



City of Whittier

Comprehensive Annual
Financial Report
Year Ended June 30, 2016



CITY OF WHITTIER, CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**



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

Fiscal Year Ended June 30, 2016



City Council

Joe Vinatieri
Mayor

Bob L. Henderson
Mayor Pro Tem

Council Members
Cathy Warner
Josué Alvarado
Fernando Dutra

Jeffrey W. Collier
City Manager

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



CITY OF WHITTIER, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016

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City of Whittier

Introductory Section



City of Whittier

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December 14, 2016

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, 2016. 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 for 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, and 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 88,341. Businesses and industries in the area include 374 professional services, 868 retail stores, 202 family type restaurants, 36 manufacturing plants, 8 hotels and motels, 2 automobile dealerships and over 249 specialty shops and boutiques, predominantly located in Uptown Whittier, Whittier Marketplace, 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 has continued to strive towards providing a healthy and safe community, with a well-maintained infrastructure system to support 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 desirable 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, maintenance, planning, building, engineering, library, public transit, and general administration. The City also operates various enterprise programs that provide water, sewer and solid waste services to portions of the community. Solid waste collection and cable broadcasting services are provided through arrangements with private vendors. In addition, the City provides police services through a contract to the neighboring City of Santa Fe Springs, and the Los Angeles County Fire Protection District supplies fire services to our residents.

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

In addition to the traditional City services, Whittier also offers a variety of programs to help local businesses. With the elimination of redevelopment in 2012, the Whittier continues to develop new business assistance programs utilizing various resources, including grant opportunities.

Economic Condition and Outlook

Fortunately, the housing market is continuing to experience steady improvement over the last few years and the City of Whittier's economy has seen improvement in recent years, as interest rates have remained low and consumer confidence returns.

In Southern California, the median home price was \$438,000 in 2015, a 5.5% increase as compared to July 2014. 2015 home sales were up 16.9% as compared to 2014 and this further reinforces the economy and home buying confidence is improving. Increasing property values have had a positive impact on the General Fund, accounting for \$204,176 of additional 2015-16 revenue growth.

Economic growth in the local economy has been consistent and is projected to continue at a modest rate into the foreseeable future.

The City values its unique history and strives to maintain its community character, while recognizing the importance of being flexible enough to accommodate the changing Southern California economy. Economic development continues as a top priority for the Council and it plays an integral role in the community. The City also strives to continue providing a high quality of life for both its residents and community stakeholders.

In June of 2016, the City's unemployment rate was 5.2%, with 4.3% for Los Angeles County and 4.9% statewide. The City's unemployment rate compares favorably with neighboring cities of comparable size.

Taxable retail transactions in Whittier for the 2nd quarter of 2016 increased from the 2nd quarter of 2015 by 0.4%. Sales receipts for Los Angeles County increased by 0.1% over the comparable time period, while the State decreased 0.6%.

Long-Term Financial Planning

Whittier's General Fund accounts for the majority of vital City services, such as police, parks, recreation, public works and library services. The City utilizes a Five-Year Financial Plan ("Plan") as a tool to project future revenues and expenditures for the General Fund and their effect on year-end fund balances. This Plan is updated annually and takes into account a variety of projections for salaries, benefits, maintenance needs, construction projects and anticipated new businesses with the ability to increase tax revenue.

The City continues to place an emphasis on balancing current expenditure with current revenues, while utilizing fund balance and one-time revenues to fund specific projects. As part of the ongoing budget balancing strategies, the City regularly analyzes and updates sales tax and franchise fee revenues related to the General Fund's operating budgets.

The salaries of two police officers are continuing to be funded through Traffic Offender Impound fees and COPS grant funds, however there may be a need to identify new funding sources in future years, as these sources continue to operate with a declining fund balance.

In 2015-16, CalPERS rates increased from 22.792% to 24.652% and from 49.241% to 50.476% for Miscellaneous and Safety employees respectively.

Major Initiatives

For the Year. In carrying out the 2015-16 budget, staff worked diligently to implement the new programs and policies that the City Council 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, now in its eighteenth year. And, the Authority continued reimbursing the City 100% of the direct costs incurred on their behalf.

The City Manager continued 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 included working with the State and Brookfield Homes regarding the reuse of the Nelles School property; coordinating with Washington Boulevard Coalition cities to support the preferred route for the Metro Gold Line light rail eastside extension; implemented the first two City Council voting districts and directly elected mayoral position; began the first phase of capital projects using \$25.9M in remaining redevelopment bond funds, which included Whittier Boulevard street lighting, Uptown Whittier streetscape beautification and parking structure; oversaw planning and design for the Whittier Greenway Trail eastern extension; solicited regional, State and Federal funding for local and regional projects; and represented the City's position regarding State and Federal legislation.

The Police Department continued to replace its patrol vehicle fleet with the new Ford Explorer Police Interceptor model. Embassy Consulting Services provided special training for all Whittier police officers in dealing with mental illness encountered in the community, and this training was funded through State AB109 monies. The mobile data computer displays were purchased and installed as the final phase of a three-year upgrade program. The Department utilized asset forfeiture funds to purchase a BATT (ballistic armored tactical transport) vehicle, to be used when needed by the SWAT team. And, the Detective Bureau concluded a 3-year joint investigation with the DEA that resulted in 52 federal indictments against local gang members involved in organized crime, murder, drugs and weapons trafficking.

The Community Development Department continued to proactively maintain a cooperative working relationship with the design and development community. Primary elements of this effort for the Building & Safety Division include community education and awareness related to safe building practices, and fostering integration with Planning requirements.

The Planning Division of the Community Development Department assisted roughly 12,000 individuals at the Planning Counter and received over 2,000 permit requests. Among some of the most significant development requests received and processed was the approval of the Lincoln Specific Plan at the former Nelles School site, consisting of 750 residential units and up to 208,500 square feet of commercial development. The Division processed numerous additional in-fill development projects, including a 32-unit townhome project at Hadley Street and Magnolia Avenue, a 40-unit townhome project on Beverly Boulevard, and an 11-unit residential project at Comstock Avenue and Penn Street. With respect to historic resource management, the Planning Division continued to facilitate and oversee both the city-wide residential and non-residential historic resources surveys which are anticipated to be completed in 2016-17. During 2015-2016, the Planning Division also processed 28 Certificates of Appropriateness and managed several historic resource evaluations and inspections related to a variety of historic and vintage properties.

The Business Development and Housing Division of the Community Development Department continued to handle the Dissolution of the Whittier Redevelopment Agency and the relatively new Whittier Redevelopment Successor Agency. The Successor Agency's efforts focused on the creation and submittal of Recognized Obligation Payment Schedules to continue receiving revenue to support all enforceable obligations in place at the time of dissolution, and managing the Oversight Board 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. In addition, the division continued to implement a variety of programs funded by Federal CDBG and HOME grants. These included assisting low-income families with rehabilitation of homes through grant and loan programs, graffiti abatement, code enforcement, social services, affordable housing projects and a variety of infrastructure improvements.

The Parks, Recreation and Community Services Department continued to provide a full range of recreation, senior, therapeutic, cultural arts, social services, parks and transit programs for the Whittier community. The Uptown and Parnell Park Senior Centers continued to offer dances, seminars, excursions, and trips, while Therapeutic Recreation continued its programming for those with disabilities, including its successful participation in the Special Olympics program. Other special events included the Summer Concerts in the Park series, Movies in the Park, Easter Eggravaganza, and Abilities Awareness Faire. The Students in Government program was continued with Whittier High School students. The “W” Art Show along with the Annual Photography Contest was hosted by the Cultural Arts Commission. A delegation from our Sister City, Chang Shu, China, visited and toured the City, as well as Whittier and Rio Hondo Colleges. Whittier was once again a finalist for the All-America City title. The Transit Division applied for five new grants to fund replacement Dial-A-Ride vehicles. A comprehensive analysis of Dial-A-Ride use was completed, giving the City valuable information to plan for the future. And, the annual Abilities Awareness Faire was expanded to include workshops on the ADA and on housing for persons with disabilities. The Park Division completed the installation of trellis fencing, cable fencing, landscaping and irrigation from Pioneer to Mills Avenue on the Greenway trail. Fencing was replaced at Penn Park and a new shade structure at the Palm Park Tennis Center was installed.

In the Public Works Department, the Engineering Division recently replaced its existing and outdated Pavement Management System with a new program using updated GIS-integrated software. A pavement management system is an asset management tool that recognizes all road surfaces deteriorate over time due to traffic and environment. An asphalt overlay was completed on Santa Fe Springs Road from Whittier Boulevard to Mulberry Drive, along with a slurry seal of Workman Mill Road. Both projects included new disabled access ramps and sidewalk repairs for American with Disabilities Act compliance. Funding sources included BTA grant funds, supplemented by Traffic Congestion Relief, Gas Tax (Diesel tax), and Measure R funds. The construction of 21 bus shelters along Whittier Boulevard and within or adjacent to the Uptown Whittier business core were completed, and as part of this project approximately ten locations were rehabilitated to protect bus riders from weather and the environment. The City continued pavement striping to included additional bike lanes, enhanced striping through the use of thermoplastic, curb painting, and various street legends around schools and major commercial centers.

The Water Division completed the Pumping Plant No. 2 Construction Project. The new plant was dedicated as the Marshall R. Bowen Pumping Plant, and included a new SCADA system, a new pump station, and additional water storage. SCADA system improvements included communications towers for connectivity between water facilities. Palm Avenue and Scenic Drive Infrastructure Improvement Project was awarded and began in April 2016. And, the Well 17 Rehabilitation Project was completed to provide a much needed update to a well originally built in 1991.

The Sewer and Water Divisions procured consultants to prepare Water and Sewer Master Plans. Staff secured consultants for the design of the Palm Avenue Infrastructure Improvements between Beverly Boulevard and Whittier Boulevard, Beverly Boulevard Water Main Improvements, Union Avenue Sewer Improvements, and Murphy Hills Reservoir Repair. Staff also secured surveying services for Park Street and Southwind Drive Water Main Replacement and Alley west of Painter Avenue Sewer Improvements between Penn Street and Beverly Boulevard. The City's sewer contractor completed 73 repairs as a part of the Sewer Main Spot Repair Project.

The Library was awarded a grant to preserve local history from the National Endowment of Humanities. Through "Whittier Communities in the Post-War Era" the library in conjunction with the Whittier Museum encouraged community members to contribute to the library's digital collections of photographs and artifacts representing the post-war era in Whittier. "Latino Americans: 500 Years of History" from the American Library Association presented programs depicting important Latino history themes. Central and Whittwood Branch libraries circulated over 395,000 items and had 634,000 visits during the year. A total of 3,800 children and 190 young adults and adults participated in the Summer Reading Program. Attendance at children's programs totaled 46,000 and the 65 adult programs had an attendance of 3,700. The Homework Center received a grant for its continued operation to provide much needed resources through databases and services for students, such as live online tutoring. The library continued to build its collection of e-books and e-magazines, and the Library worked 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 efficient flow, storage, and retrieval of records. Legislative documents, agendas, legal notices, and reports were compiled, disseminated and secured for 34 City Council meetings. The Treasury Division invested funds not needed for current operations to generate additional revenue. The Business License Division processed over 6,500 licenses. In April 2016, the City of Whittier conducted a General Municipal Election for the purpose of electing a Mayor, and a Council Member in District 1. The Records Management Division worked on a number of projects including a new document imaging system. The unit handled over 265 Public Records Request and over 900 staff requests for information. Major projects for GIS included working on voting district maps, Pavement Management System, assisted Community Development in creating address lists for project noticing, and continued to work with Police Department to maintain the CAD/RMS maps.

The Controller's Office continued to manage many of the City's administrative functions, including accounting & budget, human resources, along with risk and emergency management. The Office collaborated with City departments on a number of key issues, including various budget and personnel initiatives. In addition, the Office continued to oversee the risk and emergency management responsibilities, which included the Emergency Operations Center (EOC), disaster preparedness, workers' compensation and general liability programs. During the fiscal year, the City also implemented a citywide return to work program as a practice to assist employees alleviate loss of compensation and benefits due to injury and illness.

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 in conjunction with the Los Angeles County Department of Mental Health is developing a program that will partner a police officer with a DMH clinician to respond to calls for service involving the mentally ill. Both the officer and clinician will operate from the police station, and proactively address issues in the community. In addition, the Department is seeking \$155,000 in State Homeland Security Grant Program (SHSGP) funding for the purpose of replacing handheld police radios.

The Park, Recreation and Community Services Department will continue installation of landscaping and cable fencing along the Greenway Trail's East Extension. Other upcoming Park Division projects include replacement of the Palm Park pool deck, new fencing at Joe Miller Field, Laurel Park restroom renovation, Bio Swale repair, drought tolerant landscaping along Whittier Boulevard, resurfacing of the tennis and basketball courts and a possible third KaBoom play park project at Guirado Park.

The Public Works Department's Engineering Division will use the updated Pavement Management System to guide future capital street improvement programs, which will balance the maintenance needs of the City's pavements with available funding. The system will serve as a useful tool to identify unfunded maintenance needs and to track pavement condition trends. Future recommendations will be implemented through use of Traffic Congestion Relief, Gas Tax, Measure R, and other grant funds to rehabilitate Mar Vista Street east of Colima Road, Youngwood Drive, Santa Gertrudes Avenue south of Whittier Boulevard, Pioneer Boulevard south of Beverly Boulevard, and Valley Home Avenue north of Whittier Boulevard and split those costs with the City of La Habra. These roads will be either a grind and overlay or alternative pavement restoration using green methods of improvements, such as full depth reclamation or hot-in place-recycling. Installation of new LED streetlights and landscaped median islands are planned for Beverly Boulevard from the I-605 Freeway to the Norwalk Boulevard-Workman Mill Road intersection utilizing HSIP Grant funds. This will provide safety enhancements and beautification to this gateway entrance to the City. Continuing with the annual ADA ramp and sidewalks, new sidewalks and ramps will be constructed near Whittier College, at the terminus of the Greenway Trail along Mills Avenue, and in various locations near La Serna High School and the Whittwood Mall. Several surface parking lots in the Uptown Business District will be reconstructed and rehabilitated using Parking District assessments. These improvements will include new landscaping and lighting, and will address pavement deterioration, ADA, and storm water runoff. Four in-roadway lighted crosswalks will be constructed using Gas Tax B funds on Colima Road and Janine Drive, Janine Drive adjacent to Whittier Hospital, Norwalk Boulevard at Orange Drive, and Beverly Boulevard at Citrus Avenue. Rule 20A funds will be used to underground overhead utilities along Colima Road from Whittier Boulevard to Lambert Road, Broadway from Whittier Boulevard to Magnolia Avenue and behind the bridges at 5 points adjacent to the Greenway Trails. The Engineering Division will also continue to collaborate with the Water and Sewer Divisions on upcoming sewer and water main replacement projects to design and include street reconstruction and rehabilitation as part of those projects.

Public Works' Water Division will continue to work towards completion of the Palm Avenue and Scenic Drive project. This project includes expanded water main and sewer upgrades with connectivity to future improvements. The Park Street and Southwind Drive Water Main Improvements, along with Palm Avenue, Beverly Drive, Union Avenue Sewer Improvements, and Murphy Hills Reservoir project are scheduled to be completed in 2016-17. Construction for will be phased appropriately to ensure the Palm Avenue and Beverly Boulevard projects do not overlap. Staff will procure consulting services for the design of the College Hills Water Main Improvements as well as the Magnolia Avenue Sewer Main Improvements, with construction of these projects expected to begin in late 2016-17. The Water Division will also begin developing a process for a large scale water meter replacement to upgrade all meters in the City to new Automatic Meter Reading meters over the next two years. This process will involve coordination between field staff, engineering, and the Controller's Office. Staff expects to replace approximately 5,000 meters per year under contract over the next two years. Lastly, the Water Division continues to identify water main upgrades to improve fire flow within the Uptown Area and will be incorporated into the City's Water Master Plan due for delivery in mid-2016-17. The Water Division will also include capacity issues within existing water mains, and replacement of all 4-inch water mains with service connections in the coming years.

Public Works will continue a re-design of the Alley West of Painter Avenue to include a sewer replacement, and construction is expected to begin during 2016-17. Staff will survey for Friends Avenue, Washington Avenue, and Bright Avenue Water Main Improvements. These projects will be designed and construction expected to begin in late 2016-17. Public Works will also survey the Alley west of Newlin Avenue and the Alley west of Washington Avenue related to sewer main improvements. Construction for these projects is expected to begin in mid-2017. The City's contractor will continue with Sewer Main Spot Repairs. The Sewer Master Plan will be delivered by late 2016 and will identify high priority projects.

Public Works' landfill CTS Replacement Project is anticipated to be completed during 2016-17 at the Savage Canyon facility. The City's consultant will design two new detention basins to help with storm water quality and water run-off at the landfill. These basins will be primarily constructed by City crews, with some specialized outside assistance. The City's consultant will also design the Phase 3 Liner Project, which will shift operations to the east side of the property. The Phase 3 Liner Project is expected to begin construction in early 2017.

Both the Central and Whittwood libraries will continue to provide resources, services, and programs to enrich the community. The Library will also implement the "Pop-Up Mobile Library" in 2017, funded through a grant from the State Library. The unit will make visits throughout the community and at special events to increase literacy and promote City services.

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, 2015. This was the twenty seventh 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 dedication 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.

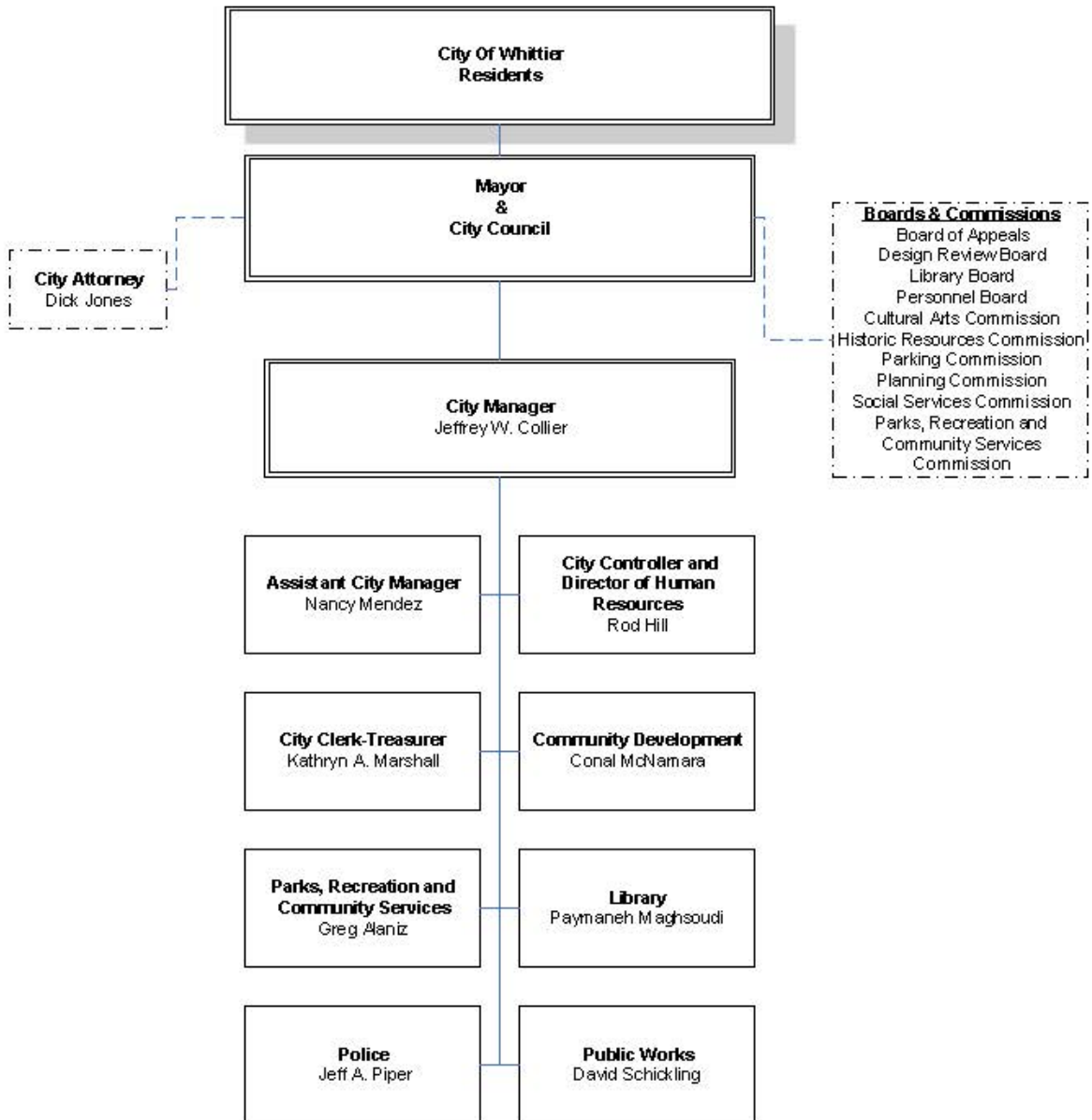
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "R. Hill", with a large, stylized flourish at the end.

Rod C. Hill
City Controller



City of Whittier Organization Chart



CITY OF WHITTIER

***Principal Officers
June 30, 2016***

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

Greg Alaniz
Parks, Recreation and Community Services Director

Paymaneh Maghsoudi
Library Director

David Schickling
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, 2015

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, 2016, 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, 2016, 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) Statements No. 72, *Fair Value Measurement and Application* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015. 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, schedule of funding progress, schedule of changes in the net pension liability, and schedule of contributions on pages 4 through 16 and 92 through 95 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 December 14, 2016, 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
December 14, 2016

**CITY OF WHITTIER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

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, 2016. 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 2015-16 fiscal year by \$204.2 million (net position). Of this amount, \$142.3 million is net investment in capital assets; \$12.1 million is restricted for public works; \$48.9 million is restricted for community development; \$6.5 million is restricted for various projects, and resulted in negative \$5.6 million in unrestricted net position. The main reason for the negative unrestricted net position is the recognition of the net pension liability in accordance with GASB 68. Please refer to note 12 for additional information of the net pension liability.
- The City's total net position increased by \$19.7 million or 10.68% from the prior fiscal year. Total revenues from all sources were \$116.7 million; and total expenses were \$96.4 million. Of the total revenues, program revenues were \$57.2 million. Program revenues are broken into three categories: Charges for services at \$50.0 million, operating contributions and grants at \$6.2 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 \$103.9 million, an increase of \$13.2 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$28.6 million, or 49.0% 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 \$4.5 million and actual outflows (expenditures and other financing uses) were \$0.7 million less than budget. This results in the total positive budget and actual variance of \$5.2 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 plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$204.2 million at the close of the most recent fiscal year. The largest portion of the City's net position (69.7%) 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>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$149,021	131,736	44,229	46,900	193,250	178,636
Capital assets	103,579	108,352	55,197	52,668	158,776	161,020
Total assets	252,600	240,088	99,426	99,568	352,026	339,656
Deferred outflows of resources	6,954	6,384	888	878	7,842	7,262
Noncurrent liabilities	106,222	99,879	36,424	35,779	142,646	135,658
Other liabilities	4,842	4,338	1,839	5,201	6,681	9,539
Total liabilities	111,064	104,217	38,263	40,980	149,327	145,197
Deferred inflows of resources	5,732	15,761	652	1,506	6,384	17,267
Net position:						
Net investment in capital assets	103,579	104,182	38,711	35,644	142,290	139,826
Restricted	67,479	58,502	35	17	67,514	58,519
Unrestricted	(28,300)	(36,190)	22,653	22,298	(5,647)	(13,892)
Total net position	\$142,758	126,494	61,399	57,959	204,157	184,453

A portion of the City's net position (33.1%) represents resources that are subject to external restrictions on how they may be used. As described in Note 1 to the financial statements, the City implemented GASB No. 68, *Accounting and Financial Reporting for Pensions*, effective July 1, 2014. The implementation is the main factor of the *negative unrestricted net position* of \$5.6 million on the Statement of Net Position.

At the end of the current fiscal year, the City is able to report positive balances in *net investment in capital assets* and *restricted* 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 \$4.8 million in the governmental activities as a result of net capital assets addition of \$2.1 million and depreciation of \$6.9 million during fiscal year 2015-16. The main capital projects during the fiscal year were the replacement of mobile equipment of \$1.2 million, bus shelter improvements of \$238,663, and traffic signal improvements of \$240,680. Capital assets had a net increase of \$2.5 million in the business type activities as a result of the Pumping Plant II project, which was completed in February 2016 with the total accumulated cost of \$22.2 million.

The City adopted GASB 68 effective July 1, 2014, which resulted in a restatement of net pension liability as of July 1, 2014. At the end of the current fiscal year, the City's governmental activities had total bonded debt and long-term liabilities of \$106.2 million, of which \$91.0 million is net pension liability. There is a decrease of \$2.9 million in noncurrent liabilities other than net pension liability in the City's governmental activities from the previous fiscal year. The main decrease was the result from refunding of \$4.2 million of the Whittier Public Financing Authority Tax, 2007 Tax Allocation Bonds, along with a combination of net increases in compensated absences, claims payable, net OPEB liability in the amount of \$1.3 million. There was a net increase in long term debt for the current fiscal year of \$644,292 in the business-type activities due to \$567,679 increase in accumulated landfill closure and post-closure liability, net increase of \$60,714 in compensated absences and OPEB liability, \$598,022 in revenue bond repayments and amortization, and a net increase of \$613,921 in net pension liability.

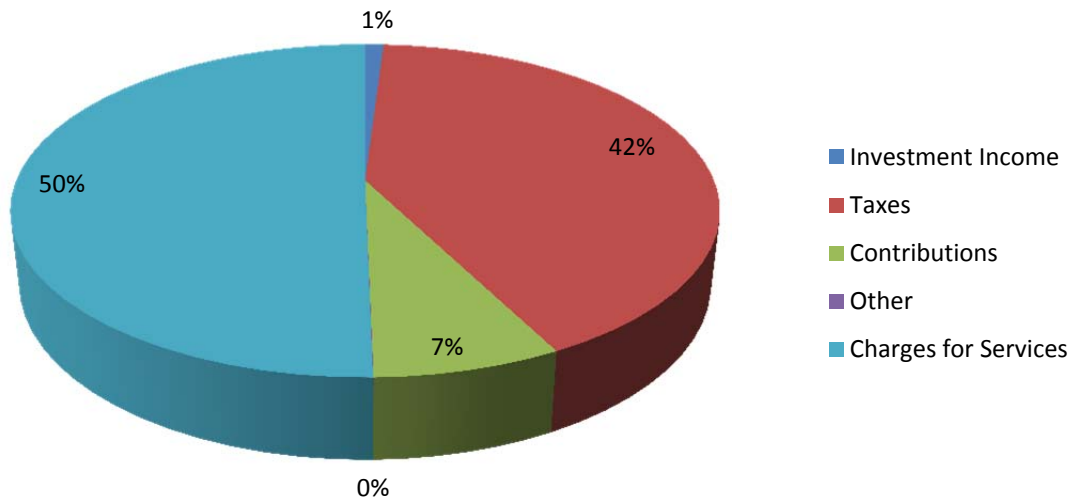
The following table indicates the changes in net position for governmental and business-type activities:

Table 2
Changes in Net Position
(in Thousands)

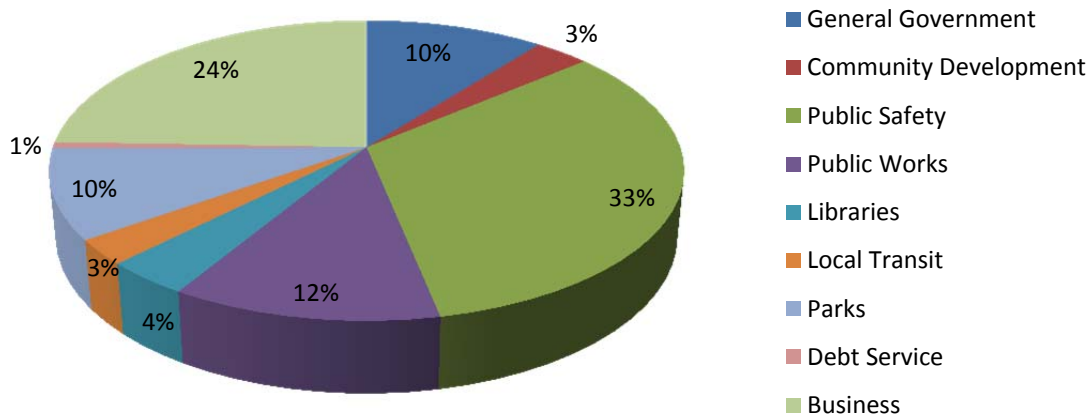
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$22,881	20,374	27,114	25,778	49,995	46,152
Operating contributions and grants	6,126	7,003	92	287	6,218	7,290
Capital contributions and grants	1,020	1,320	-	-	1,020	1,320
General revenues:						
Taxes:						
Property taxes	14,227	5,897	-	-	14,227	5,897
Transient occupancy taxes	890	779	-	-	890	779
Sales taxes	10,378	9,132	-	-	10,378	9,132
Franchise taxes	3,377	3,415	-	-	3,377	3,415
Business licenses and tax	2,616	2,195	-	-	2,616	2,195
Utility users tax	6,812	7,049	-	-	6,812	7,049
Transit tax	2,858	2,786	-	-	2,858	2,786
Motor vehicle in lieu, unrestricted *	-	7,776	-	-	-	7,776
Investment income	640	544	348	223	988	767
Other	-	1	23	16	23	17
Total revenues	<u>71,825</u>	<u>68,271</u>	<u>27,577</u>	<u>26,304</u>	<u>99,402</u>	<u>94,575</u>
Program expenses:						
General government	10,203	8,522	-	-	10,203	8,522
Public safety	31,785	31,790	-	-	31,785	31,790
Libraries	3,647	3,407	-	-	3,647	3,407
Parks and recreation	9,357	8,975	-	-	9,357	8,975
Public works	11,465	11,864	-	-	11,465	11,864
Transit	2,604	3,015	-	-	2,604	3,015
Community development	3,125	1,451	-	-	3,125	1,451
Sewer	-	-	2,227	1,579	2,227	1,579
Water	-	-	11,480	10,249	11,480	10,249
Solid waste	-	-	9,850	9,832	9,850	9,832
Interest on long-term debt	644	235	-	-	644	235
Total expenses	<u>72,830</u>	<u>69,259</u>	<u>23,557</u>	<u>21,660</u>	<u>96,387</u>	<u>90,919</u>
Excess (deficiency) before transfers and special item	<u>(1,005)</u>	<u>(988)</u>	<u>4,020</u>	<u>4,644</u>	<u>3,015</u>	<u>3,656</u>
Transfers	580	593	(580)	(593)	-	-
Special item	16,689	-	-	-	16,689	-
Change in net position	<u>16,264</u>	<u>(395)</u>	<u>3,440</u>	<u>4,051</u>	<u>19,704</u>	<u>3,656</u>
Net position, beginning of year	<u>126,494</u>	<u>126,889</u>	<u>57,959</u>	<u>53,908</u>	<u>184,453</u>	<u>180,797</u>
Net position, end of year	<u>\$142,758</u>	<u>126,494</u>	<u>61,399</u>	<u>57,959</u>	<u>204,157</u>	<u>184,453</u>

* Beginning in 2016, "motor vehicle in lieu, unrestricted" revenue has been reclassified to property taxes.

FY 2015-16 Total Revenues By Sources



FY 2015-16 Total Expenses



The City's total revenues for the fiscal year ended June 30, 2016 were \$99.4 million. Of the City's total revenues, \$50.0 million (50%) were derived from fees charged for services, and \$41.2 million (42%) were received in taxes.

The City's total expenses were \$96.4 million; comprising \$31.8 million (33%) for public safety mainly resulting from employee services costs, \$23.6 million (24%) for business-type activities, and \$11.5 million (12%) for public works mainly from street improvement projects.

Governmental Activities

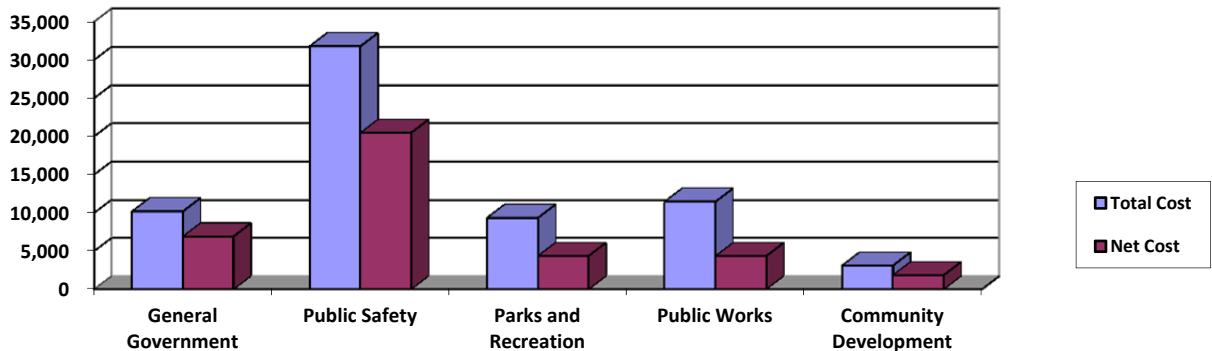
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General government	\$10,203	8,522	6,937	4,879
Public safety	31,785	31,790	20,475	20,634
Parks and recreation	9,357	8,975	4,384	6,084
Public works	11,465	11,864	4,357	4,249
Community development	3,125	1,451	1,875	55
Total	\$65,935	62,602	38,028	35,901

- 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 in the current fiscal year was due to granting \$1.7 million of land on Comstock Avenue and Penn Street to HHP-Penn LLC for Guilford Court Housing Project.

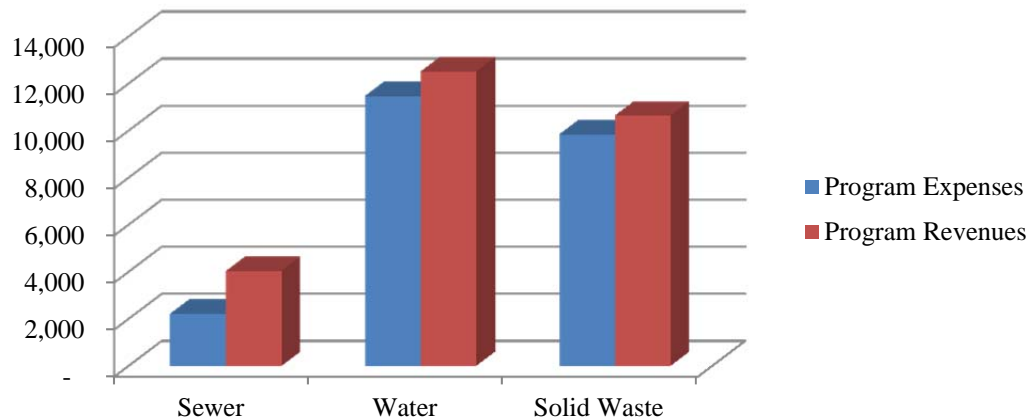
Net Cost of Services
(in Thousands)



Business-type Activities

Business-type activities had the net increase of \$3.4 million in City's net position, resulting from the revenues of \$27.6 million and expenses of \$24.2 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 \$103.9 million, an increase of \$13.2 million in comparison with the prior year. \$39.2 million of this total amount constitutes *unrestricted fund balances*. \$3.6 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 \$2.9 million. \$7.0 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. \$28.6 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>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Fund Balance:			
General Fund	\$45,555	40,868	4,687
Transit Fund	4,511	3,393	1,118
HOME Fund	2,422	2,136	286
Housing Authority Fund	16,787	20,659	(3,872)
Capital Projects Fund	20,212	4,579	15,633
Total Fund Balance	\$89,487	71,635	17,852

The General Fund is the chief operating fund of the City. The fund balance of the General Fund increased by \$4,687,120 during the current fiscal year. Key factors for this change are as follows:

- A slight increase of \$199,021 in property tax revenues compared to the prior fiscal year, which was due to improvements in property values.
- An increase of \$1,242,486 in sales tax revenue and a net increase of \$184,795 in other tax revenues as compared to the prior fiscal year, and were mainly attributed to increased consumer confidence and spending.
- An increase of \$1,611,163 in various restricted revenues for park, public facilities, aquatics and library impact fees which were a result of increased development. These revenues were recorded and restricted for those purposes.
- An increase of \$225,996 in Art in Public Places revenue committed to arts in public places were also received as a result of increased development within the City.
- An increase of \$460,749 in licenses and permits as compared to the prior year mainly from building, plumbing, electrical and related permits due to increase developments.
- An increase in local grant funds of \$360,442 were received as compared to the prior year for various Park projects within the City.

The transit special revenue fund had a total fund balance of \$4.5 million, an increase of \$1,117,643 primarily due to decrease in capital expenditures of \$456,416 compared to the prior fiscal year and increase in revenues and transfers in.

The HOME fund had a total fund balance of \$2.4 million, which represented an increase of \$285,747 during the current fiscal year due to prior year expenditures drawdown in the fiscal 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 \$16.8 million, a decrease of \$3,872,267 compared to the prior fiscal year. Of the total decrease, \$3,863,215 was related to a housing project and \$50,000 was for social services expenditures.

The capital projects fund had a total fund balance of \$20.2 million, an increase of \$15.6 million during the fiscal year. The main increase was the due to the remaining non-housing bond precede transfers of \$16,688,799 to the City's capital project fund for redevelopment projects as approved by the Department of Finance.

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 \$22.7 million with an increase of \$3.4 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, 2016, unrestricted net position of the internal service funds was \$23.5 million, with a total increase in net position of \$425,360 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 for General Fund expenditures in the amount of \$56,663,169 to the final budgeted amount of \$59,117,433 shows a net increase of \$2,454,264 or 4.3%.

The increase in appropriation of \$2,454,264 can be briefly summarized as follows:

- \$1,770,674 increase allocated to general government expenditures for City Clerk, Elections, City Controller, Non-Departmental, City Planning, and Public Information Services for prior year unspent appropriations related to capital projects.
- \$83,243 increase allocated to public safety expenditures for Police Department, Emergency Management and Building & Safety. Of the increase, \$18,558 was allocated to Emergency Management was for an emergency operations trailer. In addition, \$38,160 was related to Building & Safety for professional building inspection services.
- \$365,230 increase allocated to Libraries. Of the total increase, \$302,230 was related to grants from the Library Foundation, Friends of the Library, Assistance League and federal funding for library operations.
- \$36,360 increase allocated to Parks. Of the increase, \$20,431 was specifically allocated to the Joe Miller Field project.
- \$198,757 increase allocated to Public Works. Of the increase, \$163,959 was specifically allocated for various street lighting and maintenance.

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 \$4,485,080 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was a net \$1,410,955 positive variance with the final budget in total tax revenues. The key factors were property tax revenues of \$424,943 and sales tax revenue \$1,017,388 of sales tax revenue.
- Licenses and permits: The \$452,809 positive variance in actual vs. final budgeted revenue was related to increased business licenses and various permit revenues due to developments within the City.
- Fines and forfeits: The \$20,717 negative variance in actual vs. final budgeted revenue related from decreases in court and parking fines.
- Charges for services: The \$2,093,051 positive variance in actual vs. final budget was mainly due to \$1,620,812 various impact fees received which were not budgeted.
- Use of money and property: The net \$55,186 positive variance in actual vs. final budget was due to higher interest earnings.
- Intergovernmental: The \$218,867 positive variance in actual vs. final budget was due to prior year unreimbursed grants received in the current year.

General Fund expenditures were \$659,427 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 2016, the City had \$158.8 million (net of accumulated depreciation of \$145.4 million) invested in a broad range of capital assets, including police equipment, buildings, land, rights-of-way, trees, park facilities, machinery and equipment, and roads. (See Table 4 below and relevant disclosures in note 8 to the basic financial statements.) This amount represents a net decrease (including additions and deductions) of \$2.2 million, or 1.4%, over last year. The main capital assets additions are the additional cost of plumping plant II construction of \$3.6 million which was completed in February 2016, and \$1.2 million of new mobile equipment purchased during the fiscal year. The total depreciation for the year was \$8.3 million.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and trees	\$27,681	27,644	2,827	2,827	30,508	31,471
Rights of way	5,326	5,326	-	-	5,326	5,326
Easement	2,400	2,400	-	-	2,400	2,400
Construction in progress	5	1,040	181	18,414	186	19,454
Buildings and improvements	42,781	43,993	52,039	31,293	94,820	75,286
Machinery and equipment	7,463	7,662	150	134	7,613	7,796
Infrastructure	17,923	20,287	-	-	17,923	20,287
Total	<u>\$103,579</u>	<u>108,352</u>	<u>55,197</u>	<u>52,668</u>	<u>158,776</u>	<u>161,020</u>

The City's five-year Capital Improvement Plan projected to spend another \$74.1 million through fiscal year 2020-21. 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 \$13.3 million, water main replacement projects of \$12.9 million, other water related improvements of \$1.6 million, upgrading and maintaining the City's landfill of \$5.5 million, sewer maintenance and replacement of \$17.6 million, Greenway trail improvement and maintenance of \$0.7 million, Dial-A-Ride van replacement of \$0.4 million, computer, communication and information technology maintenance and replacement projects of \$5.4 million and various pavement, street and traffic signal improvements of \$14.6 million principally from special revenue funds.

Long-term debt

As of June 30, 2016, the City had \$142.7 million in noncurrent liabilities outstanding comparing to \$135.7 million in last fiscal year – a net increase of \$7.0 million – as shown in Table 5 and note 9 to the basic financial statements. Of this amount, \$17.2 million represented total bonded debt outstanding, \$5.6 million represented claims payable, \$6.2 million represented compensated absences, \$12.9 million represented landfill closure and post-closure, \$4.4 million represented net OPEB liability, and \$96.4 million represented net pension liability. There was \$598,022 in principal repayments in accordance with certain debt schedules, and \$9,845,870 addition in net pension liability. The City adopted *GASB Statements No. 68, Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* on July 1, 2014. Please refer to note 12 for additional information on the *net pension liability*. On August 5, 2015, the Whittier Redevelopment Successor Agency issued \$31,005,000 of Tax Allocation Refunding Bonds, 2015 Series A and \$13,610,000 2015 Series B. Part of the proceeds from the sale of the Bonds was used to refund the remaining of loan agreement of \$4,170,000 between the Whittier Public Financing Authority and the Former Redevelopment Agency (the “2002 Greenleaf/Uptown Whittier Loan Agreement”). 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>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Compensated absences	\$5,772	5,310	448	412	6,220	5,722
Tax allocation bonds	-	4,170	-	-	-	4,170
Revenue bonds	-	-	16,515	17,075	16,515	17,075
Premium on bonds	-	-	643	681	643	681
Landfill closure and postclosure	-	-	12,932	12,364	12,932	12,364
Claims payable	5,595	5,126	-	-	5,595	5,126
Net OPEB liability	3,837	3,487	528	503	4,365	3,990
Net pension liability	91,018	81,786	5,358	4,744	96,376	86,530
Total	\$106,222	99,879	36,424	35,779	142,646	135,658

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 (2016-17) projections take into account the historical trends, current economic factors and consultant recommendations. An overall decrease in operating revenues of approximately \$4.8 million or 4.4% as compared to the 2015-16 adopted budget is anticipated. The significant decrease of \$6.6 million in operating revenues is based on the contracting of the City's solid waste collection service to two private refuse collection haulers effective July 1, 2016. General Fund revenues are projected to increase by \$1.8 million or 3.2% for 2016-17. For fiscal year 2016-17, sales tax revenue is estimated to have an increase of 7.7% or \$694,500 compared to the 2015-16 adopted budget due to increased consumer confidence. Property tax revenue is estimated at \$5.4 million, which represents a 5.5% increase from the 2015-16 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Franchise tax revenue is estimated at \$2.9 million, 6.5% decrease from the 2015-16 adopted budget. Utility user tax projection remains constant at \$7.1 million. Operating expenditures have been projected at \$59.8 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for 2016-17, which are 26.430% for miscellaneous employees, and 54.679% for safety employees, 12% of these rates are being paid by the employees. It is estimated that the General Fund will have an available fund balance of approximately \$20.5 million at the end of fiscal year 2016-17.

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, 2016

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (note 3)	\$ 86,576,184	28,363,423	114,939,607
Restricted assets:			
Cash and investments (note 3)	1,662,044	9,507,010	11,169,054
Cash and investments with fiscal agents (note 3)	22,081,080	671,917	22,752,997
Accounts receivable	-	14,992	14,992
Interest receivable	-	48,291	48,291
Receivables:			
Intergovernmental	5,524,890	-	5,524,890
Accounts	1,648,452	4,945,946	6,594,398
Notes and loans (note 5)	18,687,531	-	18,687,531
Interest	416,389	15,742	432,131
Inventory	-	286,284	286,284
Advances to Successor Agency (note 7)	9,744,627	-	9,744,627
Less: Allowance for advances	(526,297)	-	(526,297)
Prepaid items	147,446	375,000	522,446
Land held for resale (note 4)	3,058,920	-	3,058,920
Capital assets not being depreciated (note 8)	35,411,513	3,008,258	38,419,771
Capital assets being depreciated, net (note 8)	68,167,299	52,188,999	120,356,298
Total Assets	<u>252,600,078</u>	<u>99,425,862</u>	<u>352,025,940</u>
Deferred Outflows of Resources:			
Deferred amounts related to pensions (note 12)	6,954,528	374,259	7,328,787
Deferred charge on refunding	-	512,779	512,779
Total Deferred Outflows of Resources	<u>6,954,528</u>	<u>887,038</u>	<u>7,841,566</u>
Liabilities:			
Accounts payable	2,924,407	1,644,131	4,568,538
Accrued liabilities	1,346,690	130,644	1,477,334
Accrued interest payable	-	64,118	64,118
Deposits payable	207,013	-	207,013
Unearned revenue	363,994	-	363,994
Noncurrent liabilities (note 9):			
Due within one year	5,656,640	750,625	6,407,265
Due in more than one year	9,547,028	30,315,452	39,862,480
Net Pension Liability (note 12)	91,018,269	5,357,602	96,375,871
Total Liabilities	<u>111,064,041</u>	<u>38,262,572</u>	<u>149,326,613</u>
Deferred Inflows of Resources:			
Deferred amounts related to pensions (note 12)	5,732,339	651,630	6,383,969
Net Position:			
Net investment in capital assets	103,578,812	38,710,969	142,289,781
Restricted for:			
Public safety	1,684,687	-	1,684,687
Library	303,904	-	303,904
Public works	12,053,635	-	12,053,635
Water	-	34,501	34,501
Transit	4,510,811	-	4,510,811
Community development	48,926,727	-	48,926,727
Unrestricted	(28,300,350)	22,653,228	(5,647,122)
Total Net Position	<u>\$ 142,758,226</u>	<u>61,398,698</u>	<u>204,156,924</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary government:				
Governmental activities:				
General government	\$ (10,202,486)	3,001,912	263,350	-
Public safety	(31,785,124)	10,516,152	794,361	-
Libraries	(3,646,514)	577,313	20,975	-
Parks and recreation	(9,357,156)	4,072,235	901,251	-
Public works	(11,464,747)	4,471,712	2,636,083	440
Transit	(2,603,765)	240,415	261,075	1,019,251
Community development	(3,125,082)	1,500	1,248,682	-
Interest on long-term debt	(644,334)	-	-	-
Total governmental activities	(72,829,208)	22,881,239	6,125,777	1,019,691
Business-type activities:				
Sewer	(2,227,240)	4,040,278	-	-
Water	(11,479,356)	12,451,923	67,077	-
Solid Waste	(9,849,827)	10,621,313	24,764	-
Total business-type activities	(23,556,423)	27,113,514	91,841	-
Total primary government	\$ (96,385,631)	49,994,753	6,217,618	1,019,691
General Revenues:				
Taxes:				
Property taxes, net				
Transient occupancy taxes				
Sales taxes				
Franchise taxes				
Business licenses tax				
Utility users tax				
Transit tax				
Gain on sale of capital assets				
Investment income				
Total General Revenues				
Transfers in (out)				
Special item - Proceeds from Successor Agency (note 18)				
Change in Net Position				
Net Position, Beginning of Year				
Net Position, End of Year				

See accompanying notes to financial statements.

Net Revenue (Expense) and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(6,937,224)	-	(6,937,224)
(20,474,611)	-	(20,474,611)
(3,048,226)	-	(3,048,226)
(4,383,670)	-	(4,383,670)
(4,356,512)	-	(4,356,512)
(1,083,024)	-	(1,083,024)
(1,874,900)	-	(1,874,900)
(644,334)	-	(644,334)
<u>(42,802,501)</u>	<u>-</u>	<u>(42,802,501)</u>
-	1,813,038	1,813,038
-	1,039,644	1,039,644
-	796,250	796,250
<u>-</u>	<u>3,648,932</u>	<u>3,648,932</u>
<u>(42,802,501)</u>	<u>3,648,932</u>	<u>(39,153,569)</u>
14,226,923	-	14,226,923
890,181	-	890,181
10,378,346	-	10,378,346
3,377,232	-	3,377,232
2,615,984	-	2,615,984
6,811,595	-	6,811,595
2,857,684	-	2,857,684
-	22,879	22,879
640,243	348,055	988,298
<u>41,798,188</u>	<u>370,934</u>	<u>42,169,122</u>
<u>579,767</u>	<u>(579,767)</u>	<u>-</u>
<u>16,688,799</u>	<u>-</u>	<u>16,688,799</u>
16,264,253	3,440,099	19,704,352
126,493,973	57,958,599	184,452,572
<u>142,758,226</u>	<u>61,398,698</u>	<u>204,156,924</u>



FUND FINANCIAL STATEMENTS

**CITY OF WHITTIER, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	Special Revenue Funds		
	General Fund	Transit Fund	HOME Fund
Assets:			
Cash and investments	\$ 34,485,195	4,483,725	51,457
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Receivables:			
Intergovernmental	4,442,189	-	296,628
Accounts	1,571,639	25,064	-
Notes and loans	578,861	-	6,305,456
Interest	65,980	5,972	123,235
Due from other funds	83,299	-	-
Advances to Successor Agency, (note 7)	8,205,189	-	-
Less: Allowance for advances	(526,297)	-	-
Prepaid items	22,545	121,046	-
Land held for sale	-	-	-
Total Assets	<u>\$ 48,928,600</u>	<u>4,635,807</u>	<u>6,776,776</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 954,843	116,981	125,428
Accrued liabilities	1,273,532	8,015	-
Due to other funds	-	-	-
Unearned revenues	363,994	-	-
Deposits payable	202,013	-	-
Total Liabilities	<u>2,794,382</u>	<u>124,996</u>	<u>125,428</u>
Deferred Inflows of Resources:			
Unavailable revenues	578,861	-	4,229,410
Total Deferred Inflows of Resources	<u>578,861</u>	<u>-</u>	<u>4,229,410</u>
Fund Balances:			
Nonspendable	7,701,437	121,046	-
Restricted	2,221,903	4,389,765	2,421,938
Committed	3,625,373	-	-
Assigned	3,379,180	-	-
Unassigned	28,627,464	-	-
Total Fund Balances	<u>45,555,357</u>	<u>4,510,811</u>	<u>2,421,938</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,928,600</u>	<u>4,635,807</u>	<u>6,776,776</u>

See accompanying notes to financial statements.

Special Revenue Funds	Capital Projects Fund		
Housing Authority	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
2,085,670	4,407,409	11,896,393	57,409,849
-	727,409	934,635	1,662,044
6,150,218	15,930,862	-	22,081,080
-	-	786,073	5,524,890
-	10,000	8,461	1,615,164
10,198,445	-	1,604,769	18,687,531
16,328	24,804	142,120	378,439
-	-	-	83,299
1,539,438	-	-	9,744,627
-	-	-	(526,297)
-	-	-	143,591
3,058,920	-	-	3,058,920
23,049,019	21,100,484	15,372,451	119,863,137
456	888,917	520,260	2,606,885
-	-	18,697	1,300,244
-	-	83,299	83,299
-	-	-	363,994
5,000	-	-	207,013
5,456	888,917	622,256	4,561,435
6,256,352	-	320,547	11,385,170
6,256,352	-	320,547	11,385,170
-	-	-	7,822,483
16,787,211	16,658,271	14,429,648	56,908,736
-	-	-	3,625,373
-	3,553,296	-	6,932,476
-	-	-	28,627,464
16,787,211	20,211,567	14,429,648	103,916,532
23,049,019	21,100,484	15,372,451	119,863,137



**CITY OF WHITTIER, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Fund Balances of Governmental Funds	\$ 103,916,532
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	209,415,751
Capital assets - internal service funds	17,863,304
Accumulated depreciation - governmental funds	(111,838,617)
Accumulated depreciation - internal service funds	(11,861,626)
Long-term debt has not been included in the governmental funds	
Net OPEB liability	(3,837,178)
Net pension liability	(91,018,269)
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	
	11,385,170
Deferred outflows of resources related to pensions	6,954,528
Deferred inflows of resources related to pensions	(5,732,339)
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	(5,594,562)
Compensated absences	(5,771,928)
Other assets and liabilities	28,877,460
Net Position of Governmental Activities	\$ 142,758,226

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds		
	General	Transit Fund	HOME Fund
Revenues:			
Taxes	\$ 35,426,739	2,857,684	-
Licenses and permits	2,900,969	-	-
Fines and forfeits	730,983	-	-
Use of money and property	775,491	229,159	-
Intergovernmental	327,194	286,075	320,107
Charges for services	17,143,341	41,687	-
Other	4,488,433	-	-
Total Revenues	\$ 61,793,150	3,414,605	320,107
Expenditures:			
Current:			
General government	\$ 10,174,042	-	-
Public safety	31,610,102	-	-
Libraries	3,591,949	-	-
Parks and recreation	8,966,670	-	-
Public works	3,734,638	-	-
Local transit	-	2,580,386	-
Community development	331,016	-	34,360
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	58,408,417	2,580,386	34,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,384,733	834,219	285,747
Other Financing Sources (Uses):			
Transfers in (note 6)	1,488,095	283,424	-
Transfers out (note 6)	(185,708)	-	-
Total Other Financing Sources (Uses)	1,302,387	283,424	-
Special Item:			
Proceeds from Successor Agency (note 18)	-	-	-
Net change in fund balances	4,687,120	1,117,643	285,747
Fund Balances, Beginning	40,868,237	3,393,168	2,136,191
Fund Balances, Ending	\$ 45,555,357	4,510,811	2,421,938

See accompanying notes to financial statements.

<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>		
Housing Authority	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
-	-	1,251,775	39,536,198
-	-	105,529	3,006,498
-	-	317,201	1,048,184
40,948	79,211	229,813	1,354,622
-	-	3,948,702	4,882,078
-	-	100,693	17,285,721
-	20,000	869	4,509,302
<u>40,948</u>	<u>99,211</u>	<u>5,954,582</u>	<u>71,622,603</u>
-	-	-	10,174,042
-	-	922,608	32,532,710
-	-	52,117	3,644,066
-	-	360,587	9,327,257
-	-	1,790,578	5,525,216
-	-	-	2,580,386
3,863,215	-	1,027,561	5,256,152
-	1,171,097	-	1,171,097
-	-	4,170,000	4,170,000
-	-	682,506	682,506
<u>3,863,215</u>	<u>1,171,097</u>	<u>9,005,957</u>	<u>75,063,432</u>
<u>(3,822,267)</u>	<u>(1,071,886)</u>	<u>(3,051,375)</u>	<u>(3,440,829)</u>
-	15,918	165,508	1,952,945
(50,000)	-	(1,733,387)	(1,969,095)
<u>(50,000)</u>	<u>15,918</u>	<u>(1,567,879)</u>	<u>(16,150)</u>
-	16,688,799	-	16,688,799
(3,872,267)	15,632,831	(4,619,254)	13,231,820
20,659,478	4,578,736	19,048,902	90,684,712
<u>16,787,211</u>	<u>20,211,567</u>	<u>14,429,648</u>	<u>103,916,532</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, 2016**

Net changes in fund balances - total governmental funds	\$	13,231,820
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. The effect of transactions involving capital assets are as follows:		
Depreciation expense		(5,550,984)
Purchases of capital assets recorded in governmental funds.		710,087
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net position.		(28,050)
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		4,170,000
The statement of net position includes accrued interest on long term debt.		
		38,172
Revenues that are measurable but not available are deferred in the governmental funds under the modified accrual basis of accounting.		
		2,251,758
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		(350,414)
Pension expense reported on government wide statement of activities		(5,588,024)
Governmental funds expenditures for retirement contributions reported as part of deferred outflows of resources on statement of net position		
		6,954,528
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.		
		425,360
Change in net position of governmental activities	\$	16,264,253

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 33,510,784	34,015,784	35,426,739	1,410,955
Licenses and permits	2,023,160	2,448,160	2,900,969	452,809
Fines and forfeits	751,700	751,700	730,983	(20,717)
Use of money and property	809,182	720,305	775,491	55,186
Intergovernmental	89,500	108,327	327,194	218,867
Charges for services	14,962,659	15,050,290	17,143,341	2,093,051
Other	4,018,504	4,213,504	4,488,433	274,929
Total Revenues	<u>56,165,489</u>	<u>57,308,070</u>	<u>61,793,150</u>	<u>4,485,080</u>
Expenditures:				
General government:				
City council	32,967	32,967	30,609	2,358
City clerk	774,094	775,094	681,250	93,844
City attorney	300,349	300,349	1,167,640	(867,291)
Elections	178,638	309,117	273,003	36,114
City manager	1,007,594	1,007,594	928,360	79,234
City controller	1,599,008	3,091,611	1,891,471	1,200,140
City treasurer	373,448	373,448	330,710	42,738
Business license	161,060	161,060	122,973	38,087
Human resources	407,139	407,139	445,082	(37,943)
Civic center maintenance	1,402,640	1,402,640	1,395,054	7,586
Non-departmental	1,158,004	1,163,381	1,263,404	(100,023)
City planning	1,035,021	1,168,236	958,293	209,943
Fireworks show	15,491	15,491	13,706	1,785
Chamber of commerce	53,400	53,400	76,600	(23,200)
Employee special events	9,000	9,000	7,742	1,258
Public information services	88,321	96,321	68,358	27,963
Graffiti removal program	380,829	380,829	250,093	130,736
Social services	276,086	276,086	273,250	2,836
Total General Government	<u>9,253,089</u>	<u>11,023,763</u>	<u>10,177,598</u>	<u>846,165</u>
Public safety:				
Police department	29,597,033	29,623,558	29,797,807	(174,249)
Emergency management	57,564	76,122	83,135	(7,013)
Code enforcement	386,377	386,377	453,052	(66,675)
Building and safety	833,186	871,346	1,276,108	(404,762)
Total Public Safety	<u>30,874,160</u>	<u>30,957,403</u>	<u>31,610,102</u>	<u>(652,699)</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Libraries:	3,378,463	3,743,693	3,591,949	151,744
Total Libraries	3,378,463	3,743,693	3,591,949	151,744
Parks and recreation:				
Parks and recreation	5,351,157	5,387,517	5,258,783	128,734
Community services	3,404,421	3,404,421	3,709,448	(305,027)
Total Parks and Recreation	8,755,578	8,791,938	8,968,231	(176,293)
Public works:				
Weed control	8,300	8,300	786	7,514
Street lighting	471,631	489,518	547,256	(57,738)
Street maintenance	2,533,885	2,679,957	2,314,495	365,462
Traffic signals	421,987	421,987	395,208	26,779
City engineering - drilling	368,996	403,794	521,365	(117,571)
Total Public Works	3,804,799	4,003,556	3,779,110	224,446
Community development:				
Community development	597,080	597,080	331,016	266,064
Total Community Development	597,080	597,080	331,016	266,064
 Total Expenditures	 56,663,169	 59,117,433	 58,458,006	 659,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(497,680)	(1,809,363)	3,335,144	5,144,507
Other financing sources (uses):				
Transfers in	1,488,095	1,488,095	1,488,095	-
Transfers out	(237,156)	(195,708)	(185,708)	10,000
Total Other Financing Sources (Uses)	1,250,939	1,292,387	1,302,387	10,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	753,259	(516,976)	4,637,531	5,154,507
Adjustments:				
To adjust for encumbrances	-	-	49,589	-
Net Change in Fund Balance (US GAAP basis)	753,259	(516,976)	4,687,120	5,204,096
Fund Balance at Beginning of Year	40,868,237	40,868,237	40,868,237	-
Fund Balance at End of Year	\$ 41,621,496	40,351,261	45,555,357	5,204,096

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,260,416	2,260,416	2,857,684	597,268
Use of money and property	108,000	108,000	229,159	121,159
Intergovernmental	275,000	275,000	286,075	11,075
Charges for services	40,500	40,500	41,687	1,187
Total Revenues	<u>2,683,916</u>	<u>2,683,916</u>	<u>3,414,605</u>	<u>730,689</u>
Expenditures:				
Current:				
Local transit	3,225,691	4,924,095	2,580,386	2,343,709
Total Expenditures	<u>3,225,691</u>	<u>4,924,095</u>	<u>2,580,386</u>	<u>2,343,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(541,775)</u>	<u>(2,240,179)</u>	<u>834,219</u>	<u>3,074,398</u>
Other financing sources (uses):				
Transfers in	-	-	283,424	283,424
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>283,424</u>	<u>283,424</u>
Net Change in Fund Balance	<u>(541,775)</u>	<u>(2,240,179)</u>	<u>1,117,643</u>	<u>3,357,822</u>
Fund Balance at Beginning of Year	<u>3,393,168</u>	<u>3,393,168</u>	<u>3,393,168</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,851,393</u>	<u>1,152,989</u>	<u>4,510,811</u>	<u>3,357,822</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 284,792	284,792	320,107	35,315
Total Revenues	<u>284,792</u>	<u>284,792</u>	<u>320,107</u>	<u>35,315</u>
Expenditures:				
Current:				
Community development	284,792	627,318	34,360	592,958
Total Expenditures	<u>284,792</u>	<u>627,318</u>	<u>34,360</u>	<u>592,958</u>
Net Change in Fund Balance	-	(342,526)	285,747	628,273
Fund Balance at Beginning of Year	<u>2,136,191</u>	<u>2,136,191</u>	<u>2,136,191</u>	-
Fund Balance at End of Year	<u><u>\$ 2,136,191</u></u>	<u><u>1,793,665</u></u>	<u><u>2,421,938</u></u>	<u><u>628,273</u></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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 26,200	26,200	40,948	14,748
Other	779,756	779,756	-	(779,756)
Total Revenues	<u>805,956</u>	<u>805,956</u>	<u>40,948</u>	<u>(765,008)</u>
Expenditures:				
Current:				
Community development	150,000	3,394,677	3,863,215	(468,538)
Total Expenditures	<u>150,000</u>	<u>3,394,677</u>	<u>3,863,215</u>	<u>(468,538)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>655,956</u>	<u>(2,588,721)</u>	<u>(3,822,267)</u>	<u>(1,233,546)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	655,956	(2,588,721)	(3,872,267)	(1,283,546)
Fund Balance at Beginning of Year	<u>20,659,478</u>	<u>20,659,478</u>	<u>20,659,478</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 21,315,434</u>	<u>18,070,757</u>	<u>16,787,211</u>	<u>(1,283,546)</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Assets:					
Current assets:					
Cash and investments (note 3)	\$ 9,768,136	6,246,402	12,348,885	28,363,423	29,166,335
Receivables:					
Accounts	100,092	2,484,599	2,361,255	4,945,946	33,288
Interest	13,965	14,913	19,413	48,291	37,950
Inventory	-	286,284	-	286,284	-
Prepaid items	-	375,000	-	375,000	3,855
Total Current Assets	<u>9,882,193</u>	<u>9,407,198</u>	<u>14,729,553</u>	<u>34,018,944</u>	<u>29,241,428</u>
Noncurrent assets:					
Restricted cash and investments (note 3)	-	34,501	9,472,509	9,507,010	-
Restricted cash and investments with fiscal agents (note 3)	-	671,917	-	671,917	-
Accounts receivable	-	-	14,992	14,992	-
Interest receivable	-	276	15,466	15,742	-
Capital assets, net	2,475,484	41,030,223	11,691,550	55,197,257	6,001,678
Total Noncurrent Assets	<u>2,475,484</u>	<u>41,736,917</u>	<u>21,194,517</u>	<u>65,406,918</u>	<u>6,001,678</u>
Total Assets	<u>12,357,677</u>	<u>51,144,115</u>	<u>35,924,070</u>	<u>99,425,862</u>	<u>35,243,106</u>
Deferred Outflows of Resources:					
Deferred amounts related to pensions	25,932	158,119	190,208	374,259	-
Deferred charge on refunding	-	512,779	-	512,779	-
Total Deferred Outflows of Resources	<u>25,932</u>	<u>670,898</u>	<u>190,208</u>	<u>887,038</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	127,996	531,445	984,690	1,644,131	317,522
Accrued liabilities	11,004	63,168	56,472	130,644	46,446
Accrued interest payable	-	64,118	-	64,118	-
Claims payable	-	-	-	-	3,636,465
Current portion of compensated absences	20,900	49,383	100,342	170,625	2,020,175
Current portion of long-term obligations	-	580,000	-	580,000	-
Total Current Liabilities	<u>159,900</u>	<u>1,288,114</u>	<u>1,141,504</u>	<u>2,589,518</u>	<u>6,020,608</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	1,958,097
Compensated absences	38,813	91,713	147,068	277,594	3,751,753
Net OPEB liability	68,846	258,174	200,802	527,822	-
Net pension liability	337,421	2,180,668	2,839,513	5,357,602	-
Revenue bonds payable	-	16,578,205	-	16,578,205	-
Landfill closure and postclosure payable	-	-	12,931,831	12,931,831	-
Total Noncurrent Liabilities	<u>445,080</u>	<u>19,108,760</u>	<u>16,119,214</u>	<u>35,673,054</u>	<u>5,709,850</u>
Total Liabilities	<u>604,980</u>	<u>20,396,874</u>	<u>17,260,718</u>	<u>38,262,572</u>	<u>11,730,458</u>
Deferred Inflows of Resources:					
Deferred amounts related to pensions	33,607	247,009	371,014	651,630	-
Total Deferred Inflows of Resources	<u>33,607</u>	<u>247,009</u>	<u>371,014</u>	<u>651,630</u>	<u>-</u>
Net Position:					
Net investment in capital assets	2,475,484	24,543,935	11,691,550	38,710,969	6,001,678
Restricted for connection fees	-	34,501	-	34,501	-
Unrestricted	9,269,538	6,592,694	6,790,996	22,653,228	17,510,970
Total Net Position	<u>\$ 11,745,022</u>	<u>31,171,130</u>	<u>18,482,546</u>	<u>61,398,698</u>	<u>23,512,648</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, 2016**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Operating Revenues:					
Charges for services	\$ 4,040,278	11,974,002	10,111,314	26,125,594	14,023,020
Total Operating Revenues	<u>4,040,278</u>	<u>11,974,002</u>	<u>10,111,314</u>	<u>26,125,594</u>	<u>14,023,020</u>
Operating Expenses:					
Sewer operations	2,150,984	-	-	2,150,984	-
Water operations	-	9,746,184	-	9,746,184	-
Solid waste collection and disposal	-	-	8,830,753	8,830,753	-
Provision for landfill closure and postclosure	-	-	567,679	567,679	-
Self insurance	-	-	-	-	3,832,840
Employee benefits	-	-	-	-	5,169,846
Maintenance	-	-	-	-	3,991,009
Amortization	-	30,312	-	30,312	-
Depreciation	76,256	952,020	451,395	1,479,671	1,300,399
Total Operating Expenses	<u>2,227,240</u>	<u>10,728,516</u>	<u>9,849,827</u>	<u>22,805,583</u>	<u>14,294,094</u>
Operating Income (Loss)	<u>1,813,038</u>	<u>1,245,486</u>	<u>261,487</u>	<u>3,320,011</u>	<u>(271,074)</u>
Nonoperating Revenues (Expenses):					
Intergovernmental	-	67,077	24,764	91,841	-
Investment Income	71,338	112,842	163,875	348,055	176,636
Interest expense	-	(750,840)	-	(750,840)	-
Gain (Loss) on disposal of capital assets	-	2,113	20,766	22,879	(76,119)
Rental income	-	477,921	509,999	987,920	-
Total Nonoperating Revenues (Expenses)	<u>71,338</u>	<u>(90,887)</u>	<u>719,404</u>	<u>699,855</u>	<u>100,517</u>
Income Before Transfers	<u>1,884,376</u>	<u>1,154,599</u>	<u>980,891</u>	<u>4,019,866</u>	<u>(170,557)</u>
Transfers:					
Transfers in (note 6)	-	-	-	-	595,917
Transfers out (note 6)	(224,000)	(219,267)	(136,500)	(579,767)	-
Total Transfers	<u>(224,000)</u>	<u>(219,267)</u>	<u>(136,500)</u>	<u>(579,767)</u>	<u>595,917</u>
Change in Net Position	1,660,376	935,332	844,391	3,440,099	425,360
Net Position, Beginning of the Year	<u>10,084,646</u>	<u>30,235,798</u>	<u>17,638,155</u>	<u>57,958,599</u>	<u>23,087,288</u>
Net Position at End of the Year	<u>\$ 11,745,022</u>	<u>31,171,130</u>	<u>18,482,546</u>	<u>61,398,698</u>	<u>23,512,648</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 4,247,989	10,335,651	10,032,432	24,616,072	14,203,434
Payments to suppliers for goods and services	(1,818,045)	(9,840,810)	(6,876,115)	(18,534,970)	(7,572,886)
Payments to employees for services	(666,078)	(2,437,561)	(2,585,136)	(5,688,775)	(4,709,632)
Non-operating rental income revenue received	-	477,921	509,999	987,920	-
Net cash (used in) provided by operating activities	<u>1,763,866</u>	<u>(1,464,799)</u>	<u>1,081,180</u>	<u>1,380,247</u>	<u>1,920,916</u>
Cash flows from noncapital financing activities:					
Receipts from other governmental agencies	-	67,077	24,764	91,841	-
Receipts from interfund services	-	-	-	-	595,917
Transfer to other funds	(224,000)	(219,267)	(136,500)	(579,767)	-
Net cash (used in) provided by noncapital financing activities	<u>(224,000)</u>	<u>(152,190)</u>	<u>(111,736)</u>	<u>(487,926)</u>	<u>595,917</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	(3,914,155)	(94,810)	(4,008,965)	(1,471,959)
Proceeds from sales of capital assets	-	2,113	20,766	22,879	-
Principal payments on long-term debt	-	(560,000)	-	(560,000)	-
Interest and fiscal agent fees paid on long-term debt	-	(788,862)	-	(788,862)	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(5,260,904)</u>	<u>(74,044)</u>	<u>(5,334,948)</u>	<u>(1,471,959)</u>
Cash flows from investing activities:					
Interest received on investments	66,638	116,665	158,279	341,582	170,976
Net cash provided by investing activities	<u>66,638</u>	<u>116,665</u>	<u>158,279</u>	<u>341,582</u>	<u>170,976</u>
Net increase in cash and cash equivalents	1,606,504	(6,761,228)	1,053,679	(4,101,045)	1,215,850
Cash and cash equivalents at beginning of the year	<u>7,937,632</u>	<u>13,494,781</u>	<u>20,631,215</u>	<u>42,063,628</u>	<u>27,950,485</u>
Cash and cash equivalents at end of year	<u>\$ 9,544,136</u>	<u>6,733,553</u>	<u>21,684,894</u>	<u>37,962,583</u>	<u>29,166,335</u>
Reconciliation of cash and cash equivalents to amounts reported on the balance sheet:					
Reported on the statement of net position:					
Cash and investments	\$ 9,768,136	6,246,402	12,348,885	28,363,423	29,166,335
Cash and investments - restricted	-	34,501	9,472,509	9,507,010	-
Cash and investments with fiscal agents	-	671,917	-	671,917	-
Cash and Cash Equivalents - June 30, 2016	<u>\$ 9,768,136</u>	<u>6,952,820</u>	<u>21,821,394</u>	<u>38,542,350</u>	<u>29,166,335</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED JUNE 30, 2016**

	Sewer	Water	Solid Waste	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,813,038	1,245,486	261,487	3,320,011	(271,074)
Adjustments to reconcile income (loss) from operating to net cash provided by (used in) operating activities:					
Depreciation	76,256	952,020	451,395	1,479,671	1,300,399
Amortization	-	30,312	-	30,312	-
Pension expense	6,513	39,713	47,769	93,995	-
Changes in assets, deferred outflows of resources, and liabilities:					
Rental Income	-	477,921	509,999	987,920	-
(Increase)/decrease in accounts receivable	(16,289)	(657,618)	(215,382)	(889,289)	177,438
(Increase)/decrease in prepaid items	-	(15,000)	-	(15,000)	22,804
Decrease in inventory	-	59,211	-	59,211	-
(Increase) in deferred outflows related to pensions	(25,932)	(158,119)	(190,208)	(374,259)	-
(Decrease)/increase in accounts payable	114,837	(2,106,604)	(197,018)	(2,188,785)	(251,207)
Increase in accrued liabilities	3,876	19,568	4,389	27,833	11,899
(Decrease) in unearned revenue	-	(1,200,000)	-	(1,200,000)	-
Increase in claims payable	-	-	-	-	468,638
(Decrease)/Increase in net OPEB liability	6,979	64,274	(46,666)	24,587	-
Increase in compensated absences	8,588	3,304	24,236	36,128	462,019
Increase in landfill closure and postclosure payable	-	-	567,679	567,679	-
Total Adjustments	174,828	(2,491,018)	956,193	(1,359,997)	2,191,990
Net Cash (Used in) Provided by Operating Activities	\$ 1,987,866	(1,245,532)	1,217,680	1,960,014	1,920,916

Noncash investing, capital, and financing activities:

There were no significant non-cash investing, capital, and financing activities for the year ended June 30, 2016.

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	Redevelopment Successor Agency Private-purpose Trust Fund	Agency Funds
Assets and Deferred Outflows of Resources:		
Assets:		
Cash and investments (note 3)	\$ 5,646,828	756,306
Cash and investments with fiscal agents (note 3)	45,754	421,924
Receivable:		
Accounts	3,000	1,097,224
Interest	4,641	729
Prepaid items	415,227	-
Land held for resale (note 4)	2,827,199	-
Capital assets not being depreciated	3,103,584	-
Capital assets being depreciated, net	64,977	-
	12,111,210	2,276,183
Total Assets		
Deferred Outflows of Resources:		
Deferred charges on refunding	3,458,934	
Liabilities and Net Position:		
Accounts payable	\$ 47,233	299,927
Accrued interest payable	295,171	-
Deposits payable	25,000	1,224,496
Due to bondholders	-	751,760
Noncurrent liabilities:		
Due within one year	1,505,000	-
Due in more than one year	47,393,813	-
City Loan, net of valuation allowance	9,218,330	-
	58,484,547	2,276,183
Total Liabilities		
Net Deficit:		
Held in trust for beneficiaries	\$ (42,914,403)	

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2016**

	<u>Redevelopment Successor Agency Private-purpose Trust Fund</u>
Additions:	
Revenues:	
Property taxes	\$ 7,176,519
Other	616,709
Investment earnings	17,471
Total Additions	<u>7,810,699</u>
Deductions:	
Professional services	287,683
Community development	920,741
Interest and fiscal charges	2,524,469
Depreciation	21,659
Total Deductions	<u>3,754,552</u>
Special Item:	
Proceeds to the City (note 18)	<u>(16,688,799)</u>
Change in Net Position	(12,632,652)
Net Position, Beginning of Year	<u>(30,281,751)</u>
Net Position, End of Year	<u><u>\$ (42,914,403)</u></u>

See accompanying notes to financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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 responsible 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, 2016

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, 2016

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.

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.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 Investment Partnerships (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 Capital Projects Fund — This fund accounts for capital expenditures funded from general revenues and to account for the financing, construction, and administrative activities of the City.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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 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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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.

As of July 1, 2015, the City adopted Governmental Accounting Standards Board (“GASB”) Statement No. 72, *Fair Value Measurements and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to a hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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)

Land Held For Resale

Land held for resale is capitalized at the lower of acquisition cost or estimated resale value.

Property Taxes

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

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

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, 2016

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, 2016 are recorded as prepaid items and are offset equally by a nonspendable fund balance classification, in governmental funds, 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 acquisition 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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016

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)

Deferred Outflows and Inflows of Resources (Continued)

The City reports deferred outflows and inflows of resources related to pensions on the government-wide statement of net position, under full accrual basis of accounting. Pension related deferred outflows of resources relate to contributions made subsequent to the measurement date, which will be reflected as a reduction of net pension liability in a future reporting period. Pension related deferred inflows of resources include the net differences between projected and actual earnings on plan investments, and will be recognized as part of pension expense in future reporting periods. Refer to Note 12 for items identified as deferred inflows and outflows related to pensions as of June 30, 2016.

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.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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)

Compensated Absences (Continued)

Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will be paid for any unused sick leave in excess of 500 hours up to a maximum of 340 or 360 hours 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.

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.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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)

Fund balance is the difference between the assets plus deferred outflows, and liabilities plus deferred inflows, or the net fund balance 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.
- *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 in accordance with the Fund Balance Policy.
- *Unassigned Fund Balance* — the excess residual amounts in the General Fund and the residual deficit of all other governmental funds, which have not been restricted, committed, or assigned to specific purposes.

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 72 – In February 2015, GASB issued statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The pronouncement was implemented effective July 1, 2015.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The City has determined that the requirements of this statement effective in the current year do not have a material impact on the financial statements. Management has not determined the effect for the provisions that are effective for periods beginning after June 15, 2016 or the 2016-2017 fiscal year.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from four categories under GASB Statement No. 55. The pronouncement was implemented effective July 1, 2015. This statement did not have a material impact on the financial statements.

GASB Statement No. 79 – In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The City has determined that the requirements of this statement effective in the current year do not have a material impact on the financial statements.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Adopted in the Current Year (Continued)

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of the Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, the Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement is effective for the reporting periods beginning after June 15, 2016, or the 2016-2017 fiscal year, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year end. In that circumstance, the requirements of paragraph 7 are effective for that employer on or after June 15, 2017 or the 2017-2018 fiscal year. The City has early implemented this pronouncement, with the exception of the requirements of paragraph 7, effective July 1, 2015. Management has not determined the effect for the provisions of paragraph 7 that are effective for periods beginning after June 15, 2017 or the 2017-2018 fiscal year.

Effective in Future Years

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The City has not determined the effect of the statement.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Effective in Future Years (Continued)

GASB Statement No. 77 – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The City has not determined the effect of that statement.

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement amends the scope and applicability of GASB Statement No. 68 to exclude certain types of cost-sharing multiple employer plans. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of the Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The Statement is effective for the reporting periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016, or the 2017-2018 fiscal year. The City has not determined the effect of the statement.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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.

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, 2016

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	\$ 300,349	1,167,640	867,291
Human resources	407,139	445,082	37,943
Non-departmental	1,163,381	1,263,404	100,023
Chamber of commerce	53,400	76,600	23,200
Police Department	29,623,558	29,797,807	174,249
Disaster preparedness	76,122	83,135	7,013
Code enforcement	386,377	453,052	66,675
Building and safety	871,346	1,276,108	404,762
Community services	3,404,421	3,709,448	305,027
Street lighting	489,518	547,256	57,738
City engineering - drilling	403,794	521,365	117,571
Housing Authority Fund:			
Community development	3,394,677	3,863,215	468,538
Non-major Funds:			
Street Lighting District 1-91			
Special Revenue Fund	1,069	1,225	156
Business Improvement Area			
Special Revenue Fund	111,500	112,624	1,124
Whittier Uptown Parking District			
No. 1 Special Revenue Fund	70,661	88,294	17,633
Public Financing Authority			
Debt Service Fund:			
Principal	370,000	4,170,000	3,800,000
Interest and fiscal charges	219,040	682,506	463,466

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	\$ 86,576,184	28,363,423	6,403,134	121,342,741
Restricted assets:				
Cash and investments	1,662,044	9,507,010	-	11,169,054
Cash and investments with fiscal agents	22,081,080	671,917	467,678	23,220,675
Totals	<u>\$ 110,319,308</u>	<u>38,542,350</u>	<u>6,870,812</u>	<u>155,732,470</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2016 consisted of the following:

Petty cash	\$ 11,321
Deposits with financial institutions	317,502
Investments	155,403,647
Total Cash and Investments	\$ 155,732,470

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	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Investment Fund (LAIF)	N/A	50%	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	60%	None
Certificates of Deposits	5 years	30%	None
Bankers Acceptance, Prime Quality	180 days	20%	10%
Commercial Paper, Prime Quality	270 days	20%	10%
Medium Term Corporate Notes	3 years	30%	None
JPA Pools (other investment pools)	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, 2016

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)	N/A	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, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Totals	Remaining Maturing (In Months)			
		6 Months Or Less	7 to 12 Months	13 to 24 Months	25 to 42 Months
U.S. Treasury Notes	\$ 20,043,612	4,001,212	4,006,776	10,027,420	2,008,204
Federal Agency Securities	41,023,087	7,996,034	16,982,123	12,025,710	4,019,220
Certificate of Deposit	5,936,699	1,470,440	1,722,979	742,177	2,001,103
Local Agency Investment Fund (LAIF)	65,414,148	-	65,414,148	-	-
Held by fiscal agent:					
U.S. Treasury Bills	672,997	672,997	-	-	-
Local Agency Investment Fund (LAIF)	21,892,254	21,892,254	-	-	-
Federal Agency Securities	420,850	420,850	-	-	-
Total	\$ 155,403,647	36,453,787	88,126,026	22,795,307	8,028,527

The City can make withdrawals from LAIF on demand. As of June 30, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 8 months.

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 Notes	\$ 20,043,612	N/A	20,043,612	-	-
Federal Agency Securities	41,023,087	N/A	-	41,023,087	-
Certificate of Deposit	5,936,699	N/A	-	-	5,936,699
Local Agency Investment Fund (LAIF)	65,414,148	N/A	-	-	65,414,148
Held by fiscal agent:					
U.S. Treasury Bills	672,997	N/A	672,997	-	-
Local Agency Investment Fund (LAIF)	21,892,254	N/A	-	-	21,892,254
Federal Agency Securities	420,850	N/A	-	420,850	-
Total	\$ 155,403,647		20,716,609	41,443,937	93,243,101

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$ 8,991,567
Federal National Mortgage Association	Federal Agency Security	8,007,898
Federal Farm Credit Bank	Federal Agency Security	12,020,718

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. As of June 30, 2016, the City’s deposits with financial institutions were covered by FDIC up to \$250,000, and the remaining amounts of \$740,934 were collateralized as described above.

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.

Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using the market approach and quoted market prices.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Fair Value Classifications (Continued)

Investments' fair value measurements are as follows as of June 30, 2016:

Investment Type	Fair Value	Level 2
Investments:		
U.S. Treasury Notes	\$ 20,043,612	20,043,612
Federal Agency Securities	41,023,087	41,023,087
Certificate of Deposit	5,436,699	5,436,699
Held by fiscal agent:		
U.S. Treasury Bills	672,997	672,997
Federal Agency Securities	420,850	420,850
Total Leveled Investments	67,597,245	67,597,245
Investments:		
Local Agency Investment Fund (LAIF)	65,414,148	
Non-negotiable Certificate of Deposit	500,000	
Held by fiscal agent:		
Local Agency Investment Fund (LAIF)	21,892,254	
Total Investment Portfolio	\$ 155,403,647	

Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value.

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.

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. As of June 30, 2016, the Housing Authority and Successor Agency Private-purpose Trust Fund reported land held for resale with a net realizable value of \$3,058,920, and \$2,827,199, respectively. During the fiscal year, the Housing Authority transferred land on Comstock and Penn with the book value of \$1,667,025 to Heritage Housing Partners for development.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 – NOTES AND LOANS RECEIVABLE

Outstanding
Balance
June 30, 2016

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, 2016, 37 loans totaling \$967,655 have been provided. Principal of \$11,317 has been forgiven during 2015-16 and 21 loans has been either repaid or fully forgiven. \$ 578,861

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 year, 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, 2016, \$19,240 in loan principal was either paid or forgiven. 78,583

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. 227,550

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2016

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

\$ 3,804,050

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 50 senior apartment units 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 2015-16, nothing was repaid. Of the \$2,156,570, the Housing Authority portion of the amount is \$1,142,982. The remainder is due to the HOME fund.

2,156,570

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, 2016, twenty-four families received assistance from the program.

3,260,109

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 \$5,374,623 outstanding at year end, the Housing Authority portion of the amount is \$2,816,770.

5,374,623

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2016

On May 23, 2011, the former Redevelopment Agency entered into a Exclusive Negotiation and Loan Agreement with Heritage Housing Partners (Developer), which was subsequently transferred and assigned to HHP-Penn, LLC on June 23, 2015, to provide the First Predevelopment Loan of \$97,747 from the Agency’s affordable housing set-aside funds. The agreement anticipated the Agency and Developer subsequently enter into a disposition and development agreement that allows 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. The project has been continued through the Whittier Housing Authority (Authority), the housing successor to the Agency. The first predevelopment loan of \$97,747 was disbursed to the Developer during fiscal year 2013-14 and 2014-15. On June 23, 2015, the Authority entered into the Second Predevelopment Loan Agreement and Amendment of the First Predevelopment Loan Agreement with the Developer, to provide an additional loan of \$80,000 from the Authority's low/mod housing set aside funds from time to time, with no interest. \$48,868 and \$2,149,985 of the second loan has been disbursed in the fiscal years 2014-15 and 2015-16, respectively.

\$ 2,296,600

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. During the fiscal year, interest in the amount of \$3,000 was added to the outstanding balance.

307,184

Total notes and loans receivable

\$ 18,687,531

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – INTERFUND ACTIVITY

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)
	Housing Authority	50,000 (G)
	Subtotal	<u>1,488,095</u>
Transit Fund	Non-Major Governmental Fund	283,424 (F)
	Subtotal	<u>283,424</u>
Capital Projects Fund	Non-Major Governmental Fund	15,918 (F)
	Subtotal	<u>15,918</u>
Non-Major Governmental Funds	General Fund	165,508 (C)
	Subtotal	<u>165,508</u>
Internal Service Funds	General Fund	20,200 (D)
	Sewer Fund	224,000 (E)
	Water Fund	215,217 (E)
	Solid Waste Fund	136,500 (E)
	Subtotal	<u>595,917</u>
Total		<u>\$ 2,548,862</u>

Transfers are used to: (A) transfer to the General Fund for street maintenance expenditures, (B) transfer to the General Fund for document imaging expenditure, (C) transfer for capital and employee service costs, (D) transfer to Internal Service Funds for other equipment replacement, (E) transfer for capital purchases, (F) transfer to subventions and grants funds for bus shelters and capital projects, and (G) transfer to the General Fund for social services expenditures.

NOTE 7 – ADVANCES TO SUCCESSOR AGENCY

The City loaned the former Whittier Redevelopment Agency funds prior to dissolution. As of June 30, 2016, the General Fund is owed \$8,205,189, with an allowance of \$526,297, to finance expenditures incurred in the project areas; the Whittier Housing Authority Fund is owed \$1,539,438 for funds loaned for the allocation to the Supplemental Education Revenue Augmentation (“SERAF”) pursuant to the Health and Safety Code Section 33690(c). All amounts due, totaling \$9,744,627, are reported by the City. In the opinion of management, and in consultation with its legal counsel, the \$8,205,189 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. The \$526,297 allowance represents the City’s calculation of interest on the advance using the first quarter 2012 LAIF rate.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – ADVANCES TO SUCCESSOR AGENCY (CONTINUED)

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.

During the fiscal year 2015-16, the Successor Agency repaid \$629,756 of the SERAF loan to the Whittier Housing Authority. The fiscal year interest of \$13,171, calculated using DOF’s approved LAIF rate, was included in the advance of \$8,192,018 above.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
Capital Assets Not Being Depreciated:				
Land	\$ 25,201,001	-	-	25,201,001
Rights of way/Easement	7,725,506	-	-	7,725,506
Trees	2,442,880	65,250	(28,050)	2,480,080
Construction in progress	1,039,908	4,926	(1,039,908)	4,926
Total	<u>36,409,295</u>	<u>70,176</u>	<u>(1,067,958)</u>	<u>35,411,513</u>
Capital Assets, Being Depreciated:				
Buildings	39,887,415	-	-	39,887,415
Improvements	28,602,343	1,321,496	-	29,923,839
Machinery and equipment	25,133,972	1,589,600	(2,299,286)	24,424,286
Infrastructure:				
Roadways	85,388,214	-	-	85,388,214
Storm drains	2,656,228	-	-	2,656,228
Other street appurtenances	9,489,512	240,680	(142,630)	9,587,562
Total	<u>191,157,684</u>	<u>3,151,776</u>	<u>(2,441,916)</u>	<u>191,867,544</u>
Less Accumulated Depreciation for:				
Buildings	(14,325,361)	(1,254,968)	-	(15,580,329)
Improvements	(10,170,221)	(1,279,518)	-	(11,449,739)
Machinery and equipment	(17,472,227)	(1,712,235)	2,223,166	(16,961,296)
Infrastructure:				
Roadways	(69,699,856)	(2,296,994)	-	(71,996,850)
Storm drains	(1,119,003)	(48,591)	-	(1,167,594)
Other street appurtenances	(6,427,990)	(259,077)	142,630	(6,544,437)
Total	<u>(119,214,658)</u>	<u>(6,851,383)</u>	<u>2,365,796</u>	<u>(123,700,245)</u>
Capital Assets being depreciated, net	<u>71,943,026</u>	<u>(3,699,607)</u>	<u>(76,120)</u>	<u>68,167,299</u>
Capital Assets, net	<u>\$ 108,352,321</u>	<u>(3,629,431)</u>	<u>(1,144,078)</u>	<u>103,578,812</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

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

	Governmental Activities
General government	\$ 1,485,627
Public safety	272,007
Public works	3,807,855
Community development	18,992
Parks and recreation	653,290
Libraries	340,261
Transit	273,351
Total	\$ 6,851,383

Business-type Activities

Capital asset business-type activities for the fiscal year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
<u>Sewer Activity:</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	(896,382)	(76,256)	-	(972,638)
Total Accumulated Depreciation	(896,382)	(76,256)	-	(972,638)
Total Sewer Capital Assets, Being Depreciated, Net	2,551,740	(76,256)	-	2,475,484
Total Sewer Capital Assets, Net	\$ 2,551,740	(76,256)	-	2,475,484

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
<u>Water Activity:</u>				
Capital assets, not being depreciated:				
Land	\$ 598,955	-	-	598,955
Construction in progress	18,326,897	-	(18,326,897)	-
Total	<u>18,925,852</u>	<u>-</u>	<u>(18,326,897)</u>	<u>598,955</u>
Capital assets, being depreciated:				
Improvements	30,365,382	-	-	30,365,382
Buildings	1,123,295	22,203,558	(1,049,890)	22,276,963
Machinery and equipment	331,938	37,495	-	369,433
Total Water Capital Assets, Being Depreciated	<u>31,820,615</u>	<u>22,241,053</u>	<u>(1,049,890)</u>	<u>53,011,778</u>
Less - accumulated depreciation for:				
Improvements	(11,302,333)	(550,218)	-	(11,852,551)
Buildings	(1,106,861)	(385,374)	1,049,890	(442,345)
Machinery and equipment	(269,186)	(16,428)	-	(285,614)
Total Accumulated Depreciation	<u>(12,678,380)</u>	<u>(952,020)</u>	<u>1,049,890</u>	<u>(12,580,510)</u>
Total Water Capital Assets, Being Depreciated, Net	<u>19,142,235</u>	<u>21,289,033</u>	<u>-</u>	<u>40,431,268</u>
Total Water Capital Assets, Net	<u>\$ 38,068,087</u>	<u>21,289,033</u>	<u>(18,326,897)</u>	<u>41,030,223</u>
	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
<u>Solid Waste Activity:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,227,801	-	-	2,227,801
Construction in progress	86,692	94,810	-	181,502
Total Solid Waste Capital Assets, Not Being Depreciated	<u>2,314,493</u>	<u>94,810</u>	<u>-</u>	<u>2,409,303</u>
Capital assets, not being depreciated:				
Improvements	17,083,888	-	-	17,083,888
Buildings	151,033	-	-	151,033
Machinery and equipment	223,915	-	-	223,915
Total Solid Waste Capital Assets, Being Depreciated	<u>17,458,836</u>	<u>-</u>	<u>-</u>	<u>17,458,836</u>
Less - accumulated depreciation for:				
Improvements	(7,422,384)	(445,494)	-	(7,867,878)
Buildings	(150,465)	(394)	-	(150,859)
Machinery and equipment	(152,345)	(5,507)	-	(157,852)
Total Accumulated Depreciated	<u>(7,725,194)</u>	<u>(451,395)</u>	<u>-</u>	<u>(8,176,589)</u>
Total Solid Waste Assets, Being Depreciated, Net	<u>9,733,642</u>	<u>(451,395)</u>	<u>-</u>	<u>9,282,247</u>
Total Solid Waste Assets, Net	<u>\$ 12,048,135</u>	<u>(356,585)</u>	<u>-</u>	<u>11,691,550</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

	Balance at June 30, 2015	Additions	Deletions	Balance at June 30, 2016
<u>Total Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 2,826,756	-	-	2,826,756
Construction in progress	18,413,589	94,810	(18,326,897)	181,502
Total Capital Assets Not Being Depreciated	<u>21,240,345</u>	<u>94,810</u>	<u>(18,326,897)</u>	<u>3,008,258</u>
Capital assets, being depreciated:				
Improvements	50,897,392	-	-	50,897,392
Buildings	1,274,328	22,203,558	(1,049,890)	22,427,996
Machinery and equipment	555,853	37,495	-	593,348
Total Capital Assets Being Depreciated	<u>52,727,573</u>	<u>22,241,053</u>	<u>(1,049,890)</u>	<u>73,918,736</u>
Less accumulated depreciation for:				
Improvements	(19,621,099)	(1,071,968)	-	(20,693,067)
Buildings	(1,257,326)	(385,768)	1,049,890	(593,204)
Machinery and equipment	(421,531)	(21,935)	-	(443,466)
Total Accumulated Depreciation	<u>(21,299,956)</u>	<u>(1,479,671)</u>	<u>1,049,890</u>	<u>(21,729,737)</u>
Total Capital Assets, Being Depreciated, Net	<u>31,427,617</u>	<u>20,761,382</u>	<u>-</u>	<u>52,188,999</u>
Total Capital Assets, Net	<u>\$ 52,667,962</u>	<u>20,856,192</u>	<u>(18,326,897)</u>	<u>55,197,257</u>

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

	Business Type Activities
Sewer	\$ 76,256
Water	952,020
Solid Waste	451,395
Total	<u>\$ 1,479,671</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. The remaining unearned revenue of \$1,200,000 was recognized as revenue in fiscal year 2016.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016:

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 5,309,909	2,831,871	(2,369,852)	5,771,928	2,020,175
Tax allocation bonds	4,170,000	-	(4,170,000)	-	-
Claims payable	5,125,924	3,345,019	(2,876,381)	5,594,562	3,636,465
Net OPEB liability	3,486,764	627,976	(277,562)	3,837,178	-
Total Governmental Activities	<u>\$ 18,092,597</u>	<u>6,804,866</u>	<u>(9,693,795)</u>	<u>15,203,668</u>	<u>5,656,640</u>
	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due Within One Year
Business-type Activities:					
Sewer Fund:					
Compensated absences	\$ 51,125	27,947	(19,359)	59,713	20,900
Net OPEB liability	61,867	11,959	(4,980)	68,846	-
Total Sewer Fund	<u>112,992</u>	<u>39,906</u>	<u>(24,339)</u>	<u>128,559</u>	<u>20,900</u>
Water Fund:					
Compensated absences	137,792	101,438	(98,134)	141,096	49,383
Revenue refunding bonds	17,075,000	-	(560,000)	16,515,000	580,000
Add: Premium/(Discount) on Bonds Payable	681,227	-	(38,022)	643,205	-
Net OPEB liability	193,900	82,949	(18,675)	258,174	-
Total Water Fund	<u>18,087,919</u>	<u>184,387</u>	<u>(714,831)</u>	<u>17,557,475</u>	<u>629,383</u>
Solid Waste Fund:					
Compensated absences	223,174	169,681	(145,445)	247,410	100,342
Landfill closure and postclosure	12,364,152	567,679	-	12,931,831	-
Net OPEB liability	247,469	-	(46,667)	200,802	-
Total Solid Waste Fund	<u>12,834,795</u>	<u>737,360</u>	<u>(192,112)</u>	<u>13,380,043</u>	<u>100,342</u>
Total Business-type Activities	<u>\$ 31,035,706</u>	<u>961,653</u>	<u>(931,282)</u>	<u>31,066,077</u>	<u>750,625</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Governmental long-term debt at June 30, 2016, 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, 2016 is \$5,594,562. 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.

During the current year, the Whittier Redevelopment Successor Agency refunded its obligations and used a portion of the proceeds of the 2015 Series A Bonds to pay off the 2002 Series A Revenue Bonds. The outstanding balance of the bonds at June 30, 2016 is \$0. Refer to Note 11 for the obligations of the Redevelopment Successor Agency.

Business-type activity long-term debt at June 30, 2016, consisted of the following:

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. \$30,312 was amortized in the fiscal year, resulting in \$512,779 balance in deferred outflows of resources.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Revenue Bonds, Water Fund Series 2012 (Continued)

The City has pledged future water revenues, net of specified operating expenses in the amount of \$4,683,262, 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 38.08 percent of total water revenues. In the current year, the City recognized \$12,616,463 of pledged revenues. As of June 30, 2016, the outstanding principal amount of the Series 2012 Bonds and interest were \$8,600,000 and \$2,950,800, respectively. Principal and interest paid for the current year were \$677,775.

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 the 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, 2016 was \$671,000. The total principal and interest remaining to be paid on the bond is \$7,915,000 and \$6,627,748, respectively. Principal and interest paid for the current year and total net revenues were \$668,437 and \$4,683,262, respectively.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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 \$12,931,831 reported as landfill closure and postclosure care liability at June 30, 2016 represents the cumulative amount reported to date based on the use of 56.36 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$10,013,675 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, 2016, assets of \$9,472,509 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.

Business-Type Activity 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, 2016 are as follows:

Fiscal Year Ending June 30,	2012 Water Revenue Bonds		
	Principal	Interest	Total
2017	\$ 365,000	\$ 317,275	\$ 682,275
2018	375,000	302,675	677,675
2019	390,000	287,675	677,675
2020	405,000	272,075	677,075
2021	425,000	255,875	680,875
2022-2026	2,410,000	988,625	3,398,625
2027-2031	2,930,000	466,150	3,396,150
2032-2033	1,300,000	60,450	1,360,450
Total	<u>\$ 8,600,000</u>	<u>2,950,800</u>	<u>11,550,800</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Fiscal Year Ending June 30,	2009A Water Revenue Bonds		
	Principal	Interest	Total
2017	\$ 215,000	\$ 452,137	\$ 667,137
2018	220,000	445,687	665,687
2019	230,000	436,887	666,887
2020	240,000	427,687	667,687
2021	250,000	418,087	668,087
2022-2026	1,420,000	1,915,845	3,335,845
2027-2031	1,735,000	1,465,702	3,200,702
2032-2036	2,120,000	876,688	2,996,688
2037-2039	1,485,000	189,028	1,674,028
Total	<u>\$ 7,915,000</u>	<u>6,627,748</u>	<u>14,542,748</u>

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, 2016 is \$2,835,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

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

The City of Whittier entered into a Loan Agreement dated April 7, 2004 with Whittier College ("College"), pursuant to which the City has issued bonds for \$60,000,000 on April 7, 2004, at a Weekly Interest rate with a maximum rate of 12 percent per annum. The proceeds of the Series 2004 Bonds will be applied to finance the acquisition, construction, expansion, rehabilitation, remodeling, renovation, and/or equipping of certain educational facilities of the College. In addition, to provide for the current refunding of the City's Educational Facility Revenue Refunding Bonds (Whittier College) Series 1993, to fund a debt service reserve fund for the Bonds and to pay costs incurred in connection with the issuance of the Bonds. The Bonds mature in December 1, 2033. The City is not obligated to pay the principal, premium and interest on the Bonds. The outstanding balance at June 30, 2016 is \$48,880,000.

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2009

The City of Whittier entered into a Loan Agreement dated May 1, 2009, and a Supplemental Master Indenture of Trust for Obligation No. 1 dated May 1, 2009, with Presbyterian Intercommunity Hospital, Inc. ("Hospital"), InterHealth Corp., and IHC Management Corp. pursuant to which the City has issued Bonds for \$280,000,000 on May 1, 2009. The proceeds of the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C and the 2009D Bonds will be applied to finance and refinance the acquisition, construction, equipping and improvement of certain facilities owned or operated by the Hospital. The proceeds were 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, 2016 is \$81,580,000.

In December 2012, the City issued \$148,000,000 of Series 2012A, Series 2012B, and Series 2012C for the 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, 2016 is \$38,425,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

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, 2016 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.

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 \$8,205,189, with a corresponding allowance of \$526,297.

2015 Tax Allocation Bonds

On August 5, 2015, the Whittier Redevelopment Successor Agency issued \$31,005,000 of Tax Allocation Refunding Bonds, 2015 Series A and \$13,610,000 2015 Series B ("Bonds"). Proceeds from the sale of the Bonds will be used to (i) refund the loan agreement between the Whittier Public Financing Authority and the Former Redevelopment Agency (the "2002 Greenleaf/Uptown Whittier Loan Agreement"), to refinance redevelopment activities within and for the benefit of the Greenleaf/Uptown Whittier Redevelopment Project; (ii) refund and finance the Whittier Earthquake Recovery Redevelopment Project Tax Allocation Bonds, 2005 Series A; (iii) refund and finance the Whittier Redevelopment Agency's Commercial Corridor Tax Allocation Bonds, 2007 Series A; (iv) refund the 2007 Housing Projects and finance low and moderate income housing activities throughout the geographic boundaries of the City; (v) refund and finance the Whittier Boulevard Redevelopment 2007 Series C; and (vi) refund and finance the Whittier Earthquake Recovery Redevelopment Project 2007 Series D. The advance refunding resulted in an economic gain of \$3,239,438 with a percentage savings of refunded bonds of 6.80% and debt service savings of \$8,682,716. The principal of the Bonds is payable commencing on November 1, 2016 through November 1, 2038 and interest is payable semiannually each May and November beginning November 1, 2016. Interest rates range from 1.00% to 5.00%. The principal amount outstanding at June 30, 2016 is \$44,615,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

Loans Payable

Quad Loan

The Whittier Redevelopment Agency has obligated an amount to GMS Realty, the owner of the Whittier Quad Shopping Center, pursuant to a Disposition and Development Agreement (DDA) dated October 20, 1988, a First Implementation Agreement dated November 16, 1990, a Second Implementation Agreement dated November 16, 1995, and an Amended and Restated DDA dated August 9, 1996. The Agency originally entered into a Disposition and Development Agreement (DDA) with Ahmanson, a developer, for the development of the Whittier Quad, a retail and commercial shopping center. The Quad was sold to GMS Realty during the fiscal year 1996-97. The amended DDA states that the Agency has obligated 61.6 percent of gross property tax increment and 50 percent of sales tax revenues generated by the project. These two revenue sources are to be used by the Agency to reimburse the developer for assessment district payments and City administrative costs on the Community Facilities District Bond 91-1 issued to finance the project less certain costs related to the December 1998 Refunding Bond.

In the event, however, that the tax increment and 50 percent of the sales tax generated by the Center are insufficient to cover the reimbursement, the balance becomes a loan from the owner of the Quad to the Agency at an annual interest rate of 8 percent from 1991-92 through 1993-94, 0 percent from 1994-95 through 1997-98, 3 percent from 1998-99 through 2001-02, 6 percent from 2002-03 through 2004-05 and 7 percent thereafter. Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. On February 1, 2012, the Quad Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal and interest balance at June 30, 2016 is \$1,106,732.

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, 2016 is \$1,554,535.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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, 2016:

	Balance at June 30, 2015	Additions	Repayments	Balance at June 30, 2016	Due Within One Year
Redevelopment Successor Agency					
Private-purpose Trust Fund:					
Tax allocation loan	\$ 12,780,000	-	(12,780,000)	-	-
Tax allocation bonds	30,690,000	44,615,000	(30,690,000)	44,615,000	1,505,000
Premium on 2015A	-	1,952,212	(76,944)	1,875,268	-
Discount on 2015B	-	(263,092)	10,370	(252,722)	-
Advance from City - PFA 2002	4,170,000	-	(4,170,000)	-	-
Advance from City	7,665,721	13,171	-	7,678,892	-
Advance from WHA	2,169,194	-	(629,756)	1,539,438	-
Developer loans payable:					
Quad loan	1,703,132	101,166	(697,566)	1,106,732	-
Urbatec loan	1,573,718	442,637	(461,820)	1,554,535	-
	<u>\$ 60,751,765</u>	<u>46,861,094</u>	<u>(49,495,716)</u>	<u>58,117,143</u>	<u>1,505,000</u>
Total Redevelopment Successor Agency Private-purpose Trust Fund					

NOTE 12 – PENSION PLANS

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	12.00%
Required employer contribution rates	41.476%	41.476%

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.250%
Required employer contribution rates	16.652%	16.652%

Employees covered by benefit terms. At June 30, 2014, the most recent valuation date, the following employees were covered by the benefit terms for each Plan:

	Safety	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	215	367
Inactive employees entitled to but not yet receiving benefits	41	244
Active employees	119	266
Total	375	877

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the Miscellaneous Plan, employees are required to contribute 10 percent for both tiers. In March 2015, the City amended the contribution rate to 11 percent for employees within the Miscellaneous Plan.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

Contributions recognized by the pension plans from the employer for the year ended June 30, 2016 were \$4,993,496 for the Safety Plan and \$2,335,291 for the Miscellaneous Plan.

Net Pension Liability

The City’s net pension liability for each Plan was measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans was measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Safety</u>	<u>Miscellaneous</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.65% (2)	7.65% (2)
Mortality	(3)	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) Derived using CalPERS' Membership Data for all Funds

Mortality rates were based on the 2014 CalPERS actuarial experience study, which assumed future mortality improvements using Society of Actuaries (SOA) Scale BB. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent for each Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

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

In determining the long-term expected 7.65% rate of return on pension plan investments, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

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

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

Changes of Assumptions - The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability

The total Net Pension Liability for the City as of June 30, 2016 was \$96,375,871. The changes in the Net Pension Liability for each Plan follows:

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 172,727,088	115,741,766	56,985,322
Changes in the year:			
Service cost	3,134,989	-	3,134,989
Interest on the total pension liability	12,846,133	-	12,846,133
Changes in assumptions	(3,176,358)	-	(3,176,358)
Differences between expected and actual experience	1,338,724	-	1,338,724
Contribution - employer	-	4,636,058	(4,636,058)
Contribution - employee	-	1,104,125	(1,104,125)
Net investment income	-	2,521,335	(2,521,335)
Benefit payments, including refunds of employee contributions	(9,067,299)	(9,067,299)	-
Administrative expenses	-	(129,300)	129,300
Net changes	5,076,189	(935,081)	6,011,270
Balance at June 30, 2016	\$ 177,803,277	114,806,685	62,996,592

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 165,634,506	136,089,827	29,544,679
Changes in the year:			
Service cost	2,707,132	-	2,707,132
Interest on the total pension liability	12,148,802	-	12,148,802
Changes in assumptions	(2,848,967)	-	(2,848,967)
Differences between expected and actual experience	(1,564,965)	-	(1,564,965)
Plan to plan resource movement	-	208	(208)
Contribution - employer	-	2,082,877	(2,082,877)
Contribution - employee	-	1,649,216	(1,649,216)
Net investment income	-	3,036,920	(3,036,920)
Benefit payments, including refunds of employee contributions	(7,532,561)	(7,532,561)	-
Administrative expenses	-	(161,819)	161,819
Net changes	2,909,441	(925,159)	3,834,600
Balance at June 30, 2016	\$ 168,543,947	135,164,668	33,379,279

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Safety's net pension liability	\$ 87,014,287	62,996,592	43,243,640
Miscellaneous' net pension liability	54,927,687	33,379,279	15,473,144

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense of \$5,682,020. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,328,787	-
Differences between actual and expected experience	-	(18,492)
Changes in assumptions	-	(4,087,829)
Net differences between projected and actual earnings on plan investments	-	(2,277,648)
Total	<u>\$ 7,328,787</u>	<u>(6,383,969)</u>

\$7,328,787 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (3,793,828)
2018	(3,303,390)
2019	(1,954,854)
2020	2,668,103
Total	<u>\$ (6,383,969)</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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 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, 2016, the City contributed approximately \$329,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately \$253,000 for implied subsidy benefit payments for 70 retirees. The Plan does not require employee contributions.

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual required contribution	\$ 1,097,000
Interest on net OPEB obligation	160,000
Adjustment to annual required contribution	(300,000)
Annual OPEB cost (expense)	<u>957,000</u>
Benefit payments	<u>(582,000)</u>
Increase in net OPEB obligation	375,000
Net OPEB obligation - beginning of year	3,990,000
Net OPEB obligation - end of year	<u><u>\$ 4,365,000</u></u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended June 30, 2016 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 1,296,000	45.0%	3,636,000
6/30/2015	917,000	61.4%	3,990,000
6/30/2016	957,000	60.8%	4,365,000

Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2015, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 9,066,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>9,066,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	0%
Covered payroll (active Plan participants)	27,875,000
UAAL as a percentage of covered payroll	32.5%

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 7.5 percent for both the HMOs and 7.6 percent for the PPO for 2016/17, 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 24 years on a closed basis.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – FUND BALANCE CLASSIFICATIONS

The details of the fund balance classifications as of June 30, 2016 are presented below:

Fund Balance:	General Fund	Special Revenue Funds			Capital	Total	Total	Total
		Transit Fund	HOME Fund	Housing Authority	Projects Fund			
Nonspendable								
Advances to other funds	\$ 7,678,892	-	-	-	-	7,678,892	-	7,678,892
Prepaid items	22,545	121,046	-	-	-	143,591	-	143,591
Subtotal	7,701,437	121,046	-	-	-	7,822,483	-	7,822,483
Spendable								
Restricted								
Public safety	-	-	-	-	-	-	287,698	287,698
Local transit	-	4,389,765	-	-	-	4,389,765	4,247,151	8,636,916
Construction and maintenance	-	-	-	-	-	-	5,501,578	5,501,578
SB358 library	-	-	-	-	-	-	105,326	105,326
Community development	-	-	2,421,938	16,787,211	16,658,271	35,867,420	2,248,198	38,115,618
Parkland	73,628	-	-	-	-	73,628	-	73,628
Park impact fees	1,207,418	-	-	-	-	1,207,418	-	1,207,418
Aquatics impact fees	9,746	-	-	-	-	9,746	-	9,746
Public facilities impact fees	205,070	-	-	-	-	205,070	-	205,070
Library impact fees	198,578	-	-	-	-	198,578	-	198,578
Asset seizure	-	-	-	-	-	-	722,661	722,661
Traffic offender	-	-	-	-	-	-	655,183	655,183
Seismic education	4,760	-	-	-	-	4,760	4,800	9,560
AQMD	-	-	-	-	-	-	657,053	657,053
PEG	522,703	-	-	-	-	522,703	-	522,703
Subtotal	2,221,903	4,389,765	2,421,938	16,787,211	16,658,271	42,479,088	14,429,648	56,908,736
Committed								
Library facility	58,148	-	-	-	-	58,148	-	58,148
Oil wells	100,000	-	-	-	-	100,000	-	100,000
Arts in public place	563,272	-	-	-	-	563,272	-	563,272
Emergency contingency	2,903,953	-	-	-	-	2,903,953	-	2,903,953
Subtotal	3,625,373	-	-	-	-	3,625,373	-	3,625,373
Assigned								
General plan	1,013,471	-	-	-	-	1,013,471	-	1,013,471
General government-rental units	679,177	-	-	-	-	679,177	-	679,177
Mineral extraction	232,982	-	-	-	-	232,982	-	232,982
Capital projects	-	-	-	-	3,553,296	3,553,296	-	3,553,296
Continuing appropriations	1,453,550	-	-	-	-	1,453,550	-	1,453,550
Subtotal	3,379,180	-	-	-	3,553,296	6,932,476	-	6,932,476
Unassigned								
	28,627,464	-	-	-	-	28,627,464	-	28,627,464
Total	\$ 45,555,357	4,510,811	2,421,938	16,787,211	20,211,567	89,486,884	14,429,648	103,916,532

On June 14, 2011, the City Council adopted Resolution 8380 which established an emergency contingency reserve equivalent to five percent 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, 2016, the City had \$2,903,953 committed pursuant to Resolution 8380.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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. The 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 \$33 million.

While the ultimate amount of losses incurred through June 30, 2016, 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, 2016 and June 30, 2015:

	Worker's Compensation	General Liability	Total
Claims and judgments at June 30, 2014	\$ 3,298,957	1,553,792	4,852,749
Claims payments	(1,230,380)	(1,030,176)	(2,260,556)
Claims incurred and changes in estimates	1,210,393	1,323,338	2,533,731
Claims and judgments at June 30, 2015	3,278,970	1,846,954	5,125,924
Claims payments	(1,669,954)	(1,206,427)	(2,876,381)
Claims incurred and changes in estimates	1,764,273	1,580,746	3,345,019
Claims and judgments at June 30, 2016	<u>\$ 3,373,289</u>	<u>2,221,273</u>	<u>5,594,562</u>

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.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16 – DEFERRED COMPENSATION PLANS (CONTINUED)

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.

Advances to Successor Agency

At June 30, 2016, the City of Whittier had \$9,744,627 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, 2016, 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, 2016

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
2017	\$ 878,743
2018	878,743
2019	878,743
2020	878,743
2021	878,743
2022-2026	4,393,715
2027-2031	4,393,715
2032-2036	4,393,715
2037-2041	4,393,715
2042-2046	4,393,715
2047-2051	4,393,715
2052-2056	4,393,715
2057	878,743
	\$ 36,028,463

NOTE 18 – PROCEEDS FROM THE SUCCESSOR AGENCY

During the current fiscal year, the City transferred remaining housing and non-housing excess bond proceeds from the Successor Agency pursuant to bond proceeds funding agreement and approval by the Department of Finance (DOF). The agreement provides for the City to complete redevelopment projects as further described in Note 11.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2016**

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.

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)
1/1/2011	\$ -	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%
1/1/2015	-	9,066,000	9,066,000	0%	27,875,000	32.5%

*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
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND
RELATED RATIOS FOR MISCELLANEOUS PLAN
LAST TEN YEARS*
AS OF JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 3,134,989	3,219,193
Interest on the total pension liability	12,846,133	12,237,364
Differences between expected and actual experience	1,338,724	-
Changes of assumptions	(3,176,358)	-
Changes in benefit terms	-	-
Benefit payments, including refunds of employee contributions	(9,067,299)	(8,569,436)
Net change in total pension liability	<u>5,076,189</u>	<u>6,887,121</u>
Total pension liability - beginning	<u>172,727,088</u>	<u>165,839,967</u>
Total pension liability - ending (a)	<u>\$ 177,803,277</u>	<u>172,727,088</u>
Plan fiduciary net position		
Contributions - employer	\$ 4,636,058	4,451,887
Contributions - employee	1,104,125	1,246,103
Net investment income	2,521,335	17,422,054
Plan to plan resource movement	-	-
Administrative expenses	(129,300)	(138,888)
Benefit payments	(9,067,299)	(8,569,436)
Net change in plan fiduciary net position	<u>(935,081)</u>	<u>14,411,720</u>
Plan fiduciary net position - beginning	<u>115,741,766</u>	<u>101,330,046</u>
Plan fiduciary net position - ending (b)	<u>\$ 114,806,685</u>	<u>115,741,766</u>
Net pension liability - ending (a)-(b)	<u>\$ 62,996,592</u>	<u>56,985,322</u>
Plan fiduciary net position as a percentage of the total pension liability	64.57%	67.01%
Covered payroll**	13,258,438	13,020,389
Net pension liability as percentage of covered employee payroll	475.14%	437.66%

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

** Covered payroll represents earnable and pensionable compensation. Due to implementation of GASB Statement No. 82, "Pension Issues- An Amendment of GASB Statement No. 67, No. 68, and No. 73", previous years' information has been revised accordingly.

Changes of Assumptions - The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND
RELATED RATIOS FOR MISCELLANEOUS PLAN
LAST TEN YEARS*
AS OF JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 2,707,132	2,865,513
Interest on the total pension liability	12,148,802	11,702,397
Differences between expected and actual experience	(1,564,965)	-
Changes of assumptions	(2,848,967)	-
Changes in benefit terms	-	-
Benefit payments, including refunds of employee contributions	(7,532,561)	(7,065,215)
Net change in total pension liability	<u>2,909,441</u>	<u>7,502,695</u>
Total pension liability - beginning	<u>165,634,506</u>	<u>158,131,811</u>
Total pension liability - ending (a)	<u>\$ 168,543,947</u>	<u>165,634,506</u>
Plan fiduciary net position		
Contributions - employer	\$ 2,082,877	2,014,309
Contributions - employee	1,649,216	1,503,982
Net investment income	3,036,920	20,676,474
Plan to plan resource movement	208	-
Administrative expenses	(161,819)	(166,668)
Benefit payments	(7,532,561)	(7,065,215)
Net change in plan fiduciary net position	<u>(925,159)</u>	<u>16,962,882</u>
Plan fiduciary net position - beginning	<u>136,089,827</u>	<u>119,126,945</u>
Plan fiduciary net position - ending (b)	<u>\$ 135,164,668</u>	<u>136,089,827</u>
Net pension liability - ending (a)-(b)	<u>\$ 33,379,279</u>	<u>29,544,679</u>
Plan fiduciary net position as a percentage of the total pension liability	80.20%	82.16%
Covered payroll**	18,219,175	17,806,543
Net pension liability as percentage of covered employee payroll	183.21%	165.92%

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

** Covered payroll represents earnable and pensionable compensation. Due to implementation of GASB Statement No. 82, "Pension Issues- An Amendment of GASB Statement No. 67, No. 68, and No. 73", previous years' information has been revised accordingly.

Changes of Assumptions - The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
AS OF JUNE 30, 2016**

Safety Plan:

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,993,496	4,636,058
Contributions in relation to the actuarially determined contributions	4,993,496	4,636,058
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
Covered payroll**	\$ 13,270,208	13,258,438
Contributions as a percentage of covered-employee payroll	38%	35%

Miscellaneous Plan:

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,335,291	2,082,877
Contributions in relation to the actuarially determined contributions	2,335,291	2,082,877
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
Covered payroll**	\$ 18,769,281	18,219,175
Contributions as a percentage of covered-employee payroll	12%	11%

Notes to Schedule

Valuation date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	
Investment rate of return	7.65%
Retirement age	55
Mortality	Based on CalPERS Experience Study

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

** Covered payroll represents earnable and pensionable compensation. Due to implementation of GASB Statement No. 82, "Pension Issues- An Amendment of GASB Statement No. 67, No. 68, and No. 73", previous years' information has been revised accordingly.

**CITY OF WHITTIER, CALIFORNIA
MAJOR CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016**

Capital projects 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 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
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	79,211	79,211
Other	45,000	20,000	(25,000)
Total Revenues	<u>45,000</u>	<u>99,211</u>	<u>54,211</u>
Expenditures:			
Capital outlay	1,743,574	1,171,097	572,477
Total Expenditures	<u>1,743,574</u>	<u>1,171,097</u>	<u>572,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,698,574)</u>	<u>(1,071,886)</u>	<u>626,688</u>
Other financing sources (Uses):			
Transfers in	-	15,918	15,918
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,918</u>	<u>15,918</u>
Special item:			
Proceeds from Successor Agency	-	16,688,799	16,688,799
Net Change in Fund Balance	(1,698,574)	15,632,831	17,331,405
Fund Balance at Beginning of Year	<u>4,578,736</u>	<u>4,578,736</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,880,162</u>	<u>20,211,567</u>	<u>17,331,405</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016**

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, 2016**

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.

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.

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant	State COPS Grant
Assets:				
Cash and investments	\$ 1,314	-	105,152	662,117
Restricted assets:				
Cash and investments	-	934,635	-	-
Receivables:				
Intergovernmental	-	-	-	-
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	1,578	174	1,047
Total Assets	<u>\$ 1,314</u>	<u>936,213</u>	<u>105,326</u>	<u>663,164</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 638	210,152	-	-
Accrued liabilities	-	3,400	-	7,981
Due to other funds	-	-	-	-
Total Liabilities	<u>638</u>	<u>213,552</u>	<u>-</u>	<u>7,981</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	676	722,661	105,326	655,183
Total Fund Balances	<u>676</u>	<u>722,661</u>	<u>105,326</u>	<u>655,183</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,314</u>	<u>936,213</u>	<u>105,326</u>	<u>663,164</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
626,367	8,009	4,800	2,568,635	359,501	713,276	709,237
-	-	-	-	-	-	-
29,749	-	-	69,522	14,717	-	153,439
-	-	-	-	-	-	-
-	-	-	-	-	-	1,604,769
937	-	-	3,914	-	2,116	123,235
<u>657,053</u>	<u>8,009</u>	<u>4,800</u>	<u>2,642,071</u>	<u>374,218</u>	<u>715,392</u>	<u>2,590,680</u>
-	8,009	-	48,821	1,767	38,409	162,235
-	-	-	-	-	-	5,201
-	-	-	-	-	-	-
-	<u>8,009</u>	-	<u>48,821</u>	<u>1,767</u>	<u>38,409</u>	<u>167,436</u>
-	-	-	55,673	-	-	175,046
-	-	-	55,673	-	-	175,046
<u>657,053</u>	-	4,800	<u>2,537,577</u>	<u>372,451</u>	<u>676,983</u>	<u>2,248,198</u>
<u>657,053</u>	-	4,800	<u>2,537,577</u>	<u>372,451</u>	<u>676,983</u>	<u>2,248,198</u>
<u>657,053</u>	<u>8,009</u>	<u>4,800</u>	<u>2,642,071</u>	<u>374,218</u>	<u>715,392</u>	<u>2,590,680</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2016**

	Special Revenue Funds		
	Whittier	Whittier	Prop 1B
	Uptown Parking District No.1	Uptown Parking District No.2	
Assets:			
Cash and investments	\$ 68,823	1,789,499	38,568
Restricted assets:			
Cash and investments	-	-	-
Receivables:			
Intergovernmental	-	11,274	-
Accounts	2,683	5,778	-
Notes and loans	-	-	-
Interest	91	2,728	64
Total Assets	<u>\$ 71,597</u>	<u>1,809,279</u>	<u>38,632</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,529	1,973	-
Accrued liabilities	2,115	-	-
Due to other funds	-	-	-
Total Liabilities	<u>3,644</u>	<u>1,973</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	<u>67,953</u>	<u>1,807,306</u>	<u>38,632</u>
Total Fund Balances	<u>67,953</u>	<u>1,807,306</u>	<u>38,632</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 71,597</u>	<u>1,809,279</u>	<u>38,632</u>

Special Revenue Funds		Debt Service Fund	Total Non-major Governmental Funds
Subventions and Grants	Measure R	Public Financing Authority	
-	4,241,095	-	11,896,393
-	-	-	934,635
507,372	-	-	786,073
-	-	-	8,461
-	-	-	1,604,769
128	6,108	-	142,120
<u>507,500</u>	<u>4,247,203</u>	<u>-</u>	<u>15,372,451</u>
46,675	52	-	520,260
-	-	-	18,697
83,299	-	-	83,299
<u>129,974</u>	<u>52</u>	<u>-</u>	<u>622,256</u>
89,828	-	-	320,547
<u>89,828</u>	<u>-</u>	<u>-</u>	<u>320,547</u>
287,698	4,247,151	-	14,429,648
<u>287,698</u>	<u>4,247,151</u>	<u>-</u>	<u>14,429,648</u>
<u>507,500</u>	<u>4,247,203</u>	<u>-</u>	<u>15,372,451</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2016**

	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	-	84,373	-	-
Use of money and property	5	6,642	799	4,994
Intergovernmental	-	-	-	155,887
Charges for services	1,169	-	-	-
Other	-	-	-	-
Total Revenues	<u>1,174</u>	<u>91,015</u>	<u>799</u>	<u>160,881</u>
Expenditures:				
Current:				
Public safety	-	458,408	-	241,302
Libraries	-	-	35,508	-
Parks and recreation	-	-	-	-
Public works	1,225	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,225</u>	<u>458,408</u>	<u>35,508</u>	<u>241,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(51)</u>	<u>(367,393)</u>	<u>(34,709)</u>	<u>(80,421)</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	(51)	(367,393)	799	49,579
Fund Balances (Deficit), Beginning of Year	<u>727</u>	<u>1,090,054</u>	<u>104,527</u>	<u>605,604</u>
Fund Balances, End of Year	<u>\$ 676</u>	<u>722,661</u>	<u>105,326</u>	<u>655,183</u>

Special Revenue Funds

Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
-	-	-	-	-	-	-
-	105,529	-	-	-	-	-
-	7,095	-	-	225,733	-	-
4,646	-	-	18,478	-	8,498	-
110,448	-	-	1,376,594	-	356,807	719,149
-	-	-	-	-	-	-
-	-	-	-	-	-	-
115,094	112,624	-	1,395,072	225,733	365,305	719,149
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,150	112,624	-	274,679	-	870,217	-
-	-	-	-	-	-	881,787
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,150	112,624	-	274,679	-	870,217	881,787
81,944	-	-	1,120,393	225,733	(504,912)	(162,638)
-	-	-	-	-	-	-
-	-	-	(1,084,045)	(350,000)	-	-
-	-	-	(1,084,045)	(350,000)	-	-
81,944	-	-	36,348	(124,267)	(504,912)	(162,638)
575,109	-	4,800	2,501,229	496,718	1,181,895	2,410,836
657,053	-	4,800	2,537,577	372,451	676,983	2,248,198

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds		
	Whittier	Whittier	Prop 1B
	Uptown Parking District No.1	Uptown Parking District No.2	
Revenues:			
Taxes	\$ 11,389	246,149	-
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Use of money and property	59,144	13,341	79
Intergovernmental	-	-	-
Charges for services	36,800	62,724	-
Other	534	335	-
Total Revenues	<u>107,867</u>	<u>322,549</u>	<u>79</u>
Expenditures:			
Current:			
Public safety	-	-	-
Libraries	-	-	-
Parks and recreation	-	-	-
Public works	88,294	86,524	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>88,294</u>	<u>86,524</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,573</u>	<u>236,025</u>	<u>79</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19,573	236,025	79
Fund Balances (Deficit), Beginning of Year	<u>48,380</u>	<u>1,571,281</u>	<u>38,553</u>
Fund Balances, End of Year	<u>\$ 67,953</u>	<u>1,807,306</u>	<u>38,632</u>

Special Revenue Funds		Debt Service Fund		Total Non-major Governmental Funds
Subventions and Grants	Measure R	Public Financing Authority		
-	994,237	-	-	1,251,775
-	-	-	-	105,529
-	-	-	-	317,201
598	31,792	80,797	-	229,813
1,229,817	-	-	-	3,948,702
-	-	-	-	100,693
-	-	-	-	869
<u>1,230,415</u>	<u>1,026,029</u>	<u>80,797</u>		<u>5,954,582</u>
222,898	-	-	-	922,608
16,609	-	-	-	52,117
360,587	-	-	-	360,587
458,129	11,510	-	-	1,790,578
-	-	-	-	1,027,561
-	-	4,170,000	-	4,170,000
-	-	682,506	-	682,506
<u>1,058,223</u>	<u>11,510</u>	<u>4,852,506</u>		<u>9,005,957</u>
<u>172,192</u>	<u>1,014,519</u>	<u>(4,771,709)</u>		<u>(3,051,375)</u>
-	-	-	-	165,508
(283,424)	-	(15,918)	-	(1,733,387)
<u>(283,424)</u>	<u>-</u>	<u>(15,918)</u>		<u>(1,567,879)</u>
(111,232)	1,014,519	(4,787,627)	-	(4,619,254)
<u>398,930</u>	<u>3,232,632</u>	<u>4,787,627</u>		<u>19,048,902</u>
<u>287,698</u>	<u>4,247,151</u>	<u>-</u>		<u>14,429,648</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	5	5
Charges for services	1,380	1,169	(211)
Total Revenues	<u>1,380</u>	<u>1,174</u>	<u>(206)</u>
Expenditures:			
Current:			
Public works	1,069	1,225	(156)
Total Expenditures	<u>1,069</u>	<u>1,225</u>	<u>(156)</u>
Net Change in Fund Balance	311	(51)	(362)
Fund Balance at Beginning of Year	727	727	-
Fund Balance at End of Year	<u>\$ 1,038</u>	<u>676</u>	<u>(362)</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeits	\$ 100,000	84,373	(15,627)
Use of money and property	2,000	6,642	4,642
Total Revenues	<u>102,000</u>	<u>91,015</u>	<u>(10,985)</u>
Expenditures:			
Current:			
Public safety	571,602	458,408	113,194
Total Expenditures	<u>571,602</u>	<u>458,408</u>	<u>113,194</u>
Net Change in Fund Balance	(469,602)	(367,393)	102,209
Fund Balance at Beginning of Year	<u>1,090,054</u>	<u>1,090,054</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 620,452</u>	<u>722,661</u>	<u>102,209</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	799	799
Total Revenues	-	799	799
Expenditures:			
Current:			
Libraries	35,508	35,508	-
Total Expenditures	35,508	35,508	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,508)	(34,709)	799
Other financing sources (uses):			
Transfers in	35,508	35,508	-
Total Other Financing Sources (Uses)	35,508	35,508	-
Net Change in Fund Balance	-	799	799
Fund Balance at Beginning of Year	104,527	104,527	-
Fund Balance at End of Year	\$ 104,527	105,326	799

**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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	4,994	3,994
Intergovernmental	100,000	155,887	55,887
Charges for services	10,000	-	(10,000)
Total Revenues	<u>111,000</u>	<u>160,881</u>	<u>49,881</u>
Expenditures:			
Current:			
Public safety	308,023	241,302	66,721
Total Expenditures	<u>308,023</u>	<u>241,302</u>	<u>66,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(197,023)</u>	<u>(80,421)</u>	<u>116,602</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	(67,023)	49,579	116,602
Fund Balance at Beginning of Year	605,604	605,604	-
Fund Balance at End of Year	<u>\$ 538,581</u>	<u>655,183</u>	<u>116,602</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	4,646	3,646
Intergovernmental	100,000	110,448	10,448
Total Revenues	<u>101,000</u>	<u>115,094</u>	<u>14,094</u>
Expenditures:			
Current:			
Community development	80,750	33,150	47,600
Total Expenditures	<u>80,750</u>	<u>33,150</u>	<u>47,600</u>
Net Change in Fund Balance	20,250	81,944	61,694
Fund Balance at Beginning of Year	<u>575,109</u>	<u>575,109</u>	-
Fund Balance at End of Year	<u>\$ 595,359</u>	<u>657,053</u>	<u>61,694</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Licenses and permits	\$ 110,000	105,529	(4,471)
Fines and forfeits	2,000	7,095	5,095
Total Revenues	<u>112,000</u>	<u>112,624</u>	<u>624</u>
Expenditures:			
Current:			
Community development	111,500	112,624	(1,124)
Total Expenditures	<u>111,500</u>	<u>112,624</u>	<u>(1,124)</u>
Net Change in Fund Balance	500	-	(500)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 500</u>	<u>-</u>	<u>(500)</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, 2016**

	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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 3,000	18,478	15,478
Intergovernmental	1,272,500	1,376,594	104,094
Total Revenues	<u>1,275,500</u>	<u>1,395,072</u>	<u>119,572</u>
Expenditures:			
Current:			
Public works	1,540,052	274,679	1,265,373
Total Expenditures	<u>1,540,052</u>	<u>274,679</u>	<u>1,265,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(264,552)</u>	<u>1,120,393</u>	<u>1,384,945</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	(1,348,597)	36,348	1,384,945
Fund Balance at Beginning of Year	2,501,229	2,501,229	-
Fund Balance at End of Year	<u>\$ 1,152,632</u>	<u>2,537,577</u>	<u>1,384,945</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeits	\$ 395,000	225,733	(169,267)
Total Revenues	<u>395,000</u>	<u>225,733</u>	<u>(169,267)</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	45,000	(124,267)	(169,267)
Fund Balance at Beginning of Year	496,718	496,718	-
Fund Balance at End of Year	<u>\$ 541,718</u>	<u>372,451</u>	<u>(169,267)</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 2,000	8,498	6,498
Intergovernmental	1,020,000	356,807	(663,193)
Total Revenues	<u>1,022,000</u>	<u>365,305</u>	<u>(656,695)</u>
Expenditures:			
Current:			
Public works	2,134,584	870,217	1,264,367
Total Expenditures	<u>2,134,584</u>	<u>870,217</u>	<u>1,264,367</u>
Net Change in Fund Balance	(1,112,584)	(504,912)	607,672
Fund Balance at Beginning of Year	1,181,895	1,181,895	-
Fund Balance at End of Year	<u>\$ 69,311</u>	<u>676,983</u>	<u>607,672</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 728,001	719,149	(8,852)
Total Revenues	<u>728,001</u>	<u>719,149</u>	<u>(8,852)</u>
Expenditures:			
Current:			
Community development	1,577,327	881,787	695,540
Total Expenditures	<u>1,577,327</u>	<u>881,787</u>	<u>695,540</u>
Net Change in Fund Balance	(849,326)	(162,638)	686,688
Fund Balance at Beginning of Year	<u>2,410,836</u>	<u>2,410,836</u>	-
Fund Balance at End of Year	<u>\$ 1,561,510</u>	<u>2,248,198</u>	<u>686,688</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 6,785	11,389	4,604
Use of money and property	54,900	59,144	4,244
Charges for services	62,400	36,800	(25,600)
Other	-	534	534
Total Revenues	<u>124,085</u>	<u>107,867</u>	<u>(16,218)</u>
Expenditures:			
Current:			
Public works	70,661	88,294	(17,633)
Total Expenditures	<u>70,661</u>	<u>88,294</u>	<u>(17,633)</u>
Net Change in Fund Balance	53,424	19,573	(33,851)
Fund Balance (Deficit) at Beginning of Year	<u>48,380</u>	<u>48,380</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 101,804</u>	<u>67,953</u>	<u>(33,851)</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 54,253	246,149	191,896
Use of money and property	2,000	13,341	11,341
Charges for services	60,000	62,724	2,724
Other	-	335	335
Total Revenues	<u>116,253</u>	<u>322,549</u>	<u>206,296</u>
Expenditures:			
Current:			
Public works	160,335	86,524	73,811
Total Expenditures	<u>160,335</u>	<u>86,524</u>	<u>73,811</u>
Net Change in Fund Balance	(44,082)	236,025	280,107
Fund Balance at Beginning of Year	<u>1,571,281</u>	<u>1,571,281</u>	-
Fund Balance at End of Year	<u>\$ 1,527,199</u>	<u>1,807,306</u>	<u>280,107</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	79	(921)
Total Revenues	<u>1,000</u>	<u>79</u>	<u>(921)</u>
Expenditures:			
Current:			
Public works	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,000	79	(921)
Fund Balance at Beginning of Year	<u>38,553</u>	<u>38,553</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 39,553</u>	<u>38,632</u>	<u>(921)</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SUBVENTIONS AND GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	598	598
Intergovernmental	1,083,328	1,229,817	146,489
Total Revenues	<u>1,083,328</u>	<u>1,230,415</u>	<u>147,087</u>
Expenditures:			
Current:			
Public safety	390,282	222,898	167,384
Libraries	11,951	16,609	(4,658)
Parks and recreation	1,229,561	360,587	868,974
Public works	1,401,907	458,129	943,778
Total Expenditures	<u>3,033,701</u>	<u>1,058,223</u>	<u>1,975,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,950,373)</u>	<u>172,192</u>	<u>2,122,565</u>
Other financing sources (uses):			
Transfers out	-	(283,424)	(283,424)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(283,424)</u>	<u>(283,424)</u>
Net Change in Fund Balance	(1,950,373)	(111,232)	1,839,141
Fund Balance (Deficit) at Beginning of Year	398,930	398,930	-
Fund Balance (Deficit) at End of Year	<u>\$ (1,551,443)</u>	<u>287,698</u>	<u>1,839,141</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 727,688	994,237	266,549
Use of money and property	4,000	31,792	27,792
Total Revenues	<u>731,688</u>	<u>1,026,029</u>	<u>294,341</u>
Expenditures:			
Current:			
Public works	<u>1,806,921</u>	<u>11,510</u>	<u>1,795,411</u>
Total Expenditures	<u>1,806,921</u>	<u>11,510</u>	<u>1,795,411</u>
Net Change in Fund Balance	(1,075,233)	1,014,519	2,089,752
Fund Balance at Beginning of Year	<u>3,232,632</u>	<u>3,232,632</u>	-
Fund Balance at End of Year	<u><u>\$ 2,157,399</u></u>	<u><u>4,247,151</u></u>	<u><u>2,089,752</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, 2016**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 589,040	80,797	(508,243)
Total Revenues	<u>589,040</u>	<u>80,797</u>	<u>(508,243)</u>
Expenditures:			
Debt service:			
Principal	370,000	4,170,000	(3,800,000)
Interest and fiscal charges	219,040	682,506	(463,466)
Total Expenditures	<u>589,040</u>	<u>4,852,506</u>	<u>(4,263,466)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(4,771,709)	(4,771,709)
Other financing sources (uses):			
Transfers out	-	(15,918)	(15,918)
Total Other Financing Sources	<u>-</u>	<u>(15,918)</u>	<u>(15,918)</u>
Net Change in Fund Balance	-	(4,787,627)	(4,787,627)
Fund Balance at Beginning of Year	<u>4,787,627</u>	<u>4,787,627</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,787,627</u>	<u>-</u>	<u>(4,787,627)</u>

**CITY OF WHITTIER
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

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, 2016

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Assets:						
Current assets:						
Cash and investments	\$ 11,377,425	6,436,529	1,046,757	7,926,776	2,378,848	29,166,335
Accounts receivable, net	21,348	-	11,938	2	-	33,288
Interest receivable	18,536	1,172	-	14,455	3,787	37,950
Prepaid items	-	-	-	-	3,855	3,855
Total Current Assets	11,417,309	6,437,701	1,058,695	7,941,233	2,386,490	29,241,428
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,646	175,157
Office machines	-	-	-	-	1,470,758	1,470,758
Mobile equipment	-	-	-	15,916,510	-	15,916,510
Less-accumulated depreciation	-	-	(346,390)	(10,708,267)	(806,969)	(11,861,626)
Total Capital Assets, Net	-	-	-	5,208,243	793,435	6,001,678
Total Assets	11,417,309	6,437,701	1,058,695	13,149,476	3,179,925	35,243,106
Liabilities:						
Current liabilities:						
Accounts payable	134,860	77,043	63,870	2,976	38,773	317,522
Accrued liabilities	930	-	27,842	-	17,674	46,446
Claims payable - current	3,636,465	-	-	-	-	3,636,465
Compensated absences payable - current	-	2,020,175	-	-	-	2,020,175
Total Current Liabilities	3,772,255	2,097,218	91,712	2,976	56,447	6,020,608
Long-term liabilities:						
Claims payable - non-current	1,958,097	-	-	-	-	1,958,097
Compensated absences payable - non-current	-	3,751,753	-	-	-	3,751,753
Total Non-current Liabilities	1,958,097	3,751,753	-	-	-	5,709,850
Total Liabilities	5,730,352	5,848,971	91,712	2,976	56,447	11,730,458
Net position:						
Net investment in capital assets	-	-	-	5,208,243	793,435	6,001,678
Unrestricted	5,686,957	588,730	966,983	7,938,257	2,330,043	17,510,970
Total Net Position	\$ 5,686,957	588,730	966,983	13,146,500	3,123,478	23,512,648

CITY OF WHITTIER
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Operating Revenues:						
Charges for services	\$ 3,896,509	5,173,391	2,633,942	1,364,598	954,580	14,023,020
Total Operating Revenues	<u>3,896,509</u>	<u>5,173,391</u>	<u>2,633,942</u>	<u>1,364,598</u>	<u>954,580</u>	<u>14,023,020</u>
Operating Expenses:						
Self insurance	3,832,840	-	-	-	-	3,832,840
Employee benefits	-	5,169,846	-	-	-	5,169,846
Maintenance	528,926	-	2,484,812	-	977,271	3,991,009
Depreciation	-	-	-	1,184,783	115,616	1,300,399
Total Operating Expenses	<u>4,361,766</u>	<u>5,169,846</u>	<u>2,484,812</u>	<u>1,184,783</u>	<u>1,092,887</u>	<u>14,294,094</u>
Operating Income (Loss)	<u>(465,257)</u>	<u>3,545</u>	<u>149,130</u>	<u>179,815</u>	<u>(138,307)</u>	<u>(271,074)</u>
Nonoperating Revenues (Expenses):						
Use of money and property	85,553	5,453	-	68,518	17,112	176,636
Gain (loss) on disposal of capital assets	-	-	-	(4,440)	(71,679)	(76,119)
Total Nonoperating Revenues (Expenses)	<u>85,553</u>	<u>5,453</u>	<u>-</u>	<u>64,078</u>	<u>(54,567)</u>	<u>100,517</u>
Income (loss) before transfers	<u>(379,704)</u>	<u>8,998</u>	<u>149,130</u>	<u>243,893</u>	<u>(192,874)</u>	<u>(170,557)</u>
Transfers in	-	-	-	256,217	339,700	595,917
Change in net position	<u>(379,704)</u>	<u>8,998</u>	<u>149,130</u>	<u>500,110</u>	<u>146,826</u>	<u>425,360</u>
Net Position at Beginning of the Year	<u>6,066,661</u>	<u>579,732</u>	<u>817,853</u>	<u>12,646,390</u>	<u>2,976,652</u>	<u>23,087,288</u>
Net Position at End of the Year	<u>\$ 5,686,957</u>	<u>588,730</u>	<u>966,983</u>	<u>13,146,500</u>	<u>3,123,478</u>	<u>23,512,648</u>

CITY OF WHITTIER, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 3,896,809	5,199,010	2,635,142	1,517,893	954,580	14,203,434
Payments to suppliers	(3,959,922)	-	(2,474,193)	-	(1,138,771)	(7,572,886)
Payments to employees	-	(4,709,632)	-	-	-	(4,709,632)
Net Cash Provided by (Used in) Non-Operating Activities	(63,113)	489,378	160,949	1,517,893	(184,191)	1,920,916
Cash flows from noncapital financing activities:						
Transfers from (to) other funds	-	-	-	256,217	339,700	595,917
Net Cash Provided Provided by (Used in) Noncapital Financing Activities	-	-	-	256,217	339,700	595,917
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	(1,071,804)	(400,155)	(1,471,959)
Net Cash Used in Capital and Related Financing Activities	-	-	-	(1,071,804)	(400,155)	(1,471,959)
Cash flows from investing activities:						
Interest on investments	82,962	5,220	-	66,084	16,710	170,976
Net Cash Provided by Investing Activities	82,962	5,220	-	66,084	16,710	170,976
Net Increase (Decrease) in Cash and Cash Equivalents	19,849	494,598	160,949	768,390	(227,936)	1,215,850
Cash and Cash Equivalents, Beginning of Fiscal Year	11,357,576	5,941,931	885,808	7,158,386	2,606,784	27,950,485
Cash and Cash Equivalents, End of Fiscal Year	\$ 11,377,425	6,436,529	1,046,757	7,926,776	2,378,848	29,166,335
Reconciliation of operating income to net cash provided by operations:						
Operating income (loss)	\$ (465,257)	3,545	149,130	179,815	(138,307)	(271,074)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	-	1,184,783	115,616	1,300,399
Decrease in accounts receivable	300	25,619	1,200	150,319	-	177,438
Decrease (increase) in prepaid items	26,659	-	-	-	(3,855)	22,804
Increase (decrease) in accounts payable	(93,921)	(1,805)	1,613	2,976	(160,070)	(251,207)
Increase in accrued liabilities	468	-	9,006	-	2,425	11,899
Increase in claims payable	468,638	-	-	-	-	468,638
Increase in compensated absences payable	-	462,019	-	-	-	462,019
Net Cash Provided by (Used in) Operating Activities	\$ (63,113)	489,378	160,949	1,517,893	(184,191)	1,920,916

**CITY OF WHITTIER
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016**

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, 2016

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Habitat JPA	Totals
Assets:					
Cash and investments	\$ 8,172	419,027	329,107	-	756,306
Cash and investments with fiscal agents	-	-	421,924	-	421,924
Receivable:					
Accounts	-	880,814	-	216,410	1,097,224
Interest	-	-	729	-	729
Total Assets	<u>\$ 8,172</u>	<u>1,299,841</u>	<u>751,760</u>	<u>216,410</u>	<u>2,276,183</u>
Liabilities:					
Accounts payable	\$ 8,172	75,345	-	216,410	299,927
Deposits payable	-	1,224,496	-	-	1,224,496
Due to bondholders	-	-	751,760	-	751,760
Total Liabilities	<u>\$ 8,172</u>	<u>1,299,841</u>	<u>751,760</u>	<u>216,410</u>	<u>2,276,183</u>

**CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>Flex-Rap</u>				
Assets				
Cash and investments	\$ 16,158	1,852,012	(1,859,998)	8,172
Total Assets	<u>\$ 16,158</u>	<u>1,852,012</u>	<u>(1,859,998)</u>	<u>8,172</u>
Liabilities				
Accounts payable	\$ 16,158	8,172	(16,158)	8,172
Total Liabilities	<u>\$ 16,158</u>	<u>8,172</u>	<u>(16,158)</u>	<u>8,172</u>
<u>Special Deposits</u>				
Assets				
Cash and investments	\$ 609,623	2,045,506	(2,236,102)	419,027
Accounts receivable	860,004	33,012	(12,202)	880,814
Total Assets	<u>\$ 1,469,627</u>	<u>2,078,518</u>	<u>(2,248,304)</u>	<u>1,299,841</u>
Liabilities				
Accounts payable	\$ 91,688	75,345	(91,688)	75,345
Deposits payable	1,377,939	483,487	(636,930)	1,224,496
Total Liabilities	<u>\$ 1,469,627</u>	<u>558,832</u>	<u>(728,618)</u>	<u>1,299,841</u>
<u>Community Facilities District 1989-1</u>				
Assets				
Cash and investments	\$ 325,920	419,470	(416,283)	329,107
Cash and investments with fiscal agent	420,413	413,514	(412,003)	421,924
Interest receivable	190	729	(190)	729
Total Assets	<u>\$ 746,523</u>	<u>833,713</u>	<u>(828,476)</u>	<u>751,760</u>
Liabilities				
Due to bondholders	\$ 746,523	\$ 833,713	\$ (828,476)	\$ 751,760
Total Liabilities	<u>\$ 746,523</u>	<u>833,713</u>	<u>(828,476)</u>	<u>751,760</u>

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>Habitat JPA</u>				
Assets				
Accounts receivable	\$ 78,491	216,410	(78,491)	216,410
Total Assets	<u>\$ 78,491</u>	<u>216,410</u>	<u>(78,491)</u>	<u>216,410</u>
Liabilities				
Accounts payable	\$ 78,491	216,410	(78,491)	216,410
Total Liabilities	<u>\$ 78,491</u>	<u>216,410</u>	<u>(78,491)</u>	<u>216,410</u>
<u>Total Agency Funds</u>				
Assets				
Cash investments	\$ 951,701	4,316,988	(4,512,383)	756,306
Cash and investments with fiscal agent	420,413	413,514	(412,003)	421,924
Receivables:				
Accounts	938,495	249,422	(90,693)	1,097,224
Interest	190	729	(190)	729
Total Assets	<u>\$ 2,310,799</u>	<u>4,980,653</u>	<u>(5,015,269)</u>	<u>2,276,183</u>
Liabilities				
Accounts payable	\$ 186,337	299,927	(186,337)	299,927
Deposits payable	1,377,939	483,487	(636,930)	1,224,496
Due to bondholders	746,523	833,713	(828,476)	751,760
Total Liabilities	<u>\$ 2,310,799</u>	<u>1,617,127</u>	<u>(1,651,743)</u>	<u>2,276,183</u>

City of Whittier

Statistical Section

Statistical Section

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

<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. The City implemented GASB 34 in the fiscal year ending June 30, 2003; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Governmental Activities:</i>										
Net investment in capital assets	\$ 103,579	104,182	107,928	111,342	109,657	95,435	105,775	98,199	91,640	84,556
Restricted	67,479	58,502	58,668	57,271	42,717	46,374	30,522	78,484	82,986	72,206
Unrestricted	(28,300)	(36,190)	51,402	41,593	67,551	45,464	44,145	3,202	(2,427)	5,817
Total Governmental Activities Net Position	<u>142,758</u>	<u>126,494</u>	<u>217,998</u>	<u>210,206</u>	<u>219,925</u>	<u>187,273</u>	<u>180,442</u>	<u>179,885</u>	<u>172,199</u>	<u>162,579</u>
% change from prior year	12.9%	-42.0%	3.7%	-4.4%	17.4%	3.8%	0.3%	4.5%	5.9%	4.9%
<i>Business-type Activities:</i>										
Net investment in capital assets	38,711	35,644	33,063	31,175	28,819	27,974	26,357	26,875	26,607	22,700
Restricted	35	17	6	3	135	124	185	138	120	48
Unrestricted	22,653	22,298	26,779	22,972	23,254	14,762	18,097	15,895	21,780	23,135
Total Business-Type Activities Net Position	<u>61,399</u>	<u>57,959</u>	<u>59,848</u>	<u>54,150</u>	<u>52,208</u>	<u>42,860</u>	<u>44,639</u>	<u>42,908</u>	<u>48,507</u>	<u>45,883</u>
% change from prior year	5.9%	-3.2%	10.5%	3.7%	21.8%	-4.0%	4.0%	-11.5%	5.7%	9.6%
<i>Primary Government:</i>										
Net investment in capital assets	142,290	139,826	140,991	142,517	138,476	123,409	132,132	125,074	118,247	107,256
Restricted	67,514	58,519	58,674	57,274	42,852	46,498	30,707	78,622	83,106	72,254
Unrestricted	(5,647)	(13,892)	78,181	64,565	90,805	60,226	62,242	19,097	19,353	28,952
Total Primary Government Net Position	<u>\$ 204,157</u>	<u>184,453</u>	<u>277,846</u>	<u>264,356</u>	<u>272,133</u>	<u>230,133</u>	<u>225,081</u>	<u>222,793</u>	<u>220,706</u>	<u>208,462</u>
% change from prior year	10.7%	-33.6%	5.1%	-2.9%	18.3%	2.2%	1.0%	0.9%	5.9%	5.9%

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

The City implemented GASB 68 effective July 1, 2014.

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

	Fiscal Year ending June 30,									
	2016	2015 ¹	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
<i>Governmental activities:</i>										
General government	\$ 10,203	8,522	9,090	8,098	7,687	7,547	7,714	7,353	8,443	7,588
Public safety	31,785	31,790	31,082	29,952	28,479	28,642	25,967	30,428	18,146	22,765
Public works	11,465	11,864	13,024	12,879	13,256	8,931	10,781	11,688	13,790	10,726
Community development	3,125	1,451	1,895	10,481	8,317	5,499	5,598	6,414	7,608	5,596
Libraries	3,647	3,407	3,390	3,261	3,166	3,282	3,506	3,426	3,412	3,394
Transit	2,604	3,015	3,168	3,503	2,836	4,567	2,731	2,604	4,671	3,373
Parks and recreation	9,357	8,975	9,022	8,489	8,554	8,456	8,612	10,057	11,373	11,747
Interest on long-term debt	644	235	253	320	1,893	3,562	3,710	4,637	5,445	2,406
Total Governmental activities	72,830	69,259	70,924	76,983	74,188	70,486	68,619	76,607	72,888	67,595
<i>Business-type activities:</i>										
Sewer	2,227	1,579	1,408	1,471	1,365	1,259	1,390	1,752	1,282	1,170
Water	11,480	10,249	9,999	10,973	9,592	14,133	8,289	14,321	8,688	7,828
Solid waste	9,850	9,832	9,697	9,122	(841)	9,558	9,272	9,295	8,950	8,305
Total Business-type activities	23,557	21,660	21,104	21,566	10,116	24,950	18,951	25,368	18,920	17,303
Total primary government	96,387	90,919	92,028	98,549	84,304	95,436	87,570	101,975	91,808	84,898
Program revenues:										
<i>Governmental activities:</i>										
Charges for services:										
General government	3,002	3,048	2,446	1,972	2,090	2,011	2,128	2,047	2,021	2,494
Public safety	10,516	10,427	10,183	9,549	9,099	9,728	9,417	9,200	8,381	6,839
Public works	4,472	4,450	5,265	5,108	4,542	9,048	3,353	8,589	3,450	1,598
Parks and recreation	4,072	2,004	1,731	1,921	1,864	1,717	2,340	1,746	1,560	2,623
Community development	1	4	9,876	1,558	1,965	2,167	2,107	2,221	1,940	1,176
Other activities	818	441	815	776	898	860	895	981	967	389
Operating contributions and grants	6,126	7,003	6,694	8,127	11,754	6,139	5,362	6,294	5,665	6,874
Capital contributions and grants	1,020	1,320	997	902	2,561	2,788	3,300	4,521	4,033	585
Total governmental activities	30,027	28,697	38,007	29,913	34,773	34,458	28,902	35,599	28,017	22,578
<i>Business-type activities:</i>										
Charges for services:										
Sewer	4,040	3,900	3,109	2,549	2,216	1,955	1,740	1,902	1,913	1,836
Water	12,452	12,044	13,486	10,219	7,969	10,591	8,556	7,811	8,225	8,399
Solid waste	10,622	9,833	10,389	9,703	8,969	7,863	8,210	8,406	8,977	8,945
Operating contributions and grants	92	287	241	925	633	1,239	1,436	1,746	1,328	134
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	27,206	26,064	27,225	23,396	19,787	21,648	19,942	19,865	20,443	19,314
Total primary government	57,233	54,761	65,232	53,309	54,560	56,106	48,844	55,464	48,460	41,892
Net revenues (expenses):										
<i>Governmental activities</i>										
	(42,803)	(40,562)	(32,917)	(47,070)	(39,415)	(36,028)	(39,717)	(41,008)	(44,871)	(45,017)
<i>Business-type activities</i>										
	3,649	4,404	6,121	1,830	9,671	(3,302)	991	(5,503)	1,523	2,011
Total primary government	(39,154)	(36,158)	(26,796)	(45,240)	(29,744)	(39,330)	(38,726)	(46,511)	(43,348)	(43,006)
General revenues and other changes in net position										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	14,227 *	5,897	5,711	6,523	8,779	11,830	9,690	13,252	12,501	12,191
Sales taxes	10,378	9,132	8,504	8,583	7,900	7,663	7,460	8,651	10,379	10,010
Franchise taxes	3,377	3,415	3,231	2,918	2,189	1,891	1,914	1,718	2,036	1,778
Utility users tax	6,812	7,049	6,903	7,003	6,760	7,034	7,366	7,659	7,806	7,872
Motor vehicle in lieu tax, unrestricted	- *	7,776	7,416	7,153	7,076	7,285	7,253	7,410	8,786	8,403
Transit tax	2,858	2,786	2,673	2,466	2,332	2,150	2,035	2,314	2,544	2,560
Other taxes	3,506	2,974	2,786	2,276	2,349	2,307	2,257	2,356	2,734	2,776
Investment income	640	544	457	424	443	1,154	2,162	4,404	6,438	6,051
Other	-	1	3	1	45	4	136	16	444	801
Transfers	580	593	593	4	522	-	-	914	824	112
Extraordinary gain	-	-	-	-	33,672	-	-	-	-	-
Special item	16,689	-	-	-	-	-	-	-	-	-
Total governmental activities	59,067	40,167	38,277	37,351	72,067	41,318	40,273	48,694	54,492	52,554
<i>Business-type activities:</i>										
Investment income	348	223	154	103	186	935	584	818	1,924	2,115
Other	23	16	16	14	12	588	157	-	-	-
Transfers	(580)	(593)	(593)	(4)	(522)	-	-	(914)	(824)	(112)
Total business-type activities	(209)	(354)	(423)	113	(324)	1,523	741	(96)	1,100	2,003
Total primary government	58,858	39,813	37,854	37,464	71,743	42,841	41,014	48,598	55,592	54,557
Changes in net position										
<i>Governmental activities</i>										
	16,264	(395)	5,360	(9,719)	32,652	5,290	556	7,686	9,621	7,537
<i>Business-type activities</i>										
	3,440	4,050	5,698	1,943	9,347	(1,779)	1,732	(5,599)	2,623	4,014
Change in net position - total primary government	\$ 19,704	3,655	11,058	(7,776)	41,999	3,511	2,288	2,087	12,244	11,551

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

¹ The City implemented GASB 68 effective July 1, 2014.

* Beginning in 2016, "motor vehicle in lieu tax, unrestricted" revenue has been reclassified to property taxes.

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

	Fiscal Year Ending June 30,							Fiscal Year Ending June 30,			
	2016	2015	2014	2013	2012	2011 ⁵		2010	2009	2008	2007 ²
General fund:							General fund:				
Nonspendable	\$ 7,701	7,682	7,663	23	7,858	7,321	Reserved	\$ 7,410	8,286	8,970	9,640
Restricted	2,222	515	1,083	1,057	838	728	Unreserved, designated for	12,071	18,203	18,259	17,935
Committed	3,625	3,297	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>
Assigned	3,379	3,870	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>
Unassigned	<u>28,628</u>	<u>25,504</u>	<u>22,670</u>	<u>20,558</u>	<u>20,875</u>	<u>22,675</u>					
Total general fund	<u>45,555</u>	<u>40,868</u>	<u>38,831</u>	<u>28,191</u>	<u>34,874</u>	<u>36,473</u>					
Other governmental funds:							Other governmental funds:				
Nonspendable	122	142	163	165	-	-	Reserved	39,268	96,938	40,993 ⁴	43,305 ³
Restricted	54,687	45,096	44,753	42,454	44,750	80,315	Unreserved, designated for, reported in:				
Committed	-	-	-	-	-	-	Special revenue funds	617	541	303	215
Assigned	3,553	4,579	5,053	5,441	9,321	6,999	Debt service funds	-	-	28,345	18,493
Unassigned	-	-	-	-	-	(11,013)	Capital projects funds	-	-	-	-
Total other governmental funds	<u>58,362</u>	<u>49,817</u>	<u>49,969</u>	<u>48,060</u>	<u>54,071</u>	<u>76,301</u>	Unreserved, reported in:				
Total governmental funds	<u>\$ 103,917</u>	<u>\$ 90,685</u>	<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
							Debt service funds	14,325	(6,044)	(2,978)	(4,412)
							Capital projects funds	<u>5,180</u>	<u>2,246</u>	<u>2,773</u>	<u>2,877</u>
							Total other governmental funds	<u>73,626</u>	<u>83,051</u>	<u>77,286</u>	<u>63,284</u>
							Total governmental funds	<u>\$ 110,002</u>	<u>125,634</u>	<u>124,362</u>	<u>109,421</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, 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.

⁴ 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.

⁵ 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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes	\$ 39,536	38,040	36,050	36,049	36,408	41,344	42,081	37,264	38,161	36,163
Licenses and permits	3,006	2,549	2,410	1,963	1,997	1,978	3,182	2,777	1,938	3,037
Fines and forfeits	1,048	1,173	1,156	1,260	1,125	1,524	1,465	1,699	1,332	929
Use of money and property	1,355	1,177	1,046	1,143	1,209	1,902	2,745	5,210	6,760	5,442
Intergovernmental	4,882	5,750	6,038	6,967	8,482	7,413	8,708	15,933	19,302	13,081
Charges for services	17,286	14,832	16,620	14,988	15,554	15,591	17,470	22,015	14,277	13,589
Other	4,509	4,422	12,632	4,117	3,921	8,585	3,523	496	1,914	657
Total revenues	71,622	67,943	75,952	66,487	68,696	78,337	79,174	85,394	83,684	72,898
Expenditures:										
Current:										
General government	10,174	8,579	9,074	8,234	8,027	7,482	7,797	7,885	7,951	7,331
Public safety	32,533	31,972	31,030	30,457	29,669	28,398	28,977	30,942	27,773	26,778
Public works	5,525	6,592	7,847	9,983	8,336	7,223	5,643	6,639	7,976	5,762
Community development	5,256	1,460	1,892	10,525	8,700	5,450	5,932	6,472	7,379	5,440
Libraries	3,644	3,430	3,384	3,316	3,301	3,254	3,462	3,388	3,376	3,339
Local transit	2,580	3,037	3,162	3,562	2,956	4,528	2,567	2,442	4,526	3,148
Parks and recreation	9,327	9,036	9,007	8,632	8,918	8,384	8,626	9,663	10,493	11,038
Pass through agreements	-	-	-	-	695	2,203	4,644	1,736	2,220	778
Capital outlay	1,171	1,220	650	3,845	3,042	5,673	16,066	8,515	1,997	402
Debt service:										
Principal	4,170	350	335	320	1,856	2,364	8,469	1,571	1,463	1,447
Interest and fiscal charges	683	238	256	276	1,844	3,383	3,769	4,644	4,159	1,997
Bond issuance costs	-	-	-	-	-	-	-	-	293	269
Total expenditures	75,063	65,914	66,637	79,150	77,344	78,342	95,952	83,897	79,606	67,729
Excess of revenues over (under) expenditures	(3,441)	2,029	9,315	(12,663)	(8,648)	(5)	(16,778)	1,497	4,078	5,169
Other financing sources (uses):										
Issuance of debt	-	-	-	-	625	1,275	1,254	1,206	16,568	35,513
Transfers in	1,953	2,490	3,507	1,965	12,267	11,162	22,370	14,875	7,681	3,530
Transfers out	(1,969)	(2,635)	(1,939)	(1,996)	(12,892)	(11,201)	(22,478)	(16,307)	(7,595)	(4,803)
Payment to escrow agent	-	-	-	-	-	-	-	-	(5,790)	-
Premium (discount) from bond issuance	-	-	-	-	-	-	-	-	-	(815)
Total other financing sources (uses)	(16)	(145)	1,568	(31)	-	1,236	1,146	(226)	10,864	33,425
Special item:										
Proceeds from Successor Agency	16,689	-	-	-	-	-	-	-	-	-
Extraordinary item:										
Dissolution of Former Redevelopment Agency	0	-	-	-	(15,182)	-	-	-	-	-
Net change in fund balances	\$ 13,232	1,884	10,883	(12,694)	(23,830)	1,231	(15,632)	1,271	14,942	38,594
Debt service as a percentage of non-capital expenditures	6.53%	0.91%	0.90%	0.84%	5.23%	8.49%	15.80%	8.29%	8.81%	6.06%

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		
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%
2015	6,648,446	39,467	(346,308)	6,341,605	1,678,096	90,641	(129,892)	1,638,845	0.07314%
2016	6,984,126	43,550	(368,292)	6,659,384	1,771,408	84,906	(145,943)	1,710,371	0.07322%

NOTE:

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

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

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

Agency	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
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	0.00000	0.00000	0.00066
East Whittier City School District	0.03826	0.03878	0.03900	0.04024	0.03680	0.03638	0.03553	0.03320	0.02750	0.02612
El Monte Union High School District	0.00000	0.00000	0.00000	0.00000	0.00000	0	0.00000	0.00000	0.00000	0.05847
Fullerton Union High School District	0.01232	0.01338	0.01435	0.01579	0.01300	0.01820	0.01529	0.01431	0.01346	0.01540
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00005
Los Nietos School District 08 Series 2008A	0.08062	0.03041	0.02810	0.03351	0.03420	0.03213	0.02885	0.02680	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470
N Orange Co. Community College District	0.01609	0.01704	0.01704	0.01902	0.01742	0.01758	0.01649	0.01493	0.01502	0.01444
Rio Hondo Community College District	0.02712	0.02821	0.02892	0.02812	0.03418	0.03439	0.02714	0.02320	0.01369	0.01469
South Whittier School District	0.06306	0.06856	0.06403	0.06884	0.08556	0.06895	0.06169	0.05783	0.05588	0.06270
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	0.05757	0.05792	0.06110	0.03439	0.03354	0.03494	0.03443	0.03365	0.03582	0.04031
Whittier Union High School District	0.05063	0.05270	0.04473	0.04556	0.04317	0.04239	0.04224	0.03728	0.04359	0.08918
Total Direct & Overlapping² Tax Rates	1.51583	1.47716	1.46743	1.45563	1.46823	1.45532	1.43262	1.41216	1.37612	1.49338
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
Total Direct Rate⁵	0.07322	0.07314	0.07306	0.19204	0.19230	0.19485	0.20043	0.19172	0.18471	0.17279

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, 2016

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
BRE DDR BR WHITTWOOD CALIFORNIA LLC	16	\$ 130,454,182	1.56%
GMS FIVE LLC	11	60,935,190	0.73%
WHITTIER MARKETPLACE LP	1	42,674,959	0.51%
CLPF WHITTIER INDUSTRIAL LP	2	26,064,425	0.31%
WBCMT 2007 C31 OFFICE 15111	4	23,765,534	0.28%
ARBOR VENTURE LLC	3	20,074,376	0.24%
TAM STOCKTON LLC	1	19,217,827	0.23%
SUBURBAN WATER SYSTEMS	35	16,881,989	0.20%
TERRENO WHITTIER LLC	2	16,826,153	0.20%
WHITTIER CALMED INVESTMENT LP	3	<u>16,332,998</u>	<u>0.20%</u>
Total taxable assessed value of ten largest taxpayers	78	373,227,633	4.46%
Total taxable assessed value of other taxpayers		<u>7,996,527,339</u>	<u>95.54%</u>
Total taxable assessed value of all taxpayers		<u><u>\$ 8,369,754,972</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 Collections¹
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
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%
2015	5,631,333	5,354,839	95.09%	49,630	5,404,469	95.97%
2016	5,880,497	5,590,973	95.08%	4,065	5,595,038	95.15%

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

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

	<u>2015</u>	<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>
Apparel stores	\$ 44,973	42,794	42,161	39,231	37,877	46,243	43,482	41,185	45,000	45,188
General merchandise	92,330	90,684	91,907	88,138	92,990	81,361	81,833	97,052	106,691	99,090
Food stores	46,586	43,252	44,049	40,133	39,106	38,537	40,050	42,573	44,319	44,292
Eating and drinking places	158,687	143,021	137,994	134,314	124,056	114,815	114,913	119,050	119,646	111,803
Building	83,613	72,478	57,751	56,053	52,989	50,696	51,043	63,923	66,097	71,199
Auto dealers and supplies	84,468	69,179	66,753	55,660	51,668	52,081	71,611	115,123	186,529	210,077
Service stations	103,371	110,563	110,162	115,053	109,531	87,127	78,792	107,227	93,259	85,547
Other retail stores	116,421	114,587	116,626	110,045	111,528	109,975	105,457	115,070	123,385	123,699
All other outlets	193,361	184,682	171,684	166,840	176,072	157,346	166,488	184,900	233,479	220,932
Total	\$ 923,810	871,240	839,087	805,467	795,817	738,181	753,669	886,103	1,018,405	1,011,827

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 ¹³	Tax Allocation Loans ¹³	Tax Allocation Bonds ¹³	Capital Lease Payable	Loans ^{1, 13}	Total Governmental Activities ²
2007	\$4,230,511	6,565,000 ¹¹	47,735,000 ^{5, 8, 9}	-	9,972,409	68,502,931
2008	4,310,395	21,735,000 ¹¹	41,800,000 ¹⁰	-	10,486,245	78,331,661
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
2015	-	-	4,170,000	-	-	4,170,000
2016	-	-	-	-	-	-

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

⁷ The Whittier Utility Authority issued 2003 revenue bonds to refund the 1993 revenue bonds.

⁸ The Whittier Redevelopment issued \$7,730,000 of 2005 tax allocation bonds.

⁹ The Whittier Redevelopment issued \$34,355,000 of 2007 tax allocation bonds.

¹⁰ The Whittier Redevelopment 1998 tax allocation bonds were refunded.

¹¹ The Whittier Public Financing Authority issued \$15,425,000 of 2007 revenue bonds.

¹² The Whittier Utility Authority issued \$9,095,000 of 2009 revenue bonds.

¹³ Parts of the liabilities were transferred from governmental funds to fiduciary funds on February 1, 2012.

¹⁴ The Whittier Utility Authority issued 2012 revenue bonds to refund the 2003 revenue bonds.

¹⁵ The Public Financing Authority refunded 2002 Revenue Bonds in FY 2015-16.

<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>
9,875,000 ⁷	2,965,000	12,840,007	81,342,938	3.69%	940
9,670,000	2,660,000	12,330,000	90,661,661	3.97%	1,050
9,460,000	2,340,000	11,800,000	87,166,063	3.78%	1,010
18,335,000 ¹²	2,000,000	20,335,012	87,464,876	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 ¹⁴	865,000	19,757,285	24,612,285	1.03%	286
18,334,249	445,000	18,779,249	23,299,249	0.96%	269
17,756,227	-	17,756,227	21,926,227	0.91%	253
17,158,205	-	17,158,205	17,158,205	0.72%	194

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		
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
2015	-	4,170	4,170	0.05%	48
2016	-	-	- ³	0.00%	-

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

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

² 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.

³ The Whittier Public Financing Authority 2002 Revenue Bonds were refunded.

CITY OF WHITTIER
Direct and Overlapping Debt
June 30, 2016

City Assessed Valuation		\$ 6,659,384,105	
Redevelopment Agency Incremental Valuation		1,710,370,867	
Total 2015-2016 Assessed Valuation		<u>\$ 8,369,754,972</u>	
	Percentage Applicable to City	Outstanding Debt 6/30/16	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	0.704%	\$ 44,916,916	316,016
E Whittier City DS 2007 Ref Bonds	63.984%	3,860,000	2,469,769
Los Nietos SD DS 2008 Series B	9.579%	1,028,130	98,487
Los Nietos SD DS 2008 Series 11A QSCB	9.579%	3,135,000	300,308
Los Nietos SD DS 2008 Series 2011 C	9.579%	3,067,002	293,794
Los Nietos SD DS 2014 MS E 2015 Series A	9.579%	9,400,000	900,445
Los Nietos SD DS 2014 MS N 2015 Series A	9.579%	8,045,000	770,647
S Whittier SD DS 1998 Series A	0.469%	765,665	3,592
S Whittier Elementary DS 2004 Series A	0.469%	286,801	1,345
S Whittier Elementary SD 2011 Refunding	0.469%	14,250,000	66,843
Whittier City SD DS 2006 Ref Bonds	53.114%	7,685,000	4,081,784
Whittier City SD DS 2010 Ref Bonds	53.114%	3,715,000	1,973,172
Whittier City SD DS 2012 Ref Bonds	53.114%	11,135,000	5,914,205
Whittier City SD DS 2012 Series A	53.114%	18,215,000	9,674,652
Whittier City SD DS 2012 Series B	53.114%	18,000,000	9,560,458
Fullerton Unified HSD DS 2002 Series A, 2010 Refunding	25.348%	2,149,730	544,921
Fullerton Unified HSD 2013 Ref, 2014A	25.348%	5,297,525	1,342,835
Whittier Union HSD DS 2005 Refunding Bonds	36.258%	37,923,592	13,750,492
Whittier Union HSD DS 2008 Series 2014B	36.258%	99,015,000	35,901,265
N Orange Co CCD DS 2003B & 2014	24.740%	3,139,905	776,800
N Orange Co CCD DS 2002 Series 2005 Ref	24.740%	3,250,169	804,078
Rio Hondo CCD DS 2005 Refunding Bonds	23.231%	38,880,000	9,032,126
Rio Hondo CCD DS 2004 Series 2009	23.231%	120,082,824	27,896,171
Total overlapping debt		<u>\$ 457,243,259</u>	126,474,205
City direct debt			-
Total direct and overlapping debt			<u>126,474,205</u> ¹

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

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		Debt		Legal Debt Margin
			Assessed Valuation	Debt Limit Percentage	Debt Limit	Applicable to Limit	
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
2014-15	7,980,449,542	25%	1,995,112,386	15%	299,266,858	-	299,266,858
2015-16	8,369,754,972	25%	2,092,438,743	15%	313,865,811	-	313,865,811

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	
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
2015	11,870	7,402	4,468	540	802	1,342	3.33
2016	12,617	7,815	4,802	560	786	1,346	3.57

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	
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
2015	9,853	7,786	2,067	445	12	457	4.52
2016			-			-	-

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>
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%
2014	86,577	2,416,016	27,906	6.5%
2015	88,341	2,387,446	27,025	5.3%

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

Current Information is not available, neither for nine years prior.

Source: *InfoUSA.com*

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

Full-time and Part-time Employees by function										
As of June 30	General government	Public safety	Public works	Community development	Library	Transit	Parks and recreation	Water / sewer	Solid waste	Total
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
2015	50	179	41	18	80	5	209	30	29	641
2016	40	184	49	21	77	6	198	30	28	633

Source: *City of Whittier Controller's Office*

CITY OF WHITTIER
Operating Indicators
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Public Safety</i>										
Sworn employees-full time	120	119	121	120	117	116	124	126	135	128
Civilian employees-full time	44	51	48	50	50	49	48	50	75	68
Physical arrests	3,078	2,726	2,877	2,134	2,809	3,277	3,022	3,405	2,923	3,321
Parking tickets	15,554	18,650	15,709	17,867	18,364	18,265	15,494	11,504	13,635	11,263
Traffic citations	4,515	4,296	7,129	6,485	5,841	8,245	12,259	8,066	11,044	7,349
<i>Libraries</i>										
Total items	317,086	315,428	317,998	324,422	323,771	325,813	327,336	331,885	332,299	381,975
Volumes checked out	395,000	398,000	442,114	430,756	432,084	523,733	535,962	545,629	571,904	531,400
Library patrons	634,141	598,249	586,532	481,068	420,521	482,510	479,336	460,738	452,823	473,510
New library cards	6,542	5,760	6,678	6,928	5,121	6,624	7,054	7,785	7,291	6,864
<i>Public Transit System</i>										
Fixed route:										
Routes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Revenue service miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	148,373
Riders	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	166,078
Dial-A-Ride:										
Revenue service miles	197,146	188,970	192,595	196,557	199,273	191,067	185,589	179,739	176,830	167,881
Riders	73,128	73,199	76,373	78,865	79,466	75,521	69,818	63,931	54,648	53,870
<i>Parks & Recreation</i>										
Senior center patrons	106,900	106,500	105,000	104,000	102,783	99,235	92,656	78,648	129,506	100,860
Aquatics program participants	64,225	62,350	62,600	62,400	62,325	62,220	61,800	62,120	61,300	55,720
Tennis program participants	34,200	34,250	32,400	32,380	32,410	32,300	32,500	32,300	31,400	26,000
Youth program participants	174,255	171,345	171,000	170,889	211,552	214,477	226,594	200,558	209,960	209,850
Community center patrons	260,000	263,000	255,000	252,000	246,000	271,000	264,000	253,000	236,105	235,810
Parnell community & senior center patrons	163,240	144,380	147,000	146,004	149,635	141,711	93,870	88,587	80,576	74,563
York field patrons	128,000	126,000	123,000	121,500	118,000	116,000	113,000	110,000	103,000	45,360
<i>Water Utility</i>										
Avg daily water consumption	5,665,625	6,498,763	6,890,578	6,735,437	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Maximum plant capacity per day	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000
<i>Sanitary Landfill</i>										
Permitted limit tons per day	350	350	350	350	350	350	350	350	350	350
<i>Sewer System</i>										
Single-family sewer service	18,265	18,265	18,265	18,265	18,442	18,442	18,442	18,442	18,442	18,442
Multi-residential sewer service	2,134	2,134	2,134	2,134	2,024	2,024	2,024	2,024	2,024	2,024
Commercial sewer service	1,066	1,066	1,006	1,066	1,675	1,675	1,675	1,675	1,675	1,675

Source: City of Whittier Departments

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Public Safety</i>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	31	31	31	30	29	32	32	32	32	32
Number of canine units	1	1	1	1	1	1	1	2	2	2
Number of motorcycle units	7	7	6	5	6	6	6	5	5	5
<i>Public Works:</i>										
Miles of streets	212	212	212	212	212	212	212	212	212	212
Traffic signals	104	104	104	104	103	99	99	99	99	99
Number of street lamps	3,439	3,438	3,438	3,438	3,435	3,262	3,262	3,262	3,262	3,262
<i>Libraries</i>										
Number of libraries	2	2	2	2	2	2	2	2	2	2
<i>Public Transit System</i>										
Number of fixed route vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Number of dial-a-ride vehicles	16	15	17	17	17	13	12	11	9	7
<i>Parks & Recreation:</i>										
Number of parks	20	20	20	20	20	20	20	20	20	20
Acres of parks	411	411	411	411	411	411	411	411	411	411
Acres of designated open space	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	13	13	13	13	13	13	13	13	13	13
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1	1	1
<i>Water Utility</i>										
Miles of mains	143	143	143	137	137	137	137	137	137	137
Number of hydrants	910	910	910	910	910	910	910	910	910	910
<i>Sanitary Landfill</i>										
Acres of landfill permitted	132	132	132	132	132	132	132	132	132	132
<i>Sewer System</i>										
Miles of sanitary sewer lines	211	211	211	214	214	214	214	214	214	214

Source: City of Whittier Departments

City of Whittier, California
2015-16 Comprehensive Annual Financial Report
13230 E. Penn Street, Whittier, California 90602-1772 (562) 567-9999