

**City of Whittier,  
California**  
Comprehensive Annual  
Financial Report  
Year Ended June 30, 2017



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

**Fiscal Year Ended June 30, 2017**



**City Council**

**Joe Vinatieri**  
*Mayor*

**Cathy Warner**  
*Mayor Pro Tem*

*Council Members*  
**Josué Alvarado**  
**Fernando Dutra**  
**Bob L. Henderson**

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

*Prepared by*  
**Administrative Services Department**  
**Rod C. Hill**  
*Administrative Services Director*



**CITY OF WHITTIER, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

**I. INTRODUCTORY SECTION**

Table of Contents .....i  
 Letter of Transmittal .....v  
 Organization Chart .....xiv  
 Principal Officers .....xv  
 GFOA Certificate of Achievement for Excellence in Financial Reporting .....xvi

**II. FINANCIAL SECTION**

A. Independent Auditors’ Report ..... 1  
 B. Management’s Discussion and Analysis ..... 4  
 C. Basic Financial Statements:

Government-wide Financial Statements:  
 Statement of Net Position..... 18  
 Statement of Activities ..... 19

Fund Financial Statements:  
 Governmental Funds:  
 Balance Sheet..... 21  
 Reconciliation of the Balance Sheet to the Statement of  
 Net Position..... 23  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balances ..... 24  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances to the Statement of Activities ..... 26  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance – Budget and Actual – General Fund..... 27  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance – Budget and Actual – Transit  
 Special Revenue Fund..... 29  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance – Budget and Actual – Subvention and Grants  
 Special Revenue Fund..... 30  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance – Budget and Actual – HOME Grant  
 Special Revenue Fund..... 31  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance – Budget and Actual – Housing Authority  
 Special Revenue Fund..... 32

Proprietary Funds:  
 Statement of Net Position ..... 33  
 Statement of Revenues, Expenses, and Changes in Fund Net Position ..... 34  
 Statement of Cash Flows ..... 35

**CITY OF WHITTIER, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

II. FINANCIAL SECTION, (Continued)

Fiduciary Funds:

Statement of Fiduciary Net Position ..... 37

Statement of Changes in Fiduciary Net Position ..... 38

Notes to the Basic Financial Statements ..... 39

REQUIRED SUPPLEMENTARY INFORMATION

D. Schedule of Funding Progress ..... 91

Schedule of Changes in the Net Pension Liability and Related Ratios for:

Safety Plan ..... 92

Miscellaneous Plan ..... 93

Schedule of Contributions ..... 94

SUPPLEMENTARY INFORMATION

E. Major Capital Projects Fund..... 95

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

Capital Projects Fund ..... 96

F. Non-major Governmental Funds ..... 97

Combining Balance Sheet ..... 99

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances ..... 103

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

Street Lighting District 1-91 Special Revenue Fund ..... 107

Asset Seizure Forfeiture Special Revenue Fund..... 108

SB 358 Library Grant Special Revenue Fund..... 109

State COPS Grant Special Revenue Fund..... 110

Air Quality Improvement Special Revenue Fund..... 111

Business Improvement Area Special Revenue Fund ..... 112

Earthquake Relief Special Revenue Fund..... 113

State Gas Tax Special Revenue Fund ..... 114

Traffic Safety Special Revenue Fund ..... 115

Traffic Congestion Special Revenue Fund ..... 116

HUD Grants Special Revenue Fund ..... 117

Whittier Uptown Parking District No. 1 Special Revenue Fund ..... 118

Whittier Uptown Parking District No. 2 Special Revenue Fund ..... 119

Prop 1B Special Revenue Fund ..... 120

Measure R Special Revenue Fund ..... 121

**CITY OF WHITTIER, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

II. FINANCIAL SECTION, (Continued)

SUPPLEMENTARY INFORMATION, (CONTINUED)

G. Internal Service Funds .....	122
Combining Statement of Net Position .....	123
Combining Statement of Revenues, Expenses and Changes in Net Position.....	124
Combining Statement of Cash Flows .....	125
H. Agency Funds .....	126
Combining Statement of Assets and Liabilities .....	127
Combining Statement of Changes in Assets and Liabilities.....	128

III. STATISTICAL SECTION

FINANCIAL TRENDS

Net Position by Component – Last Ten Fiscal Years.....	131
Changes in Net Position – Last Ten Fiscal Years .....	132
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	133
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	134

REVENUE CAPACITY

Assessed Value and Estimated Actual of Taxable Property – Last Ten Fiscal Years .....	135
Direct and Overlapping Property Tax Rates .....	136
Ten Principal Property Taxpayers .....	137
Property Tax Levies and Collections .....	138

DEBT CAPACITY

Taxable Sales by Category – Last Ten Calendar Years .....	139
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	140
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	142
Direct and Overlapping Debt.....	143
Legal Debt Margin – Last Ten Fiscal Years .....	144
Pledged-Revenue Coverage – Water Revenue Bonds – Last Ten Fiscal Years .....	145
Pledged-Revenue Coverage – Solid Waste Revenue Bonds – Last Ten Fiscal Years .....	146

DEMOGRAPHIC and ECONOMIC INFORMATION

Demographic and Economic Statistics – Last Ten Fiscal Years .....	147
Demographic and Economic Statistics – 2012 Ten Largest Employers .....	148

**CITY OF WHITTIER, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

OPERATING INFORMATION

Full-time and Part-time City Employees by Function – Last Ten Fiscal Years .....	149
Operating Indicators by Function – Last Ten Fiscal Years .....	150
Capital Asset Statistics by Function – Last Ten Fiscal Years .....	151



# *City of Whittier*

---

## *Introductory Section*



# City of Whittier

13230 Penn Street, Whittier, California 90602-1716  
(562) 567-9810 Fax (562) 567-2873 [www.cityofwhittier.org](http://www.cityofwhittier.org)

December 20, 2017

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, 2017. 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 87,708. 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, the 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 have 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, parks, 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 franchise 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 \$460,000 in 2016, a 5% increase as compared to July 2015. However, home sales were down .2% at levels essentially consistent with 2015 sales volume. Increasing property values have had a positive impact on the General Fund, accounting for \$481,298 of additional 2017-18 estimated 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 2017, the City's unemployment rate was 3.6%, with 4.6% 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 2017 increased as compared to the 2nd quarter of 2016 by 9.3%. Sales receipts for Los Angeles County increased by 3.5% over the comparable time period, while the State increased 4.1%.

### **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 expenditures 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.

In 2016-17, CalPERS rates increased from 24.652% to 26.43% and from 50.476% to 54.679% for Miscellaneous and Safety employees respectively.

### **Major Initiatives**

*For the Year.* In carrying out the 2016-17 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 an Inter-Agency Agreement, now in its nineteenth year. And, the Authority continued reimbursing the City 100% of the direct costs incurred on their behalf.

The City Manager follows the direction of the City Council to implement City policies and programs outlined in the budget and other City Council actions. Priority efforts for this fiscal year included working with the State and Brookfield Homes regarding 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; administering the first two City Council districts, directly elected mayoral position, and two remaining at-large City Council districts; overseeing capital projects using \$25.9M in bond funds, including plans for an Uptown parking structure and streetscape beautification; overseeing design of the Whittier Greenway Trail eastern extension; soliciting regional, State and Federal funding for local and regional projects; and representing the City's position on State and Federal legislation.

The Police Department in conjunction with the Los Angeles County Department of Mental Health (DMH) developed and implemented a program partnering a police officer with a DMH clinician to answer calls for service involving the mentally ill. Both the officer and clinician operate from the police station, and proactively address issues in the community. The Department partnered with other Los Angeles County law enforcement agencies to successfully obtain funding from the State Homeland Security Grant Program (SHSGP) to new handheld police radios.

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 over 13,000 individuals at its public counter and received over 1,200 development review requests. Among some of the most significant requests received and processed were: 1) the review and approval of the implementation plan for the construction of 750 residential units and 158,000 square feet of commercial retail space within the Lincoln Specific Plan; 2) a 32-unit townhome development on Workman Mill Road; 3) an 11-unit townhome project at the corner of Comstock Avenue and Penn Street; and, 4) a new U.S. Bank building located at the corner of Whittier Boulevard and Central Street. With respect to historic resource management, the Planning Division processed two new Mills Act contracts and designated two new local historic landmarks that are located on Whittier Boulevard and Comstock Avenue. The Division also processed 14 Certificates of Appropriateness applications.

The Business Development and Housing Division of the Community Development Department continued to handle the Dissolution of the Whittier Redevelopment Agency and the 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. 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 programs for the Whittier community. The Uptown and Parnell Park Senior Centers continued to offer dances, seminars, and excursions, while Therapeutic Recreation continued its programming for those with disabilities, including its participation in the Special Olympics program. Other special events included the summer concerts and movies in the parks, Spooktacular 5K, Hollywood Bowl Community Concerts, car show, health fair, Easter Eggtravaganza, and Abilities Awareness Faire. The Students in Government program continued with La Serna School students. A new homeless assistance website was developed and the new Greenway Trail Oak Station parking lot was opened. The annual Photography Contest was hosted by the Cultural Arts Commission as well as the Summer Emerging Arts Program. The Transit Division successfully applied for a Federal grant to fund four replacement Dial-A-Ride vehicles. The department completed its third KABOOM project at Guiardo Park, replacing the much needed playground equipment. The Palm Park Activity Center also received new paint, window treatments, and kitchen.

The Public Works Department's Engineering Division recently replaced its existing and outdated Pavement Management System with a new program utilizing updated GIS-integrated software. The Division also completed the Comstock Avenue widening project with Redevelopment Bond funds. The Beverly Boulevard traffic safety and lighting improvements project was completed using Highway Safety Improvement funds and local funds. The College Hills ramp project was completed and included new access ramps and sidewalk repairs. The City continued pavement striping through the use of thermoplastic, curb painting, and various street legends around schools and major commercial centers.

The Water Division completed installation of the Comstock Avenue Water main replacement, Beverly Boulevard Water main replacement, Southwind Drive water main replacement, and the Palm Avenue and Scenic Drive Infrastructure replacement projects.

The Sewer Division completed the Painter Avenue alley sewer main replacement project. This project also included 500 linear feet of trenchless pipeline replacement in hard-to-access areas. The Union Avenue project was awarded to re-route and upsize the sewer main. The City's sewer contractor completed 92 repairs as a part of the Sewer Main Spot Repair Project.

The Library was awarded a grant from the State Library to purchase a mobile library pop-up that offers library and city information and programs to the community. Library staff took the pop-up to local elementary schools and offered library card registration, books for checkout, and other programs. In addition virtual library services and city information materials were offered at community venues. Central and Whittwood Branch libraries circulated over 354,000 items. A total of 3,200 children and 160 young adults and adults participated in the Summer Reading Program. Attendance at children's programs totaled 43,000 and the 95 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, expand services at its Veterans' Resource Center, augment its local history collection, as well as enhance operations and resources through grants and partnerships with community organizations.

The City Clerk administered programs 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 City Council meetings. The Records Management Division worked on a number of projects including a new document imaging system. The unit handled over 246 Public Records Request. Major GIS projects included the Accela Permit and Asset Management System implementation, custom applications for Public Works, and maps for the Greenway Trail East extension, Community Benefit District, and Preferential Parking Districts. The City Clerk began process of transitioning its agenda management software to include agenda templates, agenda report writing, and updating the video for Council meetings.

The Controller's Office (Controller's) continued to manage many of the City's administrative functions, including accounting & budget, human resources, along with risk and emergency management. Controller's collaborated with City departments on a number of key issues, including various budget and personnel initiatives. In addition, Controller's continued to oversee 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.

The Treasury Division administered programs safeguarding the agency's funds. The Treasury Division retained the services of a fiscal investment expert to improve investment yields and generate additional revenue. The Business License Division processed over 7,200 licenses.

***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 City Council approved significant and necessary funding for the Police Department to upgrade its voice radio system in the coming year. New equipment will be purchased in order for the Police Department to be able to join the Interagency Communications Interoperability radio network through the City of Montebello. The new voice radio system will provide Whittier with an all-digital encrypted radio system, allowing the Police Department to communicate via radio with other agencies throughout Los Angeles County in the event of regional emergencies.

The Parks, Recreation and Community Services Department will continue the installation of landscaping and cable fencing along the Greenway Trail's East Extension. Other upcoming projects include replacement of the Palm Park pool deck, new fencing at Joe Miller Field, Transit Depot improvements, new flooring at the Uptown Senior Center, drought tolerant landscaping along Whittier Boulevard, resurfacing of the tennis and basketball courts, new flooring in the Community Center, new playground equipment at Lee Owens Park and installation of new plant material along the Greenway Trail.

The Public Works Department's Engineering Division will use the updated Pavement Management System to guide future 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 needs and to track pavement condition. Through the use of this program, the Division will program roads for repair over the next five years using the newly

instituted SB-1 funds to complete surface treatment repairs. Future recommendations will be implemented through use of Traffic Congestion Relief, Gas Tax, Measure R, and other grant funds to rehabilitate portions of Mar Vista Street, Youngwood Drive, and Santa Gertrudes Avenue. 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. Continuing with the annual ramp and sidewalk improvement program, new sidewalks and ramps will be constructed at various locations throughout town. Several surface parking lots in the Uptown Business District will be rehabilitated using Parking District funding. These improvements will include new landscaping and lighting, and will address pavement deterioration and Access requirements. Four in-roadway lighted crosswalks will be constructed using Gas Tax B funds on Colima Road, Janine Drive, Norwalk Boulevard, and Beverly Boulevard. 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 the 5 Points intersection adjacent to the Greenway Trail. 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.

The Public Works Department's Water Division will continue to design and construct main replacement projects in fiscal year 2017-18, including the Friends Avenue and Washington Avenue Water Main Replacement, Bright Avenue Water Main Replacement, Canyon Crest Water Main Replacement, Hoover Avenue and Norwalk Boulevard Water Main Replacement, and the High Pressure Water Main Replacement Phase 1 projects. Construction will be phased appropriately to ensure the Palm Avenue and Beverly Boulevard projects do not overlap. The Water Division also began developing a program to replace water meters, with a goal to upgrade all meters in the City over the next fifteen years. The Water Master Plan will also identify capacity issues within existing water mains and guide replacement of all 4-inch water mains with service connections in the coming years. The Water Division will also contract out meter reading services as a part of its discontinuing the use of automated meters. Analysis showed that installing standard read meters and contracting out the meter reading service realized a significant savings over automated systems. This service will allow water crews to be fully staffed at all times to improve efficiency and effectiveness of system maintenance.

The Water Division continues conversations with the California Department of Toxic Substance Control (DTSC) regarding the operations of the Whittier Narrows Operable Unit (WNOU) in the Main San Gabriel Groundwater Basin. Discussions include the disposition of the Central Basin Municipal Water District owned Water Quality Protection Plan treatment facility (WQPP) and its two wells. Whittier's most important priority continues to be ensuring safe, quality drinking water for the customers we serve.

Sewer projects include Beverly Boulevard, the sewer north of Hadley Street in the alley and the sewer mains north of this collector, Franklin Street, Bacon Road and the alley north of Whittier Boulevard near Palm Avenue. The Hadley Street project includes approximately three miles of sewer and will be designed in fiscal year 2017-18 and built in mid-2018. The City's contractor will continue with Sewer Main Spot Repairs. The Sewer Master Plan is anticipated to be delivered by early 2018 and will identify high priority projects.



The Fleet Division will replace 11 vehicles this year, including a Compactor at the Landfill and K9 Police vehicles in addition to fleet improvements at the City Yard facility.

The Solid Waste Division will complete the installation of two new de-silting basins to assist with storm water quality and run-off at Savage Canyon Landfill. These basins will be primarily constructed by City crews. In 2018, the City will also begin construction of the Phase 3 Liner Project, which will shift operations to the east side of the landfill property. New long-term Solid Waste Collection and Recycling Franchise Agreements were negotiated and took effect November 1, 2017. The franchise agreements will provide an increased revenue to the General Fund, along with providing numerous service enhancements to residents and a porter to improve the cleanliness of the Uptown area.

### **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 ensures 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, 2016. This was the twenty-eighth 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.

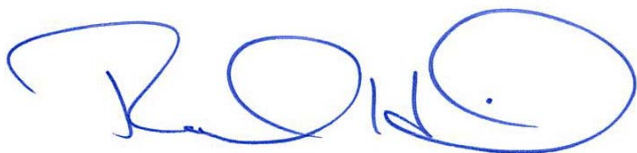
A Certificate of Achievement is valid for a period of one year only. Staff believes that the City's current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

## **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 Administrative Services Department and with a special thanks to Monica Lo, Assistant Director of Administrative Services, for her dedication and commitment to the preparation of this document. I wish to express my appreciation to all City staff who have assisted 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 and active participation in the City's financial planning and operational oversight.

Respectfully submitted,

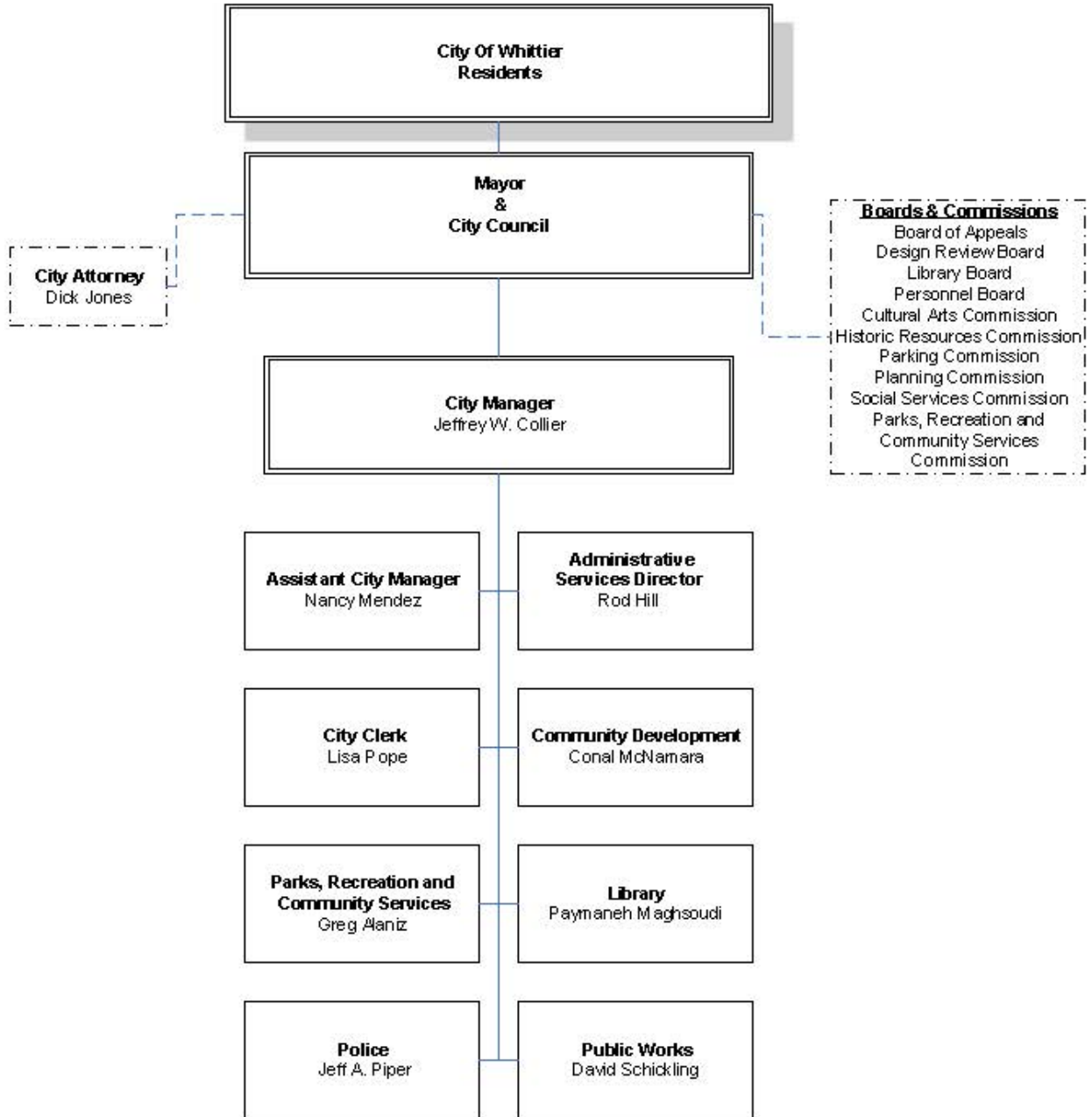


Rod C. Hill  
Director of Administrative Services



# City of Whittier

## Organization Chart



**CITY OF WHITTIER**

---

***Principal Officers  
June 30, 2017***

---

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

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

**Jeff Piper**  
*Chief of Police*

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

**Lisa Pope**  
*City Clerk*

**Rod C. Hill**  
*Administrative Services 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, 2016**

Executive Director/CEO

# *City of Whittier*

---

## *Financial Section*



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

## 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, 2017, 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, 2017, 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.

## *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 17 and 91 through 94 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 15, 2017, 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 15, 2017

*This page left blank intentionally.*

**CITY OF WHITTIER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017**

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, 2017. 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 2016-17 fiscal year by \$204.8 million (net position). Of this amount, \$143.2 million is net investment in capital assets; \$11.6 million is restricted for public works; \$49.4 million is restricted for community development; \$7.2 million is restricted for various projects, which resulted in a negative \$6.6 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 \$0.7 million or 0.32% from the prior fiscal year. Total revenues from all sources were \$96.1 million; and total expenses were \$95.4 million. Of the total revenues, program revenues were \$54.5 million. Program revenues are broken into three categories: Charges for services at \$45.4 million, operating contributions and grants at \$8.1 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 \$102.3 million, a decrease of \$1.6 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$29.1 million, or 49.3% 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 \$0.8 million and actual outflows (expenditures and other financing uses) were \$3.0 million less than budget. This results in the total positive budget and actual variance of \$3.8 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 \$204.8 million at the close of the most recent fiscal year. The largest portion of the City's net position (69.9%) 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$155,055	149,021	46,453	44,229	201,508	193,250
Capital assets	100,582	103,579	58,429	55,197	159,011	158,776
Total assets	255,637	252,600	104,882	99,426	360,519	352,026
Deferred outflows of resources	18,847	6,954	1,931	888	20,778	7,842
Noncurrent liabilities	122,680	106,222	37,816	36,424	160,496	142,646
Other liabilities	8,037	4,842	3,372	1,839	11,409	6,681
Total liabilities	130,717	111,064	41,188	38,263	171,905	149,327
Deferred inflows of resources	4,229	5,732	349	652	4,578	6,384
Net position:						
Net investment in capital assets	100,582	103,579	42,623	38,711	143,205	142,290
Restricted	68,206	67,479	40	35	68,246	67,514
Unrestricted	(29,250)	(28,300)	22,613	22,653	(6,637)	(5,647)
Total net position	\$139,538	142,758	65,276	61,399	204,814	204,157

A portion of the City's net position (33.3%) 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 \$6.6 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 \$3.0 million in the governmental activities as a result of net capital assets addition of \$3.8 million and depreciation of \$6.8 million during fiscal year 2016-17. The main capital projects during the fiscal year were the replacement of mobile equipment of \$913,291, bus shelter improvements of \$174,520, work in progress for the uptown parking structure of \$205,556, council chamber audio visual equipment of \$211,642, Greenway Trail easement of \$1.1 million, and energy efficiency projects of \$1.0 million. Capital assets had a net increase of \$3.2 million in the business type activities mainly as a result of the water main replacement at various street locations.

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 long-term liabilities of \$122.7 million, of which \$106.6 million is net pension liability. There is an increase of \$833,739 in noncurrent liabilities other than net pension liability in the City's governmental activities from the previous fiscal year. The increase was the result from a combination of net increases in compensated absences of \$81,505, claims payable of \$434,873, and net OPEB liability of \$317,361. There was a net increase in long term debt for the current fiscal year of \$1.4 million in the business-type activities due to \$508,502 increase in accumulated landfill closure and post-closure liability, net increase of \$105,509 in compensated absences and OPEB liability, \$618,022 in revenue bond repayments and amortization, and a net increase of \$1.4 million in net pension liability.

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

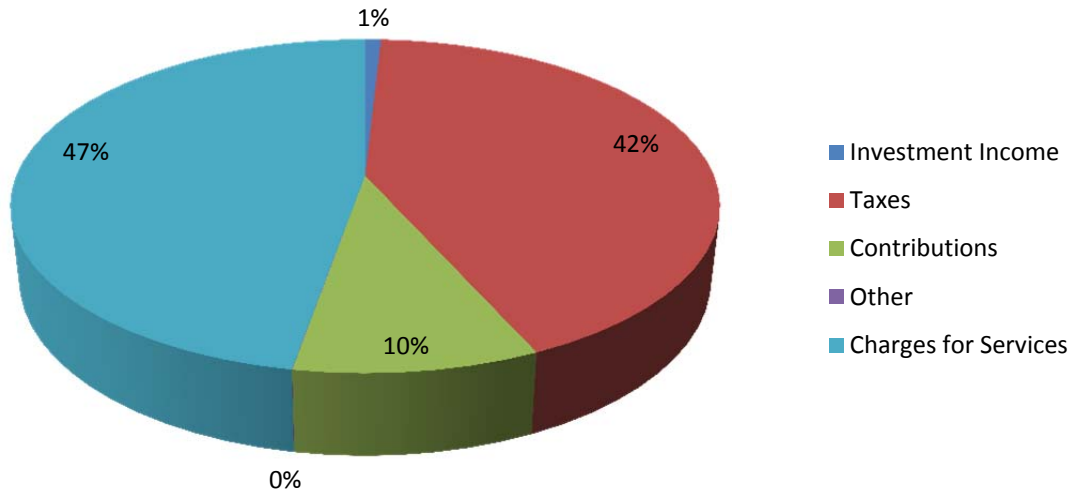
**Table 2**  
**Changes in Net Position**  
**(in Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$23,465	22,881	21,944	27,114	45,409	49,995
Operating contributions and grants	7,865	6,126	239	92	8,104	6,218
Capital contributions and grants	990	1,020	-	-	990	1,020
General revenues:						
Taxes:						
Property taxes*	15,293	14,227	-	-	15,293	14,227
Transient occupancy taxes	831	890	-	-	831	890
Sales taxes	9,737	10,378	-	-	9,737	10,378
Franchise taxes	2,829	3,377	-	-	2,829	3,377
Business licenses and tax	2,396	2,616	-	-	2,396	2,616
Utility users tax	6,801	6,812	-	-	6,801	6,812
Transit tax	2,903	2,858	-	-	2,903	2,858
Investment income	225	640	593	348	818	988
Other	1	-	14	23	15	23
Total revenues	<u>73,336</u>	<u>71,825</u>	<u>22,790</u>	<u>27,577</u>	<u>96,126</u>	<u>99,402</u>
Program expenses:						
General government	8,802	10,203	-	-	8,802	10,203
Public safety	35,449	31,785	-	-	35,449	31,785
Libraries	3,794	3,647	-	-	3,794	3,647
Parks and recreation	11,416	9,357	-	-	11,416	9,357
Public works	12,808	11,465	-	-	12,808	11,465
Transit	2,777	2,604	-	-	2,777	2,604
Community development	1,405	3,125	-	-	1,405	3,125
Sewer	-	-	2,461	2,227	2,461	2,227
Water	-	-	11,084	11,480	11,084	11,480
Solid waste	-	-	5,473	9,850	5,473	9,850
Interest on long-term debt	-	644	-	-	-	644
Total expenses	<u>76,451</u>	<u>72,830</u>	<u>19,018</u>	<u>23,557</u>	<u>95,469</u>	<u>96,387</u>
Excess (deficiency) before transfers and special item	<u>(3,115)</u>	<u>(1,005)</u>	<u>3,772</u>	<u>4,020</u>	<u>657</u>	<u>3,015</u>
Transfers	(105)	580	105	(580)	-	-
Special item	-	16,689	-	-	-	16,689
Change in net position	<u>(3,220)</u>	<u>16,264</u>	<u>3,877</u>	<u>3,440</u>	<u>657</u>	<u>19,704</u>
Net position, beginning of year	142,758	126,494	61,399	57,959	204,157	184,453
Net position, end of year	<u>\$139,538</u>	<u>142,758</u>	<u>65,276</u>	<u>61,399</u>	<u>204,814</u>	<u>204,157</u>

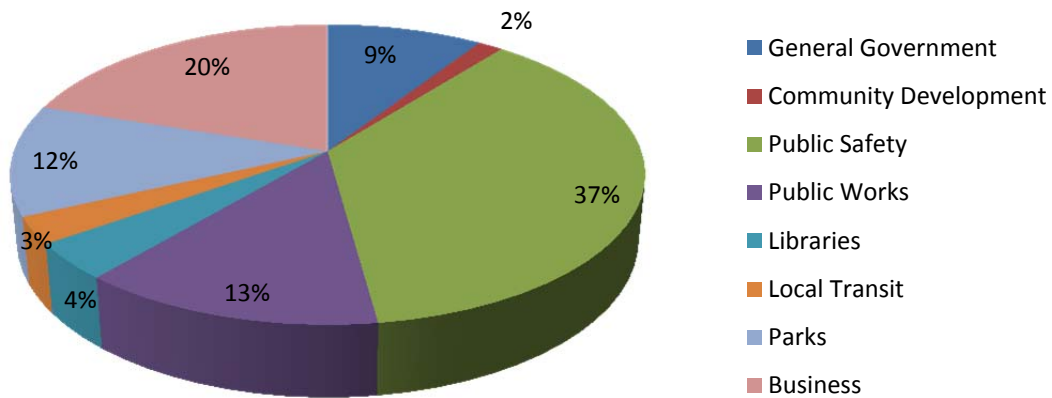
\*Beginning in 2016, "motor vehicle in lieu, unrestricted" revenue has been reclassified to property taxes.



## FY 2016-17 Total Revenues By Sources



## FY 2016-17 Total Expenses



The City's total revenues for the fiscal year ended June 30, 2017 were \$96.1 million. Of the City's total revenues, \$45.4 million (47%) were derived from fees charged for services, and \$40.8 million (42%) were received in taxes.

The City's total expenses were \$95.5 million; comprising \$35.4 million (37%) for public safety mainly resulting from employee services costs, \$19.0 million (20%) for business-type activities, and \$12.8 million (13%) for public works mainly from street improvement projects.

## Governmental Activities

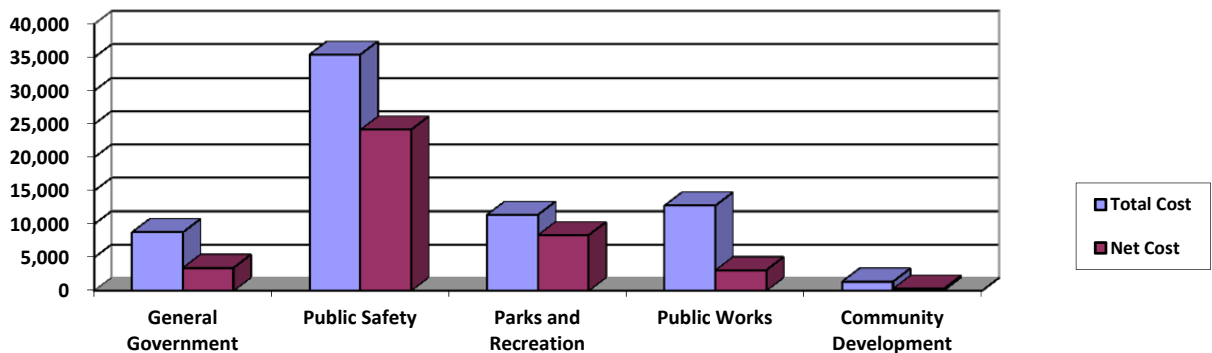
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General government	\$8,802	10,203	3,479	6,937
Public safety	35,449	31,785	24,176	20,475
Parks and recreation	11,416	9,357	8,374	4,384
Public works	12,808	11,465	3,120	4,357
Community development	1,405	3,125	335	1,875
Total	\$69,880	65,935	39,484	38,028

- 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 public safety cost of services in the current fiscal year was due to increasing in employee service costs.

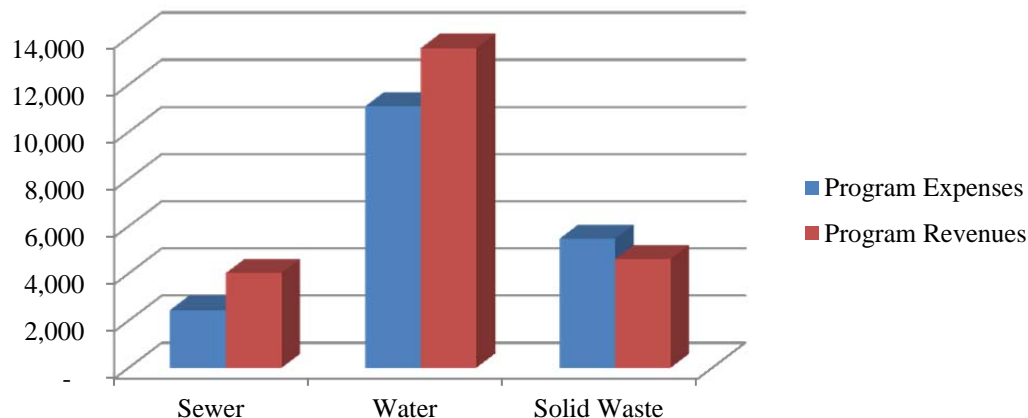
**Net Cost of Services**  
**(in Thousands)**



## Business-type Activities

Business-type activities had the net increase of \$3.9 million in City’s net position, resulting from the revenues of \$22.9 million and expenses of \$19.0 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 \$102.3 million, a decrease of \$1.6 million in comparison with the prior year. \$38.1 million of this total amount constitutes *unrestricted fund balances*. \$3.8 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 \$3.0 million. \$7.1 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. \$27.2 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):

<b>Fund Balance:</b>	<u>2017</u>	<u>2016</u>	Increase <u>(Decrease)</u>
General Fund	\$47,031	45,555	1,476
Transit Fund	5,159	4,511	648
Subventions and Grants	(1,829)	288	(2,117)
HOME Fund	2,404	2,422	(18)
Housing Authority Fund	16,767	16,787	(20)
Capital Projects Fund	19,002	20,212	(1,210)
Total Fund Balance	\$88,534	89,775	(1,241)

The General Fund is the chief operating fund of the City. The fund balance of the General Fund increased by \$1,475,742 during the current fiscal year. Key factors for this change are as follows:

- A decrease of \$207,197 in taxes revenue compared to the prior fiscal year, which was due to \$412,067 increase in property taxes, \$650,431 decrease in sales tax, and \$31,167 increase in other taxes.
- A decrease of \$306,112 in licenses and permits revenue as compared to the prior fiscal year, and was mainly from reducing in building, plumbing, electrical and related permits.
- An increase of \$1,876,132 in charges for services as compared to the prior fiscal year was mainly due to water right \$839,748 and increase in Police Department charges.
- A decrease of \$230,785 in Art in Public Places revenue committed to arts in public places as a result of development within the City.
- A decrease in local grant funds of \$221,286 were received as compared to the prior year for various Park projects within the City.
- A decrease in attorney costs of \$817,226 as compared to the prior year was due to reducing in litigation.

The transit special revenue fund had a total fund balance of \$5.2 million, an increase of \$648,651 primarily due to decrease in expenditures of \$272,739 compared to the prior fiscal year and increase in revenues and transfers in.

The subventions and grants fund had a negative fund balance of \$1.8 million, a decrease of \$2.1 million in fund balance primarily due to unreimbursed grants of current fiscal year expenditures.

The HOME fund had a total fund balance of \$2.4 million, which represented a decrease of \$18,352 during the current fiscal year due to unreimbursed administrative costs 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 \$20,615 compared to the prior fiscal year. Of the total decrease, \$37,459 was related to a housing project and \$50,000 was for social services expenditures.

The capital projects fund had a total fund balance of \$19.0 million, a decrease of \$1.2 million during the fiscal year. The decrease was mostly due to capital and development projects in the fiscal year.

***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 \$22.6 million with an increase of \$3.9 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, 2017, unrestricted net position of the internal service funds was \$18.6 million, with a total increase in net position of \$582,798 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 \$59,278,592 to the final budgeted amount of \$62,489,389 shows a net increase of \$3,210,797 or 5.4%.

The increase in appropriation of \$3,210,796 can be briefly summarized as follows:

- An increase of \$1,864,259 to general government expenditures for Elections, City Controller, Non-Departmental, City Planning, and Public Information Services for unspent appropriations from prior years related to capital projects and general plan implementation.
- A slight increase of \$15,000 to the Police Department for an additional police K-9 unit.
- An increase of \$390,125 to the libraries related to grants from the Library Foundation, Friends of the Library, Assistance League and other sources to fund library operations.
- An increase of \$896,938 was allocated to the Parks, Recreation and Community Services Department for: Joe Miller Field project (\$20,431); Laurel Park Restroom project (\$300,000); Therapeutic Recreation program (\$75,000); Open Street Event (\$119,000); Michigan Fitness project (\$31,500); and Greenway Trail Extension (\$300,000).
- An increase of \$44,474 was allocated to Public Works department. Of the total increase, \$34,736 was specifically allocated for the clean up of the Greenway Trail.

### Variance with the Final Budget

General Fund actual revenues were more than final budget by \$770,952 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was a net \$350,429 positive variance with the final budget in total tax revenues. The key factors were positive variance in property tax revenues of \$800,351 and a negative variance in sales tax revenue of \$327,543.

- Licenses and permits: The \$136,697 positive variance in actual vs. final budget was related to increased business licenses and various permit revenues due increased enforcements within the City.
- Fines and forfeits: The \$107,366 negative variance in actual vs. final budgeted revenue was related to decreases in court and parking fines.
- Charges for services: The \$1,286,674 positive variance in actual vs. final budget was due to \$541,040 positive variance of Police Department charges for services, mainly from Santa Fe Springs police overtime charges. There was an unanticipated lease opportunity of water rights in the amount of \$839,748 in the current year.
- Use of money and property: The net \$90,260 negative variance in actual vs. final budget was significantly due to the anticipated mineral lease revenue of \$89,600 that was not received as budgeted.
- Intergovernmental: The \$755,419 negative variance in actual vs. final budget was due to unreimbursed grants in the current year.

General Fund expenditures were \$3,116,155 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 2017, the City had \$159 million (net of accumulated depreciation of \$153.8 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 increase (including additions and deductions) of \$234,342, or 0.1%, over last year. The main capital asset additions are related to sewer lines replacement of \$1.5 million, water main replacement at various street locations of \$3.0 million, Back Canyon improvement phase III of \$431,729 and \$519,855 of new mobile equipment purchased during the fiscal year. The total depreciation for the year was \$8.8 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and trees	\$27,774	27,681	2,827	2,827	30,601	30,508
Rights of way	5,326	5,326	-	-	5,326	5,326
Easement	3,512	2,400	-	-	3,512	2,400
Construction in progress	225	5	3,196	181	3,421	186
Buildings and improvements	41,430	42,781	52,096	52,039	93,526	94,820
Machinery and equipment	6,818	7,463	310	150	7,128	7,613
Infrastructure	15,497	17,923	-	-	15,497	17,923
Total	\$100,582	103,579	58,429	55,197	159,011	158,776

The City's five-year Capital Improvement Plan projected to spend another \$74.7 million through fiscal year 2021-22. 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 capital improvements include: the water main replacement project of \$21.7 million; other water related improvements of \$1.9 million; upgrade and maintenance of the City's landfill of \$5.0 million; sewer replacement program of \$13.5 million; Greenway trail improvement, maintenance, and extension of \$10.0 million; computer, communication and information technology maintenance and replacement projects of \$7.3 million; and various pavement, street and traffic signal improvements of \$12.7 million principally from special revenue funds.

### Long-term debt

As of June 30, 2017, the City had \$160.5 million in noncurrent liabilities outstanding comparing to \$142.6 million in last fiscal year – a net increase of \$17.9 million – as shown in Table 5 and note 9 to the basic financial statements. Of this amount, \$16.5 million represented total bonded debt outstanding, \$6.0 million represented claims payable, \$6.2 million represented compensated absences, \$13.4 million represented landfill closure and post-closure, \$4.8 million represented net OPEB liability, and \$113.4 million represented net pension liability. There was \$618,022 in principal repayments in accordance with certain debt schedules, and \$17.0 million 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*. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Compensated absences	\$5,853	5,772	465	448	6,318	6,220
Tax allocation bonds	-	-	-	-	-	-
Revenue bonds	-	-	15,935	16,515	15,935	16,515
Premium on bonds	-	-	605	643	605	643
Landfill closure and postclosure	-	-	13,440	12,932	13,440	12,932
Claims payable	6,029	5,595	-	-	6,029	5,595
Net OPEB liability	4,155	3,837	617	528	4,772	4,365
Net pension liability	106,642	91,018	6,754	5,358	113,396	96,376
<b>Total</b>	<b>\$122,679</b>	<b>106,222</b>	<b>37,816</b>	<b>36,424</b>	<b>160,495</b>	<b>142,646</b>

## **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 coming from tax revenues.

The City's budget (2017-18) projections take into account the historical trends, current economic factors and consultant recommendations. An overall increase in operating revenues of approximately \$3.5 million or 3.4% as compared to the 2016-17 adopted budget is anticipated. General Fund revenues are projected to increase by \$2.0 million or 3.4% for 2017-18. For fiscal year 2017-18, sales tax revenue is projected to have an increase of 3.4% or \$326,500 compared to the 2016-17 adopted budget due to increased consumer confidence. Property tax revenue is projected at \$5.7 million, which represents a 7.0% increase from the 2016-17 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Franchise tax revenue is projected at \$4.3 million, 50.6% increase from the 2016-17 adopted budget. Utility user tax projection remains consistent with the prior year's adopted budget at \$7.1 million. Operating expenditures have been projected at \$60.1 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for 2017-18, which are 28.334% for classic miscellaneous employees, 59.189% for classic safety employees, 26.267% for PEPRAs miscellaneous employees, and 61.111% for PEPRAs 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 \$21.0 million at the end of fiscal year 2017-18.

## **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 Administrative Services 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, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments (note 3)	\$ 92,802,356	29,925,982	122,728,338
Restricted assets:			
Cash and investments (note 3)	1,111,962	9,866,723	10,978,685
Cash and investments with fiscal agents (note 3)	21,460,148	734,414	22,194,562
Accounts receivable	-	14,992	14,992
Interest receivable	-	96,828	96,828
Receivables:			
Intergovernmental	5,979,790	52,462	6,032,252
Accounts	2,738,237	5,462,249	8,200,486
Notes and loans (note 5)	18,792,094	-	18,792,094
Interest	578,239	31,821	610,060
Inventory	-	267,971	267,971
Advances to Successor Agency (note 7)	8,878,617	-	8,878,617
Less: Allowance for advances	(526,297)	-	(526,297)
Prepaid items	181,166	-	181,166
Land held for resale (note 4)	3,058,920	-	3,058,920
Capital assets not being depreciated (note 8)	36,836,885	6,022,471	42,859,356
Capital assets being depreciated, net (note 8)	63,744,768	52,406,287	116,151,055
Total Assets	<u>255,636,885</u>	<u>104,882,200</u>	<u>360,519,085</u>
<b>Deferred Outflows of Resources:</b>			
Deferred amounts related to pensions (note 12)	18,847,291	1,448,467	20,295,758
Deferred charge on refunding	-	482,467	482,467
Total Deferred Outflows of Resources	<u>18,847,291</u>	<u>1,930,934</u>	<u>20,778,225</u>
<b>Liabilities:</b>			
Accounts payable	3,640,548	3,141,754	6,782,302
Accrued liabilities	2,423,503	132,342	2,555,845
Accrued interest payable	-	62,363	62,363
Deposits payable	232,989	-	232,989
Unearned revenue	1,740,029	36,203	1,776,232
Noncurrent liabilities (note 9):			
Due within one year	5,967,835	794,184	6,762,019
Due in more than one year	10,069,572	30,267,882	40,337,454
Net pension liability (note 12)	106,642,362	6,753,756	113,396,118
Total Liabilities	<u>130,716,838</u>	<u>41,188,484</u>	<u>171,905,322</u>
<b>Deferred Inflows of Resources:</b>			
Deferred amounts related to pensions (note 12)	4,229,291	348,811	4,578,102
<b>Net Position:</b>			
Net investment in capital assets	100,581,653	42,622,989	143,204,642
Restricted for:			
Public safety	1,624,586	-	1,624,586
Library	350,314	-	350,314
Public works	11,646,913	-	11,646,913
Water	-	39,954	39,954
Transit	5,159,462	-	5,159,462
Community development	49,425,457	-	49,425,457
Unrestricted	(29,250,338)	22,612,896	(6,637,442)
Total Net Position	<u>\$ 139,538,047</u>	<u>65,275,839</u>	<u>204,813,886</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary government:</b>				
Governmental activities:				
General government	\$ (8,801,641)	5,189,454	133,508	-
Public safety	(35,448,587)	10,630,432	641,946	-
Libraries	(3,793,593)	354,408	128,985	-
Parks and recreation	(11,415,891)	2,667,481	374,151	-
Public works	(12,808,520)	4,450,280	5,235,817	2,780
Transit	(2,777,099)	170,166	283,048	987,253
Community development	(1,405,222)	3,000	1,067,123	-
Total governmental activities	<u>(76,450,553)</u>	<u>23,465,221</u>	<u>7,864,578</u>	<u>990,033</u>
Business-type activities:				
Sewer	(2,461,433)	4,026,437	-	-
Water	(11,083,985)	13,315,649	238,811	-
Solid Waste	(5,472,877)	4,602,336	-	-
Total business-type activities	<u>(19,018,295)</u>	<u>21,944,422</u>	<u>238,811</u>	<u>-</u>
Total primary government	<u>\$ (95,468,848)</u>	<u>45,409,643</u>	<u>8,103,389</u>	<u>990,033</u>
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)				
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
(3,478,679)	-	(3,478,679)
(24,176,209)	-	(24,176,209)
(3,310,200)	-	(3,310,200)
(8,374,259)	-	(8,374,259)
(3,119,643)	-	(3,119,643)
(1,336,632)	-	(1,336,632)
(335,099)	-	(335,099)
<u>(44,130,721)</u>	<u>-</u>	<u>(44,130,721)</u>
-	1,565,004	1,565,004
-	2,470,475	2,470,475
-	(870,541)	(870,541)
<u>-</u>	<u>3,164,938</u>	<u>3,164,938</u>
<u>(44,130,721)</u>	<u>3,164,938</u>	<u>(40,965,783)</u>
15,292,825	-	15,292,825
831,643	-	831,643
9,736,633	-	9,736,633
2,828,544	-	2,828,544
2,395,849	-	2,395,849
6,800,830	-	6,800,830
2,903,286	-	2,903,286
922	14,509	15,431
224,903	592,801	817,704
<u>41,015,435</u>	<u>607,310</u>	<u>41,622,745</u>
<u>(104,893)</u>	<u>104,893</u>	<u>-</u>
<u>(3,220,179)</u>	<u>3,877,141</u>	<u>656,962</u>
<u>142,758,226</u>	<u>61,398,698</u>	<u>204,156,924</u>
<u>139,538,047</u>	<u>65,275,839</u>	<u>204,813,886</u>



# **FUND FINANCIAL STATEMENTS**

**CITY OF WHITTIER, CALIFORNIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017**

	Special Revenue Funds		
	General Fund	Transit Fund	Subventions and Grants
<b>Assets:</b>			
Cash and investments	\$ 38,772,716	5,143,138	-
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Receivables:			
Intergovernmental	2,753,416	-	2,144,967
Accounts	1,218,004	28,421	-
Notes and loans	502,426	-	-
Interest	143,907	15,519	199
Due from other funds	1,718,880	-	-
Advances to Successor Agency, (note 7)	8,218,360	-	-
Less: Allowance for advances	(526,297)	-	-
Prepaid items	24,190	102,145	-
Land held for sale	-	-	-
Total Assets	\$ 52,825,602	5,289,223	2,145,166
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ 987,994	122,535	135,621
Accrued liabilities	2,336,065	7,226	-
Due to other funds	-	-	1,718,880
Unearned revenues	1,740,029	-	-
Deposits payable	227,989	-	-
Total Liabilities	5,292,077	129,761	1,854,501
Deferred Inflows of Resources:			
Unavailable revenues	502,426	-	2,119,795
Total Deferred Inflows of Resources	502,426	-	2,119,795
Fund Balances:			
Nonspendable	7,716,253	102,145	-
Restricted	2,463,380	5,057,317	-
Committed	3,754,385	-	-
Assigned	3,966,451	-	-
Unassigned	29,130,630	-	(1,829,130)
Total Fund Balances	47,031,099	5,159,462	(1,829,130)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,825,602	5,289,223	2,145,166

See accompanying notes to financial statements.



Special Revenue Funds		Capital Projects Fund			
HOME Fund	Housing Authority	Capital Projects	Non-major Governmental Funds	Total Governmental Funds	
270,104	2,919,250	2,069,712	12,342,212	61,517,132	
-	-	597,956	514,006	1,111,962	
-	6,189,823	15,270,325	-	21,460,148	
24,894	-	-	1,056,513	5,979,790	
-	-	1,448,617	9,738	2,704,780	
6,388,281	10,262,236	-	1,639,151	18,792,094	
119,913	27,112	35,687	158,069	500,406	
-	-	-	-	1,718,880	
-	660,257	-	-	8,878,617	
-	-	-	-	(526,297)	
-	-	-	15,497	141,832	
-	3,058,920	-	-	3,058,920	
<u>6,803,192</u>	<u>23,117,598</u>	<u>19,422,297</u>	<u>15,735,186</u>	<u>125,338,264</u>	
69,592	5,597	420,405	1,010,110	2,751,854	
-	-	-	24,505	2,367,796	
-	-	-	-	1,718,880	
-	-	-	-	1,740,029	
-	5,000	-	-	232,989	
<u>69,592</u>	<u>10,597</u>	<u>420,405</u>	<u>1,034,615</u>	<u>8,811,548</u>	
4,330,014	6,340,405	-	942,454	14,235,094	
<u>4,330,014</u>	<u>6,340,405</u>	<u>-</u>	<u>942,454</u>	<u>14,235,094</u>	
-	-	-	-	7,818,398	
2,403,586	16,766,596	15,854,297	13,873,403	56,418,579	
-	-	-	-	3,754,385	
-	-	3,147,595	-	7,114,046	
-	-	-	(115,286)	27,186,214	
<u>2,403,586</u>	<u>16,766,596</u>	<u>19,001,892</u>	<u>13,758,117</u>	<u>102,291,622</u>	
<u>6,803,192</u>	<u>23,117,598</u>	<u>19,422,297</u>	<u>15,735,186</u>	<u>125,338,264</u>	



**CITY OF WHITTIER, CALIFORNIA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

Fund Balances of Governmental Funds	\$	102,291,622
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		212,300,334
Capital assets - internal service funds		18,372,958
Accumulated depreciation - governmental funds		(117,205,548)
Accumulated depreciation - internal service funds		(12,886,091)
Long-term debt has not been included in the governmental funds		
Net OPEB liability		(4,154,539)
Net pension liability		(106,642,362)
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		
		14,235,094
Deferred outflows of resources related to pensions		18,847,291
Deferred inflows of resources related to pensions		(4,229,291)
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		(6,029,435)
Compensated absences		(5,853,433)
Other assets and liabilities		30,491,447
Net Position of Governmental Activities	\$	139,538,047

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	General	Transit Fund	Subventions and Grants
<b>Revenues:</b>			
Taxes	\$ 35,219,542	2,903,286	-
Licenses and permits	2,594,857	-	-
Fines and forfeits	624,334	-	-
Use of money and property	636,086	172,390	893
Intergovernmental	105,908	281,558	673,813
Charges for services	19,019,473	52,775	-
Other	1,504,992	2,705	-
Total Revenues	\$ 59,705,192	3,412,714	674,706
<b>Expenditures:</b>			
Current:			
General government	\$ 8,652,503	-	-
Public safety	32,778,688	-	180,858
Libraries	3,645,711	-	44,718
Parks and recreation	9,446,803	-	1,829,551
Public works	4,057,401	-	881,319
Local transit	-	2,764,063	-
Community development	499,997	-	-
Capital outlay	-	-	-
Total Expenditures	59,081,103	2,764,063	2,936,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	624,089	648,651	(2,261,740)
<b>Other Financing Sources (Uses):</b>			
Transfers in (note 6)	1,493,095	-	144,912
Transfers out (note 6)	(641,442)	-	-
Total Other Financing Sources (Uses)	851,653	-	144,912
Net change in fund balances	1,475,742	648,651	(2,116,828)
Fund Balances, Beginning	45,555,357	4,510,811	287,698
Fund Balances (Deficit), Ending	\$ 47,031,099	5,159,462	(1,829,130)

See accompanying notes to financial statements.

Special Revenue Funds		Capital Projects Fund			
HOME Fund	Housing Authority	Capital Projects	Non-major Governmental Funds	Total Governmental Funds	
-	-	-	1,258,188	39,381,016	
-	-	-	126,699	2,721,556	
-	-	-	308,609	932,943	
-	66,844	110,880	186,409	1,173,502	
-	-	13,454	2,842,572	3,917,305	
-	-	-	95,416	19,167,664	
-	-	1,437,117	1,989	2,946,803	
-	66,844	1,561,451	4,819,882	70,240,789	
-	-	-	-	8,652,503	
-	-	-	627,787	33,587,333	
-	-	-	35,448	3,725,877	
-	-	-	-	11,276,354	
-	-	-	2,339,338	7,278,058	
-	-	-	-	2,764,063	
18,352	37,459	-	787,693	1,343,501	
-	-	2,411,917	-	2,411,917	
18,352	37,459	2,411,917	3,790,266	71,039,606	
(18,352)	29,385	(850,466)	1,029,616	(798,817)	
-	-	130,734	269,045	2,037,786	
-	(50,000)	(489,943)	(1,682,494)	(2,863,879)	
-	(50,000)	(359,209)	(1,413,449)	(826,093)	
(18,352)	(20,615)	(1,209,675)	(383,833)	(1,624,910)	
2,421,938	16,787,211	20,211,567	14,141,950	103,916,532	
2,403,586	16,766,596	19,001,892	13,758,117	102,291,622	

**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, 2017**

Net changes in fund balances - total governmental funds	\$	(1,624,910)
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		(5,366,931)
Purchases of capital assets recorded in governmental funds.		2,908,584
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net position.		(24,000)
Revenues that are measurable but not available are deferred in the governmental funds under the modified accrual basis of accounting.		2,849,922
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		(317,361)
Pension expense reported on government wide statement of activities		(8,235,558)
Governmental funds expenditures for retirement contributions reported as part of deferred outflows of resources on statement of net position		6,007,277
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.		
		582,798
Change in net position of governmental activities	\$	(3,220,179)

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 34,869,113	34,869,113	35,219,542	350,429
Licenses and permits	2,458,160	2,458,160	2,594,857	136,697
Fines and forfeits	731,700	731,700	624,334	(107,366)
Use of money and property	726,346	726,346	636,086	(90,260)
Intergovernmental	107,327	861,327	105,908	(755,419)
Charges for services	17,715,799	17,732,799	19,019,473	1,286,674
Other	1,347,295	1,554,795	1,504,992	(49,803)
Total Revenues	<u>57,955,740</u>	<u>58,934,240</u>	<u>59,705,192</u>	<u>770,952</u>
<b>Expenditures:</b>				
General government:				
City council	32,963	32,963	30,878	2,085
City clerk	810,810	810,810	690,716	120,094
City attorney	300,324	300,324	350,414	(50,090)
Elections	130,793	132,278	565	131,713
City manager	1,069,082	1,069,082	852,217	216,865
City controller	1,491,098	2,525,070	1,246,219	1,278,851
City treasurer	395,028	395,028	466,056	(71,028)
Business license	240,580	240,580	188,030	52,550
Human resources	416,621	416,621	376,585	40,036
Civic center maintenance	1,445,024	1,445,024	1,297,285	147,739
Non-departmental	1,182,753	1,197,324	1,153,798	43,526
City planning	1,283,293	2,038,864	1,075,381	963,483
Fireworks show	70,491	70,491	52,122	18,369
Chamber of commerce	53,400	53,400	53,400	-
Employee special events	9,000	9,000	9,003	(3)
Public information services	320,332	378,992	274,860	104,132
Graffiti removal program	397,532	397,532	288,508	109,024
Social services	276,036	276,036	264,717	11,319
Total General Government	<u>9,925,160</u>	<u>11,789,419</u>	<u>8,670,754</u>	<u>3,118,665</u>
Public safety:				
Police department	30,320,956	30,335,957	31,465,188	(1,129,231)
Emergency management	57,563	57,563	49,094	8,469
Code enforcement	412,847	412,847	382,902	29,945
Building and safety	903,883	903,883	886,085	17,798
Total Public Safety	<u>31,695,249</u>	<u>31,710,250</u>	<u>32,783,269</u>	<u>(1,073,019)</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued):</b>				
Libraries:	3,468,408	3,858,533	3,646,615	211,918
Total Libraries	3,468,408	3,858,533	3,646,615	211,918
Parks and recreation:				
Parks and recreation	5,775,267	6,121,705	5,423,165	698,540
Community services	3,599,531	4,150,031	4,211,933	(61,902)
Total Parks and Recreation	9,374,798	10,271,736	9,635,098	636,638
Public works:				
Weed control	8,300	8,300	4,519	3,781
Street lighting	471,608	471,608	496,878	(25,270)
Street cleaning	411,472	411,472	436,686	(25,214)
Street maintenance	2,543,223	2,549,023	2,317,211	231,812
Traffic signals	439,700	443,638	434,262	9,376
City engineering - drilling	339,866	374,602	447,945	(73,343)
Total Public Works	4,214,169	4,258,643	4,137,501	121,142
Community development:				
Community development	600,808	600,808	499,997	100,811
Total Community Development	600,808	600,808	499,997	100,811
Total Expenditures	59,278,592	62,489,389	59,373,234	3,116,155
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,322,852)	(3,555,149)	331,958	3,887,107
<b>Other financing sources (uses):</b>				
Transfers in	1,493,095	1,493,095	1,493,095	-
Transfers out	(510,708)	(510,708)	(641,442)	(130,734)
Total Other Financing Sources (Uses)	982,387	982,387	851,653	(130,734)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(340,465)	(2,572,762)	1,183,611	3,756,373
<b>Adjustments:</b>				
To adjust for encumbrances	-	-	292,131	-
Net Change in Fund Balance (US GAAP basis)	(340,465)	(2,572,762)	1,475,742	4,048,504
Fund Balance at Beginning of Year	41,621,496	40,351,261	45,555,357	5,204,096
Fund Balance at End of Year	\$ 41,281,031	37,778,499	47,031,099	9,252,600

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,560,416	2,560,416	2,903,286	342,870
Use of money and property	108,000	108,000	172,390	64,390
Intergovernmental	275,000	585,500	281,558	(303,942)
Charges for services	40,500	40,500	52,775	12,275
Other	-	-	2,705	2,705
Total Revenues	<u>2,983,916</u>	<u>3,294,416</u>	<u>3,412,714</u>	<u>118,298</u>
<b>Expenditures:</b>				
Current:				
Local transit	3,324,476	4,149,107	2,764,063	1,385,044
Total Expenditures	<u>3,324,476</u>	<u>4,149,107</u>	<u>2,764,063</u>	<u>1,385,044</u>
Net Change in Fund Balance	(340,560)	(854,691)	648,651	1,503,342
Fund Balance at Beginning of Year	<u>4,510,811</u>	<u>4,510,811</u>	<u>4,510,811</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,170,251</u>	<u>3,656,120</u>	<u>5,159,462</u>	<u>1,503,342</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**SUBVENTIONS AND GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Budget		
<b>Revenues:</b>				
Use of money and property	\$ -	-	893	893
Intergovernmental	101,564	7,323,369	673,813	(6,649,556)
Total Revenues	<u>101,564</u>	<u>7,323,369</u>	<u>674,706</u>	<u>(6,648,663)</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	328,724	180,858	147,866
Libraries	-	44,958	44,718	240
Parks and recreation	-	8,117,307	1,829,551	6,287,756
Public works	101,564	1,064,110	881,319	182,791
Total Expenditures	<u>101,564</u>	<u>9,555,099</u>	<u>2,936,446</u>	<u>6,618,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,231,730)</u>	<u>(2,261,740)</u>	<u>(30,010)</u>
<b>Other financing sources:</b>				
Transfers in	-	-	144,912	144,912
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>144,912</u>	<u>144,912</u>
Net Change in Fund Balance	-	(2,231,730)	(2,116,828)	114,902
Fund Balance at Beginning of Year	<u>287,698</u>	<u>287,698</u>	<u>287,698</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 287,698</u>	<u>(1,944,032)</u>	<u>(1,829,130)</u>	<u>114,902</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 297,605	297,605	-	(297,605)
Total Revenues	<u>297,605</u>	<u>297,605</u>	<u>-</u>	<u>(297,605)</u>
<b>Expenditures:</b>				
Current:				
Community development	297,605	579,214	18,352	560,862
Total Expenditures	<u>297,605</u>	<u>579,214</u>	<u>18,352</u>	<u>560,862</u>
Net Change in Fund Balance	-	(281,609)	(18,352)	263,257
Fund Balance at Beginning of Year	2,421,938	2,421,938	2,421,938	-
Fund Balance at End of Year	<u>\$ 2,421,938</u>	<u>2,140,329</u>	<u>2,403,586</u>	<u>263,257</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 26,800	26,800	66,844	40,044
Other	991,681	991,681	-	(991,681)
Total Revenues	<u>1,018,481</u>	<u>1,018,481</u>	<u>66,844</u>	<u>(951,637)</u>
<b>Expenditures:</b>				
Current:				
Community development	150,000	1,270,595	37,459	1,233,136
Total Expenditures	<u>150,000</u>	<u>1,270,595</u>	<u>37,459</u>	<u>1,233,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>868,481</u>	<u>(252,114)</u>	<u>29,385</u>	<u>281,499</u>
<b>Other financing uses:</b>				
Transfers out	-	-	(50,000)	(50,000)
Net Change in Fund Balance	868,481	(252,114)	(20,615)	231,499
Fund Balance at Beginning of Year	<u>16,787,211</u>	<u>16,787,211</u>	<u>16,787,211</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,655,692</u>	<u>16,535,097</u>	<u>16,766,596</u>	<u>231,499</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
<b>Assets:</b>					
Current assets:					
Cash and investments (note 3)	\$ 9,785,368	7,842,229	12,298,385	29,925,982	31,285,224
Receivables:					
Accounts	183,138	2,912,573	2,366,538	5,462,249	33,457
Interest	32,098	24,223	40,507	96,828	77,833
Due from other government	-	52,462	-	52,462	-
Inventory	-	267,971	-	267,971	-
Prepaid items	-	-	-	-	39,334
Total Current Assets	<u>10,000,604</u>	<u>11,099,458</u>	<u>14,705,430</u>	<u>35,805,492</u>	<u>31,435,848</u>
Noncurrent assets:					
Restricted cash and investments (note 3)	-	39,954	9,826,769	9,866,723	-
Restricted cash and investments with fiscal agents (note 3)	-	734,414	-	734,414	-
Accounts receivable	-	-	14,992	14,992	-
Interest receivable	-	693	31,128	31,821	-
Capital assets, net	4,116,394	42,615,693	11,696,671	58,428,758	5,486,867
Total Noncurrent Assets	<u>4,116,394</u>	<u>43,390,754</u>	<u>21,569,560</u>	<u>69,076,708</u>	<u>5,486,867</u>
Total Assets	<u>14,116,998</u>	<u>54,490,212</u>	<u>36,274,990</u>	<u>104,882,200</u>	<u>36,922,715</u>
<b>Deferred Outflows of Resources:</b>					
Deferred amounts related to pensions	111,835	640,000	696,632	1,448,467	-
Deferred charge on refunding	-	482,467	-	482,467	-
Total Deferred Outflows of Resources	<u>111,835</u>	<u>1,122,467</u>	<u>696,632</u>	<u>1,930,934</u>	<u>-</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	235,441	1,280,340	1,625,973	3,141,754	888,694
Accrued liabilities	15,209	77,372	39,761	132,342	55,707
Accrued interest payable	-	62,363	-	62,363	-
Claims payable	-	-	-	-	3,919,133
Unearned revenues	-	36,203	-	36,203	-
Current portion of compensated absences	23,008	75,834	100,342	199,184	2,048,702
Current portion of long-term obligations	-	595,000	-	595,000	-
Total Current Liabilities	<u>273,658</u>	<u>2,127,112</u>	<u>1,766,076</u>	<u>4,166,846</u>	<u>6,912,236</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	2,110,302
Compensated absences	42,728	140,834	82,343	265,905	3,804,731
Net OPEB liability	60,091	340,043	216,327	616,461	-
Net pension liability	434,081	2,770,254	3,549,421	6,753,756	-
Revenue bonds payable	-	15,945,183	-	15,945,183	-
Landfill closure and postclosure payable	-	-	13,440,333	13,440,333	-
Total Noncurrent Liabilities	<u>536,900</u>	<u>19,196,314</u>	<u>17,288,424</u>	<u>37,021,638</u>	<u>5,915,033</u>
Total Liabilities	<u>810,558</u>	<u>21,323,426</u>	<u>19,054,500</u>	<u>41,188,484</u>	<u>12,827,269</u>
<b>Deferred Inflows of Resources:</b>					
Deferred amounts related to pensions	24,174	147,382	177,255	348,811	-
Total Deferred Inflows of Resources	<u>24,174</u>	<u>147,382</u>	<u>177,255</u>	<u>348,811</u>	<u>-</u>
<b>Net Position:</b>					
Net investment in capital assets	4,116,394	26,809,924	11,696,671	42,622,989	5,486,867
Restricted for connection fees	-	39,954	-	39,954	-
Unrestricted	9,277,707	7,291,993	6,043,196	22,612,896	18,608,579
Total Net Position	<u>\$ 13,394,101</u>	<u>34,141,871</u>	<u>17,739,867</u>	<u>65,275,839</u>	<u>24,095,446</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, 2017**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
<b>Operating Revenues:</b>					
Charges for services	\$ 4,026,436	12,758,144	4,266,184	21,050,764	13,817,776
Total Operating Revenues	<u>4,026,436</u>	<u>12,758,144</u>	<u>4,266,184</u>	<u>21,050,764</u>	<u>13,817,776</u>
<b>Operating Expenses:</b>					
Sewer operations	2,378,794	-	-	2,378,794	-
Water operations	-	8,849,351	-	8,849,351	-
Solid waste collection and disposal	-	-	4,537,767	4,537,767	-
Provision for landfill closure and postclosure	-	-	508,502	508,502	-
Self insurance	-	-	-	-	3,454,889
Employee benefits	-	-	-	-	5,177,801
Maintenance	-	-	-	-	4,139,941
Amortization	-	30,312	-	30,312	-
Depreciation	82,639	1,470,636	426,608	1,979,883	1,428,103
Total Operating Expenses	<u>2,461,433</u>	<u>10,350,299</u>	<u>5,472,877</u>	<u>18,284,609</u>	<u>14,200,734</u>
Operating Income (Loss)	<u>1,565,003</u>	<u>2,407,845</u>	<u>(1,206,693)</u>	<u>2,766,155</u>	<u>(382,958)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	-	238,811	-	238,811	-
Investment Income	104,076	261,621	227,105	592,802	244,554
Interest expense	-	(733,686)	-	(733,686)	-
Gain (Loss) on disposal of capital assets	-	2,252	12,257	14,509	2
Rental income	-	557,505	336,152	893,657	-
Total Nonoperating Revenues (Expenses)	<u>104,076</u>	<u>326,503</u>	<u>575,514</u>	<u>1,006,093</u>	<u>244,556</u>
Income Before Transfers	<u>1,669,079</u>	<u>2,734,348</u>	<u>(631,179)</u>	<u>3,772,248</u>	<u>(138,402)</u>
<b>Transfers:</b>					
Transfers in (note 6)	-	408,443	-	408,443	721,200
Transfers out (note 6)	(20,000)	(172,050)	(111,500)	(303,550)	-
Total Transfers	<u>(20,000)</u>	<u>236,393</u>	<u>(111,500)</u>	<u>104,893</u>	<u>721,200</u>
Change in Net Position	1,649,079	2,970,741	(742,679)	3,877,141	582,798
Net Position at Beginning of the Year	11,745,022	31,171,130	18,482,546	61,398,698	23,512,648
Net Position at End of the Year	<u>\$ 13,394,101</u>	<u>34,141,871</u>	<u>17,739,867</u>	<u>65,275,839</u>	<u>24,095,446</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 3,963,390	12,129,980	4,508,901	20,602,271	13,907,874
Payments to suppliers for goods and services	(1,642,402)	(5,046,854)	(1,657,637)	(8,346,893)	(6,712,814)
Payments to employees for services	(646,150)	(2,244,173)	(2,543,033)	(5,433,356)	(5,088,752)
Non-operating rental income revenue received	-	557,505	336,152	893,657	-
Net cash provided by operating activities	<u>1,674,838</u>	<u>5,396,458</u>	<u>644,383</u>	<u>7,715,679</u>	<u>2,106,308</u>
<b>Cash flows from noncapital financing activities:</b>					
Receipts from other governmental agencies	-	186,349	-	186,349	-
Receipts from interfund services	-	408,443	-	408,443	721,200
Transfer to other funds	(20,000)	(172,050)	(111,500)	(303,550)	-
Net cash (used in) provided by noncapital financing activities	<u>(20,000)</u>	<u>422,742</u>	<u>(111,500)</u>	<u>291,242</u>	<u>721,200</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(1,723,549)	(3,056,105)	(431,729)	(5,211,383)	(913,289)
Proceeds from sales of capital assets	-	2,252	12,257	14,509	-
Principal payments on long-term debt	-	(580,000)	-	(580,000)	-
Interest and fiscal agent fees paid on long-term debt	-	(771,708)	-	(771,708)	-
Net cash provided (used) for capital and related financing activities	<u>(1,723,549)</u>	<u>(4,405,561)</u>	<u>(419,472)</u>	<u>(6,548,582)</u>	<u>(913,289)</u>
<b>Cash flows from investing activities:</b>					
Interest received on investments	85,943	250,138	190,349	526,430	204,670
Net cash provided by investing activities	<u>85,943</u>	<u>250,138</u>	<u>190,349</u>	<u>526,430</u>	<u>204,670</u>
Net increase in cash and cash equivalents	17,232	1,663,777	303,760	1,984,769	2,118,889
Cash and cash equivalents at beginning of the year	9,768,136	6,952,820	21,821,394	38,542,350	29,166,335
Cash and cash equivalents at end of year	<u>\$ 9,785,368</u>	<u>8,616,597</u>	<u>22,125,154</u>	<u>40,527,119</u>	<u>31,285,224</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the statement of net position:</b>					
Reported on the statement of net position:					
Cash and investments	\$ 9,785,368	7,842,229	12,298,385	29,925,982	31,285,224
Cash and investments - restricted	-	39,954	9,826,769	9,866,723	-
Cash and investments with fiscal agents	-	734,414	-	734,414	-
<b>Cash and Cash Equivalents - June 30, 2017</b>	<u>\$ 9,785,368</u>	<u>8,616,597</u>	<u>22,125,154</u>	<u>40,527,119</u>	<u>31,285,224</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 1,565,003	2,407,845	(1,206,693)	2,766,155	(382,958)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation	82,639	1,470,636	426,608	1,979,883	1,428,103
Amortization	-	30,312	-	30,312	-
Pension expense	21,759	132,713	159,762	314,234	-
Changes in assets, deferred outflows/inflows of resources, and liabilities:					
Rental Income	-	557,505	336,152	893,657	-
(Increase) in accounts receivable	(83,046)	(427,975)	(5,280)	(516,301)	(169)
(Increase)/decrease in prepaid items	-	375,000	-	375,000	(35,479)
Decrease in inventory	-	18,313	-	18,313	-
(Increase) in deferred outflows/inflows related to pensions	(20,435)	(124,634)	(150,040)	(295,109)	-
Increase in accounts payable	107,445	748,895	641,282	1,497,622	571,172
(Decrease)/Increase in accrued liabilities	4,205	14,204	(16,711)	1,698	9,261
Increase in unearned revenue	-	36,203	-	36,203	-
Increase in claims payable	-	-	-	-	434,873
(Decrease)/Increase in net OPEB liability	(8,755)	81,869	15,526	88,640	-
(Decrease)/Increase in compensated absences	6,023	75,572	(64,725)	16,870	81,505
Increase in landfill closure and postclosure payable	-	-	508,502	508,502	-
Total Adjustments	109,835	2,988,613	1,851,076	4,949,524	2,489,266
Net Cash (Used in) Provided by Operating Activities	\$ 1,674,838	5,396,458	644,383	7,715,679	2,106,308

Noncash investing, capital, and financing activities:

There were no significant non-cash investing, capital, and financing activities for the year ended June 30, 2017.

See accompanying notes to financial statements.



**CITY OF WHITTIER, CALIFORNIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2017**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>	<b>Agency Funds</b>
<b>Assets and Deferred Outflows of Resources:</b>		
<b>Assets:</b>		
Cash and investments (note 3)	\$ 6,419,256	1,334,034
Cash and investments with fiscal agents (note 3)	42,252	422,794
Receivable:		
Accounts	-	967,886
Interest	9,630	979
Prepaid items	397,174	-
Land held for resale (note 4)	2,827,199	-
Capital assets not being depreciated	3,103,584	-
Capital assets being depreciated, net	43,318	-
	<u>12,842,413</u>	<u>2,725,693</u>
Total Assets		
<b>Deferred Outflows of Resources:</b>		
Deferred charges on refunding	3,304,109	
	<u>3,304,109</u>	
<b>Liabilities and Net Position:</b>		
Accounts payable	\$ 45,829	119,917
Accrued interest payable	290,970	-
Deposits payable	25,000	1,842,216
Due to bondholders	-	763,560
Noncurrent liabilities:		
Due within one year	1,815,000	-
Due in more than one year	44,795,859	-
City Loan, net of valuation allowance	8,352,320	-
	<u>55,324,978</u>	<u>2,725,693</u>
Total Liabilities		
<b>Net Deficit:</b>		
Held in trust for beneficiaries	\$ (39,178,456)	
	<u>(39,178,456)</u>	

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED JUNE 30, 2017**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>
<b>Additions:</b>	
Property taxes	\$ 6,974,257
Other	12,000
Investment earnings	18,848
Total Additions	7,005,105
<b>Deductions:</b>	
Professional services	349,136
Community development	947,243
Interest and fiscal charges	1,951,120
Depreciation	21,659
Total Deductions	3,269,158
<b>Change in Net Position</b>	3,735,947
<b>Net Position, Beginning of Year</b>	(42,914,403)
<b>Net Position, End of Year</b>	\$ (39,178,456)

See accompanying notes to financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017**

*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, 2017**

*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, 2017**

*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 Subventions and Grants Fund – This fund accounts for activities of various State and Local restricted resources.

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 related administrative activities of the City.



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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 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, 2017**

*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.

Governmental Accounting Standards Board (“GASB”) Statement No. 72, *Fair Value Measurements and Application*, 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, 2017**

*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, 2017**

*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, 2017 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. The cost is recorded as an expense as prepaid items are consumed (consumption method).

**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, 2017**

*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, 2017**

*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 differences between expected and actual experiences, 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, 2017.

**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, 2017**

*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, 2017**

*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, 2017**

*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

**Effective in Future Years**

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.

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.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has not determined the effect of the statement.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

F. New GASB Pronouncements (Continued)

**Effective in Future Years (Continued)**

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The City has not determined the effect of this Statement.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year. The City has not determined the effect of the Statement.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*

**Deficit Fund Balances and Net Position**

Funds that have a deficit fund balance at June 30, 2017, are as follows:

<b>Fund</b>	<b>Deficit Fund Balance</b>
Major Funds:	
Subvention and Grants Fund	\$ (1,829,130)
Non-major Governmental Funds:	
Traffic Congestion Special Revenue Fund	(115,286)

The Subvention and Grants Fund and the Traffic Congestion Special Revenue Fund deficits will be eliminated when the intergovernmental receivables are collected in futures periods.

**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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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, 2017**

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

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

Fund	Final Budget	Expenditures	Excess
<b>Major Funds:</b>			
<b>General Fund:</b>			
City attorney	\$ 300,324	350,414	50,090
City treasurer	395,028	466,056	71,028
Employee special events	9,000	9,003	3
Police Department	30,335,957	31,465,188	1,129,231
Community services	4,150,031	4,211,933	61,902
Street lighting	471,608	496,878	25,270
Street cleaning	411,472	436,686	25,214
City engineering - drilling	374,602	447,945	73,343
<b>Capital Projects:</b>			
Capital Projects Fund	1,140,186	2,411,917	1,271,731
<b>Non-major Funds:</b>			
<b>Street Lighting District 1-91</b>			
Special Revenue Fund	1,069	1,325	256
<b>State COPS Grant</b>			
Special Revenue Fund	296,165	299,991	3,826
<b>Business Improvement Area</b>			
Special Revenue Fund	111,500	142,269	30,769
<b>Whittier Uptown Parking District</b>			
No. 1 Special Revenue Fund	70,858	104,875	34,017
<b>Whittier Uptown Parking District</b>			
No. 2 Special Revenue Fund	177,856	211,023	33,167

*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	\$ 92,802,356	29,925,982	7,753,290	130,481,628
<b>Restricted assets:</b>				
Cash and investments	1,111,962	9,866,723	-	10,978,685
Cash and investments with fiscal agents	21,460,148	734,414	465,046	22,659,608
Totals	<u>\$ 115,374,466</u>	<u>40,527,119</u>	<u>8,218,336</u>	<u>164,119,921</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

Cash and investments at June 30, 2017 consisted of the following:

Petty cash	\$ 13,168
Deposits with financial institutions	474,296
Investments	163,632,457
Total Cash and Investments	\$ 164,119,921

**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%	30%
Certificates of Deposits	N/A	30%	None
Bankers Acceptance, Prime Quality	180 days	20%	5%
Commercial Paper, Prime Quality	270 days	20%	5%
Medium Term Corporate Notes	5 years	30%	5%
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, 2017**

*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, 2017**

*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	43 to 60 Months
U.S. Treasury Notes	\$ 15,917,424	1,999,706	3,983,282	-	9,934,436	-
Federal Agency Securities	57,712,372	1,998,588	2,000,212	23,883,494	21,850,942	7,979,136
Certificate of Deposit	5,627,960	740,155	-	2,440,716	2,447,089	-
Medium-Term Notes	36,883,853	4,999,292	4,994,573	7,003,785	13,958,047	5,928,156
Local Agency Investment Fund (LAIF)	24,873,455	-	24,873,455	-	-	-
Held by fiscal agent:						
U.S. Treasury Bills	893,626	893,626	-	-	-	-
Local Agency Investment Fund (LAIF)	21,302,400	21,302,400	-	-	-	-
Federal Agency Securities	421,367	421,367	-	-	-	-
<b>Total</b>	<b>\$ 163,632,457</b>	<b>32,355,134</b>	<b>35,851,522</b>	<b>33,327,995</b>	<b>48,190,514</b>	<b>13,907,292</b>

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			
				AAA	AA+/AA-	A+/A	Not Rated
U.S. Treasury Notes	\$ 15,917,424	N/A	15,917,424	-	-	-	-
Federal Agency Securities	57,712,372	N/A	-	-	57,712,372	-	-
Certificate of Deposit	5,627,960	N/A	-	-	-	-	5,627,960
Medium-Term Notes	36,883,853	N/A	-	2,997,234	17,914,172	15,972,447	-
Local Agency Investment Fund (LAIF)	24,873,455	N/A	-	-	-	-	24,873,455
Held by fiscal agent:							
U.S. Treasury Bills	893,626	N/A	893,626	-	-	-	-
Local Agency Investment Fund (LAIF)	21,302,400	N/A	-	-	-	-	21,302,400
Federal Agency Securities	421,367	N/A	-	-	421,367	-	-
<b>Total</b>	<b>\$ 163,632,457</b>		<b>16,811,050</b>	<b>2,997,234</b>	<b>76,047,911</b>	<b>15,972,447</b>	<b>51,803,815</b>



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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	\$ 16,374,693
Federal National Mortgage Association	Federal Agency Security	15,986,480
Federal Home Loan Mortgage Corporation	Federal Agency Security	18,020,002

**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, 2017, the City’s deposits with financial institutions were covered by FDIC up to \$250,000, and the remaining amounts of \$551,345 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 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, 2017**

*NOTE 3 – CASH AND INVESTMENTS (CONTINUED)*

**Fair Value Classifications (Continued)**

Investments' fair value measurements are as follows as of June 30, 2017:

Investment Type	Fair Value	Level 1	Level 2
Investments:			
U.S. Treasury Notes	\$ 15,917,424	-	15,917,424
Federal Agency Securities	57,712,372	-	57,712,372
Certificate of Deposit	5,377,960	-	5,377,960
Medium-Term Notes	36,883,853	-	36,883,853
Held by fiscal agent:			
U.S. Treasury Bills	893,626	893,626	-
Federal Agency Securities	421,367	-	421,367
Total Leveled Investments	117,206,602	893,626	116,312,976
Investments:			
Local Agency Investment Fund (LAIF)	24,873,455		
Non-negotiable Certificate of Deposit	250,000		
Held by fiscal agent:			
Local Agency Investment Fund (LAIF)	21,302,400		
Total Investment Portfolio	\$ 163,632,457		

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, 2017, 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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 5 – NOTES AND LOANS RECEIVABLE*

Outstanding  
Balance  
June 30, 2017

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, 2017, 37 loans totaling \$967,655 have been provided. Principal of \$11,935 has been forgiven during 2016-17 and 23 loans has been either repaid or fully forgiven.

\$ 502,426

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, 2017, \$20,262 in loan principal was either paid or forgiven.

58,321

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, 2017**

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

	Outstanding Balance <u>June 30, 2017</u>
<p>The City uses Community Development Block Grant funds and Federal HOME funds to issue loans to low and moderate income families and individuals. These loans are low interest or zero interest loans and can be fully amortized or deferred until the secured property is sold. The proceeds are used to rehabilitate residences and the loans are secured by a deed of trust on the property.</p>	\$ 3,842,225
<p>During the fiscal year 1999-2000, the City and the former Redevelopment Agency had entered into an affordable housing project agreement with Seasons Uptown Whittier, L.P. (Hoover). In the agreement, the City and Agency would assist Hoover in the financing of the acquisition and development of 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 2016-17, nothing was repaid. Of the \$2,196,488, the Housing Authority portion of the amount is \$1,164,138. The remainder is due to the HOME fund.</p>	2,196,488
<p>During fiscal year 2009-10, the former Redevelopment Agency ("Agency") implemented the Gables of Whittier Affordable Home Ownership Loan Program ("Program"). The Program provides "silent second" loans to homebuyers of low and moderate income. Homes purchased under the program have specific resale restrictions that intend to maintain the affordable units for a minimum of 45 years. The Agency's assistance is a deferred loan with no annual accruing interest, except in some cases for the Equity Appreciation Share, in which the homebuyer has intentions to resale the property. The loan will not become due unless a sale or transfer of the property to an eligible buyer occurs. As of June 30, 2017, twenty-four families received assistance from the program.</p>	3,260,109
<p>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 \$5,494,790 outstanding at year end, the Housing Authority portion of the amount is \$2,879,667.</p>	5,494,790

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

Outstanding  
Balance  
June 30, 2017

On May 23, 2011, the former Redevelopment Agency entered into an 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.

310,184

Total notes and loans receivable

\$ 18,792,094

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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	9,050 (B)
	Housing Authority	50,000 (C)
	Subtotal	<u>1,493,095</u>
Subventions and Grants Fund	Non-Major Governmental Fund	144,912 (D)
	Subtotal	<u>144,912</u>
Capital Projects Fund	General Fund	130,734 (E)
	Subtotal	<u>130,734</u>
Water Fund	Capital Projects Fund	408,443 (F)
	Subtotal	<u>408,443</u>
Non-Major Governmental Funds	General Fund	165,508 (G)
	Non-Major Governmental Funds	103,537 (K)
	Subtotal	<u>269,045</u>
Internal Service Funds	General Fund	345,200 (H)
	Capital Projects Fund	81,500 (I)
	Sewer Fund	20,000 (J)
	Water Fund	163,000 (J)
	Solid Waste Fund	111,500 (J)
	Subtotal	<u>721,200</u>
	Total	<u>\$ 3,167,429</u>

Transfers are used to: (A) transfer to the General Fund for street maintenance expenditures, (B) transfer to the General Fund for document imaging and brochure expenditures, (C) transfer to the General Fund for social services expenditures, (D) transfer to subventions and grants fund for capital projects, (E) transfers to Capital Projects Fund for the energy efficiency project, (F) transfer to the Water Fund for capital projects, (G) transfer for employee service costs, (H) transfer to Internal Service Funds for other equipment replacement, (I) transfer for services rendered, (J) transfer for capital purchases, and (K) transfer for capital projects.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 7 – ADVANCES TO SUCCESSOR AGENCY*

The City loaned the former Whittier Redevelopment Agency funds prior to dissolution. As of June 30, 2017, the General Fund is owed \$8,218,360, with an allowance of \$526,297, to finance expenditures incurred in the project areas; the Whittier Housing Authority Fund is owed \$660,257 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 \$8,878,617, are reported by the City. In the opinion of management, and in consultation with its legal counsel, the \$8,218,360 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.

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 2016-17, the Successor Agency repaid \$879,181 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 \$8,218,360 above.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 8 – CAPITAL ASSETS*

**Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2017 was as follows:

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 25,201,001	-	-	25,201,001
Rights of way/Easement	7,725,506	1,112,616	-	8,838,122
Trees	2,480,080	117,000	(24,000)	2,573,080
Construction in progress	4,926	219,756	-	224,682
Total	<u>35,411,513</u>	<u>1,449,372</u>	<u>(24,000)</u>	<u>36,836,885</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	39,887,415	-	-	39,887,415
Improvements	29,923,839	1,214,115	-	31,137,954
Machinery and equipment	24,424,286	1,158,388	(403,640)	25,179,034
Infrastructure:				
Roadways	85,388,214	-	-	85,388,214
Storm drains	2,656,228	-	-	2,656,228
Other street appurtenances	9,587,562	-	-	9,587,562
Total	<u>191,867,544</u>	<u>2,372,503</u>	<u>(403,640)</u>	<u>193,836,407</u>
Less Accumulated Depreciation for:				
Buildings	(15,580,329)	(1,252,910)	-	(16,833,239)
Improvements	(11,449,739)	(1,312,278)	-	(12,762,017)
Machinery and equipment	(16,961,296)	(1,803,861)	403,640	(18,361,517)
Infrastructure:				
Roadways	(71,996,850)	(2,130,366)	-	(74,127,216)
Storm drains	(1,167,594)	(47,992)	-	(1,215,586)
Other street appurtenances	(6,544,437)	(247,627)	-	(6,792,064)
Total	<u>(123,700,245)</u>	<u>(6,795,034)</u>	<u>403,640</u>	<u>(130,091,639)</u>
Capital Assets being depreciated, net	<u>68,167,299</u>	<u>(4,422,531)</u>	<u>-</u>	<u>63,744,768</u>
<b>Capital Assets, net</b>	<u>\$ 103,578,812</u>	<u>(2,973,159)</u>	<u>(24,000)</u>	<u>100,581,653</u>



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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	\$ 1,550,916
Public safety	272,984
Public works	3,725,105
Community development	18,992
Parks and recreation	612,288
Libraries	330,096
Transit	284,653
Total	\$ 6,795,034

**Business-type Activities**

Capital asset business-type activities for the fiscal year ended June 30, 2017 was as follows:

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
<u>Sewer Activity:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	1,313,867	-	1,313,867
Total Sewer Capital Assets, Not Being Depreciated	-	1,313,867	-	1,313,867
Capital assets, being depreciated:				
Improvements	3,448,122	222,565	-	3,670,687
Machinery and equipment	-	187,117	-	187,117
Total Sewer Capital Assets, Being Depreciated	3,448,122	409,682	-	3,857,804
Less - accumulated depreciation for:				
Improvements	(972,638)	(78,481)	-	(1,051,119)
Machinery and equipment	-	(4,158)	-	(4,158)
Total Accumulated Depreciation	(972,638)	(82,639)	-	(1,055,277)
Total Sewer Capital Assets, Being Depreciated, Net	2,475,484	327,043	-	2,802,527
Total Sewer Capital Assets, Net	\$ 2,475,484	1,640,910	-	4,116,394

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 8 – CAPITAL ASSETS (CONTINUED)*

**Business-type Activities (Continued)**

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
<b><u>Water Activity:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 598,955	-	-	598,955
Construction in progress	-	1,268,617	-	1,268,617
Total	598,955	1,268,617	-	1,867,572
Capital assets, being depreciated:				
Improvements	30,365,382	1,742,711	-	32,108,093
Buildings	22,276,963	44,778	-	22,321,741
Machinery and equipment	369,433	-	-	369,433
Total Water Capital Assets, Being Depreciated	53,011,778	1,787,489	-	54,799,267
Less - accumulated depreciation for:				
Improvements	(11,852,551)	(560,026)	-	(12,412,577)
Buildings	(442,345)	(893,211)	-	(1,335,556)
Machinery and equipment	(285,614)	(17,399)	-	(303,013)
Total Accumulated Depreciation	(12,580,510)	(1,470,636)	-	(14,051,146)
Total Water Capital Assets, Being Depreciated, Net	40,431,268	316,853	-	40,748,121
Total Water Capital Assets, Net	\$ 41,030,223	1,585,470	-	42,615,693

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
<b><u>Solid Waste Activity:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 2,227,801	-	-	2,227,801
Construction in progress	181,502	431,729	-	613,231
Total Solid Waste Capital Assets, Not Being Depreciated	2,409,303	431,729	-	2,841,032
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	17,458,836	-	-	17,458,836
Less - accumulated depreciation for:				
Improvements	(7,867,878)	(420,928)	-	(8,288,806)
Buildings	(150,859)	(174)	-	(151,033)
Machinery and equipment	(157,852)	(5,506)	-	(163,358)
Total Accumulated Depreciated	(8,176,589)	(426,608)	-	(8,603,197)
Total Solid Waste Assets, Being Depreciated, Net	9,282,247	(426,608)	-	8,855,639
Total Solid Waste Assets, Net	\$ 11,691,550	5,121	-	11,696,671

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 8 – CAPITAL ASSETS (CONTINUED)*

**Business-type Activities (Continued)**

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
<b><u>Total Business-type Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 2,826,756	-	-	2,826,756
Construction in progress	181,502	3,014,213	-	3,195,715
Total Capital Assets Not Being Depreciated	<u>3,008,258</u>	<u>3,014,213</u>	<u>-</u>	<u>6,022,471</u>
Capital assets, being depreciated:				
Improvements	50,897,392	1,965,276	-	52,862,668
Buildings	22,427,996	44,778	-	22,472,774
Machinery and equipment	593,348	187,117	-	780,465
Total Capital Assets Being Depreciated	<u>73,918,736</u>	<u>2,197,171</u>	<u>-</u>	<u>76,115,907</u>
Less accumulated depreciation for:				
Improvements	(20,693,067)	(1,059,435)	-	(21,752,502)
Buildings	(593,204)	(893,385)	-	(1,486,589)
Machinery and equipment	(443,466)	(27,063)	-	(470,529)
Total Accumulated Depreciation	<u>(21,729,737)</u>	<u>(1,979,883)</u>	<u>-</u>	<u>(23,709,620)</u>
Total Capital Assets, Being Depreciated, Net	<u>52,188,999</u>	<u>217,288</u>	<u>-</u>	<u>52,406,287</u>
Total Capital Assets, Net	<u>\$ 55,197,257</u>	<u>3,231,501</u>	<u>-</u>	<u>58,428,758</u>

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

	Business Type Activities
Sewer	\$ 82,639
Water	1,470,636
Solid Waste	426,608
Total	<u>\$ 1,979,883</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017:

	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 5,771,928	3,294,300	(3,212,795)	5,853,433	2,048,702
Claims payable	5,594,562	3,197,267	(2,762,394)	6,029,435	3,919,133
Net OPEB liability	3,837,178	604,281	(286,920)	4,154,539	-
Total Governmental Activities	<u>\$ 15,203,668</u>	<u>7,095,848</u>	<u>(6,262,109)</u>	<u>16,037,407</u>	<u>5,967,835</u>
	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017	Due Within One Year
<b>Business-type Activities:</b>					
Sewer Fund:					
Compensated absences	\$ 59,713	22,029	(16,006)	65,736	23,008
Net OPEB liability	68,846	-	(8,755)	60,091	-
Total Sewer Fund	<u>128,559</u>	<u>22,029</u>	<u>(24,761)</u>	<u>125,827</u>	<u>23,008</u>
Water Fund:					
Compensated absences	141,096	147,671	(72,099)	216,668	75,834
Revenue refunding bonds	16,515,000	-	(580,000)	15,935,000	595,000
Add: Premium/(Discount) on Bonds Payable	643,205	-	(38,022)	605,183	-
Net OPEB liability	258,174	105,353	(23,484)	340,043	-
Total Water Fund	<u>17,557,475</u>	<u>253,024</u>	<u>(713,605)</u>	<u>17,096,894</u>	<u>670,834</u>
Solid Waste Fund:					
Compensated absences	247,410	51,715	(116,440)	182,685	100,342
Landfill closure and postclosure	12,931,831	508,502	-	13,440,333	-
Net OPEB liability	200,802	30,465	(14,940)	216,327	-
Total Solid Waste Fund	<u>13,380,043</u>	<u>590,682</u>	<u>(131,380)</u>	<u>13,839,345</u>	<u>100,342</u>
Total Business-type Activities	<u>\$ 31,066,077</u>	<u>865,735</u>	<u>(869,746)</u>	<u>31,062,066</u>	<u>794,184</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, the general fund and internal service funds have been used in prior years to liquidate such amounts.

Governmental long-term debt at June 30, 2017, 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, 2017 is \$6,029,435. The Internal Service Fund for self insurance has liquidated claims and judgments.

Business-type activity long-term debt at June 30, 2017, 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 \$482,467 balance in deferred outflows of resources.

The City has pledged future water revenues, net of specified operating expenses in the amount of \$5,008,498, 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 pledged 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 \$13,812,879 of pledged revenues. As of June 30, 2017, the outstanding principal amount of the Series 2012 Bonds and interest were \$8,235,000 and \$2,633,525, respectively. Principal and interest paid for the current year were \$682,275.

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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

Revenue Bonds, Water Fund 2009 Series A (Continued)

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, 2017 was \$673,033. The total principal and interest remaining to be paid on the bond is \$7,700,000 and \$6,175,611, respectively. Principal and interest paid for the current year and total net revenues were \$667,137 and \$5,008,498, respectively.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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 \$13,440,333 reported as landfill closure and postclosure care liability at June 30, 2017 represents the cumulative amount reported to date based on the use of 57.82 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$9,803,464 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, 2017, assets of \$9,826,769 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.

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, 2017 are as follows:

Fiscal Year Ending June 30,	<b>2012 Water Revenue Bonds</b>		
	Principal	Interest	Total
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	440,000	238,875	678,875
2023-2027	2,520,000	880,075	3,400,075
2028-2032	3,020,000	375,650	3,395,650
2033	660,000	20,625	680,625
Total	<u>\$ 8,235,000</u>	<u>2,633,525</u>	<u>10,868,525</u>

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 9 – LONG TERM LIABILITIES (CONTINUED)*

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

Fiscal Year Ending June 30,	<b>2009A Water Revenue Bonds</b>		
	Principal	Interest	Total
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	260,000	408,087	668,087
2023-2027	1,480,000	1,842,310	3,322,310
2028-2032	1,805,000	1,357,544	3,162,544
2033-2037	2,205,000	743,552	2,948,552
2038-2039	1,010,000	95,770	1,105,770
Total	<u>\$ 7,700,000</u>	<u>6,175,611</u>	<u>13,875,611</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, 2017 is \$2,590,000.



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017 is \$47,615,000.

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, 2017 is \$74,000,000.

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, 2017 is \$37,210,000.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017 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 \$8,218,360, 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 refunding resulted in a difference between reacquisition price and the net carrying amount of the old debt of \$3,600,856 that will be amortized through 2039. \$154,825 was amortized in the fiscal year, resulting in \$3,304,109 of deferred outflows of resources. The reserve requirement was \$3,574,262 and the reserve as of June 30, 2017 was \$3,574,262. 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, 2017 is \$43,110,000.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017 is \$444,976.

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, 2017 is \$1,505,964.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017:

	Balance at June 30, 2016	Additions	Repayments	Balance at June 30, 2017	Due Within One Year
<b>Redevelopment Successor Agency</b>					
<b>Private-purpose Trust Fund:</b>					
Tax allocation bonds	\$ 44,615,000	-	(1,505,000)	43,110,000	1,815,000
Premium on 2015A	1,875,268	-	(83,939)	1,791,329	-
Discount on 2015B	(252,722)	-	11,312	(241,410)	-
Advance from City	7,678,892	13,171	-	7,692,063	-
Advance from WHA	1,539,438	-	(879,181)	660,257	-
Developer loans payable:					
Quad loan	1,106,732	62,350	(724,106)	444,976	-
Urbatec loan	1,554,535	443,679	(492,250)	1,505,964	-
	<u>58,117,143</u>	<u>519,200</u>	<u>(3,673,164)</u>	<u>54,963,179</u>	<u>1,815,000</u>
Total Redevelopment Successor Agency Private-purpose Trust Fund	\$ 58,117,143	519,200	(3,673,164)	54,963,179	1,815,000

*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, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<b>Safety</b>	
	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	45.679%	45.679%

	<b>Miscellaneous</b>	
	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	18.430%	18.430%

*Employees covered by benefit terms.* At June 30, 2015, 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	213	379
Inactive employees entitled to but not yet receiving benefits	43	240
Active employees	115	268
Total	371	887

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

Benefits Provided (Continued)

*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. Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plans as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. For the Miscellaneous Plan, employees are required to contribute 10 percent for both tiers. In May 2016, the City amended the contribution rate to 12 percent to both employees within the Miscellaneous Plan and classic local police members within the Safety Plan.

Contributions recognized by the pension plans from the employer for the year ended June 30, 2017 were \$4,461,408 for the Safety Plan and \$1,840,981 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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 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, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Mortality Rate Table (1)	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

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

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

Net Pension Liability (Continued)

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be accessed on the CalPERS website.

*Discount Rate* – The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

Net Pension Liability (Continued)

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	20.0%	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	1.0%	-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 in the Net Pension Liability

The total Net Pension Liability for the City as of June 30, 2017 was \$113,396,118. 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, 2016	\$ 177,803,277	114,806,685	62,996,592
Changes in the year:			
Service cost	3,078,570	-	3,078,570
Interest on the total pension liability	13,267,223	-	13,267,223
Changes in assumptions		-	-
Differences between expected and actual experience	(1,402,128)	-	(1,402,128)
Plan to plan resource movement	-	8	(8)
Contribution - employer		4,993,497	(4,993,497)
Contribution - employee	-	1,159,719	(1,159,719)
Net investment income	-	549,244	(549,244)
Benefit payments, including refunds of employee contributions	(9,025,356)	(9,025,356)	-
Administrative expenses	-	(69,969)	69,969
Net changes	5,918,309	(2,392,857)	8,311,166
Balance at June 30, 2017	\$ 183,721,586	112,413,828	71,307,758



**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

Changes in the Net Pension Liability (Continued)

*Miscellaneous Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 168,543,947	135,164,668	33,379,279
Changes in the year:			
Service cost	2,776,437	-	2,776,437
Interest on the total pension liability	12,561,017	-	12,561,017
Changes in assumptions	-	-	-
Differences between expected and actual experience	(1,639,534)	-	(1,639,534)
Plan to plan resource movement	-	(8)	8
Contribution - employer	-	2,335,291	(2,335,291)
Contribution - employee	-	2,031,732	(2,031,732)
Net investment income	-	704,200	(704,200)
Benefit payments, including refunds of employee contributions	(8,192,650)	(8,192,650)	-
Administrative expenses	-	(82,376)	82,376
Net changes	5,505,270	(3,203,811)	8,709,081
Balance at June 30, 2017	\$ 174,049,217	131,960,857	42,088,360

*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	\$ 95,949,850	71,307,758	51,014,904
Miscellaneous' net pension liability	64,059,040	42,088,360	23,805,431

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

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 12 – PENSION PLANS (CONTINUED)*

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

For the year ended June 30, 2017, the City recognized pension expense of \$8,549,802. At June 30, 2017, 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	\$ 6,302,389	-
Differences between actual and expected experience	594,988	2,427,767
Changes in assumptions	-	2,150,335
Net differences between projected and actual earnings on plan investments	13,398,381	-
Total	<u>\$ 20,295,758</u>	<u>4,578,102</u>

\$6,302,389 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, 2018. 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	
2018	\$ (816,155)
2019	714,552
2020	6,010,009
2021	3,506,861
Total	<u>\$ 9,415,267</u>

*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.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*

Funding Policy

The City will continue to pay Plan benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2017, the City contributed approximately \$291,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately \$324,000 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	\$ 1,174,000
Interest on net OPEB obligation	164,000
Adjustment to annual required contribution	<u>(317,000)</u>
Annual OPEB cost (expense)	1,021,000
Benefit payments	<u>(615,000)</u>
Increase in net OPEB obligation	406,000
Net OPEB obligation - beginning of year	<u>4,365,000</u>
Net OPEB obligation - end of year	<u><u>\$ 4,771,000</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended June 30, 2017 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 917,000	61.4%	\$ 3,990,000
6/30/2016	957,000	60.8%	4,365,000
6/30/2017	1,021,000	60.2%	4,771,000

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)*

Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2017, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 10,279,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>10,279,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	0%
Covered payroll (active Plan participants)	29,401,000
UAAL as a percentage of covered payroll	35.0%

Actuarial valuations of an ongoing Plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions

In the January 1, 2017 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and a 2.75 percent general inflation assumption. Medical premiums were assumed to increase with a pre-Medicare medical cost increase rate for all plans of 7.5 percent for 2018 to 2020, 7.25 percent for 2021, 7.0 percent for 2022 to 2029, and grading down to 5.2 percent and lower annual increases for 2030 and thereafter. Dental premiums are assumed to increase 2.75 percent annually. The UAAL is being amortized as a level percentage of payroll over 22 years on a closed basis.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*NOTE 14 – FUND BALANCE CLASSIFICATIONS*

The details of the fund balance classifications as of June 30, 2017 are presented below:

Fund Balance:	General Fund	Special Revenue Funds				Capital	Total	Total	Total
		Transit Fund	Subventions and Grants	HOME Fund	Housing Authority	Projects Fund Capital Projects			
<b>Nonspendable</b>									
Advances to other funds	\$ 7,692,063	-	-	-	-	-	7,692,063	-	7,692,063
Prepaid items	24,190	102,145	-	-	-	-	126,335	-	126,335
Subtotal	7,716,253	102,145	-	-	-	-	7,818,398	-	7,818,398
<b>Spendable</b>									
<b>Restricted</b>									
Local transit	-	5,057,317	-	-	-	-	5,057,317	-	5,057,317
Construction and maintenance	23,002	-	-	-	-	-	23,002	9,417,735	9,440,737
SB358 library	-	-	-	-	-	-	-	106,454	106,454
Community development	-	-	-	2,403,586	16,766,596	15,854,297	35,024,479	2,492,641	37,517,120
Parkland	73,628	-	-	-	-	-	73,628	-	73,628
Park impact fees	1,459,880	-	-	-	-	-	1,459,880	-	1,459,880
Aquatics impact fees	11,776	-	-	-	-	-	11,776	-	11,776
Public facilities impact fees	247,949	-	-	-	-	-	247,949	-	247,949
Library impact fees	243,860	-	-	-	-	-	243,860	-	243,860
Asset seizure	-	-	-	-	-	-	-	471,626	471,626
Traffic offender	-	-	-	-	-	-	-	644,531	644,531
Seismic education	-	-	-	-	-	-	-	4,800	4,800
AQMD	-	-	-	-	-	-	-	735,616	735,616
PEG	403,285	-	-	-	-	-	403,285	-	403,285
Subtotal	2,463,380	5,057,317	-	2,403,586	16,766,596	15,854,297	42,545,176	13,873,403	56,418,579
<b>Committed</b>									
Library facility	58,148	-	-	-	-	-	58,148	-	58,148
Oil wells	100,000	-	-	-	-	-	100,000	-	100,000
Arts in public place	592,380	-	-	-	-	-	592,380	-	592,380
Emergency contingency	3,003,857	-	-	-	-	-	3,003,857	-	3,003,857
Subtotal	3,754,385	-	-	-	-	-	3,754,385	-	3,754,385
<b>Assigned</b>									
General plan	207,436	-	-	-	-	-	207,436	-	207,436
General government- rental units	712,596	-	-	-	-	-	712,596	-	712,596
Mineral extraction	232,982	-	-	-	-	-	232,982	-	232,982
Capital projects	-	-	-	-	-	3,147,595	3,147,595	-	3,147,595
Continuing appropriations	2,813,437	-	-	-	-	-	2,813,437	-	2,813,437
Subtotal	3,966,451	-	-	-	-	3,147,595	7,114,046	-	7,114,046
<b>Unassigned</b>	29,130,630	-	(1,829,130)	-	-	-	27,301,500	(115,286)	27,186,214
<b>Total</b>	<b>\$ 47,031,099</b>	<b>5,159,462</b>	<b>(1,829,130)</b>	<b>2,403,586</b>	<b>16,766,596</b>	<b>19,001,892</b>	<b>88,533,505</b>	<b>13,758,117</b>	<b>102,291,622</b>

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, 2017, the City had \$3,003,857 committed pursuant to Resolution 8380.

**CITY OF WHITTIER, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*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, 2017, 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, 2017 and June 30, 2016:

	Worker's Compensation	General Liability	Total
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	3,373,289	2,221,273	5,594,562
Claims payments	(1,398,593)	(1,363,801)	(2,762,394)
Claims incurred and changes in estimates	2,042,877	1,154,390	3,197,267
Claims and judgments at June 30, 2017	<u>\$ 4,017,573</u>	<u>2,011,862</u>	<u>6,029,435</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, 2017**

*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, 2017, the City of Whittier had \$8,878,617 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, 2017, 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, 2017**

*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 \$1,094,907 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
2018	\$ 878,743
2019	878,743
2020	878,743
2021	878,743
2022	878,743
2023-2027	4,393,715
2028-2032	4,393,715
2033-2037	4,393,715
2038-2042	4,393,715
2043-2047	4,393,715
2048-2052	4,393,715
2053-2057	4,393,715
	\$ 35,149,720

Solid Waste Collection Interim Agreements

On May 10, 2016, the City approved interim solid waste collection and recycling agreements with Republic Services (zones 1 & 2) and Athens Services (zone 3) for the period of July 1, 2016 through June 30, 2017. The City maintained ownership of its solid waste collection assets during the interim agreements. Prior to July 1, 2016, the City collected solid waste in zone 1 through a franchise agreement with Republic Services, zone 2 through a franchise agreement with Waste Management, and zone 3 with City staff and equipment. The City received combined signing fees of \$2.18 million related to the interim agreements and services were billed at rates consistent with the City's approved solid waste collection fees. Long-term Solid Waste Collection and Recycling Franchise Agreements were negotiated and took effect November 1, 2017.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED JUNE 30, 2017**

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)
1/1/2013	-	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%
1/1/2017	-	10,279,000	10,279,000	0%	29,401,000	35.0%

**CITY OF WHITTIER, CALIFORNIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND**  
**RELATED RATIOS FOR SAFETY PLAN**  
**LAST TEN YEARS\***  
**AS OF JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>			
Service cost	\$ 3,078,570	\$ 3,134,989	3,219,193
Interest on the total pension liability	13,267,223	12,846,133	12,237,364
Differences between expected and actual experience	(1,402,128)	1,338,724	-
Changes of assumptions	-	(3,176,358)	-
Changes in benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(9,025,356)	(9,067,299)	(8,569,436)
<b>Net change in total pension liability</b>	<u>5,918,309</u>	<u>5,076,189</u>	<u>6,887,121</u>
<b>Total pension liability - beginning</b>	<u>177,803,277</u>	<u>172,727,088</u>	<u>165,839,967</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 183,721,586</u>	<u>\$ 177,803,277</u>	<u>172,727,088</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,993,497	\$ 4,636,058	4,451,887
Contributions - employee	1,159,719	1,104,125	1,246,103
Net investment income	549,244	2,521,335	17,422,054
Plan to plan resource movement	8	-	-
Administrative expenses	(69,969)	(129,300)	(138,888)
Benefit payments	(9,025,356)	(9,067,299)	(8,569,436)
<b>Net change in plan fiduciary net position</b>	<u>(2,392,857)</u>	<u>(935,081)</u>	<u>14,411,720</u>
<b>Plan fiduciary net position - beginning</b>	<u>114,806,685</u>	<u>115,741,766</u>	<u>101,330,046</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 112,413,828</u>	<u>\$ 114,806,685</u>	<u>115,741,766</u>
 Net pension liability - ending (a)-(b)	 <u>\$ 71,307,758</u>	 <u>\$ 62,996,592</u>	 <u>56,985,322</u>
 Plan fiduciary net position as a percentage of the total pension liability	 61.19%	 64.57%	 67.01%
 Covered payroll	 13,270,208	 13,258,438	 13,020,389
 Net pension liability as percentage of covered payroll	 537.35%	 475.14%	 437.66%

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.

**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, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>			
Service cost	\$ 2,776,437	2,707,132	2,865,513
Interest on the total pension liability	12,561,017	12,148,802	11,702,397
Differences between expected and actual experience	(1,639,534)	(1,564,965)	-
Changes of assumptions	-	(2,848,967)	-
Changes in benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(8,192,650)	(7,532,561)	(7,065,215)
<b>Net change in total pension liability</b>	<u>5,505,270</u>	<u>2,909,441</u>	<u>7,502,695</u>
<b>Total pension liability - beginning</b>	<u>168,543,947</u>	<u>165,634,506</u>	<u>158,131,811</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 174,049,217</u>	<u>168,543,947</u>	<u>165,634,506</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,335,291	2,082,877	2,014,309
Contributions - employee	2,031,732	1,649,216	1,503,982
Net investment income	704,200	3,036,920	20,676,474
Plan to plan resource movement	(8)	208	-
Administrative expenses	(82,376)	(161,819)	(166,668)
Benefit payments	(8,192,650)	(7,532,561)	(7,065,215)
<b>Net change in plan fiduciary net position</b>	<u>(3,203,811)</u>	<u>(925,159)</u>	<u>16,962,882</u>
<b>Plan fiduciary net position - beginning</b>	<u>135,164,668</u>	<u>136,089,827</u>	<u>119,126,945</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 131,960,857</u>	<u>135,164,668</u>	<u>136,089,827</u>
Net pension liability - ending (a)-(b)	<u>\$ 42,088,360</u>	<u>33,379,279</u>	<u>29,544,679</u>
Plan fiduciary net position as a percentage of the total pension liability	75.82%	80.20%	82.16%
Covered payroll	\$ 18,769,281	18,219,175	17,806,543
Net pension liability as percentage of covered payroll	224.24%	183.21%	165.92%

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS  
LAST TEN YEARS\*  
AS OF JUNE 30, 2017**

**Safety Plan:**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,461,408	4,993,497	4,636,058
Contributions in relation to the actuarially determined contributions	4,461,408	4,993,497	4,636,058
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 13,044,349	13,270,208	13,258,438
Contributions as a percentage of covered payroll	34%	38%	35%

**Miscellaneous Plan:**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,840,981	2,335,291	2,082,877
Contributions in relation to the actuarially determined contributions	1,840,981	2,335,291	2,082,877
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 17,012,480	18,769,281	18,219,175
Contributions as a percentage of covered payroll	11%	12%	11%

**Notes to Schedule**

Valuation date: June 30, 2015

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 three years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF WHITTIER, CALIFORNIA  
MAJOR CAPITAL PROJECTS FUND  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2017**

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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 37,600	124,334	86,734
Other	-	1,437,117	1,437,117
Total Revenues	<u>37,600</u>	<u>1,561,451</u>	<u>1,523,851</u>
<b>Expenditures:</b>			
Capital outlay	1,140,186	2,411,917	(1,271,731)
Total Expenditures	<u>1,140,186</u>	<u>2,411,917</u>	<u>(1,271,731)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,102,586)</u>	<u>(850,466)</u>	<u>252,120</u>
<b>Other financing sources (Uses):</b>			
Transfers in	-	130,734	130,734
Transfers out	-	(489,943)	(489,943)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(359,209)</u>	<u>(359,209)</u>
Net Change in Fund Balance	(1,102,586)	(1,209,675)	(107,089)
Fund Balance at Beginning of Year	<u>20,211,567</u>	<u>20,211,567</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 19,108,981</u>	<u>19,001,892</u>	<u>(107,089)</u>



**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2017**

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, 2017**

**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.

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

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017**

	Special Revenue Funds		
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant
<b>Assets:</b>			
Cash and investments	\$ 885	-	106,113
Restricted assets:			
Cash and investments	-	514,006	-
Receivables:			
Intergovernmental	12	-	-
Accounts	-	-	-
Notes and loans	-	-	-
Interest	2	2,126	341
Prepaid items	-	-	-
Total Assets	<u>\$ 899</u>	<u>516,132</u>	<u>106,454</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 771	39,199	-
Accrued liabilities	-	5,308	-
Total Liabilities	<u>771</u>	<u>44,507</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	128	471,625	106,454
Unassigned	-	-	-
Total Fund Balances	<u>128</u>	<u>471,625</u>	<u>106,454</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 899</u>	<u>516,132</u>	<u>106,454</u>

Special Revenue Funds

State COPS Grant	Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety
647,641	695,963	6,682	4,800	2,777,988	232,776
-	-	-	-	-	-
4,345	28,677	-	-	250,249	13,578
-	-	-	-	-	-
-	-	-	-	-	-
2,120	2,109	-	-	8,318	-
-	15,497	-	-	-	-
<u>654,106</u>	<u>742,246</u>	<u>6,682</u>	<u>4,800</u>	<u>3,036,555</u>	<u>246,354</u>
-	6,300	6,682	-	266,153	1,916
9,575	329	-	-	-	-
<u>9,575</u>	<u>6,629</u>	<u>6,682</u>	<u>-</u>	<u>266,153</u>	<u>1,916</u>
-	-	-	-	250,249	-
-	-	-	-	250,249	-
644,531	735,617	-	4,800	2,520,153	244,438
-	-	-	-	-	-
<u>644,531</u>	<u>735,617</u>	<u>-</u>	<u>4,800</u>	<u>2,520,153</u>	<u>244,438</u>
<u>654,106</u>	<u>742,246</u>	<u>6,682</u>	<u>4,800</u>	<u>3,036,555</u>	<u>246,354</u>

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2017**

	Special Revenue Funds		
	Traffic Congestion	HUD Grants	Whittier Uptown Parking District No.1
<b>Assets:</b>			
Cash and investments	333,411	907,415	\$ 102,419
Restricted assets:			
Cash and investments	-	-	-
Receivables:			
Intergovernmental	424,746	170,139	-
Accounts	-	-	3,960
Notes and loans	-	1,639,151	-
Interest	2,160	119,913	247
Prepaid items	-	-	-
Total Assets	<u>760,317</u>	<u>2,836,618</u>	<u>106,626</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	450,857	217,127	\$ 1,877
Accrued liabilities	-	6,660	2,633
Total Liabilities	<u>450,857</u>	<u>223,787</u>	<u>4,510</u>
Deferred Inflows of Resources:			
Unavailable revenues	424,746	120,191	-
Total Deferred Inflows of Resources	<u>424,746</u>	<u>120,191</u>	<u>-</u>
Fund Balances:			
Restricted	-	2,492,640	102,116
Unassigned	(115,286)	-	-
Total Fund Balances	<u>(115,286)</u>	<u>2,492,640</u>	<u>102,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>760,317</u>	<u>2,836,618</u>	<u>\$ 106,626</u>

Special Revenue Funds			Total Non-major Governmental Funds
Whittier Uptown Parking District No.2	Prop 1B	Measure R	
1,882,533	-	4,643,586	12,342,212
-	-	-	514,006
17,499	-	147,268	1,056,513
5,778	-	-	9,738
-	-	-	1,639,151
5,953	-	14,780	158,069
-	-	-	15,497
<u>1,911,763</u>	<u>-</u>	<u>4,805,634</u>	<u>15,735,186</u>
1,373	-	17,855	1,010,110
-	-	-	24,505
<u>1,373</u>	<u>-</u>	<u>17,855</u>	<u>1,034,615</u>
-	-	147,268	942,454
-	-	147,268	942,454
1,910,390	-	4,640,511	13,873,403
-	-	-	(115,286)
<u>1,910,390</u>	<u>-</u>	<u>4,640,511</u>	<u>13,758,117</u>
<u>1,911,763</u>	<u>-</u>	<u>4,805,634</u>	<u>15,735,186</u>

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	Street Lighting District 1-91	Asset Seizure Forfeiture	SB358 Library Grant
<b>Revenues:</b>			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Fines and forfeits	-	71,052	-
Use of money and property	12	5,708	1,068
Intergovernmental	-	-	-
Charges for services	765	-	-
Other	-	-	-
Total Revenues	<u>777</u>	<u>76,760</u>	<u>1,068</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	327,796	-
Libraries	-	-	35,448
Public works	1,325	-	-
Community development	-	-	-
Total Expenditures	<u>1,325</u>	<u>327,796</u>	<u>35,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(548)</u>	<u>(251,036)</u>	<u>(34,380)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	35,508
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>35,508</u>
Net Change in Fund Balances	(548)	(251,036)	1,128
Fund Balances, Beginning of Year	<u>676</u>	<u>722,661</u>	<u>105,326</u>
Fund Balances (Deficit), End of Year	<u>\$ 128</u>	<u>471,625</u>	<u>106,454</u>



Special Revenue Funds

State COPS Grant	Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety
-	-	-	-	-	-
-	-	126,699	-	-	-
-	-	15,570	-	-	221,987
6,676	6,724	-	-	26,324	-
152,663	112,811	-	-	1,427,512	-
-	-	-	-	-	-
-	-	-	-	-	-
159,339	119,535	142,269	-	1,453,836	221,987
299,991	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	345,840	-
-	40,971	142,269	-	-	-
299,991	40,971	142,269	-	345,840	-
(140,652)	78,564	-	-	1,107,996	221,987
130,000	-	-	-	103,537	-
-	-	-	-	(1,228,957)	(350,000)
130,000	-	-	-	(1,125,420)	(350,000)
(10,652)	78,564	-	-	(17,424)	(128,013)
655,183	657,053	-	4,800	2,537,577	372,451
644,531	735,617	-	4,800	2,520,153	244,438

**CITY OF WHITTIER, CALIFORNIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	Traffic Congestion	HUD Grants	Whittier Uptown Parking District No.1
<b>Revenues:</b>			
Taxes	-	-	\$ 18,723
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Use of money and property	6,335	-	66,561
Intergovernmental	235,786	848,895	-
Charges for services	-	-	53,265
Other	-	-	489
Total Revenues	<u>242,121</u>	<u>848,895</u>	<u>139,038</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Libraries	-	-	-
Public works	1,034,390	-	104,875
Community development	-	604,453	-
Total Expenditures	<u>1,034,390</u>	<u>604,453</u>	<u>104,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(792,269)</u>	<u>244,442</u>	<u>34,163</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(792,269)	244,442	34,163
Fund Balances, Beginning of Year	<u>676,983</u>	<u>2,248,198</u>	<u>67,953</u>
Fund Balances (Deficit), End of Year	<u>(115,286)</u>	<u>2,492,640</u>	<u>\$ 102,116</u>

Special Revenue Funds			
Whittier Uptown Parking District No.2	Prop 1B	Measure R	Total Non-major Governmental Funds
252,212	-	987,253	1,258,188
-	-	-	126,699
-	-	-	308,609
19,009	-	47,992	186,409
-	64,905	-	2,842,572
41,386	-	-	95,416
1,500	-	-	1,989
<u>314,107</u>	<u>64,905</u>	<u>1,035,245</u>	<u>4,819,882</u>
-	-	-	627,787
-	-	-	35,448
211,023	-	641,885	2,339,338
-	-	-	787,693
<u>211,023</u>	<u>-</u>	<u>641,885</u>	<u>3,790,266</u>
<u>103,084</u>	<u>64,905</u>	<u>393,360</u>	<u>1,029,616</u>
-	-	-	269,045
-	(103,537)	-	(1,682,494)
-	(103,537)	-	(1,413,449)
103,084	(38,632)	393,360	(383,833)
<u>1,807,306</u>	<u>38,632</u>	<u>4,247,151</u>	<u>14,141,950</u>
<u>1,910,390</u>	<u>-</u>	<u>4,640,511</u>	<u>13,758,117</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	12	12
Charges for services	1,380	765	(615)
Total Revenues	<u>1,380</u>	<u>777</u>	<u>(603)</u>
<b>Expenditures:</b>			
Current:			
Public works	1,069	1,325	(256)
Total Expenditures	<u>1,069</u>	<u>1,325</u>	<u>(256)</u>
Net Change in Fund Balance	311	(548)	(859)
Fund Balance at Beginning of Year	676	676	-
Fund Balance at End of Year	<u>\$ 987</u>	<u>128</u>	<u>(859)</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Fines and forfeits	\$ 90,000	71,052	(18,948)
Use of money and property	2,000	5,708	3,708
Total Revenues	<u>92,000</u>	<u>76,760</u>	<u>(15,240)</u>
<b>Expenditures:</b>			
Current:			
Public safety	348,619	327,796	20,823
Total Expenditures	<u>348,619</u>	<u>327,796</u>	<u>20,823</u>
Net Change in Fund Balance	(256,619)	(251,036)	5,583
Fund Balance at Beginning of Year	<u>722,661</u>	<u>722,661</u>	-
Fund Balance at End of Year	<u>\$ 466,042</u>	<u>471,625</u>	<u>5,583</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	1,068	1,068
Total Revenues	-	1,068	1,068
<b>Expenditures:</b>			
Current:			
Libraries	35,448	35,448	-
Total Expenditures	35,448	35,448	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,448)	(34,380)	1,068
<b>Other financing sources (uses):</b>			
Transfers in	35,508	35,508	-
Total Other Financing Sources (Uses)	35,508	35,508	-
Net Change in Fund Balance	60	1,128	1,068
Fund Balance at Beginning of Year	105,326	105,326	-
Fund Balance at End of Year	\$ 105,386	106,454	1,068

**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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,000	6,676	5,676
Intergovernmental	100,000	152,663	52,663
Charges for services	-	-	-
Total Revenues	<u>101,000</u>	<u>159,339</u>	<u>58,339</u>
<b>Expenditures:</b>			
Current:			
Public safety	296,165	299,991	(3,826)
Total Expenditures	<u>296,165</u>	<u>299,991</u>	<u>(3,826)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(195,165)</u>	<u>(140,652)</u>	<u>54,513</u>
<b>Other financing sources (uses):</b>			
Transfers in	130,000	130,000	-
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net Change in Fund Balance	(65,165)	(10,652)	54,513
Fund Balance at Beginning of Year	655,183	655,183	-
Fund Balance at End of Year	<u>\$ 590,018</u>	<u>644,531</u>	<u>54,513</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,000	6,724	5,724
Intergovernmental	100,000	112,811	12,811
Total Revenues	<u>101,000</u>	<u>119,535</u>	<u>18,535</u>
<b>Expenditures:</b>			
Current:			
Community development	71,226	40,971	30,255
Total Expenditures	<u>71,226</u>	<u>40,971</u>	<u>30,255</u>
Net Change in Fund Balance	29,774	78,564	48,790
Fund Balance at Beginning of Year	657,053	657,053	-
Fund Balance at End of Year	<u>\$ 686,827</u>	<u>735,617</u>	<u>48,790</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ 110,000	126,699	16,699
Fines and forfeits	2,000	15,570	13,570
Total Revenues	<u>112,000</u>	<u>142,269</u>	<u>30,269</u>
<b>Expenditures:</b>			
Current:			
Community development	111,500	142,269	(30,769)
Total Expenditures	<u>111,500</u>	<u>142,269</u>	<u>(30,769)</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, 2017**

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

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
STATE GAS TAX SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,500	26,324	24,824
Intergovernmental	1,382,500	1,427,512	45,012
Total Revenues	<u>1,384,000</u>	<u>1,453,836</u>	<u>69,836</u>
<b>Expenditures:</b>			
Current:			
Public works	1,511,671	345,840	1,165,831
Total Expenditures	<u>1,511,671</u>	<u>345,840</u>	<u>1,165,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(127,671)</u>	<u>1,107,996</u>	<u>1,235,667</u>
<b>Other financing sources (uses):</b>			
Transfers out	(1,084,045)	(1,228,957)	(144,912)
Total Other Financing Sources (Uses)	<u>(1,084,045)</u>	<u>(1,125,420)</u>	<u>(144,912)</u>
Net Change in Fund Balance	(1,211,716)	(17,424)	1,090,755
Fund Balance at Beginning of Year	<u>2,537,577</u>	<u>2,537,577</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,325,861</u>	<u>2,520,153</u>	<u>1,194,292</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Fines and forfeits	\$ 350,000	221,987	(128,013)
Total Revenues	<u>350,000</u>	<u>221,987</u>	<u>(128,013)</u>
<b>Other financing sources (uses):</b>			
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	-	(128,013)	(128,013)
Fund Balance at Beginning of Year	<u>372,451</u>	<u>372,451</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 372,451</u></u>	<u><u>244,438</u></u>	<u><u>(128,013)</u></u>

**CITY OF WHITTIER, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL  
TRAFFIC CONGESTION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,000	6,335	5,335
Intergovernmental	685,000	235,786	(449,214)
Total Revenues	<u>686,000</u>	<u>242,121</u>	<u>(443,879)</u>
<b>Expenditures:</b>			
Current:			
Public works	1,797,015	1,034,390	762,625
Total Expenditures	<u>1,797,015</u>	<u>1,034,390</u>	<u>762,625</u>
Net Change in Fund Balance	(1,111,015)	(792,269)	318,746
Fund Balance at Beginning of Year	<u>676,983</u>	<u>676,983</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (434,032)</u>	<u>(115,286)</u>	<u>318,746</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 743,838	848,895	105,057
Total Revenues	<u>743,838</u>	<u>848,895</u>	<u>105,057</u>
<b>Expenditures:</b>			
Current:			
Community development	1,515,272	604,453	910,819
Total Expenditures	<u>1,515,272</u>	<u>604,453</u>	<u>910,819</u>
Net Change in Fund Balance	(771,434)	244,442	1,015,876
Fund Balance at Beginning of Year	<u>2,248,198</u>	<u>2,248,198</u>	-
Fund Balance at End of Year	<u>\$ 1,476,764</u>	<u>2,492,640</u>	<u>1,015,876</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 6,785	18,723	11,938
Use of money and property	57,900	66,561	8,661
Charges for services	32,400	53,265	20,865
Other	-	489	489
Total Revenues	<u>97,085</u>	<u>139,038</u>	<u>41,953</u>
<b>Expenditures:</b>			
Current:			
Public works	70,858	104,875	(34,017)
Total Expenditures	<u>70,858</u>	<u>104,875</u>	<u>(34,017)</u>
Net Change in Fund Balance	26,227	34,163	7,936
Fund Balance at Beginning of Year	67,953	67,953	-
Fund Balance at End of Year	<u>\$ 94,180</u>	<u>102,116</u>	<u>7,936</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 54,253	252,212	197,959
Use of money and property	2,000	19,009	17,009
Charges for services	60,000	41,386	(18,614)
Other	-	1,500	1,500
Total Revenues	<u>116,253</u>	<u>314,107</u>	<u>197,854</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>177,856</u>	<u>211,023</u>	<u>(33,167)</u>
Total Expenditures	<u>177,856</u>	<u>211,023</u>	<u>(33,167)</u>
Net Change in Fund Balance	(61,603)	103,084	164,687
Fund Balance at Beginning of Year	<u>1,807,306</u>	<u>1,807,306</u>	-
Fund Balance at End of Year	<u>\$ 1,745,703</u>	<u>1,910,390</u>	<u>164,687</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,000	(95)	(1,095)
Intergovernmental	-	65,000	65,000
Total Revenues	<u>1,000</u>	<u>64,905</u>	<u>63,905</u>
<b>Other financing uses:</b>			
Transfers out	-	(103,537)	(103,537)
Total Other Financing Uses	<u>-</u>	<u>(103,537)</u>	<u>(103,537)</u>
Net Change in Fund Balance	1,000	(38,632)	(39,632)
Fund Balance at Beginning of Year	<u>38,632</u>	<u>38,632</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 39,632</u>	<u>-</u>	<u>(39,632)</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, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 727,688	987,253	259,565
Use of money and property	4,000	47,992	43,992
Total Revenues	<u>731,688</u>	<u>1,035,245</u>	<u>303,557</u>
<b>Expenditures:</b>			
Current:			
Public works	3,640,838	641,885	2,998,953
Total Expenditures	<u>3,640,838</u>	<u>641,885</u>	<u>2,998,953</u>
Net Change in Fund Balance	(2,909,150)	393,360	3,302,510
Fund Balance at Beginning of Year	<u>4,247,151</u>	<u>4,247,151</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,338,001</u></u>	<u><u>4,640,511</u></u>	<u><u>3,302,510</u></u>

**CITY OF WHITTIER  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

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, 2017**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Assets:</b>						
Current assets:						
Cash and investments	\$ 11,811,463	6,400,064	1,614,168	8,424,921	3,034,608	31,285,224
Accounts receivable, net	20,598	-	12,856	3	-	33,457
Interest receivable	36,668	2,313	-	30,365	8,487	77,833
Prepaid items	39,334	-	-	-	-	39,334
<b>Total Current Assets</b>	<b>11,908,063</b>	<b>6,402,377</b>	<b>1,627,024</b>	<b>8,455,289</b>	<b>3,043,095</b>	<b>31,435,848</b>
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,647	175,158
Office machines	-	-	-	-	1,470,758	1,470,758
Mobile equipment	-	-	-	16,426,163	-	16,426,163
Less-accumulated depreciation	-	-	(346,390)	(11,585,337)	(954,364)	(12,886,091)
<b>Total Capital Assets, Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,840,826</b>	<b>646,041</b>	<b>5,486,867</b>
<b>Total Assets</b>	<b>11,908,063</b>	<b>6,402,377</b>	<b>1,627,024</b>	<b>13,296,115</b>	<b>3,689,136</b>	<b>36,922,715</b>
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable	505,530	84,587	43,352	93,243	161,982	888,694
Accrued liabilities	616	-	30,219	-	24,872	55,707
Claims payable - current	3,919,133	-	-	-	-	3,919,133
Compensated absences payable - current	-	2,048,702	-	-	-	2,048,702
<b>Total Current Liabilities</b>	<b>4,425,279</b>	<b>2,133,289</b>	<b>73,571</b>	<b>93,243</b>	<b>186,854</b>	<b>6,912,236</b>
Long-term liabilities:						
Claims payable - non-current	2,110,302	-	-	-	-	2,110,302
Compensated absences payable - non-current	-	3,804,731	-	-	-	3,804,731
<b>Total Non-current Liabilities</b>	<b>2,110,302</b>	<b>3,804,731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,915,033</b>
<b>Total Liabilities</b>	<b>6,535,581</b>	<b>5,938,020</b>	<b>73,571</b>	<b>93,243</b>	<b>186,854</b>	<b>12,827,269</b>
<b>Net position:</b>						
Net investment in capital assets	-	-	-	4,840,826	646,041	5,486,867
Unrestricted	5,372,482	464,357	1,553,453	8,362,046	2,856,241	18,608,579
<b>Total Net Position</b>	<b>\$ 5,372,482</b>	<b>464,357</b>	<b>1,553,453</b>	<b>13,202,872</b>	<b>3,502,282</b>	<b>24,095,446</b>

**CITY OF WHITTIER**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Operating Revenues:</b>						
Charges for services	\$ 3,885,820	5,045,678	2,681,905	1,247,085	957,288	13,817,776
Total Operating Revenues	<u>3,885,820</u>	<u>5,045,678</u>	<u>2,681,905</u>	<u>1,247,085</u>	<u>957,288</u>	<u>13,817,776</u>
<b>Operating Expenses:</b>						
Self insurance	3,454,889	-	-	-	-	3,454,889
Employee benefits	-	5,177,801	-	-	-	5,177,801
Maintenance	859,350	-	2,095,435	5,929	1,179,227	4,139,941
Depreciation	-	-	-	1,280,710	147,393	1,428,103
Total Operating Expenses	<u>4,314,239</u>	<u>5,177,801</u>	<u>2,095,435</u>	<u>1,286,639</u>	<u>1,326,620</u>	<u>14,200,734</u>
Operating Income (Loss)	<u>(428,419)</u>	<u>(132,123)</u>	<u>586,470</u>	<u>(39,554)</u>	<u>(369,332)</u>	<u>(382,958)</u>
<b>Nonoperating Revenues (Expenses):</b>						
Use of money and property	113,944	7,750	-	95,924	26,936	244,554
Gain (loss) on disposal of capital assets	-	-	-	2	-	2
Total Nonoperating Revenues (Expenses)	<u>113,944</u>	<u>7,750</u>	<u>-</u>	<u>95,926</u>	<u>26,936</u>	<u>244,556</u>
Income (loss) before transfers	<u>(314,475)</u>	<u>(124,373)</u>	<u>586,470</u>	<u>56,372</u>	<u>(342,396)</u>	<u>(138,402)</u>
Transfers in	-	-	-	-	721,200	721,200
Change in net position	<u>(314,475)</u>	<u>(124,373)</u>	<u>586,470</u>	<u>56,372</u>	<u>378,804</u>	<u>582,798</u>
Net Position at Beginning 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>
Net Position at End of the Year	<u>\$ 5,372,482</u>	<u>464,357</u>	<u>1,553,453</u>	<u>13,202,872</u>	<u>3,502,282</u>	<u>24,095,446</u>

**CITY OF WHITTIER, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 3,886,570	5,045,678	2,680,987	1,337,351	957,288	13,907,874
Payments to suppliers	(3,548,344)	-	(2,113,576)	(5,929)	(1,044,965)	(6,712,814)
Payments to employees	-	(5,088,752)	-	-	-	(5,088,752)
Net Cash Provided by (Used in) Non-Operating Activities	338,226	(43,074)	567,411	1,331,422	(87,677)	2,106,308
<b>Cash flows from noncapital financing activities:</b>						
Transfers from (to) other funds	-	-	-	-	721,200	721,200
Net Cash Provided by (Used in) Noncapital Financing Activities	-	-	-	-	721,200	721,200
<b>Cash flows from capital and related financing activities:</b>						
Purchase of capital assets	-	-	-	(913,290)	1	(913,289)
Net Cash Used in Capital and Related Financing Activities	-	-	-	(913,290)	1	(913,289)
<b>Cash flows from investing activities:</b>						
Interest on investments	95,812	6,609	-	80,013	22,236	204,670
Net Cash Provided by Investing Activities	95,812	6,609	-	80,013	22,236	204,670
Net Increase (Decrease) in Cash and Cash Equivalents	434,038	(36,465)	567,411	498,145	655,760	2,118,889
Cash and Cash Equivalents, Beginning of Fiscal Year	11,377,425	6,436,529	1,046,757	7,926,776	2,378,848	29,166,335
Cash and Cash Equivalents, End of Fiscal Year	\$ 11,811,463	6,400,064	1,614,168	8,424,921	3,034,608	31,285,224
<b>Reconciliation of operating income to net cash provided by operations:</b>						
Operating income (loss)	\$ (428,419)	(132,123)	586,470	(39,554)	(369,332)	(382,958)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	-	1,280,710	147,393	1,428,103
Decrease (increase) in accounts receivable	750	-	(918)	(1)	-	(169)
Decrease (increase) in prepaid items	(39,334)	-	-	-	3,855	(35,479)
Increase (decrease) in accounts payable	370,670	7,544	(20,518)	90,267	123,209	571,172
Increase (decrease) in accrued liabilities	(314)	-	2,377	-	7,198	9,261
Increase in claims payable	434,873	-	-	-	-	434,873
Increase in compensated absences payable	-	81,505	-	-	-	81,505
Net Cash Provided by (Used in) Operating Activities	\$ 338,226	(43,074)	567,411	1,331,422	(87,677)	2,106,308

**CITY OF WHITTIER  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2017**

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, 2017**

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Habitat JPA	Totals
<b>Assets:</b>					
Cash and investments	\$ 10,962	983,285	339,787	-	1,334,034
Cash and investments with fiscal agents	-	-	422,794	-	422,794
Receivable:					
Accounts	-	887,060	-	80,826	967,886
Interest	-	-	979	-	979
Total Assets	<u>\$ 10,962</u>	<u>1,870,345</u>	<u>763,560</u>	<u>80,826</u>	<u>2,725,693</u>
<b>Liabilities:</b>					
Accounts payable	\$ 10,962	28,129	-	80,826	119,917
Deposits payable	-	1,842,216	-	-	1,842,216
Due to bondholders	-	-	763,560	-	763,560
Total Liabilities	<u>\$ 10,962</u>	<u>1,870,345</u>	<u>763,560</u>	<u>80,826</u>	<u>2,725,693</u>



**CITY OF WHITTIER**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Flex-Rap</u></b>				
<b>Assets</b>				
Cash and investments	\$ 8,172	1,908,389	(1,905,599)	10,962
Total Assets	<u>\$ 8,172</u>	<u>1,908,389</u>	<u>(1,905,599)</u>	<u>10,962</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,172	10,962	(8,172)	10,962
Total Liabilities	<u>\$ 8,172</u>	<u>10,962</u>	<u>(8,172)</u>	<u>10,962</u>
<b><u>Special Deposits</u></b>				
<b>Assets</b>				
Cash and investments	\$ 419,027	1,018,744	(454,486)	983,285
Accounts receivable	880,814	38,559	(32,313)	887,060
Total Assets	<u>\$ 1,299,841</u>	<u>1,057,303</u>	<u>(486,799)</u>	<u>1,870,345</u>
<b>Liabilities</b>				
Accounts payable	\$ 75,345	28,129	(75,345)	28,129
Deposits payable	1,224,496	999,697	(381,977)	1,842,216
Total Liabilities	<u>\$ 1,299,841</u>	<u>1,027,826</u>	<u>(457,322)</u>	<u>1,870,345</u>
<b><u>Community Facilities District 1989-1</u></b>				
<b>Assets</b>				
Cash and investments	\$ 329,107	421,709	(411,029)	339,787
Cash and investments with fiscal agent	421,924	408,620	(407,750)	422,794
Interest receivable	729	979	(729)	979
Total Assets	<u>\$ 751,760</u>	<u>831,308</u>	<u>(819,508)</u>	<u>763,560</u>
<b>Liabilities</b>				
Due to bondholders	\$ 751,760	\$ 831,308	\$ (819,508)	\$ 763,560
Total Liabilities	<u>\$ 751,760</u>	<u>831,308</u>	<u>(819,508)</u>	<u>763,560</u>

**CITY OF WHITTIER**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Habitat JPA</u></b>				
<b>Assets</b>				
Accounts receivable	\$ 216,410	80,826	(216,410)	80,826
Total Assets	<u>\$ 216,410</u>	<u>80,826</u>	<u>(216,410)</u>	<u>80,826</u>
<b>Liabilities</b>				
Accounts payable	\$ 216,410	80,826	(216,410)	80,826
Total Liabilities	<u>\$ 216,410</u>	<u>80,826</u>	<u>(216,410)</u>	<u>80,826</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash investments	\$ 756,306	3,348,842	(2,771,114)	1,334,034
Cash and investments with fiscal agent	421,924	408,620	(407,750)	422,794
Receivables:				
Accounts	1,097,224	119,385	(248,723)	967,886
Interest	729	979	(729)	979
Total Assets	<u>\$ 2,276,183</u>	<u>3,877,826</u>	<u>(3,428,316)</u>	<u>2,725,693</u>
<b>Liabilities</b>				
Accounts payable	\$ 299,927	119,917	(299,927)	119,917
Deposits payable	1,224,496	999,697	(381,977)	1,842,216
Due to bondholders	751,760	831,308	(819,508)	763,560
Total Liabilities	<u>\$ 2,276,183</u>	<u>1,950,922</u>	<u>(1,501,412)</u>	<u>2,725,693</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.

<b><i>Financial Trends</i></b> Contain trend information to help the reader understand how the City's financial performance has changed over time.
<b><i>Revenue Capacity</i></b> Contain information to help the reader assess the City's most significant local revenue source, the property tax.
<b><i>Debt Capacity</i></b> Present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
<b><i>Demographic and Economic Information</i></b> Offer information to help the reader understand the environment within which the City's financial activities take place.
<b><i>Operating Information</i></b> Contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

### *Sources:*

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

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

	Fiscal Year ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Governmental Activities:</i>										
Net investment in capital assets	\$ 100,582	103,579	104,182	107,928	111,342	109,657	95,435	105,775	98,199	91,640
Restricted	68,206	67,479	58,502	58,668	57,271	42,717	46,374	30,522	78,484	82,986
Unrestricted	(29,250)	(28,300)	(36,190)	51,402	41,593	67,551	45,464	44,145	3,202	(2,427)
Total Governmental Activities Net Position	<u>139,538</u>	<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>
% change from prior year	-2.3%	12.9%	-42.0%	3.7%	-4.4%	17.4%	3.8%	0.3%	4.5%	5.9%
<i>Business-type Activities:</i>										
Net investment in capital assets	42,623	38,711	35,644	33,063	31,175	28,819	27,974	26,357	26,875	26,607
Restricted	40	35	17	6	3	135	124	185	138	120
Unrestricted	22,613	22,653	22,298	26,779	22,972	23,254	14,762	18,097	15,895	21,780
Total Business-Type Activities Net Position	<u>65,276</u>	<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>
% change from prior year	6.3%	5.9%	-3.2%	10.5%	3.7%	21.8%	-4.0%	4.0%	-11.5%	5.7%
<i>Primary Government:</i>										
Net investment in capital assets	143,205	142,290	139,826	140,991	142,517	138,476	123,409	132,132	125,074	118,247
Restricted	68,246	67,514	58,519	58,674	57,274	42,852	46,498	30,707	78,622	83,106
Unrestricted	(6,637)	(5,647)	(13,892)	78,181	64,565	90,805	60,226	62,242	19,097	19,353
Total Primary Government Net Position	<u>\$ 204,814</u>	<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>
% change from prior year	0.3%	10.7%	-33.6%	5.1%	-2.9%	18.3%	2.2%	1.0%	0.9%	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,									
	2017	2016	2015 <sup>1</sup>	2014	2013	2012	2011	2010	2009	2008
<b>Expenses:</b>										
<i>Governmental activities:</i>										
General government	\$ 8,802	10,203	8,522	9,090	8,098	7,687	7,547	7,714	7,353	8,443
Public safety	35,449	31,785	31,790	31,082	29,952	28,479	28,642	25,967	30,428	18,146
Public works	12,808	11,465	11,864	13,024	12,879	13,256	8,931	10,781	11,688	13,790
Community development	1,405	3,125	1,451	1,895	10,481	8,317	5,499	5,598	6,414	7,608
Libraries	3,794	3,647	3,407	3,390	3,261	3,166	3,282	3,506	3,426	3,412
Transit	2,777	2,604	3,015	3,168	3,503	2,836	4,567	2,731	2,604	4,671
Parks and recreation	11,416	9,357	8,975	9,022	8,489	8,554	8,456	8,612	10,057	11,373
Interest on long-term debt	-	644	235	253	320	1,893	3,562	3,710	4,637	5,445
Total Governmental activities	76,451	72,830	69,259	70,924	76,983	74,188	70,486	68,619	76,607	72,888
<i>Business-type activities:</i>										
Sewer	2,461	2,227	1,579	1,408	1,471	1,365	1,259	1,390	1,752	1,282
Water	11,084	11,480	10,249	9,999	10,973	9,592	14,133	8,289	14,321	8,688
Solid waste	5,473	9,850	9,832	9,697	9,122	(841)	9,558	9,272	9,295	8,950
Total Business-type activities	19,018	23,557	21,660	21,104	21,566	10,116	24,950	18,951	25,368	18,920
Total primary government	95,469	96,387	90,919	92,028	98,549	84,304	95,436	87,570	101,975	91,808
<b>Program revenues:</b>										
<i>Governmental activities:</i>										
Charges for services:										
General government	5,190	3,002	3,048	2,446	1,972	2,090	2,011	2,128	2,047	2,021
Public safety	10,630	10,516	10,427	10,183	9,549	9,099	9,728	9,417	9,200	8,381
Public works	4,450	4,472	4,450	5,265	5,108	4,542	9,048	3,353	8,589	3,450
Parks and recreation	2,668	4,072	2,004	1,731	1,921	1,864	1,717	2,340	1,746	1,560
Community development	3	1	4	9,876	1,558	1,965	2,167	2,107	2,221	1,940
Other activities	524	818	441	815	776	898	860	895	981	967
Operating contributions and grants	7,865	6,126	7,003	6,694	8,127	11,754	6,139	5,362	6,294	5,665
Capital contributions and grants	990	1,020	1,320	997	902	2,561	2,788	3,300	4,521	4,033
Total governmental activities	32,320	30,027	28,697	38,007	29,913	34,773	34,458	28,902	35,599	28,017
<i>Business-type activities:</i>										
Charges for services:										
Sewer	4,026	4,040	3,900	3,109	2,549	2,216	1,955	1,740	1,902	1,913
Water	13,316	12,452	12,044	13,486	10,219	7,969	10,591	8,556	7,811	8,225
Solid waste	4,602	10,622	9,833	10,389	9,703	8,969	7,863	8,210	8,406	8,977
Operating contributions and grants	239	92	287	241	925	633	1,239	1,436	1,746	1,328
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	22,183	27,206	26,064	27,225	23,396	19,787	21,648	19,942	19,865	20,443
Total primary government	54,503	57,233	54,761	65,232	53,309	54,560	56,106	48,844	55,464	48,460
<b>Net revenues (expenses):</b>										
<i>Governmental activities</i>	(44,131)	(42,803)	(40,562)	(32,917)	(47,070)	(39,415)	(36,028)	(39,717)	(41,008)	(44,871)
<i>Business-type activities</i>	3,165	3,649	4,404	6,121	1,830	9,671	(3,302)	991	(5,503)	1,523
Total primary government	(40,966)	(39,154)	(36,158)	(26,796)	(45,240)	(29,744)	(39,330)	(38,726)	(46,511)	(43,348)
<b>General revenues and other changes in net position</b>										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	15,293 *	14,227 *	5,897	5,711	6,523	8,779	11,830	9,690	13,252	12,501
Sales taxes	9,737	10,378	9,132	8,504	8,583	7,900	7,663	7,460	8,651	10,379
Franchise taxes	2,829	3,377	3,415	3,231	2,918	2,189	1,891	1,914	1,718	2,036
Utility users tax	6,801	6,812	7,049	6,903	7,003	6,760	7,034	7,366	7,659	7,806
Motor vehicle in lieu tax, unrestricted	- *	- *	7,776	7,416	7,153	7,076	7,285	7,253	7,410	8,786
Transit tax	2,903	2,858	2,786	2,673	2,466	2,332	2,150	2,035	2,314	2,544
Other taxes	3,227	3,506	2,974	2,786	2,276	2,349	2,307	2,257	2,356	2,734
Investment income	225	640	544	457	424	443	1,154	2,162	4,404	6,438
Other	1	-	1	3	1	45	4	136	16	444
Transfers	(105)	580	593	593	4	522	-	-	914	824
Extraordinary gain	-	-	-	-	-	33,672	-	-	-	-
Special item	-	16,689	-	-	-	-	-	-	-	-
Total governmental activities	40,911	59,067	40,167	38,277	37,351	72,067	41,318	40,273	48,694	54,492
<i>Business-type activities:</i>										
Investment income	593	348	223	154	103	186	935	584	818	1,924
Other	14	23	16	16	14	12	588	157	-	-
Transfers	105	(580)	(593)	(593)	(4)	(522)	-	-	(914)	(824)
Total business-type activities	712	(209)	(354)	(423)	113	(324)	1,523	741	(96)	1,100
Total primary government	41,623	58,858	39,813	37,854	37,464	71,743	42,841	41,014	48,598	55,592
<b>Changes in net position</b>										
<i>Governmental activities</i>	(3,220)	16,264	(395)	5,360	(9,719)	32,652	5,290	556	7,686	9,621
<i>Business-type activities</i>	3,877	3,440	4,050	5,698	1,943	9,347	(1,779)	1,732	(5,599)	2,623
Change in net position - total primary government	\$ 657	19,704	3,655	11,058	(7,776)	41,999	3,511	2,288	2,087	12,244

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

<sup>1</sup> 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,										
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u> <sup>4</sup>		<u>2010</u>	<u>2009</u>	<u>2008</u> <sup>2</sup>
General fund:								General fund:			
Nonspendable	\$ 7,716	7,701	7,682	7,663	23	7,858	7,321	Reserved	\$ 7,410	8,286	8,970
Restricted	2,463	2,222	515	1,083	1,057	838	728	Unreserved, designated for	12,071	18,203	18,259
Committed	3,754	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>
Assigned	3,967	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>
Unassigned	<u>29,131</u>	<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>47,031</u>	<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	102	122	142	163	165	-	-	Reserved	39,268	96,938	40,993 <sup>3</sup>
Restricted	53,955	54,687	45,096	44,753	42,454	44,750	80,315	Unreserved, designated for, reported in:			
Committed	-	-	-	-	-	-	-	Special revenue funds	617	541	303
Assigned	3,148	3,553	4,579	5,053	5,441	9,321	6,999	Debt service funds	-	-	28,345
Unassigned	<u>(1,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,013)</u>	Capital projects funds	-	-	-
Total other governmental funds	<u>55,261</u>	<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:			
								Special revenue funds	14,236	(10,630)	7,850
								Debt service funds	14,325	(6,044)	(2,978)
								Capital projects funds	5,180	2,246	2,773
Total governmental funds	<u>\$ 102,292</u>	<u>103,917</u>	<u>90,685</u>	<u>88,800</u>	<u>76,251</u>	<u>88,945</u>	<u>112,774</u>	Total other governmental funds	<u>73,626</u>	<u>83,051</u>	<u>77,286</u>
								Total governmental funds	<u>\$ 110,002</u>	<u>125,634</u>	<u>124,362</u>

<sup>1</sup> This schedule reports using the modified accrual basis of accounting.

<sup>2</sup> The City implemented GASB 34, the new reporting standard, in fiscal year 2003.

<sup>3</sup> 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.

<sup>4</sup> 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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Taxes	\$ 39,381	39,536	38,040	36,050	36,049	36,408	41,344	42,081	37,264	38,161
Licenses and permits	2,722	3,006	2,549	2,410	1,963	1,997	1,978	3,182	2,777	1,938
Fines and forfeits	933	1,048	1,173	1,156	1,260	1,125	1,524	1,465	1,699	1,332
Use of money and property	1,173	1,355	1,177	1,046	1,143	1,209	1,902	2,745	5,210	6,760
Intergovernmental	3,917	4,882	5,750	6,038	6,967	8,482	7,413	8,708	15,933	19,302
Charges for services	19,168	17,286	14,832	16,620	14,988	15,554	15,591	17,470	22,015	14,277
Other	2,947	4,509	4,422	12,632	4,117	3,921	8,585	3,523	496	1,914
<b>Total revenues</b>	<b>70,241</b>	<b>71,622</b>	<b>67,943</b>	<b>75,952</b>	<b>66,487</b>	<b>68,696</b>	<b>78,337</b>	<b>79,174</b>	<b>85,394</b>	<b>83,684</b>
<b>Expenditures:</b>										
Current:										
General government	8,653	10,174	8,579	9,074	8,234	8,027	7,482	7,797	7,885	7,951
Public safety	33,587	32,533	31,972	31,030	30,457	29,669	28,398	28,977	30,942	27,773
Public works	7,278	5,525	6,592	7,847	9,983	8,336	7,223	5,643	6,639	7,976
Community development	1,344	5,256	1,460	1,892	10,525	8,700	5,450	5,932	6,472	7,379
Libraries	3,726	3,644	3,430	3,384	3,316	3,301	3,254	3,462	3,388	3,376
Local transit	2,764	2,580	3,037	3,162	3,562	2,956	4,528	2,567	2,442	4,526
Parks and recreation	11,276	9,327	9,036	9,007	8,632	8,918	8,384	8,626	9,663	10,493
Pass through agreements	-	-	-	-	-	695	2,203	4,644	1,736	2,220
Capital outlay	2,412	1,171	1,220	650	3,845	3,042	5,673	16,066	8,515	1,997
Debt service:										
Principal	-	4,170	350	335	320	1,856	2,364	8,469	1,571	1,463
Interest and fiscal charges	-	683	238	256	276	1,844	3,383	3,769	4,644	4,159
Bond issuance costs	-	-	-	-	-	-	-	-	-	293
<b>Total expenditures</b>	<b>71,040</b>	<b>75,063</b>	<b>65,914</b>	<b>66,637</b>	<b>79,150</b>	<b>77,344</b>	<b>78,342</b>	<b>95,952</b>	<b>83,897</b>	<b>79,606</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(799)</b>	<b>(3,441)</b>	<b>2,029</b>	<b>9,315</b>	<b>(12,663)</b>	<b>(8,648)</b>	<b>(5)</b>	<b>(16,778)</b>	<b>1,497</b>	<b>4,078</b>
<b>Other financing sources (uses):</b>										
Issuance of debt	-	-	-	-	-	625	1,275	1,254	1,206	16,568
Transfers in	2,038	1,953	2,490	3,507	1,965	12,267	11,162	22,370	14,875	7,681
Transfers out	(2,864)	(1,969)	(2,635)	(1,939)	(1,996)	(12,892)	(11,201)	(22,478)	(16,307)	(7,595)
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(5,790)
Premium (discount) from bond issuance	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(826)</b>	<b>(16)</b>	<b>(145)</b>	<b>1,568</b>	<b>(31)</b>	<b>-</b>	<b>1,236</b>	<b>1,146</b>	<b>(226)</b>	<b>10,864</b>
<b>Special item:</b>										
Refunded bond proceeds from Successor Agency	-	16,689	-	-	-	-	-	-	-	-
<b>Extraordinary item:</b>										
Dissolution of Former Redevelopment Agency	-	-	-	-	-	(15,182)	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (1,625)</b>	<b>13,232</b>	<b>1,884</b>	<b>10,883</b>	<b>(12,694)</b>	<b>(23,830)</b>	<b>1,231</b>	<b>(15,632)</b>	<b>1,271</b>	<b>14,942</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>0.00%</b>	<b>6.53%</b>	<b>0.91%</b>	<b>0.90%</b>	<b>0.84%</b>	<b>5.23%</b>	<b>8.49%</b>	<b>15.80%</b>	<b>8.29%</b>	<b>8.81%</b>

<sup>1</sup> This schedule reports using the modified accrual basis of accounting.

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

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
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%
2017	7,448,068	42,517	(344,730)	7,145,855	1,829,078	99,183	(142,249)	1,786,012	0.73330%

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**

<b>Agency</b>	<u>2017</u>	<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>
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
East Whittier City School District	0.01695	0.03826	0.03878	0.03900	0.04024	0.03680	0.03638	0.03553	0.03320	0.02750
El Monte Union High School District	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Fullerton Union High School District	0.02819	0.01232	0.01338	0.01435	0.01579	0.01300	0.01820	0.01529	0.01431	0.01346
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Nietos School District 08 Series 2008A	0.07063	0.08062	0.03041	0.02810	0.03351	0.03420	0.03213	0.02885	0.02680	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450
N Orange Co. Community College District	0.02885	0.01609	0.01704	0.01704	0.01902	0.01742	0.01758	0.01649	0.01493	0.01502
Rio Hondo Community College District	0.02808	0.02712	0.02821	0.02892	0.02812	0.03418	0.03439	0.02714	0.02320	0.01369
South Whittier School District	0.06563	0.06306	0.06856	0.06403	0.06884	0.08556	0.06895	0.06169	0.05783	0.05588
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	0.05441	0.05757	0.05792	0.06110	0.03439	0.03354	0.03494	0.03443	0.03365	0.03582
Whittier Union High School District	0.06035	0.05063	0.05270	0.04473	0.04556	0.04317	0.04239	0.04224	0.03728	0.04359
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.52325</b>	<b>1.51583</b>	<b>1.47716</b>	<b>1.46743</b>	<b>1.45563</b>	<b>1.46823</b>	<b>1.45532</b>	<b>1.43262</b>	<b>1.41216</b>	<b>1.37612</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	<b>0.07171</b>	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171
<b>Redevelopment Rate<sup>4</sup></b>						1.00370	1.00370	1.00430	1.00430	1.00450
<b>Total Direct Rate<sup>5</sup></b>	<b>0.07333</b>	0.07322	0.07314	0.07306	0.19204	0.19230	0.19485	0.20043	0.19172	0.18471

Notes:

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping 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.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

<sup>4</sup>Redevelopment 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.

<sup>5</sup>Because 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, 2017**

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
PRESBYTERIAN INTERCOMMUNITY HOSPITAL	19	\$ 173,670,419	1.94%
BRE DDR BR WHITTWOOD CA LLC	17	135,940,581	1.52%
QUAD OF WHITTIER LLC	11	61,864,444	0.69%
WHITTIER MARKETPLACE LP LESSOR	1	43,470,725	0.49%
CLPF WHITTIER INDUSTRIAL LP	2	26,461,906	0.30%
WBCMT 2007-C31 OFFICE 15111 LP	4	24,127,955	0.27%
ARBOR VENTURE LLC	3	21,995,725	0.25%
TAM STOCKTON LLC ET AL	1	19,509,770	0.22%
SUBURBAN WATER SYSTEMS	35	18,480,036	0.21%
1315 MEADOW LP	2	<u>17,893,457</u>	<u>0.20%</u>
Total taxable assessed value of ten largest taxpayers	95	543,415,018	6.08%
Total taxable assessed value of other taxpayers		<u>8,388,451,617</u>	<u>93.92%</u>
Total taxable assessed value of all taxpayers		<u><u>\$ 8,931,866,635</u></u>	<u><u>100.00%</u></u>

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

*Source: The HdL Companies, Los Angeles County Assessor*

**CITY OF WHITTIER**  
**Property Tax Levies and Collections<sup>1</sup>**  
**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
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%
2017	6,254,471	5,933,562	94.87%	11,318	5,944,880	95.05%

Note: <sup>1</sup> 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>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>
Apparel stores	\$ 48,025	44,973	42,794	42,161	39,231	37,877	46,243	43,482	41,185	45,000
General merchandise	91,407	92,330	90,684	91,907	88,138	92,990	81,361	81,833	97,052	106,691
Food stores	46,600	46,586	43,252	44,049	40,133	39,106	38,537	40,050	42,573	44,319
Eating and drinking places	172,624	158,687	143,021	137,994	134,314	124,056	114,815	114,913	119,050	119,646
Building materials	82,786	83,613	72,478	57,751	56,053	52,989	50,696	51,043	63,923	66,097
Auto dealers and supplies	81,995	84,468	69,179	66,753	55,660	51,668	52,081	71,611	115,123	186,529
Service stations	92,344	103,371	110,563	110,162	115,053	109,531	87,127	78,792	107,227	93,259
Other retail stores	121,093	116,421	114,587	116,626	110,045	111,528	109,975	105,457	115,070	123,385
All other outlets	199,213	193,361	184,682	171,684	166,840	176,072	157,346	166,488	184,900	233,479
<b>Total</b>	<b>\$ 936,087</b>	<b>923,810</b>	<b>871,240</b>	<b>839,087</b>	<b>805,467</b>	<b>795,817</b>	<b>738,181</b>	<b>753,669</b>	<b>886,103</b>	<b>1,018,405</b>

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

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

**CITY OF WHITTIER**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	DDA Loans <sup>11</sup>	Tax Allocation Loans <sup>11</sup>	Tax Allocation Bonds <sup>11</sup>	Capital Lease Payable	Loans <sup>1, 11</sup>	Total Governmental Activities <sup>2</sup>
2008	\$4,310,395	21,735,000 <sup>5,9</sup>	41,800,000 <sup>7,8</sup>	-	10,486,245	78,331,640
2009	4,526,553	21,100,000	41,180,000	-	8,559,510	75,366,063
2010	4,756,315	20,465,000	34,370,000	-	7,538,549	67,129,864
2011	5,002,091	19,805,000	33,695,000	-	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	-	-	-	-	-	-
2017	-	-	-	-	-	-

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

<sup>1</sup> Operating and sales tax loans to the former Whittier Redevelopment Agency from the City.

<sup>2</sup> Not includes noncommitment debt.

<sup>3</sup> This ratio is calculated using personal income for the prior calendar year.

<sup>4</sup> The ratio is calculated using population for the prior calendar year.

<sup>5</sup> The Whittier Public Financing Authority issued \$7,505,000 of 2002 revenue bonds and part of the proceeds to refund the existing revenue bonds.

<sup>6</sup> The Whittier Utility Authority issued 2003 revenue bonds to refund the 1993 revenue bonds.

<sup>7</sup> The Whittier Redevelopment issued \$7,730,000 of 2005 tax allocation bonds.

<sup>8</sup> The Whittier Redevelopment issued \$34,355,000 of 2007 tax allocation bonds.

<sup>9</sup> The Whittier Public Financing Authority issued \$15,425,000 of 2007 revenue bonds.

<sup>10</sup> The Whittier Utility Authority issued \$9,095,000 of 2009 revenue bonds.

<sup>11</sup> Parts of the liabilities were transferred from governmental funds to fiduciary funds on February 1, 2012.

<sup>12</sup> The Whittier Utility Authority issued 2012 revenue bonds to refund the 2003 revenue bonds.

<sup>13</sup> 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 <sup>3</sup></u>
9,670,000 <sup>6</sup>	2,660,000	12,330,006	90,661,646	3.97%
9,460,000	2,340,000	11,800,000	87,166,063	3.78%
18,335,000 <sup>10</sup>	2,000,000	20,335,010	87,464,874	3.89%
17,925,000	1,640,000	19,565,000	84,937,094	3.78%
17,500,000	1,265,000	18,765,000	23,940,000	1.05%
18,892,271 <sup>12</sup>	865,000	19,757,283	24,612,283	1.03%
18,334,249	445,000	18,779,249	23,299,249	0.96%
17,756,227	-	17,756,227	21,926,227	0.91%
17,158,205	-	17,158,205	17,158,205	0.72%
16,540,183	-	16,540,183	16,540,183	0.68%



**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 <sup>1</sup>	Per Capita
	Tax Allocation Loans	Tax Allocation Bonds	Total		
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 <sup>2</sup>	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	-	-	- <sup>3</sup>	0.00%	-
2017	-	-	-	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).

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

<sup>2</sup> 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.

<sup>3</sup> The Whittier Public Financing Authority 2002 Revenue Bonds were refunded.

**CITY OF WHITTIER**  
**Direct and Overlapping Debt**  
**June 30, 2017**

City Assessed Valuation		\$ 7,145,854,812	
Redevelopment Agency Incremental Valuation		<u>1,786,011,823</u>	
Total 2016-2017 Assessed Valuation		<u>\$ 8,931,866,635</u>	
	Percentage Applicable to City	Outstanding Debt 6/30/17	Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>			
Metropolitan Water District	0.714%	\$ 36,281,674	259,162
E Whittier City DS 2007 Ref Bonds	63.852%	26,290,000	16,786,810
Los Nietos SD DS 2008 Series B	15.548%	3,945,132	613,373
Los Nietos SD DS 2008 Series 11A QSCB	15.548%	2,970,000	461,763
Los Nietos SD DS 2008 Series 2011 C	15.548%	4,640,000	721,408
Los Nietos SD DS 2014 MS E 2015 Series A	15.548%	4,055,000	630,454
Los Nietos SD DS 2014 MS N 2015 Series A	15.548%	8,000,000	1,243,807
S Whittier SD DS 1998 Series A	0.453%	379,150	1,716
S Whittier Elementary DS 2004 Series A	0.452%	192,266	870
S Whittier Elementary SD 2011 Refunding	0.453%	7,770,000	35,164
S Whittier SD DS 2015 Ref Bonds	0.453%	16,310,000	73,813
Whittier City SD DS 2006 Ref Bonds	52.117%	730,000	380,457
Whittier City SD DS 2010 Ref Bonds	52.117%	895,000	466,450
Whittier City SD DS 2012 Ref Bonds	52.117%	10,695,000	5,573,953
Whittier City SD DS 2012 Series A	52.117%	18,215,000	9,493,179
Whittier City SD DS 2012 Series B	52.117%	26,065,000	13,584,393
Fullerton Unified HSD DS 2002 Series A	25.509%	2,039,011	520,135
Fullerton Unified HSD 2013 Ref	25.509%	1,714,283	437,299
Fullerton Joint Union HSD DS 2014 Series A&B	25.509%	6,842,205	1,745,389
Whittier Union HSD DS 2008 Series 2014B	36.753%	14,750,682	5,421,269
Whittier Union HSD DS 2008 Series 2015C	36.753%	75,465,000	27,735,402
Whittier Union HSD DS 2015 Ref Bonds	36.753%	65,658,679	24,131,317
N Orange Co CCD DS 2002 Series 2005 Ref	24.898%	2,852,384	710,189
N Orange Co CCD DS 2014 Series 2016A	24.898%	2,801,652	697,557
Rio Hondo CCD DS 2005 Refunding Bonds	23.576%	35,355,000	8,335,233
Rio Hondo CCD DS 2004 Series 2008	23.576%	<u>118,452,824</u>	<u>27,926,229</u>
Total overlapping debt		<u>\$ 493,364,942</u>	147,986,791
City direct debt			-
Total direct and overlapping debt			<u>147,986,791</u> <sup>1</sup>

<sup>1</sup> 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**

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Conversion Percentage</b>	<b>Adjusted Assessed Valuation</b>	<b>Debt Limit Percentage</b>	<b>Debt Limit</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>
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
2016-17	8,931,866,635	25%	2,232,966,659	15%	334,944,999	-	334,944,999

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 <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2017	13,813	8,880	4,933	580	769	1,349	3.66

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.

<sup>1</sup> Restated to exclude AB1600 Water Connection Fee.

<sup>2</sup> 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 <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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	-	-	-	-	-	-	<sup>3</sup> -
2017	-	-	-	-	-	-	-

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.

<sup>1</sup> Restated to exclude fees collected for the landfill expansion.

<sup>2</sup> Excludes depreciation.

<sup>3</sup> The bonds were matured on August 1, 2014.

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>
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%
2016	87,708	2,442,867	27,852	4.1%

*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
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
2017	41	171	49	19	82	3	213	37	14	629

Source: *City of Whittier Controller's Office*



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Public Safety</i>										
Sworn employees-full time	121	120	119	121	120	117	116	124	126	135
Civilian employees-full time	44	44	51	48	50	50	49	48	50	75
Physical arrests	2,753	3,078	2,726	2,877	2,134	2,809	3,277	3,022	3,405	2,923
Parking tickets	14,374	15,554	18,650	15,709	17,867	18,364	18,265	15,494	11,504	13,635
Traffic citations	4,552	4,515	4,296	7,129	6,485	5,841	8,245	12,259	8,066	11,044
<i>Libraries</i>										
Total items	305,795	317,086	315,428	317,998	324,422	323,771	325,813	327,336	331,885	332,299
Volumes checked out	354,000	395,000	398,000	442,114	430,756	432,084	523,733	535,962	545,629	571,904
Library patrons	630,000	634,141	598,249	586,532	481,068	420,521	482,510	479,336	460,738	452,823
New library cards	5,768	6,542	5,760	6,678	6,928	5,121	6,624	7,054	7,785	7,291
<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	N/A
Revenue service miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Riders	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dial-A-Ride:										
Revenue service miles	194,036	197,146	188,970	192,595	196,557	199,273	191,067	185,589	179,739	176,830
Riders	68,895	73,128	73,199	76,373	78,865	79,466	75,521	69,818	63,931	54,648
<i>Parks &amp; Recreation</i>										
Senior center patrons	109,552	106,900	106,500	105,000	104,000	102,783	99,235	92,656	78,648	129,506
Aquatics program participants	66,425	64,225	62,350	62,600	62,400	62,325	62,220	61,800	62,120	61,300
Tennis program participants	33,500	34,200	34,250	32,400	32,380	32,410	32,300	32,500	32,300	31,400
Youth program participants	174,350	174,255	171,345	171,000	170,889	211,552	214,477	226,594	200,558	209,960
Community center patrons	281,000	260,000	263,000	255,000	252,000	246,000	271,000	264,000	253,000	236,105
Parnell community & senior center patrons	162,564	163,240	144,380	147,000	146,004	149,635	141,711	93,870	88,587	80,576
York field patrons	124,000	128,000	126,000	123,000	121,500	118,000	116,000	113,000	110,000	103,000
<i>Water Utility</i>										
Avg daily water consumption	5,601,823	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
Maximum plant capacity per day	25,200,000	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	17,876	18,265	18,265	18,265	18,265	18,442	18,442	18,442	18,442	18,442
Multi-residential sewer service	2,103	2,134	2,134	2,134	2,134	2,024	2,024	2,024	2,024	2,024
Commercial sewer service	929	1,066	1,066	1,006	1,066	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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Public Safety</i>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	30	31	31	31	30	29	32	32	32	32
Number of canine units	2	1	1	1	1	1	1	1	2	2
Number of motorcycle units	7	7	7	6	5	6	6	6	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	104	103	99	99	99	99
Number of street lamps	3,439	3,439	3,438	3,438	3,438	3,435	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	N/A
Number of dial-a-ride vehicles	17	16	15	17	17	17	13	12	11	9
<i>Parks &amp; Recreation:</i>										
Number of parks	20	20	20	20	20	20	20	20	20	20
Acres of parks	411	411	411	411	411	411	411	411	411	411
Acres of designated open space	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	13	13	13	13	13	13	13	13	13	13
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1	1	1
<i>Water Utility</i>										
Miles of mains	143	143	143	143	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	211	214	214	214	214	214	214

Source: City of Whittier Departments

City of Whittier, California  
**2016-17 Comprehensive Annual Financial Report**  
13230 E. Penn Street, Whittier, California 90602-1772 (562) 567-9999