	<u>3,777,746</u>	<u>(4,303,360)</u>	<u>(1,797,600)</u>	<u>179,461,365</u>
Less Accumulated Depreciation for:					
Buildings	(10,699,153)	(1,248,867)	36,002	1,636,961	(10,275,057)
Improvements	(6,792,348)	(862,420)	525,091	-	(7,129,677)
Machinery and equipment	(15,531,939)	(1,647,755)	2,362,341	-	(14,817,353)
Infrastructure:					
Roadways	(58,238,026)	(3,241,061)	-	-	(61,479,087)
Storm drains	(919,905)	(50,914)	-	-	(970,819)
Other street appurtenances	(5,320,025)	(322,070)	-	-	(5,642,095)
Total	<u>(97,501,396)</u>	<u>(7,373,087)</u>	<u>2,923,434</u>	<u>1,636,961</u>	<u>(100,314,088)</u>
Capital Assets being depreciated, net	<u>84,283,183</u>	<u>(3,595,341)</u>	<u>(1,379,926)</u>	<u>(160,639)</u>	<u>79,147,277</u>
<b>Capital Assets, net</b>	<u>\$ 119,835,355</u>	<u>(563,571)</u>	<u>(1,653,328)</u>	<u>(2,786,073)</u>	<u>114,832,383</u>

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

	Governmental Activities
General government	\$ 1,526,683
Public safety	304,936
Public works	4,673,827
Community development	31,626
Parks and recreation	523,166
Libraries	69,745
Transit	243,104
Total	<u>\$ 7,373,087</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 8 – CAPITAL ASSETS (CONTINUED)*

**Business-type Activities**

Capital asset business-type activities for the fiscal year ended June 30, 2012 was as follows:

	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
<u>Sewer Fund:</u>				
Capital assets, being depreciated:				
Improvements	\$ 3,216,481	231,641	-	3,448,122
Total Sewer Capital Assets, Being Depreciated	<u>3,216,481</u>	<u>231,641</u>	<u>-</u>	<u>3,448,122</u>
Less - accumulated depreciation for:				
Improvements	(598,437)	(69,178)	-	(667,615)
Total Accumulated Depreciation	<u>(598,437)</u>	<u>(69,178)</u>	<u>-</u>	<u>(667,615)</u>
Total Sewer Capital Assets, Being Depreciated, Net	<u>2,618,044</u>	<u>162,463</u>	<u>-</u>	<u>2,780,507</u>
Total Sewer Capital Assets, Net	<u>\$ 2,618,044</u>	<u>162,463</u>	<u>-</u>	<u>2,780,507</u>
<u>Water Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 598,955	-	-	598,955
Construction in progress	2,176,271	643,200	-	2,819,471
Total	<u>2,775,226</u>	<u>643,200</u>	<u>-</u>	<u>3,418,426</u>
Capital assets, being depreciated:				
Improvements	30,928,029	-	(1,191,237)	29,736,792
Buildings	1,123,295	-	-	1,123,295
Machinery and equipment	345,322	-	(13,384)	331,938
Total Water Capital Assets, Being Depreciated	<u>32,396,646</u>	<u>-</u>	<u>(1,204,621)</u>	<u>31,192,025</u>
Less - accumulated depreciation for:				
Improvements	(10,057,808)	(533,517)	904,862	(9,686,463)
Buildings	(1,091,879)	(5,149)	-	(1,097,028)
Machinery and equipment	(211,591)	(20,511)	10,516	(221,586)
Total Accumulated Depreciation	<u>(11,361,278)</u>	<u>(559,177)</u>	<u>915,378</u>	<u>(11,005,077)</u>
Total Water Capital Assets, Being Depreciated, Net	<u>21,035,368</u>	<u>(559,177)</u>	<u>(289,243)</u>	<u>20,186,948</u>
Total Water Capital Assets, Net	<u>\$ 23,810,594</u>	<u>84,023</u>	<u>(289,243)</u>	<u>23,605,374</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 8 – CAPITAL ASSETS (CONTINUED)*

**Business-type Activities, (Continued)**

	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
<b><u>Solid Waste Activity:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 2,227,801	-	-	2,227,801
Total Solid Waste Capital Assets, Not Being Depreciated	2,227,801	-	-	2,227,801
Capital assets, not being depreciated:				
Improvements	14,730,054	509,643	(569,995)	14,669,702
Buildings	151,033	-	-	151,033
Machinery and equipment	211,575	-	-	211,575
Total Solid Waste Capital Assets, Being Depreciated	15,092,662	509,643	(569,995)	15,032,310
Less - accumulated depreciation for:				
Improvements	(5,956,261)	(445,597)	501,244	(5,900,614)
Buildings	(148,884)	(394)		(149,278)
Machinery and equipment	(194,675)	(8,486)		(203,161)
Total Accumulated Depreciated	(6,299,820)	(454,477)	501,244	(6,253,053)
Total Solid Waste Assets, Being Depreciated, Net	8,792,842	55,166	(68,751)	8,779,257
Total Solid Waste Assets, Net	\$ 11,020,643	55,166	(68,751)	11,007,058

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 8 – CAPITAL ASSETS (CONTINUED)*

**Business-type Activities, (Continued)**

	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
<b><u>Total Business-type Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 2,826,756	-	-	2,826,756
Construction in progress	2,176,271	643,200	-	2,819,471
Total Capital Assets Not Being Depreciated	<u>5,003,027</u>	<u>643,200</u>	<u>-</u>	<u>5,646,227</u>
Capital assets, being depreciated:				
Improvements	48,874,564	741,284	(1,761,232)	47,854,616
Buildings	1,274,328	-	-	1,274,328
Machinery and equipment	556,897	-	(13,384)	543,513
Total Capital Assets Being Depreciated	<u>50,705,789</u>	<u>741,284</u>	<u>(1,774,616)</u>	<u>49,672,457</u>
Less accumulated depreciation for:				
Improvements	(16,612,506)	(1,048,292)	1,406,106	(16,254,692)
Buildings	(1,240,763)	(5,543)	-	(1,246,306)
Machinery and equipment	(406,266)	(28,997)	10,516	(424,747)
Total Accumulated Depreciation	<u>(18,259,535)</u>	<u>(1,082,832)</u>	<u>1,416,622</u>	<u>(17,925,745)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,446,254</u>	<u>(341,548)</u>	<u>(357,994)</u>	<u>31,746,712</u>
Total Capital Assets, Net	<u>\$ 37,449,281</u>	<u>301,652</u>	<u>(357,994)</u>	<u>37,392,939</u>

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

	Business Type Activities
Sewer	\$ 69,178
Water	559,177
Solid Waste	454,477
Total	<u>\$ 1,082,832</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES*

The following is a summary of changes in the City’s long term liabilities for the year ended June 30, 2012:

	Balance at June 30, 2011	Additions	Repayments	Transfer to Successor Agency	Balance at June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ 4,121,975	2,472,382	(2,095,597)	-	4,498,760	1,574,567
Developer loans payable	5,002,091	637,187	(502,139)	(5,137,139)	-	-
Tax allocation bonds	33,695,000	-	(705,000)	(27,815,000)	5,175,000	320,000
Tax allocation loans	19,805,000	-	(680,000)	(19,125,000)	-	-
Claims payable	6,471,612	-	(1,992,179)	-	4,479,433	2,911,631
Net OPEB liability	1,331,210	1,039,745	(325,123)	-	2,045,832	306,070
<b>Total Governmental Activities</b>	<b>\$ 70,426,888</b>	<b>4,149,314</b>	<b>(6,300,038)</b>	<b>(52,077,139)</b>	<b>16,199,025</b>	<b>5,112,268</b>
<b>Business-type Activities:</b>						
<b>Sewer Fund:</b>						
Compensated absences	\$ 24,102	18,230	(11,146)	31,186	10,915	
Net OPEB liability	20,457	15,860	(4,980)	31,337	-	
<b>Total Sewer Fund</b>	<b>44,559</b>	<b>34,090</b>	<b>(16,126)</b>	<b>62,523</b>	<b>10,915</b>	
<b>Water Fund:</b>						
Compensated absences	142,078	114,532	(114,620)	141,990	49,697	
Revenue refunding bonds	17,925,000	-	(425,000)	17,500,000	440,000	
Net OPEB liability	39,209	26,642	(9,030)	56,821	-	
<b>Total Water Fund</b>	<b>18,106,287</b>	<b>141,174</b>	<b>(548,650)</b>	<b>17,698,811</b>	<b>489,697</b>	
<b>Solid Waste Fund:</b>						
Compensated absences	153,574	115,659	(80,663)	188,570	66,000	
Revenue refunding bonds	1,640,000	-	(375,000)	1,265,000	400,000	
Landfill closure and postclosure	20,553,466	-	(9,514,773)	11,038,693	-	
Net OPEB liability	80,124	28,826	(14,940)	94,010	-	
<b>Total Solid Waste Fund</b>	<b>22,427,164</b>	<b>144,485</b>	<b>(9,985,376)</b>	<b>12,586,273</b>	<b>466,000</b>	
<b>Total Business-type Activities</b>	<b>\$ 40,578,010</b>	<b>319,749</b>	<b>(10,550,152)</b>	<b>30,347,607</b>	<b>966,612</b>	

For long-term liabilities other than debt, such as claims payable, compensated absences and net OPEB liability in the governmental activities, internal service funds have been used in prior years to liquidate such amounts.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

Governmental long-term debt at June 30, 2012 consisted of the following:

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, 2012 is 4,479,433. The Internal Service Fund for self insurance has liquidated claims and judgments. Change to claims liabilities are primarily paid from the General Fund.

Whittier Public Financing Authority 2002 Tax Allocation Loan

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 former 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 \$601,535 and the reserve as of June 30, 2012 was \$601,763. The outstanding balance of the bonds at June 30, 2012 is \$5,175,000. As the amounts are owed by the Whittier Public Financing Authority, the bonds have been recorded as obligations of the City.

Whittier Public Financing Authority 2007 Tax Allocation Loan

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 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 percent to 5.00 percent. 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. On February 1, 2012, the loan was transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

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 percent to 5.0 percent. Payment of the principal and interest on the bonds is guaranteed by a municipal bond guaranty insurance policy. On February 1, 2012, the 2005 Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

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 percent to 4.875. On February 1, 2012, the 2007A Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

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 percent to 6.09 percent. On February 1, 2012, the 2007B Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – 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 percent of gross property tax increment and 50 percent of sales tax revenues generated by the project. These two revenue sources are to 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 percent 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 percent from 1991-92 through 1993-94, 0 percent from 1994-95 through 1997-98, 3 percent from 1998-99 through 2001-02, 6 percent from 2002-03 through 2004-05 and 7 percent thereafter. Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. On February 1, 2012, the Quad Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

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 percent of net tax increment and 50 percent 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.

In the event, however, that the tax increment and 50 percent 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 percent annual interest (formerly at 8 percent prior to fiscal year 1996-97). Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. 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. On February 1, 2012, the Urbatec Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Assets.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

Business-type activity long-term debt at June 30, 2012 consisted of the following:

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 percent to 5.2 percent. Bonds maturing on August 1, 2014, in the amount of \$2,340,000 are term bonds and bear interest at 5.375 percent. 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 percent in 2003 to 0 percent 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 \$457,825. As of June 30, 2012, 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. The total principal and interest remaining to be paid on the bond is \$1,265,000 and \$104,409. Principal and interest paid for the current year and total net revenues were \$453,072 and \$1,233,779, respectively.

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 percent to 4.50 percent. 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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

The City has pledged future water revenues, net specified operating expenses, to repay the bond. The City 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, 2012, the net revenues were equal to or greater than the required amount times the aggregate amount of principal and interest. The bonds are payable through 2023. The total principal and interest remaining to be paid on the bond is \$8,780,000 and \$5,506,318. Principal and interest paid for the current year and total net revenues were \$665,188 and \$2,132,044, respectively.

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 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 City was eligible and received a cash subsidy payment from the United States Treasury equal to 35 percent of the interest payable on the Bonds, which will be pledged to the payment of the Bonds, the 2003 Bonds and all Parity Debt.

The City has pledged future water revenues, net of specified operating expenses, to repay the bond. The City has covenanted to provide net revenues equal to at least 1.25 times the annual amount of principal and interest due on the bonds. The bonds are payable through 2039. The reserve requirement was \$669,887 and the reserve as of June 30, 2012 was \$669,887. The total principal and interest remaining to be paid on the bond is \$8,720,000 and \$8,495,545, respectively. Principal and interest paid for the current year and total net revenues were \$668,137 and \$2,132,044, respectively. The total capitalized interest on the bond is \$330,205 and the current portion is \$1,773,422.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (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 \$11,038,693 reported as landfill closure and postclosure care liability at June 30, 2012 represents the cumulative amount reported to date based on the use of 51.21 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,516,491 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. 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, 2012, assets of \$8,479,974 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. During the fiscal year, the City contracted an engineer to review the closure and post-closure estimates. The close and post-closure estimates were revised with the corresponding decrease in the liability recorded in the Provision for Landfill Closure and Postclosure expense.

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, 2012 are as follows:

Fiscal Year Ending June 30,	Public Financing Authority 2002 Revenue Bonds, Series A		
	Principal	Interest	Total
2013	\$ 320,000	273,000	593,000
2014	335,000	256,290	591,290
2015	350,000	238,305	588,305
2016	370,000	219,040	589,040
2017	390,000	198,325	588,325
2017-2021	2,300,000	636,195	2,936,195
2022-2024	1,110,000	61,875	1,171,875
Total	\$ 5,175,000	1,883,030	7,058,030

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

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

Fiscal Year Ending June 30,	<b>2003 Water Revenue Bonds</b>		
	Principal	Interest	Total
2013	\$ 245,000	421,375	666,375
2014	260,000	411,820	671,820
2015	275,000	401,420	676,420
2016	290,000	389,870	679,870
2017	305,000	377,545	682,545
2018-2022	1,735,000	1,666,788	3,401,788
2023-2027	2,205,000	1,206,500	3,411,500
2028-2032	2,815,000	598,500	3,413,500
2033	650,000	32,500	682,500
Total	<u>\$ 8,780,000</u>	<u>5,506,318</u>	<u>14,286,318</u>

Fiscal Year Ending June 30,	<b>1993 Solid Waste Revenue Bonds</b>		
	Principal	Interest	Total
2013	\$ 400,000	57,244	457,244
2014	865,000	47,165	912,165
Total	<u>\$ 1,265,000</u>	<u>104,409</u>	<u>1,369,409</u>

Fiscal Year Ending June 30,	<b>2009 Water Revenue Bonds</b>		
	Principal	Interest	Total
2013	\$ 195,000	474,337	669,337
2014	195,000	470,437	665,437
2015	205,000	464,587	669,587
2016	210,000	458,436	668,436
2017	215,000	452,137	667,137
2018-2022	1,200,000	2,136,435	3,336,435
2023-2027	1,480,000	1,842,310	3,322,310
2028-2032	1,805,000	1,357,544	3,162,544
2033-2037	2,205,000	743,552	2,948,552
2038-2039	1,010,000	95,770	1,105,770
Total	<u>\$ 8,720,000</u>	<u>8,495,545</u>	<u>17,215,545</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT*

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 former Redevelopment Agency, the Housing Authority, 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 percent to 6 percent 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, 2012 is \$3,695,000.

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 percent to 5.4 percent 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 property owners and bondholders in collecting and forwarding the special assessments toward bond debt service. The outstanding principal balance at June 30, 2012 is \$595,000.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)*

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 percent 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, 2012 is \$55,470,000.

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, 2012 is \$260,255.

*NOTE 11 – OBLIGATIONS OF THE FORMER REDEVELOPMENT AGENCY*

As more fully described in Note 16, the liabilities of the former redevelopment agency were transferred to the Redevelopment Successor Agency Private-purpose Trust Fund in accordance with AB x 1 26 and AB 1484. As a result, bonds and loans outstanding, in the amount of \$52,077,139 at June 30, 2012 are not reflected in the long-term debt of the City of Whittier or its Statement of Net Assets. In addition, as described in Note 7, the City has recorded advances to the Successor Agency in the amount of \$15,111, 216.

**CITY OF WHITTIER, CALIFORNIA**  
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*NOTE 12 – 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 percent at age 55 plan, while Safety employees are in the 3 percent at age 50 plan with a maximum of 90 percent 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 percent (9 percent for safety employees) of their annual covered salary. The City makes the contributions of 4.6 percent 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. Effective January 1, 2011, all new hired miscellaneous employees pay their full 8 percent. The employer contribution rate for the fiscal year ended June 30, 2011 was 31.27 percent for safety employees and 8.13 percent 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, 2012, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2011 to June 30, 2012.

Annual Pension Cost

For the fiscal year ended June 30, 2012, the City's annual pension cost (employer contribution) of \$4,839,093 for safety employees and \$2,580,141 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, 2009 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25 percent living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. 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 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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)*

Annual Pension Cost (Continued)

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, 2009	June 30, 2009
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percent of payroll	Level percent of payroll
Average Remaining Period	31 years as of the Valuation Date	25 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	3.55% to 13.15 % depending on Age, Service, and type of employment	3.55% 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 as assumed annual inflation component of 3.0% and an annual production growth of 0.25%	A merit scale varying by duration of employment coupled with as assumed annual inflation component of 3.0% 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 CaIPERS. 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 percent 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.

Fiscal Year	<u>Annual Pension Cost (Employer Contribution)</u>			Percentage of APC Contributed	Net Pension Obligation
	<u>Safety</u>	<u>Miscellaneous</u>			
6/30/2010	\$ 4,599,232	1,971,389		100%	-
6/30/2011	4,482,601	2,040,755		100%	-
6/30/2012	4,839,093	2,580,141		100%	-

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)*

Annual Pension Cost (Continued)

Funded Status and Funding Progress for Safety - As of June 30, 2011, the most recent actuarial valuation date, the plan was 73.0 percent funded. The actuarial accrued liability for benefits was \$146,237,060, and the actuarial value of assets was \$106,698,941, resulting in an unfunded actuarial accrued liability (UAAL) of \$39,538,119. The covered payroll (annual payroll of active employees covered by the plan) was \$10,691,241, and the ratio of the UAAL to the covered payroll was 369.82 percent.

Funded Status and Funding Progress for Miscellaneous - As of June 30, 2011, the most recent actuarial valuation date, the plan was 91.5 percent funded. The actuarial accrued liability for benefits was \$138,067,984, and the actuarial value of assets was \$126,383,355, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,684,629. The covered payroll (annual payroll of active employees covered by the plan) was \$16,164,139, and the ratio of the UAAL to the covered payroll was 72.29 percent.

*NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS*

**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, 2012, the City contributed approximately \$354,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately \$224,000 for implied subsidy benefit payments for 78 retirees. The Plan does not require employee contributions.

**CITY OF WHITTIER, CALIFORNIA**  
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*NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*

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	\$ 1,387,000
Interest on net OPEB obligation	67,000
Adjustment to annual required contribution	<u>(119,000)</u>
Annual OPEB cost (expense)	1,335,000
Contributions to irrevocable trust	-
Benefit payments	<u>(578,000)</u>
Increase in net OPEB obligation	757,000
Net OPEB obligation - beginning of year	<u>1,471,000</u>
Net OPEB obligation - end of year	<u><u>\$ 2,228,000</u></u>

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, 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 874,000	56%	770,000
6/30/2011	1,263,000	44%	1,471,000
6/30/2012	1,335,000	44%	2,228,000

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*

Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2011, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 11,534,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>11,534,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	0%
Covered payroll (active Plan participants)	26,263,000
UAAL as a percentage of covered payroll	44%

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.

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.

Actuarial Methods and Assumptions

In the January 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses) and a 3 percent general inflation assumption. Medical premiums were assumed to increase with a pre-Medicare medical cost increase rate of 9.5 percent for both the HMOs and 9.0 percent for the PPO for 2011/12, both grading down to 5 percent annual increases for 2020/21 and thereafter. Dental premiums are assumed to increase 3 percent annually. The UAAL is being amortized as a level percentage of payroll over 29 years on a closed basis.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*NOTE 14 – FUND BALANCE CLASSIFICATIONS*

The details of the fund balance classifications as of June 30, 2012 are presented below:

	Special Revenue Funds				Total Major Funds	Total Non-major Funds	Total Governmental Funds
	General Fund	Transit Fund	HOME Fund	Housing Authority			
<b>Fund Balance:</b>							
<b>Nonspendable</b>							
Notes and loans	\$ 516,421	-	-	-	516,421	-	516,421
Advances to other funds	7,322,089	-	-	-	7,322,089	-	7,322,089
Prepaid items	19,148	-	-	-	19,148	-	19,148
Subtotal	7,857,658	-	-	-	7,857,658	-	7,857,658
<b>Spendable</b>							
<b>Restricted</b>							
Public safety	-	-	-	-	-	478,099	478,099
Local transit	-	3,870,076	-	-	3,870,076	-	3,870,076
Construction and maintenance	-	-	-	-	-	8,395,938	8,395,938
Community development	-	-	1,700,284	19,697,302	21,397,586	2,399,826	23,797,412
Debt service	-	-	-	-	-	5,792,797	5,792,797
Parkland	625,177	-	-	-	625,177	-	625,177
Other purposes	212,417	-	-	-	212,417	2,416,195	2,628,612
Subtotal	837,594	3,870,076	1,700,284	19,697,302	26,105,256	19,482,855	45,588,111
<b>Committed</b>							
Library facility	58,148	-	-	-	58,148	-	58,148
Oil wells	100,000	-	-	-	100,000	-	100,000
Arts in public place	87,978	-	-	-	87,978	-	87,978
Emergency contingency	2,739,225	-	-	-	2,739,225	-	2,739,225
Subtotal	2,985,351	-	-	-	2,985,351	-	2,985,351
<b>Assigned</b>							
General plan	763,842	-	-	-	763,842	-	763,842
General government - rental units	509,326	-	-	-	509,326	-	509,326
Capital projects	-	-	-	-	-	9,320,530	9,320,530
Continuing appropriations	1,044,675	-	-	-	1,044,675	-	1,044,675
Subtotal	2,317,843	-	-	-	2,317,843	9,320,530	11,638,373
<b>Unassigned</b>	20,875,491	-	-	-	20,875,491	-	20,875,491
<b>Total</b>	\$ 34,873,937	3,870,076	1,700,284	19,697,302	60,141,599	28,803,385	88,944,984

On June 14, 2011, the City Council adopted Resolution 8380 which established an emergency contingency reserve equivalent to five percent (5%) of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital improvement projects). The reserve may be used for expenditures in the event of a declaration of a state or federal state of emergency or a local emergency as defined in the City's Municipal Code Section 2.44.020. At June 30, 2012, the City had \$2,739,225 committed pursuant to Resolution 8380.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 15 – RISK MANAGEMENT*

The City adopted a self-insured workers' compensation program which is administered by a third party administrator. The City has a self-insured retention of up to \$500,000 on each claim. Insurance coverage in excess of the self-insured amount is provided by CSACEIA, a Joint Powers Authority, at statutory amounts for workers' compensation. City is also 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 million.

While the ultimate amount of losses incurred through June 30, 2012, is dependent on future developments and 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. There are certain claims against the City which have been denied and referred to the City's insurance carrier. Settlements have not exceeded coverages for each of the past three fiscal years. The City believes that none of these claims will exceed insurance coverage.

The following is a schedule of changes in claims and judgments for the fiscal year ended June 30, 2012 and June 30, 2011:

	Worker's Compensation	General Liability	Total
Claims and judgments at June 30, 2010	\$ 2,945,963	1,976,580	4,922,543
Claims payments	(960,131)	(1,268,792)	(2,228,923)
Claims incurred and changes in estimates	1,771,858	2,006,134	3,777,992
Claims and judgments at June 30, 2011	3,757,690	2,713,922	6,471,612
Claims payments	(1,040,870)	(892,842)	(1,933,712)
Claims incurred and changes in estimates	624,422	(682,889)	(58,467)
Claims and judgments at June 30, 2012	<u>\$ 3,341,242</u>	<u>1,138,191</u>	<u>4,479,433</u>

*NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY*

On December 29, 2011, the California Supreme Court upheld AB 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Whittier that previously had reported a redevelopment agency as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On February 14, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 8441.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY  
(CONTINUED)*

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary item in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary item.

**CITY OF WHITTIER, CALIFORNIA**  
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*NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY  
(CONTINUED)*

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary item recognized in the governmental funds was not the same amount as the extraordinary item that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary item recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds - increase to net assets of the Successor Agency Trust Fund	\$ 15,181,790
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	2,786,073
Deferred charges, net of accumulation amortization reported in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	1,040,708
Accrued bond interest reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	(603,867)
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(52,077,139)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ (33,672,435)</u>

The City created the Housing Authority to serve as the Housing Successor Agency, retaining all housing activities and assets of the former redevelopment agency's low and moderate income housing fund. As a result, the new governmental fund incurred an extraordinary gain of \$19,727,346. This amount is included in the total extraordinary loss in the governmental funds of \$15,181,790.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*NOTE 17 – 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 percent 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.

*NOTE 18 – COMMITMENTS AND CONTINGENCIES*

Waste Disposal Clean Up Contingency

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.

Enforceable Obligations

The City has received property tax revenues for specific enforceable obligations of the former redevelopment agency that are subject to review by the Department of Finance. The Department of Finance has disallowed several obligations listed on the Recognized Obligation Payment Schedule (ROPS) submitted by the City. The City is continuing to dispute obligations listed as enforceable, including the City-former RDA loan advances.

Advances to Successor Agency

At June 30, 2012, the City of Whittier had \$15,111,216 recorded as Advances to Successor Agency, as further described in Note 7. Loans in the amount of \$7,322,089 were denied by DOF in their correspondence to the City. DOF determined that these loans were not enforceable obligations and in their correspondence, DOF referenced Health and Safety Code (HSC) section 34171(d)(2) as the basis.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 18 – COMMITMENTS AND CONTINGENCIES, (CONTINUED)*

The City’s management and legal counsel have asserted that such loans are enforceable obligations consistent with HSC 34171(d)(2). Further, the City and its legal counsel have asserted that it will continue to note the loans on the Recognized Obligation Payment Schedule (ROPS) and proceed with working with the Oversight Board for the Successor Agency to find and determine that such loans are enforceable obligations pursuant to HSC 34191.4(b).

The loans denied by DOF, in the amount of \$7,322,089, are reported in the City’s General Fund. Should the City not prevail in obtaining approval recognizing the loans as enforceable obligations, there could be a significant financial impact to the General Fund.

WUA Lease Commitment

The City 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. During the fiscal year, the Whittier Utility Authority made lease payments of \$3,361,116 to the City, which is classified as other revenue in the General Fund.

Future minimum lease payment requirements are as follows:

Year Ending June 30,	Amount
2013	\$ 878,743
2014	878,743
2015	878,743
2016	878,743
2017	878,743
2018-2022	4,393,715
2023-2027	4,393,715
2028-2032	4,393,715
2033-2037	4,393,715
2038-2042	4,393,715
2043-2047	4,393,715
2048-2052	4,393,715
2053-2057	4,393,715
	\$ 39,543,435

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

*NOTE 19 – SUBSEQUENT EVENT*

On November 8, 2012, the City of Whittier's Utility Authority issued Water Revenue Bonds, Series 2012 ("Bonds") for \$10,085,000. The proceeds of the Bonds will be used to (a) finance various improvements to the City's water production, storage and distribution enterprise, (b) refund the Authority's outstanding Water Revenue Bonds, 2003 Series A, issued to finance and refinance various improvements, and (c) pay the costs of issuance of the Bonds. Improvements include (a) the replacement of Pumping Plant No. 2, including a new pump building with office, new pumps and motors, and new plant piping, (b) replacement of the settling basin at Pumping Plant No. 2, and (c) the expansion and upgrade of the Supervisory Control and Data Acquisition System. The principal of the Bonds is payable commencing June 1, 2013 through June 1, 2033, and interest rates vary from 2 percent to 5 percent.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED JUNE 30, 2012**

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*

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL* As a % of Payroll
6/30/2009	\$ 133,210,884	\$ 98,880,264	\$ 34,330,620	74.2%	\$ 10,827,986	317.1%
6/30/2010	137,638,393	102,422,642	35,215,757	74.4%	11,310,801	311.30%
6/30/2011	146,237,060	106,698,941	39,538,119	73.0%	10,691,241	369.82%

*Required Supplementary Information - Miscellaneous*

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL* As a % of Payroll
6/30/2009	\$ 127,602,064	\$ 117,786,818	\$ 9,815,246	92.3%	\$ 16,574,059	59.2%
6/30/2010	131,070,094	121,688,272	9,401,822	92.8%	16,636,369	56.50%
6/30/2011	138,067,984	126,383,355	11,684,629	91.5%	16,164,139	72.29%

*Other Post Employment Benefits*

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)
1/1/2009	\$ -	\$ 7,689,000	\$ 7,689,000	0%	\$ 26,098,000	29%
1/1/2011	-	11,534,000	11,534,000	0%	26,263,000	44%

**CITY OF WHITTIER, CALIFORNIA  
MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

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.



**CITY OF WHITTIER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**REDEVELOPMENT AGENCY DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,540,000	7,540,000	3,108,340	(4,431,660)
Use of money and property	70,000	70,000	28,627	(41,373)
Total Revenues	<u>7,610,000</u>	<u>7,610,000</u>	<u>3,136,967</u>	<u>(4,473,033)</u>
<b>Expenditures:</b>				
Current:				
Community development	1,747,649	1,747,649	872,446	875,203
Pass through agreements	1,607,000	1,607,000	694,969	912,031
Debt service:				
Principal	3,674,445	3,674,445	1,257,139	2,417,306
Interest and fiscal charges	2,371,697	2,371,697	1,079,323	1,292,374
Total Expenditures	<u>9,400,791</u>	<u>9,400,791</u>	<u>3,903,877</u>	<u>5,496,914</u>
Excess of (Deficiency) Revenues Over (Under) Expenditures	<u>(1,790,791)</u>	<u>(1,790,791)</u>	<u>(766,910)</u>	<u>1,023,881</u>
<b>Other financing sources (Uses):</b>				
Issuance of debt	926,859	926,859	625,398	(301,461)
Transfers out	(20,836,860)	(20,836,860)	(5,300,000)	15,536,860
Total Other Financing Sources (Uses)	<u>926,859</u>	<u>926,859</u>	<u>(4,674,602)</u>	<u>(5,601,461)</u>
<b>Extraordinary Item:</b>				
Dissolution of former Redevelopment Agency (note 16)	-	-	(6,082,948)	(6,082,948)
Net Change in Fund Balance	(863,932)	(863,932)	(11,524,460)	(10,660,528)
Fund Balance at Beginning of Year	<u>11,524,460</u>	<u>11,524,460</u>	<u>11,524,460</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,660,528</u>	<u>\$ 10,660,528</u>	<u>-</u>	<u>(10,660,528)</u>

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2012**

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.

**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 Grant 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. In addition, 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.

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

**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.

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

**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.

**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.

**Subventions and Grants Fund** — to account for activities of various State and Local monies.

**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 Tax Allocation Loans, loaned to the Whittier Redevelopment Agency, and for the debt service payments.

**CAPITAL PROJECTS FUND**

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

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

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant	State COPS Grant
<b>Assets:</b>				
Cash and investments	\$ 2,256	-	103,312	401,909
Restricted assets:				
Cash and investments	-	1,543,401	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	-	-	-	80,265
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	1,128	84	210
Advances to Successor Agency	-	-	-	-
Total Assets	<u>\$ 2,256</u>	<u>1,544,529</u>	<u>103,396</u>	<u>482,384</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 603	-	-	-
Accrued liabilities	-	2,351	-	4,285
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	<u>603</u>	<u>2,351</u>	<u>-</u>	<u>4,285</u>
Fund balances:				
Restricted	1,653	1,542,178	103,396	478,099
Assigned	-	-	-	-
Total Fund Balances	<u>1,653</u>	<u>1,542,178</u>	<u>103,396</u>	<u>478,099</u>
Total Liabilities and Fund Balances	<u>\$ 2,256</u>	<u>1,544,529</u>	<u>103,396</u>	<u>482,384</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
416,499	4,062	4,800	3,026,791	479,070	799,021	223,177
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,496	-	-	132,573	6,510	139,259	109,386
-	-	-	-	-	-	-
-	-	-	-	-	-	2,124,985
248	-	-	2,144	-	271	95,561
-	-	-	-	-	-	-
<u>443,243</u>	<u>4,062</u>	<u>4,800</u>	<u>3,161,508</u>	<u>485,580</u>	<u>938,551</u>	<u>2,553,109</u>
5,197	4,062	-	169,278	3,824	266,033	41,137
11,259	-	-	-	-	-	1,325
-	-	-	14,525	-	-	-
-	-	-	30,867	-	-	110,196
-	-	-	-	-	-	625
<u>16,456</u>	<u>4,062</u>	<u>-</u>	<u>214,670</u>	<u>3,824</u>	<u>266,033</u>	<u>153,283</u>
426,787	-	4,800	2,946,838	481,756	672,518	2,399,826
-	-	-	-	-	-	-
<u>426,787</u>	<u>-</u>	<u>4,800</u>	<u>2,946,838</u>	<u>481,756</u>	<u>672,518</u>	<u>2,399,826</u>
<u>443,243</u>	<u>4,062</u>	<u>4,800</u>	<u>3,161,508</u>	<u>485,580</u>	<u>938,551</u>	<u>2,553,109</u>

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2012**

	Special Revenue Funds			
	Whittier	Whittier	Prop 1B	Federal Stimulus
	Uptown Parking District No.1	Uptown Parking District No.2		
<b>Assets:</b>				
Cash and investments	\$ 4,182	919,907	1,481,215	15,331
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	130	-	-	77,288
Accounts	2,140	778	-	-
Notes and loans	-	-	-	-
Interest	-	23,329	1,188	-
Advances to Successor Agency	-	-	-	-
Total Assets	<u>\$ 6,452</u>	<u>944,014</u>	<u>1,482,403</u>	<u>92,619</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 1,032	885	159,933	-
Accrued liabilities	913	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	<u>1,945</u>	<u>885</u>	<u>159,933</u>	<u>-</u>
Fund balances:				
Restricted	4,507	943,129	1,322,470	92,619
Assigned	-	-	-	-
Total Fund Balances	<u>4,507</u>	<u>943,129</u>	<u>1,322,470</u>	<u>92,619</u>
Total Liabilities and Fund Balances	<u>\$ 6,452</u>	<u>944,014</u>	<u>1,482,403</u>	<u>92,619</u>

Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Non-major Governmental Funds
Subventions and Grants	Measure R	Public Financing Authority	Capital Outlay	Redevelopment Agency Fund	
180,669	1,944,762	-	10,186,361	-	20,193,324
-	-	-	-	-	1,543,401
-	-	617,681	-	-	617,681
195,004	77,263	-	-	-	844,174
-	-	-	-	-	2,918
-	-	-	-	-	2,124,985
64	1,042	116	3,851	-	129,236
-	-	5,175,000	-	-	5,175,000
<u>375,737</u>	<u>2,023,067</u>	<u>5,792,797</u>	<u>10,190,212</u>	<u>-</u>	<u>30,630,719</u>
40,872	-	-	869,682	-	1,562,538
-	-	-	-	-	20,133
-	-	-	-	-	14,525
88,450	-	-	-	-	229,513
-	-	-	-	-	625
<u>129,322</u>	<u>-</u>	<u>-</u>	<u>869,682</u>	<u>-</u>	<u>1,827,334</u>
246,415	2,023,067	5,792,797	-	-	19,482,855
-	-	-	9,320,530	-	9,320,530
<u>246,415</u>	<u>2,023,067</u>	<u>5,792,797</u>	<u>9,320,530</u>	<u>-</u>	<u>28,803,385</u>
<u>375,737</u>	<u>2,023,067</u>	<u>5,792,797</u>	<u>10,190,212</u>	<u>-</u>	<u>30,630,719</u>

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeiture	SB358 Library Grant	State COPS Grant
<b>Revenues:</b>				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	92,538	-	-
Use of money and property	11	7,987	549	2,021
Intergovernmental	-	-	-	205,280
Charges for services	1,248	-	-	5,675
Other	-	-	-	-
Total Revenues	<u>1,259</u>	<u>100,525</u>	<u>549</u>	<u>212,976</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	270,493	-	234,838
Libraries	-	-	35,398	-
Parks and recreation	-	-	-	-
Public works	1,223	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,223</u>	<u>270,493</u>	<u>35,398</u>	<u>234,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36</u>	<u>(169,968)</u>	<u>(34,849)</u>	<u>(21,862)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	130,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
<b>Extraordinary Item:</b>				
Dissolution of former Redevelopment Agency (note 16)	-	-	-	-
Net Change in Fund Balances	36	(169,968)	(34,849)	108,138
Fund Balances (Deficit), Beginning of Year	<u>1,617</u>	<u>1,712,146</u>	<u>138,245</u>	<u>369,961</u>
Fund Balances, End of Year	<u>\$ 1,653</u>	<u>1,542,178</u>	<u>103,396</u>	<u>478,099</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
-	-	-	-	-	-	-
-	111,114	-	-	-	-	-
-	5,150	-	-	400,509	-	-
1,919	-	-	15,828	-	474	-
107,334	-	-	1,116,523	-	1,301,676	1,075,120
-	-	-	-	-	-	-
-	-	-	-	-	-	-
109,253	116,264	-	1,132,351	400,509	1,302,150	1,075,120
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,565	116,264	-	435,959	-	1,717,826	907,809
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,565	116,264	-	435,959	-	1,717,826	907,809
65,688	-	-	696,392	400,509	(415,676)	167,311
-	-	-	-	-	-	-
-	-	-	(1,038,545)	(336,750)	-	-
-	-	-	(1,038,545)	(336,750)	-	-
-	-	-	-	-	-	-
65,688	-	-	(342,153)	63,759	(415,676)	167,311
361,099	-	4,800	3,288,991	417,997	1,088,194	2,232,515
426,787	-	4,800	2,946,838	481,756	672,518	2,399,826

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds			
	Whittier	Whittier	Prop 1B	Federal Stimulus
	Uptown Parking District No.1	Uptown Parking District No.2		
<b>Revenues:</b>				
Taxes	\$ 6,407	129,652	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	-	-	-
Use of money and property	45,822	4,411	8,065	-
Intergovernmental	-	-	-	985,934
Charges for services	37,280	59,764	-	-
Other	275	2,396	-	-
Total Revenues	<u>89,784</u>	<u>196,223</u>	<u>8,065</u>	<u>985,934</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Libraries	-	-	-	-
Parks and recreation	-	-	-	-
Public works	84,431	67,114	560,078	632,366
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>84,431</u>	<u>67,114</u>	<u>560,078</u>	<u>632,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,353</u>	<u>129,109</u>	<u>(552,013)</u>	<u>353,568</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Extraordinary Item:</b>				
Dissolution of former Redevelopment Agency (note 16)	-	-	-	-
Net Change in Fund Balances	5,353	129,109	(552,013)	353,568
Fund Balances (Deficit), Beginning of Year	(846)	814,020	1,874,483	(260,949)
Fund Balances, End of Year	<u>\$ 4,507</u>	<u>943,129</u>	<u>1,322,470</u>	<u>92,619</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total Non-major Governmental Funds
Subventions and Grants	Measure R	Public Financing Authority	Capital Outlay	Redevelopment Agency Fund	
-	786,939	-	-	-	922,998
-	-	-	-	-	111,114
-	-	-	-	-	498,197
-	9,195	287,942	30,451	7,167	421,842
795,298	-	-	-	-	5,587,165
-	-	-	-	-	103,967
-	-	-	-	1,198	3,869
<u>795,298</u>	<u>796,134</u>	<u>287,942</u>	<u>30,451</u>	<u>8,365</u>	<u>7,649,152</u>
406,132	-	-	-	-	911,463
41,371	-	-	-	-	76,769
312,569	-	-	-	-	312,569
133,660	9,610	-	-	-	3,642,267
-	-	-	-	471,354	1,538,992
-	-	-	3,042,146	-	3,042,146
-	-	305,000	-	-	305,000
-	-	288,472	-	1,199	289,671
<u>893,732</u>	<u>9,610</u>	<u>593,472</u>	<u>3,042,146</u>	<u>472,553</u>	<u>10,118,877</u>
<u>(98,434)</u>	<u>786,524</u>	<u>(305,530)</u>	<u>(3,011,695)</u>	<u>(464,188)</u>	<u>(2,469,725)</u>
27,938	-	-	5,433,330	5,300,000	10,891,268
-	-	-	(99,907)	(5,325,000)	(6,800,202)
<u>27,938</u>	<u>-</u>	<u>-</u>	<u>5,333,423</u>	<u>(25,000)</u>	<u>4,091,066</u>
-	-	-	-	(7,468,308)	(7,468,308)
(70,496)	786,524	(305,530)	2,321,728	(7,957,496)	(5,846,967)
316,911	1,236,543	6,098,327	6,998,802	7,957,496	34,650,352
<u>246,415</u>	<u>2,023,067</u>	<u>5,792,797</u>	<u>9,320,530</u>	<u>-</u>	<u>28,803,385</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
STREET LIGHTING DISTRICT 1-91 SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Use of money and property	\$ -	11	11
Charges for services	1,380	1,248	(132)
Total Revenues	<u>1,380</u>	<u>1,259</u>	<u>(121)</u>
<b>Expenditures:</b>			
Current:			
Public works	1,369	1,223	146
Total Expenditures	<u>1,369</u>	<u>1,223</u>	<u>146</u>
Net Change in Fund Balance	11	36	25
Fund Balance at Beginning of Year	<u>1,617</u>	<u>1,617</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,628</u></u>	<u><u>1,653</u></u>	<u><u>25</u></u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
ASSET SEIZURE FORFEITURE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Fines and forfeits	\$ 74,700	92,538	17,838
Use of money and property	23,000	7,987	(15,013)
Total Revenues	<u>97,700</u>	<u>100,525</u>	<u>2,825</u>
<b>Expenditures:</b>			
Current:			
Public safety	358,677	326,860	31,817
Total Expenditures	<u>358,677</u>	<u>326,860</u>	<u>31,817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(260,977)</u>	<u>(226,335)</u>	<u>34,642</u>
<b>Adjustments:</b>			
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	(260,977)	(169,968)	91,009
Fund Balance at Beginning of Year	<u>1,712,146</u>	<u>1,712,146</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,451,169</u>	<u>1,542,178</u>	<u>91,009</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
SB 358 LIBRARY GRANT – SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,500	549	(951)
Intergovernmental	29,000	-	(29,000)
Total Revenues	<u>30,500</u>	<u>549</u>	<u>(29,951)</u>
<b>Expenditures:</b>			
Current:			
Libraries	35,398	35,398	-
Total Expenditures	<u>35,398</u>	<u>35,398</u>	<u>-</u>
Net Change in Fund Balance	(4,898)	(34,849)	(29,951)
Fund Balance at Beginning of Year	<u>138,245</u>	<u>138,245</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 133,347</u>	<u>103,396</u>	<u>(29,951)</u>

**CITY OF WHITTIER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL**  
**STATE COPS GRANT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,200	2,021	821
Intergovernmental	100,000	205,280	105,280
Charges for services	10,000	5,675	(4,325)
Total Revenues	<u>111,200</u>	<u>212,976</u>	<u>101,776</u>
<b>Expenditures:</b>			
Current:			
Public safety	349,678	234,838	114,840
Total Expenditures	<u>349,678</u>	<u>234,838</u>	<u>114,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(238,478)</u>	<u>(21,862)</u>	<u>216,616</u>
<b>Other financing sources (uses):</b>			
Transfers in	130,000	130,000	-
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(108,478)</u>	<u>108,138</u>	<u>(216,616)</u>
Fund Balance at Beginning of Year	<u>369,961</u>	<u>369,961</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 261,483</u>	<u>478,099</u>	<u>216,616</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 3,600	1,919	(1,681)
Intergovernmental	107,000	107,334	334
Total Revenues	<u>110,600</u>	<u>109,253</u>	<u>(1,347)</u>
<b>Expenditures:</b>			
Current:			
Community development	73,127	46,965	26,162
Total Expenditures	<u>73,127</u>	<u>46,965</u>	<u>26,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,473</u>	<u>62,288</u>	<u>24,815</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	3,400	3,400
Total Adjustments	<u>-</u>	<u>3,400</u>	<u>3,400</u>
Net Change in Fund Balance	37,473	65,688	24,815
Fund Balance at Beginning of Year	<u>361,099</u>	<u>361,099</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 398,572</u>	<u>426,787</u>	<u>28,215</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
BUSINESS IMPROVEMENT AREA SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 112,000	111,114	(886)
Fines and forfeits	2,000	5,150	3,150
Total Revenues	<u>114,000</u>	<u>116,264</u>	<u>2,264</u>
<b>Expenditures:</b>			
Current:			
Community development	114,000	116,264	(2,264)
Total Expenditures	<u>114,000</u>	<u>116,264</u>	<u>(2,264)</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, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
EARTHQUAKE RELIEF SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
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, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
STATE GAS TAX SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Variance with Final Budget - Positive
<b>Revenues:</b>			
Use of money and property	\$ 6,500	15,828	9,328
Intergovernmental	3,297,331	1,116,523	(2,180,808)
Total Revenues	<u>3,303,831</u>	<u>1,132,351</u>	<u>(2,171,480)</u>
<b>Expenditures:</b>			
Current:			
Public works	4,556,567	1,392,224	3,164,343
Total Expenditures	<u>4,556,567</u>	<u>1,392,224</u>	<u>3,164,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,252,736)</u>	<u>(259,873)</u>	<u>992,863</u>
<b>Other financing sources (uses):</b>			
Transfers out	(1,038,545)	(1,038,545)	-
Total Other Financing Sources (Uses)	<u>(1,038,545)</u>	<u>(1,038,545)</u>	<u>-</u>
Excess (Deficiency) of Revenue and Other Source Over (Under) Expenditures	<u>(2,291,281)</u>	<u>(1,298,418)</u>	<u>992,863</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	956,265	956,265
Total Adjustments	<u>-</u>	<u>956,265</u>	<u>956,265</u>
Net Change in Fund Balance	(2,291,281)	(342,153)	1,949,128
Fund Balance at Beginning of Year	3,288,991	3,288,991	-
Fund Balance at End of Year	<u>\$ 997,710</u>	<u>2,946,838</u>	<u>1,949,128</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
TRAFFIC SAFETY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Fines and forfeits	\$ 340,000	400,509	60,509
Total Revenues	<u>340,000</u>	<u>400,509</u>	<u>60,509</u>
<b>Other financing sources (uses):</b>			
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	3,250	63,759	60,509
Fund Balance at Beginning of Year	<u>417,997</u>	<u>417,997</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 421,247</u></u>	<u><u>481,756</u></u>	<u><u>60,509</u></u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
TRAFFIC CONGESTION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	474	474
Intergovernmental	-	1,301,676	1,301,676
Total Revenues	<u>-</u>	<u>1,302,150</u>	<u>1,302,150</u>
<b>Expenditures:</b>			
Current:			
Public works	1,971,606	1,976,940	(5,334)
Total Expenditures	<u>1,971,606</u>	<u>1,976,940</u>	<u>(5,334)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,971,606)</u>	<u>(674,790)</u>	<u>1,296,816</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	259,114	259,114
Total Adjustments	<u>-</u>	<u>259,114</u>	<u>259,114</u>
Net Change in Fund Balance	(1,971,606)	(415,676)	1,555,930
Fund Balance at Beginning of Year	<u>1,088,194</u>	<u>1,088,194</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (883,412)</u>	<u>672,518</u>	<u>1,555,930</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
HUD GRANTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 899,806	1,196,567	296,761
Total Revenues	<u>899,806</u>	<u>1,196,567</u>	<u>296,761</u>
<b>Expenditures:</b>			
Current:			
Community development	2,117,956	1,081,002	1,036,954
Total Expenditures	<u>2,117,956</u>	<u>1,081,002</u>	<u>1,036,954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,218,150)</u>	<u>115,565</u>	<u>1,333,715</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	48,128	48,128
To adjust for loan payments	-	125,065	125,065
To adjust for loan receipts	-	(121,447)	(121,447)
Total Adjustments	<u>-</u>	<u>51,746</u>	<u>51,746</u>
Net Change in Fund Balance	(1,218,150)	167,311	1,385,461
Fund Balance at Beginning of Year	<u>2,232,515</u>	<u>2,232,515</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,014,365</u>	<u>2,399,826</u>	<u>1,385,461</u>

**CITY OF WHITTIER, CALIFORNIA  
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, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 6,785	6,407	(378)
Use of money and property	31,600	45,822	14,222
Charges for services	29,560	37,280	7,720
Other	-	275	275
Total Revenues	67,945	89,784	21,839
<b>Expenditures:</b>			
Current:			
Public works	67,712	84,431	(16,719)
Total Expenditures	67,712	84,431	(16,719)
Net Change in Fund Balance	233	5,353	5,120
Fund Balance (Deficit) at Beginning of Year	(846)	(846)	-
Fund Balance (Deficit) at End of Year	\$ (613)	4,507	5,120

**CITY OF WHITTIER, CALIFORNIA  
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, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Taxes	\$ 54,253	129,652	75,399
Use of money and property	3,000	4,411	1,411
Charges for services	49,240	59,764	10,524
Other	-	2,396	2,396
Total Revenues	106,493	196,223	89,730
<b>Expenditures:</b>			
Current:			
Public works	96,919	67,114	29,805
Total Expenditures	96,919	67,114	29,805
Net Change in Fund Balance	9,574	129,109	119,535
Fund Balance at Beginning of Year	814,020	814,020	-
Fund Balance at End of Year	\$ 823,594	943,129	119,535

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
PROP 1B SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 5,000	8,065	3,065
Total Revenues	<u>5,000</u>	<u>8,065</u>	<u>3,065</u>
<b>Expenditures:</b>			
Current:			
Public works	1,879,925	809,523	1,070,402
Total Expenditures	<u>1,879,925</u>	<u>809,523</u>	<u>1,070,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,874,925)</u>	<u>(801,458)</u>	<u>1,073,467</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	249,445	249,445
Total Adjustments	<u>-</u>	<u>249,445</u>	<u>249,445</u>
Net Change in Fund Balance	(1,874,925)	(552,013)	1,322,912
Fund Balance at Beginning of Year	<u>1,874,483</u>	<u>1,874,483</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (442)</u>	<u>1,322,470</u>	<u>1,322,912</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
FEDERAL STIMULUS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Intergovernmental	\$ -	985,934	985,934
Total Revenues	<u>-</u>	<u>985,934</u>	<u>985,934</u>
<b>Expenditures:</b>			
Current:			
Public works	698,493	632,366	66,127
Total Expenditures	<u>698,493</u>	<u>632,366</u>	<u>66,127</u>
Net Change in Fund Balance	(698,493)	353,568	1,052,061
Fund Balance at Beginning of Year	<u>(260,949)</u>	<u>(260,949)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ (959,442)</u></u>	<u><u>92,619</u></u>	<u><u>1,052,061</u></u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
SUBVENTIONS AND GRANTS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,620,056	795,298	(1,824,758)
Total Revenues	<u>2,620,056</u>	<u>795,298</u>	<u>(1,824,758)</u>
<b>Expenditures:</b>			
Current:			
Public safety	1,005,153	514,221	490,932
Libraries	49,290	51,371	(2,081)
Parks and recreation	733,549	325,959	407,590
Public works	1,938,434	168,002	1,770,432
Total Expenditures	<u>3,726,426</u>	<u>1,059,553</u>	<u>2,666,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,106,370)</u>	<u>(264,255)</u>	<u>842,115</u>
<b>Other financing sources (uses):</b>			
Transfers in	27,938	27,938	-
Total Other Financing Sources (Uses)	<u>27,938</u>	<u>27,938</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under)	<u>(1,078,432)</u>	<u>(236,317)</u>	<u>842,115</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	165,821	165,821
Total Adjustments	<u>-</u>	<u>165,821</u>	<u>165,821</u>
Net Change in Fund Balance	(1,078,432)	(70,496)	1,007,936
Fund Balance (Deficit) at Beginning of Year (as restated)	316,911	316,911	-
Fund Balance (Deficit) at End of Year	<u>\$ (761,521)</u>	<u>246,415</u>	<u>1,007,936</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
MEASURE R SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
<b>Revenues:</b>			
Taxes	\$ 727,688	786,939	59,251
Use of money and property	-	9,195	9,195
Total Revenues	<u>727,688</u>	<u>796,134</u>	<u>68,446</u>
<b>Expenditures:</b>			
Current:			
Public works	1,854,344	9,610	1,844,734
Total Expenditures	<u>1,854,344</u>	<u>9,610</u>	<u>1,844,734</u>
Net Change in Fund Balance	<u>(1,126,656)</u>	<u>786,524</u>	<u>1,913,180</u>
Fund Balance at Beginning of Year	<u>1,236,543</u>	<u>1,236,543</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 109,887</u></u>	<u><u>2,023,067</u></u>	<u><u>1,913,180</u></u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 288,473	287,942	(531)
Total Revenues	<u>288,473</u>	<u>287,942</u>	<u>(531)</u>
<b>Expenditures:</b>			
Debt service:			
Principal	305,000	305,000	-
Interest and fiscal charges	292,448	288,472	3,976
Total Expenditures	<u>597,448</u>	<u>593,472</u>	<u>3,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(308,975)</u>	<u>(305,530)</u>	<u>3,445</u>
<b>Other financing sources (uses):</b>			
Transfers in	3,975	-	(3,975)
Total Other Financing Sources	<u>3,975</u>	<u>-</u>	<u>(3,975)</u>
Net Change in Fund Balance	(305,000)	(305,530)	(530)
Fund Balance at Beginning of Year	6,098,327	6,098,327	-
Fund Balance at End of Year	<u>\$ 5,793,327</u>	<u>5,792,797</u>	<u>530</u>

**CITY OF WHITTIER, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL OUTLAY CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	30,451	30,451
Total Revenues	<u>-</u>	<u>30,451</u>	<u>30,451</u>
<b>Expenditures:</b>			
Capital outlay	10,257,757	5,831,590	4,426,167
Total Expenditures	<u>10,257,757</u>	<u>5,831,590</u>	<u>4,426,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,257,757)</u>	<u>(5,801,139)</u>	<u>4,456,618</u>
<b>Other financing sources (Uses):</b>			
Transfers in	5,433,330	5,433,330	-
Transfers out	(86,724)	(99,907)	(13,183)
Total Other Financing Sources (Uses)	<u>5,346,606</u>	<u>5,333,423</u>	<u>(13,183)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>(4,911,151)</u>	<u>(467,716)</u>	<u>4,443,435</u>
<b>Adjustments:</b>			
To adjust for encumbrances	-	2,789,444	2,789,444
Total Adjustments	<u>-</u>	<u>2,789,444</u>	<u>2,789,444</u>
Net Change in Fund Balance	(4,911,151)	2,321,728	7,232,879
Fund Balance at Beginning of Year	<u>6,998,802</u>	<u>6,998,802</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,087,651</u>	<u>9,320,530</u>	<u>7,232,879</u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2012**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 18,800	7,167	(11,633)
Other	-	1,198	1,198
Total Revenues	<u>18,800</u>	<u>8,365</u>	<u>(10,435)</u>
<b>Expenditures:</b>			
Current:			
Community development	18,634,291	471,354	18,162,937
Debt service:			
Interest and fiscal charges	1,205	1,199	6
Total Expenditures	<u>18,635,496</u>	<u>472,553</u>	<u>18,162,943</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,616,696)</u>	<u>(464,188)</u>	<u>18,152,508</u>
<b>Other financing sources (uses):</b>			
Transfers in	20,836,860	5,300,000	(15,536,860)
Transfers out	<u>(5,328,975)</u>	<u>(5,325,000)</u>	3,975
Total Other Financing Sources (Uses)	<u>15,507,885</u>	<u>(25,000)</u>	<u>(15,532,885)</u>
<b>Extraordinary Item:</b>			
Dissolution of former Redevelopment Agency	<u>-</u>	<u>(7,468,308)</u>	<u>(7,468,308)</u>
Net Change in Fund Balance	(3,108,811)	(7,957,496)	(4,848,685)
Fund Balance at Beginning of Year	<u>7,957,496</u>	<u>7,957,496</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,848,685</u>	<u>-</u>	<u>(4,848,685)</u>



**CITY OF WHITTIER  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

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, 2012**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Assets:</b>						
Current assets:						
Cash and investments	\$ 8,753,913	5,170,711	349,456	7,595,434	2,206,145	24,075,659
Accounts receivable, net	22,573	-	16,192	-	-	38,765
Interest receivable	5,290	438	-	5,178	1,467	12,373
Prepaid items	26,671	-	-	-	-	26,671
Total Current Assets	<u>8,808,447</u>	<u>5,171,149</u>	<u>365,648</u>	<u>7,600,612</u>	<u>2,207,612</u>	<u>24,153,468</u>
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,646	175,157
Office machines	-	-	-	-	1,647,561	1,647,561
Mobile equipment	-	-	-	14,252,958	-	14,252,958
Less-accumulated depreciation	-	-	(308,330)	(9,525,965)	(878,973)	(10,713,268)
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>38,060</u>	<u>4,726,993</u>	<u>898,234</u>	<u>5,663,287</u>
Total Assets	<u>8,808,447</u>	<u>5,171,149</u>	<u>403,708</u>	<u>12,327,605</u>	<u>3,105,846</u>	<u>29,816,755</u>
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable	127,169	61,247	45,611	15,916	126,749	376,692
Accrued liabilities	-	-	14,830	-	11,114	25,944
Claims payable - current	2,911,631	-	-	-	-	2,911,631
Compensated absences payable - current	-	1,574,567	-	-	-	1,574,567
Total Current Liabilities	<u>3,038,800</u>	<u>1,635,814</u>	<u>60,441</u>	<u>15,916</u>	<u>137,863</u>	<u>4,888,834</u>
Long-term liabilities:						
Claims payable - non-current	1,567,802	-	-	-	-	1,567,802
Compensated absences payable - non-current	-	2,924,193	-	-	-	2,924,193
Total Non-current Liabilities	<u>1,567,802</u>	<u>2,924,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,491,995</u>
Total Liabilities	<u>4,606,602</u>	<u>4,560,007</u>	<u>60,441</u>	<u>15,916</u>	<u>137,863</u>	<u>9,380,829</u>
<b>Net assets:</b>						
Investment in capital assets	-	-	38,060	4,726,993	898,234	5,663,287
Unrestricted	4,201,845	611,142	305,207	7,584,696	2,069,749	14,772,639
Total Net Assets	<u>\$ 4,201,845</u>	<u>611,142</u>	<u>343,267</u>	<u>12,311,689</u>	<u>2,967,983</u>	<u>20,435,926</u>

**CITY OF WHITTIER**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Operating Revenues:</b>						
Charges for services	\$ 4,140,989	4,646,520	2,631,453	1,098,394	828,668	13,346,024
Total Operating Revenues	4,140,989	4,646,520	2,631,453	1,098,394	828,668	13,346,024
<b>Operating Expenses:</b>						
Self insurance	774,191	-	-	-	-	774,191
Employee benefits	-	4,660,565	-	-	-	4,660,565
Maintenance	-	-	2,552,822	27,529	1,042,317	3,622,668
Depreciation	-	-	20,422	1,030,003	112,590	1,163,015
Total Operating Expenses	774,191	4,660,565	2,573,244	1,057,532	1,154,907	10,220,439
Operating Income (Loss)	3,366,798	(14,045)	58,209	40,862	(326,239)	3,125,585
<b>Nonoperating Revenues (Expenses):</b>						
Intergovernmental	-	-	-	30,000	-	30,000
Use of money and property	42,642	4,321	-	38,814	10,395	96,172
Gain (loss) on disposal of capital assets	-	-	-	64,492	(185,683)	(121,191)
Other revenue (expense)	655	-	-	-	-	655
Total Nonoperating Revenues (Expenses)	43,297	4,321	-	133,306	(175,288)	5,636
Income (loss) before transfers	3,410,095	(9,724)	58,209	174,168	(501,527)	3,131,221
Transfers in	465,133	-	-	460,291	221,724	1,147,148
Change in net assets	3,875,228	(9,724)	58,209	634,459	(279,803)	4,278,369
Net Assets at Beginning of the Year	326,617	620,866	285,058	11,677,230	3,247,786	16,157,557
Net Assets at End of the Year	\$ 4,201,845	611,142	343,267	12,311,689	2,967,983	20,435,926

**CITY OF WHITTIER, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 4,158,562	4,646,520	2,632,654	1,113,893	828,668	13,380,297
Payments to suppliers	(3,595,192)	(4,244,787)	(2,661,566)	(27,529)	(946,880)	(11,475,954)
Non-operating rental income revenue received	655	-	-	-	-	655
Net Cash Provided by (Used in) Non-Operating Activities	564,025	401,733	(28,912)	1,086,364	(118,212)	1,904,998
<b>Cash flows from noncapital financing activities:</b>						
Transfers from other funds	465,133	-	-	460,291	221,724	1,147,148
Net Cash Provided Provided by Noncapital Financing Activities	465,133	-	-	460,291	221,724	1,147,148
<b>Cash flows from capital and related financing activities:</b>						
Purchase of capital assets	-	-	-	(1,112,592)	(239,075)	(1,351,667)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(1,112,592)	(239,075)	(1,351,667)
<b>Cash flows from investing activities:</b>						
Interest on investments	37,741	5,478	-	54,356	15,800	113,375
Net Cash Provided by Investing Activities	37,741	5,478	-	54,356	15,800	113,375
Net Increase (Decrease) in Cash and Cash Equivalents	1,066,899	407,211	(28,912)	488,419	(119,763)	1,813,854
Cash and Cash Equivalents, Beginning of Fiscal Year	7,687,014	4,763,500	378,368	7,107,015	2,325,908	22,261,805
Cash and Cash Equivalents, End of Fiscal Year	\$ 8,753,913	5,170,711	349,456	7,595,434	2,206,145	24,075,659
<b>Reconciliation of operating income to net cash provided by operations:</b>						
Operating income (loss)	\$ 3,366,798	(14,045)	58,209	40,862	(326,239)	3,125,585
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	20,422	1,030,003	112,590	1,163,015
Other revenue	655	-	-	30,000	-	30,655
Decrease (increase) in accounts receivable	17,573	-	1,201	-	-	18,774
Decrease (increase) in prepaid items	26,672	(19,316)	-	-	-	7,356
Increase (decrease) in accounts payable	(855,108)	58,309	(79,139)	(14,501)	117,520	(772,919)
Increase (decrease) in accrued liabilities	(386)	-	(29,605)	-	(22,083)	(52,074)
Increase (decrease) in claims payable	(1,992,179)	-	-	-	-	(1,992,179)
Increase (decrease) in compensated absences payable	-	376,785	-	-	-	376,785
Net Cash Provided by (Used in) Operating Activities	\$ 564,025	401,733	(28,912)	1,086,364	(118,212)	1,904,998

**CITY OF WHITTIER  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2012**

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, 2012**

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Community Facilities District 1991-1	Habitat JPA	Totals
<b>Assets:</b>						
Cash and investments	\$ 13,722	282,921	300,626	243,903	-	841,172
Cash and investments with fiscal agents	-	-	420,036	669,611	-	1,089,647
Receivable:						
Accounts	-	12,182	-	325,293	160,294	497,769
Interest	-	-	103	182	-	285
Total Assets	<u>\$ 13,722</u>	<u>295,103</u>	<u>720,765</u>	<u>1,238,989</u>	<u>160,294</u>	<u>2,428,873</u>
<b>Liabilities:</b>						
Accounts payable	\$ 13,722	62,837	-	-	2,619	79,178
Deposits payable	-	232,266	-	-	-	232,266
Due to other funds	-	-	-	-	157,675	157,675
Due to bondholders	-	-	720,765	1,238,989	-	1,959,754
Total Liabilities	<u>\$ 13,722</u>	<u>295,103</u>	<u>720,765</u>	<u>1,238,989</u>	<u>160,294</u>	<u>2,428,873</u>

**CITY OF WHITTIER  
COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Flex-Rap</u></b>				
<b>Assets</b>				
Cash and investments	\$ 10,377	1,170,792	(1,167,447)	13,722
Total Assets	<u>\$ 10,377</u>	<u>1,170,792</u>	<u>(1,167,447)</u>	<u>13,722</u>
<b>Liabilities</b>				
Accounts payable	\$ 10,377	13,722	(10,377)	13,722
Total Liabilities	<u>\$ 10,377</u>	<u>13,722</u>	<u>(10,377)</u>	<u>13,722</u>
<b><u>Special Deposits</u></b>				
<b>Assets</b>				
Cash and investments	\$ 709,062	1,053,877	(1,480,018)	282,921
Accounts receivable	9,300	12,182	(9,300)	12,182
Total Assets	<u>\$ 718,362</u>	<u>1,066,059</u>	<u>(1,489,318)</u>	<u>295,103</u>
<b>Liabilities</b>				
Accounts payable	\$ 485,250	62,837	(485,250)	62,837
Deposits payable	233,112	873,531	(874,377)	232,266
Total Liabilities	<u>\$ 718,362</u>	<u>936,368</u>	<u>(1,359,627)</u>	<u>295,103</u>
<b><u>Community Facilities District 1989-1</u></b>				
<b>Assets</b>				
Cash and investments	\$ 299,027	415,413	(413,814)	300,626
Cash and investments with fiscal agent	420,743	410,352	(411,059)	420,036
Interest receivable	237	103	(237)	103
Total Assets	<u>\$ 720,007</u>	<u>825,868</u>	<u>(825,110)</u>	<u>720,765</u>
<b>Liabilities</b>				
Due to bondholders	\$ 720,007	825,868	(825,110)	720,765
Total Liabilities	<u>\$ 720,007</u>	<u>825,868</u>	<u>(825,110)</u>	<u>720,765</u>

(Continued)

**CITY OF WHITTIER**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Community Facilities District 1991-1</u></b>				
<b>Assets</b>				
Cash and investments	\$ 545,369	552,944	(854,410)	243,903
Cash and investments with fiscal agent	670,347	611,507	(612,243)	669,611
Accounts receivable	-	325,293	-	325,293
Interest receivable	185	182	(185)	182
Total Assets	<u>\$ 1,215,901</u>	<u>1,489,926</u>	<u>(1,466,838)</u>	<u>1,238,989</u>
<b>Liabilities</b>				
Due to bondholders	\$ 1,215,901	1,489,926	(1,466,838)	1,238,989
Total Liabilities	<u>\$ 1,215,901</u>	<u>1,489,926</u>	<u>(1,466,838)</u>	<u>1,238,989</u>
<b><u>Habitat JPA</u></b>				
<b>Assets</b>				
Accounts receivable	\$ 183,138	160,294	(183,138)	160,294
Total Assets	<u>\$ 183,138</u>	<u>160,294</u>	<u>(183,138)</u>	<u>160,294</u>
<b>Liabilities</b>				
Accounts payable	\$ 18,971	2,619	(18,971)	2,619
Due to other funds	164,167	157,675	(164,167)	157,675
Total Liabilities	<u>\$ 183,138</u>	<u>160,294</u>	<u>(183,138)</u>	<u>160,294</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash investments	\$ 1,563,835	3,193,026	(3,915,689)	841,172
Cash and investments with fiscal agent	1,091,090	1,021,859	(1,023,302)	1,089,647
Receivables:				
Accounts	192,438	497,769	(192,438)	497,769
Interest	422	285	(422)	285
Total Assets	<u>\$ 2,847,785</u>	<u>4,712,939</u>	<u>(5,131,851)</u>	<u>2,428,873</u>
<b>Liabilities</b>				
Accounts payable	\$ 514,598	79,178	(514,598)	79,178
Deposits payable	233,112	873,531	(874,377)	232,266
Due to other funds	164,167	157,675	(164,167)	157,675
Due to bondholders	1,935,908	2,315,794	(2,291,948)	1,959,754
Total Liabilities	<u>\$ 2,847,785</u>	<u>3,426,178</u>	<u>(3,845,090)</u>	<u>2,428,873</u>

# **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.

<b><i>Financial Trends</i></b> Contain trend information to help the reader understand how the City's financial performance has changed over time.
<b><i>Revenue Capacity</i></b> Contain information to help the reader assess the City's most significant local revenue source, the property tax.
<b><i>Debt Capacity</i></b> 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.
<b><i>Demographic and Economic Information</i></b> Offer information to help the reader understand the environment within which the City's financial activities take place.
<b><i>Operating Information</i></b> 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.

*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 Ten Fiscal Years**  
**(in thousands)**  
**(accrual basis of accounting)**

	Fiscal Year ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005 (1)	2004 (1)	2003 (1)
<i>Governmental Activities:</i>										
Invested in capital assets, net of related debt	\$ 109,657	95,435	105,775	98,199	91,640	84,556	84,382	84,755	90,639	94,188
Restricted	42,717	46,374	30,522	78,484	82,986	72,206	51,929	45,827	20,480	20,282
Unrestricted	67,551	45,464	44,145	3,202	(2,427)	5,817	18,731	22,136	43,152	38,367
Total Governmental Activities Net Assets	<u>219,925</u>	<u>187,273</u>	<u>180,442</u>	<u>179,885</u>	<u>172,199</u>	<u>162,579</u>	<u>155,042</u>	<u>152,718</u>	<u>154,271</u>	<u>152,837</u>
% change from prior year	17.4%	3.8%	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	28,819	27,974	26,357	26,875	26,607	22,700	25,552	27,027	25,917	22,658
Restricted	134	124	185	138	120	48	34	24	117	106
Unrestricted	23,254	14,762	18,097	15,895	21,780	23,135	16,283	12,953	11,327	12,645
Total Business-Type Activities Net Assets	<u>52,207</u>	<u>42,860</u>	<u>44,639</u>	<u>42,908</u>	<u>48,507</u>	<u>45,883</u>	<u>41,869</u>	<u>40,004</u>	<u>37,361</u>	<u>35,409</u>
% change from prior year	21.8%	-4.0%	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	138,476	123,409	132,132	125,074	118,247	107,256	109,934	111,782	116,556	116,846
Restricted	42,851	46,498	30,707	78,622	83,106	72,254	51,963	45,851	20,597	20,388
Unrestricted	90,805	60,226	62,242	19,097	19,353	28,952	35,014	35,089	54,479	51,012
Total Primary Government Net Assets	<u>\$ 272,132</u>	<u>230,133</u>	<u>225,081</u>	<u>222,793</u>	<u>220,706</u>	<u>208,462</u>	<u>196,911</u>	<u>192,722</u>	<u>191,632</u>	<u>188,246</u>
% change from prior year	18.2%	2.2%	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.*

(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 Ten Fiscal Years**  
**(in thousands)**  
**(accrual basis of accounting)**

	Fiscal Year ending June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses:</b>										
<i>Governmental activities:</i>										
General government	\$ 7,686	7,547	7,714	7,353	8,443	7,588	6,840	8,499	7,155	6,621
Public safety	28,480	28,642	25,967	30,428	18,146	22,765	25,477	24,789	23,010	22,689
Public works	13,256	8,931	10,781	11,688	13,790	10,726	11,583	10,262	9,582	11,010
Community development	8,317	5,499	5,598	6,414	7,608	5,596	5,668	5,342	5,720	3,951
Libraries	3,166	3,282	3,506	3,426	3,412	3,394	3,118	3,017	3,117	3,057
Transit	2,836	4,567	2,731	2,604	4,671	3,373	3,243	2,767	2,442	2,313
Parks and recreation	8,554	8,456	8,612	10,057	11,373	11,747	8,724	9,089	7,978	9,622
Interest on long-term debt	1,894	3,562	3,710	4,637	5,445	2,406	1,614	736	1,358	1,345
Total Governmental activities	<u>74,189</u>	<u>70,486</u>	<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	1,365	1,259	1,390	1,752	1,282	1,170	1,126	1,036	1,063	1,074
Water	9,592	14,133	8,289	14,321	8,688	7,828	7,469	6,146	5,772	6,010
Solid waste	(841)	9,558	9,272	9,295	8,950	8,305	8,601	7,918	7,642	6,988
Total Business-type activities	<u>10,116</u>	<u>24,950</u>	<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	<u>84,305</u>	<u>95,436</u>	<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>
<b>Program revenues:</b>										
<i>Governmental activities:</i>										
Charges for services:										
General government	2,090	2,011	2,128	2,047	2,021	2,494	2,583	1,711	2,105	2,174
Public safety	9,099	9,728	9,417	9,200	8,381	6,839	7,524	7,587	6,360	6,209
Public works	4,542	9,048	3,353	8,589	3,450	1,598	3,824	2,148	388	323
Parks and recreation	1,864	1,717	2,340	1,746	1,560	2,623	2,359	2,192	2,332	1,222
Community development	1,965	2,167	2,107	2,221	1,940	1,176	846	295	1,006	1,655
Other activities	899	860	895	981	967	389	310	615	143	165
Operating contributions and grants	11,754	6,139	5,362	6,294	5,665	6,874	5,051	6,211	2,554	3,692
Capital contributions and grants	2,561	2,788	3,300	4,521	4,033	585	3,920	2,645	4,078	1,137
Total governmental activities	<u>34,774</u>	<u>34,458</u>	<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>
<i>Business-type activities:</i>										
Charges for services:										
Sewer	2,216	1,955	1,740	1,902	1,913	1,836	1,282	1,233	1,129	987
Water	7,969	10,591	8,556	7,811	8,225	8,399	7,050	5,979	6,043	5,522
Solid waste	8,969	7,863	8,210	8,406	8,977	8,945	8,972	8,595	8,130	6,977
Operating contributions and grants	634	1,239	1,436	1,746	1,328	134	1,084	414	4	276
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>19,788</u>	<u>21,648</u>	<u>19,942</u>	<u>19,865</u>	<u>20,443</u>	<u>19,314</u>	<u>18,388</u>	<u>16,221</u>	<u>15,306</u>	<u>13,762</u>
Total primary government	<u>54,562</u>	<u>56,106</u>	<u>48,844</u>	<u>55,464</u>	<u>48,460</u>	<u>41,892</u>	<u>44,805</u>	<u>39,625</u>	<u>34,272</u>	<u>30,339</u>

**CITY OF WHITTIER**  
**Changes in Net Assets – Last Ten Fiscal Years**  
**(in thousands)**  
**(accrual basis of accounting)**

	Fiscal Year ending June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Net revenues (expenses):</b>										
<i>Governmental activities</i>	(39,415)	(36,028)	(39,717)	(41,008)	(44,871)	(45,017)	(39,850)	(41,097)	(41,396)	(44,031)
<i>Business-type activities</i>	9,672	(3,302)	991	(5,503)	1,523	2,011	1,192	1,121	829	(310)
Total primary government	<u>(29,743)</u>	<u>(39,330)</u>	<u>(38,726)</u>	<u>(46,511)</u>	<u>(43,348)</u>	<u>(43,006)</u>	<u>(38,658)</u>	<u>(39,976)</u>	<u>(40,567)</u>	<u>(44,341)</u>
<b>General revenues and other changes in net assets</b>										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	8,779	11,830	9,690	13,252	12,501	12,191	7,337	8,108	8,482	7,470
Sales taxes	7,900	7,663	7,460	8,651	10,379	10,010	8,768	9,019	9,262	9,510
Franchise taxes	2,189	1,891	1,914	1,718	2,036	1,778	1,626	1,588	1,552	1,394
Utility users tax	6,760	7,034	7,366	7,659	7,806	7,872	7,529	7,253	7,175	6,703
Motor vehicle in lieu tax, unrestricted	7,077	7,285	7,253	7,410	8,786	8,403	8,219	7,123	5,862	5,173
Transit tax	2,332	2,150	2,035	2,314	2,544	2,560	2,610	2,304	2,176	2,077
Other taxes	2,349	2,307	2,257	2,356	2,734	2,776	1,542	1,459	2,613	1,713
Investment income	442	1,154	2,162	4,404	6,438	6,051	3,539	2,083	2,085	2,281
Other	45	4	136	16	444	801	656	449	3,840	6,627
Transfers	522	-	-	914	824	112	348	(74)	-	(161)
Extraordinary gain	33,672	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>72,067</u>	<u>41,318</u>	<u>40,273</u>	<u>48,694</u>	<u>54,492</u>	<u>52,554</u>	<u>42,174</u>	<u>39,312</u>	<u>43,047</u>	<u>42,787</u>
<i>Business-type activities:</i>										
Investment income	186	935	584	818	1,924	2,115	1,021	1,680	906	1,366
Other	11	588	157	-	-	-	-	-	-	-
Transfers	(522)	-	-	(914)	(824)	(112)	(348)	74	-	161
Total business-type activities	<u>(325)</u>	<u>1,523</u>	<u>741</u>	<u>(96)</u>	<u>1,100</u>	<u>2,003</u>	<u>673</u>	<u>1,754</u>	<u>906</u>	<u>1,527</u>
Total primary government	<u>71,742</u>	<u>42,841</u>	<u>41,014</u>	<u>48,598</u>	<u>55,592</u>	<u>54,557</u>	<u>42,847</u>	<u>41,066</u>	<u>43,953</u>	<u>44,314</u>
<b>Changes in net assets</b>										
<i>Governmental activities</i>	32,652	5,290	556	7,686	9,621	7,537	2,324	(1,785)	1,651	(1,244)
<i>Business-type activities</i>	9,347	(1,779)	1,732	(5,599)	2,623	4,014	1,865	2,875	1,735	1,217
Change in net assets - total primary government	<u>\$ 41,999</u>	<u>3,511</u>	<u>2,288</u>	<u>2,087</u>	<u>12,244</u>	<u>11,551</u>	<u>4,189</u>	<u>1,090</u>	<u>3,386</u>	<u>(27)</u>

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

**CITY OF WHITTIER**  
**Fund Balances of Governmental Funds (1)**  
**Last Ten Fiscal Years**  
**(in thousands)**

	<u>2012</u>	<u>2011 (6)</u>		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:			General fund:								
Nonspendable	\$ 7,858	7,321	Reserved	\$ 7,410	8,286	8,970	9,640	9,437	8,710	8,176	9,395
Restricted	838	728	Unreserved, designated for	12,071	18,203	18,259	17,935	13,360	13,009	12,605	10,560
Committed	2,985	2,923	Unreserved	<u>16,895</u>	<u>16,094</u>	<u>19,847</u>	<u>18,562</u>	<u>19,236</u>	<u>17,013</u>	<u>13,002</u>	<u>10,975</u>
Assigned	2,318	2,826	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>
Unassigned	<u>20,875</u>	<u>22,675</u>									
Total general fund	<u>34,874</u>	<u>36,473</u>									
			Other governmental funds:								
Other governmental funds:			Reserved	39,268	96,938	40,993 (5)	43,305 (4)	21,003 (3)	20,904 (3)	22,882	27,794
Nonspendable	-	-	Unreserved, designated for, reported in:								
Restricted	44,750	80,315	Special revenue funds	617	541	303	215	215	251	748	612
Committed	-	-	Debt service funds	-	-	28,345	18,493	7,582	610	605	606
Assigned	9,321	6,999	Capital projects funds	-	-	-	-	3,000	2,892	2,927	-
Unassigned		<u>(11,013)</u>	Unreserved, reported in:								
Total other governmental funds	<u>54,071</u>	<u>76,301</u>	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)
Total governmental funds	<u>\$ 88,945</u>	<u>112,774</u>	Capital projects funds	<u>5,180</u>	<u>2,246</u>	<u>2,773</u>	<u>2,877</u>	<u>2,215</u>	<u>2,833</u>	<u>2,631</u>	<u>2,897</u>
			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>

- (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 from the 2007 Public Financing Authority Revenue Bonds reserved for redevelopment projects and debt services.
- (6) The City implemented GASB statement No. 54 in the fiscal year ended June 30, 2011.

**CITY OF WHITTIER**  
**Changes in Fund Balances of Governmental Funds (1)**  
**Last Ten Fiscal Years**  
**(in thousands)**

	Fiscal Year Ending June 30,								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>									
Taxes	\$ 36,408	41,344	42,081	37,264	38,161	36,163	35,056	30,487	30,167
Licenses and permits	1,997	1,978	3,182	2,777	1,938	3,037	2,622	1,935	1,572
Fines and forfeits	1,125	1,524	1,465	1,699	1,332	929	992	1,144	1,200
Use of money and property	1,209	1,902	2,745	5,210	6,760	5,442	3,841	3,092	1,175
Intergovernmental	8,482	7,413	8,708	15,933	19,302	13,081	12,572	13,239	11,849
Charges for services	15,554	15,591	17,470	22,015	14,277	13,589	13,148	12,697	13,227
Other	3,921	8,585	3,523	496	1,914	657	615	591	3,128
<b>Total revenues</b>	<u>68,696</u>	<u>78,337</u>	<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>
<b>Expenditures:</b>									
Current:									
General government	8,027	7,482	7,797	7,885	7,951	7,331	6,479	6,230	6,073
Public safety	29,669	28,398	28,977	30,942	27,773	26,778	25,074	24,330	23,506
Public works	8,336	7,223	5,643	6,639	7,976	5,762	6,369	5,769	7,515
Community development	8,700	5,450	5,932	6,472	7,379	5,440	5,460	5,622	5,228
Libraries	3,301	3,254	3,462	3,388	3,376	3,339	3,058	2,963	3,077
Local transit	2,956	4,528	2,567	2,442	4,526	3,148	3,012	2,555	2,532
Parks and recreation	8,918	8,384	8,626	9,663	10,493	11,038	10,304	8,675	7,543
Pass through agreements	695	2,203	4,644	1,736	2,220	778	1,574	821	597
Capital outlay	3,042	5,673	16,066	8,515	1,997	402	1,744	889	552
Debt service:									
Principal retirement	1,856	2,364	8,469	1,571	1,463	1,447	1,304	1,327	1,156
Interest and fiscal charges	1,844	3,383	3,769	4,644	4,159	1,997	1,628	1,386	1,195
Bond issuance costs	-	-	-	-	293	269	-	298	-
<b>Total expenditures</b>	<u>77,344</u>	<u>78,342</u>	<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>
<b>Excess of revenues over (under) expenditures</b>	<u>(8,648)</u>	<u>(5)</u>	<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>
<b>Other financing sources (uses):</b>									
Issuance of debt	625	1,275	1,254	1,206	16,568	35,513	1,303	8,883	1,148
Transfers in	12,267	11,162	22,370	14,875	7,681	3,530	2,380	2,950	2,903
Transfers out	(12,892)	(11,201)	(22,478)	(16,307)	(7,595)	(4,803)	(2,377)	(3,112)	(3,239)
Payment to escrow agent	-	-	-	-	(5,790)	-	-	-	-
Premium (discount) from bond issuance	-	-	-	-	-	(815)	-	179	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,236</u>	<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>
<b>Extraordinary item:</b>									
Dissolution of Former Redevelopment Agency	(15,182)	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<u>\$ (23,830)</u>	<u>1,231</u>	<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>
<b>Debt service as a percentage of non-capital expenditures</b>	5.23%	8.49%	15.80%	8.29%	8.81%	6.06%	4.56%	5.08%	4.32%

(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				Redevelopment Agency *				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
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%
2011	5,831,111	40,800	(289,426)	5,582,485	1,529,589	93,174	(106,971)	1,515,792	0.1949%
2012	6,000,274	42,055	(307,687)	5,734,642	1,539,305	98,324	(121,952)	1,515,677	0.1923%

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.

\* Redevelopment agency was dissolved on February 1, 2012.

Source: County of Los Angeles Auditor-Controller/Tax Division.

**CITY OF WHITTIER**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of assessed value)**

<b>Agency</b>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Basic Levy*</b>	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	0.00000	0.00000	0.00066	0.00080	0.00092	0.00099	0.00103
East Whittier City School District	0.03680	0.03638	0.03553	0.03320	0.02750	0.02612	0.02991	0.03265	0.03565	0.03761
El Monte Union High School District	0.09591	0.08475	0.09654	0.05160	0.02820	0.05847	0.05425	0.03928	0.03573	0.00000
Fullerton Union High School District	0.01300	0.01820	0.01529	0.01431	0.01346	0.01540	0.01503	0.01554	0.01750	0.02088
Hacienda-La Puente Unified School District	0.06430	0.06462	0.05973	0.05681	0.05103	0.05239	0.05511	0.05625	0.05559	0.05166
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00005	0.00005	0.00025	0.00046	0.00088
La Habra Heights Co. Water District	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02779	0.04061
Los Nietos School District 08 Series 2008A	0.03420	0.03213	0.02885	0.02680	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670
Mt. San Antonio College	0.02642	0.02636	0.02571	0.02333	0.01750	0.02530	0.02122	0.01473	0.01525	0.01946
N Orange Co. Community College District	0.01742	0.01758	0.01649	0.01493	0.01502	0.01444	0.01666	0.01441	0.01597	0.01573
Rio Hondo Community College District	0.03418	0.03439	0.02714	0.02320	0.01369	0.01469	0.01802	0.02170	0.00000	0.00000
South Whittier School District	0.08556	0.06895	0.06169	0.05783	0.05588	0.06270	0.06879	0.05315	0.05629	0.05376
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	0.03354	0.03494	0.03443	0.03365	0.03582	0.04031	0.03924	0.05177	0.04649	0.03011
Whittier Union High School District	0.04317	0.04239	0.04224	0.03728	0.04359	0.08918	0.04489	0.03085	0.03793	0.02631
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.65486</b>	<b>1.63105</b>	<b>1.61460</b>	<b>1.54390</b>	<b>1.47285</b>	<b>1.57107</b>	<b>1.53583</b>	<b>1.50396</b>	<b>1.51840</b>	<b>1.47140</b>
<b>City's Share of 1% Levy Per Prop 13^</b>	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171
<b>Redevelopment Rate**</b>	1.00370	1.00370	1.00430	1.00430	1.00450	1.00541	1.00604	1.00697	1.00755	1.00861
<b>Total Direct Rate*^</b>	0.19230	0.19485	0.20043	0.19172	0.18471	0.17279	0.15731	0.14983	0.14606	0.14466

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. RDA was dissolved on February 1, 2012.

^\*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, 2012**

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
COLE MT WHITTIER CALIFORNIA LP	16	\$ 125,416,541	1.73%
GMS FIVE LLC	11	57,162,240	0.79%
CLPF WHITTIER INDUSTRIAL LP	3	40,386,480	0.56%
WHITTIER MARKETPLACE LP	1	38,000,000	0.52%
MATRIX OIL CORPORATION	1	25,479,698	0.35%
WHITTIER FINANCIAL CENTER LP	4	23,380,000	0.32%
WHITTIER CALMED INVESTMENT LP	3	18,725,775	0.26%
TAM STOCKTON LLC	1	17,957,657	0.25%
MGP XXXIII LLC	6	16,986,305	0.23%
RICHARDSON PROPERTIES I	9	<u>16,008,764</u>	<u>0.22%</u>
Total taxable assessed value of ten largest taxpayers	55	379,503,460	5.23%
Total taxable assessed value of other taxpayers		<u>6,870,815,931</u>	<u>94.77%</u>
Total taxable assessed value of all taxpayers		<u><u>\$7,250,319,391</u></u>	<u><u>100.00%</u></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	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003	\$ 4,177,089	4,035,212	96.60%	103,035	4,138,247	99.07%
2004	4,451,507	4,223,332	94.87%	130,430	4,353,762	97.80%
2005	4,564,485	4,396,226	96.31%	99,761	4,495,987	98.50%
2006	4,885,395	4,404,837	90.16%	143,662	4,548,499	93.10%
2007	5,128,001	4,807,604	93.75%	90,138	4,897,742	95.51%
2008	5,632,727	5,194,502	92.22%	155,000	5,349,502	94.97%
2009	5,690,559	5,252,334	92.30%	245,153	5,497,487	96.61%
2010	5,530,475	5,242,687	94.80%	228,431	5,471,118	98.93%
2011	5,575,089	5,254,111	94.24%	118,642	5,372,753	96.37%
2012	5,654,107	5,507,578	97.41%	55,336	5,562,914	98.39%

Note: (1) The figures provided for property tax levies and collections are for the City of Whittier, Uptown Parking District, and Community Facilities Districts only. (Do not include tax increments levied and collected on the behalf of the Whittier Redevelopment Agency)

Source: Los Angeles County Auditor Controller's Office

**CITY OF WHITTIER**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

	<u>2011</u>	<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>
Apparel stores	\$ 37,877	46,243	43,482	41,185	45,000	45,188	44,534	42,520	42,035	45,376
General merchandise	92,990	81,361	81,833	97,052	106,691	99,090	66,397	56,746	57,055	58,123
Food stores	39,106	38,537	40,050	42,573	44,319	44,292	39,789	36,325	43,724	45,152
Eating and drinking places	124,056	114,815	114,913	119,050	119,646	111,803	104,262	97,499	90,055	87,096
Building materials	52,989	50,696	51,043	63,923	66,097	71,199	71,717	58,152	55,819	52,637
Auto dealers and supplies	51,668	52,081	71,611	115,123	186,529	210,077	210,881	230,425	228,920	205,228
Service stations	109,531	87,127	78,792	107,227	93,259	85,547	73,643	68,356	56,583	45,803
Other retail stores	111,528	109,975	105,457	115,070	123,385	123,699	113,353	105,878	110,062	109,503
All other outlets	176,072	157,346	166,488	184,900	233,479	220,932	206,954	196,838	183,081	199,191
<b>Total</b>	<b>\$ 795,817</b>	<b>738,181</b>	<b>753,669</b>	<b>886,103</b>	<b>1,018,405</b>	<b>1,011,827</b>	<b>931,530</b>	<b>892,739</b>	<b>867,334</b>	<b>848,109</b>

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	Tax Allocation Loans	Tax Allocation Bonds	Capital Lease Payable	Loans (1 )	Total Governmental Activities (2)
2003	\$3,191,643	7,505,000 (7)	6,300,000 (5)	118,477 (6)	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
2011	5,002,091	19,805,000	33,695,000 (14)	-	6,870,003	65,372,094
2012	-	-	-	-	-	-

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

- (1) Operating and sales tax loans to the Whittier Redevelopment Agency from the City.
- (2) Not includes noncommitment debt.
- (3) This ratio is calculated using personal income for the prior calendar year.
- (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.
- (14) The liabilities were transferred from governmental funds of the City to fiduciary funds on February 1, 2012.

<u>Water Revenue Bonds</u>	<u>Solid Waste Revenue Bonds</u>	<u>Total Business- Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (3)</u>	<u>Debt per Capita (4)</u>
10,595,000 <sup>(8)</sup>	4,035,000	14,630,000	41,382,767	2.25%	484
10,425,000	3,790,000	14,215,000	41,187,090	2.17%	478
10,255,000	3,530,000	13,785,000	48,799,288	2.44%	562
10,070,000	3,255,000	13,325,000	48,330,679	2.32%	558
9,875,000	2,965,000	12,840,000	81,342,920	3.69%	940
9,670,000	2,660,000	12,330,000	90,661,640	3.97%	1,050
9,460,000	2,340,000	11,800,000	87,166,063	3.78%	1,010
18,335,000 <sup>(13)</sup>	2,000,000	20,335,000	87,464,864	3.89%	1,011
17,925,000	1,640,000	19,565,000	84,937,094	3.78%	975
17,500,000	1,265,000	18,765,000	18,765,000	0.82%	219

**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
	Tax Allocation Loans	Tax Allocation Bonds	Total		
	2003	\$ 7,505	6,300		
2004	7,280	6,180	13,460	0.25%	156
2005	7,050	13,785	20,835	0.37%	240
2006	6,810	13,655	20,465	0.34%	236
2007	6,565	47,735	54,300	0.81%	628
2008	21,735	41,800	63,535	0.87%	736
2009	21,100	41,180	62,280	0.81%	722
2010	20,465	34,370	54,835	0.73%	634
2011	19,805	33,695	53,500	0.71%	614
2012	-	-	- (2)	0.00%	-

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.

(2) Due to the dissolution of former Redevelopment Agency, the liabilities were transferred from governmental funds of the City to fiduciary funds on February 1, 2012.

**CITY OF WHITTIER**  
**Direct and Overlapping Debt**  
**June 30, 2012**

City Assessed Valuation	\$ 5,582,485,352
Redevelopment Agency Incremental Valuation	<u>1,515,791,794</u>
Total 2010-2011 Assessed Valuation	<u><u>\$ 7,098,277,146</u></u>

	Percentage Applicable to City	Outstanding Debt 6/30/12	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	0.731%	\$ 94,031,705	687,807
E Whittier City DS 2007 Ref Bonds	64.286%	11,990,000	7,707,935
Los Nietos School Debt 2008 Series A	9.957%	9,093,130	905,444
S Whittier SD DS 1998 Series A	0.393%	2,356,661	9,263
S Whittier Elementary DS 2004 Series A	0.393%	7,244,788	28,477
S Whittier Elementary SD 1966 Series C	0.393%	345,000	1,356
S Whittier Elementary SD 2011 Refunding	0.393%	7,875,000	30,955
Whittier City SD DS 2000 Series D	53.167%	8,460,000	4,497,907
Whittier City SD DS 2000 Series E	53.167%	4,370,000	2,323,387
Whittier City SD DS 2006 Ref Bonds	53.167%	8,800,000	4,678,674
Whittier City SD DS 2010 Ref Bonds	53.167%	4,265,000	2,267,562
Fullerton Unified HSD DS 2002 Series A & 2010 Ref Bonds	25.407%	2,503,037	635,948
Fullerton Unified HSD DS 2002 Series B	25.407%	2,147,208	545,542
Whittier Union HSD DS 2005 Ref Bonds	36.485%	79,954,999	29,171,767
Whittier Union HSD DS 2009 Series A	36.601%	38,001,949	13,909,112
N Orange Co CCD DS 2002 Series A	24.777%	80,475	19,939
N Orange Co CCD DS 2003 Series B	24.776%	1,080,150	267,621
N Orange Co CCD DS 2005 Ref Bonds	24.776%	3,697,604	916,129
Rio Hondo CCD DS 2004 Series A	23.253%	5,340,000	1,241,718
Rio Hondo CCD DS 2005 Ref Bonds	23.253%	43,206,005	10,046,753
Rio Hondo CCD DS 2004 Series 2008	23.253%	63,651,844	14,801,052
Total overlapping debt		<u><u>\$ 398,494,555</u></u>	<u>94,694,348</u>
City direct debt			(2) 4,290,000
Total direct and overlapping debt			<u><u>(1) 98,984,348</u></u>

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

(2) The former Redevelopment Agency tax allocation bonds, tax allocation loans, and developer loans payable were transferred to Successor Agency on February 1, 2012 and excluded from the "direct debt".

*Notes:*

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: *HdL Coren & Cone*

**CITY OF WHITTIER  
Legal Debt Margin  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Conversion Percentage</b>	<b>Adjusted Assessed Valuation</b>	<b>Debt Limit Percentage</b>	<b>Debt Limit</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>
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
2010-11	7,098,277,146	25%	1,774,569,287	15%	266,185,393	-	266,185,393
2011-12	7,250,319,391	25%	1,812,579,848	15%	271,886,977	-	271,886,977

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	
2003	\$ 17,009 <sup>(3)</sup>	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
2011	12,190	6,755	5,435	410	919	1,329	4.09
2012	8,629	6,497	2,132	425	907	1,332	1.60

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	
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
2011	8,361	7,411	950	360	90	450	2.11
2012	8,388	7,152	1,236	375	72	447	2.77

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**

Calendar Year	City Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2002	85,478	\$ 1,839,757	\$ 21,523	4.8%
2003	86,237	1,898,451	22,014	4.9%
2004	86,782	1,999,237	23,037	4.6%
2005	86,639	2,081,425	24,024	3.8%
2006	86,518	2,205,356	25,490	3.3%
2007	86,363	2,285,550	26,464	3.6%
2008	86,317	2,303,772	26,690	5.3%
2009	86,472	2,246,927	25,984	8.3%
2010	87,128	2,244,330	25,759	9.1%
2011	85,654	2,290,045	26,736	8.8%

*Source: The HDL Companies*

**CITY OF WHITTIER**  
**Demographic and Economic Statistics**  
**2012 Ten Largest Employers**

Rank	Name	Number of Employees	% of City Employment	Type
1	Interhealth Corporation	2,600	6.60%	Healthcare
2	Whittier Union HS District	950	2.41%	Education
3	Whittier Medical Center	850	2.16%	Healthcare
4	Whittier City School District	725	1.84%	Education
5	City of Whittier	624	1.58%	Municipality
6	U.S. Post Office	360	0.91%	Postal Service
7	Bright Health Physicians	300	0.76%	Healthcare
8	Ralph's	273	0.69%	Grocery/Retail
9	East Whittier City Elementary District	270	0.69%	Education
10	Johnson Controls Inc	250	0.63%	Plumbing & HVAC

Information is not available for nine years prior.

Source: *InfoUSA.com*

**CITY OF WHITTIER**  
**Full-time and Part-time City Employees**  
**By Function**  
**Last Ten Fiscal Years**

Full-time and Part-time Employees by function										
As of June 30	General government	Public safety	Public works	Community development	Library	Transit	Parks and recreation	Water / sewer	Solid waste	Total
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
2011	45	184	54	25	67	5	157	27	31	595
2012	37	192	60	23	60	5	188	28	31	624

Source: *City of Whittier Controller's Office*

**CITY OF WHITTIER**  
**Operating Indicators**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<i>Public Safety</i>										
Sworn employees-full time	130	130	124	121	128	135	126	124	116	117
Civilian employees-full time	52	56	69	68	68	75	50	48	49	50
Physical arrests	3,378	3,660	3,391	3,558	3,321	2,923	3,405	3,022	3,277	2,809
Parking violations	18,220	13,474	13,305	10,480	11,263	13,635	11,504	15,494	18,265	18,364
Traffic violations	7,559	8,952	7,323	6,599	7,349	11,044	8,066	12,259	8,245	5,841
<i>Libraries</i>										
Total items	386,276	362,450	360,000	378,828	381,975	332,299	331,885	327,336	325,813	323,771
Volumes checked out	645,747	545,342	530,872	545,885	531,400	571,904	545,629	535,962	523,733	432,084
Library patrons	509,181	473,564	465,784	431,078	473,510	452,823	460,738	479,336	482,510	420,521
New library cards	8,400	6,500	7,129	7,335	6,864	7,291	7,785	7,054	6,624	5,121
<i>Public Transit System</i>										
Fixed route:										
Routes	2	2	2	2	2	N/A	N/A	N/A	N/A	N/A
Revenue service miles	170,899	157,223	159,070	149,683	148,373	N/A	N/A	N/A	N/A	N/A
Riders	293,573	255,135	212,087	182,306	166,078	N/A	N/A	N/A	N/A	N/A
Dial-A-Ride:										
Revenue service miles				172,072	167,881	176,830	179,739	185,589	191,067	199,273
Riders				46,904	53,870	54,648	63,931	69,818	75,521	79,466
<i>Parks &amp; Recreation</i>										
Senior center patrons	120,000	103,860	103,860	119,786	100,860	129,506	78,648	92,656	99,235	102,783
Aquatics program participants	62,500	61,654	61,654	58,172	55,720	61,300	62,120	61,800	62,220	62,325
Tennis program participants	55,000	47,300	47,300	26,560	26,000	31,400	32,300	32,500	32,300	32,410
Youth program participants	190,000	175,805	195,000	206,181	209,850	209,960	200,558	226,594	214,477	211,552
Community center patrons	245,000	217,000	230,000	223,825	235,810	236,105	253,000	264,000	271,000	246,000
Parnell community & senior center patrons					74,563	80,576	88,587	93,870	141,711	149,635
York field patrons					45,360	103,000	110,000	113,000	116,000	118,000
<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**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	32	32	32	32	32	29
Number of canine units	2	2	2	2	2	2	2	1	1	1
Number of motorcycle units	5	5	5	5	5	5	5	6	6	6
<i>Public Works:</i>										
Miles of streets	190	190	190	212	212	212	212	212	212	212
Traffic signals	97	97	97	98	99	99	99	99	99	103
Number of street lamps	3,240	3,248	3,248	3,248	3,262	3,262	3,262	3,262	3,262	3,435
<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	N/A	N/A	N/A	N/A	N/A
Number of dial-a-ride vehicles	5	6	5	7	7	9	11	12	13	17
<i>Parks &amp; 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	2	2	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

