

CITY OF WHITTIER, CALIFORNIA

Comprehensive Annual Financial Report



Year Ended June 30, 2014

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CITY OF WHITTIER, CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**



City of Whittier, California
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



City Council

Cathy Warner
Mayor

Fernando Dutra
Mayor Pro Tem

Council Members
Joe Vinatieri
Owen Newcomer
Bob L. Henderson

Jeffrey W. Collier
City Manager

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



City of Whittier

Introductory Section

CITY OF WHITTIER, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	iv
Organization Chart.....	xvi
Principal Officers	xvii
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xviii

II. FINANCIAL SECTION

A. Independent Auditors' Report.....	1
B. Management's Discussion and Analysis	4
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	20
Reconciliation of the Balance Sheet to the Statement of	
Net Position.....	22
Statement of Revenues, Expenditures, and Changes in	
Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual – General Fund.....	26
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual – Transit	
Special Revenue Fund.....	28
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual – HOME Grant	
Special Revenue Fund.....	29
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual – Housing Authority	
Special Revenue Fund.....	30
Proprietary Funds:	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	32
Statement of Cash Flows	33
Fiduciary Funds:	
Statement of Fiduciary Net Position	35
Statement of Changes in Fiduciary Net Position	36
Notes to the Basic Financial Statements	37

CITY OF WHITTIER, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

II. FINANCIAL SECTION, (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

C. Schedule of Funding Progress87

SUPPLEMENTARY INFORMATION

D. Non-major Governmental Funds88

Combining Balance Sheet.....90

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances.....94

Schedules of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual:

Street Lighting District 1-91 Special Revenue Fund98

Asset Seizure Forfeiture Special Revenue Fund.....99

SB 358 Library Grant Special Revenue Fund.....100

State COPS Grant Special Revenue Fund101

Air Quality Improvement Special Revenue Fund.....102

Business Improvement Area Special Revenue Fund103

Earthquake Relief Special Revenue Fund.....104

State Gas Tax Special Revenue Fund105

Traffic Safety Special Revenue Fund106

Traffic Congestion Special Revenue Fund107

HUD Grants Special Revenue Fund108

Whittier Uptown Parking District No. 1 Special Revenue Fund109

Whittier Uptown Parking District No. 2 Special Revenue Fund110

Prop 1B Special Revenue Fund111

Federal Stimulus Special Revenue Fund112

Subventions and Grants Special Revenue Fund113

Measure R Special Revenue Fund114

Public Financing Authority Debt Service Fund.....115

Capital Outlay Capital Projects Fund116

E. Internal Service Funds117

Combining Statement of Net Position118

Combining Statement of Revenues, Expenses and Changes in Net Position119

Combining Statement of Cash Flows120

F. Agency Funds121

Combining Statement of Assets and Liabilities.....122

Combining Statement of Changes in Assets and Liabilities.....123

CITY OF WHITTIER, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

III. STATISTICAL SECTION

FINANCIAL TRENDS

Net Position by Component – Last Ten Fiscal Years	126
Changes in Net Position – Last Ten Fiscal Years	127
Fund Balances of Governmental Funds – Last Ten Fiscal Years	129
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	130

REVENUE CAPACITY

Assessed Value and Estimated Actual of Taxable Property – Last Ten Fiscal Years.....	131
Direct and Overlapping Property Tax Rates	132
Ten Principal Property Taxpayers	133
Property Tax Levies and Collections.....	134

DEBT CAPACITY

Taxable Sales by Category – Last Ten Calendar Years.....	135
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	136
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	138
Direct and Overlapping Debt	139
Legal Debt Margin – Last Ten Fiscal Years.....	140
Pledged-Revenue Coverage – Water Revenue Bonds – Last Ten Fiscal Years.....	141
Pledged-Revenue Coverage – Solid Waste Revenue Bonds – Last Ten Fiscal Years.....	142

DEMOGRAPHIC and ECONOMIC INFORMATION

Demographic and Economic Statistics – Last Ten Fiscal Years	143
Demographic and Economic Statistics – 2012 Ten Largest Employers.....	144

OPERATING INFORMATION

Full-time and Part-time City Employees by Function – Last Ten Fiscal Years.....	145
Operating Indicators by Function – Last Ten Fiscal Years	146
Capital Asset Statistics by Function – Last Ten Fiscal Years	147





City of Whittier

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December 5, 2014

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, 2014. 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 Whittier Public Financing Authority, Whittier Housing 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 that document. The City’s MD&A can be found immediately following the independent auditors’ report.

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

Background

Whittier is located in Los Angeles County, about 12 miles southeast of the City of Los Angeles. A five member City Council under the Council – Manager form of government, governs the City. Whittier is a charter law city and was incorporated in 1898. The Charter form of City government was ratified in 1955. The City covers 14.8 square miles and has an estimated population of 86,538. Businesses and industries in the area include 403 professional services, 515 retail stores, 195 family type restaurants, 36 manufacturing plants, 10 hotels and motels, 5 automobile dealerships and over 245 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 complement 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.

Through its Dial-A-Ride and Taxi Voucher programs, the City provides transportation for senior citizens aged 60 years and older, and younger residents who are unable to drive due to a disability. The City of Whittier also operates the Dial-A-Ride service for the neighboring City of La Habra Heights. While Whittier does not have its own fixed-route general public bus system, Transit staff works with the regional systems of Metro, Montebello Bus Lines, Foothill, Los Angeles County and Norwalk Transit Systems to provide convenient and reliable bus services for our residents. The Transit Division also sells various regional and local bus pass products, some of which are subsidized to provide a discount for our residents.

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 continuing to develop new business assistance programs utilizing various resources, including grant opportunities.

Economic Condition and Outlook

The City of Whittier's economy is substantially based upon retail sales taxes and property taxes from commercial and residential properties. The weak national economy, a sluggish housing market, and increased consumer costs have continued to impact the City's ability to generate additional revenues. Fortunately, it appears the housing market is continuing to experience improvement.

Whittier is not immune from the economic downturn, and has experienced significant reductions in sales tax revenue during the early years of the recession and is still challenged to achieve those pre-recession revenue levels. The focus of the City's 2013-14 budget continued to be identifying organizational opportunities necessary to address the City's structural financial shortfall and

explore revenue opportunities. Due to the elimination of redevelopment, declining HUD revenues, and a deficit projection of (\$1,244,000), staff presented a budget balancing strategy that included additional lease revenues, use of reserves and available fund balance. The City was able to adopt a balanced budget for 2013-14 with the implementation of franchise fee increases, the use of PERS reserve funds and available fund balance.

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 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 2014, the City's unemployment rate was 5.8% compared with 8.2% for Los Angeles County and 7.3% statewide. The City's unemployment rate also compares favorably with neighboring cities of comparable size.

Taxable retail transactions in Whittier for the 2nd quarter 2014 increased from the 2nd quarter 2013 by 1.3%. Sales receipts for Los Angeles County increased by 13.6% over the comparable time period while the State increased 3.9%.

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 services. 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 2013-14, City revenue sources included multi-year lease installment from the Whittier Utility Authority of \$1,200,000. As part of the budget balancing strategies, City departments were asked to analyze deficit reduction opportunities related to their General Fund operating budgets.

The salaries of two police officers are currently being supported by Traffic Offender Impound fees and COPS grant funds, but may need to be funded through new sources in future years, as these funds continue to operate with a declining fund balance.

In 2014-15, CalPERS rates increased to 22.792% from 20.993% and 49.241% from 47.303% for Miscellaneous and Safety respectively.

Major Initiatives

For the Year. In carrying out the 2013-14 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 to the Puente Hills Landfill Native Habitat Preservation Authority through the Inter-Agency Agreement for the sixteenth year. The Authority continued reimbursing the City 100% of the direct costs paid on behalf of the Authority.

The City Manager continues to follow the direction of the City Council to oversee and implement City policies and programs set forth in the annual budget and those resulting from City Council actions. Priority efforts for this fiscal year include working with the State and Brookfield Homes regarding reuse of the Nelles School property; coordinating with Washington Boulevard Coalition cities to support the City's preferred route for the Metro Gold Line light rail eastside extension; establishing City Council voting districts; planning for expenditure of \$25.9M in remaining redevelopment bond funds; overseeing initial planning for the Whittier Greenway Trail eastern extension; identifying public locations for installations to improve telecommunications; soliciting State and Federal funding for local and regional projects; and representing the City's position regarding State and Federal legislation.

While the Police Department continued to provide school resource officers at three high schools in the area, it was unsuccessful in obtaining the California Gang Reduction, Intervention, and Prevention (Cal GRIP) grant for 2013-14. The receipt of that grant would have helped to support a resource officer to the East Whittier City School District. The Department purchased and installed half of its mobile data computers (MDCs) during the first year of a three year replacement program. The MDCs are used to communicate "calls for service" information between the dispatchers and field officers. MDCs also allow officers to query local, state, and federal databases regarding license plates, driver's history, and outstanding wants and warrants.

The Building & Safety Division of the Community Development Department maintained a proactive and 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.

The Planning Division of the Community Development Department is responsible for implementing the City's General Plan, Whittier Boulevard Specific Plan, Uptown Whittier Specific Plans and the Whittier Zoning Code. During FY 2013-2014, the Planning Division

assisted 10,206 individuals at the Planning Counter and received a total of 3,216 permit requests. Among some of the most significant development requests received and processed were the demolition and redevelopment of the former Mitsubishi auto dealership into a new 76-unit apartment complex; the redevelopment of the former Toyota used car lot into a new 50-unit apartment complex; and construction of a new drive-thru Starbucks with outdoor seating at the corner of Beverly Boulevard and Norwalk Boulevard. The Division also processed numerous Conditional Use Permits and Development Review Applications for business expansions, commercial façade remodels and tenant improvements (i.e., Buffalo Wild Wings, Dunkin Donuts etc.). With respect to historic resource management in the City, the Planning Division continued to facilitate and oversee the city-wide non-residential historic resources survey which is anticipated to be completed at the end of 2014. The City-wide residential historic resource survey was completed in 2013 with 62 residential properties appearing eligible for local landmark designation through survey evaluation. During FY 2013-2014, the Planning Division processed almost 30 Certificate of Appropriateness Waivers and 16 Certificate of Appropriateness Applications in addition to managing and reviewing several historic resource evaluations and inspecting a variety of historic and vintage properties.

The Redevelopment and Housing Division of the Community Development Department continues to handle the Dissolution of the Whittier Redevelopment Agency and the transformation into the Whittier Redevelopment Successor Agency (WRSA). WRSA's efforts focused on managing the dissolution of redevelopment, the creation and submittal of Recognized Obligation Payment Schedules (ROPS) to continue payment on all enforceable obligations in place at the time of dissolution, and managing the Oversight Board and all submittal to the State Department of Finance, including various procedural items, financing audit reviews, and the Long Range Property Management Plan. In addition, the housing assets of the former Redevelopment Agency were transferred to the Whittier Housing Authority, which now manages the deployment of those assets for low- and moderate-income housing purposes.

One provision of the dissolution laws provided WRSA with the authority to spend pre-2011 bond proceeds on the projects for which the bonds were originally issued. These redevelopment funds provide Whittier a very significant source of one-time revenue to accomplish strategic infrastructure improvements. The Redevelopment and Housing Division, is working to develop a plan to deploy the bond funds for 17 projects that would expend approximately \$16.62 million of non-housing bond funds, and 4 projects that would expend approximately \$9.34 million of low- and moderate-income housing bond funds. The projects consist of major infrastructure investment to facilitate implementation of the Uptown Whittier Specific Plan and Whittier Boulevard Specific Plan. Planned projects include, a large parking structure and parking meters, improvements to curb, gutter, sidewalk, streets and street trees, as well as, sewer and water infrastructure improvements that will eliminate bottlenecks and facilitate growth. Improvements to streets and intersections necessary to accommodate the large-scale housing and commercial development likely to occur on the Fred C. Nelles site are also being planned. Lastly, the housing bonds will be invested to develop or maintain affordable housing projects in numerous locations in the City.

In light of Whittier Redevelopment Agency's dissolution, the City continues to evaluate potential funding replacements for the economic development incentives lost by the elimination of

redevelopment. Whittier continues to recognize the importance of looking for new and innovative ways to assist the local business community. Staff assisted with the planning of the Los Angeles County Small Business Contracting Connections seminar which was spearheaded by the Los Angeles County Office of Small Business. Staff continued the “Shop Whittier” campaign during the 2013 holiday season to encourage local shopping. The City continued its business seminars series to provide business owners current information on running a successful business. Business outreach also continued to be an important component to the City’s Economic Development program and staff will continue to meet the goal of visiting with existing businesses and attracting new ones to Whittier.

The Redevelopment and Housing Division continues to implement a variety of programs funded by Federal CDBG and HOME grants. These include assisting low-income families with rehabilitation of homes through the four grant/loan programs, graffiti abatement, code enforcement, social services, affordable housing projects and a variety of infrastructure improvements.

The Parks Division has completed several projects along the Greenway Trail. Those projects include completion of the Laurel Station, installation of Fit Fact signage to enhance the exercise stations, way finding signage from the San Gabriel River Bike Trail to the Whittier Greenway Trail, completion of the Bioswale at Walnut Station and preliminary design of the Dog Park and parking lot. Installation of trellis and landscaping on the Trail has been completed to Mar Vista and kinetic art pieces have been installed at four locations on the Trail. Additional Park Division projects include completion of the irrigation upgrades to the SMART system at Joe Miller and on the Whittier Boulevard greenbelts, the new playground installation at Michigan Park with rubberized surfacing and dinosaur element, relocation of the Barefoot Boy water feature to the Central Library, new roofing at Anaconda Park, Palm Park and Lee Owens Park and resurfacing of the basketball courts throughout the park system. And last, the addition of two alpacas to the Parnell Zoo.

The Engineering Division continued with the annual street surface seal program, using a combination of Traffic Congestion Relief, Gas Tax, Measure R, and Prop 1B funds for both Areas 4 and 5 (west quadrant) of the City. This project generally involved chip and slurry sealing, and overlays of asphalt roadways over a 5.0 square mile residential area with localized concrete street repairs and the reconstruction of two major intersections, and grooving of a concrete street to increase traction during inclement weather. Pedestrian and vehicle safety improvements included a traffic signal modification, bike lane improvements, striping and American with Disabilities Act (ADA) ramp improvements to major arterials and collector streets. These projects, specifically, include protected left turns in all directions at Mulberry Drive and Greenleaf Avenue, the indentation of the bike lane on Colima Road to create a pavement buffer between motorists and bikes that use the bike lane, and a two-way turn lane, ADA ramps, and bike lane striping on Broadway. Funding for these projects included federal STPL (Map 21) and HSIP funds, gas tax and Traffic Congestion Relief funds. Americans with Disability Act (ADA) improvements included our annual ramp and sidewalk project using TDA and gas tax funds, Community Center walkway reconstruction using Measure R funds, City Hall elevator renovation using CDBG funds, and a renovation to our City Yard Men’s locker room which included new bathroom facilities and lockers in compliance with ADA. This project was

funded from our water fund. With service cuts in the past, the city has continued with a contract pavement striping contractor to provide striping services in the City of Whittier. Traffic Congestion Relief and gas tax funds were used to pay for the contract striper.

The Water Division initiated a water meter replacement program last fiscal year and continued to implement the 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. Pumping Plant 2 Replacement Project is under construction with scheduled completion in fall 2015. The project will include a new SCADA system, new pumping plant, additional water storage, and appurtenant improvements adjacent to Greenleaf reservoir. The Hadley Street water main replacement was completed using water funds. Well No. 8 rehabilitation was completed to 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. However, the main pipeline from Well No. 8 to Pumping Plant No. 2 began to leak and required repair/replacement. Replacement of this water main was added to the PP2 Replacement Project by contract change order. The leaking main limited the production of Central Basin Water and the ability to generate optimum excess Main Basin water, thus limiting the net financial gain.

The Solid Waste Disposal Division proceeded with filling the Phase IIC liner that was constructed 2013. The condensate and leachate underground tank was found to be leaking so an interim above ground tank was installed pending design and construction of a new permanent above ground tank with secondary containment. Various internal access road pavement repairs and surface water runoff control were implemented.

The Sewer Division continued implementation of the Sanitary Sewer Management Plan (SSMP) including increased sewer pipeline cleaning, spot repairs based on in pipeline television surveys, and chemical root treatment through use of a contractor. A new sewer main connection was constructed on Hadley Street in conjunction with the water main replacement work and prior to pavement reconstruction scheduled for FY14-15.

The Department participated in regional efforts of the Gateway Regional Water Quality Authority and the Lower San Gabriel River Watershed Group to comply with new water resources management planning and surface water quality requirements and to apply for grant funding for regional projects. At the local level, the Department prepared the Whittier Green Streets Policy and the Whittier Low Impact Development Ordinance in compliance with the new MS4 Permit issued by the Regional Water Quality Control Board.

The Community Services Division successfully presented a full range of leisure, cultural arts and social services programs for the Whittier community. The use of online registration of all our classes including; Aquatics, Senior Trips and Youth Services programs, continues to be successful and has increased on-line registrations. The Cultural Arts Commission and the Cultural Arts Foundation have continued to work closely together to make the arts more accessible to the community. Other annual special event programs included: the Summer 2014 Concerts in the Park series, Easter Eggxtravaganza, Arbor Day, Senior Information and Referral Fair, Accessibility Awareness Faire, and the Senior Art Fair. New to community programs, was

the Moonlight Movies in the Park Series. Movies were conducted at Parnell Park over a five month period, with over 500 in attendance at each showing. This year, the Division took the lead with the All America City Program. Twenty-seven delegates from the community and the department represented the City in Denver vying for the status of All America City. The Uptown and Parnell Park Senior Centers had a very busy and successful FY 2013-14. At the Uptown Senior Center, Congresswoman Linda Sanchez sponsored an Affordable Care Act presentation; in addition, an Information and Referral Fair was held with more than 55 vendors participating, giving valuable information to seniors on health, housing, veterans' benefits and more. The Therapeutic Recreation Program continued its various programs for those with disabilities, including its successful participation in the Special Olympics program. The New Frontier Players Drama Troupe presented Whittier's "GOT TALENT" as their 2014 production. The Accessibility Committee hosted the extremely successful 12th anniversary Abilities Awareness Faire, "Living Life without Limits," at the Community Center, which featured vendors, agencies, programs and information for residents with disabilities. The WYN Club programs continued serving youth and families at after school and summer programs. Their "Volunteer" program operated in the summer, with a record number of 75 participants assisting with community events, senior programming, WYN Club and Summer Day Camp programs. The Annual Gene Jung Mid-Winter Junior Tennis Tournament had 857 participants. The Whittier Center Theatre programs continued to offer a larger variety of activities for youth and young adults with musical and drama productions, with more than 100 young people participating in each production. The Sports and Facilities Division continued its thriving Adult Softball League, with 205 teams participating over three seasons. The Transit division started a new service, Dial-A-Ride Plus. The service transports people outside of Whittier City limits for medical and dental appointments.

A new addition to the central library is the Veterans Resource Center funded through a partnership with the California State Library and the California Department of Veterans Affairs. Community volunteers staffing the Center provide referral information to veterans about benefits, education, health, housing, and job search. The Library's veteran-related collection was substantially increased through this grant. Central and Whittwood Branch libraries circulated over 442,114 items and served 586,532 patrons. A total of 3,688 children participated in the Summer Reading Program. This program encourages children to pursue literacy year round. A total of 32,659 children participated in a variety of programs and 2,376 adults participated in the over 80 programs offered by the Library. The Homework Center received a grant for its operation and continues to provide much needed resources through databases and services for students, such as live online tutoring. The library's continues to build the collection of e-books and e-magazines. The Library continually seeks to enhance operations and resources through grants and partnerships with community organizations.

The City Clerk-Treasurer Department administered programs safeguarding funds; providing technology services for the public and staff for the efficient flow, storage, and retrieval of official, safety service, and other records; and securing and producing corporate records of the City, Redevelopment Successor Agency, Housing Authority, Public Financing Authority, and Utility Authority. Legislative documents, agendas, legal notices, and reports were compiled, disseminated and secured for 35 City Council meetings. The Department administered the City Council's Advisory Board appointment process resulting in the appointment of four new City

Board and Commission members, the reappointment of 12 City Board and Commission members, and organized the annual recognition event for current and outgoing advisory board members. The Treasury Division invested funds not needed for current operations to generate \$381,800 in revenue. The Business License Division processed over 7,500 licenses. The Department's Information Technology/Records Management Division's major projects included implementing AccessWhittier, the City's mobile "app" for reporting customer services issues and updating the City's network firewall security system. Working with Community Development, Records Management began scanning building permits into the City's electronic document management system (EDMS). Over 5,000 building permits have been entered into the EDMS. Records Management continued to assist citizens and staff with inquiries. The unit handled over 998 requests for information. GIS staff has continued to work with the Police Department to maintain their maps of both Whittier and Santa Fe Springs for the CAD/RMS system. Two elections were conducted: April 2014 to elect two Council Members; and June 2014 to amend the City Charter to establish four Council districts and a directly elected mayor position.

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 and emergency management responsibilities of the City, including Emergency Operations Center (EOC), disaster preparedness, workers' compensation and general liability programs.

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

The Police Department will comply with the Federal Bureau of Investigations information security standards by purchasing and deploying an "advanced authentication" system attached to the Mobile Data Computers. The system will require officers to utilize two methods to authenticate their login to the computer, thus providing an additional measure of security for the data and information that is accessible in the MDCs.

Enhanced bullet-proof vests, designed to protect against high velocity rifle fire will be deployed in each patrol car. These vests will provide an additional level of protection for police officers who may be required to respond to shooting incidents.

The Police Department will automate its scheduling and timekeeping activities through the implementation of software system designed specifically for public safety agencies and their particularly challenging mixture of 24:7 schedules.

On the Greenway Trail, the Park Division will continue installation of the trellis fencing and irrigation to Mills Avenue, the Walnut Grove will be planted at the Walnut Station, completion of installation of the bird houses at Palm Station, as well as the Pickering Slope Improvements Project and installation of landscaping and cable fencing will commence along the Greenway Trail East Extension. Also, the first Whittier Dog Park will be established along the Trail at Philadelphia. Additional Park Division projects pending include SMART irrigation upgrades at

on Whittier Boulevard and reestablishment of the Founders Memorial Monuments that had been vandalized beyond repair.

The construction of twenty bus shelters (Phase 2) is underway using Federal funds. Continuation of the alley improvement/rehabilitation, other pavement rehabilitation projects such as the Janine Drive overlay will be implemented using federal STPL (Map 21), Gas Tax and Measure R funds. Additional road rehabilitation, bike lanes, bike rack installations 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 gateway entrance to the City. The Engineering Division will collaborate with the Water Division on the Palm Avenue/Scenic Drive water and sewer main replacement and street reconstruction as well as many other sewer/water main replacements as part of our multi-year rate increase to fund the improvements.

The Water Division will continue with the Pumping Plant No. 2 (PP2) Replacement project construction during all of FY14-15. The SCADA system included in the PP2 project was for connecting the well field controls to the new PP2 controls. It was determined that effective startup operations of the new PP2 required additional expansion of the SCADA system to include the reservoirs on the distribution side of the system. The design of the expanded SCADA system is underway and the PP2 contractor will be invited to submit a price proposal for the work under change order. Work is continuing on a study of the possible expansion of Starlight Reservoir for more cost effective water storage needs identified in the Water System Master Plan. Much needed pipeline replacement projects are being identified and design will begin in FY14-15. Construction of these projects may have to wait for completion of PP2 Replacement construction and for approval of anticipated rate increases or other funding sources. Also, coordination with sewer main replacements, other public utility projects, and pavement reconstruction may further impact scheduling of water main construction. The Water Division is working on a fee structure for development to pay for the additional capacity as existing pipelines are replaced.

A significant challenge for the future involves compliance with the new MS4 permit issued by the Regional Water Quality Control Board (RWQCB). Whittier participated in development of a Watershed Management Program (WMP) for the Lower San Gabriel River and Coyote Creek. This WMP is currently under review by the RWQCB. It commits Whittier to a number of expensive activities and projects in order to meet surface water quality goals. Another significant challenge is that no funding source has yet been identified to pay for the necessary compliance measures required by the MS4 Permit.

The Public Works Department anticipates a major update of the Pavement Management System (PMS) in FY14-15. The PMS pavement inventory will be increased to include the Whittier Greenway Trail asphalt pavement and city-owned parking lots. The updated and revised PMS will provide guidance for future pavement maintenance programming.

The Community Services Division will continue its commitment to provide high-quality, low-cost, local classes, events and activities for our residents. The Cultural Arts Commission will

continue to work to refine their goals and objectives and strengthen their relationship with the Whittier Cultural Arts Foundation. With City Council direction, plans are also underway to construct a dog park. The Social Services Commission will continue to work closely 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 dances and the Orchard Dale fee-based after school program. New this year, will be the implementation of another SKILLS sponsored after school program at Scott Elementary.

Both Central and Whittwood libraries continue to provide resources, services, and programs to enrich the lives of the community. As part of a grant through Cal Humanities, the library will complement their outreach to veterans with book discussions, films, and talks for veterans and the rest of the community. The library will also continue to expand the Veterans Resource Center through another grant in 2015.

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, 2013. This was the twenty fifth 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.

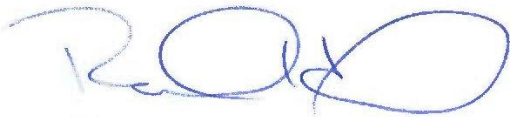
A Certificate of Achievement is valid for a period of one year only. Staff believes that the City's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

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 and a special thanks to Monica Lo, Assistant City Controller, for her diligence and commitment to the preparation of this document. I wish to express my appreciation to 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,

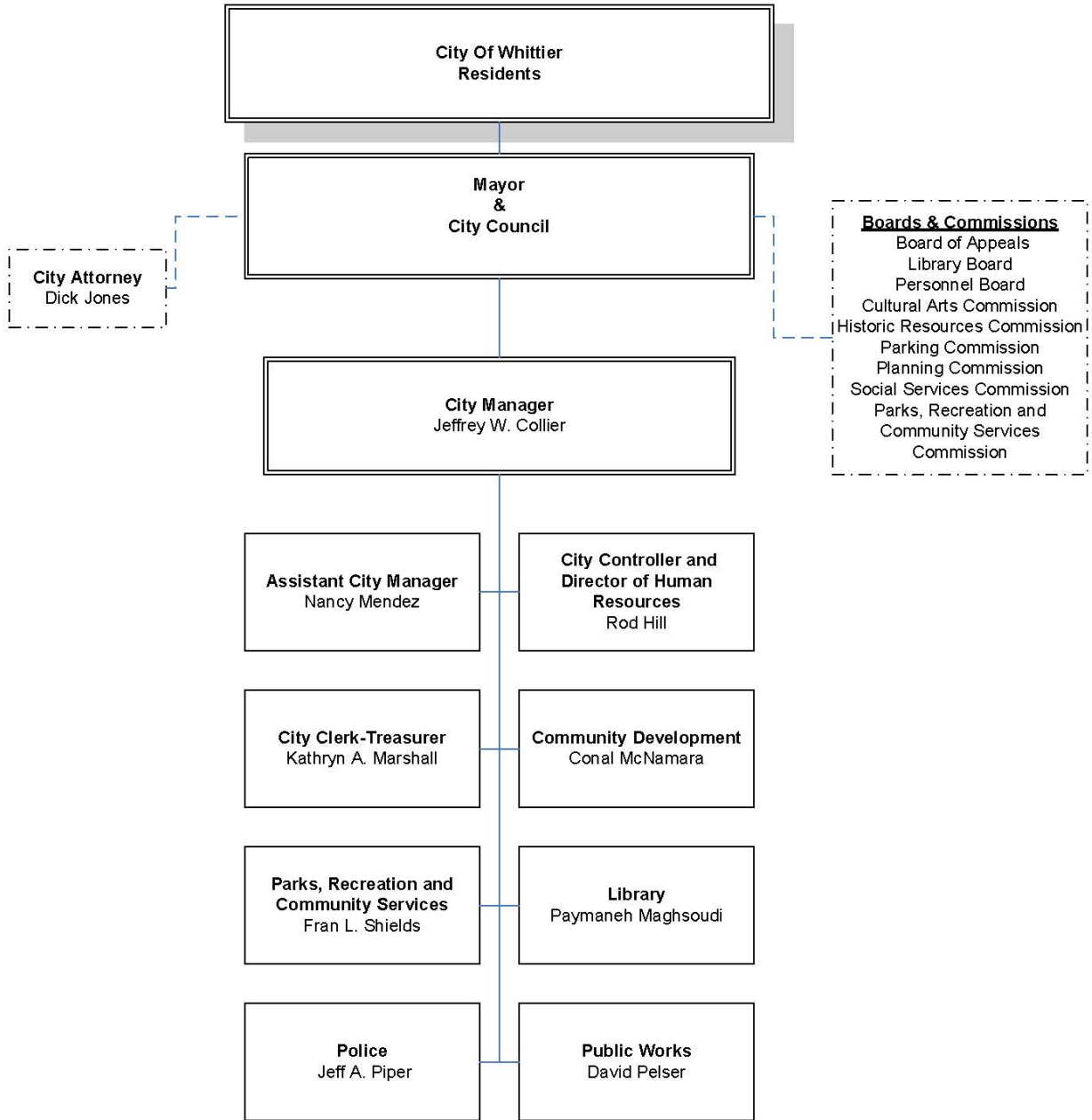


Rod C. Hill
City Controller



City of Whittier

Organization Chart



CITY OF WHITTIER

***Principal Officers
June 30, 2014***

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

Conal McNamara
Community Development Director

Fran Shields
Parks, Recreation and Community Services Director

Paymaneh Maghsoudi
Library Director

David Pelser
Public Works Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO



City of Whittier

Financial Section



INDEPENDENT AUDITORS' REPORT

To the Members of the City Council
City of Whittier, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whittier, California, (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 4 through 16 and 87, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Other Information

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014, 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* in considering City's internal control over financial reporting and compliance.



Rancho Cucamonga, California
November 26, 2014



**CITY OF WHITTIER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

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, 2014. 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 2013-14 fiscal year by \$277.8 million (net position). Of this amount, \$141.0 million is net investment in capital assets; \$19.9 million is restricted for public works; \$33.8 million is restricted for community development; \$4.9 million is restricted for various projects, and \$78.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11.1 million or 4.15% from the prior fiscal year. Total revenues from all sources were \$103.1 million; and total expenses were \$92.0 million. Of the total revenues, program revenues were \$65.2 million. Program revenues are broken into three categories: Charges for services at \$57.3 million, operating contributions and grants at \$6.9 million, and capital contributions and grants at \$1.0 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$88.8 million, an increase of \$10.9 million in comparison with the prior year. The increase is primarily due to the reversal of the allowance for the advance to former Redevelopment Agency of \$8.0 million. Please refer to note 7 for additional information. The remainder of the differences is related to capital and debt expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22.7 million, or 40.0% of the total General Fund expenditures.
- During the fiscal year, the City's General Fund actual inflows (revenues and other financing sources) were greater than final budget by \$10.3 million and actual outflows (expenditures and other financing uses) were \$2.7 million less than budget. This results in the total positive budget and actual variance of \$13.0 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 Position 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 position 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 Position 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, liabilities and deferred inflows/outflows 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 position* and changes in them. You can think of the City's net position—the difference between assets, liabilities and deferred inflow/outflows—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position 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 position* 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.
- Business-type activities—The Whittier Utility Authority includes the Water, Sewer and Solid Waste funds of the City. These funds account for the operations and maintenance for water, wastewater distributions and solid waste collection and disposal.
- Component units—The City's governmental activities and business-type activities include the blending of two separate legal entities—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 position 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 others. The City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. 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 position 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 position.

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 position (Table 1) and changes in net position (Table 2) of the City’s governmental activities. The City reports its sewer, water and solid waste activities as business type activities and also reports these activities in the government-wide statements.

As noted earlier, net position 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 \$277.8 million at the close of the most recent fiscal year. The largest portion of the City’s net position (50.7%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s net 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 Position
(in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 127,107	116,404	53,356	51,842
Capital assets	112,448	116,197	41,981	39,498
Total assets	<u>239,555</u>	<u>232,601</u>	<u>95,337</u>	<u>90,705</u>
Deferred outflows of resources	-	-	573	635
Noncurrent liabilities	17,818	16,977	31,320	31,769
Other liabilities	3,739	5,418	4,743	5,421
Total liabilities	<u>21,557</u>	<u>22,395</u>	<u>36,063</u>	<u>37,190</u>
Net position:				
Net investment in capital assets	107,928	111,342	33,063	31,175
Restricted	58,668	57,271	6	3
Unrestricted	51,402	41,593	26,779	22,972
Total net position	<u>\$ 217,998</u>	<u>210,206</u>	<u>59,848</u>	<u>54,150</u>

A portion of the City’s net position (21.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$78.2 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, 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 \$3.7 million in the governmental activities as a result of capital assets addition of \$3.3 million and depreciation of \$7.0 million during fiscal year 2013-14. The main capital projects during the fiscal year were the replacement of mobile equipment of \$1.6 million, bus shelters improvement of \$220,031, and park improvement of \$230,885. There was also reclassification of land ownership in the amount of \$764,950 from the Redevelopment Successor Agency to the City. Capital assets increased \$2.5 million in the business-type activities as a result of capital assets addition of \$3.7 million and depreciation of \$1.2 million.

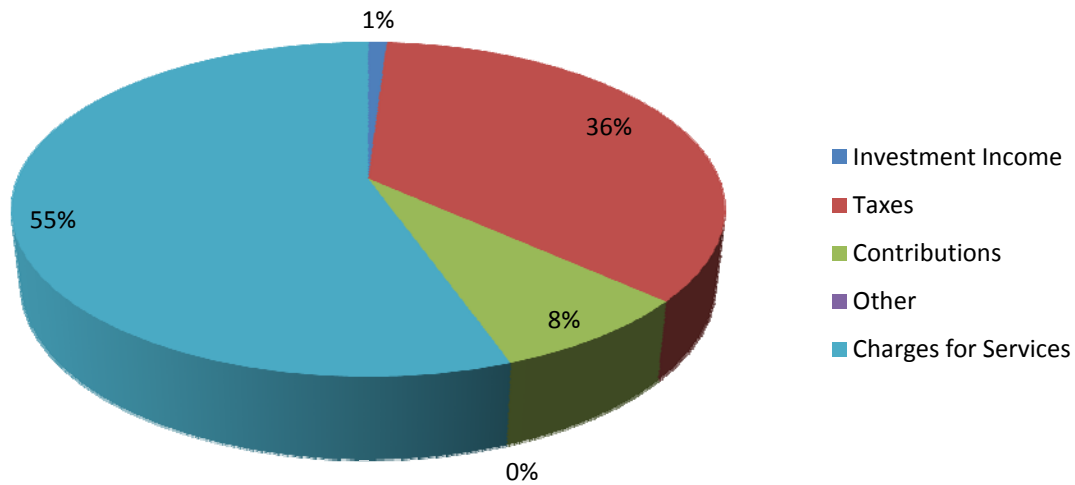
At the end of the current fiscal year, the City's governmental activities had total bonded debt and long-term liabilities of \$17.8 million, which is an increase of \$840,607 from the previous fiscal year. The increase was the result from a combination of net increase in compensated absences, claims payable, net OPEB liability, and principal reductions to bonded debt. There was a net decrease in long term debt for the current fiscal year of \$449,213 in the business-type activities due to \$425,489 increase in accumulated landfill closure and post-closure liability, net increase of \$103,320 in compensated absences and OPEB liability, and \$978,022 in revenue bonds repayments and amortization.

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

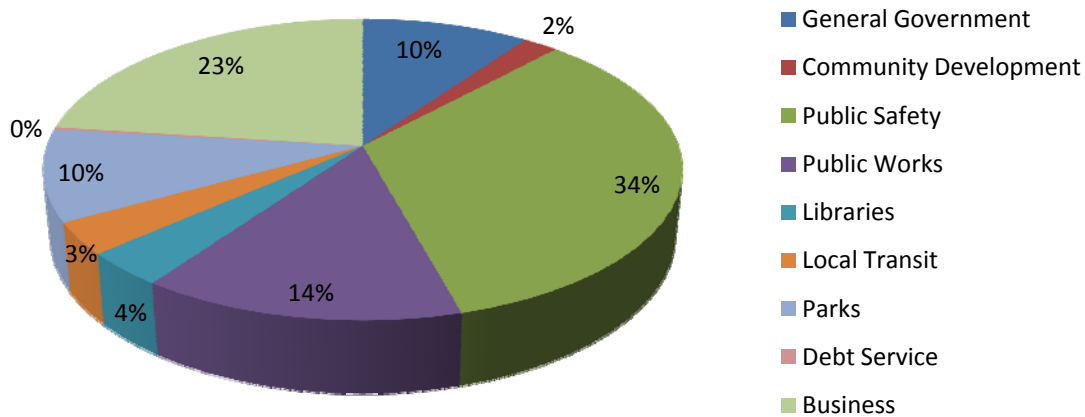
Table 2
Changes in Net Position
(in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:				
Program revenues:				
Charges for services	\$ 30,317	20,884	26,984	22,471
Operating contributions and grants	6,694	8,127	241	925
Capital contributions and grants	997	902	-	-
General revenues:				
Taxes:				
Property taxes	5,711	6,523	-	-
Transient occupancy taxes	704	564	-	-
Sales taxes	8,504	8,583	-	-
Franchise taxes	3,231	2,918	-	-
Business licenses and tax	2,081	1,712	-	-
Utility users tax	6,903	7,003	-	-
Transit tax	2,673	2,466	-	-
Motor vehicle in lieu, unrestricted	7,416	7,153	-	-
Investment income	458	424	154	103
Other	3	1	16	14
Total revenues	<u>75,692</u>	<u>67,260</u>	<u>27,395</u>	<u>23,513</u>
Program expenses:				
General government	9,090	8,098	-	-
Public safety	31,082	29,952	-	-
Libraries	3,390	3,261	-	-
Parks and recreation	9,022	8,489	-	-
Public works	13,024	12,879	-	-
Transit	3,168	3,503	-	-
Community development	1,895	10,481	-	-
Sewer	-	-	1,408	1,471
Water	-	-	9,999	10,973
Solid waste	-	-	9,697	9,122
Interest on long-term debt	253	320	-	-
Total expenses	<u>70,924</u>	<u>76,983</u>	<u>21,104</u>	<u>21,566</u>
Transfers	593	4	(593)	(4)
Increase (decrease) in net position	5,360	(9,719)	5,698	1,943
Net position, beginning of year-as restated	212,638	219,925	54,150	52,207
Net position, end of year	<u>\$ 217,998</u>	<u>210,206</u>	<u>59,848</u>	<u>54,150</u>

FY 2013-14 Total Revenues By Sources



FY 2013-14 Total Expenses



The City's total revenues for the fiscal year ended June 30, 2014 were \$103.1 million. Of the City's total revenues, \$49.3 million (48%) were derived from fees charged for services, \$37.2 million (36%) were received in taxes and \$8.0 million (8%) from the reinstatement of advances that were previously recorded as an allowance.

The City's total expenses were \$92.0 million, comprising \$31 million (34%) for public safety mainly resulting from employee services costs, \$21.1 million (23%) for business-type activities, and \$13.0 million (14%) for public works mainly from street improvement projects.

Governmental Activities

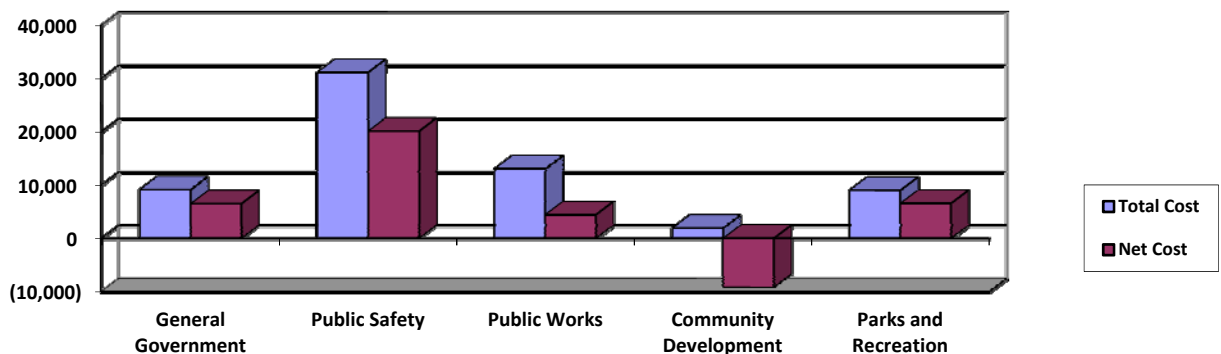
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General government	\$ 9,089	8,098	6,454	5,992
Public safety	31,082	29,952	20,115	19,438
Parks and recreation	9,022	8,489	6,511	5,989
Public works	13,024	12,879	4,386	2,472
Community development	1,895	10,481	(9,202)	8,029
Total	\$ 64,112	69,899	28,264	41,920

- 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.
- Significant change in community development cost of services was due to the reversal of the allowance of \$8.0 million as a result of the Finding of Completion and the State Department of Finance’s recognition as enforceable obligations. Please refer to note 7 for additional information. In addition, the State Department of Finance approved item number 106 of Redevelopment Successor Agency’s Recognized Obligation Payment Schedule (ROPS) – administrative cost shortfall loan from the City per letter dated May 16, 2014. As a result, \$462,708 was recorded as revenue in Governmental Activities.

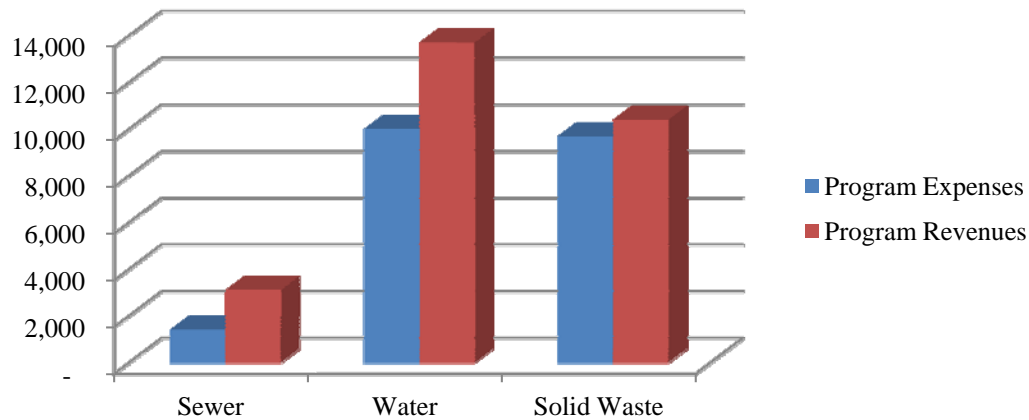
Net Cost of Services
(in Thousands)



Business-type Activities

Business-type activities had the net increase of \$5.7 million in City's net position, resulting from the revenues of \$27.4 million and expenses of \$21.7 million during 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 \$88.8 million, an increase of \$10.9 million in comparison with the prior year. \$35.1 million of this total amount constitutes *unrestricted fund balances*. \$3.3 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 \$2.8 million. \$9.2 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. \$22.6 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>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Fund Balance:			
General Fund	\$ 38,831	28,191	10,640
Transit Fund	3,246	3,226	20
HOME Fund	1,685	1,794	(109)
Housing Authority Fund, as restated	20,795	20,600	195
Total Fund Balance	\$ 64,557	53,811	10,746

The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund had increased \$10,639,774 during the current fiscal year. Key factors for this change are as follows:

- A net increase of \$494,000 in property tax revenues was due to improvements in property values.
- An increase of \$1,062,345 in franchise revenue from Suburban and a net increase of \$239,061 in other taxes revenues was mainly attributed to increased consumer confidence and spending.
- City received \$463,810 in revenues from admin shortfall related to Whittier Redevelopment Successor Agency.
- State Department of Finance issued its final letter of determination to approve the reinstatement of the advances, which resulted in an increase in revenues of \$8,020,187.
- A net decrease of \$360,371 in other General Fund expenditures was mainly due to savings in miscellaneous supplies and employee service costs compared to the prior year.

The transit special revenue fund had a total fund balance of \$3.2 million, an increase of \$20,311 primarily due to decrease in capital expenditures of \$29,819.

The HOME fund had a total fund balance of \$1.7 million, which represented a slight decrease of \$109,199 during the current fiscal year due to loan payments spent during the year.

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. As of the end of the fiscal year, the Whittier Housing Authority fund had a total fund balance of \$20.8 million, an increase of \$194,945 compared to the prior fiscal year. Of the total increase, \$289,173 was related to loan repayments received.

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 \$26.8 million with an increase of \$5.7 million in total net position, mainly resulting from increasing in charges for services.

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, 2014, unrestricted net position of the internal service funds was \$15.7 million, with a total decrease in net position of \$59,345 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

Comparing the current fiscal year original (adopted) budget General Fund expenditures amount of \$57,997,216 to the final budgeted amount of \$59,462,852 shows a net increase of \$1,465,636 or 2.5%.

The increase in appropriation of \$1,465,636 can be briefly summarized as follows:

- \$469,767 increase allocated to general government expenditures for City Clerk, Elections, City Controller, Non-departmental, and City Planning.
- \$16,739 increase allocated to public safety expenditures for Police Department and Building and Safety.
- \$416,016 increase allocated to Libraries.
- \$81,254 increase allocated to Parks and Recreation.
- \$481,860 increase allocated to Public Works.

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

Variance with the Final Budget

General Fund actual revenues were more than final budget by \$10,356,763 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was net \$1,329,017 positive variance with the final budget in total tax revenues. The key factors were one-time revenues received not included in previous projections of \$1,522,409. Whittier Successor Agency residual and prior period adjustment distribution of \$136,573, admin fee settlement revenue in the amount of \$137,791, secured property tax distribution of \$185,700, and water franchise tax fees of \$1,062,345. Other taxes decreased by \$176,844.
- Licenses and permits: The \$432,949 positive variance in actual vs. final budgeted revenue was related to business licenses and building permits revenues.
- Fines and forfeits: The \$92,681 negative variance in actual vs. final budgeted revenue related from decreases in court fines.
- Use of money and property: The net \$640,530 negative variance in actual vs. final budget was due to declines in interest rates.
- Intergovernmental: The \$24,703 negative variance in actual vs. final budget was due to unreimbursed grants.

- Charges for services: Actual charges for services were \$1,190,891 more than the final budget mainly due to the receipt of 483,810 received from the State Department of Finance towards City's admin shortfall, increase in plan check fees of \$183,352, increase in art in public places revenue in the amount of \$178,330, net contract revenues of \$265,085, zoning fees of \$80,312, passport revenues of \$59,458, street inspection fees of \$53,971 and decrease in other fees in the amount of \$82,123.
- Other: State Department of Finance issued its final letter of determination to approve the reinstatement of the advances, which resulted in an increase in revenues of \$8,020,187.

General Fund expenditures were \$2,687,722 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 2014, the City had \$154.4 million (net of accumulated depreciation of \$133.1 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 note 8 to the basic financial statements.) This amount represents a net decrease (including additions and deductions) of \$1.3 million, or 0.8%, over last year. The total depreciation for the year was \$8.2 million.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and trees	\$27,610	26,830	2,827	2,827
Rights of way	5,326	5,326	-	-
Easement	2,400	2,400	-	-
Construction in progress	59	92	6,534	3,593
Buildings and improvements	46,033	47,647	32,468	32,983
Machinery and equipment	7,946	7,915	152	95
Infrastructure	23,075	25,987	-	-
Total	\$112,449	116,197	41,981	39,498

The City's five-year Capital Improvement Plan projected to spend another \$66.7 million through fiscal year 2018-19. 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 projects in the Water Master Plan of \$24.6 million, water main and other water related improvements of \$0.9 million, upgrading and maintaining the City's landfill of \$3.1 million, sewer maintenance and replacement of \$14.8 million, bus stop improvement of \$1.1 million, Greenway trial improvement of \$1.9 million, communication and information technology maintenance and replacement projects of \$7.2 million and various pavement, street and traffic signal improvements of \$12.7 million principally from special revenue funds.

Long-term debt

As of June 30, 2014, the City had \$49.1 million in tax allocation and revenue bonds, claims payable, net OPEB liability, compensated absences and landfill closure and postclosure outstanding comparing to \$48.7 million in last fiscal year – a net increase of \$391,394 – as shown in Table 5 and note 9 to the basic financial statements. Of this amount, \$23.3 million represented total bonded debt outstanding, \$4.8 million represented claims payable, \$5.6 million represented compensated absences, \$11.8 million represented landfill closure and post-closure, and \$3.6 represented net OPEB liability. There was \$6,615,234 in principal repayments in accordance with certain debt schedules. The City had no significant changes in its credit ratings during the fiscal year.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Compensated absences	\$5,162	4,845	399	382
Tax allocation bonds	4,520	4,855	-	-
Revenue bonds	-	-	18,060	19,000
Premium on bonds	-	-	719	757
Landfill closure and postclosure	-	-	11,789	11,364
Claims payable	4,853	4,620	-	-
Net OPEB liability	3,283	2,657	353	266
Total	<u>\$17,818</u>	<u>16,977</u>	<u>31,320</u>	<u>31,769</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 (2014-15) projections take into account the historical trends and current economic factors and consultant recommendations. An overall decrease in operating revenues of approximately \$1.2 million or 1.5% as compared to the 2013-14 adopted budget is anticipated. The decrease in forecasted revenues is primarily attributed to General Fund. An overall decrease in operating revenues of approximately \$1.2 million or 2.1% is projected for 2014-15 General Fund operating revenues. The decrease is primarily due to reducing \$1.5 million operating transfers from other funds in 2014-15 as compared to 2013-14 adopted budget. For fiscal year 2014-15, sales tax revenue is estimated to have an increase by 1.78% or \$148,130 compared to the 2013-14 adopted budget. Property tax revenue is estimated at \$4.9 million, which represents a 3.39% increase from the 2013-14 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Franchise tax revenue is estimated at \$2.8 million, 29.08% increase from the 2013-14 adopted budget. Utility user tax projection remains at \$7.1 million. Motor vehicle in-lieu revenues are estimated at \$7.8 million, a 5.8% increase from 2013-14 adopted budget. Operating expenditures have been projected at \$54.7 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for 2014-15 which are 22.792% for miscellaneous employees, 10% of this rate is being paid by the employees; and 49.241% for safety employees, 6% of this rate is being paid by the employees. It is estimated that the General Fund will have an available fund balance of approximately \$9.0 million at the end of fiscal year 2014-15.

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 POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments (note 3)	\$ 75,111,957	30,829,807	105,941,764
Restricted assets:			
Cash and investments (note 3)	1,302,747	8,823,498	10,126,245
Cash and investments with fiscal agents (note 3)	9,965,786	8,721,413	18,687,199
Accounts receivable	-	14,992	14,992
Interest receivable	-	28,552	28,552
Receivables:			
Intergovernmental	3,316,322	-	3,316,322
Accounts	864,975	4,225,491	5,090,466
Notes and loans (note 5)	15,980,234	-	15,980,234
Interest	287,132	9,226	296,358
Inventory	-	358,135	358,135
Due from fiduciary funds	535,000	-	535,000
Advances to Successor Agency (note 7)	15,312,974	-	15,312,974
Less: Allowance for advances	(526,297)	-	(526,297)
Prepaid items	230,102	345,000	575,102
Land held for resale (note 4)	4,725,945	-	4,725,945
Capital assets not being depreciated (note 8)	35,394,274	9,360,576	44,754,850
Capital assets being depreciated, net (note 8)	77,053,977	32,620,638	109,674,615
Total Assets	<u>239,555,128</u>	<u>95,337,328</u>	<u>334,892,456</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	573,403	573,403
Liabilities:			
Accounts payable	2,336,178	2,178,625	4,514,803
Accrued liabilities	859,514	87,815	947,329
Accrued interest payable	41,263	76,834	118,097
Deposits payable	141,599	-	141,599
Unearned revenue	360,353	2,400,000	2,760,353
Noncurrent liabilities (note 9):			
Due within one year	5,311,002	1,124,454	6,435,456
Due in more than one year	12,506,725	30,195,501	42,702,226
Total Liabilities	<u>21,556,634</u>	<u>36,063,229</u>	<u>57,619,863</u>
Net Position:			
Net investment in capital assets	107,928,251	33,062,522	140,990,773
Restricted for:			
Public safety	1,593,482	-	1,593,482
Library	103,990	-	103,990
Public works	19,890,229	-	19,890,229
Water	-	6,310	6,310
Transit	3,246,356	-	3,246,356
Community development	33,833,914	-	33,833,914
Unrestricted	51,402,272	26,778,670	78,180,942
Total Net Position	<u>\$ 217,998,494</u>	<u>59,847,502</u>	<u>277,845,996</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary government:				
Governmental activities:				
General government	\$ (9,089,393)	2,446,436	188,516	-
Public safety	(31,082,134)	10,182,539	784,764	-
Libraries	(3,390,157)	668,099	104,459	-
Parks and recreation	(9,022,317)	1,731,415	780,110	-
Public works	(13,024,004)	5,265,442	3,372,255	-
Transit	(3,167,603)	146,518	335,732	904,497
Community development	(1,895,175)	9,876,101	1,128,239	92,594
Interest on long-term debt	(253,386)	-	-	-
Total governmental activities	(70,924,170)	30,316,550	6,694,075	997,091
Business-type activities:				
Sewer	(1,407,531)	3,108,837	-	-
Water	(9,999,008)	13,485,513	222,416	-
Solid waste	(9,697,098)	10,388,859	18,512	-
Total business-type activities	(21,103,637)	26,983,209	240,928	-
Total primary government	\$ (92,027,807)	57,299,759	6,935,003	997,091

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
Total General Revenues
Transfers in (out)
Change in Net Position
Net Position, Beginning of Year, as restated (note 18)
Net Position, End of Year

See accompanying notes to financial statements.

Net Revenue (Expense) and Change in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
(6,454,441)	-	(6,454,441)
(20,114,831)	-	(20,114,831)
(2,617,599)	-	(2,617,599)
(6,510,792)	-	(6,510,792)
(4,386,307)	-	(4,386,307)
(1,780,856)	-	(1,780,856)
9,201,759	-	9,201,759
(253,386)	-	(253,386)
<u>(32,916,454)</u>	<u>-</u>	<u>(32,916,454)</u>
-	1,701,306	1,701,306
-	3,708,921	3,708,921
-	710,273	710,273
<u>-</u>	<u>6,120,500</u>	<u>6,120,500</u>
<u>(32,916,454)</u>	<u>6,120,500</u>	<u>(26,795,954)</u>
5,710,744	-	5,710,744
704,204	-	704,204
8,503,579	-	8,503,579
3,231,190	-	3,231,190
2,081,443	-	2,081,443
6,902,950	-	6,902,950
2,673,436	-	2,673,436
7,416,318	-	7,416,318
2,550	16,239	18,789
457,509	153,830	611,339
<u>37,683,923</u>	<u>170,069</u>	<u>37,853,992</u>
592,775	(592,775)	-
<u>5,360,244</u>	<u>5,697,794</u>	<u>11,058,038</u>
<u>212,638,250</u>	<u>54,149,708</u>	<u>266,787,958</u>
<u>217,998,494</u>	<u>59,847,502</u>	<u>277,845,996</u>



FUND FINANCIAL STATEMENTS

**CITY OF WHITTIER, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014**

	General Fund	Special Revenue Funds	
		Transit Fund	HOME Fund
Assets:			
Cash and investments	\$ 29,899,664	3,080,422	41,152
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Receivables:			
Intergovernmental	2,380,080	101,781	85,048
Accounts	770,510	13,849	-
Notes and loans	624,975	-	5,682,995
Interest	33,337	2,950	98,465
Due from other funds (note 6)	535,000	-	-
Advances to Successor Agency, (note 7)	8,178,847	-	-
Less: Allowance for advances	(526,297)	-	-
Prepaid items	10,604	162,848	-
Land held for sale	-	-	-
Total Assets	<u>\$ 41,906,720</u>	<u>3,361,850</u>	<u>5,907,660</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,170,818	110,433	93,798
Accrued liabilities	815,964	4,811	-
Due to other funds (note 6)	583	-	-
Unearned revenues	321,823	-	-
Deposits payable	141,349	250	-
Total Liabilities	<u>2,450,537</u>	<u>115,494</u>	<u>93,798</u>
Deferred Inflows of Resources:			
Unavailable revenues	624,975	-	4,129,473
Total Deferred Inflows of Resources	<u>624,975</u>	<u>-</u>	<u>4,129,473</u>
Fund Balances:			
Nonspendable	7,663,154	162,848	-
Restricted	1,083,303	3,083,508	1,684,389
Committed	3,275,165	-	-
Assigned	4,140,020	-	-
Unassigned	22,669,566	-	-
Total Fund Balances	<u>38,831,208</u>	<u>3,246,356</u>	<u>1,684,389</u>
Total Liabilities, Deferred Inflows of of Resources, and Fund Balances	<u>\$ 41,906,720</u>	<u>3,361,850</u>	<u>5,907,660</u>

See accompanying notes to financial statements.

<u>Special Revenue Funds</u>		
<u>Housing Authority</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
137,125	15,997,843	49,156,206
-	1,302,747	1,302,747
9,347,970	617,816	9,965,786
-	659,413	3,226,322
-	5,258	789,617
7,866,079	1,806,185	15,980,234
9,546	123,187	267,485
583	-	535,583
2,614,127	4,520,000	15,312,974
-	-	(526,297)
-	-	173,452
4,725,945	-	4,725,945
<u>24,701,375</u>	<u>25,032,449</u>	<u>100,910,054</u>
30,940	439,412	1,845,401
-	11,632	832,407
-	-	583
-	38,530	360,353
-	-	141,599
<u>30,940</u>	<u>489,574</u>	<u>3,180,343</u>
3,875,010	299,782	8,929,240
<u>3,875,010</u>	<u>299,782</u>	<u>8,929,240</u>
-	-	7,826,002
20,795,425	19,190,217	45,836,842
-	-	3,275,165
-	5,052,876	9,192,896
-	-	22,669,566
<u>20,795,425</u>	<u>24,243,093</u>	<u>88,800,471</u>
<u>24,701,375</u>	<u>25,032,449</u>	<u>100,910,054</u>



**CITY OF WHITTIER, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Fund Balances of Governmental Funds	\$ 88,800,471
Amounts reported for governmental activities in the Statement of Net Position 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	208,171,177
Capital assets - internal service funds	17,192,467
Accumulated depreciation - governmental funds	(101,429,018)
Accumulated depreciation - internal service funds	(11,486,375)
Long-term debt has not been included in the governmental funds	
Tax allocation bonds	(4,520,000)
Net OPEB liability	(3,282,933)
Certain accounts and intergovernmental receivables are not available to pay for current-period expenditures and, therefore, are reflected as deferred inflows of resources in the governmental funds	
	8,929,240
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	
	(41,263)
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 position (net of capital assets and long-term debt reported above).	
Claims payable	(4,852,749)
Compensated absences	(5,162,045)
Other assets and liabilities	25,679,522
Net Position of Governmental Activities	\$ 217,998,494

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		
	General	Transit Fund	HOME Fund
Revenues:			
Taxes	\$ 32,239,834	2,673,436	-
Licenses and permits	2,302,509	-	-
Fines and forfeits	660,419	-	-
Use of money and property	543,652	116,541	-
Intergovernmental	174,206	335,732	300,000
Charges for services	16,462,754	56,868	-
Other	12,248,020	-	-
Total Revenues	<u>\$ 64,631,394</u>	<u>3,182,577</u>	<u>300,000</u>
Expenditures:			
Current:			
General government	\$ 9,074,077	-	-
Public safety	30,360,764	-	-
Libraries	3,326,464	-	-
Parks and recreation	8,662,264	-	-
Public works	4,832,358	-	-
Local transit	-	3,162,266	-
Community development	412,018	-	409,199
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>56,667,945</u>	<u>3,162,266</u>	<u>409,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,963,449</u>	<u>20,311</u>	<u>(109,199)</u>
Other financing sources (uses):			
Transfers in (note 6)	3,099,695	-	-
Transfers out (note 6)	(423,370)	-	-
Total Other Financing Sources (Uses)	<u>2,676,325</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,639,774	20,311	(109,199)
Fund Balances, Beginning, as restated (note 18)	28,191,434	3,226,045	1,793,588
Fund Balances, Ending	<u>\$ 38,831,208</u>	<u>3,246,356</u>	<u>1,684,389</u>

See accompanying notes to financial statements.

<u>Special Revenue Funds</u>		
<u>Housing Authority</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
-	1,136,899	36,050,169
-	108,199	2,410,708
-	495,335	1,155,754
29,910	355,992	1,046,095
-	5,227,801	6,037,739
-	100,152	16,619,774
289,173	94,853	12,632,046
<u>319,083</u>	<u>7,519,231</u>	<u>75,952,285</u>
-	-	9,074,077
-	668,997	31,029,761
-	57,981	3,384,445
-	344,851	9,007,115
-	3,014,330	7,846,688
-	-	3,162,266
124,138	946,627	1,891,982
-	650,388	650,388
-	335,000	335,000
-	256,290	256,290
<u>124,138</u>	<u>6,274,464</u>	<u>66,638,012</u>
<u>194,945</u>	<u>1,244,767</u>	<u>9,314,273</u>
-	407,508	3,507,203
-	(1,515,545)	(1,938,915)
-	(1,108,037)	1,568,288
194,945	136,730	10,882,561
<u>20,600,480</u>	<u>24,106,363</u>	<u>77,917,910</u>
<u>20,795,425</u>	<u>24,243,093</u>	<u>88,800,471</u>

**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, 2014**

Net changes in fund balances - total governmental funds	\$	10,882,561
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.		
Depreciation expense		(5,879,286)
Reclass of expenditures for purchases of capital assets recorded in governmental funds.		1,056,894
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net position.		(14,771)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond principal		335,000
The statement of net position includes accrued interest on long term debt.		
		2,904
Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.		
		(337,630)
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 OPEB obligation		(626,083)
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.		
		(59,345)
Change in net position of governmental activities	\$	5,360,244

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 30,910,817	30,910,817	32,239,834	1,329,017
Licenses and permits	1,869,560	1,869,560	2,302,509	432,949
Fines and forfeits	753,100	753,100	660,419	(92,681)
Use of money and property	1,184,182	1,184,182	543,652	(640,530)
Intergovernmental	91,500	198,909	174,206	(24,703)
Charges for services	15,252,990	15,271,863	16,462,754	1,190,891
Other	4,023,200	4,086,200	12,248,020	8,161,820
Total Revenues	<u>54,085,349</u>	<u>54,274,631</u>	<u>64,631,394</u>	<u>10,356,763</u>
Expenditures:				
General government:				
City council	34,185	34,185	28,388	5,797
City clerk	746,087	751,113	702,114	48,999
City attorney	300,515	300,515	1,116,605	(816,090)
Elections	83,598	323,498	162,055	161,443
City manager	718,962	718,962	754,986	(36,024)
City controller	3,289,644	3,359,900	1,467,711	1,892,189
City treasurer	393,364	393,364	248,423	144,940
Business license	144,799	144,799	136,109	8,691
Human resources	405,702	405,702	399,345	6,358
Civic center maintenance	1,366,360	1,366,360	1,314,539	51,821
Non-departmental	1,075,067	1,055,067	1,066,840	(11,773)
City planning	1,179,600	1,354,185	1,016,104	338,081
Fireworks show	15,491	15,491	12,838	2,653
Chamber of commerce	46,400	46,400	46,400	-
Employee special events	9,000	9,000	8,886	114
Public information services	75,704	75,704	67,657	8,048
Graffiti removal program	390,218	390,218	306,806	83,412
Social services	279,248	279,248	275,702	3,546
Total General Government	<u>10,553,944</u>	<u>11,023,712</u>	<u>9,131,507</u>	<u>1,892,205</u>
Public safety:				
Police department	29,014,216	29,030,956	29,024,821	6,134
Disaster preparedness	54,377	54,377	48,664	5,713
Code enforcement	377,959	377,959	361,902	16,058
Building and safety	763,194	763,194	940,113	(176,919)
Total Public Safety	<u>30,209,747</u>	<u>30,226,486</u>	<u>30,375,500</u>	<u>(149,014)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Libraries:	\$ 3,273,439	3,689,455	3,326,467	362,988
Total Libraries	<u>3,273,439</u>	<u>3,689,455</u>	<u>3,326,467</u>	<u>362,988</u>
Parks and recreation:				
Parks and recreation	4,982,932	5,027,697	5,125,020	(97,323)
Community services	3,358,264	3,394,753	3,553,435	(158,682)
Total Parks and Recreation	<u>8,341,196</u>	<u>8,422,450</u>	<u>8,678,455</u>	<u>(256,005)</u>
Public works:				
Weed control	8,300	8,300	4,972	3,328
Street lighting	471,892	471,892	512,368	(40,476)
Street maintenance	3,768,888	3,850,052	3,610,125	239,927
Traffic signals	409,400	409,400	362,185	47,215
City engineering - drilling	293,513	694,210	361,534	332,675
Total Public Works	<u>4,951,993</u>	<u>5,433,853</u>	<u>4,851,184</u>	<u>582,669</u>
Community development:				
Community development	666,896	666,896	412,017	254,879
Total Community Development	<u>666,896</u>	<u>666,896</u>	<u>412,017</u>	<u>254,879</u>
Total Expenditures	<u>57,997,216</u>	<u>59,462,852</u>	<u>56,775,129</u>	<u>2,687,722</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,911,867)</u>	<u>(5,188,221)</u>	<u>7,856,265</u>	<u>13,044,485</u>
Other financing sources (uses):				
Transfers in	3,099,695	3,099,695	3,099,695	-
Transfers out	(227,508)	(423,370)	(423,370)	-
Total Other Financing Sources (Uses)	<u>2,872,187</u>	<u>2,676,325</u>	<u>2,676,325</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>(1,039,680)</u>	<u>(2,511,896)</u>	<u>10,532,590</u>	<u>13,044,485</u>
Adjustments:				
To adjust for encumbrances	-	-	107,184	-
Total Adjustments	<u>-</u>	<u>-</u>	<u>107,184</u>	<u>-</u>
Net Change in Fund Balance (US GAAP basis)	(1,039,680)	(2,511,896)	10,639,774	13,151,669
Fund Balance at Beginning of Year	28,191,434	28,191,434	28,191,434	-
Fund Balance at End of Year	<u>\$ 27,151,754</u>	<u>25,679,538</u>	<u>38,831,208</u>	<u>13,151,669</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,138,499	2,138,499	2,673,436	534,937
Use of money and property	169,600	169,600	116,541	(53,059)
Intergovernmental	275,601	275,601	335,732	60,131
Charges for services	60,500	60,500	56,868	(3,632)
Total Revenues	<u>2,644,200</u>	<u>2,644,200</u>	<u>3,182,577</u>	<u>538,377</u>
Expenditures:				
Current:				
Local transit	2,989,772	5,252,034	3,162,266	2,089,768
Total Expenditures	<u>2,989,772</u>	<u>5,252,034</u>	<u>3,162,266</u>	<u>2,089,768</u>
Net Change in Fund Balance	(345,572)	(2,607,834)	20,311	2,628,145
Fund Balance at Beginning of Year	<u>3,226,045</u>	<u>3,226,045</u>	<u>3,226,045</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,880,473</u>	<u>618,211</u>	<u>3,246,356</u>	<u>2,628,145</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 234,204	289,994	300,000	10,006
Total Revenues	<u>234,204</u>	<u>289,994</u>	<u>300,000</u>	<u>10,006</u>
Expenditures:				
Current:				
Community development	234,204	785,029	409,199	375,830
Total Expenditures	<u>234,204</u>	<u>785,029</u>	<u>409,199</u>	<u>375,830</u>
Net Change in Fund Balance	-	(495,035)	(109,199)	385,836
Fund Balance at Beginning of Year	<u>1,793,588</u>	<u>1,793,588</u>	<u>1,793,588</u>	-
Fund Balance at End of Year	<u>\$ 1,793,588</u>	<u>1,298,553</u>	<u>1,684,389</u>	<u>385,836</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	-	29,910	29,910
Other	-	-	289,173	289,173
Total Revenues	<u>-</u>	<u>-</u>	<u>319,083</u>	<u>319,083</u>
Expenditures:				
Current:				
Community development	-	-	124,138	(124,138)
Total Expenditures	<u>-</u>	<u>-</u>	<u>124,138</u>	<u>(124,138)</u>
Net Change in Fund Balance	-	-	194,945	194,945
Fund Balance at Beginning of Year, as restated	<u>20,600,480</u>	<u>20,600,480</u>	<u>20,600,480</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 20,600,480</u>	<u>20,600,480</u>	<u>20,795,425</u>	<u>194,945</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Assets:					
Current assets:					
Cash and investments (note 3)	\$ 5,575,045	14,679,491	10,575,271	30,829,807	25,955,751
Receivables:					
Accounts	76,255	1,846,444	2,302,792	4,225,491	75,358
Interest	3,978	15,090	9,484	28,552	19,647
Due from other government	-	-	-	-	90,000
Inventory	-	358,135	-	358,135	-
Prepaid items	-	345,000	-	345,000	56,650
Total Current Assets	<u>5,655,278</u>	<u>17,244,160</u>	<u>12,887,547</u>	<u>35,786,985</u>	<u>26,197,406</u>
Noncurrent assets:					
Restricted cash and investments (note 3)	-	6,310	8,817,188	8,823,498	-
Restricted cash and investments with fiscal agents (note 3)	-	8,252,127	469,286	8,721,413	-
Accounts receivable	-	-	14,992	14,992	-
Interest receivable	-	997	8,229	9,226	-
Capital assets, net	2,627,996	26,850,126	12,503,092	41,981,214	5,706,092
Total Noncurrent Assets	<u>2,627,996</u>	<u>35,109,560</u>	<u>21,812,787</u>	<u>59,550,343</u>	<u>5,706,092</u>
Total Assets	<u>8,283,274</u>	<u>52,353,720</u>	<u>34,700,334</u>	<u>95,337,328</u>	<u>31,903,498</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	-	573,403	-	573,403	-
Liabilities:					
Current liabilities:					
Accounts payable	43,247	1,114,511	1,020,867	2,178,625	490,777
Accrued liabilities	5,786	37,961	44,068	87,815	27,107
Accrued interest payable	-	66,868	9,966	76,834	-
Claims payable	-	-	-	-	3,154,287
Unearned revenues	-	2,400,000	-	2,400,000	-
Current portion of compensated absences	17,110	50,482	71,862	139,454	1,806,715
Current portion of long-term obligations	-	540,000	445,000	985,000	-
Total Current Liabilities	<u>66,143</u>	<u>4,209,822</u>	<u>1,591,763</u>	<u>5,867,728</u>	<u>5,478,886</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	1,698,462
Compensated absences	31,775	93,753	133,459	258,987	3,355,330
Net OPEB liability	53,281	139,943	159,843	353,067	-
Revenue bonds payable	-	17,794,249	-	17,794,249	-
Landfill closure and postclosure payable	-	-	11,789,198	11,789,198	-
Total Noncurrent Liabilities	<u>85,056</u>	<u>18,027,945</u>	<u>12,082,500</u>	<u>30,195,501</u>	<u>5,053,792</u>
Total Liabilities	<u>151,199</u>	<u>22,237,767</u>	<u>13,674,263</u>	<u>36,063,229</u>	<u>10,532,678</u>
Net Position:					
Net investment in capital assets	2,627,996	17,438,088	12,996,438	33,062,522	5,706,092
Restricted for connection fees	-	6,310	-	6,310	-
Unrestricted	5,504,079	13,244,958	8,029,633	26,778,670	15,664,728
Total Net Position	<u>\$ 8,132,075</u>	<u>30,689,356</u>	<u>21,026,071</u>	<u>59,847,502</u>	<u>21,370,820</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Operating Revenues:					
Charges for services	\$ 3,108,837	13,075,652	9,902,277	26,086,766	13,993,443
Total Operating Revenues	<u>3,108,837</u>	<u>13,075,652</u>	<u>9,902,277</u>	<u>26,086,766</u>	<u>13,993,443</u>
Operating Expenses:					
Sewer operations	1,331,275	-	-	1,331,275	-
Water operations	-	9,316,195	-	9,316,195	-
Solid waste collection and disposal	-	-	8,668,990	8,668,990	-
Provision for landfill closure and postclosure	-	-	425,489	425,489	-
Self insurance	-	-	-	-	3,117,635
Employee benefits	-	-	-	-	4,982,609
Maintenance	-	-	-	-	3,913,963
Amortization	-	30,312	31,217	61,529	-
Depreciation	76,256	545,289	539,592	1,161,137	1,140,045
Total Operating Expenses	<u>1,407,531</u>	<u>9,891,796</u>	<u>9,665,288</u>	<u>20,964,615</u>	<u>13,154,252</u>
Operating Income (Loss)	<u>1,701,306</u>	<u>3,183,856</u>	<u>236,989</u>	<u>5,122,151</u>	<u>839,191</u>
Nonoperating Revenues (Expenses):					
Intergovernmental	-	97,290	18,512	115,802	-
Investment Income	16,869	197,792	64,295	278,956	71,347
Interest expense	-	(107,212)	(31,810)	(139,022)	-
Gain (Loss) on disposal of capital assets	-	3,876	-	3,876	4
Rental income	-	409,861	486,582	896,443	-
Other revenue	-	-	12,363	12,363	5,626
Total Nonoperating Revenues (Expenses)	<u>16,869</u>	<u>601,607</u>	<u>549,942</u>	<u>1,168,418</u>	<u>76,977</u>
Income (Loss) Before Transfers	<u>1,718,175</u>	<u>3,785,463</u>	<u>786,931</u>	<u>6,290,569</u>	<u>916,168</u>
Transfers:					
Transfers in (note 6)	-	-	-	-	726,087
Transfers out (note 6)	(10,000)	(320,050)	(262,725)	(592,775)	(1,701,600)
Total Transfers	<u>(10,000)</u>	<u>(320,050)</u>	<u>(262,725)</u>	<u>(592,775)</u>	<u>(975,513)</u>
Change in Net Position	1,708,175	3,465,413	524,206	5,697,794	(59,345)
Net Position, Beginning of the Year	6,423,900	27,223,943	20,501,865	54,149,708	21,430,165
Net Position at End of the Year	<u>\$ 8,132,075</u>	<u>30,689,356</u>	<u>21,026,071</u>	<u>59,847,502</u>	<u>21,370,820</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 3,114,498	12,000,533	9,910,957	25,025,988	14,069,292
Payments to suppliers for goods and services	(720,771)	(7,337,998)	(6,609,096)	(14,667,865)	(6,810,668)
Payments to employees for services	(569,811)	(2,084,809)	(2,325,586)	(4,980,206)	(4,654,231)
Non-operating rental income revenue received	-	409,861	486,582	896,443	5,626
Net cash provided by operating activities	<u>1,823,916</u>	<u>2,987,587</u>	<u>1,462,857</u>	<u>6,274,360</u>	<u>2,610,019</u>
Cash flows from noncapital financing activities:					
Receipts from other governmental agencies	-	97,290	18,512	115,802	-
Receipt from miscellaneous sales	-	-	12,363	12,363	-
Transfer to other funds	(10,000)	(320,050)	(262,725)	(592,775)	(975,513)
Net cash (used in) provided by noncapital financing activities	<u>(10,000)</u>	<u>(222,760)</u>	<u>(231,850)</u>	<u>(464,610)</u>	<u>(975,513)</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	(3,569,063)	(75,060)	(3,644,123)	(1,463,524)
Principal payments on Long-Term Debt	-	(520,000)	(420,000)	(940,000)	-
Interest and fiscal agent fees paid on long-term debt	-	(145,234)	(31,810)	(177,044)	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(4,234,297)</u>	<u>(526,870)</u>	<u>(4,761,167)</u>	<u>(1,463,524)</u>
Cash flows from investing activities:					
Interest received on investments	15,027	195,682	51,667	262,376	66,755
Net cash provided by investing activities	<u>15,027</u>	<u>195,682</u>	<u>51,667</u>	<u>262,376</u>	<u>66,755</u>
Net increase in cash and cash equivalents	1,828,943	(1,273,788)	755,804	1,310,959	237,737
Cash and cash equivalents at beginning of the year	3,746,102	24,211,716	19,105,941	47,063,759	25,718,014
Cash and cash equivalents at end of year	<u>\$ 5,575,045</u>	<u>22,937,928</u>	<u>19,861,745</u>	<u>48,374,718</u>	<u>25,955,751</u>
Reconciliation of cash and cash equivalents to amounts reported on the balance sheet:					
Reported on the statement of net position:					
Cash and investments	\$ 5,575,045	14,679,491	10,575,271	30,829,807	25,955,751
Cash and investments - restricted	-	6,310	8,817,188	8,823,498	-
Cash and investments with fiscal agents	-	8,252,127	469,286	8,721,413	-
Cash and Cash Equivalents - June 30, 2014	<u>\$ 5,575,045</u>	<u>22,937,928</u>	<u>19,861,745</u>	<u>48,374,718</u>	<u>25,955,751</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 1,701,306	3,183,856	236,989	5,122,151	839,191
Adjustments to reconcile income (loss) from operating to net cash provided by operating activities:					
Depreciation	76,256	545,289	539,592	1,161,137	1,140,045
Amortization	-	30,312	31,217	61,529	-
Rental Income	-	409,861	486,582	896,443	5,626
(Increase) in accounts receivable	(4,339)	(195,168)	(254,045)	(453,552)	(128,092)
(Increase) in prepaid items	-	(345,000)	-	(345,000)	(52,081)
(Increase) in inventory	-	(29,383)	-	(29,383)	-
(Decrease)/ increase in accounts payable	27,787	554,634	(63,852)	518,569	254,300
Increase in accrued liabilities	60	7,592	6,005	13,657	1,504
(Decrease) in unearned revenue	-	(1,200,000)	-	(1,200,000)	-
Increase in claims payable	-	-	-	-	233,092
Increase in net OPEB liability	9,831	15,004	62,082	86,917	-
(Decrease)/increase in compensated absences	13,015	10,590	(7,202)	16,403	316,434
Increase in landfill closure and postclosure	-	-	425,489	425,489	-
Total Adjustments	122,610	(196,269)	1,225,868	1,152,209	1,770,828
Net Cash Provided by Operating Activities	\$ 1,823,916	2,987,587	1,462,857	6,274,360	2,610,019

Noncash investing, capital, and financing activities:

There were no significant non-cash investing, capital, and financing activities for the year ended June 30, 2014.

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Redevelopment Successor Agency Private-purpose Trust Fund	Agency Funds
Assets and Deferred Outflows of Resources:		
Assets:		
Cash and investments (note 3)	\$ 6,176,356	885,684
Cash and investments with fiscal agents (note 3)	18,341,031	420,166
Receivable:		
Accounts	3,000	85,438
Interest	11,543	57
Land held for resale (note 4)	2,827,199	-
Capital assets not being depreciated	3,103,584	-
Capital assets being depreciated, net	108,295	-
	30,571,008	1,391,345
Deferred Outflows of Resources:		
Deferred charges on refunding	688,545	
Liabilities and Net Position:		
Accounts payable	\$ 58,917	55,067
Accrued interest payable	385,799	-
Deposits payable	25,000	524,366
Due to City of Whittier	462,708	72,292
Due to bondholders	-	739,620
City Loan, net of valuation allowance	14,786,677	-
Noncurrent liabilities:		
Due within one year	1,200,000	-
Due in more than one year	47,273,983	-
	64,193,084	1,391,345
Net Deficit:		
Held in trust for beneficiaries	\$ (32,933,531)	

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2014**

	Redevelopment Successor Agency Private-purpose Trust Fund
Additions:	
Revenues:	
Property taxes	\$ 6,535,322
Other	12,000
Investment earnings	45,841
Total Additions	6,593,163
Deductions:	
Professional services	785,266
Community development	861,735
Interest and fiscal charges	2,795,033
Amortization	28,586
Depreciation	21,660
Recognition of loan to city	7,652,550
Total Deductions	12,144,830
Change in net position	(5,551,667)
Net Position, Beginning of Year, as restated (note 18)	(27,381,864)
Net Position, End of Year	\$ (32,933,531)

See accompanying notes to financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 Public Financing Authority
- Whittier Utility Authority
- Whittier Housing Authority

The City has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The concept underlying the definition of the reporting entity is that elected officials are accountable. The component units above are included because of the significance of their operational or financial relationships with the City. The City is considered to be financially accountable for an organization if the City's governing body is substantially the same as the component unit's governing body, and there is a financial benefit or burden relationship between the City and component unit, or the City has operational responsibility for a component unit. Additionally, blending would be appropriate if the component unit provides services entirely, or almost entirely, to the City or for the benefit of the City. Lastly, if the component units' total debt outstanding is expected to be repaid with City resources, blending is also appropriate for the component unit.

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. Management of the City has operational responsibility for each component unit, as it manages the activities of each component unit in a similar manner in which it manages other of its own programs and activities. Additionally, the City is responsibility for repayment of debt within the component units using resources of the primary government.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 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. City Council serves as the governing Board. Further, City management has the same operational responsibility for this component unit as it does for the rest of the City. Lastly, debts issued through the Whittier Public Financing Authority are expected to be repaid with City's resources.

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. City Council serves as the governing Board of the Authority. Further, City management has the same operational responsibility for the Authority as it does for the rest of the City.

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. City Council serves as the governing Board for the Housing Authority. Further, City management has the same operational responsibility for the Housing Authority as it does for the rest of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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, 2014

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 segments 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, 2014

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.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although the City's internal service fund is reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

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 restricted 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.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Additionally, the City reports the following fund types:

The Debt Service Funds are used to account for the proceeds of the 2002 and 2007A Tax Allocation Loans, loaned to the former Whittier Redevelopment Agency, and for the debt service payments.

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 City.

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.

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.

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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

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.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

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.

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 10 - 1st installment April 10 - 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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

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, 2014 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.

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, 2014 was \$671,999.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

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.

Deferred Outflows and Inflows of Resources

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position or fund balance by the government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal year. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal year, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is only used in connection with governmental funds.

Occasionally, the City refunds some of its existing debt. When this occurs, the difference between the funds required to retire (reacquisition price of) the refunded debt and the net carrying amount of refunded debt results in a deferred amount on refunding. If there is an excess of the reacquisition price of refunded debt over its net carrying amount, it is treated as a deferred outflow of resources (a deferred loss on refunding). If there is an excess net carrying value amount of refunded debt over its reacquisition price, it is treated as a deferred inflow of resources (a deferred gain on refunding).

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (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 based on employee classification. 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (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 position.

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.

Net Position and Fund Balance

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, and laws and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. All other net position is considered unrestricted.

Fund balance is the difference between the assets plus deferred outflows, and liabilities plus deferred inflows, or the net position 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 for use for specific purposes by the highest level of formal action of the City Council such as a resolution. The constraints remains binding unless removed in the same formal manner by the City 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Net Position and Fund Balance (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. Intent should be established by the City Council, or by an official designated for that purpose. 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, deferred outflows, liabilities, deferred inflows, 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.

F. New GASB Pronouncements

Adopted in the Current Year

GASB Statement No. 65 – In March 2012, GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City implemented this pronouncement, effective July 1, 2013.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Effective in Future Years

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Statement is effective for periods beginning after June 15, 2014, or the 2014-2015 fiscal year. The City has not determined the effect on the financial statements.

GASB Statement No. 69 – In January 2013, GASB issued Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to establish reporting standards related to government combinations and disposals of government operations. The Statement is effective for periods beginning after December 15, 2013, or the 2014-2015 fiscal year. The City has not determined the effect on the financial statements.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The Statement is effective for periods beginning after June 15, 2014, or the 2014-2015 fiscal year. The City has not determined the effect on the financial statements.

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, 2014

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

General Budget Policies (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 the General Fund, all special revenue, capital project, and debt service funds, except for the Housing Authority fund.

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 include 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).

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, 2014

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
Major Funds:			
General Fund:			
City attorney	\$ 300,515	1,116,605	816,090
City manager	718,962	754,986	36,024
Non-departmental	1,055,067	1,066,840	11,773
Building and safety	763,194	940,113	176,919
Parks and recreation	5,027,697	5,125,020	97,323
Community services	3,394,753	3,553,435	158,682
Street lighting	471,892	512,368	40,476
Housing Authority Fund:			
Community development	-	124,138	124,138
Non-major Funds:			
Street Lighting District 1-91			
Special Revenue Fund	1,069	1,093	24
Business Improvement Area			
Special Revenue Fund	111,500	112,716	1,216
Whittier Uptown Parking District			
No. 1 Special Revenue Fund	69,655	93,798	24,143

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	\$ 75,111,957	30,829,807	7,062,040	113,003,804
Restricted assets:				
Cash and investments	1,302,747	8,823,498	-	10,126,245
Cash and investments with fiscal agents	9,965,786	8,721,413	18,761,197	37,448,396
Totals	<u>\$ 86,380,490</u>	<u>48,374,718</u>	<u>25,823,237</u>	<u>160,578,445</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2014 consisted of the following:

Petty cash	\$ 10,908
Deposits with financial institutions	505,800
Investments	<u>160,061,737</u>
Total Cash and Investments	<u><u>\$ 160,578,445</u></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	3 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, 2014

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investments 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	None	None	None
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 invested solely in 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, 2014

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 60 Months
U.S. Treasury Bills	\$ 11,995,102	1,999,622	9,995,480	-	-
U.S. Treasury Notes	4,002,340	-	2,000,380	2,001,960	-
Federal Agency Securities	52,045,260	20,003,500	7,994,860	8,021,860	16,025,040
Certificate of Deposit	4,417,217	1,720,051	1,469,008	740,233	487,925
Local Agency Investment Fund (LAIF)	50,196,941	50,196,941	-	-	-
Held by fiscal agent:					
U.S. Treasury Bills	104,065	104,065	-	-	-
Local Agency Investment Fund (LAIF)	32,682,504	32,682,504	-	-	-
Federal Agency Securities	4,618,308	4,618,308	-	-	-
Total	\$ 160,061,737	111,324,991	21,459,728	10,764,053	16,512,965

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	S & P Rating as of Year End	
				AA+	Not Rated
U.S. Treasury Bills	\$ 11,995,102	N/A	11,995,102	-	-
U.S. Treasury Notes	4,002,340	N/A	4,002,340	-	-
Federal Agency Securities	52,045,260	N/A	-	52,045,260	-
Certificate of Deposit	4,417,217	N/A	-	-	4,417,217
Local Agency Investment Fund (LAIF)	50,196,941	N/A	-	-	50,196,941
Held by fiscal agent:					
U.S. Treasury Bills	104,065	N/A	104,065	-	-
Local Agency Investment Fund (LAIF)	32,682,504	N/A	-	-	32,682,504
Federal Agency Securities	4,618,308	N/A	-	4,618,308	-
Total	\$ 160,061,737		16,101,507	56,663,568	87,296,662

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Security	\$ 9,999,300
Federal Agricultural Mortgage Corporation	Federal Agency Security	12,006,040
Federal Home Loan Mortgage Corporation	Federal Agency Security	11,996,060
Federal Farm Credit Bank	Federal Agency Security	16,045,320

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, 2014

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. As part of the dissolution of the Redevelopment Agency, the parcels were allocated between the Redevelopment Successor Agency and the Housing Authority. During the year, the City identified certain parcels that were incorrectly reported as assets of the Redevelopment Successor Agency Private-purpose Trust Fund, as of June 30, 2014. Refer to Note 18 for information regarding the prior period adjustment related to these investments. At June 30, 2014, the Housing Authority and Successor Agency Private-purpose Trust Fund reported land held for resale with a net realizable value of \$4,725,945, and \$2,827,199, respectively.

NOTE 5 – NOTES AND LOANS RECEIVABLE

	Outstanding Balance <u>June 30, 2014</u>
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 up 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, 2014, 35 loans totaling \$886,855 have been provided. \$39,518 of principal has been forgiven and 18 loans have been repaid or fully forgiven.	\$ 624,975
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 are 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 former Redevelopment 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, 2014, \$26,418 in loan principal was either paid or forgiven.	127,559

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

	Outstanding Balance <u>June 30, 2014</u>
<p>On February 6, 2008, the City entered into HOME Program Participation and Loan Agreement with Whittier Area First Day Coalition (First Day), under which the City provided a loan of up to \$135,250 to First Day. On June 10, 2009, the City agreed to provide an additional \$92,300 requested by First Day for the total of \$227,550 for the sole purpose of paying for expenses of rehabilitation of the Project. The loan is evidenced by a promissory note dated June 10, 2009 and secured by deed of trust. The loan is non-interest bearing and is due and payable on the date that is fifty-five years after the date of the note.</p>	\$ 227,550
<p>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.</p>	3,543,220
<p>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 2013-14, nothing was repaid. Of the \$2,073,650, the Housing Authority portion of the amount is \$1,099,034. The remainder is due to the HOME fund.</p>	2,073,650
<p>During fiscal year 2009-10, the former Redevelopment Agency ("Agency") 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 Agency'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, 2014, twenty-four families received assistance from the program.</p>	3,260,109

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2014

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 \$5,135,481 outstanding at year end, the Housing Authority portion of the amount is \$2,691,687. \$ 5,135,481

On May 23, 2011, the former Redevelopment 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. 84,289

On July 26, 2013, the City entered into a loan agreement with Whittier Senior Housing, LP. In the agreement, the City would provide a loan amount not to exceed \$300,000 loan from the federal HOME Investment Partnership Program funds for renovation costs of a 156 unit high-rise apartment project. One-hundred fifty-five (155) of the units will be restricted to households at extremely low, very-low and low income levels at affordable rents. The loan bears one percent (1%) simple interest rate per annum, and is due and payable on or before the earlier of the date that is 55 years after issuance of a Certificate of Completion or the occurrence of a Default under the Loan Agreement. The City transferred \$300,000 to Whittier Senior Housing LP on February 6, 2014. 300,000

Total notes and loans receivable \$ 15,980,234

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – INTERFUND ACTIVITY

The following represents the interfund activity of the City for the year ended June 30, 2014:

Due From/To Other Funds:

Due from (receivable fund)	Due to (payable fund)	Amount	
General Fund	Fiduciary Funds - Private-purpose Trust	\$ 462,708	(B)
	Fiduciary Funds - Agency	72,292	(A)
		535,000	
Whittier Housing Authority	General Fund	583	(B)
		\$ 535,583	

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 the General Fund.

Transfers To/From Other Funds:

Transfer In	Transfer Out	Amount	
General Fund	Non-Major Governmental Funds	\$ 1,434,045	(A)
	Water Fund	4,050	(B)
	Internal Service Funds	1,661,600	(G)
	Subtotal	3,099,695	
Non-Major Governmental Funds	General Fund	367,508	(C)
	Internal Service Funds	40,000	(C)
	Subtotal	407,508	
Internal Service Funds	General Fund	55,862	(D)
	Sewer Fund	10,000	(E)
	Water Fund	316,000	(E)
	Solid Waste Fund	262,725	(E)
	Non-Major Governmental Funds	81,500	(F)
	Subtotal	726,087	
	Total	\$ 4,233,290	

Transfers are used to: (A) reimburse the General Fund for street maintenance expenditures, (B) reimburse General Fund for document imaging expenditure, (C) reimburse for capital and employee service costs, (D) reimburse Internal Service Funds for other equipment replacement, (E) reimburse for capital purchases, (F) reimburse for services rendered, and (G) reimburse the General Fund for various projects including IT projects (\$1,000,000) and sidewalk repairs (\$500,000).

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 – ADVANCES TO SUCCESSOR AGENCY

The City loaned the former Whittier Redevelopment Agency funds prior to dissolution. The General Fund is owed \$8,178,847 to finance expenditures incurred in the 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 \$4,520,000 for the issuance of the 2002 Revenue Bonds. All amounts due, totaling \$15,312,974, are reported by the City. In the opinion of management, and in consultation with its legal counsel, the \$15,312,974 represents amounts owed to the City for advances by the former Whittier Redevelopment Agency for legitimate redevelopment purposes. Further, management of the City of Whittier asserts that it has complied with AB x1 26, as amended by AB 1484, and intends to perform all actions required under Health and Safety Code Section (HSC) 34191.4 to ensure collectability of the amounts outstanding.

In May 2013, the City received notification of the “Finding of Completion” from the DOF, which allows for: 1) loan agreements between the former redevelopment agency and City may be placed on the ROPS as an enforceable obligation, provided the oversight board makes a finding that the loan was for a legitimate redevelopment purpose per California Health and Safety Code (HSC) section 34191.4(b)(1), and 2) utilizing proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

In June 2014, the City received notification from DOF that the advances were for legitimate redevelopment purposes, and as such the outstanding principal and recalculated LAIF interest for these loans will be recognized as enforceable obligations. Further, management has assessed the projected cash flows for repayment of the advances in accordance with HSC 34191.4. Management asserts that payments towards the advance will commence in fiscal year 2017-18.

As noted above, as of June 30, 2014, advances to the Successor Agency was \$15,312,974, with an allowance of \$526,297. In the prior year, management had recorded an allowance for the advance of \$8,406,031. As a result of the Finding of Completion and anticipated cash flows, management has reduced the allowance to \$526,297, which represents the City’s calculation of interest on the advance using the LAIF rate in effect in 2012, which DOF has denied. The reversal of the allowance is reported as “Other Revenue” in the General Fund on the Statement of Revenues, Expenditures and Changes in Fund balance, and under Community Development Program revenues on the Statement of Activities. Additionally, as of June 30, 2014, the City recorded \$462,708 which is recorded as due to other funds, see Note 6, for the purpose of reimbursing the General Fund for operating expenditures of the former redevelopment agency.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at June 30, 2013, as restated	Additions	Deletions	Balance at June 30, 2014
Capital Assets Not Being Depreciated:				
Land	\$ 25,201,001	-	-	25,201,001
Rights of way/Easement	7,725,506	-	-	7,725,506
Trees	2,393,448	25,700	(10,318)	2,408,830
Construction in progress	92,284	58,937	(92,284)	58,937
Total	<u>35,412,239</u>	<u>84,637</u>	<u>(102,602)</u>	<u>35,394,274</u>
Capital Assets, Being Depreciated:				
Buildings	39,887,415	-	-	39,887,415
Improvements	27,398,309	804,827	(4,453)	28,198,683
Machinery and equipment	23,663,617	1,581,737	(896,036)	24,349,318
Infrastructure:				
Roadways	85,388,214	-	-	85,388,214
Storm drains	2,656,228	-	-	2,656,228
Other street appurtenances	9,450,172	141,505	(102,165)	9,489,512
Total	<u>188,443,955</u>	<u>2,528,069</u>	<u>(1,002,654)</u>	<u>189,969,370</u>
Less Accumulated Depreciation for:				
Buildings	(11,814,383)	(1,255,980)	-	(13,070,363)
Improvements	(7,823,870)	(1,159,012)	-	(8,982,882)
Machinery and equipment	(15,748,443)	(1,551,109)	896,036	(16,403,516)
Infrastructure:				
Roadways	(64,528,725)	(2,705,807)	-	(67,234,532)
Storm drains	(1,020,937)	(49,217)	-	(1,070,154)
Other street appurtenances	(5,957,905)	(298,206)	102,165	(6,153,946)
Total	<u>(106,894,263)</u>	<u>(7,019,331)</u>	<u>998,201</u>	<u>(112,915,393)</u>
Capital Assets being depreciated, net	<u>81,549,692</u>	<u>(4,491,262)</u>	<u>(4,453)</u>	<u>77,053,977</u>
Capital Assets, net	<u>\$ 116,961,931</u>	<u>(4,406,625)</u>	<u>(107,055)</u>	<u>112,448,251</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – CAPITAL ASSETS (CONTINUED)

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

	Governmental Activities
General government	\$ 1,483,249
Public safety	272,751
Public works	4,100,786
Community development	18,992
Parks and recreation	570,173
Libraries	339,908
Transit	233,472
Total	\$ 7,019,331

Business-type Activities

Capital asset business-type activities for the fiscal year ended June 30, 2014 was as follows:

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
<u>Sewer Fund:</u>				
Capital assets, being depreciated:				
Improvements	\$ 3,448,122	-	-	3,448,122
Total Sewer Capital Assets, Being Depreciated	3,448,122	-	-	3,448,122
Less - accumulated depreciation for:				
Improvements	(743,870)	(76,256)	-	(820,126)
Total Accumulated Depreciation	(743,870)	(76,256)	-	(820,126)
Total Sewer Capital Assets, Being Depreciated, Net	2,704,252	(76,256)	-	2,627,996
Total Sewer Capital Assets, Net	\$ 2,704,252	(76,256)	-	2,627,996

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities, (Continued)

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
<u>Water Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 598,955	-	-	598,955
Construction in progress	3,593,346	3,004,312	(63,838)	6,533,820
Total	4,192,301	3,004,312	(63,838)	7,132,775
Capital assets, being depreciated:				
Improvements	29,736,792	628,590	-	30,365,382
Buildings	1,123,295	-	-	1,123,295
Machinery and equipment	331,938	-	-	331,938
Total Water Capital Assets, Being Depreciated	31,192,025	628,590	-	31,820,615
Less - accumulated depreciation for:				
Improvements	(10,215,714)	(527,652)	-	(10,743,366)
Buildings	(1,100,306)	(3,277)	-	(1,103,583)
Machinery and equipment	(241,955)	(14,360)	-	(256,315)
Total Accumulated Depreciation	(11,557,975)	(545,289)	-	(12,103,264)
Total Water Capital Assets, Being Depreciated, Net	19,634,050	83,301	-	19,717,351
Total Water Capital Assets, Net	\$ 23,826,351	3,087,613	(63,838)	26,850,126
	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
<u>Solid Waste Activity:</u>				
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	17,083,888	-	-	17,083,888
Buildings	151,033	-	-	151,033
Machinery and equipment	211,575	75,060	(31,925)	254,710
Total Solid Waste Capital Assets, Being Depreciated	17,446,496	75,060	(31,925)	17,489,631
Less - accumulated depreciation for:				
Improvements	(6,350,888)	(535,748)	-	(6,886,636)
Buildings	(149,676)	(394)	-	(150,070)
Machinery and equipment	(206,109)	(3,450)	31,925	(177,634)
Total Accumulated Depreciated	(6,706,673)	(539,592)	31,925	(7,214,340)
Total Solid Waste Assets, Being Depreciated, Net	10,739,823	(464,532)	-	10,275,291
Total Solid Waste Assets, Net	\$ 12,967,624	(464,532)	-	12,503,092

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities, (Continued)

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
<u>Total Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 2,826,756	-	-	2,826,756
Construction in progress	3,593,346	3,004,312	(63,838)	6,533,820
Total Capital Assets Not Being Depreciated	<u>6,420,102</u>	<u>3,004,312</u>	<u>(63,838)</u>	<u>9,360,576</u>
Capital assets, being depreciated:				
Improvements	50,268,802	628,590	-	50,897,392
Buildings	1,274,328	-	-	1,274,328
Machinery and equipment	543,513	75,060	(31,925)	586,648
Total Capital Assets Being Depreciated	<u>52,086,643</u>	<u>703,650</u>	<u>(31,925)</u>	<u>52,758,368</u>
Less accumulated depreciation for:				
Improvements	(17,310,472)	(1,139,656)	-	(18,450,128)
Buildings	(1,249,982)	(3,671)	-	(1,253,653)
Machinery and equipment	(448,064)	(17,810)	31,925	(433,949)
Total Accumulated Depreciation	<u>(19,008,518)</u>	<u>(1,161,137)</u>	<u>31,925</u>	<u>(20,137,730)</u>
Total Capital Assets, Being Depreciated, Net	<u>33,078,125</u>	<u>(457,487)</u>	<u>-</u>	<u>32,620,638</u>
Total Capital Assets, Net	<u>\$ 39,498,227</u>	<u>2,546,825</u>	<u>(63,838)</u>	<u>41,981,214</u>

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

	Business Type Activities
Sewer	\$ 76,256
Water	545,289
Solid Waste	539,592
Total	<u>\$ 1,161,137</u>

Leases

On September 25, 2012, the City approved the leasing of 2,000 acre-feet of Main San Gabriel Basin production rights for \$600 per acre-foot for four fiscal years, 2013 through 2016, paid in advance providing \$4,800,000 to the City in fiscal year 2013. As of June 30, 2014, \$2,400,000 is unearned revenue for fiscal years 2015 through 2016, reported in the Water Fund.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

	Balance at June 30, 2013	Additions	Repayments	Balance at June 30, 2014	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 4,845,611	3,074,102	(2,757,664)	5,162,049	1,806,715
Tax allocation bonds	4,855,000	-	(335,000)	4,520,000	350,000
Claims payable	4,619,657	2,190,295	(1,957,203)	4,852,749	3,154,287
Net OPEB liability	2,656,850	932,927	(306,844)	3,282,933	-
Total Governmental Activities	<u>\$ 16,977,118</u>	<u>6,197,324</u>	<u>(5,356,711)</u>	<u>17,817,731</u>	<u>5,311,002</u>
Business-type Activities:					
Sewer Fund:					
Compensated absences	\$ 35,870	36,318	(23,303)	48,885	17,110
Net OPEB liability	43,450	14,811	(4,980)	53,281	-
Total Sewer Fund	<u>79,320</u>	<u>51,129</u>	<u>(28,283)</u>	<u>102,166</u>	<u>17,110</u>
Water Fund:					
Compensated absences	133,645	106,188	(95,598)	144,235	50,482
Revenue refunding bonds	18,135,000	-	(520,000)	17,615,000	540,000
Add: Premium/(Discount) on Bonds Payable	757,271	-	(38,022)	719,249	-
Net OPEB liability	124,939	28,084	(13,080)	139,943	-
Total Water Fund	<u>19,150,855</u>	<u>134,272</u>	<u>(666,700)</u>	<u>18,618,427</u>	<u>590,482</u>
Solid Waste Fund:					
Compensated absences	212,523	121,394	(128,596)	205,321	71,862
Revenue refunding bonds	865,000	-	(420,000)	445,000	445,000
Landfill closure and postclosure	11,363,709	425,489	-	11,789,198	-
Net OPEB liability	97,761	77,022	(14,940)	159,843	-
Total Solid Waste Fund	<u>12,538,993</u>	<u>623,905</u>	<u>(563,536)</u>	<u>12,599,362</u>	<u>516,862</u>
Total Business-type Activities	<u>\$ 31,769,168</u>	<u>809,306</u>	<u>(1,258,519)</u>	<u>31,319,955</u>	<u>1,124,454</u>

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, 2014

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Governmental long-term debt at June 30, 2014, 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, 2014 is \$4,852,749. The Internal Service Fund for self insurance has liquidated claims and judgments.

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 percent to 5.60 percent. 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, 2014 was \$601,721. The outstanding balance of the bonds at June 30, 2014 is \$4,520,000. As the amounts are owed by the Whittier Public Financing Authority, the bonds have been recorded as obligations of the City.

Business-type activity long-term debt at June 30, 2014, 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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Bonds maturing in the years 1994 to 2008 were 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, 2014, 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 \$445,000 and \$11,959. Principal and interest paid for the current year and total net revenues were \$455,206 and \$2,716,386, respectively.

Revenue Bonds, Water Fund Series 2012

On November 8, 2012, the City of Whittier's Utility Authority issued non-taxable Water Revenue Bonds, Series 2012 for \$10,085,000, payable through 2033, with a net original issue premium of \$779,451. The principal of the Bonds is payable through June 1, 2033, and interest rates vary from 2 percent to 5 percent. The Water Revenue Bonds Series 2012, were issued to finance various improvements to the City's water production, storage and distribution enterprise, refund the Authority's outstanding Water Revenue Bonds, 2003 Series A, and pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$621,404 that will be amortized through 2033. Upon implementation of GASB 65 in the current year, the City has reclassified the net carrying amount of \$573,403 as deferred outflows of resources.

The City has pledged future water revenues, net of specified operating expenses in the amount of \$6,120,028, which are remaining after the payment of the 2009 Bonds, to repay the 2012 Bonds, making the 2012 Bonds junior, subordinate and inferior to the 2009 Bonds. The pledge revenues will not be available for other purposes for a period of 20 years. The amount pledged represents approximately 46.47 percent of total water revenues. In the current year, the City recognized \$13,169,679 of pledged revenues. As of June 30, 2014, the outstanding principal amount of the Series 2012 Bonds and interest were \$9,285,000 and \$3,616,400, respectively. During the year, the City capitalized interest of \$283,992 related to the bond.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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, 2014 was \$670,089. The total principal and interest remaining to be paid on the bond is \$8,330,000 and \$7,550,772, respectively. Principal and interest paid for the current year and total net revenues were \$665,437 and \$6,120,028, respectively. During the year the City capitalized interest of \$388,007 related to the bond.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 position date. The \$11,789,198 reported as landfill closure and postclosure care liability at June 30, 2014 represents the cumulative amount reported to date based on the use of 52.93 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,483,127 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012, adjusted for inflation. The City expects to close the landfill in the year 2055. 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, 2014, assets of \$8,817,188 are held for these purposes. These are reported as restricted assets on the statement of net position. 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 fiscal year 2011-12, the City contracted an engineer to review the closure and post-closure estimates.

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, 2014 are as follows:

Fiscal Year Ending June 30,	Public Financing Authority 2002 Revenue		
	Bonds, Series A		
	Principal	Interest	Total
2015	\$ 350,000	238,305	588,305
2016	370,000	219,040	589,040
2017	390,000	198,325	588,325
2018	410,000	176,530	586,530
2019	435,000	153,498	588,498
2020-2024	2,565,000	368,042	2,933,042
Total	\$ 4,520,000	1,353,740	5,873,740

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Fiscal Year Ending June 30,	1993 Solid Waste Revenue Bonds		
	Principal	Interest	Total
2015	\$ 445,000	11,959	456,959
Total	<u>\$ 445,000</u>	<u>11,959</u>	<u>456,959</u>

Fiscal Year Ending June 30,	2012 Water Revenue Bonds		
	Principal	Interest	Total
2015	\$ 335,000	337,825	672,825
2016	350,000	327,775	677,775
2017	365,000	317,275	682,275
2018	375,000	302,675	677,675
2019	390,000	287,675	677,675
2020-2024	2,210,000	1,188,675	3,398,675
2025-2029	2,740,000	659,200	3,399,200
2030-2033	2,520,000	195,300	2,715,300
Total	<u>\$ 9,285,000</u>	<u>3,616,400</u>	<u>12,901,400</u>

Fiscal Year Ending June 30,	2009A Water Revenue Bonds		
	Principal	Interest	Total
2015	\$ 205,000	464,587	669,587
2016	210,000	458,436	668,436
2017	215,000	452,137	667,137
2018	220,000	445,687	665,687
2019	230,000	436,887	666,887
2020-2024	1,305,000	2,035,785	3,340,785
2025-2029	1,605,000	1,669,041	3,274,041
2030-2034	1,955,000	1,127,260	3,082,260
2035-2039	2,385,000	460,952	2,845,952
Total	<u>\$ 8,330,000</u>	<u>7,550,772</u>	<u>15,880,772</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 is \$3,290,000.

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

The City of Whittier entered into a Loan Agreement dated April 7, 2004 with Whittier College ("College"), pursuant to which the City has issued bonds for \$60,000,000 on April 7, 2004, at a Weekly Interest rate with a maximum rate of 12 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, 2014 is \$51,255,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

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, 2014 is \$97,610,000.

In December 2012, the City issued \$148,000,000 of Series 2012A, Series 2012B, and Series 2012C for Hospital in order to refund Series 2009 B Bonds and Series 2009 C Bonds.

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2011

The City of Whittier entered into a Loan Agreement dated March 31, 2011 with Presbyterian Intercommunity Hospital, Inc. ("Hospital") pursuant to which the City issued Bonds totaling \$41,305,000 to finance certain facilities for the benefit of the Hospital. The Bonds bear fixed-interest rates ranging from 4% to 6.25% and have maturities beginning in 2012 and ending in 2036. The City is not obligated to pay the principal, or premium, if any, and interest on the Bonds. Outstanding balance at June 30, 2014 is \$39,730,000.

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2012

The City of Whittier entered into a Loan Agreement dated December 1, 2012 with Presbyterian Intercommunity Hospital, Inc. ("Hospital") to refinance the cost of acquiring, constructing, renovating, and equipping certain health facilities provided or operated by the Hospital, which were refinanced by the Series 2009 Bonds in the aggregate principal amount of \$148,000,000. The Bonds mature on June 1, 2036. The City is not obligated to pay the principal, or premium, if any, and interest on the Bonds. Outstanding balance at June 30, 2014 is \$148,000,000. Bonds are subject to optional redemption prior to their stated maturity. Bonds are redeemed by application of sinking fund installments beginning June 1, 2017 in annual amounts ranging from \$115,000 to \$3,340,000.

In August 2014, the City entered into Loan Agreement with Presbyterian Intercommunity Hospital, Inc. ("Hospital") to issue \$66,300,000 of Series 2014 Bonds and \$35,700,000 of Series 2014 Notes. The City is not obligated to pay the principal, or premium, if any, and interest on the Bonds or Notes.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – OBLIGATIONS OF THE REDEVELOPMENT SUCCESSOR AGENCY

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 on February 1, 2012. As a result, the bonds and loans outstanding are not reflected in the long-term debt of the City, or its Statement of Net Position. In addition, as described in Note 7, the City has recorded advances to the Successor Agency in the amount of \$15,312,974, with a corresponding allowance of \$526,297.

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. The outstanding principal balance at June 30, 2014 is \$13,175,000.

2005 Tax Allocation Bonds

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

The principal of the bonds is payable each November 1 commencing 2006 through 2035. Interest is payable semi-annually each May 1 and November 1 beginning November 2005. Interest rates on the bonds range from 3.0 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. The outstanding principal balance at June 30, 2014 is \$6,470,000.

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. The outstanding principal balance at June 30, 2014 is \$11,275,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – OBLIGATIONS OF THE REDEVELOPMENT SUCCESSOR AGENCY (CONTINUED)

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. The outstanding principal balance at June 30, 2014 is \$13,750,000.

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. The outstanding principal and interest balance at June 30, 2014 is \$2,245,947.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – OBLIGATIONS OF THE REDEVELOPMENT SUCCESSOR AGENCY (CONTINUED)

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. The outstanding principal and interest balance at June 30, 2014 is \$1,558,036.

The following is a summary of changes in the Redevelopment Successor Agency Private-purpose Trust Fund long term liabilities for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Repayments	Balance at June 30, 2014	Due Within One Year
Redevelopment Successor Agency					
Private-purpose Trust Fund:					
Tax allocation loan	\$ 13,565,000	-	(390,000)	13,175,000	395,000
Tax allocation bonds	32,260,000	-	(765,000)	31,495,000	805,000
Developer loans payable:					
Quad loan	2,727,786	419,694	(901,533)	2,245,947	-
Urbatec loan	1,543,205	396,860	(382,029)	1,558,036	-
Total Redevelopment Successor Agency Private-purpose Trust Fund	\$ 50,095,991	816,554	(2,438,562)	48,473,983	1,200,000

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 hired prior to January 1, 2013 and those individuals identified as Classic Members under Public Employment Retirement Law (PERL) are in the 2.5 percent at age 55 plan. Full time employees under PERL hired on or after January 1, 2013 are in the new PERS 2 percent at age 62 for miscellaneous plan with a three average year formula. Safety employees hired prior to January 1, 2013 and Lateral Transfers with recent service from PERS agencies are in the 3 percent at age 50 plan with a maximum of 90 percent of their single highest year's pay, while safety employees hired on or after January 1, 2013 are in the 2.7 percent at age 57 plan with a three year average formula. 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 for miscellaneous employees and 9 percent for safety employees of their annual covered salary. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payrolls. The employer contribution rate for the fiscal year ended June 30, 2014 was 38.303 percent for safety employees and 12.993 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, 2014, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2013 to June 30, 2014.

Annual Pension Cost

For the fiscal year ended June 30, 2014, the City's annual pension cost (employer contribution) of \$4,939,678 for safety employees and \$2,126,957 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, 2011 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.00 percent living adjustments. Both (a) and (b) included an inflation component of 2.75 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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	Safety Plan	Miscellaneous Plan
Valuation Date	June 30, 2011	June 30, 2011
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	32 years as of the Valuation Date	27 years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market	15 Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.50% (net of administrative expenses)	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment	3.30% to 14.20 % depending on Age, Service, and type of employment
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6 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	Annual Pension Cost (Employer Contribution)			Net Pension Obligation
	Safety	Miscellaneous	Percentage of APC Contributed	
6/30/2012	\$ 4,839,093	2,580,141	100%	-
6/30/2013	4,423,228	2,289,740	100%	-
6/30/2014	4,939,678	2,126,957	100%	-

Funded Status and Funding Progress for Safety – As of June 30, 2013, the most recent actuarial valuation date, the plan was 64.4 percent funded. The actuarial accrued liability for benefits was \$156,744,106, and the market value of assets was \$100,897,305, resulting in an unfunded actuarial accrued liability (UAAL) of \$55,846,801. Effective April 17, 2013, CalPERS will no longer use an actuarial value of assets and will use the market value of assets. The covered payroll (annual payroll of active employees covered by the plan) was \$11,287,622, and the ratio of the UAAL to the covered payroll was 494.8 percent.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funded Status and Funding Progress for Miscellaneous - As of June 30, 2013, the most recent actuarial valuation date, the plan was 79.2 percent funded. The actuarial accrued liability for benefits was \$150,077,256, and the market value of assets was \$118,925,257, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,151,999. Effective April 17, 2013, CalPERS will no longer use an actuarial value of assets and will use the market value of assets. The covered payroll (annual payroll of active employees covered by the plan) was \$16,341,938, and the ratio of the UAAL to the covered payroll was 190.6 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, 2014, the City contributed approximately \$340,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately \$243,000 for implied subsidy benefit payments for 74 retirees. The Plan does not require employee contributions.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represented a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (for funding excess) over a period not to exceed 30 years.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

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	\$ 1,399,000
Interest on net OPEB obligation	117,000
Adjustment to annual required contribution	(220,000)
Annual OPEB cost (expense)	<u>1,296,000</u>
Benefit payments	(583,000)
Increase in net OPEB obligation	<u>713,000</u>
Net OPEB obligation - beginning of year	2,923,000
Net OPEB obligation - end of year	<u><u>\$ 3,636,000</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, 2014 was as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2012	\$ 1,335,000	43.3%	2,228,000
6/30/2013	1,231,000	43.5%	2,923,000
6/30/2014	1,296,000	45.0%	3,636,000

Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2013, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 11,568,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>11,568,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	0%
Covered payroll (active Plan participants)	27,264,000
UAAL as a percentage of covered payroll	42.4%

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued)

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, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0 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 8.0 percent for both the HMOs and 7.6 percent for the PPO for 2013/14, 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 26 years on a closed basis.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – FUND BALANCE CLASSIFICATIONS

The details of the fund balance classifications as of June 30, 2014 are presented below:

	General Fund	Special Revenue Funds			Total Major Funds	Total Non-major Funds	Total Governmental Funds
		Transit Fund	HOME Fund	Housing Authority			
Fund Balance:							
Nonspendable							
Advances to other funds	\$ 7,652,550	-	-	-	7,652,550	-	7,652,550
Prepaid items	10,604	162,848	-	-	173,452	-	173,452
Subtotal	7,663,154	162,848	-	-	7,826,002	-	7,826,002
Spendable							
Restricted							
Public safety	-	-	-	-	-	199,863	199,863
Local transit	-	3,083,508	-	-	3,083,508	-	3,083,508
Construction and maintenance	-	-	-	-	-	8,997,487	8,997,487
SB358 Library	-	-	-	-	-	103,990	103,990
Community development	-	-	1,684,389	20,795,425	22,479,814	2,420,060	24,899,874
Debt service	-	-	-	-	-	5,137,903	5,137,903
Parkland	695,768	-	-	-	695,768	-	695,768
Park in-lieu	25,000	-	-	-	25,000	-	25,000
Asset Seizure	-	-	-	-	-	1,299,082	1,299,082
Traffic Offender	-	-	-	-	-	540,329	540,329
Seismic Education	3,124	-	-	-	3,124	4,800	7,924
AQMD	-	-	-	-	-	486,704	486,704
PEG	359,411	-	-	-	359,411	-	359,411
Subtotal	1,083,303	3,083,508	1,684,389	20,795,425	26,646,625	19,190,217	45,836,842
Committed							
Library facility	58,148	-	-	-	58,148	-	58,148
Oil wells	100,000	-	-	-	100,000	-	100,000
Arts in public place	340,578	-	-	-	340,578	-	340,578
Emergency contingency	2,776,439	-	-	-	2,776,439	-	2,776,439
Subtotal	3,275,165	-	-	-	3,275,165	-	3,275,165
Assigned							
General plan	737,271	-	-	-	737,271	-	737,271
General government-rental units	584,330	-	-	-	584,330	-	584,330
Mineral extraction	232,982	-	-	-	232,982	-	232,982
Capital projects	-	-	-	-	-	5,052,876	5,052,876
Continuing appropriations	2,585,437	-	-	-	2,585,437	-	2,585,437
Subtotal	4,140,020	-	-	-	4,140,020	5,052,876	9,192,896
Unassigned							
	22,669,566	-	-	-	22,669,566	-	22,669,566
Total	\$ 38,831,208	3,246,356	1,684,389	20,795,425	64,557,378	24,243,093	88,800,471

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, 2014, the City had \$2,776,439 committed pursuant to Resolution 8380.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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, 2014 and June 30, 2013:

	Worker's Compensation	General Liability	Total
Claims and judgments at June 30, 2012	\$ 3,341,242	1,138,191	4,479,433
Claims payments	(1,632,666)	(505,990)	(2,138,656)
Claims incurred and changes in estimates	1,818,412	460,468	2,278,880
Claims and judgments at June 30, 2013	3,526,988	1,092,669	4,619,657
Claims payments	(1,422,996)	(534,207)	(1,957,203)
Claims incurred and changes in estimates	1,194,965	995,330	2,190,295
Claims and judgments at June 30, 2014	<u>\$ 3,298,957</u>	<u>1,553,792</u>	<u>4,852,749</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 – 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 17 – 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.

Greenway Trail Clean Up Contingency

The City has been named as a responsible party by the Environmental Protection Agency for clean up on property within the City known as Greenway Trail. In July 2014, the City entered into a voluntary compliance agreement with the California Department of Toxic Substances Control for site investigation and clean-up. 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 Redevelopment Successor Agency Private-purpose Trust Fund (Whittier Redevelopment Successor Agency or WRSA) has received property tax revenues for specific enforceable obligations of the former redevelopment agency that are subject to review by the Department of Finance (DOF). As discussed in Note 7, in June 2014, the City received notification from DOF that certain advances from the City will be recognized as enforceable obligations.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17 – COMMITMENTS AND CONTINGENCIES, (CONTINUED)

Enforceable Obligations, (Continued)

Pursuant to Assembly Bill 1484, enacted June 27, 2012, WRSA was required to have due diligence reviews (DDR) of the Low and Moderate Income Housing Funds (LMIHF) and Other Funds Account (OFA) conducted "...to determine the unobligated balances available for transfer to affected taxing entities, and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation." The DDR reports for the City LMIHF and OFA were submitted to the DOF for final determination of WRSA's LMIHF and OFA available balances for distribution to taxing entities. As per the DOF's final determinations, the WRSA transferred the available balances to the County of Los Angeles' Auditor-Controller and the funds have been disbursed to the taxing entities. In May 2013, the City received notification of the "Finding of Completion" from the DOF, which allows for: 1) loan agreements between the former redevelopment agency and City may be placed on the ROPS as an enforceable obligation, provided the oversight board makes a finding that the loan was for a legitimate redevelopment purpose per California Health and Safety Code (HSC) section 34191.4(b)(1), and 2) utilizing proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

Advances to Successor Agency

At June 30, 2014, the City of Whittier had \$15,312,974 recorded as Advances to Successor Agency, as further described in Note 7. In June 2014, these amounts were approved by DOF, and as such the outstanding principal and recalculated LAIF interest for these loans will be recognized as enforceable obligations. As of June 30, 2014, the City recorded an allowance to offset the advances in the amount of \$526,297, related to the City's calculation of the LAIF rate using the first quarter 2012 LAIF rate.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17 – COMMITMENTS AND CONTINGENCIES, (CONTINUED)

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 \$3,806,116 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
2015	\$ 878,743
2016	878,743
2017	878,743
2018	878,743
2019	878,743
2020-2024	4,393,715
2025-2029	4,393,715
2030-2034	4,393,715
2035-2039	4,393,715
2040-2044	4,393,715
2045-2049	4,393,715
2050-2054	4,393,715
2055-2057	3,514,972
	\$ 38,664,692

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

During the current year, it was determined that land held for resale in the Redevelopment Successor Agency Private-Purpose Trust Fund was previously incorrectly transferred to the Trust, and instead should have been reported as City assets.

To correct for the recognition error:

	Redevelopment Successor Agency Private-purpose Trust Fund	Housing Authority	Governmental Activities
Beginning of year, as previously reported			
Net Deficit/Fund Balance/Position	\$ (24,979,889)	18,933,454	210,206,275
Assets belonging to Housing Authority	(1,667,026)	1,667,026	1,667,026
Land belonging to City	(764,949)	-	764,949
Reclass land recorded as expenditures within Successor Agency	30,000	-	-
Beginning of year, as restated			
Net Deficit/Fund Balance/Position	<u>\$ (27,381,864)</u>	<u>20,600,480</u>	<u>212,638,250</u>

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2014**

The Schedule of Funding Progress presented below presents multiyear trend information about whether the market value of 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
6/30/2011	\$ 146,237,060	106,698,941	39,538,119	73.0%	10,691,241	369.8%
6/30/2012	150,781,479	110,442,630	40,338,849	73.2%	10,601,280	380.5%
6/30/2013	156,744,106	100,897,305	55,846,801	64.4%	11,287,622	494.8%

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
6/30/2011	\$ 138,067,984	126,383,355	11,684,629	91.5%	16,164,139	72.3%
6/30/2012	143,926,812	130,049,970	13,876,842	90.4%	16,327,647	85.0%
6/30/2013	150,077,256	118,925,257	31,151,999	79.2%	16,341,938	190.6%

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	29.5%
1/1/2011	-	11,534,000	11,534,000	0%	26,263,000	43.9%
1/1/2013	-	11,568,000	11,568,000	0%	27,264,000	42.4%

*Beginning with the 6/30/2013 valuation, Actuarial Value of Assets equals Market Value of Assets per CalPERS Direct Rate Smoothing Policy.

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014**

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, 2014**

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 former 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.

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant	State COPS Grant
Assets:				
Cash and investments	\$ 2,024	-	103,892	533,305
Restricted assets:				
Cash and investments	-	1,302,747	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	-	-	-	11,440
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	1,308	98	480
Advances to Successor Agency	-	-	-	-
Total Assets	<u>\$ 2,024</u>	<u>1,304,055</u>	<u>103,990</u>	<u>545,225</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 629	2,500	-	-
Accrued liabilities	-	2,473	-	4,896
Unearned revenues	-	-	-	-
Total Liabilities	<u>629</u>	<u>4,973</u>	<u>-</u>	<u>4,896</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	1,395	1,299,082	103,990	540,329
Assigned	-	-	-	-
Total Fund Balances	<u>1,395</u>	<u>1,299,082</u>	<u>103,990</u>	<u>540,329</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,024</u>	<u>1,304,055</u>	<u>103,990</u>	<u>545,225</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
458,658	6,281	4,800	2,707,717	551,923	1,513,962	589,921
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,736	-	-	196,557	18,892	115,509	120,143
-	-	-	-	-	-	-
-	-	-	-	-	-	1,806,185
389	-	-	1,866	-	1,122	111,035
-	-	-	-	-	-	-
<u>486,783</u>	<u>6,281</u>	<u>4,800</u>	<u>2,906,140</u>	<u>570,815</u>	<u>1,630,593</u>	<u>2,627,284</u>
79	6,281	-	126,837	4,366	78,299	76,520
-	-	-	-	-	-	3,097
-	-	-	-	-	-	-
<u>79</u>	<u>6,281</u>	<u>-</u>	<u>126,837</u>	<u>4,366</u>	<u>78,299</u>	<u>79,617</u>
-	-	-	57,432	-	-	127,607
-	-	-	57,432	-	-	127,607
486,704	-	4,800	2,721,871	566,449	1,552,294	2,420,060
-	-	-	-	-	-	-
<u>486,704</u>	<u>-</u>	<u>4,800</u>	<u>2,721,871</u>	<u>566,449</u>	<u>1,552,294</u>	<u>2,420,060</u>
<u>486,783</u>	<u>6,281</u>	<u>4,800</u>	<u>2,906,140</u>	<u>570,815</u>	<u>1,630,593</u>	<u>2,627,284</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014**

	Special Revenue Funds			
	Whittier	Whittier	Prop 1B	Federal Stimulus
	Uptown Parking District No.1	Uptown Parking District No.2		
Assets:				
Cash and investments	\$ 27,353	1,339,823	119,270	92,619
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	147	3,533	-	-
Accounts	4,480	778	-	-
Notes and loans	-	-	-	-
Interest	20	1,128	807	-
Advances to Successor Agency	-	-	-	-
Total Assets	<u>\$ 32,000</u>	<u>1,345,262</u>	<u>120,077</u>	<u>92,619</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,560	1,391	34,089	-
Accrued liabilities	1,166	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>2,726</u>	<u>1,391</u>	<u>34,089</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	29,274	1,343,871	85,988	92,619
Assigned	-	-	-	-
Total Fund Balances	<u>29,274</u>	<u>1,343,871</u>	<u>85,988</u>	<u>92,619</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,000</u>	<u>1,345,262</u>	<u>120,077</u>	<u>92,619</u>

Special Revenue Funds		Debt Service Fund	Capital Project Fund	Total Non-major Governmental Funds
Subventions and Grants	Measure R	Public Financing Authority	Capital Outlay	
272,414	2,601,401	-	5,072,480	15,997,843
-	-	-	-	1,302,747
-	-	617,816	-	617,816
165,456	-	-	-	659,413
-	-	-	-	5,258
-	-	-	-	1,806,185
-	2,365	87	2,482	123,187
-	-	4,520,000	-	4,520,000
<u>437,870</u>	<u>2,603,766</u>	<u>5,137,903</u>	<u>5,074,962</u>	<u>25,032,449</u>
84,734	41	-	22,086	439,412
-	-	-	-	11,632
38,530	-	-	-	38,530
<u>123,264</u>	<u>41</u>	<u>-</u>	<u>22,086</u>	<u>489,574</u>
114,743	-	-	-	299,782
<u>114,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,782</u>
199,863	2,603,725	5,137,903	-	19,190,217
-	-	-	5,052,876	5,052,876
<u>199,863</u>	<u>2,603,725</u>	<u>5,137,903</u>	<u>5,052,876</u>	<u>24,243,093</u>
<u>437,870</u>	<u>2,603,766</u>	<u>5,137,903</u>	<u>5,074,962</u>	<u>25,032,449</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeiture	SB358 Library Grant	State COPS Grant
Revenues:				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	95,538	-	-
Use of money and property	5	4,460	352	1,788
Intergovernmental	-	-	-	145,734
Charges for services	843	-	-	-
Other	-	-	-	-
Total Revenues	<u>848</u>	<u>99,998</u>	<u>352</u>	<u>147,522</u>
Expenditures:				
Current:				
Public safety	-	258,986	-	235,599
Libraries	-	-	35,508	-
Parks and recreation	-	-	-	-
Public works	1,093	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,093</u>	<u>258,986</u>	<u>35,508</u>	<u>235,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(245)</u>	<u>(158,988)</u>	<u>(35,156)</u>	<u>(88,077)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	35,508	130,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>35,508</u>	<u>130,000</u>
Net Change in Fund Balances	<u>(245)</u>	<u>(158,988)</u>	<u>352</u>	<u>41,923</u>
Fund Balances (Deficit), Beginning of Year	<u>1,640</u>	<u>1,458,070</u>	<u>103,638</u>	<u>498,406</u>
Fund Balances, End of Year	<u>\$ 1,395</u>	<u>1,299,082</u>	<u>103,990</u>	<u>540,329</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
-	-	-	-	-	-	-
-	108,199	-	-	-	-	-
-	4,517	-	-	395,280	-	-
1,476	-	-	7,728	-	4,696	-
106,776	-	-	2,129,990	-	1,204,562	618,366
-	-	-	-	-	-	-
-	-	-	-	-	-	-
108,252	112,716	-	2,137,718	395,280	1,209,258	618,366
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	414,838	-	646,414	-
45,387	112,716	-	-	-	-	607,205
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,387	112,716	-	414,838	-	646,414	607,205
62,865	-	-	1,722,880	395,280	562,844	11,161
-	-	-	-	-	-	-
-	-	-	(1,084,045)	(350,000)	-	-
-	-	-	(1,084,045)	(350,000)	-	-
62,865	-	-	638,835	45,280	562,844	11,161
423,839	-	4,800	2,083,036	521,169	989,450	2,408,899
486,704	-	4,800	2,721,871	566,449	1,552,294	2,420,060

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds			
	Whittier Uptown Parking District No.1	Whittier Uptown Parking District No.2	Prop 1B	Federal Stimulus
	Revenues:			
Taxes	\$ 10,871	221,531	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	-	-	-
Use of money and property	55,080	4,355	1,494	-
Intergovernmental	-	-	-	-
Charges for services	35,135	64,174	-	-
Other	189	2,070	-	-
Total Revenues	<u>101,275</u>	<u>292,130</u>	<u>1,494</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Libraries	-	-	-	-
Parks and recreation	-	-	-	-
Public works	93,798	73,500	784,501	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>93,798</u>	<u>73,500</u>	<u>784,501</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,477</u>	<u>218,630</u>	<u>(783,007)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>7,477</u>	<u>218,630</u>	<u>(783,007)</u>	<u>-</u>
Fund Balances (Deficit), Beginning of Year	<u>21,797</u>	<u>1,125,241</u>	<u>868,995</u>	<u>92,619</u>
Fund Balances, End of Year	<u>\$ 29,274</u>	<u>1,343,871</u>	<u>85,988</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	
-	904,497	-	-	1,136,899
-	-	-	-	108,199
-	-	-	-	495,335
7	8,786	256,455	9,310	355,992
1,022,373	-	-	-	5,227,801
-	-	-	-	100,152
-	-	-	92,594	94,853
<u>1,022,380</u>	<u>913,283</u>	<u>256,455</u>	<u>101,904</u>	<u>7,519,231</u>
174,412	-	-	-	668,997
22,473	-	-	-	57,981
344,851	-	-	-	344,851
131,558	868,628	-	-	3,014,330
181,319	-	-	-	946,627
-	-	-	650,388	650,388
-	-	335,000	-	335,000
-	-	256,290	-	256,290
<u>854,613</u>	<u>868,628</u>	<u>591,290</u>	<u>650,388</u>	<u>6,274,464</u>
<u>167,767</u>	<u>44,655</u>	<u>(334,835)</u>	<u>(548,484)</u>	<u>1,244,767</u>
-	-	-	242,000	407,508
-	-	-	(81,500)	(1,515,545)
-	-	-	160,500	(1,108,037)
<u>167,767</u>	<u>44,655</u>	<u>(334,835)</u>	<u>(387,984)</u>	<u>136,730</u>
<u>32,096</u>	<u>2,559,070</u>	<u>5,472,738</u>	<u>5,440,860</u>	<u>24,106,363</u>
<u>199,863</u>	<u>2,603,725</u>	<u>5,137,903</u>	<u>5,052,876</u>	<u>24,243,093</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Use of money and property	\$ -	5	5
Charges for services	1,380	843	(537)
Total Revenues	<u>1,380</u>	<u>848</u>	<u>(532)</u>
Expenditures:			
Current:			
Public works	1,069	1,093	(24)
Total Expenditures	<u>1,069</u>	<u>1,093</u>	<u>(24)</u>
Net Change in Fund Balance	311	(245)	(556)
Fund Balance at Beginning of Year	<u>1,640</u>	<u>1,640</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,951</u>	<u>1,395</u>	<u>(556)</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Fines and forfeits	\$ 100,000	95,538	(4,462)
Use of money and property	23,000	4,460	(18,540)
Total Revenues	<u>123,000</u>	<u>99,998</u>	<u>(23,002)</u>
Expenditures:			
Current:			
Public safety	413,489	258,986	154,503
Total Expenditures	<u>413,489</u>	<u>258,986</u>	<u>154,503</u>
Net Change in Fund Balance	(290,489)	(158,988)	131,501
Fund Balance at Beginning of Year	<u>1,458,070</u>	<u>1,458,070</u>	-
Fund Balance at End of Year	<u><u>\$ 1,167,581</u></u>	<u><u>1,299,082</u></u>	<u><u>131,501</u></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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	352	352
Total Revenues	-	352	352
Expenditures:			
Current:			
Libraries	35,508	35,508	-
Total Expenditures	35,508	35,508	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,508)	(35,156)	352
Other financing sources (uses):			
Transfers in	35,508	35,508	-
Total Other Financing Sources (Uses)	35,508	35,508	-
Net Change in Fund Balance	-	352	352
Fund Balance at Beginning of Year	103,638	103,638	-
Fund Balance at End of Year	\$ 103,638	103,990	352

**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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,200	1,788	588
Intergovernmental	100,000	145,734	45,734
Charges for services	10,000	-	(10,000)
Total Revenues	<u>111,200</u>	<u>147,522</u>	<u>36,322</u>
Expenditures:			
Current:			
Public safety	290,346	235,599	54,747
Total Expenditures	<u>290,346</u>	<u>235,599</u>	<u>54,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(179,146)</u>	<u>(88,077)</u>	<u>91,069</u>
Other financing sources (uses):			
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>(49,146)</u>	<u>41,923</u>	<u>91,069</u>
Fund Balance at Beginning of Year	<u>498,406</u>	<u>498,406</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 449,260</u>	<u>540,329</u>	<u>91,069</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	1,476	(524)
Intergovernmental	100,000	106,776	6,776
Total Revenues	<u>102,000</u>	<u>108,252</u>	<u>6,252</u>
Expenditures:			
Current:			
Community development	63,203	45,387	17,816
Total Expenditures	<u>63,203</u>	<u>45,387</u>	<u>17,816</u>
Net Change in Fund Balance	38,797	62,865	24,068
Fund Balance at Beginning of Year	423,839	423,839	-
Fund Balance at End of Year	<u>\$ 462,636</u>	<u>486,704</u>	<u>24,068</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Licenses and permits	\$ 110,000	108,199	(1,801)
Fines and forfeits	1,500	4,517	3,017
Total Revenues	<u>111,500</u>	<u>112,716</u>	<u>1,216</u>
Expenditures:			
Current:			
Community development	111,500	112,716	(1,216)
Total Expenditures	<u>111,500</u>	<u>112,716</u>	<u>(1,216)</u>
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ -	-	-
Total Revenues	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	4,800	4,800	-
Fund Balance at End of Year	\$ 4,800	4,800	-

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Use of money and property	\$ 6,500	7,728	1,228
Intergovernmental	1,741,700	2,129,990	388,290
Total Revenues	<u>1,748,200</u>	<u>2,137,718</u>	<u>389,518</u>
Expenditures:			
Current:			
Public works	2,301,139	414,838	1,886,301
Total Expenditures	<u>2,301,139</u>	<u>414,838</u>	<u>1,886,301</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(552,939)</u>	<u>1,722,880</u>	<u>2,275,819</u>
Other financing sources (uses):			
Transfers out	(1,084,045)	(1,084,045)	-
Total Other Financing Sources (Uses)	<u>(1,084,045)</u>	<u>(1,084,045)</u>	<u>-</u>
Net Change in Fund Balance	(1,636,984)	638,835	2,275,819
Fund Balance at Beginning of Year	<u>2,083,036</u>	<u>2,083,036</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 446,052</u>	<u>2,721,871</u>	<u>2,275,819</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Fines and forfeits	\$ 350,000	395,280	45,280
Total Revenues	<u>350,000</u>	<u>395,280</u>	<u>45,280</u>
Other financing sources (uses):			
Transfers out	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balance	-	45,280	45,280
Fund Balance at Beginning of Year	<u>521,169</u>	<u>521,169</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 521,169</u></u>	<u><u>566,449</u></u>	<u><u>45,280</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	4,696	4,696
Intergovernmental	1,000,000	1,204,562	204,562
Total Revenues	<u>1,000,000</u>	<u>1,209,258</u>	<u>209,258</u>
Expenditures:			
Current:			
Public works	1,811,441	646,414	1,165,027
Total Expenditures	<u>1,811,441</u>	<u>646,414</u>	<u>1,165,027</u>
Net Change in Fund Balance	(811,441)	562,844	1,374,285
Fund Balance at Beginning of Year	<u>989,450</u>	<u>989,450</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 178,009</u>	<u>1,552,294</u>	<u>1,374,285</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 737,321	618,366	(118,955)
Total Revenues	<u>737,321</u>	<u>618,366</u>	<u>(118,955)</u>
Expenditures:			
Current:			
Community development	1,488,092	607,205	880,887
Total Expenditures	<u>1,488,092</u>	<u>607,205</u>	<u>880,887</u>
Net Change in Fund Balance	(750,771)	11,161	761,932
Fund Balance at Beginning of Year	<u>2,408,899</u>	<u>2,408,899</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,658,128</u>	<u>2,420,060</u>	<u>761,932</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 6,785	10,871	4,086
Use of money and property	34,900	55,080	20,180
Charges for services	62,400	35,135	(27,265)
Other	-	189	189
Total Revenues	<u>104,085</u>	<u>101,275</u>	<u>(2,810)</u>
Expenditures:			
Current:			
Public works	<u>69,655</u>	<u>93,798</u>	<u>(24,143)</u>
Total Expenditures	<u>69,655</u>	<u>93,798</u>	<u>(24,143)</u>
Net Change in Fund Balance	34,430	7,477	(26,953)
Fund Balance (Deficit) at Beginning of Year	<u>21,797</u>	<u>21,797</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 56,227</u>	<u>29,274</u>	<u>(26,953)</u>

**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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 54,253	221,531	167,278
Use of money and property	3,000	4,355	1,355
Charges for services	86,000	64,174	(21,826)
Other	-	2,070	2,070
Total Revenues	<u>143,253</u>	<u>292,130</u>	<u>148,877</u>
Expenditures:			
Current:			
Public works	124,779	73,500	51,279
Total Expenditures	<u>124,779</u>	<u>73,500</u>	<u>51,279</u>
Net Change in Fund Balance	18,474	218,630	200,156
Fund Balance at Beginning of Year	<u>1,125,241</u>	<u>1,125,241</u>	-
Fund Balance at End of Year	<u>\$ 1,143,715</u>	<u>1,343,871</u>	<u>200,156</u>

**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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	1,494	1,494
Total Revenues	<u>-</u>	<u>1,494</u>	<u>1,494</u>
Expenditures:			
Current:			
Public works	888,442	784,501	103,941
Total Expenditures	<u>888,442</u>	<u>784,501</u>	<u>103,941</u>
Net Change in Fund Balance	(888,442)	(783,007)	105,435
Fund Balance at Beginning of Year	<u>868,995</u>	<u>868,995</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (19,447)</u>	<u>85,988</u>	<u>105,435</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Intergovernmental	\$ -	-	-
Total Revenues	-	-	-
Expenditures:			
Current:			
Public works	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	92,619	92,619	-
Fund Balance (Deficit) at End of Year	\$ 92,619	92,619	-

**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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	7	7
Intergovernmental	572,364	1,022,373	450,009
Total Revenues	<u>572,364</u>	<u>1,022,380</u>	<u>450,016</u>
Expenditures:			
Current:			
Public safety	325,785	174,412	151,373
Libraries	23,700	22,473	1,227
Parks and recreation	623,506	344,851	278,655
Public works	1,587,300	131,558	1,455,742
Community development	295,624	181,319	114,305
Total Expenditures	<u>2,855,915</u>	<u>854,613</u>	<u>2,001,302</u>
Net Change in Fund Balance	(2,283,551)	167,767	2,451,318
Fund Balance (Deficit) at Beginning of Year	32,096	32,096	-
Fund Balance (Deficit) at End of Year	<u>\$ (2,251,455)</u>	<u>199,863</u>	<u>2,451,318</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Taxes	\$ 727,688	904,497	176,809
Use of money and property	-	8,786	8,786
Total Revenues	<u>727,688</u>	<u>913,283</u>	<u>185,595</u>
Expenditures:			
Current:			
Public works	2,665,062	868,628	1,796,434
Total Expenditures	<u>2,665,062</u>	<u>868,628</u>	<u>1,796,434</u>
Net Change in Fund Balance	(1,937,374)	44,655	1,982,029
Fund Balance at Beginning of Year	<u>2,559,070</u>	<u>2,559,070</u>	-
Fund Balance at End of Year	<u><u>\$ 621,696</u></u>	<u><u>2,603,725</u></u>	<u><u>1,982,029</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 591,290	256,455	(334,835)
Total Revenues	<u>591,290</u>	<u>256,455</u>	<u>(334,835)</u>
Expenditures:			
Debt service:			
Principal	335,000	335,000	-
Interest and fiscal charges	260,265	256,290	3,975
Total Expenditures	<u>595,265</u>	<u>591,290</u>	<u>3,975</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,975)</u>	<u>(334,835)</u>	<u>(330,860)</u>
Other financing sources (uses):			
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	-	(334,835)	(334,835)
Fund Balance at Beginning of Year	5,472,738	5,472,738	-
Fund Balance at End of Year	<u>\$ 5,472,738</u>	<u>5,137,903</u>	<u>(334,835)</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, 2014**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	9,310	9,310
Other	97,594	92,594	
Total Revenues	<u>97,594</u>	<u>101,904</u>	<u>4,310</u>
Expenditures:			
Capital outlay	1,342,598	650,388	692,210
Total Expenditures	<u>1,342,598</u>	<u>650,388</u>	<u>692,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,245,004)</u>	<u>(548,484)</u>	<u>696,520</u>
Other financing sources (Uses):			
Transfers in	242,000	242,000	-
Transfers out	(81,500)	(81,500)	-
Total Other Financing Sources (Uses)	<u>160,500</u>	<u>160,500</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>(1,084,504)</u>	<u>(387,984)</u>	<u>696,520</u>
Net Change in Fund Balance	(1,084,504)	(387,984)	696,520
Fund Balance at Beginning of Year	5,440,860	5,440,860	-
Fund Balance at End of Year	<u>\$ 4,356,356</u>	<u>5,052,876</u>	<u>696,520</u>

**CITY OF WHITTIER
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

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 POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Assets:						
Current assets:						
Cash and investments	\$ 10,538,403	5,819,247	548,389	6,931,239	2,118,473	25,955,751
Accounts receivable, net	21,973	-	13,793	39,592	-	75,358
Interest receivable	9,521	567	-	7,705	1,854	19,647
Due from other governments	-	-	-	90,000	-	90,000
Prepaid items	53,319	-	-	-	3,331	56,650
Total Current Assets	<u>10,623,216</u>	<u>5,819,814</u>	<u>562,182</u>	<u>7,068,536</u>	<u>2,123,658</u>	<u>26,197,406</u>
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,646	175,157
Office machines	-	-	-	-	1,666,123	1,666,123
Mobile equipment	-	-	-	15,050,308	-	15,050,308
Less-accumulated depreciation	-	-	(346,390)	(10,034,775)	(1,105,210)	(11,486,375)
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,015,533</u>	<u>690,559</u>	<u>5,706,092</u>
Total Assets	<u>10,623,216</u>	<u>5,819,814</u>	<u>562,182</u>	<u>12,084,069</u>	<u>2,814,217</u>	<u>31,903,498</u>
Liabilities:						
Current liabilities:						
Accounts payable	121,618	74,362	55,885	203,941	34,971	490,777
Accrued liabilities	-	-	13,797	-	13,310	27,107
Claims payable - current	3,154,287	-	-	-	-	3,154,287
Compensated absences payable - current	-	1,806,715	-	-	-	1,806,715
Total Current Liabilities	<u>3,275,905</u>	<u>1,881,077</u>	<u>69,682</u>	<u>203,941</u>	<u>48,281</u>	<u>5,478,886</u>
Long-term liabilities:						
Claims payable - non-current	1,698,462	-	-	-	-	1,698,462
Compensated absences payable - non-current	-	3,355,330	-	-	-	3,355,330
Total Non-current Liabilities	<u>1,698,462</u>	<u>3,355,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,053,792</u>
Total Liabilities	<u>4,974,367</u>	<u>5,236,407</u>	<u>69,682</u>	<u>203,941</u>	<u>48,281</u>	<u>10,532,678</u>
Net position:						
Net investment in capital assets	-	-	-	5,015,533	690,559	5,706,092
Unrestricted	5,050,849	583,407	492,500	6,030,220	2,532,239	14,689,215
Total Net Position	<u>\$ 5,050,849</u>	<u>583,407</u>	<u>492,500</u>	<u>11,045,753</u>	<u>3,222,798</u>	<u>20,395,307</u>

CITY OF WHITTIER
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Operating Revenues:						
Charges for services	\$ 4,127,094	4,952,643	2,729,972	1,350,209	833,525	13,993,443
Total Operating Revenues	<u>4,127,094</u>	<u>4,952,643</u>	<u>2,729,972</u>	<u>1,350,209</u>	<u>833,525</u>	<u>13,993,443</u>
Operating Expenses:						
Self insurance	3,117,635	-	-	-	-	3,117,635
Employee benefits	-	4,982,609	-	-	-	4,982,609
Maintenance	44,969	-	2,676,046	194,314	998,634	3,913,963
Depreciation	-	-	17,638	1,011,507	110,900	1,140,045
Total Operating Expenses	<u>3,162,604</u>	<u>4,982,609</u>	<u>2,693,684</u>	<u>1,205,821</u>	<u>1,109,534</u>	<u>13,154,252</u>
Operating Income (Loss)	<u>964,490</u>	<u>(29,966)</u>	<u>36,288</u>	<u>144,388</u>	<u>(276,009)</u>	<u>839,191</u>
Nonoperating Revenues (Expenses):						
Use of money and property	35,514	2,036	-	26,915	6,882	71,347
Gain (loss) on disposal of capital assets	-	-	-	4	-	4
Other revenue (expense)	5,626	-	-	-	-	5,626
Total Nonoperating Revenues (Expenses)	<u>41,140</u>	<u>2,036</u>	<u>-</u>	<u>26,919</u>	<u>6,882</u>	<u>76,977</u>
Income (loss) before transfers	<u>1,005,630</u>	<u>(27,930)</u>	<u>36,288</u>	<u>171,307</u>	<u>(269,127)</u>	<u>916,168</u>
Transfers in	-	-	-	269,225	456,862	726,087
Transfers out	(598,000)	-	-	(1,103,600)	-	(1,701,600)
Total Transfers in (out)	<u>(598,000)</u>	<u>-</u>	<u>-</u>	<u>(834,375)</u>	<u>456,862</u>	<u>(975,513)</u>
Change in net position	<u>(190,370)</u>	<u>(27,930)</u>	<u>36,288</u>	<u>(1,497,443)</u>	<u>644,597</u>	<u>(1,034,858)</u>
Net Position at Beginning of the Year	5,241,219	611,337	456,212	12,543,196	2,578,201	21,430,165
Net Position at End of the Year	<u>\$ 5,050,849</u>	<u>583,407</u>	<u>492,500</u>	<u>11,045,753</u>	<u>3,222,798</u>	<u>20,395,307</u>

**CITY OF WHITTIER, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 4,127,394	4,952,643	2,731,172	1,424,558	833,525	14,069,292
Payments to suppliers	(2,970,943)	-	(2,646,599)	(194,314)	(998,812)	(6,810,668)
Payments to employees	-	(4,654,231)	-	-	-	(4,654,231)
Non-operating rental income revenue received	5,626	-	-	-	-	5,626
Net Cash Provided by (Used in) Non-Operating Activities	1,162,077	298,412	84,573	1,230,244	(165,287)	2,610,019
Cash flows from noncapital financing activities:						
Transfers from (to) other funds	(598,000)	-	-	(834,375)	456,862	(975,513)
Net Cash Provided Provided by (Used in) Noncapital Financing Activities	(598,000)	-	-	(834,375)	456,862	(975,513)
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	(1,444,962)	(18,562)	(1,463,524)
Net Cash Used in Capital and Related Financing Activities	-	-	-	(1,444,962)	(18,562)	(1,463,524)
Cash flows from investing activities:						
Interest on investments	32,891	1,970	-	25,407	6,487	66,755
Net Cash Provided by Investing Activities	32,891	1,970	-	25,407	6,487	66,755
Net Increase (Decrease) in Cash and Cash Equivalents	596,968	300,382	84,573	(1,023,686)	279,500	237,737
Cash and Cash Equivalents, Beginning of Fiscal Year	9,941,435	5,518,865	463,816	7,954,925	1,838,973	25,718,014
Cash and Cash Equivalents, End of Fiscal Year	\$ 10,538,403	5,819,247	548,389	6,931,239	2,118,473	25,955,751
Reconciliation of operating income to net cash provided by operations:						
Operating income (loss)	\$ 964,490	(29,966)	36,288	144,388	(276,009)	839,191
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	17,638	1,011,507	110,900	1,140,045
Rental Income	5,626	-	-	-	-	5,626
Decrease (increase) in accounts receivable	300	-	1,200	(129,592)	-	(128,092)
(Increase) in prepaid items	(48,750)	-	-	-	(3,331)	(52,081)
Increase in accounts payable	7,319	11,944	30,371	203,941	725	254,300
Increase (decrease) in accrued liabilities	-	-	(924)	-	2,428	1,504
Increase in claims payable	233,092	-	-	-	-	233,092
Increase in compensated absences payable	-	316,434	-	-	-	316,434
Net Cash Provided by (Used in) Operating Activities	\$ 1,162,077	298,412	84,573	1,230,244	(165,287)	2,610,019

**CITY OF WHITTIER
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014**

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.

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, 2014

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Habitat JPA	Totals
Assets:					
Cash and investments	\$ 14,149	552,138	319,397	-	885,684
Cash and investments with fiscal agents	-	-	420,166	-	420,166
Receivable:					
Accounts	-	12,283	-	73,155	85,438
Interest	-	-	57	-	57
Total Assets	<u>\$ 14,149</u>	<u>564,421</u>	<u>739,620</u>	<u>73,155</u>	<u>1,391,345</u>
Liabilities:					
Accounts payable	\$ 14,149	40,055	-	863	55,067
Deposits payable	-	524,366	-	-	524,366
Due to other funds	-	-	-	72,292	72,292
Due to bondholders	-	-	739,620	-	739,620
Total Liabilities	<u>\$ 14,149</u>	<u>564,421</u>	<u>739,620</u>	<u>73,155</u>	<u>1,391,345</u>

**CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>Flex-Rap</u>				
Assets				
Cash and investments	\$ 14,611	1,540,704	(1,541,166)	14,149
Total Assets	<u>\$ 14,611</u>	<u>1,540,704</u>	<u>(1,541,166)</u>	<u>14,149</u>
Liabilities				
Accounts payable	\$ 14,611	14,149	(14,611)	14,149
Total Liabilities	<u>\$ 14,611</u>	<u>14,149</u>	<u>(14,611)</u>	<u>14,149</u>
<u>Special Deposits</u>				
Assets				
Cash and investments	\$ 658,346	763,245	(869,453)	552,138
Accounts receivable	9,339	12,283	(9,339)	12,283
Total Assets	<u>\$ 667,685</u>	<u>775,528</u>	<u>(878,792)</u>	<u>564,421</u>
Liabilities				
Accounts payable	\$ 134,067	40,055	(134,067)	40,055
Deposits payable	533,618	677,185	(686,437)	524,366
Total Liabilities	<u>\$ 667,685</u>	<u>717,240</u>	<u>(820,504)</u>	<u>564,421</u>
<u>Community Facilities District 1989-1</u>				
Assets				
Cash and investments	\$ 313,589	424,709	(418,901)	319,397
Cash and investments with fiscal agent	419,800	420,166	(419,800)	420,166
Interest receivable	237	57	(237)	57
Total Assets	<u>\$ 733,626</u>	<u>844,932</u>	<u>(838,938)</u>	<u>739,620</u>
Liabilities				
Accounts payable	\$ 156	-	(156)	-
Due to bondholders	733,470	844,932	(838,782)	739,620
Total Liabilities	<u>\$ 733,626</u>	<u>844,932</u>	<u>(838,782)</u>	<u>739,620</u>

(Continued)

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>Habitat JPA</u>				
Assets				
Accounts receivable	\$ 43,479	73,155	(43,479)	73,155
Total Assets	<u>\$ 43,479</u>	<u>73,155</u>	<u>(43,479)</u>	<u>73,155</u>
Liabilities				
Accounts payable	\$ 1,545	863	(1,545)	863
Due to other funds	41,934	72,292	(41,934)	72,292
Total Liabilities	<u>\$ 43,479</u>	<u>73,155</u>	<u>(43,479)</u>	<u>73,155</u>
<u>Total Agency Funds</u>				
Assets				
Cash investments	\$ 986,546	2,728,658	(2,829,520)	885,684
Cash and investments with fiscal agent	419,800	420,166	(419,800)	420,166
Receivables:				
Accounts	52,818	85,438	(52,818)	85,438
Interest	237	57	(237)	57
Total Assets	<u>\$ 1,459,401</u>	<u>3,234,319</u>	<u>(3,302,375)</u>	<u>1,391,345</u>
Liabilities				
Accounts payable	\$ 150,379	55,067	(150,379)	55,067
Deposits payable	533,618	677,185	(686,437)	524,366
Due to other funds	41,934	72,292	(41,934)	72,292
Due to bondholders	733,470	844,932	(838,782)	739,620
Total Liabilities	<u>\$ 1,459,401</u>	<u>1,649,476</u>	<u>(1,717,532)</u>	<u>1,391,345</u>

City of Whittier

Statistical Section

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.

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

CITY OF WHITTIER
Net Position by Component – Last Ten Fiscal Years
(in thousands)
(accrual basis of accounting)

	Fiscal Year ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005 ¹
<i>Governmental Activities:</i>										
Net investment in capital assets	\$ 107,928	111,342	109,657	95,435	105,775	98,199	91,640	84,556	84,382	84,755
Restricted	58,668	57,271	42,717	46,374	30,522	78,484	82,986	72,206	51,929	45,827
Unrestricted	51,402	41,593	67,551	45,464	44,145	3,202	(2,427)	5,817	18,731	22,136
Total Governmental Activities Net Position	217,998	210,206	219,925	187,273	180,442	179,885	172,199	162,579	155,042	152,718
% change from prior year	3.7%	-4.4%	17.4%	3.8%	0.3%	4.5%	5.9%	4.9%	1.5%	-1.0%
<i>Business-type Activities:</i>										
Net investment in capital assets	33,063	31,175	28,819	27,974	26,357	26,875	26,607	22,700	25,552	27,027
Restricted	6	3	135	124	185	138	120	48	34	24
Unrestricted	26,779	22,972	23,254	14,762	18,097	15,895	21,780	23,135	16,283	12,953
Total Business-Type Activities Net Position	59,848	54,150	52,208	42,860	44,639	42,908	48,507	45,883	41,869	40,004
% change from prior year	10.5%	3.7%	21.8%	-4.0%	4.0%	-11.5%	5.7%	9.6%	4.7%	7.1%
<i>Primary Government:</i>										
Net investment in capital assets	140,991	142,517	138,476	123,409	132,132	125,074	118,247	107,256	109,934	111,782
Restricted	58,674	57,274	42,852	46,498	30,707	78,622	83,106	72,254	51,963	45,851
Unrestricted	78,181	64,565	90,805	60,226	62,242	19,097	19,353	28,952	35,014	35,089
Total Primary Government Net Position	\$ 277,846	264,356	272,133	230,133	225,081	222,793	220,706	208,462	196,911	192,722
% change from prior year	5.1%	-2.9%	18.3%	2.2%	1.0%	0.9%	5.9%	5.9%	2.2%	0.6%

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

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

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

	Fiscal Year ending June 30,									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses:										
<i>Governmental activities:</i>										
General government	\$ 9,090	8,098	7,687	7,547	7,714	7,353	8,443	7,588	6,840	8,499
Public safety	31,082	29,952	28,479	28,642	25,967	30,428	18,146	22,765	25,477	24,789
Public works	13,024	12,879	13,256	8,931	10,781	11,688	13,790	10,726	11,583	10,262
Community development	1,895	10,481	8,317	5,499	5,598	6,414	7,608	5,596	5,668	5,342
Libraries	3,390	3,261	3,166	3,282	3,506	3,426	3,412	3,394	3,118	3,017
Transit	3,168	3,503	2,836	4,567	2,731	2,604	4,671	3,373	3,243	2,767
Parks and recreation	9,022	8,489	8,554	8,456	8,612	10,057	11,373	11,747	8,724	9,089
Interest on long-term debt	253	320	1,893	3,562	3,710	4,637	5,445	2,406	1,614	736
Total Governmental activities	<u>70,924</u>	<u>76,983</u>	<u>74,188</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>
<i>Business-type activities:</i>										
Sewer	1,408	1,471	1,365	1,259	1,390	1,752	1,282	1,170	1,126	1,036
Water	9,999	10,973	9,592	14,133	8,289	14,321	8,688	7,828	7,469	6,146
Solid waste	9,697	9,122	(841)	9,558	9,272	9,295	8,950	8,305	8,601	7,918
Total Business-type activities	<u>21,104</u>	<u>21,566</u>	<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>
Total primary government	<u>92,028</u>	<u>98,549</u>	<u>84,304</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>
Program revenues:										
<i>Governmental activities:</i>										
Charges for services:										
General government	2,446	1,972	2,090	2,011	2,128	2,047	2,021	2,494	2,583	1,711
Public safety	10,183	9,549	9,099	9,728	9,417	9,200	8,381	6,839	7,524	7,587
Public works	5,265	5,108	4,542	9,048	3,353	8,589	3,450	1,598	3,824	2,148
Parks and recreation	1,731	1,921	1,864	1,717	2,340	1,746	1,560	2,623	2,359	2,192
Community development	9,876	1,558	1,965	2,167	2,107	2,221	1,940	1,176	846	295
Other activities	815	776	898	860	895	981	967	389	310	615
Operating contributions and grants	6,694	8,127	11,754	6,139	5,362	6,294	5,665	6,874	5,051	6,211
Capital contributions and grants	997	902	2,561	2,788	3,300	4,521	4,033	585	3,920	2,645
Total governmental activities	<u>38,007</u>	<u>29,913</u>	<u>34,773</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>
<i>Business-type activities:</i>										
Charges for services:										
Sewer	3,109	2,549	2,216	1,955	1,740	1,902	1,913	1,836	1,282	1,233
Water	13,486	10,219	7,969	10,591	8,556	7,811	8,225	8,399	7,050	5,979
Solid waste	10,389	9,703	8,969	7,863	8,210	8,406	8,977	8,945	8,972	8,595
Operating contributions and grants	241	925	633	1,239	1,436	1,746	1,328	134	1,084	414
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>27,225</u>	<u>23,396</u>	<u>19,787</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>
Total primary government	<u>65,232</u>	<u>53,309</u>	<u>54,560</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>

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

	Fiscal Year ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net revenues (expenses):										
<i>Governmental activities</i>	(32,917)	(47,070)	(39,415)	(36,028)	(39,717)	(41,008)	(44,871)	(45,017)	(39,850)	(41,097)
<i>Business-type activities</i>	6,121	1,830	9,671	(3,302)	991	(5,503)	1,523	2,011	1,192	1,121
Total primary government	<u>(26,796)</u>	<u>(45,240)</u>	<u>(29,744)</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>
General revenues and other changes in net position										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	5,711	6,523	8,779	11,830	9,690	13,252	12,501	12,191	7,337	8,108
Sales taxes	8,504	8,583	7,900	7,663	7,460	8,651	10,379	10,010	8,768	9,019
Franchise taxes	3,231	2,918	2,189	1,891	1,914	1,718	2,036	1,778	1,626	1,588
Utility users tax	6,903	7,003	6,760	7,034	7,366	7,659	7,806	7,872	7,529	7,253
Motor vehicle in lieu tax, unrestricted	7,416	7,153	7,076	7,285	7,253	7,410	8,786	8,403	8,219	7,123
Transit tax	2,673	2,466	2,332	2,150	2,035	2,314	2,544	2,560	2,610	2,304
Other taxes	2,786	2,276	2,349	2,307	2,257	2,356	2,734	2,776	1,542	1,459
Investment income	457	424	443	1,154	2,162	4,404	6,438	6,051	3,539	2,083
Other	3	1	45	4	136	16	444	801	656	449
Transfers	593	4	522	-	-	914	824	112	348	(74)
Extraordinary gain	-	-	33,672	-	-	-	-	-	-	-
Total governmental activities	<u>38,277</u>	<u>37,351</u>	<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>
<i>Business-type activities:</i>										
Investment income	154	103	186	935	584	818	1,924	2,115	1,021	1,680
Other	16	14	12	588	157	-	-	-	-	-
Transfers	(593)	(4)	(522)	-	-	(914)	(824)	(112)	(348)	74
Total business-type activities	<u>(423)</u>	<u>113</u>	<u>(324)</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>
Total primary government	<u>37,854</u>	<u>37,464</u>	<u>71,743</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>
Changes in net position										
<i>Governmental activities</i>	5,360	(9,719)	32,652	5,290	556	7,686	9,621	7,537	2,324	(1,785)
<i>Business-type activities</i>	5,698	1,943	9,347	(1,779)	1,732	(5,599)	2,623	4,014	1,865	2,875
Change in net position - total primary government	<u>\$ 11,058</u>	<u>(7,776)</u>	<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>

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)

					Fiscal Year Ending June 30,						
	2014	2013	2012	2011 ⁶	2010	2009	2008	2007	2006	2005 ²	
General fund:					General fund:						
Nonspendable	\$ 7,663	23	7,858	7,321	Reserved	\$ 7,410	8,286	8,970	9,640	9,437	8,710
Restricted	1,083	1,057	838	728	Unreserved, designated for	12,071	18,203	18,259	17,935	13,360	13,009
Committed	3,275	3,075	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>
Assigned	4,140	3,478	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>
Unassigned	<u>22,670</u>	<u>20,558</u>	<u>20,875</u>	<u>22,675</u>							
Total general fund	<u>38,831</u>	<u>28,191</u>	<u>34,874</u>	<u>36,473</u>							
Other governmental funds:					Other governmental funds:						
Nonspendable	163	165	-	-	Reserved	39,268	96,938	40,993 ⁵	43,305 ⁴	21,003 ³	20,904 ³
Restricted	44,753	42,454	44,750	80,315	Unreserved, designated for, reported in:						
Committed	-	-	-	-	Special revenue funds	617	541	303	215	215	251
Assigned	5,053	5,441	9,321	6,999	Debt service funds	-	-	28,345	18,493	7,582	610
Unassigned	-	-	-	(11,013)	Capital projects funds	-	-	-	-	3,000	2,892
Total other governmental funds	<u>49,969</u>	<u>48,060</u>	<u>54,071</u>	<u>76,301</u>	Unreserved, reported in:						
Total governmental funds	<u>\$ 88,800</u>	<u>76,251</u>	<u>88,945</u>	<u>112,774</u>	Special revenue funds	14,236	(10,630)	7,850	2,806	8,793	10,442
					Debt service funds	14,325	(6,044)	(2,978)	(4,412)	(14,014)	(7,680)
					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>
					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>
					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>

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,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues:										
Taxes	\$ 36,050	36,049	36,408	41,344	42,081	37,264	38,161	36,163	35,056	30,487
Licenses and permits	2,410	1,963	1,997	1,978	3,182	2,777	1,938	3,037	2,622	1,935
Fines and forfeits	1,156	1,260	1,125	1,524	1,465	1,699	1,332	929	992	1,144
Use of money and property	1,046	1,143	1,209	1,902	2,745	5,210	6,760	5,442	3,841	3,092
Intergovernmental	6,038	6,967	8,482	7,413	8,708	15,933	19,302	13,081	12,572	13,239
Charges for services	16,620	14,988	15,554	15,591	17,470	22,015	14,277	13,589	13,148	12,697
Other	12,632	4,117	3,921	8,585	3,523	496	1,914	657	615	591
Total revenues	75,952	66,487	68,696	78,337	79,174	85,394	83,684	72,898	68,846	63,185
Expenditures:										
Current:										
General government	9,074	8,234	8,027	7,482	7,797	7,885	7,951	7,331	6,479	6,230
Public safety	31,030	30,457	29,669	28,398	28,977	30,942	27,773	26,778	25,074	24,330
Public works	7,847	9,983	8,336	7,223	5,643	6,639	7,976	5,762	6,369	5,769
Community development	1,892	10,525	8,700	5,450	5,932	6,472	7,379	5,440	5,460	5,622
Libraries	3,384	3,316	3,301	3,254	3,462	3,388	3,376	3,339	3,058	2,963
Local transit	3,162	3,562	2,956	4,528	2,567	2,442	4,526	3,148	3,012	2,555
Parks and recreation	9,007	8,632	8,918	8,384	8,626	9,663	10,493	11,038	10,304	8,675
Pass through agreements		-	695	2,203	4,644	1,736	2,220	778	1,574	821
Capital outlay	650	3,845	3,042	5,673	16,066	8,515	1,997	402	1,744	889
Debt service:										
Principal	335	320	1,856	2,364	8,469	1,571	1,463	1,447	1,304	1,327
Interest and fiscal charges	256	276	1,844	3,383	3,769	4,644	4,159	1,997	1,628	1,386
Bond issuance costs		-	-	-	-	-	293	269	-	298
Total expenditures	66,637	79,150	77,344	78,342	95,952	83,897	79,606	67,729	66,006	60,865
Excess of revenues over (under) expenditures	9,315	(12,663)	(8,648)	(5)	(16,778)	1,497	4,078	5,169	2,840	2,320
Other financing sources (uses):										
Issuance of debt	-	-	625	1,275	1,254	1,206	16,568	35,513	1,303	8,883
Transfers in	3,507	1,965	12,267	11,162	22,370	14,875	7,681	3,530	2,380	2,950
Transfers out	(1,939)	(1,996)	(12,892)	(11,201)	(22,478)	(16,307)	(7,595)	(4,803)	(2,377)	(3,112)
Payment to escrow agent		-	-	-	-	-	(5,790)	-	-	-
Premium (discount) from bond issuance		-	-	-	-	-	-	(815)	-	179
Total other financing sources (uses)	1,568	(31)	-	1,236	1,146	(226)	10,864	33,425	1,306	8,900
Extraordinary item:										
Dissolution of Former Redevelopment Agency		-	(15,182)	-	-	-	-	-	-	-
Net change in fund balances	\$ 10,883	(12,694)	(23,830)	1,231	(15,632)	1,271	14,942	38,594	4,146	11,220
Debt service as a percentage of non-capital expenditures	0.90%	0.84%	5.23%	8.49%	15.80%	8.29%	8.81%	6.06%	4.56%	5.08%

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

CITY OF WHITTIER
Assessed Value and Estimated Actual of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	City			Taxable Assessed Value	Redevelopment Agency			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured	Less: Exemptions		
2005	\$ 4,535,960	42,445	(201,089)	4,377,316	945,865	75,812	(38,515)	983,162	0.14983%
2006	4,925,787	52,803	(227,860)	4,750,730	1,022,370	81,577	(41,284)	1,062,663	0.15731%
2007	5,353,653	51,934	(241,980)	5,163,607	1,220,075	94,901	(48,068)	1,266,908	0.17279%
2008	5,764,223	44,770	(244,924)	5,564,069	1,385,732	100,310	(60,686)	1,425,356	0.18471%
2009	6,018,883	45,223	(250,595)	5,813,511	1,484,842	103,550	(67,704)	1,520,688	0.19172%
2010	5,820,412	42,021	(221,491)	5,640,942	1,527,176	100,306	(54,649)	1,572,833	0.20043%
2011	5,831,111	40,800	(289,426)	5,582,485	1,529,589	93,174	(106,971)	1,515,792	0.19485%
2012	6,000,274	42,055	(307,687)	5,734,642	1,539,305	98,324	(121,952)	1,515,677	0.19230%
2013	6,087,317	40,291	(337,455)	5,790,153	1,565,967	94,230	(122,001)	1,538,196	0.19204%
2014	6,305,284	45,083	(325,376)	6,024,991	1,625,768	89,858	(132,511)	1,583,115	0.07306%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

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

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

Agency	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Basic Levy¹	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	0.00000	0.00000	0.00066	0.00080	0.00092
East Whittier City School District	0.03900	0.04024	0.03680	0.03638	0.03553	0.03320	0.02750	0.02612	0.02991	0.03265
El Monte Union High School District	0.09799	0.08992	0.09591	0.08475	0.09654	0.05160	0.02820	0.05847	0.05425	0.03928
Fullerton Union High School District	0.01435	0.01579	0.01300	0.01820	0.01529	0.01431	0.01346	0.01540	0.01503	0.01554
Hacienda-La Puente Unified School District	0.06653	0.06689	0.06430	0.06462	0.05973	0.05681	0.05103	0.05239	0.05511	0.05625
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00005	0.00005	0.00025
Los Nietos School District 08 Series 2008A	0.02810	0.03351	0.03420	0.03213	0.02885	0.02680	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580
Mt. San Antonio College	0.02023	0.02896	0.02642	0.02636	0.02571	0.02333	0.01750	0.02530	0.02122	0.01473
N Orange Co. Community College District	0.01704	0.01902	0.01742	0.01758	0.01649	0.01493	0.01502	0.01444	0.01666	0.01441
Rio Hondo Community College District	0.02892	0.02812	0.03418	0.03439	0.02714	0.02320	0.01369	0.01469	0.01802	0.02170
South Whittier School District	0.06403	0.06884	0.08556	0.06895	0.06169	0.05783	0.05588	0.06270	0.06879	0.05315
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	0.06110	0.03439	0.03354	0.03494	0.03443	0.03365	0.03582	0.04031	0.03924	0.05177
Whittier Union High School District	0.04473	0.04556	0.04317	0.04239	0.04224	0.03728	0.04359	0.08918	0.04489	0.03085
Total Direct & Overlapping² Tax Rates	1.65218	1.64140	1.65486	1.63105	1.61460	1.54390	1.47285	1.57107	1.53583	1.50396
City's Share of 1% Levy Per Prop 13³	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171
Redevelopment Rate⁴			1.00370	1.00370	1.00430	1.00430	1.00450	1.00541	1.00604	1.00697
Total Direct Rate⁵	0.07306	0.19204	0.19230	0.19485	0.20043	0.19172	0.18471	0.17279	0.15731	0.14983

Notes:

¹In 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.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City'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.

⁴Redevelopment Rate is based on the largest RDA tax rate area 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. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

⁵Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The 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, 2014

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
COLE MT WHITTIER CALIFORNIA LP	16	\$ 125,396,899	1.65%
GMS FIVE LLC	11	59,471,574	0.78%
CLPF WHITTIER INDUSTRIAL LP	3	42,018,089	0.55%
WHITTIER MARKETPLACE LP	1	38,306,000	0.50%
WBCMT 2007 C31 OFFICE 15111	4	27,700,000	0.36%
MATRIX OIL CORPORATION	2	22,387,806	0.29%
TAM STOCKTON LLC	1	18,758,002	0.25%
WHITTIER CALMED INVESTMENT LP	3	18,192,312	0.24%
MGP XXXIII LLC	6	17,952,812	0.24%
TERRENO WHITTIER LLC	2	<u>16,422,000</u>	<u>0.22%</u>
Total taxable assessed value of ten largest taxpayers	49	386,605,494	5.08%
Total taxable assessed value of other taxpayers		<u>7,221,501,263</u>	<u>94.92%</u>
Total taxable assessed value of all taxpayers		<u><u>\$ 7,608,106,757</u></u>	<u><u>100.00%</u></u>

The amounts shown above include assessed value data for both the City and the Redevelopment Successor 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
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%
2013	5,294,251	4,961,287	93.71%	89,212	5,050,499	95.40%
2014	5,403,911	5,170,686	95.68%	35,046	5,205,732	96.33%

Note: ¹The figures provided for property tax levies and collections are for the City of Whittier, Uptown Parking District, and Community Facilities Districts only.

Source: Los Angeles County Auditor Controller's Office

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

	<u>2013</u>	<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>
Apparel stores	\$ 42,161	39,231	37,877	46,243	43,482	41,185	45,000	45,188	44,534	42,520
General merchandise	91,907	88,138	92,990	81,361	81,833	97,052	106,691	99,090	66,397	56,746
Food stores	44,049	40,133	39,106	38,537	40,050	42,573	44,319	44,292	39,789	36,325
Eating and drinking places	137,994	134,314	124,056	114,815	114,913	119,050	119,646	111,803	104,262	97,499
Building materials	57,751	56,053	52,989	50,696	51,043	63,923	66,097	71,199	71,717	58,152
Auto dealers and supplies	66,753	55,660	51,668	52,081	71,611	115,123	186,529	210,077	210,881	230,425
Service stations	110,162	115,053	109,531	87,127	78,792	107,227	93,259	85,547	73,643	68,356
Other retail stores	116,626	110,045	111,528	109,975	105,457	115,070	123,385	123,699	113,353	105,878
All other outlets	171,684	166,840	176,072	157,346	166,488	184,900	233,479	220,932	206,954	196,838
Total	\$ 839,087	805,467	795,817	738,181	753,669	886,103	1,018,405	1,011,827	931,530	892,739

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 ¹⁴	Tax Allocation Loans ¹⁴	Tax Allocation Bonds ¹⁴	Capital Lease Payable	Loans ^{1, 14}	Total Governmental Activities ²
2005	\$3,742,270	7,050,000 ⁷	13,785,000 ^{5, 9}	53,610 ⁶	10,383,408	35,014,301
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	68,502,930
2008	4,310,395	21,735,000 ¹²	41,800,000 ¹¹	-	10,486,245	78,331,663
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	-	6,870,003	65,372,094
2012	-	-	5,175,000	-	-	5,175,000
2013	-	-	4,855,000	-	-	4,855,000
2014	-	-	4,520,000	-	-	4,520,000

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 former 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 Parts of the liabilities were transferred from governmental funds to fiduciary funds on February 1, 2012.

¹⁵ The Whittier Utility Authority issued 2012 revenue bonds to refund the 2003 revenue bonds.

<u>Water Revenue Bonds</u>	<u>Solid Waste Revenue Bonds</u>	<u>Total Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ³</u>	<u>Debt per Capita ⁴</u>
10,255,000 ⁸	3,530,000	13,785,008	48,799,309	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	81,342,930	3.69%	940
9,670,000	2,660,000	12,330,000	90,661,663	3.97%	1,050
9,460,000	2,340,000	11,800,000	87,166,063	3.78%	1,010
18,335,000 ¹³	2,000,000	20,335,013	87,464,877	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	23,940,000	1.05%	279
18,892,271 ¹⁵	865,000	19,757,286	24,612,286	1.03%	286
18,334,249	445,000	18,779,249	23,299,249	0.96%	269

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		
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	-	5,175	5,175 ²	0.07%	60
2013	-	4,855	4,855	0.06%	56
2014	-	4,520	4,520	0.06%	52

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 Reduced 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, 2014

City Assessed Valuation		\$ 6,024,991,295	
Redevelopment Agency Incremental Valuation		<u>1,583,115,462</u>	
Total 2013-2014 Assessed Valuation		<u><u>\$ 7,608,106,757</u></u>	
	Percentage Applicable to City	Outstanding Debt 6/30/14	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	0.715%	\$ 64,271,492	459,370
E Whittier City DS 2007 Ref Bonds	64.132%	8,325,000	5,339,022
Los Nietos SD DS 2008 Series B	10.330%	8,748,130	903,712
Los Nietos SD DS 2008 SR 11A QSCB	10.351%	3,195,000	330,712
Los Nietos SD DS 2008 Series 2011B	10.351%	3,067,002	317,463
Los Nietos SD DS Ref Bonds Series 2011	10.330%	175,000	18,078
S Whittier SD DS 1998 Series A	0.386%	1,546,310	5,974
S Whittier Elementary DS 2004 Series A	0.386%	6,884,788	26,600
S Whittier Elementary SD 2011 Refunding	0.386%	7,835,000	30,272
Whittier City SD DS 2006 Ref Bonds	52.894%	8,385,000	4,435,156
Whittier City SD DS 2010 Ref Bonds	52.894%	4,005,000	2,118,402
Whittier City SD DS 2012 Ref Bonds	52.894%	11,955,000	6,323,469
Whittier City SD DS 2012 Series A	52.894%	20,000,000	10,578,785
Fullerton Unified HSD DS 2002 Series A	25.189%	2,337,166	588,706
Fullerton Unified HSD DS 2002 Series B	25.189%	1,772,753	446,537
Whittier Union HSD DS 2005 Ref Bonds	36.300%	75,865,340	27,538,908
Whittier Union HSD DS 2009 Series A	36.483%	55,988,717	20,426,617
N Orange Co CCD DS 2002 S-2004B	24.583%	893,788	219,721
N Orange Co CCD DS 2002 Series 2005 Ref	24.583%	3,841,494	944,360
Rio Hondo CCD DS 2004 Series A	23.165%	1,870,000	433,180
Rio Hondo CCD DS 2005 Ref Bonds	23.165%	40,575,387	9,399,167
Rio Hondo CCD DS 2004 Series 2008	23.165%	<u>121,657,824</u>	<u>28,181,672</u>
Total overlapping debt		<u><u>\$ 453,195,191</u></u>	119,065,883
City direct debt			<u>4,520,000</u> ²
Total direct and overlapping debt			<u><u>123,585,883</u></u> ¹

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

² All bonded debt, excluded the former Redevelopment Agency's 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**

Fiscal Year	Assessed Valuation	Conversion Percentage	Adjusted Assessed Valuation	Debt Limit Percentage	Debt Limit	Debt Applicable to Limit	Legal Debt Margin
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
2012-13	7,328,348,758	25%	1,832,087,190	15%	274,813,078	-	274,813,078
2013-14	7,608,106,757	25%	1,902,026,689	15%	285,304,003	-	285,304,003

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	
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	908	1,333	1.60
2013	11,180	7,611	3,569	670	873	1,543	2.31
2014	13,170	7,050	6,120	520	815	1,335	4.58

Note: The rate covenant of the all water bonds requires net revenue to equal at least 125 percent of the debt service requirements. The Authority originally issued bonds 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. In November 2012, the Authority issued 2012 Water Revenue Bonds of \$10,085,000 to refund 2003 Water Revenue Bonds and finance various water improvements.

¹ Restated to exclude AB1600 Water Connection Fee.

² Excludes depreciation.

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	
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	7,154	1,234	375	78	453	2.72
2013	9,769	7,446	2,323	400	57	457	5.08
2014	10,410	7,694	2,716	420	35	455	5.97

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

<u>Calendar Year</u>	<u>City Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%
2012	86,093	2,387,101	27,727	6.6%
2013	86,538	2,419,862	27,963	5.4%

Source: The HDL Companies

CITY OF WHITTIER
Demographic and Economic Statistics
2012 Ten Largest Employers

<u>Rank</u>	<u>Name</u>	<u>Number of Employees</u>	<u>% of City Employment</u>	<u>Type</u>
1	Interhealth Corporation	2,600	6.50%	Healthcare
2	Whittier Union HS District	950	2.38%	Education
3	Whittier Medical Center	850	2.13%	Healthcare
4	Whittier City School District	725	1.81%	Education
5	City of Whittier	624	1.56%	Municipality
6	U.S. Post Office	360	0.90%	Postal Service
7	Bright Health Physicians	300	0.75%	Healthcare
8	Ralph's	270	0.68%	Grocery/Retail
9	East Whittier City Elementary District	270	0.68%	Education
10	Johnson Controls Inc	250	0.63%	Plumbing & HVAC

Information is not available for nine years prior.

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
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
2013	41	189	53	21	72	4	183	26	32	621
2014	44	192	55	19	73	4	192	25	33	637

Source: *City of Whittier Controller's Office*

CITY OF WHITTIER
Operating Indicators
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>Public Safety</i>										
Sworn employees-full time	124	121	128	135	126	124	116	117	120	121
Civilian employees-full time	69	68	68	75	50	48	49	50	50	48
Physical arrests	3,391	3,558	3,321	2,923	3,405	3,022	3,277	2,809	2,134	2,877
Parking violations	13,305	10,480	11,263	13,635	11,504	15,494	18,265	18,364	17,867	15,709
Traffic violations	7,323	6,599	7,349	11,044	8,066	12,259	8,245	5,841	6,485	7,129
<i>Libraries</i>										
Total items	360,000	378,828	381,975	332,299	331,885	327,336	325,813	323,771	324,422	317,998
Volumes checked out	530,872	545,885	531,400	571,904	545,629	535,962	523,733	432,084	430,756	442,114
Library patrons	465,784	431,078	473,510	452,823	460,738	479,336	482,510	420,521	481,068	586,532
New library cards	7,129	7,335	6,864	7,291	7,785	7,054	6,624	5,121	6,928	6,678
<i>Public Transit System</i>										
Fixed route:										
Routes	2	2	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revenue service miles	159,070	149,683	148,373	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Riders	212,087	182,306	166,078	N/A	N/A	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	196,557	192,595
Riders		46,904	53,870	54,648	63,931	69,818	75,521	79,466	78,865	76,373
<i>Parks & Recreation</i>										
Senior center patrons	103,860	119,786	100,860	129,506	78,648	92,656	99,235	102,783	104,000	105,000
Aquatics program participants	61,654	58,172	55,720	61,300	62,120	61,800	62,220	62,325	62,400	62,600
Tennis program participants	47,300	26,560	26,000	31,400	32,300	32,500	32,300	32,410	32,380	32,400
Youth program participants	195,000	206,181	209,850	209,960	200,558	226,594	214,477	211,552	170,889	171,000
Community center patrons	230,000	223,825	235,810	236,105	253,000	264,000	271,000	246,000	252,000	255,000
Parnell community & senior center patrons			74,563	80,576	88,587	93,870	141,711	149,635	146,004	147,000
York field patrons			45,360	103,000	110,000	113,000	116,000	118,000	121,500	123,000
<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	6,735,437	6,890,578
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	18,265	18,265
Multi-residential sewer service	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,134	2,134
Commercial sewer service	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,066	1,006

Source: City of Whittier Departments

CITY OF WHITTIER
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>Public Safety</i>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	29	29	32	32	32	32	32	29	30	31
Number of canine units	2	2	2	2	2	1	1	1	1	1
Number of motorcycle units	5	5	5	5	5	6	6	6	5	6
<i>Public Works:</i>										
Miles of streets	190	212	212	212	212	212	212	212	212	212
Traffic signals	97	98	99	99	99	99	99	103	104	104
Number of street lamps	3,248	3,248	3,262	3,262	3,262	3,262	3,262	3,435	3,438	3,438
<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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of dial-a-ride vehicles	5	7	7	9	11	12	13	17	17	17
<i>Parks & Recreation:</i>										
Number of parks	20	20	20	20	20	20	20	20	20	20
Acres of parks	411	411	411	411	411	411	411	411	411	411
Acres of designated open space	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	13	13	13	13	13	13	13	13	13	13
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of senior centers	1	2	2	2	2	2	2	2	2	2
<i>Water Utility</i>										
Miles of mains	137	137	137	137	137	137	137	137	137	143
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	211

Source: City of Whittier Departments

