CITY OF WHITTIER, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

WHITTIER CHRONICLE
INC 1896

City of Whittier, California
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

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Mayor

Cathy Warner
Mayor Pro Tem

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Prepared by
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City Controller

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CITY OF WHITTIER, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013

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City of Whittier

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December 5, 2013

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, 2013. This report is prepared in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America, as well as the opinion of Vavrinek, Trine, Day & Co., LLP, an independent firm of licensed certified public accountants. This financial report includes the Whittier Public Financing Authority, Whittier Housing Authority and the Whittier Utility Authority, for which the City is considered to be financially accountable. In accordance with the Governmental Accounting Standards Board, management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that document. The City's MD&A can be found immediately following the independent auditors' report.

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

Background

Whittier is located in Los Angeles County, about 12 miles southeast of the City of Los Angeles. A five member City Council under the Council – Manager form of government, governs the City. Whittier is a charter law city and was incorporated in 1898. The Charter form of City government was ratified in 1955. The City covers 14.8 square miles and has an estimated population of 86,093. Businesses and industries in the area include 411 professional services, 548 retail stores, 194 family type restaurants, 38 manufacturing plants, 11 hotels and motels, 2 new automobile dealerships and over 313 specialty shops and boutiques, predominantly located in Uptown Whittier, the Quad shopping mall, as well as the Whittwood Town Center.

Founded in 1887 as a Quaker colony, Whittier's strong sense of history and vision for the future has made it an upscale and dynamic residential community. Throughout the years, the City of Whittier has striven to provide a healthy and safe community and a well-maintained infrastructure enhanced by planned growth and development. Through a balance of economic, social, political, cultural and recreational opportunities, the City Council has encouraged an atmosphere conducive to community spirit and active participation in the affairs and progress of the community. Such efforts have been made to ensure a visually pleasing community in which the City's identity and character are preserved and enhanced.

Services Provided by the City

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

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

In addition to the usual City services, Whittier offers a variety of programs to help local residents and businesses. With the elimination of redevelopment in early 2012, the City is working to develop new business assistance programs utilizing various resources, including grant opportunities.

Economic Condition and Outlook

The City of Whittier’s economy is substantially based upon retail sales taxes and property taxes from commercial and residential properties. The weak national economy, a sluggish housing market, and increased costs for consumers have continued to impact the City’s ability to generate additional revenues. Fortunately, it appears the housing market is beginning to experience improvement and foreclosure levels are improving.

Whittier is not immune from the economic downturn, as we have experienced significant reductions in sales tax revenue during the early four years of the recession

and are still challenged to achieve those pre-recession revenue levels. The focus of the City's 2012-13 budget continued to be identify organizational opportunities necessary to address the City's structural financial shortfall and explore revenue opportunities. Due to the elimination of redevelopment, declining HUD revenues, and a deficit projection of ($2,970,948), staff presented a budget balancing strategy that included additional lease revenues, five position eliminations, and the use of reserves. Staff worked with City Council to arrive at a solution to balance the budget. The City was able to adopt a balanced budget for 2012-13 with the implementation of general fund position eliminations, fee increases, and the use of contingency reserve funds,.

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

The unemployment rate in the City has been consistently lower than the State and regional levels. In June of 2013, the City's unemployment rate was 7.3% compared with 10.2% for Los Angeles County and 8.9% statewide. The City's unemployment rate also compares favorably with neighboring cities of comparable size.

Taxable retail transactions in Whittier for the 2nd quarter 2013 increased from the 2nd quarter 2012 by 2.7%. Sales receipts for Los Angeles County increased by 6.4% over the comparable time period while the State increased 7.0%.

Long-Term Financial Planning

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

For 2012-13, City revenue sources included multi-year lease installment from the Whittier Utility Authority of $1,200,000. As part of the budget balancing strategies, City departments were asked to analyze deficit reduction opportunities related to their General Fund operating budgets.

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

In 2013-14, CalPERS rates increased to 20.993% from 20.504% and 47.303% from 44.528% for Miscellaneous and Safety respectively.

Major Initiatives

For the Year. In carrying out the 2012-13 budget, staff worked diligently to implement the new programs and policies that the City Council has brought to the forefront. Although some of these activities are not necessarily reflected in the financial statements, they are significant to the future of the City. Some of the more important activities are summarized below.

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

The City Manager works under the direction of the City Council to oversee and implement City policies and programs set forth in the annual budget and those resulting from the City Council actions. Priority efforts for this fiscal year include providing oversight for the completion of the branch library expansion; closing escrow and seeking grant funds for the development of the eastern extension of the Whittier Greenway Trail; soliciting State and Federal funding for local and regional projects; working with the State and Brookfield Homes regarding reuse of the Nelles School property; working with local cities to support the City's position on the Metro Gold Line light rail eastside extension; representing the City's position regarding State and Federal legislation; and continuing oversight of the mineral extraction project in the Whittier Hills and The Trust for Whittier's Future.

The Police Department implemented several mobile radar devices to address community concerns regarding speeding vehicles. First responder protective equipment and gear was purchased for use when responding to disaster situations. The Department began a mobile cellular data project that will enhance the data communications between the officers' computers in the field and central dispatch. The Property and Evidence facility was remodeled the project took just over six months to complete and included much needed space and enhancements to the building that aid in the evidence operation.

The Building & Safety Division of the Community Development Department maintained a proactive and cooperative working relationship with homeowners, builders, contractors and the design and development community. Primary elements of this effort continue to include providing: excellent customer service, community education and awareness related to safe building practices, State-mandated technical education for staff, and fostering integration of the requirements of the Planning, Code Enforcement, Parks and Public Works Engineering Divisions and with other departments, agencies and authorities having jurisdiction over a project. The Division performed the mandated functions of assuring compliance with the City's building regulations, coordinating the requirements of other departments and agencies, identifying and abating illegal dwelling units throughout the City, and facilitating City sponsored projects. Major accomplishments during FY 12-13 included: review and adoption of, and the amendment to, State-mandated and L.A. County model

codes as needed for the establishment of minimum local construction requirements; continued inspections of The Gables and Mosaic Gardens residential projects, new retail tenants at the Whittwood Town Center, PIH 5-story medical tower, completion of the Sprouts Market, various cellular towers and antenna improvements and increased levels of code enforcement activity.

The Planning Division maintained responsibility for implementing the City's General Plan, Whittier Boulevard and Uptown Specific Plans, and enforcing the Whittier Municipal Code for planning related activities. During this time period, the division assisted 1,001 individuals, an increase of 280 from the prior fiscal year. This year saw development interest on some of the City's vacant auto dealership sites along Whittier Boulevard. Planning processed an 80 – unit assisted living and memory care facility at the former GMC site, and a new LA Fitness facility at the former Chrysler site, in addition to continuing the review of housing projects proposed at the former Mitsubishi and Toyota truck center sites. Another long vacant corner at Whittier Boulevard and Colima Road will be getting a new Starbucks café. Staff also added the regulation of the State imposed Cottage Food Ordinance to our City's Municipal Code, initiated the City's Housing Element Update process, and approved numerous Conditional Use Permits allowing businesses and restaurants to improve their operations. The Division also aided in the resurrection of the Fred C. Nelles development, which consists of 650 – 750 housing units and 15 – 25 acres of commercial development on the 74 acre site. A Memorandum of Understanding was completed with the site developer and the site Specific Plan process was initiated. There were also several wireless facilities processed. The Division will continue to monitor post-entitlement projects, and continue to work with applicants on new projects to address their concerns prior to formal submittal through the pre-application process. In addition, the Division facilitated the formation of a Historic Resources Commission subcommittee to oversee the city-wide residential historic resources survey and completion of that survey, and the initiation of the non-residential building survey; in addition to reviewing several cultural resource evaluations and taking action on numerous applications for a variety of building additions and restoration projects. A city-wide commercial building historic resource survey was also initiated.

The former Redevelopment and Housing Division of the Community Development Department transformed into the Whittier Redevelopment Successor Agency (WRSA). WRSA's efforts focused on managing the dissolution of redevelopment, the creation and submittal of Recognized Obligation Payment Schedules, and managing the Oversight Board that authorizes State Department of Finance related actions. In addition the housing assets of the former Redevelopment Agency were transferred to the Whittier Housing Authority.

In light of Whittier Redevelopment Agency's dissolution, the City continues to aggressively research viable funding replacements for the economic development incentives lost by the elimination of redevelopment. Whittier continues to recognize the importance of looking for new and innovative ways to assist the local business community. Staff assisted with the planning of the Los Angeles County Small Business Contracting Connections seminar which was spearheaded by the Los

Angeles County Office of Small Business. Staff continued the "Shop Whittier" campaign during the 2012 holiday season to encourage local shopping. The City approved a partnership with the Small Manufacturers Advantage Program conducted by the California Manufacturing Technology Consulting firm. Business outreach continued to be an important component to the City's Economic Development program and staff will continue to meet goal of visiting with existing businesses and attracting new ones to Whittier.

Additional program cuts were experienced in 2012–13 for Federal CDBG and HOME grants. Staff is continuing to assist low-income families with rehabilitation of homes through the City's Minor Home Repair Grant and the Minor Home Modification Grant Programs.

The Parks Division has completed several projects along the Greenway Trail. Those projects include completion of the Oak Station's nine vehicle parking lot, the second element of the Palm Station consisting of bird houses depicting the architectural styles of homes in Whittier, the Laurel Station demonstration garden representing flora found in the Whittier Hills, installation of 4 exercise stations complete with bicycle racks, Phase I of the trellis fencing on the Trail, completion of the topo/design phase of the Bioswale at Walnut Station and preliminary design of the proposed Dog Park. Additional Park Division projects include installation of the Centennial Clock at the Central Library, completion of the renovation of the Joe Miller Field Restroom Project, irrigation upgrades to the SMART system at Penn Park, the playground removal/replacement of rubberized surfacing at Parnell, Penn, Broadway, Leffingwell and Palm Parks as well as the poured-in-place animal graphics added to the Laurel Park surfacing. The City has received final approvals from the Army Corp of Engineers to advance with the Pio Pico Bikeway Extension.

The Engineering Division continued with routine capital projects following a two-year completion of several large grant-funded projects using the American Recovery and Reinvestment Act (ARRA) funds that totaled $2.5 million. For the past fiscal year, Villaverde-Mar Vista Street and Carretera Avenue were rehabilitated using gas tax and Measure R funding at an estimated cost of $700,000. A new traffic signal was completed at Whittier Avenue and Hadley Street using gas tax and Proposition 1B funds, and the intersection of Santa Gertrudes Avenue at Lambert Road was widened to provide new left turn signal phasing and upgraded railroad grade crossing gates using Federal HSIP and Prop 1B funds. As a part of the City's Alley Rehabilitation Program, additional asphalt alleys were rehabilitated and two alleys were completely demolished and new concrete paved alleys were constructed. Focus will continued to shift to repairing and reconstructing many of the City's concrete alleys. The annual street surface seal program, using a combination of Traffic Congestion Relief and Prop 1B funds was completed in Area 3 (southwest quadrant) of the City. This project involved chip and slurry sealing of asphalt roadways over a 2.5 square mile residential area. The Engineering Division neared completion on the installation of eight in-roadway lighted crosswalks near schools and institutions using federal funds.

The Sewer Division continued to repair and replace sewers based on video inspections of the entire sewer system.

The Water Division finalized plans and specifications for the reconstruction of Pumping Plant 2. Construction is expected to begin early 2014 and will take approximately 18-24 months to complete. In addition, the Water Division has commissioned a study to look at the possible expansion of Starlight Reservoir to effectively provided the water storage needs identified in the Water System Master Plan. Rehabilitation of Well 8 was completed. The Water Division initiated a water meter replacement program where manually read meters are being systematically replaced with remotely read meters. This program should improve the accuracy with which water is metered and improve the efficiency of Water Division labor.

The Solid Waste Disposal Division continued making operational improvements to the landfill and construction of the Phase II C liner project has been completed.

The Community Services Division successfully presented a full range of leisure, cultural arts and social services programs for the Whittier community. The use of online registration of all our classes including; Aquatics, Senior Trips and Youth Services programs, also fully implemented last year, has also proven to be successful. The Cultural Arts Commission and the Cultural Arts Foundation have worked closely together to make arts more accessible to the community at large. Two very successful programs included the Street Art Banner Program, which had the largest number of banners ever displayed – 83 – and was totally paid for with sponsorships, and an "Emerging Arts" tree decorating program held in conjunction with the Summer Concert series at Central and Parnell parks. In FY 2012-13, the Blue Star program recognized 29 families whose loved ones are currently serving in the Armed Forces. Also honoring all service men and women, past and present, Veteran's Day, Memorial Day and July 4th ceremonies were conducted. Other annual special event programs included: the Summer 2013 Concerts in the Park series, Easter Eggxtravaganza, Arbor Day, Senior Information and Referral Fair, Accessibility Awareness Faire, Sports Market Place and the Senior Art Fair. This year's "Kiddie-K Run" at the Police Open House and Community Health Fair attracted a record number of runners/participants with more than 450 children completing the course.

The Parnell Park, Palm Park and Community Center have continued to be popular places to rent for private parties. These sites also drew large numbers of participants for a wide variety of classes including tiny tots, fine arts, music, aquatics, dance and other programs of interest to those of all ages. The Uptown and Parnell Park Senior Centers had a very busy and successful FY 2012-13. At the Uptown Senior Center, Congresswoman Linda Sanchez sponsored a Medicare 101 presentation; in addition, an Information and Referral Fair was held with more than 55 vendors participating, giving valuable information to seniors on health, housing, veterans' benefits and more. The Uptown Center also received two public computers, located in the lobby, for participants to use. New senior programs at Parnell park included a Meditation class and a series of nutrition and cooking classes presented by a registered dietician.

The Therapeutic Recreation Program continued its various programs for those with disabilities, including its successful participation in the Special Olympics program, with eight local Special Olympic aquatic athletes attending an event at California State University, Long Beach. The New Frontier Players Drama Troupe presented the musical "Fiddler on the Roof" as their 2013 production. The Accessibility Committee hosted the extremely successful 10th anniversary Abilities Awareness Faire, "Living Life without Limits," at the Community Center, which featured vendors, agencies, programs and information for our residents with disabilities. The WYN Club programs continued serving youth and families at after school and summer programs. Their "Volunteen" program operated in the summer, with a record number of 60 participants assisting with community events, senior programming, WYN Club and Summer Day Camp programs. The Annual Gene Jung Mid-Winter Junior Tennis Tournament had 696 participants. The Whittier Center Theatre programs continued to offer a larger variety of activities for youth and young adults with musical and drama productions, with more than 100 young people participating in each production. The Sports and Facilities Division continued its thriving Adult Softball League, with 213 teams participating over three seasons.

The Transit Division had another successful year with close to record ridership with the Dial-A-Ride (DAR) program. In FY 2012-13, there were a total of 78,865 DAR trips. The supplementary Taxi Voucher Program continued to be refined and expanded to meet our passenger's needs and provided 4,031 trips. The taxi service area was expanded in FY 2011-12 to meet the increasing medical and dental service needs of our passengers and now includes the cities/areas of Downey, Hacienda Heights, La Habra, La Habra Heights, La Mirada, Norwalk, Santa Fe Springs and unincorporated Whittier county area, as well as Beverly Hospital, Montebello; Kaiser Hospitals in Bellflower and Baldwin Park; and St. Jude Medical Center, Fullerton. In addition, Whittier is going out to bid this year for both the Dial-A-Ride and Taxi Voucher Services.

Whittier continued to take a leadership role in promoting the Washington Boulevard alignment for the Eastside Gold Line Light Rail extension. A $100,000 grant from the Southern California Association of Governments (SCAG) Compass Blueprint program was used to conduct a study on the Transit Orientated Development (TOD) potential around the proposed stations on the Washington Boulevard proposed alignment. In the area of fixed-route bus service, Phase II of the BSIP, with a $540,000 FTA Section 5316 grant, went out to bid in August 2012 for the purchase and installation of solar bus shelters, benches, trash cans and solar bus stop poles at up to 21 bus stops along Whittier Boulevard and this project will begin this fall. Congresswoman Linda Sanchez was able to earmark in Congress $450,000 for Phase III of the project. For the installation of the bus stop improvements at 16 bus stops.

The Whittwood Branch Library expansion and improvement project was completed on schedule and opened on December 1, 2012. The branch library now provides improved technology access, expanded children's and young adult areas, a state-of-the-art meeting room, homework center, and efficiency improvements. Central and Whittwood Branch libraries circulated over 430,756 items and served 481,068 patrons. A total of 3,598 children participated in the Summer Reading Program. This

program encourages children to pursue literacy year round. A total of 37,344 children participated in a variety of programs, and 2,348 adults participated in the many programs offered by the Library. The Homework Center continues to provide much needed resources through databases and services for students, such as live online tutoring. The Central Library wifi project was completed in summer 2012, providing wifi connectivity for the immediate vicinity. The library launched the electronic content collection for checkout.

The City Clerk-Treasurer Department administered programs safeguarding funds, maintaining official records and making information available to the public on behalf of the City, Redevelopment Successor Agency, Housing Authority, Public Financing Authority, and Utility Authority. Legislative documents, agendas, legal notices, and reports were compiled, disseminated and secured for 38 City Council meetings. In August 2012 the Department administered the process to fill an unscheduled vacancy on the City Council, resulting in the appointment of one City Council Member. The Department administered the City Council's Advisory Board appointment process resulting in the appointment of 8 City Board and Commission members as well as the annual recognition event for current and outgoing advisory board members. The Treasury Division invested funds not needed for current operations to generate $373,500 in revenue. The Business License Division processed over 7,500 licenses. The Department's Information Technology/Records Management Division's major projects included establishing a microwave-based Wide Area Network (WAN), upgrading the Branch Library data network, and linked staff reports to the City Council and Planning Commission agenda posted on the City's website. Records Management continued to assist citizens and staff with inquiries. The unit handled over 975 requests for information. GIS staff has continued to work with the Police Department to maintain their maps of both Whittier and Santa Fe Springs for the CAD/RMS system.

The Controller's Department collaborated with City departments on a number of key issues, including various personnel initiatives. Staff continues to manage the accounting, auditing, budgeting, and human resources requirements of the City. In addition, the Department continues to oversee the risk and emergency management responsibilities of the City, including Emergency Operations Center (EOC), disaster preparedness, Workers' Compensation and Liability Risk Management.

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

The Police Department is applying for another California Gang Reduction, Intervention and Prevention (Cal GRIP) grant, in order to supply a school resource officer to a local school district and to work with the district and community groups to provide gang intervention and prevention programs. As part of a long term technology plan, the Police Department will be replacing its mobile data computers (MDCs) during the next three years. The MDCs are used to communicate "calls for service" information between the dispatchers and field officers. MDCs also allow

officers to query local, state, and federal databases regarding license plates, driver's history, and outstanding wants and warrants.

On the Greenway Trail, the Park Division will complete Phase II of the installation of the trellis fencing, trees will be planted at the Walnut Station following completion of installation of the Bioswale and installation of landscaping and cable fencing along the Greenway Trail will continue as funding permits. The Red Bud Station landscaping will commence in October as well as the Norwalk Boulevard Abutement Improvements Project. Also, the first Whittier Dog Park will be established along the Trail at Philadelphia. Additional Park Division projects pending include SMART irrigation upgrades at Joe Miller Field and playground renovations will be completed at Michigan Park.

The construction of twenty bus shelters (Phase 2) is underway using Federal funds with Phase 3 shelters to begin subsequent to the completion of Phase 2. Continuation of the alley improvement/rehabilitation, other pavement rehabilitation projects such as the Janine Drive overlay and local streets with annual slurry and/or chip seals in Area 4 will be implemented using Gas Tax, Proposition 1B, and potentially Measure R funds. Additional road rehabilitation, bike lanes, bike rack installations are planned to complete our Bicycle Master Plan as a part of our BTA grant. Installation of new LED streetlights and landscaped median islands are planned for Beverly Boulevard from the I-605 Freeway to Norwalk Boulevard/Workman Mill Road utilizing HSIP Grant funds. This will provide safety enhancements and beautification to this gateway entrance to the City. The Engineering Division will collaborate with the Water Division on the Palm Avenue/Scenic Drive water and sewer main replacement and street reconstruction as well as many other sewer/water main replacements as part of our multi-year rate increase to fund the improvements.

The Sewer Division continues to repair and replace sewers based on video inspections of the entire sewer system. In conjunction with the Water Division and the Engineering Division, the underground utilities and pavement on Palm Avenue and Scenic Drive will be replaced in the spring of 2014 (postponed until PP2 is underway). Additional CIP sewer projects are under development to include the elimination of sewers in easements or sewers showing structural damage. One third of the sewer system will be chemically treated to kill and inhibit roots.

The Water Division will undertake the replacement of PP2. In addition, the Water Division continues to study the possible expansion of Starlight Reservoir to more cost effectively provide the water storage needs identified in the Water System Master Plan. The Water Division acquired and is pumping more water from the Central Basin in order to free up more highly valued Main Basin water rights for lease to other water providers. Well 17 will be rehabilitated this year returning the well to operational status. The Water Division will continue the water meter replacement program where older manually read meters are systematically replaced with automatic remotely read meters. This program should improve the accuracy with which water is metered and improve the efficiency of Water Division labor.

The Solid Waste Disposal Division will continue to make operational improvements to the landfill with the installation of a new truck scale. The condensate plant will be upgraded and the interior landfill roads will be improved. The Division will begin design of the Phase III Liner expansion project and the first phase of partial final closure.

The Community Services Division will continue its commitment to providing high-quality, low-cost, local classes, events and activities for our residents. The Cultural Arts Commission will continue to work to refine their goals and objectives and strengthen their relationship with the Whittier Cultural Arts Foundation to better support local arts programs/projects to make arts more accessible to the public at large. With City Council direction, plans are also underway to reinstall the Barefoot Boy Statue on the grounds of the Civic Center. The Social Services Commission will continue to work closely with local agencies providing homeless residents with temporary shelter and/or permanent supportive housing. The Youth Services Division will continue its partnership with the SKILLS Foundation to operate the popular Friday Forum events and the Orchard Dale fee-based after school program.

Transit staff will continue to monitor the public transportation needs of our population who are dependent on these services for their regular transportation. We are facing new challenges as our population continues to age and the state of the economy forces residents to use transportation other than their private cars. Transit staff will continue to advocate with regional bus systems to try and get the best possible service for our residents who are dependent on bus transportation. Whittier Transit staff will continue to coordinate community and regional efforts to bring the Gold Line Light Rail extension into Whittier.

Both Central and Whittwood libraries continue to provide collections and programs to enrich the community. The library will be augmenting the electronic book collection for the public. In addition, the library will launch the electronic magazine collection in summer 2013. The library will be offering Chromebook laptops for in-house checkout.

Financial Information

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

This report includes all funds of the City of Whittier, as well as the opinion of our independent certified public accountants, Vavrinek, Trine, Day & Co., LLP. All

disclosures necessary to enable the reader to gain an understanding of the City's financial activities have also been included.

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

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

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, 2012. This was the twenty fourth consecutive year that the City has achieved this prestigious award since fiscal year 1987-88. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Other Information and Acknowledgments

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

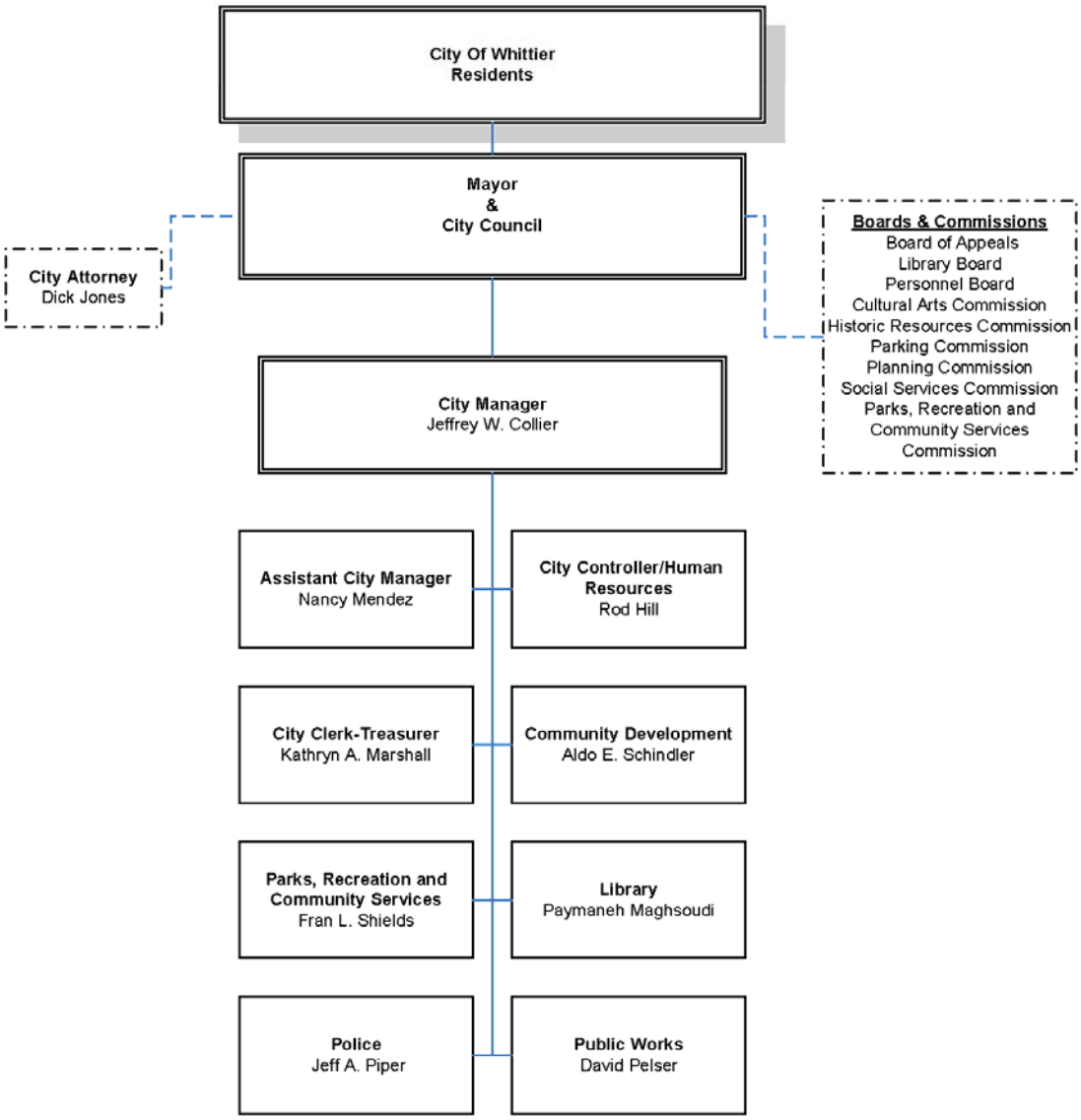
The preparation of this comprehensive annual financial report was accomplished on a timely basis by the dedicated staff of the City Controller's Office and Monica Lo,

Assistant City Controller, for her diligence and commitment to the preparation of this document. I wish to express my appreciation to them, and all City staff who have assisted in and contributed to the preparation of this comprehensive annual financial report. Appreciation is also expressed to the audit staff of Vavrinek, Trine, Day & Co., LLP for their advice and assistance in preparation of this report. Finally, I would like to thank the Mayor, members of City Council, and the City Manager for their continuing support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Rod C. Hill
City Controller

City of Whittier
Organization Chart



CITY OF WHITTIER

Principal Officers
June 30, 2013

Jeffrey W. Collier
City Manager

Nancy L. Mendez
Assistant City Manager

Jeff Piper
Chief of Police

Richard D. Jones
City Attorney

Kathryn A. Marshall
City Clerk/Treasurer

Rod C. Hill
City Controller/ Human Resources Director

Aldo E. Schindler
Community Development Director

Fran Shields
Parks, Recreation and Community Services Director

Paymaneh Maghsoudi
Library Director

David Pelser
Public Works Director

Monica Lo
Assistant City Controller

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, 2012

Executive Director/CEO

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 City of Whittier, California, (City) as of and for the year ended June 30, 2013, 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.

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vtdcpa.com
FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in FY 2012-13, the City adopted new accounting guidance, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*, GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

As described in Notes 7 and 17, the City recorded Advances to Successor Agency totaling $15,875,158 for amounts loaned to the former Whittier Redevelopment Agency prior to dissolution. Repayment of the advances is subject to the requirements of Health and Safety Code Section 34191.4. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 4 through 16 and 88, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, 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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 5, 2013

WHITTIER CHRONICLE
INC 1896

CITY OF WHITTIER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

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, 2013. 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 2012-13 fiscal year by $264.4 million (net position). Of this amount, $142.5 million is net investment in capital assets; $20.1 million is restricted for public works; $32.4 million is restricted for community development; $4.8 million is restricted for various projects, and $64.6 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by $7,776,421 or 2.86% from the prior fiscal year. Total revenues from all sources were $90.8 million; and total expenses were $98.5 million. Of the total revenues, program revenues were $53.3 million. Program revenues are broken into three categories: Charges for services at $43.4 million, operating contributions and grants at $9.0 million, and capital contributions and grants at $0.9 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $76.3 million, a decrease of $12.7 million in comparison with the prior year. The decrease is primarily due to the allowance of $8.4 million recorded to offset advances pending approval by the State Department of Finance. Please refer to note 7 for additional information. The remainder of the differences is related to capital and debt expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $20.6 million, or 32.8% 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 $1.4 million and actual outflows (expenditures and other financing uses) were $3.9 million less than budget. This results in the total positive budget and actual variance of $5.3 million in the General Fund. Capital related expenditures of $3.5 million were reclassified to capital assets on the statement of net position.

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 assets and the statement of activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net 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 and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position—the difference between assets and liabilities—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net 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.
- Component units—The City's governmental 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 reports these activities in the government-wide statements.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Whittier, assets exceeded liabilities by $264.4 million at the close of the most recent fiscal year. The largest portion of the City's net position (53.9%) 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)

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Current and other assets	$116,404	125,384	51,842	46,605
Capital assets	116,197	114,832	39,498	37,393
Total assets	232,601	240,216	91,340	83,998
Noncurrent liabilities	16,977	16,199	31,769	30,348
Other liabilities	5,418	4,092	5,421	1,442
Total liabilities	22,395	20,291	37,190	31,790
Net position:				
Net investment in capital assets	111,342	109,657	31,175	28,819
Restricted	57,271	42,717	3	134
Unrestricted	41,593	67,551	22,972	23,254
Total net position	$210,206	219,925	54,150	52,207

A portion of the City's net position (21.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($64.6 million) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Capital assets had a net increase of $1.4 million in the governmental activities. The current year depreciation expense was $7.2 million. The most significant capital project during the fiscal year was the construction of an expansion to the Whittwood branch library which began in November 2011. It was completed on schedule and opened on December 1, 2012. The total project cost at the end of the fiscal year was $5.8 million, of which $5.3 million was added to capital assets.
At the end of the current fiscal year, the City's governmental activities had total bonded debt and long-term liabilities of $17.0 million, which is an increase of $778,093 from the previous fiscal year. The increase was the result from a combination of net increase in compensated absences, claims payable, net OPEB liability, and principal reductions to bonded debt. There was a net increase in long term debt for the current fiscal year of $1,421,561 in the business-type activities due to $325,016 increase in accumulated landfill closure and post-closure liability, net increase

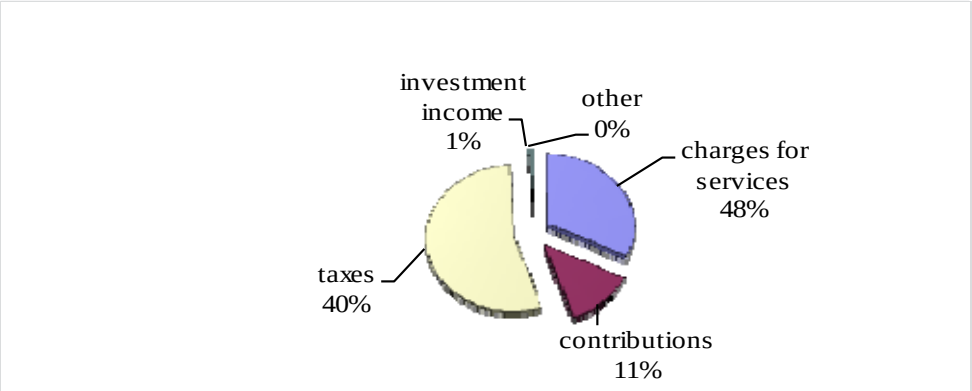
of $104,274 in compensated absences and OPEB liability, $1,070,000 in revenue bonds repayments, and net increase of $2,062,271 in 2012 Water Revenue Refunding Bonds and 2003 Water Revenue Refunded Bonds.

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

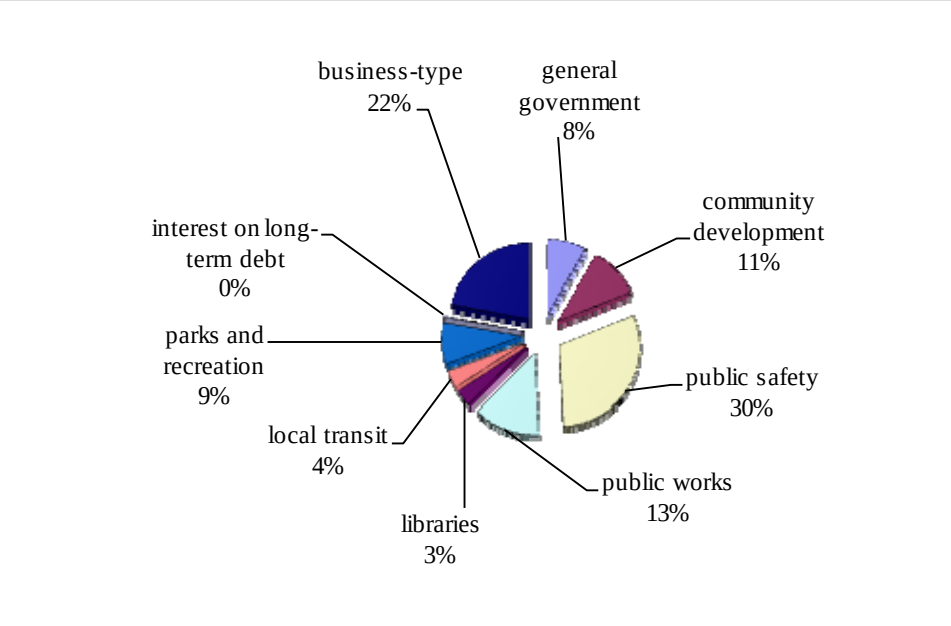
Table 2
Changes in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Revenues:				
Program revenues:				
Charges for services	$20,884	20,458	22,471	19,154
Operating contributions and grants	8,127	11,754	925	633
Capital contributions and grants	902	2,561	-	-
General revenues:				
Taxes:				
Property taxes	6,523	8,779	-	-
Transient occupancy taxes	564	586	-	-
Sales taxes	8,583	7,900	-	-
Franchise taxes	2,918	2,189	-	-
Business licenses and tax	1,712	1,763	-	-
Utility users tax	7,003	6,760	-	-
Transit tax	2,466	2,332	-	-
Motor vehicle in lieu, unrestricted	7,153	7,076	-	-
Investment income	424	443	103	186
Other	1	45	14	12
Total revenues	67,260	72,646	23,513	19,985
Program Expenses:				
General government	8,098	7,687	-	-
Public safety	29,952	28,479	-	-
Libraries	3,261	3,166	-	-
Parks and recreation	8,489	8,554	-	-
Public works	12,879	13,256	-	-
Transit	3,503	2,836	-	-
Community development	10,481	8,317	-	-
Sewer	-	-	1,471	1,365
Water	-	-	10,973	9,592
Solid waste	-	-	9,122	(841)
Interest on long-term debt	320	1,893	-	-
Total expenses	76,983	74,188	21,566	10,116
Transfers	4	522	(4)	(522)
Extraordinary gain	-	33,672	-	-
Increase (decrease) in net position	(9,719)	32,652	1,943	9,347
Net position, beginning of year	219,925	187,273	52,207	42,860
Net position, end of year	$210,206	219,925	54,150	52,207

FY 2012-13 Total Revenues by Sources



FY 2012-13 Total Expenses



The City's total revenues for the fiscal year ended June 30, 2013 were $90.8 million. Of the City's total revenues, $43.4 million (48%) were derived from fees charged for services and $36.9 million (40%) were received in taxes.

The City's total expenses were $98.5 million, comprising $30 million (30%) for public safety mainly resulting from employee services costs, $21.6 million (22%) for business-type activities, and $12.9 million (13%) for public works mainly from street improvement projects.

Governmental Activities

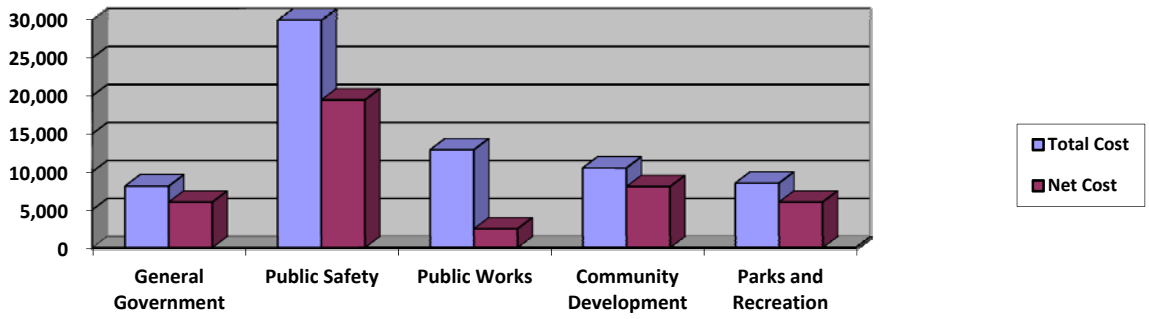
Table 3 presents the cost of each of the City's five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that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

Table 3
Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost (Revenues) of Services	
	2013	2012	2013	2012
General government	$8,098	7,687	5,992	5,357
Public safety	29,952	28,479	19,438	18,509
Parks and recreation	8,489	8,554	5,989	5,887
Public works	12,879	13,256	2,472	1,209
Community development	10,481	8,317	8,029	2,677
Total	$69,899	66,293	41,920	33,639

- The net cost (revenues) of services indicates that the overall cost of government is more (less) than the revenues generated to support it. See the Statement of Activities for further detail on program revenues and general revenues.
- Significant change in community development cost of services was due to the allowance of $8.4 million recorded to offset advances pending approval by the State Department of Finance. Please refer to note 7 for additional information. The remainder of the difference resulted from the reclassification of net position due to the dissolution of the former Redevelopment Agency.

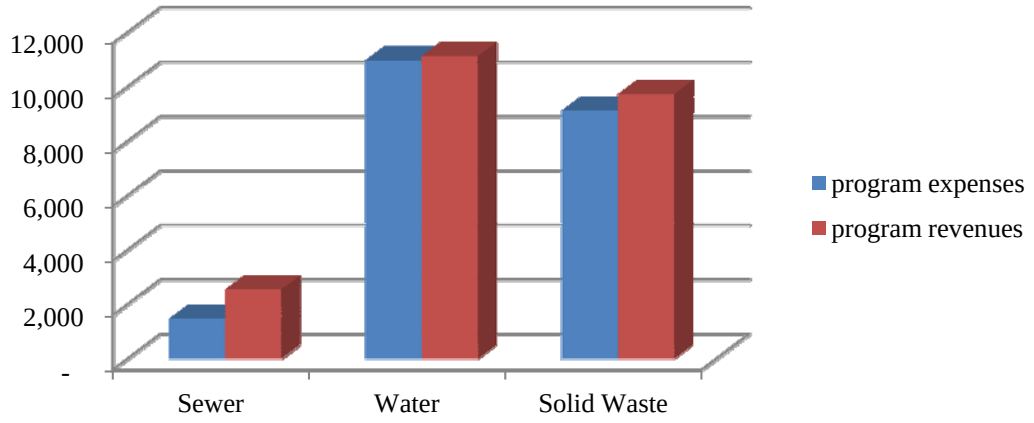
Net Cost of Services
(in Thousands)



Business-type Activities

Business-type activities had the net increase of $1.9 million in City's net position, resulting from the revenues of $23.5 million and expenses of $21.6 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 $76.3 million, a decrease of $12.7 million in comparison with the prior year. $32.6 million of this total amount constitutes *unrestricted fund balances.* $3.1 million of *unrestricted fund balances* is *committed fund balance* that represents resources whose use is constrained by limitations imposed at highest level of decision making that requires formal action at the same level to remove, this includes emergency contingency of $2.8 million. $8.9 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. $20.6 million of the remaining fund balance is *unassigned fund balance.* Please refer to note 14 to basic financial statements for additional detail.

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

	2013	2012	Increase (Decrease)
Fund Balance:			
General Fund	$28,191	34,874	(6,683)
Transit Fund	3,226	3,870	(644)
HOME Fund	1,794	1,700	94
Housing Authority Fund	18,933	19,697	(764)
Total Fund Balance	$52,144	60,141	(7,997)

The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund had decreased $6,682,503 during the current fiscal year. Key factors for this change are as follows:

- A net increase of $1.5 million in property tax revenues was due to an increase of $284,142 in property tax revenues due to improvements in property values; $768,604 due to a SB 2557 administrative cost refund by the County of Los Angeles; and $447,526 increase of pass-through Redevelopment Agency distribution mainly due to other funds and account distribution on May 6, 2013.
- A net increase of $907,769 in other taxes revenues was mainly attributed to increased consumer confidence and spending.
- An increase in expenditures of $8,406,031 recorded to offset advances pending approval by the State Department of Finance. Of the total, $526,297 was reclassified interest earnings as a result of computing interest associated with loans between the City and former Redevelopment Agency pursuant to HSC 34191.4(b)(2).
- An increase of $358,709 in General Fund expenditures was mainly due to increase in full-time salary costs from the implementation of memorandum of understanding with the employee Associations.

The transit special revenue fund had a total fund balance of $3.2 million, a decrease of $644,031 primarily due to the purchase of the East Greenway Trail in the amount of $723,850.

The HOME fund had a total fund balance of $1.8 million, which represented a slight increase of $93,304 during the current fiscal year due to reduced spending and fluctuations of loan repayments received during the year.

Due to the dissolution of the former redevelopment agency, the housing activities and assets of the former redevelopment low and moderate income housing fund were transferred to the Whittier Housing Authority; and the remaining of assets and liabilities of the former redevelopment funds were transferred to the redevelopment successor agency on February 1, 2012. As of the end of the fiscal year, the Whittier Housing Authority fund had a total fund balance of $18.9 million, a decrease of $763,848 compared to the prior fiscal year. Of the total decrease, $773,129 were related to payments made to Whittier Successor Agency's low and moderate income housing fund.

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

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

Enterprise funds

The City used enterprise funds to account for sewer maintenance, water utility and solid waste operations of the Whittier Utility Authority. At the end of the current fiscal year, unrestricted net assets of the Authority were $23.0 million with an increase of $1.9 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, 2013, unrestricted net position of the internal service funds was $16.0 million, with a total increase in net position of $994,239 from the prior fiscal year. The services provided by the internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

General Fund Budgetary Highlights

Changes to Original Budget

Comparing the current fiscal year original (adopted) budget General Fund expenditures amount of $56,602,911 to the final budgeted amount of $58,294,891 shows a net increase of $1,691,980 or 3.0%.

The increase in appropriation of $1,691,980 can be briefly summarized as follows:

- $478,614 increase allocated to general government expenditures for City Clerk, City Controller, Non-departmental, City Planning, Public Information Services and Social Services.
- $60,654 increase allocated to public safety expenditures for Police Department and Building and Safety.
- $276,137 increase allocated to Libraries.
- $342,873 increase allocated to Parks and Recreation.
- $533,702 increase allocated to Public Works.

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

Variance with the Final Budget

General Fund actual revenues were more than final budget by $1,582,671 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was net $2,159,552 positive variance with the final budget in total tax revenues. The key factors were one-time revenues received not included in previous projections of $1,259,993. Property tax admin fee settlement revenue in the amount of $768,604, former RDA distribution of $356,559 and prior year cable franchise fees of $134,830. There was an additional $188,900 of property tax revenues received due to property value improvements and $929,227 positive variance in franchises and PEG fee. Other taxes decreased by $218,568.
- Licenses and permits: The $90,030 positive variance in actual vs. final budgeted revenue was related to business licenses and building permits revenues.
- Fines and forfeits: The $106,760 negative variance in actual vs. final budgeted revenue related from decreases in court fines.
- Use of money and property: The net $429,382 negative variance in actual vs. final budget was due to declines in interest rates.

- Intergovernmental: The $126,151 negative variance in actual vs. final budget was due to unreimbursed grants.
- Charges for services: Actual charges for services were $226,204 less than the final budget mainly due to the decline in recreation revenues of $95,911, the receipt of park plan check fees, due to budget savings, reimbursements for Greenway Trail reimbursements of $79,761 was not recognized, court closure resulted in loss of county maintenance reimbursement of $22,000, and decrease in other fees in the amount of $28,532.
- Other: The net $77,792 positive variance in actual vs. final budget was mainly due to the unanticipated revenues received during the year from refunds and other miscellaneous receipts.

General Fund expenditures were $3,907,846 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 2013, the City had $155.7 million (net of accumulated depreciation of $125.9 million) invested in a broad range of capital assets, including police equipment, buildings, land, rights-of-way, trees, park facilities, machinery and equipment, and roads. (See Table 4 below and relevant disclosures in the note 8 to the basic financial statements.) This amount represents a net increase (including additions and deductions) of $3.5 million, or 2.3%, over last year. The total depreciation for the year was $8.2 million.

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

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Land and trees	$26,830	26,816	2,827	2,827
Rights of way	5,326	5,326	-	-
Easement	2,400	-	-	-
Construction in progress	92	3,543	3,593	2,819
Buildings and improvements	47,647	43,539	32,983	31,628
Machinery and equipment	7,915	7,619	95	119
Infrastructure	25,987	27,989	-	-
Total	$116,197	114,832	39,498	37,393

The City's five-year Capital Improvement Plan projected to spend another $167.2 million through fiscal year 2017-18. Typically, larger projects are funded and completed over several fiscal years. Funding will come from current available bond proceeds, current fund balances, and projected revenues over the next five years. The most significant projects include the projects in the Water Master Plan of $104.4 million, pumping plant replacement construction of $8.4 million, water main and other water related improvements of $5.2 million, upgrading and maintaining the City's landfill of $4.6 million, sewer maintenance and replacement of $12.3 million, mobile equipment replacement of $1.8 million, bus stop improvement of $1.8 million, Greenway trial improvement of $2.4 million, communication and information technology

maintenance and replacement projects of $6.7 million and various pavement and street improvements of $13.1 million principally from special revenue funds.

Long-term debt

As of June 30, 2013, the City had $48.7 million in tax allocation and revenue bonds, claims payable, net OPEB liability, compensated absences and landfill closure and postclosure outstanding comparing to $46.5 million in last fiscal year – a net increase of $2.2 million – as shown in Table 5 and note 9 to the basic financial statements. Of this amount, $23.9 million represented total bonded debt outstanding, $4.6 million represented claims payable, $5.2 million represented compensated absences, $11.4 million represented landfill closure and postclosure, and $2.9 represented net OPEB liability. There was $6,240,450 in principal repayments in accordance with certain debt schedules. In November 2012, the Whittier Utility Authority issued Water Revenue Bonds, Series 2012 for $10,085,000 to refund on an advance basis, the Authority's outstanding Water Revenue Bonds, 2003 Series A of $6,610,000 and to finance various water improvement projects. The City had no significant changes in its credit ratings during the fiscal year.

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

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Compensated absences	$4,845	4,499	382	362
Tax allocation bonds	4,855	5,175	-	-
Revenue bonds	-	-	19,000	18,765
Premium on bonds	-	-	757	-
Landfill closure and postclosure	-	-	11,364	11,039
Claims payable	4,620	4,479	-	-
Net OPEB liability	2,657	2,046	266	182
Total	$16,977	16,199	31,769	30,348

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The City's budget (2013-14) projections take into account the historical trends and current economic factors and consultant recommendations. An overall increase in operating revenues of approximately $2.5 million or 3.2% as compared to the 2012-13 adopted budget is anticipated. The increase in forecasted revenues is primarily attributed to General Fund. An overall increase in operating revenues of approximately $2.3 million or 0.4% is projected for 2013-14 General Fund operating revenues. For fiscal year 2013-14, sales tax revenue is estimated to have a slight increase by 0.14% or $12,000 compared to the 2012-13 adopted budget. Property tax revenue is estimated at $4.8 million, which represents a 2.79% increase from the 2012-13 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Franchise tax revenue is estimated at $2.2 million, 15.47% increase from the 2012-13 adopted budget due to increase in rates. Utility user tax and motor vehicle in-lieu revenues are estimated at $7.1 million and $7.4 million respectively, which are minimal increases over the 2012-13 adopted budget. Operating expenditures have been projected at $57.8 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for

2013-14 which are 20.993% for miscellaneous employees, 9% of this rate is being paid by the employees; and 47.303% for safety employees, 3% of this rate is being paid by the employees. It is estimated that the General Fund will have an available fund balance of approximately $12.5 million at the end of fiscal year 2013-14.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

WHITTIER CHRONICLE
INC 1896

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WHITTIER CHRONICLE
INC 1896

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments (note 3)	$ 73,570,214	28,248,812	101,819,026
Restricted assets:			
Cash and investments (note 3)	1,461,144	8,520,385	9,981,529
Cash and investments with fiscal agents (note 3)	9,942,598	10,294,562	20,237,160
Accounts receivable	-	15,003	15,003
Interest receivable	-	20,531	20,531
Receivables:			
Intergovernmental	3,392,623	-	3,392,623
Accounts	835,647	3,771,927	4,607,574
Notes and loans (note 5)	15,097,347	-	15,097,347
Interest	265,376	7,227	272,603
Inventory	-	328,752	328,752
Due from fiduciary funds	721,182	-	721,182
Advances to Successor Agency (note 7)	15,875,158	-	15,875,158
Less: Allowance for advances	(8,406,031)	-	(8,406,031)
Prepaid items	192,629	-	192,629
Deferred charges, net of accumulated amortization	-	634,932	634,932
Land held for resale (note 4)	3,456,092	-	3,456,092
Capital assets not being depreciated (note 8)	34,647,290	6,420,102	41,067,392
Capital assets being depreciated, net (note 8)	81,549,692	33,078,125	114,627,817
Total Assets	232,600,961	91,340,358	323,941,319
Liabilities:			
Accounts payable	2,695,454	1,660,055	4,355,509
Accrued liabilities	871,892	74,158	946,050
Accrued interest payable	44,167	87,269	131,436
Due to fiduciary funds	1,523,513	-	1,523,513
Deposits payable	169,286	-	169,286
Unearned revenue	113,256	3,600,000	3,713,256
Noncurrent liabilities (note 9):			
Due within one year	5,033,740	1,111,736	6,145,476
Due in more than one year	11,943,378	30,657,432	42,600,810
Total Liabilities	22,394,686	37,190,650	59,585,336
Net Position:			
Net investment in capital assets	111,341,982	31,175,155	142,517,137
Restricted for:			
Public safety	1,443,414	-	1,443,414
Library	103,638	-	103,638
Public works	20,090,079	-	20,090,079
Water	-	3,190	3,190
Transit	3,226,045	-	3,226,045
Community development	32,407,611	-	32,407,611
Unrestricted	41,593,506	22,971,363	64,564,869
Total Net Position	$ 210,206,275	54,149,708	264,355,983

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary government:				
Governmental activities:				
General government	$ (8,097,873)	1,971,960	134,297	-
Public safety	(29,951,818)	9,549,261	965,050	-
Libraries	(3,261,251)	648,370	30,951	-
Parks and recreation	(8,489,231)	1,920,969	578,899	-
Public works	(12,878,760)	5,108,246	5,232,334	65,928
Transit	(3,502,503)	127,610	290,328	836,562
Community development	(10,481,298)	1,557,927	894,643	-
Interest on long-term debt	(320,167)	-	-	-
Total governmental activities	(76,982,901)	20,884,343	8,126,502	902,490
Business-type activities:				
Sewer	(1,471,272)	2,549,464	-	-
Water	(10,972,522)	10,218,515	906,659	-
Solid waste	(9,122,359)	9,703,140	18,512	-
Total business-type activities	(21,566,153)	22,471,119	925,171	-
Total primary government	$ (98,549,054)	43,355,462	9,051,673	902,490
	General Revenues:			
	Taxes:			
	Property taxes, net			
	Transient occupancy taxes			
	Sales taxes			
	Franchise taxes			
	Business licenses tax			
	Utility users tax			
	Transit tax			
	Motor vehicle in lieu tax, unrestricted			
	Gain on sale of capital assets			
	Investment income			
	Transfers in (out)			
	Total General Revenues			
	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
(5,991,616)	-	(5,991,616)
(19,437,507)	-	(19,437,507)
(2,581,930)	-	(2,581,930)
(5,989,363)	-	(5,989,363)
(2,472,252)	-	(2,472,252)
(2,248,003)	-	(2,248,003)
(8,028,728)	-	(8,028,728)
(320,167)	-	(320,167)
(47,069,566)	-	(47,069,566)
-	1,078,192	1,078,192
-	152,652	152,652
-	599,293	599,293
-	1,830,137	1,830,137
(47,069,566)	1,830,137	(45,239,429)
6,523,216	-	6,523,216
564,334	-	564,334
8,582,735	-	8,582,735
2,918,232	-	2,918,232
1,711,832	-	1,711,832
7,002,740	-	7,002,740
2,466,324	-	2,466,324
7,152,642	-	7,152,642
1,287	12,849	14,136
423,912	102,905	526,817
4,050	(4,050)	-
37,351,304	111,704	37,463,008
(9,718,262)	1,941,841	(7,776,421)
219,924,537	52,207,867	272,132,404
210,206,275	54,149,708	264,355,983

WHITTIER CHRONICLE
INC 1896

FUND FINANCIAL STATEMENTS

CITY OF WHITTIER, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

			Special Revenue Funds	
		General Fund	Transit Fund	HOME Fund
Assets:				
Cash and investments	$	28,446,828	3,097,905	16,996
Restricted assets:				
Cash and investments		-	-	-
Cash and investments with fiscal agents		-	-	-
Receivables:				
Intergovernmental		2,390,008	98,488	21,023
Accounts		769,820	9,610	-
Notes and loans		586,543	-	5,320,185
Interest		25,434	2,782	94,590
Due from other funds (note 6)		772,094	-	-
Advances to Successor Agency, (note 7)		8,406,031	-	-
Less: Allowance for advances		(8,406,031)	-	-
Prepaid items		23,154	164,906	-
Land held for sale		-	-	-
Total Assets	$	33,013,881	3,373,691	5,452,794
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$	1,026,315	143,687	-
Accrued liabilities		827,250	3,859	-
Due to other funds (note 6)		1,524,074	-	-
Deferred revenue		1,275,622	-	3,659,206
Deposits payable		169,186	100	-
Total Liabilities		4,822,447	147,646	3,659,206
Fund Balances:				
Nonspendable		23,154	164,906	-
Restricted		1,057,222	3,061,139	1,793,588
Committed		3,074,595	-	-
Assigned		3,478,401	-	-
Unassigned		20,558,062	-	-
Total Fund Balances		28,191,434	3,226,045	1,793,588
Total Liabilities and Fund Balances	$	33,013,881	3,373,691	5,452,794

See accompanying notes to financial statements.

Special Revenue Funds		
Housing Authority	Non-major Governmental Funds	Total Governmental Funds
1,089,468	15,201,003	47,852,200
-	1,461,144	1,461,144
9,324,947	617,651	9,942,598
-	883,104	3,392,623
-	18,951	798,381
7,223,847	1,966,772	15,097,347
10,244	117,271	250,321
561	-	772,655
2,614,127	4,855,000	15,875,158
-	-	(8,406,031)
-	-	188,060
3,456,092	-	3,456,092
23,719,286	25,120,896	90,680,548
779,182	509,793	2,458,977
-	15,180	846,289
-	50,912	1,574,986
4,006,650	438,648	9,380,126
-	-	169,286
4,785,832	1,014,533	14,429,664
-	-	188,060
18,933,454	18,665,503	43,510,906
-	-	3,074,595
-	5,440,860	8,919,261
-	-	20,558,062
18,933,454	24,106,363	76,250,884
23,719,286	25,120,896	90,680,548

CITY OF WHITTIER, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Fund Balances of Governmental Funds	$ 76,250,884
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	206,466,271
Capital assets - internal service funds	16,624,974
Accumulated depreciation - governmental funds	(95,651,898)
Accumulated depreciation - internal service funds	(11,242,365)
Long-term debt has not been included in the governmental funds	
Tax allocation bonds	(4,855,000)
Net OPEB liability	(2,656,850)
Certain accounts and intergovernmental receivables are not available to pay for current-period expenditures and, therefore, are offset by deferred revenue in the governmental funds.	9,266,870
Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.	(44,167)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net position (net of capital assets and long-term debt reported above).	
Claims payable	(4,619,657)
Compensated absences	(4,845,611)
Other assets and liabilities	25,512,824
Net Position of Governmental Activities	$ 210,206,275

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2013

			Special Revenue Funds	
		General	Transit Fund	HOME Fund
Revenues:				
Taxes	$	32,525,711	2,466,324	-
Licenses and permits		1,855,230	-	-
Fines and forfeits		646,340	-	-
Use of money and property		657,200	107,880	-
Intergovernmental		157,349	290,328	111,632
Charges for services		14,822,496	61,961	-
Other		4,113,340	-	-
Total Revenues	$	54,777,666	2,926,493	111,632
Expenditures:				
Current:				
General government	$	8,234,276	-	-
Public safety		29,133,641	-	-
Libraries		3,263,517	-	-
Parks and recreation		8,457,898	-	-
Public works		4,673,187	-	-
Local transit		-	3,561,500	-
Community development		8,889,700	-	18,328
Capital outlay		-	-	-
Debt service:				
Principal		-	-	-
Interest and fiscal charges		-	-	-
Total Expenditures		62,652,219	3,561,500	18,328
Excess (Deficiency) of Revenues Over (Under) Expenditures		(7,874,553)	(635,007)	93,304
Other financing sources (uses):				
Transfers in (note 6)		1,508,040	-	-
Transfers out (note 6)		(315,990)	(9,024)	-
Total Other Financing Sources (Uses)		1,192,050	(9,024)	-
Net change in fund balances		(6,682,503)	(644,031)	93,304
Fund Balances, Beginning		34,873,937	3,870,076	1,700,284
Fund Balances, Ending	$	28,191,434	3,226,045	1,793,588

See accompanying notes to financial statements.

Special Revenue Funds		
Housing Authority	Non-major Governmental Funds	Total Governmental Funds
-	1,057,097	36,049,132
-	107,688	1,962,918
-	614,016	1,260,356
34,834	343,125	1,143,039
-	6,407,269	6,966,578
-	103,880	14,988,337
-	3,137	4,116,477
34,834	8,636,212	66,486,837
-	-	8,234,276
-	1,322,693	30,456,334
-	52,668	3,316,185
-	174,328	8,632,226
-	5,310,121	9,983,308
-	-	3,561,500
798,682	818,410	10,525,120
-	3,845,038	3,845,038
-	320,000	320,000
-	276,000	276,000
798,682	12,119,258	79,149,987
(763,848)	(3,483,046)	(12,663,150)
-	456,675	1,964,715
-	(1,670,651)	(1,995,665)
-	(1,213,976)	(30,950)
(763,848)	(4,697,022)	(12,694,100)
19,697,302	28,803,385	88,944,984
18,933,454	24,106,363	76,250,884

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, 2013

Net changes in fund balances - total governmental funds	$	(12,694,100)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period (includes internal service funds).		
Depreciation expense		(7,160,562)
Reclass of expenditures for purchases of capital assets recorded in governmental funds.		8,538,618
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net position.		(593,846)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond principal		320,000
The statement of net position includes accrued interest on long term debt.		(44,167)
Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.		671,507
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		(611,018)
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.		1,855,306
Change in net position of governmental activities	$	(9,718,262)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes	$ 30,366,159	30,366,159	32,525,711	2,159,552
Licenses and permits	1,765,200	1,765,200	1,855,230	90,030
Fines and forfeits	753,100	753,100	646,340	(106,760)
Use of money and property	1,086,582	1,086,582	657,200	(429,382)
Intergovernmental	283,500	283,500	157,349	(126,151)
Charges for services	15,048,700	15,048,700	14,822,496	(226,204)
Other	4,035,548	4,035,548	4,113,340	77,792
Total Revenues	53,338,789	53,338,789	54,777,666	1,438,877
Expenditures:				
General government:				
City council	34,187	34,187	30,080	4,107
City clerk	697,162	710,964	651,865	59,099
City attorney	300,531	300,531	389,375	(88,844)
Elections	83,603	83,603	1,709	81,894
City manager	710,203	710,203	764,912	(54,709)
City controller	1,695,586	1,827,151	1,602,797	224,354
City treasurer	372,244	372,244	220,440	151,804
Business license	161,078	161,077	158,452	2,625
Human resources	423,532	423,532	354,031	69,501
Civic center maintenance	1,366,425	1,366,425	1,231,680	134,745
Non-departmental	2,462,460	2,440,460	1,043,967	1,396,493
City planning	1,274,346	1,436,594	978,265	458,329
Fireworks show	12,491	12,491	15,787	(3,296)
Chamber of commerce	46,400	46,400	46,400	-
Employee special events	9,000	9,000	9,235	(235)
Public information services	73,203	76,203	65,665	10,538
Graffiti removal program	386,010	386,010	321,194	64,816
Social services	186,975	376,975	375,798	1,177
Total General Government	10,295,436	10,774,050	8,261,652	2,512,398
Public safety:				
Police department	28,193,168	28,207,269	27,842,612	364,657
Disaster preparedness	35,878	35,878	48,325	(12,447)
Code enforcement	499,449	499,449	425,630	73,819
Building and safety	785,265	831,818	833,813	(1,995)
Total Public Safety	29,513,760	29,574,414	29,150,380	424,034

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Expenditures (Continued):				
Libraries:	$ 3,214,551	3,490,688	3,271,622	219,066
Total Libraries	3,214,551	3,490,688	3,271,622	219,066
Parks and recreation:				
Parks and recreation	4,906,493	5,139,108	5,050,194	88,914
Community services	3,287,680	3,397,938	3,467,892	(69,954)
Total Parks and Recreation	8,194,173	8,537,046	8,518,086	18,960
Public works:				
Weed control	8,300	8,300	5,047	3,253
Street lighting	471,918	471,918	546,962	(75,044)
Street maintenance	3,610,054	3,726,647	3,394,632	332,015
Traffic signals	404,415	404,415	353,397	51,018
City engineering	253,036	670,145	401,598	268,547
Total Public Works	4,747,723	5,281,425	4,701,636	579,789
Community development:				
Community development	637,268	637,268	483,669	153,599
Total Community Development	637,268	637,268	483,669	153,599
Total Expenditures	56,602,911	58,294,891	54,387,045	3,907,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,264,122)	(4,956,102)	390,621	5,346,723
Other financing sources (uses):				
Transfers in	-	1,508,040	1,508,040	-
Transfers out	(243,614)	(315,990)	(315,990)	-
Total Other Financing Sources (Uses)	(243,614)	1,192,050	1,192,050	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(3,507,736)	(3,764,052)	1,582,671	5,346,723
Adjustments:				
To adjust for allowances on advances	-	-	(8,406,031)	(8,406,031)
To adjust for encumbrances	-	-	140,857	140,857
Total Adjustments	-	-	(8,265,174)	(8,265,174)
Net Change in Fund Balance (US GAAP basis)	(3,507,736)	(3,764,052)	(6,682,503)	(2,918,451)
Fund Balance at Beginning of Year	34,873,937	34,873,937	34,873,937	-
Fund Balance at End of Year	$ 31,366,201	31,109,885	28,191,434	(2,918,451)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes	$ 2,138,499	2,138,499	2,466,324	327,825
Use of money and property	145,300	145,300	107,880	(37,420)
Intergovernmental	835,601	1,285,601	290,328	(995,273)
Charges for services	40,500	40,500	61,961	21,461
Total Revenues	3,159,900	3,609,900	2,926,493	(683,407)
Expenditures:				
Current:				
Local transit	2,809,841	6,801,137	3,561,500	3,239,637
Total Expenditures	2,809,841	6,801,137	3,561,500	3,239,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	350,059	(3,191,237)	(635,007)	2,556,230
Other financing sources (uses):				
Transfers out	-	(9,024)	(9,024)	-
Total Other Financing Sources (Uses)	-	(9,024)	(9,024)	-
Net Change in Fund Balance	350,059	(3,200,261)	(644,031)	2,556,230
Fund Balance at Beginning of Year	3,870,076	3,870,076	3,870,076	-
Fund Balance at End of Year	$ 4,220,135	669,815	3,226,045	2,556,230

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 260,228	260,228	111,632	(148,596)
Total Revenues	260,228	260,228	111,632	(148,596)
Expenditures:				
Current:				
Community development	260,228	561,058	18,328	542,730
Total Expenditures	260,228	561,058	18,328	542,730
Net Change in Fund Balance	-	(300,830)	93,304	394,134
Fund Balance at Beginning of Year	1,700,284	1,700,284	1,700,284	-
Fund Balance at End of Year	$ 1,700,284	1,399,454	1,793,588	394,134

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Use of money and property	$ -	-	34,834	34,834
Total Revenues	-	-	34,834	34,834
Expenditures:				
Current:				
Community development	-	-	798,682	(798,682)
Total Expenditures	-	-	798,682	(798,682)
Net Change in Fund Balance	-	-	(763,848)	(763,848)
Fund Balance at Beginning of Year	19,697,302	19,697,302	19,697,302	-
Fund Balance at End of Year	$ 19,697,302	19,697,302	18,933,454	(763,848)

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Totals	Internal Service Funds
Assets:					
Current assets:					
Cash and investments (note 3)	$ 3,746,102	14,787,592	9,715,118	28,248,812	25,718,014
Receivables:					
Accounts	71,916	1,651,276	2,048,735	3,771,927	37,266
Interest	2,136	10,406	7,989	20,531	15,055
Inventory	-	328,752	-	328,752	-
Prepaid items	-	-	-	-	4,569
Total Current Assets	3,820,154	16,778,026	11,771,842	32,370,022	25,774,904
Noncurrent assets:					
Restricted cash and investments (note 3)	-	3,190	8,517,195	8,520,385	-
Restricted cash and investments with fiscal agents (note 3)	-	9,420,934	873,628	10,294,562	-
Accounts receivable	-	-	15,003	15,003	-
Interest receivable	-	725	6,502	7,227	-
Deferred charges, net of accumulated amortization	-	603,715	31,217	634,932	-
Capital assets, net	2,704,252	23,826,351	12,967,624	39,498,227	5,382,609
Total Noncurrent Assets	2,704,252	33,854,915	22,411,169	58,970,336	5,382,609
Total Assets	6,524,406	50,632,941	34,183,011	91,340,358	31,157,513
Liabilities:					
Current liabilities:					
Accounts payable	15,460	559,877	1,084,718	1,660,055	236,477
Accrued liabilities	5,726	30,369	38,063	74,158	25,603
Accrued interest payable	-	67,897	19,372	87,269	-
Claims payable	-	-	-	-	3,002,776
Deferred revenue	-	3,600,000	-	3,600,000	
Current portion of compensated absences	12,555	46,776	74,383	133,714	4,845,611
Current portion of long-term obligations	-	558,022	420,000	978,022	-
Total Current Liabilities	33,741	4,862,941	1,636,536	6,533,218	8,110,467
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	1,616,881
Compensated absences	23,315	86,869	138,140	248,324	-
Net OPEB liability	43,450	124,939	97,761	266,150	-
Revenue bonds payable	-	18,334,249	445,000	18,779,249	-
Landfill closure and postclosure payable	-	-	11,363,709	11,363,709	-
Total Noncurrent Liabilities	66,765	18,546,057	12,044,610	30,657,432	1,616,881
Total Liabilities	100,506	23,408,998	13,681,146	37,190,650	9,727,348
Net Position:					
Net investment in capital assets	2,704,252	15,025,465	13,445,438	31,175,155	5,382,609
Restricted for connection fees	-	3,190	-	3,190	-
Unrestricted	3,719,648	12,195,288	7,056,427	22,971,363	16,047,556
Total Net Position	$ 6,423,900	27,223,943	20,501,865	54,149,708	21,430,165

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, 2013

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Totals	Internal Service Funds
Operating Revenues:					
Charges for services	$ 2,549,464	9,747,889	9,224,229	21,521,582	13,554,058
Total Operating Revenues	2,549,464	9,747,889	9,224,229	21,521,582	13,554,058
Operating Expenses:					
Sewer operations	1,395,017	-	-	1,395,017	-
Water operations	-	9,688,938	-	9,688,938	-
Solid waste collection and disposal	-	-	8,239,286	8,239,286	-
Provision for landfill closure and postclosure	-	-	325,016	325,016	-
Self insurance	-	-	-	-	3,152,310
Employee benefits	-	-	-	-	4,729,070
Maintenance	-	-	-	-	3,706,197
Amortization	-	413,539	52,292	465,831	-
Depreciation	76,255	552,898	453,620	1,082,773	1,109,486
Total Operating Expenses	1,471,272	10,655,375	9,070,214	21,196,861	12,697,063
Operating Income (Loss)	1,078,192	(907,486)	154,015	324,721	856,995
Nonoperating Revenues (Expenses):					
Intergovernmental	-	906,659	18,512	925,171	-
Investment Income	8,031	48,560	46,314	102,905	51,924
Interest expense	-	(317,147)	(52,145)	(369,292)	-
Gain (Loss) on disposal of capital assets	-	-	-	-	50,320
Rental income	-	470,626	478,911	949,537	-
Other revenue	-	-	12,849	12,849	-
Total Nonoperating Revenues (Expenses)	8,031	1,108,698	504,441	1,621,170	102,244
Income (Loss) Before Transfers	1,086,223	201,212	658,456	1,945,891	959,239
Transfers:					
Transfers in (note 6)	-	-	-	-	35,000
Transfers out (note 6)	-	(4,050)	-	(4,050)	-
Total Transfers	-	(4,050)	-	(4,050)	35,000
Change in Net Position	1,086,223	197,162	658,456	1,941,841	994,239
Net Position, Beginning of the Year	5,337,677	27,026,781	19,843,409	52,207,867	20,435,926
Net Position at End of the Year	$ 6,423,900	27,223,943	20,501,865	54,149,708	21,430,165

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Total	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	$ 2,597,825	13,019,788	8,971,284	24,588,897	13,537,733
Payments to suppliers for goods and services	(774,028)	(6,625,449)	(6,533,298)	(13,932,775)	(11,203,045)
Payments to employees for services	(588,976)	(2,217,951)	(1,607,072)	(4,413,999)	-
Non-operating rental income revenue received	-	470,626	478,911	949,537	-
Net cash provided by operating activities	1,234,821	4,647,014	1,309,825	7,191,660	2,334,688
Cash flows from noncapital financing activities:					
Receipts from other governmental agencies	-	906,659	18,512	925,171	-
Receipts from interfund services	-	-	-	-	35,000
Receipt from miscellaneous sales	-	-	12,849	12,849	-
Transfer to other funds	-	(4,050)	-	(4,050)	-
Net cash (used in) provided by noncapital financing activities	-	902,609	31,361	933,970	35,000
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	(773,872)	(2,414,190)	(3,188,062)	(778,487)
Proceeds from the Issuance of Long-Term Debt	-	10,864,451	-	10,864,451	-
Principal payments on Long-Term Debt	-	(9,472,180)	(400,000)	(9,872,180)	-
Interest and fiscal agent fees paid on long-term debt	-	(317,147)	(52,145)	(369,292)	-
Bond Issuance Costs Paid on Long-Term Debt	-	(423,710)	-	(423,710)	-
Net cash provided (used) for capital and related financing activities	-	(122,458)	(2,866,335)	(2,988,793)	(778,487)
Cash flows from investing activities:					
Interest received on investments	7,460	38,656	36,432	82,548	51,154
Net cash provided by investing activities	7,460	38,656	36,432	82,548	51,154
Net increase in cash and cash equivalents	1,242,281	5,465,821	(1,488,717)	5,219,385	1,642,355
Cash and cash equivalents at beginning of the year	2,503,821	18,745,895	20,594,658	41,844,374	24,075,659
Cash and cash equivalents at end of year	$ 3,746,102	24,211,716	19,105,941	47,063,759	25,718,014
Reconciliation of cash and cash equivalents to amounts reported on the balance sheet:					
Reported on the statement of net position:					
Cash and investments	$ 3,746,102	14,787,592	9,715,118	28,248,812	25,718,014
Cash and investments - restricted	-	3,190	8,517,195	8,520,385	-
Cash and investments with fiscal agents	-	9,420,934	873,628	10,294,562	-
Cash and Cash Equivalents - June 30, 2013	$ 3,746,102	24,211,716	19,105,941	47,063,759	25,718,014

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$ 1,078,192	(907,486)	154,015	324,721	856,995
Adjustments to reconcile income (loss) from operating to net cash provided by operating activities:					
Depreciation	76,255	552,898	453,620	1,082,773	1,109,486
Amortization	-	413,539	52,292	465,831	-
Rental Income	-	470,626	478,911	949,537	-
(Increase)/ decrease in accounts receivable	48,362	(328,101)	(252,945)	(532,684)	(409)
(Increase)/ decrease in prepaid items	-	453,000	-	453,000	22,102
Decrease in inventory	-	24,800	-	24,800	-
(Decrease)/ increase in accounts payable	14,669	309,471	68,907	393,047	(140,220)
(Decrease)/increase in accrued liabilities	546	(1,506)	2,304	1,344	(341)
Increase in deferred revenue	-	3,600,000	-	3,600,000	-
Increase in claims payable	-	-	-	-	140,224
Increase in net OPEB liability	12,113	68,118	3,752	83,983	-
(Decrease)/increase in compensated absences	4,684	(8,345)	23,953	20,292	346,851
Increase in landfill closure and postclosure	-	-	325,016	325,016	-
Total Adjustments	156,629	5,554,500	1,155,810	6,866,939	1,477,693
Net Cash Provided by Operating Activities	$ 1,234,821	4,647,014	1,309,825	7,191,660	2,334,688

Noncash investing, capital, and financing activities:

There were no significant non-cash investing, capital, and financing activities for the year ended June 30, 2013.

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Redevelopment Successor Agency Private-purpose Trust Fund	Agency Fund
Assets:		
Cash and investments (note 3)	$ 3,936,059	986,546
Cash and investments with fiscal agents (note 3)	18,306,788	419,800
Receivable:		
Accounts	777,827	52,818
Interest	9,877	237
Due from City of Whittier	1,523,513	-
Deferred charges, net of accumulated amortization	717,128	-
Land held for resale	5,707,324	-
Capital assets being depreciated, net	2,755,389	-
Total Assets	$ 33,733,905	1,459,401
Liabilities and Net Position:		
Accounts payable	$ 50,031	150,379
Accrued interest payable	394,397	-
Deposits payable	25,000	533,618
Due to City of Whittier	679,248	41,934
Due to bondholders	-	733,470
City Loan, net of valuation allowance	7,469,127	-
Noncurrent liabilities:		
Due within one year	1,155,000	-
Due in more than one year	48,940,991	-
Total Liabilities	58,713,794	1,459,401
Net Position:		
Held in trust for beneficiaries	$ (24,979,889)	

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2013

	Redevelopment Successor Agency Private-purpose Trust Fund
Additions:	
Revenues:	
Property taxes	$ 6,387,094
Other	784,128
Investment earnings	46,008
Valuation allowance for advances owed to City (note 7)	8,406,031
Total Additions	15,623,261
Deductions:	
Professional services	109,773
Community development	613,792
Interest and fiscal charges	2,950,472
Contributions to other governments	4,952,983
Amortization	307,176
Depreciation	21,659
Total Deductions	8,955,855
Change in net position	6,667,406
Net Position, Beginning of Year, as restated	(31,647,295)
Net Position, End of Year	$ (24,979,889)

See accompanying notes to financial statements.

WHITTIER CHRONICLE
INC 1896

NOTES TO BASIC FINANCIAL STATEMENTS

WHITTIER CHRONICLE
INC 1896

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Whittier Public Financing Authority
Whittier Utility Authority
Whittier Housing Authority

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

All of the City's component units are considered to be blended component units because in all cases the City Council serves as the governing board for each component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations, therefore data from these units are reported with the interfund data of the primary government. Management of the City has operational responsibility for each component unit, as it manages the activities of each component unit in a similar manner in which it manages other of its own programs and activities. Additionally, the City is responsibility for repayment of debt within the component units using resources of the primary government.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

The General Fund — This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Transit Special Revenue Fund — This fund accounts for the receipt and expenditure of Los Angeles County Prop A and C funds restricted for transit and transit related costs and improvement projects.

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Net Position or Equity

Cash and Cash Equivalents

For purpose of the statement of cash flows, the City considered cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Whittier Redevelopment Successor Agency. For the purposes of the statement of cash flows, the enterprise funds consider the entire amount to be cash and cash equivalents.

Cash and Investments

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

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

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

Receivables and Payables

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

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

Land Held For Resale

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

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

Property Valuations — are established by the Assessor of the County of Los Angeles for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIIIA 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 11 - 1st installment
	April 11 - 2nd installment

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Net Position or Equity (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, 2013 are recorded as prepaid items and are offset equally by a nonspendable fund balance classification which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Restricted Assets

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

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance, resolutions, and indentures specifying the types of investments its trustees or fiscal agents may make.

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest that was capitalized during the fiscal year ended June 30, 2013 was $528,709.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Net Position or Equity (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.

Claims and Judgments

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

Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded. An Internal Service Fund is used for recording unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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. Issuance costs are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts, are reported as deferred bond issuance costs. Issuance costs and deferred amounts on refunding are included in interest expense in the Statement of Activities.

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

Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

- *Nonspendable Fund Balance* — represents amounts that cannot be spent because they are either not in spendable form (e.g. inventories, prepaid items, long-term portion of loans receivable, land held for resale); or legally or contractually required to be maintained intact.
- *Restricted Fund Balance* — externally imposed by law or constrained by grantors, contributors, or laws or regulations of other governments.
- *Committed Fund Balance* — committed on 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 at the City Council, or by an official designated for that purpose. The City has designated the authority to assign amounts used for specific purposes to the City Controller.
- *Unassigned Fund Balance* — the available and uncommitted fund balance.

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

E. Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements

Adopted in the Current Year

GASB Statement No. 61 – In November 2010, GASB issued Statement No. 61 – *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34.* The objective of this statement is to improve the financial reporting for a governmental financial reporting entity. The Statement is effective for periods beginning after June 15, 2012. The City implemented this pronouncement, effective July 1, 2012.

GASB Statement No. 62 – In December 2010, GASB issued Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations, 2) Accounting Principles Board Opinions, and 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement also supersedes Statement No. 20 – *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretation that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The City implemented this pronouncement, effective July 1, 2012.

GASB Statement No. 63 – In June 2011, GASB issued Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and amends the net asset reporting requirements in Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Statement is effective for periods beginning after December 15, 2011. The City implemented this pronouncement, effective July 1, 2012.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Effective in Future Years

GASB Statement No. 65 – In March 2012, GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities.* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Statement is effective for periods beginning after December 15, 2012, or the 2013-2014 fiscal year. The City has not determined the effect on the financial statements.

GASB Statement No. 66 – In March 2012, GASB issued Statement No. 66 – *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62.* The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement is effective for periods beginning after December 15, 2012, or the 2013-2014 fiscal year. The City has not determined the effect on the financial statements.

GASB Statement No. 67 – In June 2012, GASB issued Statement No. 67 – *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 25 – *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50 – *Pension Disclosures*, as they relate to pension plans that are not administered through trust covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pension. The Statement is effective for periods beginning after June 15, 2013, or the 2013-2014 fiscal year. This statement is specifically for pension plan providers.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Effective in Future Years (Continued)

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

GASB Statement No. 70 – In April 2013, GASB issued Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The Statement is effective for periods beginning after June 15, 2013, or the 2013-2014 fiscal year. The City has not determined the effect on the financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

General Budget Policies

The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Budget adjustments that affect the total appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in total appropriation within a fund and budget code are approved by the City Manager and do not require additional approval by the City Council. A budget code could be a department, program or a division. Expenditures may not exceed appropriations at the budget code level for the General Fund, and fund level for Special Revenue, Capital Projects, and Debt Service Funds except the Housing Authority without additional approval by the City Council or related Board.

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

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

Encumbrances

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

Continuing Appropriations

The unexpended and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year.

Budgetary Basis of Accounting

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

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

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

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

Fund	Final Budget	Expenditures	Excess
Major Funds:			
General Fund:			
City attorney	$ 300,531	389,375	88,844
City manager	710,203	764,912	54,709
Fireworks show	12,491	15,787	3,296
Employee special events	9,000	9,235	235
Disaster preparedness	35,878	48,325	12,447
Building and Safety	831,818	833,813	1,995
Community Services	3,397,938	3,467,892	69,954
Street lighting	471,918	546,962	75,044
Housing Authority Fund:			
Community development	-	798,682	798,682
Non-major Funds:			
Street Lighting District 1-91			
Special Revenue Fund	1,069	1,162	93
Business Improvement Area			
Special Revenue Fund	111,500	113,377	1,877
Whittier Uptown Parking District			
No. 1 Special Revenue Fund	69,669	85,205	15,536
Capital Outlay Capital Projects Fund			
Transfers out	-	166,661	166,661

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	$ 73,570,214	28,248,812	4,922,605	106,741,631
Restricted assets:				
Cash and investments	1,461,144	8,520,385	-	9,981,529
Cash and investments with fiscal agents	9,942,598	10,294,562	18,726,588	38,963,748
Totals	$ 84,973,956	47,063,759	23,649,193	155,686,908

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2013 consisted of the following:

Petty cash	$ 10,857
Deposits with financial institutions	3,373,874
Investments	152,302,177
Total Cash and Investments	$ 155,686,908

Investments Authorized by the California Government code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's Investment Policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

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

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

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 with Bank of Savings &	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 - U.S. Treasury	N/A	None	None
Investment Contracts	30 years	None	None
Medium Term Corporate Notes	5 years	None	None
Local Agency Investment Fund (State Pool)	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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

		Remaining Maturing (In Months)			
Investment Type	Totals	6 Months Or Less	7 to 12 Months	13 to 24 Months	25 to 60 Months
U.S. Treasury Bills	$ 17,992,660	7,999,460	9,993,200	-	-
Federal Agency Securities	48,975,720	13,006,720	14,008,360	8,020,300	13,940,340
Certificate of Deposit	750,000	-	250,000	250,000	250,000
Local Agency Investment Fund (LAIF)	45,662,024	45,662,024	-	-	-
Held by fiscal agent:					
Money Market Funds	4,024,476	4,024,476	-	-	-
U.S. Treasury Bills	1,089,803	1,089,803	-	-	-
Local Agency Investment Fund (LAIF)	30,280,063	30,280,063	-	-	-
Federal Agency Securities	3,527,431	3,527,431	-	-	-
Total	$ 152,302,177	105,589,977	24,251,560	8,270,300	14,190,340

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.

		Minimum	Exempt	Rating as of Year End	
Investment Type	Totals	Legal Rating	from Disclosure	AA+	Not Rated
U.S. Treasury Bills	$ 17,992,660	N/A	17,992,660	-	-
Federal Agency Securities	48,975,720	N/A	-	48,975,720	-
Certificate of Deposit	750,000	N/A	-	-	750,000
Local Agency Investment Fund (LAIF)	45,662,024	N/A	-	-	45,662,024
Held by fiscal agent:					
Money Market Funds	4,024,476	N/A	-	4,024,476	-
U.S. Treasury Bills	1,089,803	N/A	1,089,803	-	-
Local Agency Investment Fund (LAIF)	30,280,063	N/A	-	-	30,280,063
Federal Agency Securities	3,527,431	N/A	-	3,527,431	-
Total	$ 152,302,177		19,082,463	56,527,627	76,692,087

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	$ 23,519,232
Federal Farm Credit Bank	Federal Agency Security	23,995,300

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

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

Investment in State Investment Pool

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

NOTE 4 – INVESTMENT – LAND HELD FOR RESALE

The City's former Redevelopment Agency acquired several parcels of land as part of its primary purpose to develop or redevelop blighted properties. At June 30, 2013, the Whittier Housing Authority held the land held for resale with a net realizable value of $3,456,092.

NOTE 5 – NOTES AND LOANS RECEIVABLE

	Outstanding Balance June 30, 2013
During the 2000-01 fiscal year, the City approved a Police Residence Incentive Program. Sworn Whittier police officers may apply for a forgivable loan toward the purchase of a single-family residence in the City. The loan shall be forgiven within 10 years for a $10,000 loan applied before fiscal year 2005-06. During 2005-06, the City increased the loan amount to $50,000 each and shall be forgiven within 15 years. The employee needs to maintain the property as his/her principal residence and remain an active sworn employee of the City. As of June 30, 2013, 33 loans totaling $793,905 have been provided. $11,878 of principal has been forgiven and 17 loans have been repaid or fully forgiven.	$ 586,543
During the 1985-86 fiscal year, the former Redevelopment Agency (taken over by the Housing Authority) loaned the developer of the William Penn Manor Project, $500,000 for the site acquisition. During fiscal year 1989-90, William Penn Manor borrowed an additional $103,401 from the former Redevelopment Agency, using Community Development Block Grant funds, for a total of $603,401. This loan is non-interest bearing and is to be repaid to the Housing Authority upon the recording of a construction loan to the developer for development of the site and the sale, transfer, conveyance or refinancing of the site, or any part, thereof, by developer, with the exception that such sale, transfer, conveyance, or refinancing must first be approved in writing by the Housing Authority. The loans is evidenced by a promissory note and secured by a first deed of trust. The William Penn Manor project is the development of the William Penn Manor, a 75 dwelling unit project to be occupied by low income senior citizens.	603,401
During the 1997-98 fiscal years, the Agency approved the First-time Homebuyer Program. Since then the Agency had loaned $1,585,000 to seventy-seven families. The program provides "silent second" loans to homebuyers of low and moderate income. The loans are interest free with no payments for the first five years, after which the borrowers pay 5% per year. Starting in the sixth year, one-fifteenth of the loan is forgiven. If the Borrower ceases to be the owner-occupant, the loan becomes due and payable. During the fiscal year ended June 30, 2013, $19,220 in loan principal was either paid or forgiven.	153,977

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

	Outstanding Balance June 30, 2013
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
The City uses Community Development Block Grant funds and Federal HOME funds to issue loans to low and moderate income families and individuals. These loans are low interest or zero interest loans and can be fully amortized or deferred until the secured property is sold. The proceeds are used to rehabilitate residences and the loans are secured by a deed of trust on the property.	3,722,340
During the fiscal year 1999-2000, the City and the former Redevelopment Agency had entered into an affordable housing project agreement with Seasons Uptown Whittier, L.P. (Hoover). In the agreement, the City and Agency would assist Hoover in the financing of the acquisition and development of the 50 senior apartment units projects by providing Hoover with two residual receipts loans from the Agency's Low and Moderate Income Housing Fund and the City's HOME fund. The first promissory note with the original principal of $845,045 is an interest compounded loan at the long-term applicable federal rate as defined in Internal Revenue Code Section 1274(d)(1). The second promissory note in the original principal amount of $494,003 is a non-interest bearing loan. Both notes shall be paid over a period of fifty-five years and secured by a first deed of trust. The borrower is obligated to repay the principal amount of the notes and the accrued interest each month in which there is positive cash flow as defined in the notes. During the fiscal year 2012-13, nothing was repaid. Of the $2,022,480, the Housing Authority portion of the amount is $1,071,914. The remainder is due to the HOME fund.	2,022,480
During fiscal year 2009-10, the City implemented the Gables of Whittier Affordable Home Ownership Loan Program ("Program"). The Program provides "silent second" loans to homebuyers of low and moderate income. Homes purchased under the program have specific resale restrictions that intend to maintain the affordable units for a minimum of 45 years. The City's assistance is a deferred loan with no annual accruing interest, except in some cases for the Equity Appreciation Share, in which the homebuyer has intentions to resale the property. The loan will not become due unless a sale or transfer of the property to an eligible buyer occurs. As of June 30, 2013, eighteen families received assistance from the program.	2,459,819

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

	Outstanding Balance June 30, 2013
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 $5,303,326 outstanding at year end, the Housing Authority portion of the amount is $2,916,825.	$ 5,303,326
On May 23, 2011, the Agency entered into a Exclusive Negotiation and Loan Agreement with Heritage Housing Partners (Developer) to provide a predevelopment loan of $97,749 from the Agency's affordable housing set-aside funds. The agreement anticipated the Agency and Developer would subsequently enter into a disposition and development agreement that would allow the Developer to acquire and then develop a 28,000 square foot Agency-owned site as a nine to ten unit affordable home ownership housing project located on 7306, 7312, and 7316 Comstock Avenue. Staff postponed disbursement of the loan as the redevelopment dissolution process was implemented. While temporarily on hold, it is likely in the upcoming months that the project will be able to continue through the Whittier Housing Authority (Authority). The Authority was selected as the housing successor to the Agency.	17,911
Total notes and loans receivable	$ 15,097,347

NOTE 6 – INTERFUND ACTIVITY

The following represents the interfund activity of the City for the year ended June 30, 2013:

Due From/To Other Funds:

Due from (receivable fund)	Due to (payable fund)	Amount	
General Fund	Non-major Governmental Funds	$ 50,912	(A)
	Fiduciary Funds - Private-purpose Trust	679,248	(B)
	Fiduciary Funds - Agency	41,934	(A)
		772,094	
Whittier Housing Authority	General Fund	561	(B)
Fiduciary Funds - Private-purpose Trust	General Fund	1,523,513	(C)
		$ 2,296,168	

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

Transfers To/From Other Funds:

Transfer In	Transfer Out	Amount	
General Fund	Non-Major Governmental Funds	$ 1,503,990	(A)
	Water Fund	4,050	(B)
	Subtotal	1,508,040	
Non-Major Governmental Funds	General Fund	280,990	(C)
	Non-Major Governmental Funds	166,661	(C)
	Transit Fund	9,024	(C)
	Subtotal	456,675	
Internal Service Funds	General Fund	35,000	(D)
	Subtotal	35,000	
	Total	$ 1,999,715	

Transfers are used to: (A) reimburse the General Fund for street maintenance expenditures, (B) reimburse General Fund for document imaging expenditure, (C) reimburse for capital and employee service costs and (D) reimburse Internal Service Funds for other equipment replacement.

NOTE 7 – ADVANCES TO SUCCESSOR AGENCY

The City loaned the former Whittier Redevelopment Agency funds prior to dissolution. The General Fund is owed $8,406,031 to finance expenditures incurred in the project areas; the Whittier Housing Authority Fund is owed $2,614,127 for funds loaned for the allocation to the Supplemental Education Revenue Augmentation ("SERAF") pursuant to the Health and Safety Code Section 33690(c); and the Public Financing Authority, a non-major fund, is owed $4,855,000 for the issuance of the 2002 Revenue Bonds. All amounts due, totaling $15,875,158, are reported by the City. In the opinion of management, and in consultation with its legal counsel, the $15,875,158 represents amounts owed to the City for advances by the former Whittier Redevelopment Agency for legitimate redevelopment purposes. Further, management of the City of Whittier asserts that it has complied with AB x1 26, as amended by AB 1484, and intends to perform all actions required under Health and Safety Code Section (HSC) 34191.4 to ensure collectability of the amounts outstanding.

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

As of June 30, 2013 the City's management has asserted that the oversight board of the Successor Agency of the Whittier Redevelopment Agency has previously approved the advances as enforceable obligations. However, the City is pursuing the finding by the oversight board and DOF approval for repayment of the specific advances in accordance with HSC 34191.4. As of June 30, 2013, the City recorded an allowance to offset the advances in the amount of $8,406,031, pending the oversight board's finding that the advances were for legitimate redevelopment purposes and approval by DOF. Once approved, the City anticipates reducing the reserve and recording the advances to the net realizable value of the amounts owed by the Successor Agency. Additionally, as of June 30, 2013, the City recorded $1,523,513 which is recorded as due to other funds, see note 6, for the purpose of reimbursing the General Fund for operating expenditures of the former redevelopment agency.

NOTE 8 – CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Deletions	Transfers	Balance at June 30, 2013
Capital Assets Not Being Depreciated:					
Land	$ 24,436,052	-	-	-	24,436,052
Rights of way/Easement	5,325,506	2,400,000	-	-	7,725,506
Trees	2,380,405	26,500	(13,457)	-	2,393,448
Construction in progress	3,543,143	5,031	(3,455,890)	-	92,284
Total	35,685,106	2,431,531	(3,469,347)	-	34,647,290
Capital Assets, Being Depreciated:					
Buildings	39,454,234	-	-	433,181	39,887,415
Improvements	21,489,904	6,341,586	-	(433,181)	27,398,309
Machinery and equipment	22,436,325	1,807,679	(580,387)	-	23,663,617
Infrastructure:					
Roadways	84,455,169	933,045	-	-	85,388,214
Storm drains	2,656,228	-	-	-	2,656,228
Other street appurtenances	8,969,505	480,667	-	-	9,450,172
Total	179,461,365	9,562,977	(580,387)	-	188,443,955
Less Accumulated Depreciation for:					
Buildings	(10,275,057)	(1,257,759)	-	(281,567)	(11,814,383)
Improvements	(7,129,677)	(975,760)	-	281,567	(7,823,870)
Machinery and equipment	(14,817,353)	(1,511,477)	580,387	-	(15,748,443)
Infrastructure:					
Roadways	(61,479,087)	(3,049,638)	-	-	(64,528,725)
Storm drains	(970,819)	(50,118)	-	-	(1,020,937)
Other street appurtenances	(5,642,095)	(315,810)	-	-	(5,957,905)
Total	(100,314,088)	(7,160,562)	580,387	-	(106,894,263)
Capital Assets being depreciated, net	79,147,277	2,402,415	-	-	81,549,692
Capital Assets, net	$ 114,832,383	4,833,946	(3,469,347)	-	116,196,982

NOTE 8 – CAPITAL ASSETS (CONTINUED)

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

	Governmental Activities
General government	$ 1,516,127
Public safety	262,766
Public works	4,425,106
Community development	18,992
Parks and recreation	538,710
Libraries	174,557
Transit	224,304
Total	$ 7,160,562

Business-type Activities

Capital asset business-type activities for the fiscal year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Sewer Fund:				
Capital assets, being depreciated:				
Improvements	$ 3,448,122	-	-	3,448,122
Total Sewer Capital Assets, Being Depreciated	3,448,122	-	-	3,448,122
Less - accumulated depreciation for:				
Improvements	(667,615)	(76,255)	-	(743,870)
Total Accumulated Depreciation	(667,615)	(76,255)	-	(743,870)
Total Sewer Capital Assets, Being Depreciated, Net	2,780,507	(76,255)	-	2,704,252
Total Sewer Capital Assets, Net	$ 2,780,507	(76,255)	-	2,704,252

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities, (Continued)

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Water Fund:				
Capital assets, not being depreciated:				
Land	$ 598,955	-	-	598,955
Construction in progress	2,819,471	773,875	-	3,593,346
Total	3,418,426	773,875	-	4,192,301
Capital assets, being depreciated:				
Improvements	29,736,792	-	-	29,736,792
Buildings	1,123,295	-	-	1,123,295
Machinery and equipment	331,938	-	-	331,938
Total Water Capital Assets, Being Depreciated	31,192,025	-	-	31,192,025
Less - accumulated depreciation for:				
Improvements	(9,686,463)	(529,251)	-	(10,215,714)
Buildings	(1,097,028)	(3,278)	-	(1,100,306)
Machinery and equipment	(221,586)	(20,369)	-	(241,955)
Total Accumulated Depreciation	(11,005,077)	(552,898)	-	(11,557,975)
Total Water Capital Assets, Being Depreciated, Net	20,186,948	(552,898)	-	19,634,050
Total Water Capital Assets, Net	$ 23,605,374	220,977	-	23,826,351

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Solid Waste Activity:				
Capital assets, not being depreciated:				
Land	$ 2,227,801	-	-	2,227,801
Total Solid Waste Capital Assets, Not Being Depreciated	2,227,801	-	-	2,227,801
Capital assets, not being depreciated:				
Improvements	14,669,702	2,414,186	-	17,083,888
Buildings	151,033	-	-	151,033
Machinery and equipment	211,575	-	-	211,575
Total Solid Waste Capital Assets, Being Depreciated	15,032,310	2,414,186	-	17,446,496
Less - accumulated depreciation for:				
Improvements	(5,900,614)	(450,274)	-	(6,350,888)
Buildings	(149,278)	(398)		(149,676)
Machinery and equipment	(203,161)	(2,948)		(206,109)
Total Accumulated Depreciated	(6,253,053)	(453,620)	-	(6,706,673)
Total Solid Waste Assets, Being Depreciated, Net	8,779,257	1,960,566	-	10,739,823
Total Solid Waste Assets, Net	$ 11,007,058	1,960,566	-	12,967,624

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities, (Continued)

Total Business-type Activities	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets not being depreciated:				
Land	$ 2,826,756	-	-	2,826,756
Construction in progress	2,819,471	773,875	-	3,593,346
Total Capital Assets Not Being Depreciated	5,646,227	773,875	-	6,420,102
Capital assets, being depreciated:				
Improvements	47,854,616	2,414,186	-	50,268,802
Buildings	1,274,328	-	-	1,274,328
Machinery and equipment	543,513	-	-	543,513
Total Capital Assets Being Depreciated	49,672,457	2,414,186	-	52,086,643
Less accumulated depreciation for:				
Improvements	(16,254,692)	(1,055,780)	-	(17,310,472)
Buildings	(1,246,306)	(3,676)	-	(1,249,982)
Machinery and equipment	(424,747)	(23,317)	-	(448,064)
Total Accumulated Depreciation	(17,925,745)	(1,082,773)	-	(19,008,518)
Total Capital Assets, Being Depreciated, Net	31,746,712	1,331,413	-	33,078,125
Total Capital Assets, Net	$ 37,392,939	2,105,288	-	39,498,227

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

	Business Type Activities
Sewer	$ 76,255
Water	552,898
Solid Waste	453,620
Total	$ 1,082,773

Leases

On September 25, 2012 the City approved the leasing of 2,000 acre-feet of Main San Gabriel Basin production rights for $600 per acre-foot for four fiscal years, 2013 through 2016, paid in advance providing $4,800,000 to the City in the current year. As of June 30, 2013, $3,600,000 is deferred revenue for fiscal years 2014 through 2016, reported in the Water Fund.

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, 2013:

	Balance at June 30, 2012	Additions	Repayments	Balance at June 30, 2013	Due Within One Year
Governmental Activities:					
Compensated absences	$ 4,498,760	2,501,759	(2,154,908)	4,845,611	1,695,964
Tax allocation bonds	5,175,000	-	(320,000)	4,855,000	335,000
Claims payable	4,479,433	2,278,880	(2,138,656)	4,619,657	3,002,776
Net OPEB liability	2,045,832	915,535	(304,517)	2,656,850	-
Total Governmental Activities	$ 16,199,025	5,696,174	(4,918,081)	16,977,118	5,033,740

	Balance at June 30, 2012	Additions	Repayments	Balance at June 30, 2013	Due Within One Year
Business-type Activities:					
Sewer Fund:					
Compensated absences	$ 31,186	17,082	(12,398)	35,870	12,555
Net OPEB liability	31,337	17,093	(4,980)	43,450	-
Total Sewer Fund	62,523	34,175	(17,378)	79,320	12,555
Water Fund:					
Compensated absences	141,990	91,049	(99,394)	133,645	46,776
Revenue refunding bonds	17,500,000	10,085,000	(9,450,000)	18,135,000	520,000
Add: Premium/(Discount) on Bonds Payable	-	779,451	(22,180)	757,271	38,022
Net OPEB liability	56,821	82,438	(14,320)	124,939	-
Total Water Fund	17,698,811	11,037,938	(9,585,894)	19,150,855	604,798
Solid Waste Fund:					
Compensated absences	188,570	134,023	(110,070)	212,523	74,383
Revenue refunding bonds	1,265,000	-	(400,000)	865,000	420,000
Landfill closure and postclosure	11,038,693	325,016	-	11,363,709	-
Net OPEB liability	94,010	14,956	(11,205)	97,761	-
Total Solid Waste Fund	12,586,273	473,995	(521,275)	12,538,993	494,383
Total Business-type Activities	$ 30,347,607	11,546,108	(10,124,547)	31,769,168	1,111,736

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

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Governmental long-term debt at June 30, 2013 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, 2013 is $4,619,657. The Internal Service Fund for self insurance has liquidated claims and judgments. Change to claims liabilities are primarily paid from the General Fund.

Whittier Public Financing Authority 2002 Tax Allocation Loan

On March 19, 2002, the Whittier Public Financing Authority issued $7,505,000 of 2002 Series A Revenue Bonds. The proceeds for the bonds were loaned to the former Whittier Redevelopment Agency pursuant to a loan agreement. The proceeds from the loans after payment of an underwriters discount of $172,998, plus bond funds from the 1992 Revenue Bonds Series A in the amount of $191,994 were used to pay costs of issuance, fund a reserve account, repay loans to the City, finance improvements, and to refund the Authority's 1992 Revenue Bonds Series A in the amount of $2,835,000. Interest on the bonds is payable semi-annually each November 1 and May 1. The principal matures each November 1 beginning in 2003 and maturing in 2023. The bonds have varying interest rates ranging from 2.50% to 5.60%. The bonds are secured by loan payments made by the Agency and the loan is secured by tax increment revenues of the redevelopment project area. The reserve requirement was $601,535 and the reserve as of June 30, 2013 was $601,733. The outstanding balance of the bonds at June 30, 2013 is $4,855,000. As the amounts are owed by the Whittier Public Financing Authority, the bonds have been recorded as obligations of the City.

Business-type activity long-term debt at June 30, 2013 consisted of the following:

Solid Waste Revenue Bonds, 1993 Series A

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

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Bonds maturing in the years 1994 to 2008 are serial bonds payable in annual installments of $175,000 to $320,000. The bonds bear interest at 2.5 percent to 5.2 percent. Bonds maturing on August 1, 2014, in the amount of $2,340,000 are term bonds and bear interest at 5.375 percent. Bonds maturing on or before August 1, 2003, are not subject to optional redemption. Bonds maturing on or after August 1, 2004, are subject to redemption in whole or in part by lot prior to their stated maturities on any date commencing on or after August 1, 2003, at a premium ranging from 2 percent in 2003 to 0 percent in 2006. The term bonds are subject to mandatory redemption in whole or in part by lot, without premium, commencing August 1, 2009, and on each August 1 thereafter from sinking fund payments made by the Authority. The required reserve for the Solid Waste Revenue Bonds, 1993 Series A, is $457,825. As of June 30, 2013, the reserve was fully funded. The bonds are payable from the net revenues of the existing solid waste collection and disposal enterprise of the Authority. Net revenues must be equal to at least 1.50 times the aggregate amount of principal and interest on the bonds. The total principal and interest remaining to be paid on the bond is $865,000 and $47,165. Principal and interest paid for the current year and total net revenues were $457,244 and $2,322,965, respectively.

Revenue Bonds, Water Fund 2003 Series A

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

On November 8, 2012, the City of Whittier's Utility Authority issued Water Revenue Bonds, Series 2012 for $10,085,000 in order 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, issued to finance and refinance various improvements, and pay the costs of issuance of the Bonds.

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. The refunding resulted debt service savings of $52,869 and in an economic gain of $1,480,318.

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

The City has pledged future water revenues, net of specified operating expenses in the amount of $3,569,072, which are remaining after the payment of the 2009 Bonds, to repay the 2012 Bonds, making the 2012 Bonds junior, subordinate and inferior to the 2009 Bonds. The pledge revenues will not be available for other purposes for a period of 20 years. The amount pledged represents approximately 31.92 percent of total water revenues. In the current year, the City recognized $11,179,694 of pledged revenues. As of June 30, 2013, the outstanding principal amount of the Series 2012 Bonds and interest were $9,610,000 and $3,960,725, respectively. The total capitalized interest on the bond is $187,724.

Revenue Bonds, Water Fund 2009 Series A

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

The bonds consist of $3,150,000, in which the interest is excluded from gross income for purposes of federal income taxation ("Tax-Exempt Bonds"). The $5,945,000 remaining portion of the bonds is issued as bonds designated as "Direct Payment Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009 ("Build America Bonds"), the interest on which is not excluded from gross income for purposes of federal income taxation. The Tax-Exempt Bonds mature in the years 2011 to 2039 and are payable in annual installments of $185,000 to $515,000. The Build America Bonds maturing on June 1, 2029, are also subject to mandatory redemption, on June 1 of each year, commencing June 1, 2025, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account in annual installments of $295,000 to $345,000. The Build America Bonds maturing on June 1, 2039, are also subject to mandatory redemption, on June 1 in each year, commencing June 1, 2030, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, from mandatory sinking fund account payments made by the Authority in annual installments of $360,000 to $515,000.

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

The City has pledged future water revenues, net of specified operating expenses, to repay the bond. The City has covenanted to provide net revenues equal to at least 1.25 times the annual amount of principal and interest due on the bonds. The bonds are payable through 2039. The reserve requirement was $669,887 and the reserve as of June 30, 2013 was $670,451. The total principal and interest remaining to be paid on the bond is $8,525,000 and $8,021,209, respectively. Principal and interest paid for the current year and total net revenues were $669,337 and $3,569,072, respectively. The total capitalized interest on the bond is $474,337.

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Closure and Postclosure Payable

Federal and state laws and regulations require the City to place a final cover on its Savage Canyon landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. The $11,363,709 reported as landfill closure and postclosure care liability at June 30, 2013 represents the cumulative amount reported to date based on the use of 51.79 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $10,579,469 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 2048. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by federal and state laws and regulations to accumulate assets held in trust to finance closure and postclosure care. At June 30, 2013, assets of $8,517,195 are held for these purposes. These are reported as restricted assets on the statement of net position. The closure and postclosure care costs are primarily funded by a portion of the fee collected from landfill users. Postclosure costs will be covered from revenues of the Solid Waste operation and interest earnings on the accumulated assets held in trust. During the prior fiscal year, the City contracted an engineer to review the closure and post-closure estimates. The close and post-closure estimates were revised with the corresponding decrease in the liability recorded in the Provision for Landfill Closure and Postclosure expense.

Governmental Long-Term Debt Service to Maturity Requirements

The annual requirements for repayment of principal and interest on long-term liabilities outstanding as of June 30, 2013 are as follows:

Fiscal Year	**Public Financing Authority 2002 Revenue Bonds, Series A**		
Ending June 30,	Principal	Interest	Total
2014	$ 335,000	256,290	591,290
2015	350,000	238,305	588,305
2016	370,000	219,040	589,040
2017	390,000	198,325	588,325
2018	410,000	176,530	586,530
2019-2023	2,430,000	505,865	2,935,865
2024	570,000	15,675	585,675
Total	$ 4,855,000	1,610,030	6,465,030

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Fiscal Year Ending June 30,	**1993 Solid Waste Revenue Bonds**		
	Principal	Interest	Total
2014	$ 420,000	35,206	455,206
2015	445,000	11,959	456,959
Total	$ 865,000	47,165	912,165

Fiscal Year Ending June 30,	**2012 Water Revenue Bonds**		
	Principal	Interest	Total
2014	$ 325,000	344,325	669,325
2015	335,000	337,825	672,825
2016	350,000	327,775	677,775
2017	365,000	317,275	682,275
2018	375,000	302,675	677,675
2019-2023	2,120,000	1,275,775	3,395,775
2024-2028	2,630,000	767,125	3,397,125
2029-2033	3,110,000	287,950	3,397,950
Total	$ 9,610,000	3,960,725	13,570,725

Fiscal Year Ending June 30,	**2009A Water Revenue Bonds**		
	Principal	Interest	Total
2014	$ 195,000	470,437	665,437
2015	205,000	464,587	669,587
2016	210,000	458,436	668,436
2017	215,000	452,137	667,137
2018	220,000	445,687	665,687
2019-2023	1,250,000	2,087,785	3,337,785
2024-2028	1,545,000	1,759,986	3,304,986
2029-2033	1,875,000	1,244,734	3,119,734
2034-2038	2,295,000	605,078	2,900,078
2039	515,000	32,342	547,342
Total	$ 8,525,000	8,021,209	16,546,209

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, 2013 is $3,500,000.

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

The City of Whittier entered into a Loan Agreement dated April 7, 2004 with Whittier College ("College"), pursuant to which the City has issued bonds for $60,000,000 on April 7, 2004, at a Weekly Interest rate with a maximum rate of 12 percent per annum. The proceeds of the Series 2004 Bonds will be applied to finance the acquisition, construction, expansion, rehabilitation, remodeling, renovation, and/or equipping of certain educational facilities of the College. In addition, to provide for the current refunding of the City's Educational Facility Revenue Refunding Bonds (Whittier College) Series 1993, to fund a debt service reserve fund for the Bonds and to pay costs incurred in connection with the issuance of the Bonds. The Bonds mature in December 1, 2033. The City is not obligated to pay the principal, premium and interest on the Bonds. The Outstanding balance at June 30, 2013 is $52,365,000.

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2009

The City of Whittier entered into a Loan Agreement dated May 1, 2009, and a Supplemental Master Indenture of Trust for Obligation No. 1 dated May 1, 2009, with Presbyterian Intercommunity Hospital, Inc. ("Hospital"), InterHealth Corp., and IHC Management Corp. pursuant to which the City has issued Bonds for $280,000,000 on May 1, 2009. The proceeds of the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C and the 2009D Bonds will be applied to finance and refinance the acquisition, construction, equipping and improvement of certain facilities owned or operated by the Hospital. The proceeds received from (i) the sale of the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, $222,000,000, consisting of the par amount of the Series 2009 A Bonds ($74,000,000), the par amount of the Series 2009 B Bonds ($74,000,000) and the par amount of the Series 2009 C Bonds ($74,000,000) and (ii) the sale of the Series 2009 D Bonds, consisting of the par amount of the Series 2009 D Bonds ($58,000,000). The Bonds mature in June 2036. The City is not obligated to pay the principal, premium and interest on the Bonds. Outstanding balance at June 30, 2013 is $105,080,000.

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

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 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, 2013 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.

NOTE 11 – OBLIGATIONS OF THE REDEVELOPMENT SUCCESSOR AGENCY

The liabilities of the former redevelopment agency were transferred to the Redevelopment Successor Agency Private-purpose Trust Fund in accordance with AB x 1 26 and AB 1484 on February 1, 2012. As a result, the bonds and loans outstanding are not reflected in the long-term debt of the City, or its Statement of Net Position. In addition, as described in Note 7, the City has recorded advances to the Successor Agency in the amount of $15,875,158, with a corresponding allowance of $8,406,031.

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

Whittier Public Financing Authority 2007 Tax Allocation Loan

On August 1, 2007, the Whittier Public Financing Authority ("Authority") issued $15,425,000 of its 2007 Revenue Bonds, Series A ("Bonds"). The proceeds of $5,790,000 were used to advance refund the 1998 Tax Allocation Refunding Bonds ("1998 TABS"). The principal of the loan is payable in installments commencing on November 1, 2008 through November 1, 2038 and interest is payable semi-annually each November 1 and May 1 beginning November 1, 2008. Interest rates range from 4.00 percent to 5.00 percent. Principal and interest on the loan is payable by the Agency to the bond trustee, as assignee of the Authority under the indenture. The 1998 TABS were deposited in an irrevocable trust with an escrow agent. On February 1, 2012, the loan was transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal balance at June 30, 2013 is $13,565,000.

2005 Tax Allocation Bonds

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

The principal of the bonds is payable each November 1 commencing 2006 through 2035. Interest is payable semi-annually each May 1 and November 1 beginning November 2005. Interest rates on the bonds range from 3.0 percent to 5.0 percent. Payment of the principal and interest on the bonds is guaranteed by a municipal bond guaranty insurance policy. On February 1, 2012, the 2005 Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal balance at June 30, 2013 is $6,645,000.

2007A Tax Allocation Bonds

On May 24, 2007, the Whittier Redevelopment Agency issued $18,695,000 of Tax Allocation Bonds, 2007 Series A ("Bonds"). Proceeds from the sale of the Bonds will be used to (i) finance redevelopment activities within or for the benefit of the Agency's Commercial Corridor Redevelopment Project (the "Project Area.") in the City of Whittier, (ii) fund a reserve account for the Bonds, (iii) fund net capitalizable interest with respect to a position of the Bonds through May 1, 2010, and (iv) provide for the costs of issuing the Bonds. The principal of the Bonds is payable commencing on November 1, 2007 through November 1, 2038, and interest is payable semiannually each May 1 and November 1 beginning November 1, 2007. Interest rates range from 3.9 percent to 4.875. On February 1, 2012, the 2007A Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal balance at June 30, 2013 is $11,505,000.

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

2007 B Taxable Tax Allocation Bonds

On May 24, 2007, the Whittier Redevelopment Agency issued $15,660,000 of Taxable Tax Allocation Bonds, 2007 Series B ("Bonds"). Proceeds from the sale of the Bonds will be used to (i) finance low and moderate income housing activities throughout the geographic boundaries of the City of Whittier, (ii) fund a reserve account for the Bonds; and (iii) provide for the costs of issuing the Bonds. The principal of the bonds is payable commencing on November 1, 2007 through November 1, 2038, and interest is payable semi-annually each May 1 and November 1 beginning November 1, 2007. Interest rates range from 5.50 percent to 6.09 percent. On February 1, 2012, the 2007B Tax Allocation Bonds were transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal balance at June 30, 2013 is $14,110,000.

Loans Payable

Quad Loan

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

In the event, however, that the tax increment and 50 percent of the sales tax generated by the Center are insufficient to cover the reimbursement, the balance becomes a loan from the owner of the Quad to the Agency at an annual interest rate of 8 percent from 1991-92 through 1993-94, 0 percent from 1994-95 through 1997-98, 3 percent from 1998-99 through 2001-02, 6 percent from 2002-03 through 2004-05 and 7 percent thereafter. Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. On February 1, 2012, the Quad Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal and interest balance at June 30, 2013 is $2,727,786.

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

Urbatec Loan

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

In the event, however, that the tax increment and 50 percent of the sales tax generated by the center are insufficient to cover the reimbursement, the balance becomes a loan from Urbatec to the Agency at 2 percent annual interest (formerly at 8 percent prior to fiscal year 1996-97). Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. No minimum debt service requirements are presented due to the fact the repayments are calculated based on sales tax revenue generated from the projects as well as tax increment received on the property. On February 1, 2012, the Urbatec Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency. The outstanding principal and interest balance at June 30, 2013 is $1,543,205.

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, 2013:

	Balance at June 30, 2012	Additions	Repayments	Balance at June 30, 2013	Due Within One Year
Redevelopment Successor Agency Private-purpose Trust Fund:					
Tax allocation loan	$ 13,950,000	-	(385,000)	13,565,000	390,000
Tax allocation bonds	32,990,000	-	(730,000)	32,260,000	765,000
Developer loans payable:					
Quad Load	3,424,782	830,342	(1,527,338)	2,727,786	-
Urbatec Loan	1,520,903	449,965	(427,663)	1,543,205	-
Total Redevelopment Successor Agency Private-purpose Trust Fund	$ 51,885,685	1,280,307	(3,070,001)	50,095,991	1,155,000

NOTE 12 – DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Whittier contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. All full time employees other than Safety hired prior to January 1, 2013 and those individuals identified as Classic Members under Public Employment Retirement Law (PERL) are in the 2.5 percent at age 55 plan. Full time employees under PERL hired on or after January 1, 2013 are in the new PERS 2 percent at age 62 for miscellaneous plan with a three average year formula. Safety employees hired prior to January 1, 2013 and Lateral Transfers with recent service from PERS agencies are in the 3 percent at age 50 plan with a maximum of 90 percent of their single highest year's pay, while safety employees hired on or after January 1, 2013 are in the 2.7 percent at age 57 plan with a three year average formula. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Funding Policy

Participants are required to contribute 8 percent for miscellaneous employees and 9 percent for safety employees of their annual covered salary. The City made the whole 9 percent contribution required of safety employees on their behalves and for their accounts. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payrolls. The employer contribution rate for the fiscal year ended June 30, 2013 was 35.528 percent for safety employees and 12.504 percent for miscellaneous employees. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2013, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2012 to June 30, 2013.

Annual Pension Cost

For the fiscal year ended June 30, 2013, the City's annual pension cost (employer contribution) of $4,423,228 for safety employees and $2,289,740 for miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of an actuarial valuation performed as of June 30, 2011 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.00 percent living adjustments. Both (a) and (b) included an inflation component of 2.75 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a three-year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service unfunded liability and the current service unfunded liability into a single initial unfunded liability.

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into Ca1PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6 percent of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a period not to exceed 30 years.

	Annual Pension Cost (Employer Contribution)			
Fiscal Year	Safety	Miscellaneous	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 4,482,601	2,040,755	100%	-
6/30/2012	4,839,093	2,580,141	100%	-
6/30/2013	4,423,228	2,289,740	100%	-

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

NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

Benefits Plan Description

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

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

Funding Policy

The City will continue to pay Plan benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2013, the City contributed approximately $335,000 on a pay-as-you-go basis for cash subsidy benefit payments and approximately $201,000 for implied subsidy benefit payments for 78 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.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Annual required contribution	$ 1,304,000
Interest on net OPEB obligation	89,000
Adjustment to annual required contribution	(162,000)
Annual OPEB cost (expense)	1,231,000
Benefit payments	(536,000)
Increase in net OPEB obligation	695,000
Net OPEB obligation - beginning of year	2,228,000
Net OPEB obligation - end of year	$ 2,923,000

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, 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 1,263,000	44.5%	1,471,000
6/30/2012	1,335,000	43.3%	2,228,000
6/30/2013	1,231,000	43.5%	2,923,000

Funded Status and Funding Progress

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

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

In the January 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and a 3 percent general inflation assumption. Medical premiums were assumed to increase with a pre-Medicare medical cost increase rate of 8.0 percent for both the HMOs and 7.6 percent for the PPO for 2012/13, both grading down to 5 percent annual increases for 2020/21 and thereafter. Dental premiums are assumed to increase 3 percent annually. The UAAL is being amortized as a level percentage of payroll over 26 years on a closed basis.

NOTE 14 – FUND BALANCE CLASSIFICATIONS

The details of the fund balance classifications as of June 30, 2013 are presented below:

		Special Revenue Funds					
	General Fund	Transit Fund	HOME Fund	Housing Authority	Total Major Funds	Total Non-major Funds	Total Governmental Funds
Fund Balance:							
Nonspendable							
Prepaid items	$ 23,154	164,906	-	-	188,060	-	188,060
Spendable							
Restricted							
Public safety	-	-	-	-	-	381,587	381,587
Local transit	-	3,061,139	-	-	3,061,139	-	3,061,139
Construction and maintenance	-	-	-	-	-	8,263,018	8,263,018
Community development	-	-	1,793,588	18,933,454	20,727,042	2,408,901	23,135,943
Debt service	-	-	-	-	-	5,472,738	5,472,738
Parkland	747,801	-	-	-	747,801	-	747,801
Park in-lieu	25,000	-	-	-	25,000	-	25,000
Seismic Education	2,559	-	-	-	2,559		2,559
PEG	281,862				281,862		281,862
Asset Seizure Forfeiture	-	-	-	-	-	1,458,067	1,458,067
SB 358 Library Grant	-	-	-	-	-	103,638	103,638
Air Quality Improvement	-	-	-	-	-	423,839	423,839
Earthquake Relief	-	-	-	-	-	4,800	4,800
Traffic Offender	-	-	-	-	-	116,819	116,819
Subventions and Grants	-	-	-	-	-	32,096	32,096
Subtotal	1,057,222	3,061,139	1,793,588	18,933,454	24,845,403	18,665,503	43,510,906
Committed							
Library facility	58,148	-	-	-	58,148	-	58,148
Oil wells	100,000	-	-	-	100,000	-	100,000
Arts in public place	140,008	-	-	-	140,008	-	140,008
Emergency contingency	2,776,439	-	-	-	2,776,439	-	2,776,439
Subtotal	3,074,595	-	-	-	3,074,595	-	3,074,595
Assigned							
General plan	763,842	-	-	-	763,842	-	763,842
General government - rental units	555,097	-	-	-	555,097	-	555,097
Mineral extraction	249,691	-	-	-	249,691	-	249,691
WRSA loan repayment	678,683	-	-	-	678,683	-	678,683
Capital projects	-	-	-	-	-	5,440,860	5,440,860
Continuing appropriations	1,231,088	-	-	-	1,231,088	-	1,231,088
Subtotal	3,478,401	-	-	-	3,478,401	5,440,860	8,919,261
Unassigned	20,558,062	-	-	-	20,558,062	-	20,558,062
Total	$ 28,191,434	3,226,045	1,793,588	18,933,454	52,144,521	24,106,363	76,250,884

On June 14, 2011, the City Council adopted Resolution 8380 which established an emergency contingency reserve equivalent to five percent (5%) of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital improvement projects). The reserve may be used for expenditures in the event of a declaration of a state or federal state of emergency or a local emergency as defined in the City's Municipal Code Section 2.44.020. At June 30, 2013, the City had $2,776,439 committed pursuant to Resolution 8380.

NOTE 15 – RISK MANAGEMENT

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

While the ultimate amount of losses incurred through June 30, 2013, 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, 2013 and June 30, 2012:

	Worker's Compensation	General Liability	Total
Claims and judgments at June 30, 2011	$ 3,757,690	2,713,922	6,471,612
Claims payments	(1,040,870)	(892,842)	(1,933,712)
Claims incurred and changes in estimates	624,422	(682,889)	(58,467)
Claims and judgments at June 30, 2012	3,341,242	1,138,191	4,479,433
Claims payments	(1,632,666)	(505,990)	(2,138,656)
Claims incurred and changes in estimates	1,818,412	460,468	2,278,880
Claims and judgments at June 30, 2013	$ 3,526,988	1,092,669	4,619,657

NOTE 16 – DEFERRED COMPENSATION PLANS

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

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

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Waste Disposal Clean Up Contingency

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

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). The Department of Finance initially disallowed several obligations listed on the Recognized Obligation Payment Schedule (ROPS) under the authority provided by AB 1x 26, however the City is asserting that these obligations are allowable under AB 1484, including the City-former RDA loan advances.

NOTE 17 – COMMITMENTS AND CONTINGENCIES, (CONTINUED)

Enforceable Obligations, (Continued)

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

Advances to Successor Agency

At June 30, 2013, the City of Whittier had $15,875,158, recorded as Advances to Successor Agency, as further described in Note 7. Under AB 1x 26, certain loans repayments were initially disallowed by DOF in their correspondence to the City.

The City's management, in consultation with its legal counsel have asserted that such loans are enforceable obligations consistent with HSC 34171(d)(2). In May 2013, the City received its Finding of Completion from the DOF which provides for future loan repayments pursuant to 34191.4(b)(1). The City's management has asserted that the oversight board of the Successor Agency of the Whittier Redevelopment Agency has previously approved the advances as enforceable obligations through the ROPS process, and these items have been subsequently presented to DOF without dispute. As of June 30, 2013, the City recorded an allowance to offset the advances in the amount of $8,406,031, pending the additional oversight board's finding that the specific advances were for legitimate redevelopment purposes and approval by DOF. Once approved, the City anticipates reducing the reserve and recording the advances to the net realizable value of the amounts owed by the Successor Agency. Such transactions will be recorded in the period when the procedures subject to HSC 34191.4(b)(1) occur.

NOTE 17 – COMMITMENTS AND CONTINGENCIES, (CONTINUED)

WUA Lease Commitment

The City and the Whittier Public Financing Authority created the Whittier Utility Authority (Authority) on February 1, 2002. The Authority leases from the City, all of its utility enterprise funds. The Authority has also entered into a management agreement with the City for the operation and maintenance of the utility enterprises. The lease expires January 31, 2057, and all of the utility enterprise assets and activities revert back to the City. The minimum annual lease payments from the Authority to the City amount to $878,743. The maximum amount of lease payments over the term of the lease cannot exceed $143,609,173, which is based on the 2003 appraisal value. During the fiscal year, the Whittier Utility Authority made lease payments of $3,806,116 to the City, which is classified as other revenue in the General Fund.

Future minimum lease payment requirements are as follows:

Year Ending June 30,	Amount
2014	$ 878,743
2015	878,743
2016	878,743
2017	878,743
2018	878,743
2019-2023	4,393,715
2024-2028	4,393,715
2029-2033	4,393,715
2034-2038	4,393,715
2039-2043	4,393,715
2044-2048	4,393,715
2049-2053	4,393,715
2054-2057	4,393,715
	$ 39,543,435

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

During the current year, it was determined that land held for resale of the Redevelopment Successor Agency Private-Purpose Trust Fund was incorrectly accounted for as a deduction. To correct for this error, the beginning net position of ($32,073,465), as originally reported, has been increased to ($31,647,295).

To correct for the recognition error:

	Redevelopment Successor Agency Private-purpose Trust Fund
Beginning of year, as previously reported Net Position	$ (32,073,465)
Effect of recognition of land held for resale	426,170
Beginning of year, as restated Net Position	$ (31,647,295)

WHITTIER CHRONICLE
INC 1896

REQUIRED SUPPLEMENTARY INFORMATION

WHITTIER CHRONICLE
INC 1896

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2013

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

Required Supplementary Information - Safety

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

Required Supplementary Information - Miscellaneous

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

Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2009	$ -	$ 7,689,000	$ 7,689,000	0%	$ 26,098,000	29.5%
1/1/2011	-	11,534,000	11,534,000	0%	26,263,000	43.9%
1/1/2013	-	11,568,000	11,568,000	0%	27,264,000	42.4%

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.

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

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

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

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

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

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

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

DEBT SERVICE FUND

Whittier Public Financing Authority Debt Service Fund — to account for the proceeds of the 2002 and 2007A Tax Allocation Loans, loaned to the former Whittier Redevelopment Agency, and for the debt service payments.

CAPITAL PROJECTS FUND

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

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CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant	State COPS Grant
Assets:				
Cash and investments	$ 2,204	-	103,560	486,736
Restricted assets:				
Cash and investments	-	1,461,144	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	45	-	-	18,253
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	1,188	78	356
Advances to Successor Agency	-	-	-	-
Total Assets	$ 2,249	1,462,332	103,638	505,345
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 609	-	-	-
Accrued liabilities	-	4,262	-	6,939
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Total Liabilities	609	4,262	-	6,939
Fund balances:				
Restricted	1,640	1,458,070	103,638	498,406
Assigned	-	-	-	-
Total Fund Balances	1,640	1,458,070	103,638	498,406
Total Liabilities and Fund Balances	$ 2,249	1,462,332	103,638	505,345

Special Revenue Funds						
Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
393,023	4,342	4,800	2,092,387	507,954	977,248	424,863
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,055	-	-	225,855	15,320	65,927	105,673
3,905	-	-	-	-	-	-
-	-	-	-	-	-	1,966,772
284	-	-	1,560	-	631	106,666
-	-	-	-	-	-	-
424,267	4,342	4,800	2,319,802	523,274	1,043,806	2,603,974
-	4,342	-	61,606	2,105	54,356	85,831
428	-	-	-	-	-	2,578
-	-	-	50,912	-	-	-
-	-	-	124,248	-	-	106,666
428	4,342	-	236,766	2,105	54,356	195,075
423,839	-	4,800	2,083,036	521,169	989,450	2,408,899
-	-	-	-	-	-	-
423,839	-	4,800	2,083,036	521,169	989,450	2,408,899
424,267	4,342	4,800	2,319,802	523,274	1,043,806	2,603,974

CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2013

	Special Revenue Funds			
	Whittier Uptown Parking District No.1	Whittier Uptown Parking District No.2	Prop 1B	Federal Stimulus
Assets:				
Cash and investments	$ 20,155	1,128,537	887,652	92,619
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Intergovernmental	1,346	-	-	-
Accounts	2,400	12,646	-	-
Notes and loans	-	-	-	-
Interest	-	760	865	-
Advances to Successor Agency	-	-	-	-
Total Assets	$ 23,901	1,141,943	888,517	92,619
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 1,131	16,702	19,522	-
Accrued liabilities	973	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Total Liabilities	2,104	16,702	19,522	-
Fund balances:				
Restricted	21,797	1,125,241	868,995	92,619
Assigned	-	-	-	-
Total Fund Balances	21,797	1,125,241	868,995	92,619
Total Liabilities and Fund Balances	$ 23,901	1,141,943	888,517	92,619

Special Revenue Funds		Debt Service Fund	Capital Project Funds	
Subventions and Grants	Measure R	Public Financing Authority	Capital Outlay	Total Non-major Governmental Funds
54,365	2,557,450	-	5,463,108	15,201,003
-	-	-	-	1,461,144
-	-	617,651	-	617,651
423,630	-	-	-	883,104
-	-	-	-	18,951
-	-	-	-	1,966,772
-	1,695	87	3,101	117,271
-	-	4,855,000	-	4,855,000
477,995	2,559,145	5,472,738	5,466,209	25,120,896
238,165	75	-	25,349	509,793
-	-	-	-	15,180
-	-	-	-	50,912
207,734	-	-	-	438,648
445,899	75	-	25,349	1,014,533
32,096	2,559,070	5,472,738	-	18,665,503
-	-	-	5,440,860	5,440,860
32,096	2,559,070	5,472,738	5,440,860	24,106,363
477,995	2,559,145	5,472,738	5,466,209	25,120,896

CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Street Lighting District 1-91	Asset Seizure Forfeiture	SB358 Library Grant	State COPS Grant
Revenues:				
Taxes	$ -	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	218,914	-	-
Use of money and property	6	3,818	242	1,359
Intergovernmental	-	-	-	130,337
Charges for services	1,143	-	-	2,178
Other	-	-	-	-
Total Revenues	1,149	222,732	242	133,874
Expenditures:				
Current:				
Public safety	-	236,895	-	243,567
Libraries	-	-	35,514	-
Parks and recreation	-	-	-	-
Public works	1,162	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,162	236,895	35,514	243,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13)	(14,163)	(35,272)	(109,693)
Other Financing Sources (Uses):				
Transfers in	-	-	35,514	130,000
Transfers out	-	(69,945)	-	-
Total Other Financing Sources (Uses)	-	(69,945)	35,514	130,000
Net Change in Fund Balances	(13)	(84,108)	242	20,307
Fund Balances (Deficit), Beginning of Year	1,653	1,542,178	103,396	478,099
Fund Balances, End of Year	$ 1,640	1,458,070	103,638	498,406

Special Revenue Funds						
Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion	HUD Grants
-	-	-	-	-	-	-
-	107,688	-	-	-	-	-
-	5,689	-	-	389,413	-	-
898	-	-	3,267	-	2,449	-
103,326	-	-	3,858,611	-	685,459	606,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
104,224	113,377	-	3,861,878	389,413	687,908	606,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-		-	-	-	-
-	-	-	3,641,635	-	370,976	-
107,172	113,377	-	-	-	-	597,861
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
107,172	113,377	-	3,641,635	-	370,976	597,861
(2,948)	-	-	220,243	389,413	316,932	9,073
-	-	-	-	-	-	-
-	-	-	(1,084,045)	(350,000)	-	-
-	-	-	(1,084,045)	(350,000)	-	-
(2,948)	-	-	(863,802)	39,413	316,932	9,073
426,787	-	4,800	2,946,838	481,756	672,518	2,399,826
423,839	-	4,800	2,083,036	521,169	989,450	2,408,899

CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Whittier Uptown Parking District No.1	Whittier Uptown Parking District No.2	Prop 1B	Federal Stimulus
Revenues:				
Taxes	$ 22,324	198,211	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	-	-	-
Use of money and property	41,434	2,742	1,954	-
Intergovernmental	-	-	-	-
Charges for services	37,660	62,899	-	-
Other	1,077	2,060	-	-
Total Revenues	102,495	265,912	1,954	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Libraries	-	-	-	-
Parks and recreation	-	-	-	-
Public works	85,205	83,800	455,429	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	85,205	83,800	455,429	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,290	182,112	(453,475)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	17,290	182,112	(453,475)	-
Fund Balances (Deficit), Beginning of Year	4,507	943,129	1,322,470	92,619
Fund Balances, End of Year	$ 21,797	1,125,241	868,995	92,619

Special Revenue Funds		Debt Service Fund	Capital Projects Funds	
Subventions and Grants	Measure R	Public Financing Authority	Capital Outlay	Total Non-major Governmental Funds
-	836,562	-	-	1,057,097
-	-	-	-	107,688
-	-	-	-	614,016
-	6,486	275,941	2,529	343,125
1,017,602	-	-	5,000	6,407,269
-	-	-	-	103,880
-	-	-	-	3,137
1,017,602	843,048	275,941	7,529	8,636,212
842,231	-	-	-	1,322,693
17,154	-	-	-	52,668
174,328	-	-	-	174,328
364,869	307,045	-	-	5,310,121
-	-	-	-	818,410
-	-	-	3,845,038	3,845,038
-	-	320,000	-	320,000
-	-	276,000	-	276,000
1,398,582	307,045	596,000	3,845,038	12,119,258
(380,980)	536,003	(320,059)	(3,837,509)	(3,483,046)
166,661	-	-	124,500	456,675
-	-		(166,661)	(1,670,651)
166,661	-	-	(42,161)	(1,213,976)
(214,319)	536,003	(320,059)	(3,879,670)	(4,697,022)
246,415	2,023,067	5,792,797	9,320,530	28,803,385
32,096	2,559,070	5,472,738	5,440,860	24,106,363

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Use of money and property	$ -	6	6
Charges for services	1,380	1,143	(237)
Total Revenues	1,380	1,149	(231)
Expenditures:			
Current:			
Public works	1,069	1,162	(93)
Total Expenditures	1,069	1,162	(93)
Net Change in Fund Balance	311	(13)	(324)
Fund Balance at Beginning of Year	1,653	1,653	-
Fund Balance at End of Year	$ 1,964	1,640	(324)

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Fines and forfeits	$ 50,000	218,914	168,914
Use of money and property	23,000	3,818	(19,182)
Total Revenues	73,000	222,732	149,732
Expenditures:			
Current:			
Public safety	365,889	236,895	128,994
Total Expenditures	365,889	236,895	128,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(292,889)	(14,163)	278,726
Other financing sources (uses):			
Transfers out	(69,945)	(69,945)	-
Total Other Financing Sources (Uses)	(69,945)	(69,945)	-
Net Change in Fund Balance	(362,834)	(84,108)	278,726
Fund Balance at Beginning of Year	1,542,178	1,542,178	-
Fund Balance at End of Year	$ 1,179,344	1,458,070	278,726

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ -	242	242
Intergovernmental	-	-	-
Total Revenues	-	242	242
Expenditures:			
Current:			
Libraries	35,514	35,514	-
Total Expenditures	35,514	35,514	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,514)	(35,272)	242
Other financing sources (uses):			
Transfers in	35,514	35,514	-
Total Other Financing Sources (Uses)	35,514	35,514	-
Net Change in Fund Balance	-	242	242
Fund Balance at Beginning of Year	103,396	103,396	-
Fund Balance at End of Year	$ 103,396	103,638	242

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ 1,200	1,359	159
Intergovernmental	100,000	130,337	30,337
Charges for services	10,000	2,178	(7,822)
Total Revenues	111,200	133,874	22,674
Expenditures:			
Current:			
Public safety	288,673	243,567	45,106
Total Expenditures	288,673	243,567	45,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177,473)	(109,693)	67,780
Other financing sources (uses):			
Transfers in	130,000	130,000	-
Total Other Financing Sources (Uses)	130,000	130,000	-
Net Change in Fund Balance	(47,473)	20,307	67,780
Fund Balance at Beginning of Year	478,099	478,099	-
Fund Balance at End of Year	$ 430,626	498,406	67,780

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ 2,000	898	(1,102)
Intergovernmental	100,000	103,326	3,326
Total Revenues	102,000	104,224	2,224
Expenditures:			
Current:			
Community development	138,918	107,172	31,746
Total Expenditures	138,918	107,172	31,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,918)	(2,948)	33,970
Adjustments:			
To adjust for encumbrances	-	-	-
Total Adjustments	-	-	-
Net Change in Fund Balance	(36,918)	(2,948)	33,970
Fund Balance at Beginning of Year	426,787	426,787	-
Fund Balance at End of Year	$ 389,869	423,839	33,970

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Licenses and permits	$ 110,000	107,688	(2,312)
Fines and forfeits	1,500	5,689	4,189
Total Revenues	111,500	113,377	1,877
Expenditures:			
Current:			
Community development	111,500	113,377	(1,877)
Total Expenditures	111,500	113,377	(1,877)
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	$ -	-	-

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, 2013

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

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2013

	Final Budget	Actual Amounts	Variance with Variance with Final Budget - Positive
Revenues:			
Use of money and property	$ 6,500	3,267	(3,233)
Intergovernmental	3,151,800	3,858,611	706,811
Total Revenues	3,158,300	3,861,878	703,578
Expenditures:			
Current:			
Public works	6,189,414	3,641,635	2,547,779
Total Expenditures	6,189,414	3,641,635	2,547,779
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,031,114)	220,243	3,251,357
Other financing sources (uses):			
Transfers out	(1,084,045)	(1,084,045)	-
Total Other Financing Sources (Uses)	(1,084,045)	(1,084,045)	-
Excess (Deficiency) of Revenue and Other Source Over (Under) Expenditures	(4,115,159)	(863,802)	3,251,357
Net Change in Fund Balance	(4,115,159)	(863,802)	3,251,357
Fund Balance at Beginning of Year	2,946,838	2,946,838	-
Fund Balance at End of Year	$ (1,168,321)	2,083,036	3,251,357

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Fines and forfeits	$ 350,000	389,413	39,413
Total Revenues	350,000	389,413	39,413
Other financing sources (uses):			
Transfers out	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	(350,000)	(350,000)	-
Net Change in Fund Balance	-	39,413	39,413
Fund Balance at Beginning of Year	481,756	481,756	-
Fund Balance at End of Year	$ 481,756	521,169	39,413

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ -	2,449	2,449
Intergovernmental	1,000,000	685,459	(314,541)
Total Revenues	1,000,000	687,908	(312,092)
Expenditures:			
Current:			
Public works	1,238,884	370,976	867,908
Total Expenditures	1,238,884	370,976	867,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(238,884)	316,932	555,816
Net Change in Fund Balance	(238,884)	316,932	555,816
Fund Balance at Beginning of Year	672,518	672,518	-
Fund Balance at End of Year	$ 433,634	989,450	555,816

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	$ 681,833	606,934	(74,899)
Total Revenues	681,833	606,934	(74,899)
Expenditures:			
Current:			
Community development	1,401,379	597,861	803,518
Total Expenditures	1,401,379	597,861	803,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	(719,546)	9,073	728,619
Net Change in Fund Balance	(719,546)	9,073	728,619
Fund Balance at Beginning of Year	2,399,826	2,399,826	-
Fund Balance at End of Year	$ 1,680,280	2,408,899	728,619

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 6,785	22,324	15,539
Use of money and property	34,600	41,434	6,834
Charges for services	62,400	37,660	(24,740)
Other	-	1,077	1,077
Total Revenues	103,785	102,495	(1,290)
Expenditures:			
Current:			
Public works	69,669	85,205	(15,536)
Total Expenditures	69,669	85,205	(15,536)
Net Change in Fund Balance	34,116	17,290	(16,826)
Fund Balance (Deficit) at Beginning of Year	4,507	4,507	-
Fund Balance (Deficit) at End of Year	$ 38,623	21,797	(16,826)

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	$ 54,253	198,211	143,958
Use of money and property	3,000	2,742	(258)
Charges for services	86,000	62,899	(23,101)
Other	-	2,060	2,060
Total Revenues	143,253	265,912	122,659
Expenditures:			
Current:			
Public works	108,513	83,800	24,713
Total Expenditures	108,513	83,800	24,713
Net Change in Fund Balance	34,740	182,112	147,372
Fund Balance at Beginning of Year	943,129	943,129	-
Fund Balance at End of Year	$ 977,869	1,125,241	147,372

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ -	1,954	1,954
Total Revenues	-	1,954	1,954
Expenditures:			
Current:			
Public works	593,238	455,429	137,809
Total Expenditures	593,238	455,429	137,809
Excess (Deficiency) of Revenues Over (Under) Expenditures	(593,238)	(453,475)	139,763
Net Change in Fund Balance	(593,238)	(453,475)	139,763
Fund Balance at Beginning of Year	1,322,470	1,322,470	-
Fund Balance at End of Year	$ 729,232	868,995	139,763

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
FEDERAL STIMULUS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2013

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

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SUBVENTIONS AND GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	$ 632,493	1,017,602	385,109
Total Revenues	632,493	1,017,602	385,109
Expenditures:			
Current:			
Public safety	1,138,361	842,231	296,130
Libraries	40,515	17,154	23,361
Parks and recreation	487,267	174,328	312,939
Public works	1,904,040	364,869	1,539,171
Total Expenditures	3,570,183	1,398,582	2,171,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,937,690)	(380,980)	2,556,710
Other financing sources (uses):			
Transfers in	-	166,661	166,661
Total Other Financing Sources (Uses)	-	166,661	166,661
Excess (Deficiency) of Revenues and Other Sources Over (Under)	(2,937,690)	(214,319)	2,723,371
Net Change in Fund Balance	(2,937,690)	(214,319)	2,723,371
Fund Balance (Deficit) at Beginning of Year	246,415	246,415	-
Fund Balance (Deficit) at End of Year	$ (2,691,275)	32,096	2,723,371

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, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive
Revenues:			
Taxes	$ 727,688	836,562	108,874
Use of money and property	-	6,486	6,486
Total Revenues	727,688	843,048	115,360
Expenditures:			
Current:			
Public works	2,372,034	307,045	2,064,989
Total Expenditures	2,372,034	307,045	2,064,989
Net Change in Fund Balance	(1,644,346)	536,003	2,180,349
Fund Balance at Beginning of Year	2,023,067	2,023,067	-
Fund Balance at End of Year	$ 378,721	2,559,070	2,180,349

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ 596,975	275,941	(321,034)
Total Revenues	596,975	275,941	(321,034)
Expenditures:			
Debt service:			
Principal	320,000	320,000	-
Interest and fiscal charges	276,975	276,000	975
Total Expenditures	596,975	596,000	975
Excess (Deficiency) of Revenues Over Expenditures	-	(320,059)	(320,059)
Other financing sources (uses):			
Transfers in	-	-	-
Total Other Financing Sources	-	-	-
Net Change in Fund Balance	-	(320,059)	(320,059)
Fund Balance at Beginning of Year	5,792,797	5,792,797	-
Fund Balance at End of Year	$ 5,792,797	5,472,738	(320,059)

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	$ -	2,529	2,529
Intergovernmental	-	5,000	5,000
Total Revenues	-	7,529	7,529
Expenditures:			
Capital outlay	7,361,096	3,845,038	3,516,058
Total Expenditures	7,361,096	3,845,038	3,516,058
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,361,096)	(3,837,509)	3,523,587
Other financing sources (Uses):			
Transfers in	71,400	124,500	53,100
Transfers out	-	(166,661)	(166,661)
Total Other Financing Sources (Uses)	71,400	(42,161)	(113,561)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(7,289,696)	(3,879,670)	3,410,026
Net Change in Fund Balance	(7,289,696)	(3,879,670)	3,410,026
Fund Balance at Beginning of Year	9,320,530	9,320,530	-
Fund Balance at End of Year	$ 2,030,834	5,440,860	3,410,026

CITY OF WHITTIER
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

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, 2013

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Assets:						
Current assets:						
Cash and investments	$ 9,941,435	5,518,865	463,816	7,954,925	1,838,973	25,718,014
Accounts receivable, net	22,273	-	14,993	-	-	37,266
Interest receivable	6,898	501	-	6,197	1,459	15,055
Prepaid items	4,569	-	-	-	-	4,569
Total Current Assets	9,975,175	5,519,366	478,809	7,961,122	1,840,432	25,774,904
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,646	175,157
Office machines	-	-	-	-	1,647,562	1,647,562
Mobile equipment	-	-	-	14,501,378	-	14,501,378
Less-accumulated depreciation	-	-	(328,752)	(9,919,304)	(994,311)	(11,242,367)
Total Capital Assets, Net	-	-	17,638	4,582,074	782,897	5,382,609
Total Assets	9,975,175	5,519,366	496,447	12,543,196	2,623,329	31,157,513
Liabilities:						
Current liabilities:						
Accounts payable	114,299	62,418	25,514	-	34,246	236,477
Accrued liabilities	-	-	14,721	-	10,882	25,603
Claims payable - current	3,002,776	-	-	-	-	3,002,776
Compensated absences payable - current	-	4,845,611	-	-	-	4,845,611
Total Current Liabilities	3,117,075	4,908,029	40,235	-	45,128	8,110,467
Long-term liabilities:						
Claims payable - non-current	1,616,881	-	-	-	-	1,616,881
Total Non-current Liabilities	1,616,881	-	-	-	-	1,616,881
Total Liabilities	4,733,956	4,908,029	40,235	-	45,128	9,727,348
Net position:						
Net investment in capital assets	-	-	17,638	4,582,074	782,897	5,382,609
Unrestricted	5,241,219	611,337	438,574	7,961,122	1,795,304	16,047,556
Total Net Position	$ 5,241,219	611,337	456,212	12,543,196	2,578,201	21,430,165

CITY OF WHITTIER
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Operating Revenues:						
Charges for services	$ 4,167,565	4,726,837	2,699,200	1,138,162	822,294	13,554,058
Total Operating Revenues	4,167,565	4,726,837	2,699,200	1,138,162	822,294	13,554,058
Operating Expenses:						
Self insurance	3,152,310	-	-	-	-	3,152,310
Employee benefits	-	4,729,070	-	-	-	4,729,070
Maintenance	-	-	2,566,039	4,134	1,136,024	3,706,197
Depreciation	-	-	20,422	973,726	115,338	1,109,486
Total Operating Expenses	3,152,310	4,729,070	2,586,461	977,860	1,251,362	12,697,063
Operating Income (Loss)	1,015,255	(2,233)	112,739	160,302	(429,068)	856,995
Nonoperating Revenues (Expenses):						
Use of money and property	24,119	2,428	-	21,091	4,286	51,924
Gain (loss) on disposal of capital assets	-	-	206	50,114	-	50,320
Other revenue (expense)	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	24,119	2,428	206	71,205	4,286	102,244
Income (loss) before transfers	1,039,374	195	112,945	231,507	(424,782)	959,239
Transfers in	-	-	-	-	35,000	35,000
Change in net position	1,039,374	195	112,945	231,507	(389,782)	994,239
Net Position at Beginning of the Year	4,201,845	611,142	343,267	12,311,689	2,967,983	20,435,926
Net Position at End of the Year	$ 5,241,219	611,337	456,212	12,543,196	2,578,201	21,430,165

CITY OF WHITTIER, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Cash flows from operating activities:						
Receipts from customers and users	$ 4,165,957	4,726,837	2,700,399	1,122,246	822,294	13,537,733
Payments to suppliers	(3,002,854)	(4,381,048)	(2,586,245)	(4,134)	(1,228,764)	(11,203,045)
Non-operating rental income revenue received	-	-	-	-	-	-
Net Cash Provided by (Used in) Non-Operating Activities	1,163,103	345,789	114,154	1,118,112	(406,470)	2,334,688
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	-	35,000	35,000
Net Cash Provided Provided by Noncapital Financing Activities	-	-	-	-	35,000	35,000
Cash flows from capital and related financing activities:						
Sale of capital assets	-	-	206	-	-	206
Purchase of capital assets	-	-	-	(778,693)	-	(778,693)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	206	(778,693)	-	(778,487)
Cash flows from investing activities:						
Interest on investments	24,419	2,365	-	20,072	4,298	51,154
Net Cash Provided by Investing Activities	24,419	2,365	-	20,072	4,298	51,154
Net Increase (Decrease) in Cash and Cash Equivalents	1,187,522	348,154	114,360	359,491	(367,172)	1,642,355
Cash and Cash Equivalents, Beginning of Fiscal Year	8,753,913	5,170,711	349,456	7,595,434	2,206,145	24,075,659
Cash and Cash Equivalents, End of Fiscal Year	$ 9,941,435	5,518,865	463,816	7,954,925	1,838,973	25,718,014
Reconciliation of operating income to net cash provided by operations:						
Operating income (loss)	$ 1,015,255	(2,233)	112,739	160,302	(429,068)	856,995
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	20,422	973,726	115,338	1,109,486
Other revenue	-	-	-	-	-	-
Decrease (increase) in accounts receivable	(1,608)	-	1,199	-	-	(409)
Decrease (increase) in prepaid items	22,102	-	-	-	-	22,102
Increase (decrease) in accounts payable	(12,870)	1,171	(20,097)	(15,916)	(92,508)	(140,220)
Increase (decrease) in accrued liabilities	-	-	(109)	-	(232)	(341)
Increase (decrease) in claims payable	140,224	-	-	-	-	140,224
Increase (decrease) in compensated absences payable	-	346,851	-	-	-	346,851
Net Cash Provided by (Used in) Operating Activities	$ 1,163,103	345,789	114,154	1,118,112	(406,470)	2,334,688

CITY OF WHITTIER
AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

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

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

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

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

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

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

CITY OF WHITTIER
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Community Facilities District 1991-1	Habitat JPA	Totals
Assets:						
Cash and investments	$ 14,611	658,346	313,589	-	-	986,546
Cash and investments with fiscal agents	-	-	419,800	-	-	419,800
Receivable:						
Accounts	-	9,339	-	-	43,479	52,818
Interest	-	-	237	-	-	237
Total Assets	$ 14,611	667,685	733,626	-	43,479	1,459,401
Liabilities:						
Accounts payable	$ 14,611	134,067	156	-	1,545	150,379
Deposits payable	-	533,618	-	-	-	533,618
Due to other funds	-	-	-	-	41,934	41,934
Due to bondholders	-	-	733,470	-	-	733,470
Total Liabilities	$ 14,611	667,685	733,626	-	43,479	1,459,401

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Flex-Rap				
Assets				
Cash and investments	$ 13,722	1,327,859	(1,326,970)	14,611
Total Assets	$ 13,722	1,327,859	(1,326,970)	14,611
Liabilities				
Accounts payable	$ 13,722	14,611	(13,722)	14,611
Total Liabilities	$ 13,722	14,611	(13,722)	14,611
Special Deposits				
Assets				
Cash and investments	$ 282,921	1,277,804	(902,379)	658,346
Accounts receivable	12,182	9,339	(12,182)	9,339
Total Assets	$ 295,103	1,287,143	(914,561)	667,685
Liabilities				
Accounts payable	$ 62,837	134,067	(62,837)	134,067
Deposits payable	232,266	1,692,406	(1,391,054)	533,618
Total Liabilities	$ 295,103	1,826,473	(1,453,891)	667,685
Community Facilities District 1989-1				
Assets				
Cash and investments	$ 300,626	426,259	(413,296)	313,589
Cash and investments with fiscal agent	420,036	419,800	(420,036)	419,800
Interest receivable	103	237	(103)	237
Total Assets	$ 720,765	846,296	(833,435)	733,626
Liabilities				
Accounts payable	$ -	156	-	156
Due to bondholders	720,765	846,140	(833,435)	733,470
Total Liabilities	$ 720,765	846,296	(833,435)	733,626

(Continued)

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Community Facilities District 1991-1				
Assets				
Cash and investments	$ 243,903	400,435	(644,338)	-
Cash and investments with fiscal agent	669,611	286	(669,897)	-
Accounts receivable	325,293	-	(325,293)	-
Interest receivable	182	-	(182)	-
Total Assets	$ 1,238,989	400,721	(1,639,710)	-
Liabilities				
Due to bondholders	$ 1,238,989	400,721	(1,639,710)	-
Total Liabilities	$ 1,238,989	400,721	(1,639,710)	-
Habitat JPA				
Assets				
Accounts receivable	$ 160,294	43,479	(160,294)	43,479
Total Assets	$ 160,294	43,479	(160,294)	43,479
Liabilities				
Accounts payable	$ 2,619	1,545	(2,619)	1,545
Due to other funds	157,675	41,934	(157,675)	41,934
Total Liabilities	$ 160,294	43,479	(160,294)	43,479
Total Agency Funds				
Assets				
Cash investments	$ 841,172	3,432,357	(3,286,983)	986,546
Cash and investments with fiscal agent	1,089,647	420,086	(1,089,933)	419,800
Receivables:				
Accounts	497,769	52,818	(497,769)	52,818
Interest	285	237	(285)	237
Total Assets	$ 2,428,873	3,905,498	(4,874,970)	1,459,401
Liabilities				
Accounts payable	$ 79,178	150,379	(79,178)	150,379
Deposits payable	232,266	1,692,406	(1,391,054)	533,618
Due to other funds	157,675	41,934	(157,675)	41,934
Due to bondholders	1,959,754	1,246,861	(2,473,145)	733,470
Total Liabilities	$ 2,428,873	3,131,580	(4,101,052)	1,459,401

STATISTICAL SECTION

WHITTIER CHRONICLE
INC 1896

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.

Financial Trends Contain trend information to help the reader understand how the City's financial performance has changed over time.
Revenue Capacity Contain information to help the reader assess the City's most significant local revenue source, the property tax.
Debt Capacity 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.
Demographic and Economic Information Offer information to help the reader understand the environment within which the City's financial activities take place.
Operating Information 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 activites 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,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005 [1]	2004 [1]
Governmental Activities:										
Net investment in capital assets	$ 111,342	109,657	95,435	105,775	98,199	91,640	84,556	84,382	84,755	90,639
Restricted	57,271	42,717	46,374	30,522	78,484	82,986	72,206	51,929	45,827	20,480
Unrestricted	41,593	67,551	45,464	44,145	3,202	(2,427)	5,817	18,731	22,136	43,152
Total Governmental Activities Net Position	210,206	219,925	187,273	180,442	179,885	172,199	162,579	155,042	152,718	154,271
% change from prior year	-4.4%	17.4%	3.8%	0.3%	4.5%	5.9%	4.9%	1.5%	-1.0%	0.9%
Business-type Activities:										
Net investment in capital assets	31,175	28,819	27,974	26,357	26,875	26,607	22,700	25,552	27,027	25,917
Restricted	3	135	124	185	138	120	48	34	24	117
Unrestricted	22,971	23,254	14,762	18,097	15,895	21,780	23,135	16,283	12,953	11,327
Total Business-Type Activities Net Position	54,149	52,208	42,860	44,639	42,908	48,507	45,883	41,869	40,004	37,361
% change from prior year	3.7%	21.8%	-4.0%	4.0%	-11.5%	5.7%	9.6%	4.7%	7.1%	5.5%
Primary Government:										
Net investment in capital assets	142,517	138,476	123,409	132,132	125,074	118,247	107,256	109,934	111,782	116,556
Restricted	57,274	42,852	46,498	30,707	78,622	83,106	72,254	51,963	45,851	20,597
Unrestricted	64,564	90,805	60,226	62,242	19,097	19,353	28,952	35,014	35,089	54,479
Total Primary Government Net Position	$ 264,355	272,133	230,133	225,081	222,793	220,706	208,462	196,911	192,722	191,632
% change from prior year	-2.9%	18.3%	2.2%	1.0%	0.9%	5.9%	5.9%	2.2%	0.6%	1.8%

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

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

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

	Fiscal Year ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	$ 8,098	7,687	7,547	7,714	7,353	8,443	7,588	6,840	8,499	7,155
Public safety	29,952	28,479	28,642	25,967	30,428	18,146	22,765	25,477	24,789	23,010
Public works	12,879	13,256	8,931	10,781	11,688	13,790	10,726	11,583	10,262	9,582
Community development	10,481	8,317	5,499	5,598	6,414	7,608	5,596	5,668	5,342	5,720
Libraries	3,261	3,166	3,282	3,506	3,426	3,412	3,394	3,118	3,017	3,117
Transit	3,503	2,836	4,567	2,731	2,604	4,671	3,373	3,243	2,767	2,442
Parks and recreation	8,489	8,554	8,456	8,612	10,057	11,373	11,747	8,724	9,089	7,978
Interest on long-term debt	320	1,893	3,562	3,710	4,637	5,445	2,406	1,614	736	1,358
Total Governmental activities	76,983	74,188	70,486	68,619	76,607	72,888	67,595	66,267	64,501	60,362
Business-type activities:										
Sewer	1,471	1,365	1,259	1,390	1,752	1,282	1,170	1,126	1,036	1,063
Water	10,973	9,592	14,133	8,289	14,321	8,688	7,828	7,469	6,146	5,772
Solid waste	9,122	(841)	9,558	9,272	9,295	8,950	8,305	8,601	7,918	7,642
Total Business-type activities	21,566	10,116	24,950	18,951	25,368	18,920	17,303	17,196	15,100	14,477
Total primary government	98,549	84,304	95,436	87,570	101,975	91,808	84,898	83,463	79,601	74,839
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,972	2,090	2,011	2,128	2,047	2,021	2,494	2,583	1,711	2,105
Public safety	9,549	9,099	9,728	9,417	9,200	8,381	6,839	7,524	7,587	6,360
Public works	5,108	4,542	9,048	3,353	8,589	3,450	1,598	3,824	2,148	388
Parks and recreation	1,921	1,864	1,717	2,340	1,746	1,560	2,623	2,359	2,192	2,332
Community development	1,558	1,965	2,167	2,107	2,221	1,940	1,176	846	295	1,006
Other activities	776	898	860	895	981	967	389	310	615	143
Operating contributions and grants	8,127	11,754	6,139	5,362	6,294	5,665	6,874	5,051	6,211	2,554
Capital contributions and grants	902	2,561	2,788	3,300	4,521	4,033	585	3,920	2,645	4,078
Total governmental activities	29,913	34,773	34,458	28,902	35,599	28,017	22,578	26,417	23,404	18,966
Business-type activities:										
Charges for services:										
Sewer	2,549	2,216	1,955	1,740	1,902	1,913	1,836	1,282	1,233	1,129
Water	10,219	7,969	10,591	8,556	7,811	8,225	8,399	7,050	5,979	6,043
Solid waste	9,703	8,969	7,863	8,210	8,406	8,977	8,945	8,972	8,595	8,130
Operating contributions and grants	925	633	1,239	1,436	1,746	1,328	134	1,084	414	4
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	23,396	19,787	21,648	19,942	19,865	20,443	19,314	18,388	16,221	15,306
Total primary government	53,309	54,560	56,106	48,844	55,464	48,460	41,892	44,805	39,625	34,272

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

	Fiscal Year ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net revenues (expenses):										
Governmental activities	(47,070)	(39,415)	(36,028)	(39,717)	(41,008)	(44,871)	(45,017)	(39,850)	(41,097)	(41,396)
Business-type activities	1,830	9,671	(3,302)	991	(5,503)	1,523	2,011	1,192	1,121	829
Total primary government	(45,240)	(29,744)	(39,330)	(38,726)	(46,511)	(43,348)	(43,006)	(38,658)	(39,976)	(40,567)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	6,523	8,779	11,830	9,690	13,252	12,501	12,191	7,337	8,108	8,482
Sales taxes	8,583	7,900	7,663	7,460	8,651	10,379	10,010	8,768	9,019	9,262
Franchise taxes	2,918	2,189	1,891	1,914	1,718	2,036	1,778	1,626	1,588	1,552
Utility users tax	7,003	6,760	7,034	7,366	7,659	7,806	7,872	7,529	7,253	7,175
Motor vehicle in lieu tax, unrestricted	7,153	7,076	7,285	7,253	7,410	8,786	8,403	8,219	7,123	5,862
Transit tax	2,466	2,332	2,150	2,035	2,314	2,544	2,560	2,610	2,304	2,176
Other taxes	2,276	2,349	2,307	2,257	2,356	2,734	2,776	1,542	1,459	2,613
Investment income	424	443	1,154	2,162	4,404	6,438	6,051	3,539	2,083	2,085
Other	1	45	4	136	16	444	801	656	449	3,840
Transfers	4	522	-	-	914	824	112	348	(74)	-
Extraordinary gain	-	33,672	-	-	-	-	-	-	-	-
Total governmental activities	37,351	72,067	41,318	40,273	48,694	54,492	52,554	42,174	39,312	43,047
Business-type activities:										
Investment income	103	186	935	584	818	1,924	2,115	1,021	1,680	906
Other	13	12	588	157	-	-	-	-	-	-
Transfers	(4)	(522)	-	-	(914)	(824)	(112)	(348)	74	-
Total business-type activities	112	(324)	1,523	741	(96)	1,100	2,003	673	1,754	906
Total primary government	37,463	71,743	42,841	41,014	48,598	55,592	54,557	42,847	41,066	43,953
Changes in net position										
Governmental activities	(9,718)	32,652	5,290	556	7,686	9,621	7,537	2,324	(1,785)	1,651
Business-type activities	1,942	9,347	(1,779)	1,732	(5,599)	2,623	4,014	1,865	2,875	1,735
Change in net position - total primary government	$ (7,776)	41,999	3,511	2,288	2,087	12,244	11,551	4,189	1,090	3,386

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

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

	2013	2012	2011 [6]
General fund:			
Nonspendable	$ 23	7,858	7,321
Restricted	1,057	838	728
Committed	3,075	2,985	2,923
Assigned	3,478	2,318	2,826
Unassigned	20,558	20,875	22,675
Total general fund	28,191	34,874	36,473
Other governmental funds:			
Nonspendable	165	-	-
Restricted	42,454	44,750	80,315
Committed	-	-	-
Assigned	5,441	9,321	6,999
Unassigned	-	-	(11,013)
Total other governmental funds	48,060	54,071	76,301
Total governmental funds	$ 76,251	88,945	112,774

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

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

[2] The City implemented GASB 34, the new reporting standard, in fiscal year 2003.

[3] Reserved fund balance at June 30, 2005 and June 30, 2006 include $7,582,289 unexpended bond proceeds from the 2005 Tax Allocation Bonds.

[4] Reserved fund balance at June 30, 2007 include $7,582,289 unexpended bond proceeds from the 2005 Tax Allocation Bonds, and $25,929,113 from the 2007 Tax Allocation Bonds reserved for redevelopment projects.

[5] Reserved fund balance at June 30, 2008 include $10,280,054 unexpended proceeds from from the 2007 Public Financing Authority Revenue Bonds reserved for redevelopment projects and debt services.

[6] The City implemented GASB statement No. 54 in the fiscal year ended June 30, 2011.

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

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Taxes	$ 36,049	36,408	41,344	42,081	37,264	38,161	36,163	35,056	30,487	30,167
Licenses and permits	1,963	1,997	1,978	3,182	2,777	1,938	3,037	2,622	1,935	1,572
Fines and forfeits	1,260	1,125	1,524	1,465	1,699	1,332	929	992	1,144	1,200
Use of money and property	1,143	1,209	1,902	2,745	5,210	6,760	5,442	3,841	3,092	1,175
Intergovernmental	6,967	8,482	7,413	8,708	15,933	19,302	13,081	12,572	13,239	11,849
Charges for services	14,988	15,554	15,591	17,470	22,015	14,277	13,589	13,148	12,697	13,227
Other	4,117	3,921	8,585	3,523	496	1,914	657	615	591	3,128
Total revenues	66,487	68,696	78,337	79,174	85,394	83,684	72,898	68,846	63,185	62,318
Expenditures:										
Current:										
General government	8,234	8,027	7,482	7,797	7,885	7,951	7,331	6,479	6,230	6,073
Public safety	30,456	29,669	28,398	28,977	30,942	27,773	26,778	25,074	24,330	23,506
Public works	9,983	8,336	7,223	5,643	6,639	7,976	5,762	6,369	5,769	7,515
Community development	10,525	8,700	5,450	5,932	6,472	7,379	5,440	5,460	5,622	5,228
Libraries	3,316	3,301	3,254	3,462	3,388	3,376	3,339	3,058	2,963	3,077
Local transit	3,563	2,956	4,528	2,567	2,442	4,526	3,148	3,012	2,555	2,532
Parks and recreation	8,632	8,918	8,384	8,626	9,663	10,493	11,038	10,304	8,675	7,543
Pass through agreements	-	695	2,203	4,644	1,736	2,220	778	1,574	821	597
Capital outlay	3,845	3,042	5,673	16,066	8,515	1,997	402	1,744	889	552
Debt service:										
Principal	320	1,856	2,364	8,469	1,571	1,463	1,447	1,304	1,327	1,156
Interest and fiscal charges	276	1,844	3,383	3,769	4,644	4,159	1,997	1,628	1,386	1,195
Bond issuance costs	-	-	-	-	-	293	269	-	298	-
Total expenditures	79,150	77,344	78,342	95,952	83,897	79,606	67,729	66,006	60,865	58,974
Excess of revenues over (under) expenditures	(12,663)	(8,648)	(5)	(16,778)	1,497	4,078	5,169	2,840	2,320	3,344
Other financing sources (uses):										
Issuance of debt	-	625	1,275	1,254	1,206	16,568	35,513	1,303	8,883	1,148
Transfers in	1,965	12,267	11,162	22,370	14,875	7,681	3,530	2,380	2,950	2,903
Transfers out	(1,996)	(12,892)	(11,201)	(22,478)	(16,307)	(7,595)	(4,803)	(2,377)	(3,112)	(3,239)
Payment to escrow agent	-	-	-	-	-	(5,790)	-	-	-	-
Premium (discount) from bond issuance	-	-	-	-	-	-	(815)	-	179	-
Total other financing sources (uses)	(31)	-	1,236	1,146	(226)	10,864	33,425	1,306	8,900	812
Extraordinary item:										
Dissolution of Former Redevelopment Agency	-	(15,182)	-	-	-	-	-	-	-	-
Net change in fund balances	$ (12,694)	(23,830)	1,231	(15,632)	1,271	14,942	38,594	4,146	11,220	4,156
Debt service as a percentage of non-capital expenditures	0.84%	5.23%	8.49%	15.80%	8.29%	8.81%	6.06%	4.56%	5.08%	4.32%

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

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

	City				Redevelopment Agency/Successor Agency				
Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2004	$ 4,244,395	83,824	(222,733)	4,105,486	911,965	45,720	(35,417)	922,268	0.14606%
2005	4,535,960	42,445	(201,089)	4,377,316	945,865	75,812	(38,515)	983,162	0.14983%
2006	4,925,787	52,803	(227,860)	4,750,730	1,022,370	81,577	(41,284)	1,062,663	0.15731%
2007	5,353,653	51,934	(241,980)	5,163,607	1,220,075	94,901	(48,068)	1,266,908	0.17279%
2008	5,764,223	44,770	(244,924)	5,564,069	1,385,732	100,310	(60,686)	1,425,356	0.18471%
2009	6,018,883	45,223	(250,595)	5,813,511	1,484,842	103,550	(67,704)	1,520,688	0.19172%
2010	5,820,412	42,021	(221,491)	5,640,942	1,527,176	100,306	(54,649)	1,572,833	0.20043%
2011	5,831,111	40,800	(289,426)	5,582,485	1,529,589	93,174	(106,971)	1,515,792	0.19485%
2012	6,000,274	42,055	(307,687)	5,734,642	1,539,305	98,324	(121,952)	1,515,677	0.19230%
2013	6,087,317	40,291	(337,455)	5,790,153	1,565,967	94,230	(122,001)	1,538,196	0.19204%

NOTE:

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

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

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

Agency	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Basic Levy[1]	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	0.00066	0.00080	0.00092	0.00099
East Whittier City School District	0.04024	0.03680	0.03638	0.03553	0.03320	0.02750	0.02612	0.02991	0.03265	0.03565
El Monte Union High School District	0.08992	0.09591	0.08475	0.09654	0.05160	0.02820	0.05847	0.05425	0.03928	0.03573
Fullerton Union High School District	0.01579	0.01300	0.01820	0.01529	0.01431	0.01346	0.01540	0.01503	0.01554	0.01750
Hacienda-La Puente Unified School District	0.06689	0.06430	0.06462	0.05973	0.05681	0.05103	0.05239	0.05511	0.05625	0.05559
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00005	0.00005	0.00025	0.00046
La Habra Heights Co. Water District	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02779
Los Nietos School District 08 Series 2008A	0.03351	0.03420	0.03213	0.02885	0.02680	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610
Mt. San Antonio College	0.02896	0.02642	0.02636	0.02571	0.02333	0.01750	0.02530	0.02122	0.01473	0.01525
N Orange Co. Community College District	0.01902	0.01742	0.01758	0.01649	0.01493	0.01502	0.01444	0.01666	0.01441	0.01597
Rio Hondo Community College District	0.02812	0.03418	0.03439	0.02714	0.02320	0.01369	0.01469	0.01802	0.02170	0.00000
South Whittier School District	0.06884	0.08556	0.06895	0.06169	0.05783	0.05588	0.06270	0.06879	0.05315	0.05629
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	0.03439	0.03354	0.03494	0.03443	0.03365	0.03582	0.04031	0.03924	0.05177	0.04649
Whittier Union High School District	0.04556	0.04317	0.04239	0.04224	0.03728	0.04359	0.08918	0.04489	0.03085	0.03793
Total Direct & Overlapping[2] Tax Rates	**1.64140**	**1.65486**	**1.63105**	**1.61460**	**1.54390**	**1.47285**	**1.57107**	**1.53583**	**1.50396**	**1.51840**
City's Share of 1% Levy Per Prop 13[3]	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171
Redevelopment Rate[4]		1.00370	1.00370	1.00430	1.00430	1.00450	1.00541	1.00604	1.00697	1.00755
Total Direct Rate[5]	0.19204	0.19230	0.19485	0.20043	0.19172	0.18471	0.17279	0.15731	0.14983	0.14606

Notes:

[1]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.

[2]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.

[3]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.

[4]Redelopment Rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statue. 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.

[5]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, 2013

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
COLE MT WHITTIER CALIFORNIA	16	$ 123,546,687	1.68%
GMS FIVE LLC	11	58,305,475	0.80%
CLPF WHITTIER INDUSTRIAL LP	3	41,194,207	0.56%
WHITTIER MARKETPLACE LP	1	38,000,000	0.52%
MATRIX OIL	2	31,338,846	0.43%
WHITTIER FINANCIAL CENTER LP	4	23,467,730	0.32%
WHITTIER CALMED INVESTMENT LP	3	21,556,177	0.29%
TAM STOCKTON	1	18,315,330	0.25%
MGP XXXIII LLC	6	17,283,908	0.24%
ARBOR VENTURE LLC	3	15,030,376	0.21%
Total taxable assessed value of ten largest taxpayers	50	388,038,736	5.30%
Total taxable assessed value of other taxpayers		6,940,310,022	94.70%
Total taxable assessed value of all taxpayers		$ 7,328,348,758	100.00%

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Information is not available for nine years prior.

Source: The HdL Companies, Los Angeles County Assessor

CITY OF WHITTIER
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of Levy		Delinquent Tax Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	$ 4,451,507	4,223,332	94.87%	130,430	4,353,762	97.80%
2005	4,564,485	4,396,226	96.31%	99,761	4,495,987	98.50%
2006	4,885,395	4,404,837	90.16%	143,662	4,548,499	93.10%
2007	5,128,001	4,807,604	93.75%	90,138	4,897,742	95.51%
2008	5,632,727	5,194,502	92.22%	155,000	5,349,502	94.97%
2009	5,690,559	5,252,334	92.30%	245,153	5,497,487	96.61%
2010	5,530,475	5,242,687	94.80%	228,431	5,471,118	98.93%
2011	5,575,089	5,254,111	94.24%	118,642	5,372,753	96.37%
2012	5,654,107	5,507,578	97.41%	55,336	5,562,914	98.39%
2013	5,294,251	4,961,287	93.71%	89,212	5,050,499	95.40%

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

Source: Los Angeles County Auditor Controller's Office

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Apparel stores	$ 39,231	37,877	46,243	43,482	41,185	45,000	45,188	44,534	42,520	42,035
General merchandise	88,138	92,990	81,361	81,833	97,052	106,691	99,090	66,397	56,746	57,055
Food stores	40,133	39,106	38,537	40,050	42,573	44,319	44,292	39,789	36,325	43,724
Eating and drinking places	134,314	124,056	114,815	114,913	119,050	119,646	111,803	104,262	97,499	90,055
Building materials	56,053	52,989	50,696	51,043	63,923	66,097	71,199	71,717	58,152	55,819
Auto dealers and supplies	55,660	51,668	52,081	71,611	115,123	186,529	210,077	210,881	230,425	228,920
Service stations	115,053	109,531	87,127	78,792	107,227	93,259	85,547	73,643	68,356	56,583
Other retail stores	110,045	111,528	109,975	105,457	115,070	123,385	123,699	113,353	105,878	110,062
All other outlets	166,840	176,072	157,346	166,488	184,900	233,479	220,932	206,954	196,838	183,081
Total	$ 805,467	795,817	738,181	753,669	886,103	1,018,405	1,011,827	931,530	892,739	867,334

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

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

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

Fiscal Year Ended June 30	DDA Loans [14]	Tax Allocation Loans [14]	Tax Allocation Bonds [14]	Capital Lease Payable	Loans [1, 14]	Total Governmental Activities [2]
2004	$ 3,528,162	7,280,000 [7]	6,180,000 [5]	86,945 [6]	9,896,983	26,972,108
2005	3,742,270	7,050,000	13,785,000 [9]	53,610	10,383,408	35,014,297
2006	3,981,417	6,810,000	13,655,000	18,369	10,540,893	35,005,679
2007	4,230,511	6,565,000	47,735,000 [10]	-	9,972,409	68,502,930
2008	4,310,395	21,735,000 [12]	41,800,000 [11]	-	10,486,245	78,331,663
2009	4,526,553	21,100,000	41,180,000	-	8,559,510	75,366,063
2010	4,756,315	20,465,000	34,370,000	-	7,538,549	67,129,864
2011	5,002,091	19,805,000	33,695,000	-	6,870,003	65,372,094
2012	-	-	5,175,000	-	-	5,175,000
2013	-	-	4,855,000	-	-	4,855,000

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

[1] Operating and sales tax loans to the former Whittier Redevelopment Agency from the City.

[2] Not includes noncommitment debt.

[3] This ratio is calculated using personal income for the prior calendar year.

[4] The ratio is calculated using population for the prior calendar year.

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

[6] The City entered into a capital lease agreement with City National Bank.

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

[8] The Whittier Utility Authority issued 2003 revenue bonds to refund the 1993 revenue bonds.

[9] The Whittier Redevelopment issued $7,730,000 of 2005 tax allocation bonds.

[10] The Whittier Redevelopment issued $34,355,000 of 2007 tax allocation bonds.

[11] The Whittier Redevelopment 1998 tax allocation bonds were refunded.

[12] The Whittier Public Financing Authority issued $15,425,000 of 2007 revenue bonds.

[13] The Whittier Utility Authority issued $9,095,000 of 2009 revenue bonds.

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

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

Water Revenue Bonds	Solid Waste Revenue Bonds	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income [3]	Debt per Capita [4]
10,425,000 [8]	3,790,000	14,215,008	41,187,116	2.17%	478
10,255,000	3,530,000	13,785,000	48,799,297	2.44%	562
10,070,000	3,255,000	13,325,000	48,330,679	2.32%	558
9,875,000	2,965,000	12,840,000	81,342,930	3.69%	940
9,670,000	2,660,000	12,330,000	90,661,663	3.97%	1,050
9,460,000	2,340,000	11,800,000	87,166,063	3.78%	1,010
18,335,000 [13]	2,000,000	20,335,013	87,464,877	3.89%	1,011
17,925,000	1,640,000	19,565,000	84,937,094	3.78%	975
17,500,000	1,265,000	18,765,000	23,940,000	1.05%	279
18,135,000 [15]	865,000	19,000,015	23,855,015	1.00%	277

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: Tax Allocation Loans	Tax Allocation Bonds	Total	Percent of Assessed Value [1]	Per Capita
2004	$ 7,280	6,180	13,460	0.25%	156
2005	7,050	13,785	20,835	0.37%	240
2006	6,810	13,655	20,465	0.34%	236
2007	6,565	47,735	54,300	0.81%	628
2008	21,735	41,800	63,535	0.87%	736
2009	21,100	41,180	62,280	0.81%	722
2010	20,465	34,370	54,835	0.73%	634
2011	19,805	33,695	53,500	0.71%	614
2012	-	5,175	5,175 [2]	0.07%	60
2013	-	4,855	4,855	0.06%	56

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

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

[2] Reduced due to the dissolution of former Redevelopment Agency, the liabilities were transferred from governmental funds of the City to fiduciary funds on February 1, 2012.

CITY OF WHITTIER
Direct and Overlapping Debt
June 30, 2013

City Assessed Valuation	$ 5,790,152,481
Redevelopment Agency Incremental Valuation	1,538,196,277
Total 2012-2013 Assessed Valuation	$ 7,328,348,758

	Percentage Applicable to City	Outstanding Debt 6/30/13	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	0.722%	$ 79,696,126	575,044
E Whittier City DS 2007 Ref Bonds	64.319%	10,250,000	6,592,725
Los Nietos SD DS 2008 Series B	9.921%	8,933,130	886,218
Los Nietos SD DS 2008 SR 11A QSCB	9.921%	3,195,000	316,963
Los Nietos SD DS Ref Bond SR 2011	9.837%	175,000	17,214
S Whittier SD DS 1998 Series A	0.390%	1,946,007	7,596
S Whittier Elementary DS 2004 Series A	0.390%	7,069,788	27,595
S Whittier Elementary SD 2011 Refunding	0.390%	7,855,000	30,661
Whittier City SD DS 2000 Series E	52.892%	20,000,000	10,578,341
Whittier City SD DS 2006 Ref Bonds	52.892%	8,595,000	4,546,042
Whittier City SD DS 2010 Ref Bonds	52.892%	16,665,000	8,814,403
Fullerton Unified HSD DS 2002 Series A & 2010 Ref Bonds	25.017%	2,424,248	606,485
Fullerton Unified HSD DS 2002 Series B	25.017%	1,799,707	450,241
Whittier Union HSD DS 2005 Ref Bonds	36.269%	77,861,369	28,239,545
Whittier Union HSD DS 2009 Series A	36.298%	38,001,949	13,793,974
N Orange Co CCD DS 2002 S-2004B	24.423%	991,440	242,144
N Orange Co CCD DS 2002 Series 2005 Ref	24.423%	4,029,857	984,230
Rio Hondo CCD DS 2004 Series A	23.125%	3,650,000	844,055
Rio Hondo CCD DS 2005 Ref Bonds	23.125%	42,055,387	9,725,221
Rio Hondo CCD DS 2004 Series 2008	23.125%	61,881,844	14,310,048
Rio Hondo CCD DS 2004, 2010 Series C	23.168%	60,040,980	13,910,508
Total overlapping debt		$ 457,116,832	115,499,253
City direct debt			24,612,271 [2]
Total direct and overlapping debt			140,111,524 [1]

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

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

Notes:

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

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

Source: HdL Coren & Cone

CITY OF WHITTIER
Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	Assessed Valuation	Conversion Percentage	Adjusted Assessed Valuation	Debt Limit Percentage	Debt Limit	Debt Applicable to Limit	Legal Debt Margin
2003-04	$ 5,027,753,728	25%	1,256,938,432	15%	188,540,765	-	188,540,765
2004-05	5,360,478,410	25%	1,340,119,603	15%	201,017,940	-	201,017,940
2005-06	5,813,393,289	25%	1,453,348,322	15%	218,002,248	-	218,002,248
2006-07	6,430,515,245	25%	1,607,628,811	15%	241,144,322	-	241,144,322
2007-08	6,989,424,760	25%	1,747,356,190	15%	262,103,429	-	262,103,429
2008-09	7,334,199,357	25%	1,833,549,839	15%	275,032,476	-	275,032,476
2009-10	7,213,775,202	25%	1,803,443,801	15%	270,516,570	-	270,516,570
2010-11	7,098,277,146	25%	1,774,569,287	15%	266,185,393	-	266,185,393
2011-12	7,250,319,391	25%	1,812,579,848	15%	271,886,977	-	271,886,977
2012-13	7,328,348,758	25%	1,832,087,190	15%	274,813,078	-	274,813,078

Note: The Government Code of the State of California provides for a legal debt limit of 15% of assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective 1981-82, assessed value became equivalent to full market value. The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Controller's Office, City of Whittier

CITY OF WHITTIER
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	Gross Revenue [1]	Operating Expenses [2]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2004	$ 6,583	4,588	1,995	170	485	655	3.05
2005	6,828	5,177	1,651	170	479	649	2.54
2006	8,445	6,922	1,523	185	471	656	2.32
2007	9,459	6,642	2,817	195	464	659	4.27
2008	9,662	7,503	2,159	205	456	661	3.27
2009	9,768	7,271	2,497	210	451	661	3.78
2010	10,067	7,764	2,303	220	778	998	2.31
2011	12,190	6,755	5,435	410	919	1,329	4.09
2012	8,629	6,497	2,132	425	908	1,333	1.60
2013	11,180	7,611	3,569	670	873	1,543	2.31

Note: The rate covenant of the all water bonds requires net revenue to equal at least 125 percent of the debt service requirements. The Authority originally issued bonds in 1987, was defeased in 1993, and was refunded in March 2003. The Authority issued new 2009 Water Revenue Bonds of $9,095,000 in October 2009. In November 2012, the Authority issued 2012 Water Revenue Bonds of $10,085,000 to refund 2003 Water Revenue Bonds and finance various water improvements.

[1] Restated to exclude AB1600 Water Connection Fee.

[2] Excludes depreciation.

Source: Controller's Office, City of Whittier

CITY OF WHITTIER
Pledged-Revenue Coverage
Solid Waste Revenue Bonds
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	Gross Revenue [1]	Operating Expenses [2]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage
2004	$ 7,770	5,717	2,053	245	205	450	4.56
2005	8,361	5,892	2,469	260	193	453	5.45
2006	8,589	6,275	2,314	275	174	449	5.15
2007	8,826	6,358	2,468	290	159	449	5.50
2008	8,828	6,593	2,235	305	144	449	4.98
2009	8,516	6,965	1,551	320	127	447	3.47
2010	8,249	6,556	1,693	340	109	449	3.77
2011	8,361	7,411	950	360	90	450	2.11
2012	8,388	7,154	1,234	375	78	453	2.72
2013	9,769	7,446	2,323	400	57	457	5.08

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

[1] Restated to exclude fees collected for the landfill expansion.

[2] Excludes depreciation.

Source: Controller's Office, City of Whittier

CITY OF WHITTIER
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	City Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2003	86,237	$ 1,898,451	$ 22,014	4.9%
2004	86,782	1,999,237	23,037	4.6%
2005	86,639	2,081,425	24,024	3.8%
2006	86,518	2,205,356	25,490	3.3%
2007	86,363	2,285,550	26,464	3.6%
2008	86,317	2,303,772	26,690	5.3%
2009	86,472	2,246,927	25,984	8.3%
2010	87,128	2,244,330	25,759	9.1%
2011	85,654	2,290,045	26,736	8.8%
2012	86,093	2,387,101	27,727	6.6%

Source: The HDL Companies

CITY OF WHITTIER
Demographic and Economic Statistics
2012 Ten Largest Employers

Rank	Name	Number of Employees	% of City Employment	Type
1	Interhealth Corporation	2,600	6.50%	Healthcare
2	Whittier Union HS District	950	2.38%	Education
3	Whittier Medical Center	850	2.13%	Healthcare
4	Whittier City School District	720	1.80%	Education
5	City of Whittier	621	1.55%	Municipality
6	U.S. Post Office	360	0.90%	Postal Service
7	Bright Health Physicians	300	0.75%	Healthcare
8	Ralph's	270	0.68%	Grocery/Retail
9	East Whittier City Elementary District	270	0.68%	Education
10	Johnson Controls Inc	250	0.63%	Plumbing & HVAC

Information is not available for nine years prior.

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

	Full-time and Part-time Employees by function									
As of June 30	General government	Public safety	Public works	Community development	Library	Transit	Parks and recreation	Water / sewer	Solid waste	Total
2004	50	204	57	17	72	7	174	24	35	640
2005	50	191	61	20	82	6	152	22	32	616
2006	52	179	60	24	76	3	159	27	33	613
2007	46	190	64	21	83	3	152	27	32	618
2008	53	208	58	22	101	4	300	27	34	807
2009	49	204	56	23	94	4	216	25	31	702
2010	46	194	52	24	77	3	160	26	32	614
2011	45	184	54	25	67	5	157	27	31	595
2012	37	192	60	23	60	5	188	28	31	624
2013	41	189	53	21	72	4	183	26	32	621

Source: City of Whittier Controller's Office

CITY OF WHITTIER
Operating Indicators
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety									
Sworn employees-full time	130	124	121	128	135	126	124	116	117
Civilian employees-full time	56	69	68	68	75	50	48	49	50
Physical arrests	3,660	3,391	3,558	3,321	2,923	3,405	3,022	3,277	2,809
Parking violations	13,474	13,305	10,480	11,263	13,635	11,504	15,494	18,265	18,364
Traffic violations	8,952	7,323	6,599	7,349	11,044	8,066	12,259	8,245	5,841
Libraries									
Total items	362,450	360,000	378,828	381,975	332,299	331,885	327,336	325,813	323,771
Volumes checked out	545,342	530,872	545,885	531,400	571,904	545,629	535,962	523,733	432,084
Library patrons	473,564	465,784	431,078	473,510	452,823	460,738	479,336	482,510	420,521
New library cards	6,500	7,129	7,335	6,864	7,291	7,785	7,054	6,624	5,121
Public Transit System									
Fixed route:									
Routes	2	2	2	2	N/A	N/A	N/A	N/A	N/A
Revenue service miles	157,223	159,070	149,683	148,373	N/A	N/A	N/A	N/A	N/A
Riders	255,135	212,087	182,306	166,078	N/A	N/A	N/A	N/A	N/A
Dial-A-Ride:									
Revenue service miles			172,072	167,881	176,830	179,739	185,589	191,067	199,273
Riders			46,904	53,870	54,648	63,931	69,818	75,521	79,466
Parks & Recreation									
Senior center patrons	103,860	103,860	119,786	100,860	129,506	78,648	92,656	99,235	102,783
Aquatics program participants	61,654	61,654	58,172	55,720	61,300	62,120	61,800	62,220	62,325
Tennis program participants	47,300	47,300	26,560	26,000	31,400	32,300	32,500	32,300	32,410
Youth program participants	175,805	195,000	206,181	209,850	209,960	200,558	226,594	214,477	211,552
Community center patrons	217,000	230,000	223,825	235,810	236,105	253,000	264,000	271,000	246,000
Parnell community & senior center patrons				74,563	80,576	88,587	93,870	141,711	149,635
York field patrons				45,360	103,000	110,000	113,000	116,000	118,000
Water Utility									
Avg daily water comsumption	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Maximum plant capicity per day	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000
Sanitary Landfill									
Permitted limit tons per day	350	350	350	350	350	350	350	350	350
Sewer System									
Single-family sewer service	18,442	18,442	18,442	18,442	18,442	18,442	18,442	18,442	18,442
Multi-residential sewer service	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024	2,024
Commercial sewer service	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675

Source: City of Whittier Departments

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	29	29	29	32	32	32	32	32	29	30
Number of canine units	2	2	2	2	2	2	1	1	1	1
Number of motorcycle units	5	5	5	5	5	5	6	6	6	5
Public Works:										
Miles of streets	190	190	212	212	212	212	212	212	212	212
Traffic signals	97	97	98	99	99	99	99	99	103	104
Number of street lamps	3,248	3,248	3,248	3,262	3,262	3,262	3,262	3,262	3,435	3,438
Libraries										
Number of libraries	2	2	2	2	2	2	2	2	2	2
Public Transit System										
Number of fixed route vehicles	4	4	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Number of dial-a-ride vehicles	6	5	7	7	9	11	12	13	17	17
Parks & Recreation:										
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	1679
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	2	2	2	2	2	2	2	2
Water Utility										
Miles of mains	137	137	137	137	137	137	137	137	137	137
Number of hydrants	910	910	910	910	910	910	910	910	910	910
Sanitary Landfill										
Acres of landfill permitted	132	132	132	132	132	132	132	132	132	132
Sewer System										
Miles of sanitary sewer lines	214	214	214	214	214	214	214	214	214	214

Source: City of Whittier Departments

WHITTIER CALIFORNIA
INC 1898