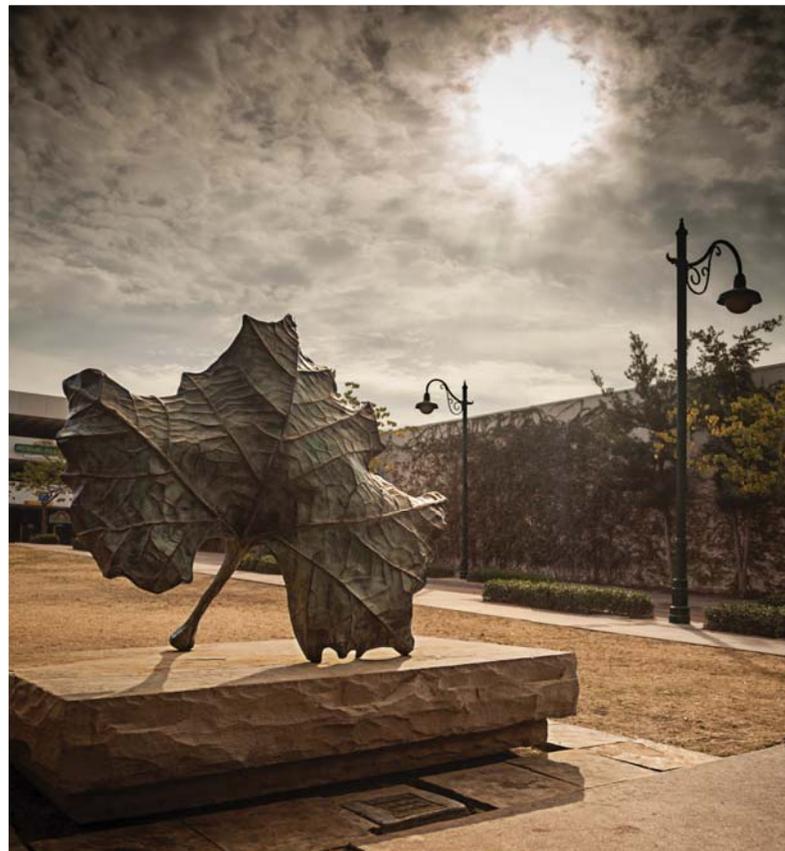




City of Whittier, California
Comprehensive Annual Financial Report
Year Ended June 30, 2018



CITY OF WHITTIER, CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**



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

Fiscal Year Ended June 30, 2018



City Council

Joe Vinatieri
Mayor

Josué Alvarado
Mayor Pro Tem

Council Members
Fernando Dutra
Henry Bouchot
Cathy Warner

Jeffrey W. Collier
City Manager

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



City of Whittier

Introductory Section

CITY OF WHITTIER, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018

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City of Whittier

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December 18, 2018

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, 2018. This report is prepared in accordance with local ordinance and state law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America, as well as the opinion of Vavrinek, Trine, Day & Co., LLP, an independent firm of licensed certified public accountants. This financial report includes the Whittier Public Financing Authority, Whittier Housing Authority and the Whittier Utility Authority, for which the City is considered to be financially accountable. In accordance with the Governmental Accounting Standards Board, management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that document. The City’s MD&A can be found immediately following the independent auditors’ report.

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

Background

Whittier is located in Los Angeles County, about 12 miles southeast of the City of Los Angeles. A five-member City Council under the Council – Manager form of government, governs the City. Whittier is a charter law city and was incorporated in 1898. The Charter form of City government was ratified in 1955. The City covers 14.8 square miles and has an estimated population of 87,369. Businesses and industries in the area include 436 professional services, 845 retail stores, 200 family type restaurants, 40 manufacturing plants, 8 hotels and motels, 2 automobile dealerships and over 303 specialty shops and boutiques, predominantly located in Uptown Whittier, the Whittier Marketplace, the Quad shopping mall, as well as the Whittwood Town Center.

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

Services Provided by the City

The City provides a full complement of services to its citizens. The services provided by the City include police, parks, maintenance, planning, building, engineering, library, public transit, and general administration. The City also operates various enterprise programs that provide water, sewer and solid waste services to portions of the community. Solid waste collection and cable broadcasting services are provided through franchise arrangements with private vendors. In addition, the City provides police services through a contract to the neighboring City of Santa Fe Springs, and the Los Angeles County Fire Protection District supplies fire services to our residents.

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

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

Economic Condition and Outlook

The housing market has continued to improve over recent years. With interest rates continuing at relatively low levels, the City remains confident both housing construction and prices will continue to grow during the 2018-19 fiscal year. In Southern California, the July 2017 median home price reached \$501,000, an 8.9% increase as compared to July 2016. However, home sales volumes were up only 1.6%. Increasing property values have had a positive impact on the General Fund, accounting for \$426,000 of the additional estimated 2018-19 revenue growth.

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

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

In June 2018, the City's unemployment rate was 4.7%, with Los Angeles County at 4.8% and 4.5% statewide. The City's unemployment rate compares favorably with neighboring cities of comparable size.

Consumer spending in Southern California continued to improve, increasing by 2.1% as reported by the Bureau of Labor Statistics. This increase was below prior year levels, but the housing and vehicle sectors continued to see the strong spending. Local economic growth has been consistent over the past few years and improvement is expected to continue at a modest pace.

Long-Term Financial Planning

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

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

In 2017-18, CalPERS rates increased from 26.43% to 28.517% and from 54.679% to 59.111% for Miscellaneous and Safety employees respectively.

Major Initiatives

For the Year. In carrying out 2017-18 initiatives, staff worked diligently to implement the new programs and policies that the City Council brought to the forefront. Although some of these activities are not necessarily reflected in the financial statements, they are significant to the future of the City. Some of the more important activities are summarized below.

The City continued providing administrative services to the Puente Hills Landfill Native Habitat Preservation Authority through an Inter-Agency Agreement, now in its twentieth year. The Authority continued reimbursing the City 100% of the direct costs incurred on their behalf.

The City Manager solicits and follows the direction of the City Council to implement City policies and programs outlined in the budget, annual work plan, and other City Council actions. Priority efforts for this fiscal year included working to finalize plans regarding reuse of the former Fred C. Nelles property, now called The Groves, coordinating with Washington Boulevard Coalition cities to support the preferred route for the Metro Gold Line light rail eastside extension, and facilitating the City's second Council district-based election. Other initiatives included oversight of capital projects using \$25.9M in bond funds, including plans for an Uptown parking structure and streetscape beautification and the reopening of Palm Park Community Pool; overseeing design of the Whittier Greenway Trail eastern extension; soliciting regional, State and Federal funding for local and regional projects; and representing the City's position on State and Federal legislation.

City Council approved significant and necessary funding for the Police Department to upgrade its voice radio system, and the Police Department is midway through the system procurement and implementation. The necessary equipment for Communications Center's portion of the new system has been purchased and is being installed. The Police Department in conjunction with the Los Angeles County Department of Mental Health (DMH) demonstrated another year of its successful partnership, established to proactively address issues in the community. The DMH clinician and police officer who make up the MET team often provided much needed referral services to the mentally ill encountered in the City.

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

The Community Development Department's Planning Division assisted over 11,350 individuals at its public counter and received 1,177 development review requests. Among some of the most significant requests processed were the development of a 60-unit apartment complex in conjunction with the adaptive re-use of the existing Five Points Carwash at 8016 Santa Fe Springs Road, the establishment of a dining hall and brewery within the existing Nixon Plaza building located at 13002 Philadelphia Street, and the development of a new 13-unit apartment complex at 12428 Washington Boulevard. With respect to historic resource management, the Planning Division processed three Certificates of Appropriateness applications during the fiscal year.

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

The Parks, Recreation and Community Services Department continued to provide a full range of programs for the Whittier community. The Uptown and Parnell Park Senior Centers continued to offer dances, seminars, and excursions, while Therapeutic Recreation continued its programming for those with disabilities, including its participation in the Special Olympics program. Other special events included the summer concerts and movies in the parks, Spooktacular 5K, Easter Eggtravaganza, and Abilities Awareness Faire. A new homeless plan was adopted in hopes to begin offering services to those in need. The Transit Division successfully applied for a Federal grant to fund four replacement Dial-A-Ride vehicles. The Palm Park Pool and deck were renovated, the Community Center gym floor was replaced and the Senior Center received new flooring throughout the facility.

The Public Works Department's Engineering Division completed the Mar Vista Street Overlay, McGee Alley Rehabilitation, Uptown Parking Lot Rehabilitation and the Youngwood Drive Overlay projects utilizing local Transportation funds. The City continued pavement striping using thermoplastic, curb painting, and various street legends around schools and major commercial centers.

The Water Division completed installation of the Friends Avenue and Washington Avenue Water Main Replacement, Bright Avenue Water Main Replacement, Canyon Crest Water Main Replacement projects. The Sewer Division completed the Newlin Avenue and Washington Avenue Alley Sewer Main Replacement and Union Avenue Sewer Main Replacement projects. The City's sewer contractor completed 100 repairs as a part of the Sewer Main Spot Repair Project.

The Library was awarded grants from the California State Library during the fiscal year. One of the grants provided necessary equipment and training for an "Innovation Station/Makerspace" at the library. This would enable the library to provide STEAM (Science, Technology, Engineering, Art, and Math) projects and job skills workshops for the community. The library was awarded a grant, "Connecting Communities through Digital Storytelling", which built upon the initial StoryCenter grant. The library was able to purchase laptops and sound equipment for community members to gain new technological skills and write their personal stories to share with others, bringing new insight, conversation, and empathy. The library also received grants from the National Endowment for the Humanities to purchase shelving for historic tax records in the Whittier History collection. In addition, the Whittier Public Library received a grant for the Innovation Lab project providing creative programs to engage today's immigrant communities. "Culture for the Senses" brought art, artifacts, music, dance, and film to the library. Central and Whittwood Branch libraries circulated over 307,000 items. A total of 2,500 children participated in the Summer Reading Program. Attendance at children's programs totaled 37,000 and the 83 adult programs had an attendance of 3,700. The Homework Center received a grant for its continued operation to provide much needed resources through databases and services for students, such as online tutoring. The library continues to build its collection of e-books and e-magazines, expand services at its Veterans' Resource center, augment its local history collection, as well as enhance operations and resources through grants and partnerships with community organizations.

The City Clerk administered programs providing technology services for the efficient flow, storage, and retrieval of records. The Information Technology Division provided assistance with the upgrade to the Police CAD/RMS system and began efforts to launch a new City website. The Records Management Division worked on a number of projects including a new document imaging system and conversion of microfilm into digital format. Over 300 responses were provided to Public Records Requests. Major GIS projects included continuing implementation of the Accela Permit and Asset Management System application, identifying and mapping 1100 new addresses, custom applications for Public Works, and maps for the Greenway Trail East extension, Community Benefit District, and Preferential Parking Districts. The City Clerk Division implemented agenda management software for electronic agenda workflow. Legislative documents, agendas, legal notices, and reports were compiled, disseminated and secured for City Council meetings. Elections were held in November 2017 and April 2018 and the City's election date was changed to consolidate with the statewide primary.

Administrative Services continued to manage many of the City's administrative functions, including accounting & budget, human resources, revenue and treasury, risk management, emergency management and wildlife management. The department collaborated on a number of key issues, including various budget and personnel initiatives. In addition, Administrative Services continued to oversee the Emergency Operations Center (EOC), disaster preparedness, workers' compensation and general liability programs.

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

Completion of the Police radio system upgrade and transition is slated for the mid-fiscal year. Once the system is fully operational, the Police Department will utilize the Interagency Communications Interoperability radio network through the City of Montebello. The system will provide department personnel with an all-digital encrypted radio network, and allow them to communicate via radio with other agencies throughout Los Angeles County in the event of a regional emergency or disaster.

The Parks, Recreation and Community Services Department will continue the installation of landscaping and cable fencing along the Greenway Trail's East Extension. Other upcoming projects include Community Center Improvements, removal of 40 trees at Murphy Ranch Park, new fencing at Central Park, Guirado Park Handball Courts will be removed, and new playground equipment at Lee Owens Park.

The Public Works Department's Engineering Division will use the updated Pavement Management System to guide future street improvement programs, which will balance the maintenance needs of the City's pavements with available funding. The system will serve as a useful tool to identify unfunded needs and to track pavement condition. With this program, the Division will program roads for repair over the next five years using the newly instituted Road and Rehab (SB-1) funds to complete surface treatment repairs. Future recommendations will be implemented through use of Traffic Congestion Relief, Gas Tax, Measure R, and other grant funds to rehabilitate portions of Valley Home Avenue, surface treatment of various streets, and Santa

Gertrudes Avenue. Continuing with the annual ramp and sidewalk improvement program, new sidewalks and ramps will be constructed at various locations throughout town.

Older series street lighting circuits will be replaced with new multiple street light circuits and services for Philadelphia Street College Hills area and the area north of Mar Vista Street. Federal Highway Safety Improvement Grant funds will be use to replace older guardrails, install pedestrian countdown signals citywide and construct sidewalks along La Serna Drive.

Construction of the Whittier Greenway Trail East Extension Gap Closure Project is anticipated to receive California Transportation Commission, Caltrans and FHWA approval and allocation of funding to begin the advertising process for construction bids in June of 2019.

The Public Works Department's Water Division will continue to design and construct main replacement projects in fiscal year 2018-19, including the Hoover Avenue and Norwalk Boulevard Water Main Replacement, Whittier Marketplace Water Main Replacement, 670 Zone Capacity Enhancement and the High Pressure Water Main Replacement Phase 1 and Phase 2 projects. The Water Division will implement a program to replace water meters, with a goal to upgrade all meters in the City over the next fifteen years. The Water Master Plan identifies capacity issues within existing water mains and guide replacement of all 4-inch water mains with service connections in the coming years. Whittier's most important priority continues to be ensuring safe, quality drinking water for the customers we serve.

The Sewer Master Plan has identified a number of capacity and rehabilitation projects to increase the efficiency of the sewer system. These projects have been divided into five phases. Sewer projects include the sewer north of Hadley Street in the alley and the sewer mains north of this collector, and Phase 1 of the Sewer Master Plan. The City's contractor will continue with Sewer Main Spot Repairs.

Construction of the Phase 3 Liner Project at the landfill, will shift operations to the east side of the facility, and will be completed in late 2018. A new perimeter fence and gate at the entrance of the landfill will also be installed to enhance security.

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 Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a recipient of Federal, State and county financial assistance, the City is also responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

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

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, 2017. This was the twenty-ninth 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 Amendments of 1996 and Title 2 U.S. CFR Part 200, *Uniform Guidance*. The auditors' report on the basic financial statements and schedules is included in the financial section of this report.

The preparation of this comprehensive annual financial report was accomplished on a timely basis by the dedicated staff of the Administrative Services Department and with a special thanks to Monica Lo, Assistant Director of Administrative Services, for her dedication and commitment to the preparation of this document. I wish to express my appreciation to all City staff who have assisted and contributed to the preparation of this comprehensive annual financial report. Appreciation is also expressed to the audit staff of Vavrinek, Trine, Day & Co., LLP for their advice and assistance in preparation of this report. Finally, I would like to thank the Mayor, members of City Council, and the City Manager for their continuing support and active participation in the City's financial planning and operational oversight.

Respectfully submitted,

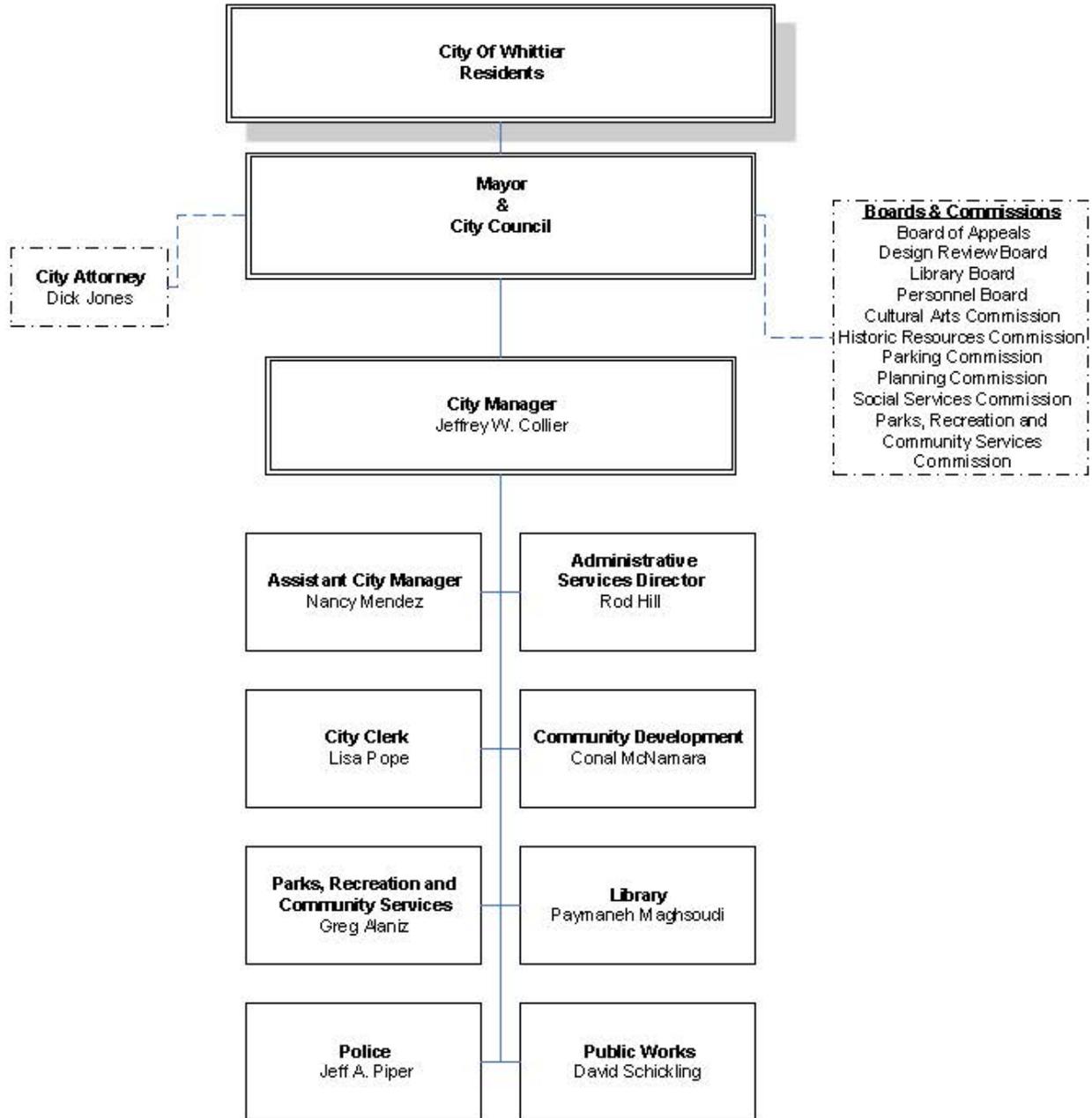
A handwritten signature in blue ink, appearing to read "ROD", with a stylized, cursive-like font.

Rod C. Hill
Director of Administrative Services



City of Whittier

Organization Chart



CITY OF WHITTIER

Principal Officers *June 30, 2018*

Jeffrey W. Collier
City Manager

Nancy L. Mendez
Assistant City Manager

Jeff Piper
Chief of Police

Richard D. Jones
City Attorney

Lisa Pope
City Clerk

Rod C. Hill
Administrative Services Director

Conal McNamara
Community Development Director

Greg Alaniz
Parks, Recreation and Community Services Director

Paymaneh Maghsoudi
Library Director

David Schickling
Public Works Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Whittier
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Whittier

Financial Section



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

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whittier, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective July 1, 2017. This resulted in a restatement of beginning net position as disclosed in note 18 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability, schedule of contributions, and schedule of changes in the total OPEB liability and related ratios on pages 4 through 17 and 95 through 98 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 17, 2018, 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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 17, 2018

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**CITY OF WHITTIER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

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, 2018. 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 2017-18 fiscal year by \$194.2 million (net position). Of this amount, \$144.3 million is net investment in capital assets; \$11.5 million is restricted for public works; \$48.3 million is restricted for community development; \$8.3 million is restricted for various projects, which resulted in a negative \$18.2 million in unrestricted net position. The main reason for the negative unrestricted net position is the recognition of the net pension liability in accordance with GASB 68. In addition, effective July 1, 2017, the City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Please refer to notes 12 and 13 for additional information on the net pension liability and the net OPEB liability, respectively.
- The City's total net position decreased by \$5.2 million or 2.60% from the prior fiscal year. Total revenues from all sources were \$97.8 million; and total expenses were \$103.0 million. Of the total revenues, program revenues were \$51.0 million. Program revenues are broken into three categories: Charges for services at \$43.6 million, operating contributions and grants at \$5.8 million, and capital contributions and grants at \$1.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$104.9 million, an increase of \$2.7 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30.1 million or 50.1% 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 \$4.6 million less than budget. This results in the total positive budget and actual variance of \$6.0 million in the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of a series of financial statements and notes to the basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term and their available resources for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information related to 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 agency. This report also contains other supplementary information to the basic financial statements.

Reporting the City as a Whole

The statement of net position and the statement of activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse 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 in a way that helps answer this question. These statements include *all* assets, liabilities and deferred inflows/outflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and related changes. You can think of the City's net position—the difference between assets, liabilities and deferred inflow/outflows—as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are an indicator of whether its *financial health* is improving or deteriorating. However, the reader 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 administration, community development, public safety, public works, libraries, local transit, parks and recreation and economic development. Property taxes, transient occupancy taxes, sales taxes and franchise fees finance most of these governmental activities.
- Business-type activities—The Whittier Utility Authority includes the Water, Sewer and Solid Waste funds of the City. These funds account for the operations and maintenance for water, wastewater and solid waste disposal.
- Component units—The City's governmental activities and business-type activities include the blending of two separate legal entities—the Whittier Public Financing Authority and the Whittier Utility Authority. Although legally separate, these "component units" are important because the City is financially accountable for their activities.

Reporting the City's Most Significant Funds

Fund financial statements

The fund financial statements provide detailed information about the City's 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 appropriately demonstrate it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two main 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 determine whether there are more or less financial resources that can be spent in the near future to finance City 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 the reconciliation at the end 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 used to accumulate and allocate costs internally among the City's various functions—such as the City's self-insurance fund, employee benefits and fleet.

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 other City 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 similar to those used for proprietary funds.

The statement of fiduciary net position can be found immediately following the proprietary fund financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the statement of fiduciary net position.

The combining and individual fund statements and schedules can be found immediately following the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Whittier, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$194.2 million at the close of the most recent fiscal year. The largest portion of the City's net position (74.3%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position
(in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$156,802	155,055	47,387	46,453	204,189	201,508
Capital assets	99,663	100,582	59,785	58,429	159,448	159,011
Total assets	256,465	255,637	107,172	104,882	363,637	360,519
Deferred outflows of resources	26,450	18,847	2,313	1,931	28,763	20,778
Noncurrent liabilities	144,327	122,680	39,444	37,816	183,771	160,496
Other liabilities	7,123	8,037	3,143	3,372	10,266	11,409
Total liabilities	151,450	130,717	42,587	41,188	194,037	171,905
Deferred inflows of resources	3,915	4,229	244	349	4,159	4,578
Net position:						
Net investment in capital assets	99,663	100,582	44,609	42,623	144,272	143,205
Restricted	67,929	68,206	215	40	68,144	68,246
Unrestricted	(40,042)	(29,250)	21,830	22,613	(18,212)	(6,637)
Total net position, restated	\$127,550	139,538	66,654	65,276	194,204	204,814

A portion of the City's net position (35.1%) represents resources that are subject to external restrictions on how they may be used. As described in Note 1 to the financial statements, the City implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. This implementation along with the recognition of a net pension liability are the primary contributing factors to the *negative unrestricted net position* of \$18.2 million on the Statement of Net Position.

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

Capital assets had a net decrease of \$918,971 in the governmental activities because of net capital assets addition of \$6.5 million, net capital assets deletion of \$398,996, and depreciation of \$7.0 million during fiscal year 2017-18. The main capital projects during the fiscal year were the replacement of mobile equipment of \$929,269, the acquisition of five new Transit buses for \$341,197, Palm Park improvements of \$174,520, Community Center flooring and other improvements of \$228,320, additional land acquisition of \$462,333, and work in progress for the Uptown and temporary parking structures of \$1.2 million. Capital assets had a net increase of \$1.4 million in the business type activities, mainly as a result of the sewer main and water main replacement at various street locations.

The City adopted GASB 75 effective July 1, 2017, which resulted in a restatement of net OPEB liability as of July 1, 2017. At the end of the current fiscal year, the City's governmental activities had total long-term liabilities of \$144.3 million; of which \$121.6 million was related to net pension liability and \$9.4 million related to net OPEB liability. There is an increase of \$1.4 million in noncurrent liabilities other than net pension and net OPEB liabilities in the City's governmental activities over the prior fiscal year. This increase resulted from a combination of net increases in compensated absences of \$202,451, and claims payable of \$1.2 million. There was a net increase in long-term debt for the current fiscal year of \$1.6 million in the business-type activities due to \$532,237 net increase from restated and current year changes in other postemployment benefit liability, \$562,016 increase in accumulated landfill closure and post-closure liability, net increase of \$27,976 in compensated absences, \$633,022 in revenue bond repayments and amortization, and a net increase of \$1.1 million in net pension liability.

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

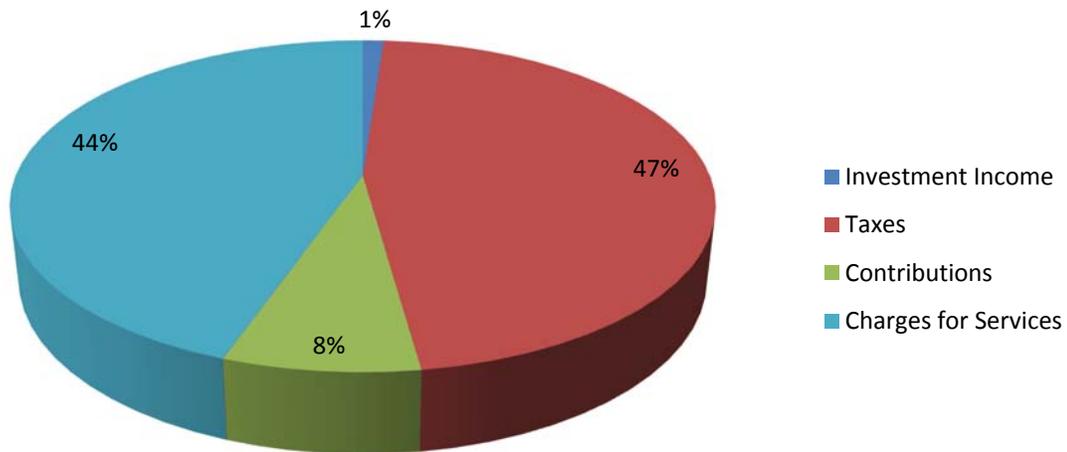
Table 2
Changes in Net Position
(in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$20,868	23,465	22,708	21,944	43,576	45,409
Operating contributions and grants	5,646	7,865	170	239	5,816	8,104
Capital contributions and grants	1,634	990	-	-	1,634	990
General revenues:						
Taxes:						
Property taxes*	16,277	15,293	-	-	16,277	15,293
Transient occupancy taxes	1,071	831	-	-	1,071	831
Sales taxes	10,622	9,737	-	-	10,622	9,737
Franchise taxes	4,267	2,829	-	-	4,267	2,829
Business licenses and tax	2,120	2,396	-	-	2,120	2,396
Utility users tax	6,695	6,801	-	-	6,695	6,801
Transit tax	4,555	2,903	-	-	4,555	2,903
Investment income	773	225	340	593	1,113	818
Other	12	1	5	14	17	15
Total revenues	74,540	73,336	23,223	22,790	97,763	96,126
Program expenses:						
General government	9,981	8,802	-	-	9,981	8,802
Public safety	39,712	35,449	-	-	39,712	35,449
Libraries	3,949	3,794	-	-	3,949	3,794
Parks and recreation	10,990	11,416	-	-	10,990	11,416
Public works	10,765	12,808	-	-	10,765	12,808
Transit	2,950	2,777	-	-	2,950	2,777
Community development	3,813	1,405	-	-	3,813	1,405
Sewer	-	-	2,803	2,461	2,803	2,461
Water	-	-	12,184	11,084	12,184	11,084
Solid waste	-	-	5,810	5,473	5,810	5,473
Interest on long-term debt	-	-	-	-	-	-
Total expenses	82,160	76,451	20,797	19,018	102,957	95,469
Excess (deficiency) before transfers and special item	(7,620)	(3,115)	2,426	3,772	(5,194)	657
Transfers	557	(105)	(557)	105	-	-
Change in net position	(7,063)	(3,220)	1,869	3,877	(5,194)	657
Net position, beginning of year, as restated (1)	134,613	142,758	64,785	61,399	199,398	204,157
Net position, end of year	\$127,550	139,538	66,654	65,276	194,204	204,814

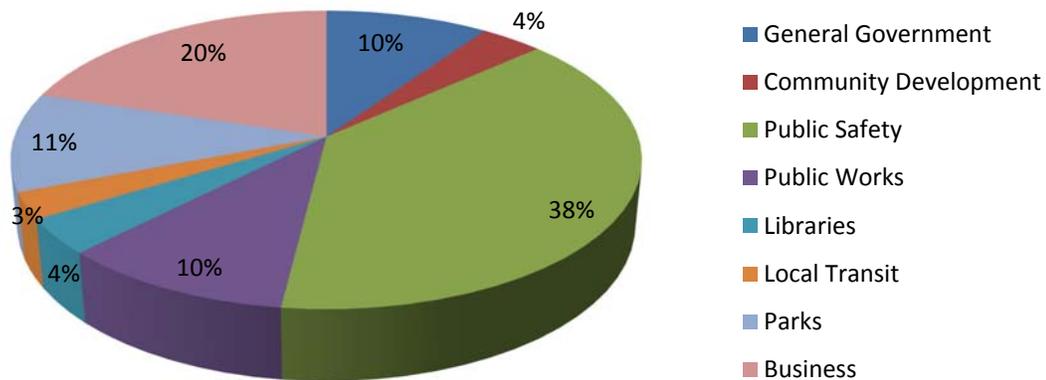
*Beginning in 2016, "motor vehicle in lieu, unrestricted" revenue has been reclassified to property taxes.

(Note - the 2017 columns have not been restated)

FY 2017-18 Total Revenues By Sources



FY 2017-18 Total Expenses



The City's total revenues for the fiscal year ended June 30, 2018 were \$97.8 million. Of the City's total revenues, \$43.6 million (44%) were derived from fees charged for services, and \$45.6 million (47%) were received in taxes.

The City's total expenses were \$103.0 million; comprising \$39.7 million (38%) for public safety mainly resulting from employee services costs, \$20.8 million (20%) for business-type activities, and \$10.8 million (10%) for public works mainly from street improvement projects.

Governmental Activities

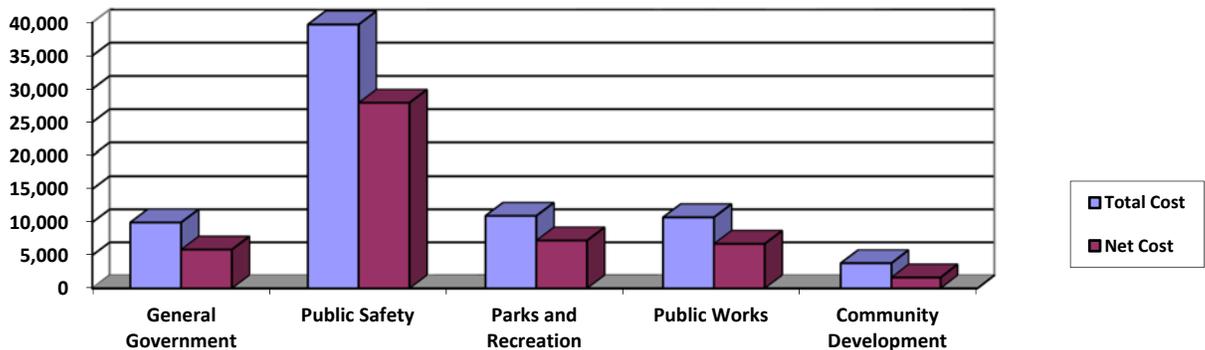
Table 3 presents the cost of each of the City’s five largest programs—general government, public safety, public works, parks and recreation and community development—as well as each program’s *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that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

Table 3
Governmental Activities
(in Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost (Revenues) of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Government	\$9,981	8,802	5,876	3,479
Public Safety	39,712	35,449	27,925	24,176
Parks and Recreation	10,990	11,416	7,255	8,374
Public Works	10,765	12,808	6,746	3,120
Community Development	3,813	1,405	1,647	335
Total	\$75,261	69,880	49,449	39,484

- The net cost (revenues) of services indicates that the overall cost of government is more (less) than the revenues generated to support it. See the Statement of Activities for further detail on program revenues and general revenues.
- Significant change in public safety cost of services in the current fiscal year was due to increasing in employee service costs.

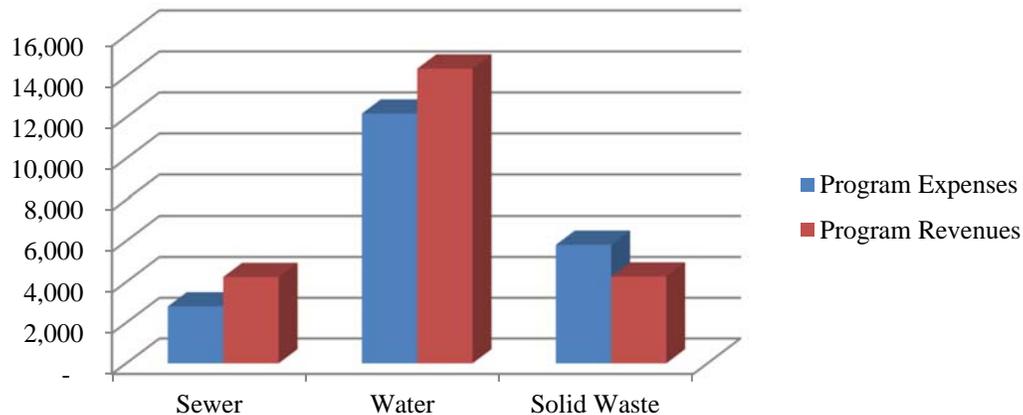
Net Cost of Services
(in Thousands)



Business-type Activities

Business-type activities had the net increase of \$1.9 million in City’s net position, resulting from the revenues of \$23.2 million and expenses of \$21.3 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 \$104.9 million, an increase of \$2.7 million in comparison with the prior year. \$40.1 million of this total amount constitutes *unrestricted fund balances*. \$3.8 million of *unrestricted fund balances* is *committed fund balance* that represents resources whose use is constrained by limitations imposed at the highest level of decision making that requires formal action at the same level to remove, this includes emergency contingency of \$3.2 million. \$6.7 million of *unrestricted fund balances* is *assigned fund balance* that describes the portion of fund balance that reflects its intended use of resources. \$29.6 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):

Fund Balance:	<u>2018</u>	<u>2017</u>	Increase <u>(Decrease)</u>
General Fund	\$47,515	47,031	484
Transit Fund	6,178	5,159	1,019
Subventions and Grants	(563)	(1,829)	1,266
HOME Fund	3,408	2,404	1,004
Housing Authority Fund	16,013	16,767	(754)
Capital Projects Fund	17,658	19,002	(1,344)
Total Fund Balance	\$90,209	88,534	1,675

The General Fund is the chief operating fund of the City. The fund balance of the General Fund increased by \$484,153 during the current fiscal year. Key factors for this change are as follows:

- An increase of \$3,224,384 in taxes revenue compared to the prior fiscal year, which was due to \$983,598 increase in property taxes, \$885,146 increase in sales taxes, \$1,438,829 increase in franchise taxes, and \$83,189 net decrease in other taxes.
- A decrease of \$1,231,976 in charges for services as compared to the prior fiscal year was mainly due to reduction in the Solid Waste Collection of \$1,453,333 in the current fiscal year.
- An increase of \$409,670 in use of money and property revenue as a result of increasing interest earnings during the fiscal year.
- An increase in total expenditure of \$973,603 as compared to the prior year was mainly due to increasing employee services costs.
- An increase in transfers out from General Fund of \$2,109,506 as compared to the prior year was mainly for capital projects and equipment replacement costs. Of this increase, \$1,948,702 was transferred specifically for the replacement of the police radio system.

The transit special revenue fund had a total fund balance of \$6.2 million, an increase of \$1,018,299 primarily due to an increase in revenues of \$461,814 compared to the prior fiscal year.

The subventions and grants fund had a negative fund balance of \$563,485, an increase of \$1,265,645 in fund balance primarily due to the receipt of unreimbursed grants from prior fiscal year.

The HOME fund had a total fund balance of \$3.4 million, which represented an increase of \$1,004,454 in fund balance due to the receipt of \$1,045,824 for the Comstock/Penn reimbursement from the Whittier Housing Authority in the current fiscal year.

Due to the dissolution of the former redevelopment agency, the housing activities and assets of the former redevelopment low and moderate income housing fund were transferred to the Whittier Housing Authority; and the remaining of assets and liabilities of the former redevelopment funds were transferred to the redevelopment successor agency on February 1, 2012. As of the end of the fiscal year, the Whittier Housing Authority had a total fund balance of \$16.0 million, a decrease of \$753,878 compared to the prior fiscal year. An increase of \$336,212 in revenues and a corresponding increase of \$1,069,475 in expenditures, of which \$1,045,824 was related to the Comstock/Penn payment to the HOME fund as noted above.

The capital projects fund had a total fund balance of \$17.7 million, a decrease of \$1.3 million during the fiscal year. In the prior year, the City received a one-time reimbursement for the energy efficiency project of \$1,437,117.

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 \$21.8 million with an increase of \$1.9 million in total net position, mainly resulting from increased 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, 2018, unrestricted net position of the internal service funds was \$19.5 million, with a total increase in net position of \$446,428 from the prior fiscal year. The services provided by the internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

General Fund Budgetary Highlights

Changes to Original Budget

Comparing the current fiscal year original (adopted) budget for General Fund expenditures in the amount of \$60,302,122 to the final budgeted amount of \$64,802,476 shows a net increase of \$4,500,354 or 7.5%.

The increase in appropriation of \$4,500,354 can be briefly summarized as follows:

- An increase of \$3,429,782 to general government expenditures for Elections, City Controller, City Treasurer, Civic Center Maintenance, Non-Departmental, and City Planning for unspent appropriations from prior years related to capital projects and general plan implementation.
- An increase of \$87,083 to the Police Department and Emergency Management for SWAT vests and emergency supplies.
- An increase of \$411,115 to the libraries related to \$65,000 of donation from the Friends of the Library, \$45,000 of supplemental appropriation for an educational outreach program for special election and \$301,115 of prior year unspent grants from the Library Foundation, Friends of the Library, Assistance League and Mattox Child.
- An increase of \$453,682 was allocated to the Parks, Recreation and Community Services Department for: Michigan Fitness equipment (\$10,000); Community Center improvements (\$98,000); Palm Park improvements (\$44,000); Arts in Public Places (\$75,000); Greenway Trail Extension (\$183,932) and other programs (\$42,750).
- An increase of \$80,098 was allocated to Public Works department mainly for unspent appropriations from prior years related to road materials and supplies.

Variance with the Final Budget

General Fund actual revenues were higher than estimated in final budget by \$1,365,986 for the current fiscal year. Following are the main components of the variance:

- Taxes: There was a net \$818,906 positive variance with the final budget in total tax revenues. The key factors were positive variances in property tax (\$605,564), sales tax (\$227,886), transient occupancy tax (\$287,661) and vehicle in lieu (\$91,642) revenues. In addition, there was a negative variance in utility users tax revenue of \$380,329.
- Licenses and permits: The \$248,139 positive variance in actual vs. final budget was related to increased business licenses and various permit revenues due to increased enforcements within the City.
- Fines and forfeits: The \$118,919 negative variance in actual vs. final budgeted revenue was related to decreases in court and parking fines.
- Charges for services: The \$1,325,061 positive variance in actual vs. final budget was due to \$710,225 positive variance of Police Department charges for services, mainly from Santa Fe Springs police overtime charges. There was an unanticipated lease opportunity of water rights in the amount of \$588,000 in the current year.
- Intergovernmental: The \$290,395 negative variance in actual vs. final budget was due to unreimbursed grants in the current year.

General Fund expenditures were \$4,641,027 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 2018, the City had \$159.4 million (net of accumulated depreciation of \$157.3 million) invested in a broad range of capital assets, including police equipment, buildings, land, rights-of-way, trees, park facilities, machinery and equipment, and roads. (See Table 4 below and relevant disclosures in note 8 to the basic financial statements.) This amount represents a net decrease (including additions and deductions) of \$437,370, or 0.3%, over last year. The main capital asset additions are related to sewer lines replacement of \$1.6 million, water main replacement at various street locations of \$3.0 million, Back Canyon improvement phase III of \$310,245, Uptown parking structure improvement and related cost of \$1.2 million, and \$929,269 of new mobile equipment purchased during the fiscal year. The total depreciation for the year was \$9.0 million.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and trees	\$28,270	27,774	2,827	2,827	31,097	30,601
Rights of way	5,326	5,326	-	-	5,326	5,326
Easement	3,512	3,512	-	-	3,512	3,512
Construction in progress	1,465	225	3,933	3,196	5,398	3,421
Buildings and improvements	40,632	41,430	52,880	52,096	93,512	93,526
Machinery and equipment	6,361	6,818	145	310	6,506	7,128
Infrastructure	14,097	15,497	-	-	14,097	15,497
Total	\$99,663	100,582	59,785	58,429	159,448	159,011

The City's five-year Capital Improvement Plan was projected to spend another \$74.7 million through fiscal year 2021-22. Typically, larger projects are funded and completed over several fiscal years. Funding will come from current available bond proceeds, current fund balances, and projected revenues over the next five years. The most significant capital improvements include: the water main replacement project of \$21.7 million; water system replacement project of \$1.0 million; other water related improvements of \$.9 million; upgrade and maintenance of the City's landfill of \$4.2 million; sewer replacement program of \$13.5 million; police radio systems of \$2.0 million; other police maintenance and data network of \$1.2 million; computer, communication and information technology maintenance and replacement projects of \$3.1 million; and various pavement, street and traffic signal improvements of \$38.5 million principally from special revenue funds.

Long-term debt

As of June 30, 2018, the City had \$183.8 million in noncurrent liabilities outstanding comparing to \$160.5 million in last fiscal year – a net increase of \$23.3 million – as shown in Table 5 and note 9 to the basic financial statements. Of this amount, \$15.9 million represented total bonded debt outstanding, \$7.2 million represented claims payable, \$6.6 million represented compensated absences, \$14.0 million represented landfill closure and post-closure, \$10.6 million represented net OPEB liability, and \$129.5 million represented net pension liability. There was \$633,022 in principal repayments in accordance with certain debt schedules, and \$16.1 million addition in net pension liability. The City adopted *GASB Statements No. 68, Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* on July 1, 2014. Please refer to note 12 for additional information on the *net pension liability*. The City implemented *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Please refer to Note 13 for additional information on the *net OPEB liability*. The 2017 net OPEB liability per Table 5 below was restated because of the implementation. There was \$234,000 deduction in net OPEB liability for the fiscal year due to the most recent actuarial valuation. The City had no significant changes in its credit ratings during the fiscal year.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Compensated absences	\$6,056	5,853	493	465	6,549	6,318
Tax allocation bonds	-	-	-	-	-	-
Revenue bonds	-	-	15,340	15,935	15,340	15,935
Premium on bonds	-	-	567	605	567	605
Landfill closure and postclosure	-	-	14,002	13,440	14,002	13,440
Claims payable	7,243	6,029	-	-	7,243	6,029
Net OPEB liability, as restated	9,419	4,155	1,149	617	10,568	4,772
Net pension liability	121,609	106,642	7,893	6,754	129,502	113,396
Total, as restated	<u>\$144,327</u>	<u>122,679</u>	<u>39,444</u>	<u>37,816</u>	<u>183,771</u>	<u>160,495</u>

(Note - the 2017 columns have not been restated)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy of the City is based around the needs of its citizens, with over 61% of the City's General Fund operating revenues coming from tax revenues.

The City's budget (2018-19) projections take into account the historical trends, current economic factors and consultant recommendations. An overall increase in General Fund operating revenues of approximately \$4.3 million or 4.9% as compared to the 2017-18 adopted budget is anticipated. General Fund revenues are projected to increase by \$1.1 million or 1.8% for 2018-19. For fiscal year 2018-19, sales tax revenue is projected to have an increase of 1.2% or \$125,000 compared to the 2017-18 adopted budget due to increased consumer confidence. Property tax revenue is projected at \$6.2 million, which represents a 7.4% increase from the 2017-18 adopted budget, due to continuing improvement of real estate market projections for the upcoming years. Franchise tax revenue is projected to increase by \$45,000, 1.7% increase from the 2017-18 adopted budget. Utility user tax projection remains consistent with the prior year's adopted budget at \$7.1 million. Operating expenditures have been projected at \$63.5 million in General Fund. The budget reflects adjustments to retirement costs based on the CalPERS contribution rates for 2018-19, which are 32.0% for classic miscellaneous employees, 61.8% for classic safety employees, 29.75% for PEPRA miscellaneous employees, and 63.8% for PEPRA safety employees, 12% of these rates are being paid by the employees. It is estimated that the General Fund will have an available fund balance of approximately \$26.6 million at the end of fiscal year 2018-19.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF WHITTIER, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (note 3)	\$ 99,191,263	31,284,113	130,475,376
Restricted assets:			
Cash and investments (note 3)	717,423	10,362,346	11,079,769
Cash and investments with fiscal agents (note 3)	20,937,750	730,908	21,668,658
Accounts receivable	-	14,992	14,992
Interest receivable	-	110,824	110,824
Receivables:			
Intergovernmental	4,937,223	-	4,937,223
Accounts	1,205,979	4,451,591	5,657,570
Notes and loans (note 5)	18,929,575	-	18,929,575
Interest	691,255	38,056	729,311
Inventory	-	394,178	394,178
Advances to Successor Agency (note 7)	7,536,279	-	7,536,279
Less: Allowance for advances	(526,297)	-	(526,297)
Prepaid items	123,005	-	123,005
Land held for resale (note 4)	3,058,920	-	3,058,920
Capital assets not being depreciated (note 8)	38,573,043	6,759,526	45,332,569
Capital assets being depreciated, net (note 8)	61,089,639	53,025,573	114,115,212
Total Assets	<u>256,465,057</u>	<u>107,172,107</u>	<u>363,637,164</u>
Deferred Outflows of Resources:			
Deferred amounts related to pensions (note 12)	25,879,804	1,791,372	27,671,176
Deferred amounts related to OPEB (note 13)	570,434	69,566	640,000
Deferred charge on refunding	-	452,155	452,155
Total Deferred Outflows of Resources	<u>26,450,238</u>	<u>2,313,093</u>	<u>28,763,331</u>
Liabilities:			
Accounts payable	3,415,891	3,082,648	6,498,539
Accrued liabilities	3,058,063	-	3,058,063
Accrued interest payable	-	60,380	60,380
Deposits payable	257,426	-	257,426
Unearned revenue	391,290	-	391,290
Noncurrent liabilities (note 9):			
Due within one year	6,827,428	792,574	7,620,002
Due in more than one year	6,471,332	29,610,001	36,081,333
Net pension liability (note 12)	121,609,352	7,893,115	129,502,467
Total OPEB liability (note 13)	9,419,302	1,148,698	10,568,000
Total Liabilities	<u>151,450,084</u>	<u>42,587,416</u>	<u>194,037,500</u>
Deferred Inflows of Resources:			
Deferred amounts related to pensions (note 12)	3,462,981	189,066	3,652,047
Deferred amounts related to OPEB (note 13)	451,891	55,109	507,000
Total Deferred Inflows of Resources	<u>3,914,872</u>	<u>244,175</u>	<u>4,159,047</u>
Net Position:			
Net investment in capital assets	99,662,682	44,608,846	144,271,528
Restricted for:			
Public safety	1,654,095	-	1,654,095
Library	313,346	-	313,346
Public works	11,514,880	-	11,514,880
Water	-	214,959	214,959
Transit	6,177,761	-	6,177,761
Community development	48,269,960	-	48,269,960
Unrestricted	(40,042,385)	21,829,804	(18,212,581)
Total Net Position	<u>\$ 127,550,339</u>	<u>66,653,609</u>	<u>194,203,948</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary government:				
Governmental activities:				
General government	\$ (9,981,239)	3,981,048	124,486	-
Public safety	(39,711,691)	11,216,164	570,813	-
Libraries	(3,948,716)	269,495	73,448	-
Parks and recreation	(10,990,207)	2,333,701	1,401,158	-
Public works	(10,765,159)	2,879,607	676,380	463,134
Transit	(2,949,611)	184,993	636,693	1,171,265
Community development	(3,812,928)	3,020	2,162,719	-
Total governmental activities	(82,159,551)	20,868,028	5,645,697	1,634,399
Business-type activities:				
Sewer	(2,802,706)	4,241,727	-	-
Water	(12,183,510)	14,205,857	170,000	-
Solid Waste	(5,810,554)	4,260,344	-	-
Total business-type activities	(20,796,770)	22,707,928	170,000	-
Total primary government	\$ (102,956,321)	43,575,956	5,815,697	1,634,399

General Revenues:

Taxes:

- Property taxes, net
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses tax
- Utility users tax
- Transit tax

Other

Investment income

Total General Revenues

Transfers in (out)

Change in Net Position

Net Position, Beginning of Year, as restated (note 18)

Net Position, End of Year

See accompanying notes to financial statements.

Net Revenue (Expense) and Change in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(5,875,705)	-	(5,875,705)
(27,924,714)	-	(27,924,714)
(3,605,773)	-	(3,605,773)
(7,255,348)	-	(7,255,348)
(6,746,038)	-	(6,746,038)
(956,660)	-	(956,660)
(1,647,189)	-	(1,647,189)
<u>(54,011,427)</u>	<u>-</u>	<u>(54,011,427)</u>
-	1,439,021	1,439,021
-	2,192,347	2,192,347
<u>-</u>	<u>(1,550,210)</u>	<u>(1,550,210)</u>
<u>-</u>	<u>2,081,158</u>	<u>2,081,158</u>
<u>(54,011,427)</u>	<u>2,081,158</u>	<u>(51,930,269)</u>
16,276,423	-	16,276,423
1,070,661	-	1,070,661
10,621,779	-	10,621,779
4,267,373	-	4,267,373
2,120,380	-	2,120,380
6,694,671	-	6,694,671
4,555,324	-	4,555,324
11,765	5,196	16,961
773,039	339,720	1,112,759
<u>46,391,415</u>	<u>344,916</u>	<u>46,736,331</u>
<u>557,482</u>	<u>(557,482)</u>	<u>-</u>
(7,062,530)	1,868,592	(5,193,938)
134,612,869	64,785,017	199,397,886
<u>127,550,339</u>	<u>66,653,609</u>	<u>194,203,948</u>



FUND FINANCIAL STATEMENTS

CITY OF WHITTIER, CALIFORNIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	Special Revenue Funds		
	General Fund	Transit Fund	Subventions and Grants
Assets:			
Cash and investments	\$ 39,565,506	6,153,542	-
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Receivables:			
Intergovernmental	3,848,087	3,171	599,035
Accounts	1,124,684	42,578	-
Notes and loans	485,231	-	-
Interest	172,441	20,535	-
Due from other funds	468,799	-	-
Advances to Successor Agency, (note 7)	7,536,279	-	-
Less: Allowance for advances	(526,297)	-	-
Prepaid items	24,094	79,244	-
Land held for sale	-	-	-
Total Assets	\$ 52,698,824	6,299,070	599,035
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 996,562	113,639	53,875
Accrued liabilities	3,058,063	-	-
Due to other funds	-	-	462,310
Unearned revenues	391,290	-	-
Deposits payable	252,426	-	-
Total Liabilities	4,698,341	113,639	516,185
Deferred Inflows of Resources:			
Unavailable revenues	485,231	7,670	646,335
Total Deferred Inflows of Resources	485,231	7,670	646,335
Fund Balances:			
Nonspendable	7,034,076	79,244	-
Restricted	2,448,790	6,098,517	-
Committed	3,802,758	-	-
Assigned	4,126,994	-	-
Unassigned	30,102,634	-	(563,485)
Total Fund Balances	47,515,252	6,177,761	(563,485)
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 52,698,824	 6,299,070	 599,035

See accompanying notes to financial statements.

Special Revenue Funds		Capital Projects Fund		Non-major Governmental Funds	Total Governmental Funds
HOME Fund	Housing Authority	Capital Projects			
1,291,675	2,614,597	2,929,950		13,140,716	65,695,986
-	-	379,272		338,151	717,423
-	6,262,593	14,675,157		-	20,937,750
-	-	-		486,930	4,937,223
-	-	-		9,478	1,176,740
6,445,915	10,284,457	-		1,713,972	18,929,575
120,735	48,353	69,860		163,979	595,903
-	-	-		-	468,799
-	-	-		-	7,536,279
-	-	-		-	(526,297)
-	-	-		-	103,338
-	3,058,920	-		-	3,058,920
<u>7,858,325</u>	<u>22,268,920</u>	<u>18,054,239</u>		<u>15,853,226</u>	<u>123,631,639</u>
62,102	919	396,262		915,083	2,538,442
-	-	-		-	3,058,063
-	-	-		6,489	468,799
-	-	-		-	391,290
-	5,000	-		-	257,426
<u>62,102</u>	<u>5,919</u>	<u>396,262</u>		<u>921,572</u>	<u>6,714,020</u>
4,388,183	6,250,283	-		196,972	11,974,674
<u>4,388,183</u>	<u>6,250,283</u>	<u>-</u>		<u>196,972</u>	<u>11,974,674</u>
-	-	-		-	7,113,320
3,408,040	16,012,718	15,054,429		14,734,682	57,757,176
-	-	-		-	3,802,758
-	-	2,603,548		-	6,730,542
-	-	-		-	29,539,149
<u>3,408,040</u>	<u>16,012,718</u>	<u>17,657,977</u>		<u>14,734,682</u>	<u>104,942,945</u>
<u>7,858,325</u>	<u>22,268,920</u>	<u>18,054,239</u>		<u>15,853,226</u>	<u>123,631,639</u>



**CITY OF WHITTIER, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund Balances of Governmental Funds	\$	104,942,945
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		217,439,400
Capital assets - internal service funds		15,983,419
Accumulated depreciation - governmental funds		(122,855,266)
Accumulated depreciation - internal service funds		(10,904,871)
Long-term debt has not been included in the governmental funds		
Total OPEB liability		(9,419,302)
Net pension liability		(121,609,352)
Certain accounts and intergovernmental receivables are not available to pay for current-period expenditures and, therefore, are reflected as deferred inflows of resources in the governmental funds		
		11,974,674
Deferred outflows of resources related to pensions		25,879,804
Deferred inflows of resources related to pensions		(3,462,981)
Deferred outflows of resources related to OPEB		570,434
Deferred inflows of resources related to OPEB		(451,891)
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		(7,242,876)
Compensated absences		(6,055,884)
Other assets and liabilities		32,762,086
Net Position of Governmental Activities	\$	127,550,339

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		
	General	Transit Fund	Subventions and Grants
Revenues:			
Taxes	\$ 38,443,926	3,013,930	-
Licenses and permits	2,536,299	-	-
Fines and forfeits	611,781	-	-
Use of money and property	1,045,756	168,587	-
Intergovernmental	116,932	624,243	2,200,021
Charges for services	17,787,497	54,508	-
Other	1,254,521	13,260	-
Total Revenues	<u>\$ 61,796,712</u>	<u>3,874,528</u>	<u>2,200,021</u>
Expenditures:			
Current:			
General government	\$ 9,329,742	-	-
Public safety	32,662,327	-	101,790
Libraries	3,569,263	-	59,278
Parks and recreation	9,889,433	-	475,683
Public works	3,909,510	-	297,625
Local transit	-	2,856,229	-
Community development	694,431	-	-
Capital outlay	-	-	-
Total Expenditures	<u>60,054,706</u>	<u>2,856,229</u>	<u>934,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,742,006</u>	<u>1,018,299</u>	<u>1,265,645</u>
Other Financing Sources (Uses):			
Transfers in (note 6)	1,493,095	-	-
Transfers out (note 6)	(2,750,948)	-	-
Total Other Financing Sources (Uses)	<u>(1,257,853)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	484,153	1,018,299	1,265,645
Fund Balances (Deficit), Beginning	<u>47,031,099</u>	<u>5,159,462</u>	<u>(1,829,130)</u>
Fund Balances (Deficit), Ending	<u>\$ 47,515,252</u>	<u>6,177,761</u>	<u>(563,485)</u>

See accompanying notes to financial statements.

Special Revenue Funds		Capital Projects Fund		
HOME Fund	Housing Authority	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
-	-	-	3,185,486	44,643,342
-	-	-	116,632	2,652,931
-	-	-	239,342	851,123
-	130,655	206,298	120,172	1,671,468
1,096,189	-	-	3,491,982	7,529,367
-	-	-	94,224	17,936,229
-	272,401	-	348	1,540,530
1,096,189	403,056	206,298	7,248,186	76,824,990
-	-	-	-	9,329,742
-	-	-	378,259	33,142,376
-	-	-	37,657	3,666,198
-	-	-	-	10,365,116
-	-	-	2,912,251	7,119,386
-	-	-	-	2,856,229
91,735	1,106,934	-	1,639,409	3,532,509
-	-	2,211,120	-	2,211,120
91,735	1,106,934	2,211,120	4,967,576	72,222,676
1,004,454	(703,878)	(2,004,822)	2,280,610	4,602,314
-	-	667,592	130,000	2,290,687
-	(50,000)	(6,685)	(1,434,045)	(4,241,678)
-	(50,000)	660,907	(1,304,045)	(1,950,991)
1,004,454	(753,878)	(1,343,915)	976,565	2,651,323
2,403,586	16,766,596	19,001,892	13,758,117	102,291,622
3,408,040	16,012,718	17,657,977	14,734,682	104,942,945

**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, 2018**

Net changes in fund balances - total governmental funds	\$	2,651,323
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect of transactions involving capital assets are as follows:		
Depreciation expense		(5,862,067)
Purchases of capital assets recorded in governmental funds.		5,617,560
The net effect of various transactions involving capital assets (i.e. sales, retirements) is to decrease net position.		(266,145)
Revenues that are measurable but not available are deferred in the governmental funds under the modified accrual basis of accounting.		(2,260,420)
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.		
Pension expense reported on government wide statement of activities		(16,145,804)
OPEB expense reported on government wide statement of activities		(791,472)
Governmental funds expenditures for retirement contributions reported as part of deferred outflows of resources on statement of net position		8,977,633
Governmental funds expenditures for OPEB contributions reported as part of deferred outflows of resources on statement of net position		570,434
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.		446,428
Change in net position of governmental activities	\$	(7,062,530)

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 37,625,020	37,625,020	38,443,926	818,906
Licenses and permits	2,288,160	2,288,160	2,536,299	248,139
Fines and forfeits	730,700	730,700	611,781	(118,919)
Use of money and property	1,084,846	1,084,846	1,045,756	(39,090)
Intergovernmental	107,327	407,327	116,932	(290,395)
Charges for services	16,462,436	16,462,436	17,787,497	1,325,061
Other	1,670,737	1,832,237	1,254,521	(577,716)
Total Revenues	<u>59,969,226</u>	<u>60,430,726</u>	<u>61,796,712</u>	<u>1,365,986</u>
Expenditures:				
General government:				
City council	32,963	32,963	33,580	(617)
City clerk	842,605	842,605	640,784	201,821
City attorney	343,751	343,751	445,912	(102,161)
Elections	224,321	653,321	551,243	102,078
City manager	904,589	904,589	770,990	133,599
City controller	1,178,578	3,242,702	1,464,847	1,777,855
City treasurer	513,855	530,235	459,328	70,907
Business license	209,335	209,335	175,078	34,257
Human resources	433,496	433,496	314,614	118,882
Civic center maintenance	1,471,208	1,479,207	1,406,514	72,693
Non-departmental	1,182,170	1,192,356	1,120,203	72,153
City planning	1,165,891	2,067,984	1,229,480	838,504
Fireworks show	70,491	70,491	28,756	41,735
Chamber of commerce	53,400	53,400	53,400	-
Employee special events	9,000	9,000	8,704	296
Public information services	94,222	94,222	72,085	22,137
Graffiti removal program	403,931	403,931	283,229	120,702
Social services	276,035	276,035	276,298	(263)
Total General Government	<u>9,409,841</u>	<u>12,839,623</u>	<u>9,335,045</u>	<u>3,504,578</u>
Public safety:				
Police department	31,655,619	31,737,702	31,446,942	290,760
Emergency management	57,600	62,600	83,873	(21,273)
Code enforcement	426,981	426,981	319,172	107,809
Building and safety	900,272	900,272	816,963	83,309
Total Public Safety	<u>33,040,472</u>	<u>33,127,555</u>	<u>32,666,950</u>	<u>460,605</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures (Continued):				
Libraries:	3,553,720	3,964,835	3,570,167	394,668
Total Libraries	3,553,720	3,964,835	3,570,167	394,668
Parks and recreation:				
Parks and recreation	5,826,353	5,857,298	5,588,600	268,698
Community services	3,691,227	4,113,964	4,379,597	(265,633)
Total Parks and Recreation	9,517,580	9,971,262	9,968,197	3,065
Public works:				
Weed control	8,300	8,300	9,877	(1,577)
Street lighting	471,590	474,215	467,174	7,041
Street cleaning	348,025	348,025	372,495	(24,470)
Street maintenance	2,423,854	2,423,854	2,152,481	271,373
Traffic signals	445,198	506,174	471,910	34,264
City engineering - drilling	425,943	442,440	452,722	(10,282)
Total Public Works	4,122,910	4,203,008	3,926,659	276,349
Community development:				
Community development	657,599	696,193	694,431	1,762
Total Community Development	657,599	696,193	694,431	1,762
 Total Expenditures	 60,302,122	 64,802,476	 60,161,449	 4,641,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	(332,896)	(4,371,750)	1,635,263	6,007,013
Other financing sources (uses):				
Transfers in	1,493,095	1,493,095	1,493,095	-
Transfers out	(2,177,677)	(2,750,945)	(2,750,948)	(3)
Total Other Financing Sources (Uses)	(684,582)	(1,257,850)	(1,257,853)	(3)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	(1,017,478)	(5,629,600)	377,410	6,007,010
Adjustments:				
To adjust for encumbrances	-	-	106,743	-
Net Change in Fund Balance (US GAAP basis)	(1,017,478)	(5,629,600)	484,153	6,113,753
Fund Balance at Beginning of Year	47,031,099	47,031,099	47,031,099	-
Fund Balance at End of Year	\$ 46,013,621	41,401,499	47,515,252	6,113,753

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,560,416	2,560,416	3,013,930	453,514
Use of money and property	119,000	119,000	168,587	49,587
Intergovernmental	275,000	275,000	624,243	349,243
Charges for services	43,500	43,500	54,508	11,008
Other	-	-	13,260	13,260
Total Revenues	<u>2,997,916</u>	<u>2,997,916</u>	<u>3,874,528</u>	<u>876,612</u>
Expenditures:				
Current:				
Local transit	3,264,324	4,119,730	2,856,229	1,263,501
Total Expenditures	<u>3,264,324</u>	<u>4,119,730</u>	<u>2,856,229</u>	<u>1,263,501</u>
Net Change in Fund Balance	(266,408)	(1,121,814)	1,018,299	2,140,113
Fund Balance at Beginning of Year	<u>5,159,462</u>	<u>5,159,462</u>	<u>5,159,462</u>	-
Fund Balance at End of Year	<u>\$ 4,893,054</u>	<u>4,037,648</u>	<u>6,177,761</u>	<u>2,140,113</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
SUBVENTIONS AND GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Budget		
Revenues:				
Use of money and property	\$ -	-	-	-
Intergovernmental	834,564	1,450,635	2,200,021	749,386
Total Revenues	<u>834,564</u>	<u>1,450,635</u>	<u>2,200,021</u>	<u>749,386</u>
Expenditures:				
Current:				
Public safety	-	126,556	101,790	24,766
Libraries	-	58,239	59,278	(1,039)
Parks and recreation	-	6,607,896	475,683	6,132,213
Public works	221,564	504,921	297,625	207,296
Total Expenditures	<u>221,564</u>	<u>7,297,612</u>	<u>934,376</u>	<u>6,363,236</u>
Net Change in Fund Balance	613,000	(5,846,977)	1,265,645	7,112,622
Fund Balance (Deficit) at Beginning of Year	<u>(1,829,130)</u>	<u>(1,829,130)</u>	<u>(1,829,130)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (1,216,130)</u>	<u>(7,676,107)</u>	<u>(563,485)</u>	<u>7,112,622</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
HOME GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive
	Original	Final		(Negative)
Revenues:				
Intergovernmental	\$ 297,605	297,605	1,096,189	798,584
Total Revenues	<u>297,605</u>	<u>297,605</u>	<u>1,096,189</u>	<u>798,584</u>
Expenditures:				
Current:				
Community development	808,750	808,750	91,735	717,015
Total Expenditures	<u>808,750</u>	<u>808,750</u>	<u>91,735</u>	<u>717,015</u>
Net Change in Fund Balance	(511,145)	(511,145)	1,004,454	1,515,599
Fund Balance at Beginning of Year	<u>2,403,586</u>	<u>2,403,586</u>	<u>2,403,586</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,892,441</u>	<u>1,892,441</u>	<u>3,408,040</u>	<u>1,515,599</u>

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 25,000	25,000	130,655	105,655
Other	799,147	799,147	272,401	(526,746)
Total Revenues	<u>824,147</u>	<u>824,147</u>	<u>403,056</u>	<u>(421,091)</u>
Expenditures:				
Current:				
Community development	78,600	1,124,424	1,106,934	17,490
Total Expenditures	<u>78,600</u>	<u>1,124,424</u>	<u>1,106,934</u>	<u>17,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>745,547</u>	<u>(300,277)</u>	<u>(703,878)</u>	<u>(403,601)</u>
Other financing uses:				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balance	695,547	(350,277)	(753,878)	(403,601)
Fund Balance at Beginning of Year	<u>16,766,596</u>	<u>16,766,596</u>	<u>16,766,596</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,462,143</u>	<u>16,416,319</u>	<u>16,012,718</u>	<u>(403,601)</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Assets:					
Current assets:					
Cash and investments (note 3)	\$ 10,717,401	9,429,460	11,137,252	31,284,113	33,495,277
Receivables:					
Accounts	124,876	2,578,228	1,748,487	4,451,591	29,239
Interest	36,111	32,175	42,538	110,824	95,352
Inventory	-	394,178	-	394,178	-
Prepaid items	-	-	-	-	19,667
Total Current Assets	<u>10,878,388</u>	<u>12,434,041</u>	<u>12,928,277</u>	<u>36,240,706</u>	<u>33,639,535</u>
Noncurrent assets:					
Restricted cash and investments (note 3)	-	214,959	10,147,387	10,362,346	-
Restricted cash and investments with fiscal agents (note 3)	-	730,908	-	730,908	-
Accounts receivable	-	-	14,992	14,992	-
Interest receivable	-	1,155	36,901	38,056	-
Capital assets, net	5,367,349	43,259,923	11,157,827	59,785,099	5,078,548
Total Noncurrent Assets	<u>5,367,349</u>	<u>44,206,945</u>	<u>21,357,107</u>	<u>70,931,401</u>	<u>5,078,548</u>
Total Assets	<u>16,245,737</u>	<u>56,640,986</u>	<u>34,285,384</u>	<u>107,172,107</u>	<u>38,718,083</u>
Deferred Outflows of Resources:					
Deferred amounts related to pensions	135,580	784,820	870,972	1,791,372	-
Deferred amounts related to OPEB	12,174	36,522	20,870	69,566	-
Deferred charge on refunding	-	452,155	-	452,155	-
Total Deferred Outflows of Resources	<u>147,754</u>	<u>1,273,497</u>	<u>891,842</u>	<u>2,313,093</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,028,122	1,677,851	376,675	3,082,648	877,449
Accrued interest payable	-	60,380	-	60,380	-
Claims payable	-	-	-	-	4,707,869
Current portion of compensated absences	32,248	69,628	70,698	172,574	2,119,559
Current portion of long-term obligations	-	620,000	-	620,000	-
Total Current Liabilities	<u>1,060,370</u>	<u>2,427,859</u>	<u>447,373</u>	<u>3,935,602</u>	<u>7,704,877</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Claims payable	-	-	-	-	2,535,007
Compensated absences	59,888	129,308	131,295	320,491	3,936,325
Revenue bonds payable	-	15,287,161	-	15,287,161	-
Total OPEB liability	201,023	603,066	344,609	1,148,698	-
Net pension liability	512,978	3,251,442	4,128,695	7,893,115	-
Landfill closure and postclosure payable	-	-	14,002,349	14,002,349	-
Total Noncurrent Liabilities	<u>773,889</u>	<u>19,270,977</u>	<u>18,606,948</u>	<u>38,651,814</u>	<u>6,471,332</u>
Total Liabilities	<u>1,834,259</u>	<u>21,698,836</u>	<u>19,054,321</u>	<u>42,587,416</u>	<u>14,176,209</u>
Deferred Inflows of Resources:					
Deferred amounts related to pensions	13,100	79,872	96,094	189,066	-
Deferred amounts related to OPEB	9,644	28,932	16,533	55,109	-
Total Deferred Inflows of Resources	<u>22,744</u>	<u>108,804</u>	<u>112,627</u>	<u>244,175</u>	<u>-</u>
Net Position:					
Net investment in capital assets	5,367,349	28,083,670	11,157,827	44,608,846	5,078,548
Restricted for connection fees	-	214,959	-	214,959	-
Unrestricted	9,169,139	7,808,214	4,852,451	21,829,804	19,463,326
Total Net Position	<u>\$ 14,536,488</u>	<u>36,106,843</u>	<u>16,010,278</u>	<u>66,653,609</u>	<u>24,541,874</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Totals	
Operating Revenues:					
Charges for services	\$ 4,241,727	13,643,725	4,251,783	22,137,235	13,175,977
Total Operating Revenues	<u>4,241,727</u>	<u>13,643,725</u>	<u>4,251,783</u>	<u>22,137,235</u>	<u>13,175,977</u>
Operating Expenses:					
Sewer operations	2,682,620	-	-	2,682,620	-
Water operations	-	9,130,759	-	9,130,759	-
Solid waste collection and disposal	-	-	3,991,767	3,991,767	-
Provision for landfill closure and postclosure	-	-	562,016	562,016	-
Self insurance	-	-	-	-	4,356,074
Employee benefits	-	-	-	-	5,354,980
Maintenance	-	-	-	-	4,344,374
Amortization	-	30,312	-	30,312	-
Depreciation	120,086	1,533,514	338,800	1,992,400	1,157,557
Total Operating Expenses	<u>2,802,706</u>	<u>10,694,585</u>	<u>4,892,583</u>	<u>18,389,874</u>	<u>15,212,985</u>
Operating Income (Loss)	<u>1,439,021</u>	<u>2,949,140</u>	<u>(640,800)</u>	<u>3,747,361</u>	<u>(2,037,008)</u>
Nonoperating Revenues (Expenses):					
Intergovernmental	-	170,000	-	170,000	-
Investment Income	44,167	174,074	121,479	339,720	131,770
Interest expense	-	(710,857)	-	(710,857)	-
Gain (Loss) on disposal of capital assets	-	(772,872)	(917,971)	(1,690,843)	(345,197)
Rental income	-	562,132	8,561	570,693	-
Other revenue	-	-	-	-	188,390
Total Nonoperating Revenues (Expenses)	<u>44,167</u>	<u>(577,523)</u>	<u>(787,931)</u>	<u>(1,321,287)</u>	<u>(25,037)</u>
Income Before Transfers	<u>1,483,188</u>	<u>2,371,617</u>	<u>(1,428,731)</u>	<u>2,426,074</u>	<u>(2,062,045)</u>
Transfers:					
Transfers in (note 6)	-	6,685	-	6,685	2,508,473
Transfers out (note 6)	(207,117)	(172,050)	(185,000)	(564,167)	-
Total Transfers	<u>(207,117)</u>	<u>(165,365)</u>	<u>(185,000)</u>	<u>(557,482)</u>	<u>2,508,473</u>
Change in Net Position	1,276,071	2,206,252	(1,613,731)	1,868,592	446,428
Net Position at Beginning of the Year, as restated	13,260,417	33,900,591	17,624,009	64,785,017	24,095,446
Net Position at End of the Year	<u>\$ 14,536,488</u>	<u>36,106,843</u>	<u>16,010,278</u>	<u>66,653,609</u>	<u>24,541,874</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 4,507,106	14,107,232	5,054,834	23,669,172	13,094,140
Payments to suppliers for goods and services	(1,439,354)	(6,682,793)	(2,954,745)	(11,076,892)	(7,733,243)
Payments to employees for services	(597,715)	(2,154,120)	(2,159,913)	(4,911,748)	(4,867,523)
Non-operating rental income revenue received	-	562,132	8,561	570,693	-
Net cash provided by operating activities	<u>2,470,037</u>	<u>5,832,451</u>	<u>(51,263)</u>	<u>8,251,225</u>	<u>493,374</u>
Cash flows from noncapital financing activities:					
Receipts from other governmental agencies	-	222,462	-	222,462	-
Receipt from miscellaneous sales	-	-	-	-	188,390
Receipts from interfund services	-	6,685	-	6,685	2,508,473
Transfer to other funds	(207,117)	(172,050)	(185,000)	(564,167)	-
Net cash (used in) provided by noncapital financing activities	<u>(207,117)</u>	<u>57,097</u>	<u>(185,000)</u>	<u>(335,020)</u>	<u>2,696,863</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(1,371,041)	(2,950,616)	(717,927)	(5,039,584)	(1,094,435)
Principal payments on long-term debt	-	(595,000)	-	(595,000)	-
Interest and fiscal agent fees paid on long-term debt	-	(748,879)	-	(748,879)	-
Net cash provided (used) for capital and related financing activities	<u>(1,371,041)</u>	<u>(4,294,495)</u>	<u>(717,927)</u>	<u>(6,383,463)</u>	<u>(1,094,435)</u>
Cash flows from investing activities:					
Interest received on investments	40,154	163,677	113,675	317,506	114,251
Net cash provided by investing activities	<u>40,154</u>	<u>163,677</u>	<u>113,675</u>	<u>317,506</u>	<u>114,251</u>
Net increase in cash and cash equivalents	932,033	1,758,730	(840,515)	1,850,248	2,210,053
Cash and cash equivalents at beginning of the year	9,785,368	8,616,597	22,125,154	40,527,119	31,285,224
Cash and cash equivalents at end of year	<u>\$ 10,717,401</u>	<u>10,375,327</u>	<u>21,284,639</u>	<u>42,377,367</u>	<u>33,495,277</u>
Reconciliation of cash and cash equivalents to amounts reported on the statement of net position:					
Reported on the statement of net position:					
Cash and investments	\$ 10,717,401	9,429,460	11,137,252	31,284,113	33,495,277
Cash and investments - restricted	-	214,959	10,147,387	10,362,346	-
Cash and investments with fiscal agents	-	730,908	-	730,908	-
Cash and Cash Equivalents - June 30, 2018	<u>\$ 10,717,401</u>	<u>10,375,327</u>	<u>21,284,639</u>	<u>42,377,367</u>	<u>33,495,277</u>

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Solid Waste	Total	
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,439,021	2,949,140	(640,800)	3,747,361	(2,037,008)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation	120,086	1,533,514	338,800	1,992,400	1,157,557
Amortization	-	30,312	-	30,312	-
Pension expense	78,484	478,716	576,405	1,133,605	-
OPEB expense	16,893	50,675	28,959	96,527	-
Rental Income	-	562,132	8,561	570,693	-
Changes in assets, deferred outflows/inflows of resources, and liabilities:					
Decrease in accounts receivable	58,262	334,345	618,051	1,010,658	4,218
Decrease in prepaid items	-	-	-	-	19,667
(Increase) in inventory	-	(126,207)	-	(126,207)	-
(Increase) in deferred outflows/inflows related to pensions	(34,407)	(209,858)	(252,633)	(496,898)	-
(Increase) in deferred outflows/inflows related to OPEB	(12,174)	(36,522)	(20,870)	(69,566)	-
(Decrease)/Increase in accounts payable	792,681	397,511	(1,249,299)	(59,107)	(11,245)
(Decrease) in accrued liabilities	(15,209)	(77,372)	(39,761)	(132,342)	(55,707)
(Decrease) in unearned revenue	-	(36,203)	-	(36,203)	-
Increase in claims payable	-	-	-	-	1,213,441
(Decrease)/Increase in compensated absences	26,400	(17,732)	19,308	27,976	202,451
Increase in landfill closure and postclosure payable	-	-	562,016	562,016	-
Total Adjustments	1,031,016	2,883,311	589,537	4,503,864	2,530,382
Net Cash (Used in) Provided by Operating Activities	\$ 2,470,037	5,832,451	(51,263)	8,251,225	493,374

Noncash investing, capital, and financing activities:

The Water Enterprise Fund had a \$772,872 loss on disposal of capital assets and the Solid Waste Enterprise Fund had a \$917,971 loss on disposal of capital assets.

See accompanying notes to financial statements.

CITY OF WHITTIER, CALIFORNIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	Redevelopment Successor Agency Private-purpose Trust Fund	Agency Funds
Assets and Deferred Outflows of Resources:		
Assets:		
Cash and investments (note 3)	\$ 5,400,020	1,436,244
Cash and investments with fiscal agents (note 3)	42,522	424,769
Receivable:		
Accounts	-	1,043,981
Interest	18,088	2,613
Prepaid items	379,121	-
Land held for resale (note 4)	2,827,199	-
Capital assets not being depreciated	1,616,897	-
Capital assets being depreciated, net	21,659	-
	<u>10,305,506</u>	<u>2,907,607</u>
Total Assets		
Deferred Outflows of Resources:		
Deferred charges on refunding	3,149,284	
	<u>3,149,284</u>	
Liabilities and Net Position:		
Accounts payable	\$ 48,650	250,139
Accrued interest payable	285,404	-
Deposits payable	25,000	1,876,854
Due to bondholders	-	780,614
Noncurrent liabilities:		
Due within one year	1,830,000	-
Due in more than one year	42,388,448	-
City loan, net of valuation allowance	7,009,982	-
	<u>51,587,484</u>	<u>2,907,607</u>
Total Liabilities		
Net Deficit:		
Held in trust for beneficiaries	\$ (38,132,694)	
	<u>(38,132,694)</u>	

See accompanying notes to financial statements.

**CITY OF WHITTIER, CALIFORNIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2018**

	Redevelopment Successor Agency Private-purpose Trust Fund
Additions:	
Property taxes	\$ 5,607,380
Investment earnings	51,184
Total Additions	5,658,564
Deductions:	
Professional services	323,353
Community development	1,242,872
Interest and fiscal charges	1,869,352
Depreciation	21,659
Other	1,155,566
Total Deductions	4,612,802
Change in Net Position	1,045,762
Net Position, Beginning of Year	(39,178,456)
Net Position, End of Year	\$ (38,132,694)

See accompanying notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 its own other programs and activities. Additionally, the City is responsible for repayment of debt within the component units using resources of the primary government.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

Whittier Public Financing Authority

The Whittier Public Financing Authority was formed on June 6, 1989, by a joint powers agreement between the City of Whittier and the former Whittier Redevelopment Agency. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or former Redevelopment Agency. City Council serves as the governing Board. Further, City management has the same operational responsibility for this component unit as it does for the rest of the City. Lastly, debts issued through the Whittier Public Financing Authority are expected to be repaid with City's resources.

Whittier Utility Authority

The Whittier Utility Authority (Authority) was established on February 1, 2002, by a joint powers agreement between the City of Whittier and the Whittier Public Financing Authority. The Authority was created to provide a legally binding framework for the relationship between the City's utility enterprise funds and the City's general fund, to address possible impacts of proposition 218, and to provide greater fiscal strength of the City's enterprise funds. The Authority is presented as Water, Sewer and Solid Waste enterprise funds in the accompanying financials. City Council serves as the governing Board of the Authority. Further, City management has the same operational responsibility for the Authority as it does for the rest of the City.

Whittier Housing Authority

The Whittier Housing Authority (Housing Authority) was established on February 1, 2012 as the territorial jurisdiction of the former Redevelopment Agency. The Housing Authority retained the housing assets and functions previously performed by the former Redevelopment Agency. City Council serves as the governing Board for the Housing Authority. Further, City management has the same operational responsibility for the Housing Authority as it does for the rest of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprises Funds and the Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The City reports the following major governmental funds:

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

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

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

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Cash Equivalents

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

Cash and Investments

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

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

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

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

Receivables and Payables

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Land Held for Resale

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

Property Taxes

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

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

Tax Levies — are limited to 1 percent of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation. The City accrues only those taxes that are received within 60 days after year end in the governmental funds.

Lien date:	January 1
Levy date:	July 1
Due dates:	November 1 - 1st installment February 1 - 2nd installment
Delinquent date:	December 10 - 1st installment April 10 - 2nd installment

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories

Inventories of materials and supplies are carried at cost on an average cost basis. The City uses the consumption method of accounting for inventories.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items and are offset equally by a nonspendable fund balance classification, in governmental funds, which indicates that they do not constitute expendable available resources and therefore, are not available for appropriation. The cost is recorded as an expense as prepaid items are consumed (consumption method).

Restricted Assets

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

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 to 75
Improvements other than buildings	25 to 50
Infrastructure	20 to 50
Utility systems	30 to 80
Vehicles	8 to 15
Other equipment and furnishings	10 to 25
Computer equipment	10

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

Deferred Outflows and Inflows of Resources

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows and Inflows of Resources (Continued)

The City reports deferred outflows and inflows of resources related to pension on the government-wide statement of net position, under full accrual basis of accounting. Pension related deferred outflows of resources relate to contributions made subsequent to the measurement date, which will be reflected as a reduction of net pension liability in a future reporting period. Pension related deferred inflows of resources include the net differences between projected and actual earnings on plan investments, and differences between expected and actual experiences, and will be recognized as part of pension expense in future reporting periods. Refer to Note 12 for items identified as deferred inflows and outflows related to pensions as of June 30, 2018.

OPEB related deferred outflows of resources relate to amounts paid by the employer as the benefits come due subsequent to the measurement date, which will be reflected as a reduction of total OPEB liability in a future reporting period. OPEB related deferred inflows of resources includes the change in assumptions and will be recognized as part of OPEB expense in future reporting periods. Refer to Note 13 for items identified as deferred inflows and outflows related to OPEB as of June 30, 2018.

Claims and Judgments

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

Compensated Absences

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

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences (Continued)

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

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

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

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

Pensions

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Other Postemployment Benefits (OPEB)

OPEB expense, deferred outflows/inflows of resources related to OPEB, and an implied subsidy payment were used to measure the total OPEB liability. The City does not provide any cash subsidy towards the benefit, and there are no assets accumulated in a trust for the plan.

Net Position and Fund Balance

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

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

- *Nonspendable Fund Balance* — represents amounts that cannot be spent because they are either not in spendable form (e.g. inventories, prepaid items, long-term portion of loans receivable, land held for resale); or legally or contractually required to be maintained intact.
- *Restricted Fund Balance* — externally imposed by law or constrained by grantors, contributors, or laws or regulations of other governments.
- *Committed Fund Balance* — committed for use for specific purposes by the highest level of formal action of the City Council such as a resolution. The constraints remain binding unless removed in the same formal manner by the City Council. City action to commit fund balance must occur within the fiscal period while the amount committed may be determined subsequently.
- *Assigned Fund Balance* — intended on use for specific purposes by the governing body itself or official delegated with the authority to assign amounts to be used for specific purposes, which are neither restricted nor committed. Intent should be established by the City Council, or by an official designated for that purpose. The City has designated the authority to assign amounts used for specific purposes to the City Controller in accordance with the Fund Balance Policy.
- *Unassigned Fund Balance* — the excess residual amounts in the General Fund and the residual deficit of all other governmental funds, which have not been restricted, committed, or assigned to specific purposes.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position and Fund Balance (Continued)

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

E. Estimates

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

F. New GASB Pronouncements

Adopted in the Current Year

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for reporting periods beginning after June 15, 2017. The City implemented this Statement effective July 1, 2017.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for reporting periods beginning after December 15, 2016. The City has determined that the requirements of this Statement had no material impact to the financial statements.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Adopted in the Current Year (Continued)

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City has determined that the requirements of this Statement had no material impact to the financial statements.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017. The City has determined that the requirements of this Statement had no material impact to the financial statements.

Effective in Future Years

The City is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. New GASB Pronouncements (Continued)

Effective in Future Years (Continued)

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90 – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances and Net Position

Funds that have a deficit fund balance at June 30, 2018, are as follows:

Fund	Deficit Fund Balance
Major Funds:	
Subvention and Grants Fund	\$ (563,485)

The Subvention and Grants Fund deficit will be eliminated when the intergovernmental receivables are collected in futures periods.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

General Budget Policies

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

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

Encumbrances

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

Continuing Appropriations

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

Budgetary Basis of Accounting

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 council	\$ 32,963	33,580	617
City attorney	343,751	445,912	102,161
Social services	276,035	276,298	263
Emergency management	62,600	83,873	21,273
Community services	4,113,964	4,379,597	265,633
Weed control	8,300	9,877	1,577
Street cleaning	348,025	372,495	24,470
City engineering - drilling	442,440	452,722	10,282
Non-major Funds:			
Business Improvement Area			
Special Revenue Fund	111,500	123,037	11,537
Whittier Uptown Parking District			
No. 1 Special Revenue Fund	88,917	100,275	11,358
Community Benefits District			
Special Revenue Fund	-	205,960	205,960

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	\$ 99,191,263	31,284,113	6,836,264	137,311,640
Restricted assets:				
Cash and investments	717,423	10,362,346	-	11,079,769
Cash and investments with fiscal agents	20,937,750	730,908	467,291	22,135,949
Totals	<u>\$ 120,846,436</u>	<u>42,377,367</u>	<u>7,303,555</u>	<u>170,527,358</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2018 consisted of the following:

Petty cash	\$ 13,568
Investments	<u>170,513,790</u>
Total Cash and Investments	<u><u>\$ 170,527,358</u></u>

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

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agents are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
Certificates of Deposit	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	5 years	None	None
Commercial Paper	5 years	None	None
Money Market Mutual Funds invested solely in U.S. Treasury	N/A	None	None
Investment Contracts	30 years	None	None
Medium Term Corporate Notes	5 years	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Totals	Remaining Maturing (In Months)				
		6 Months Or Less	7 to 12 Months	13 to 24 Months	25 to 42 Months	43 to 60 Months
U.S. Treasury Notes	\$ 20,584,500	6,976,373	-	5,886,721	7,721,406	-
Federal Agency Securities	61,028,848	23,939,526	-	11,799,404	17,567,206	7,722,712
Commercial Paper Discount	7,987,310	7,987,310	-	-	-	-
Certificate of Deposit	4,869,101	2,445,262	243,433	2,180,406	-	-
Medium-Term Notes	30,494,515	1,993,521	4,966,550	15,790,150	5,786,701	1,957,593
Local Agency Investment Fund (LAIF)	23,455,782	-	23,455,782	-	-	-
Held by fiscal agent:						
U.S. Treasury Bills	1,314,322	1,314,322	-	-	-	-
Local Agency Investment Fund (LAIF)	20,779,412	20,779,412	-	-	-	-
Total	\$ 170,513,790	65,435,726	28,665,765	35,656,681	31,075,313	9,680,305

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

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Totals	Minimum Legal Rating	Exempt from Disclosure	S & P Rating as of Year End			
				AAA	AA+/AA-	A+/A	Not Rated
U.S. Treasury Notes	\$ 20,584,500	N/A	20,584,500	-	-	-	-
Federal Agency Securities	61,028,848	N/A	-	-	55,113,344	-	5,915,504
Commercial Paper Discount	7,987,310	A-1	-	-	-	7,987,310	-
Certificate of Deposit	4,869,101	N/A	-	-	-	-	4,869,101
Medium-Term Notes	30,494,515	A	-	2,916,500	15,711,420	11,866,595	-
Local Agency Investment Fund (LAIF)	23,455,782	N/A	-	-	-	-	23,455,782
Held by fiscal agent:							
U.S. Treasury Bills	1,314,322	N/A	1,314,322	-	-	-	-
Local Agency Investment Fund (LAIF)	20,779,412	N/A	-	-	-	-	20,779,412
Total	\$ 170,513,790		21,898,822	2,916,500	70,824,764	19,853,905	55,019,799

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$ 20,079,833
Federal National Mortgage Association	Federal Agency Security	17,684,816
Federal Home Loan Mortgage Corporation	Federal Agency Security	13,779,244

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2018, the City’s deposits with financial institutions were covered by FDIC up to \$250,000, and the remaining amounts of \$104,138 were collateralized as described above.

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

Fair Value Classifications

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Fair Value Classifications (Continued)

Investments' fair value measurements are as follows as of June 30, 2018:

Investment Type	Fair Value	Level 1	Level 2
Investments:			
U.S. Treasury Notes	\$ 20,584,500	-	20,584,500
Federal Agency Securities	61,028,848	-	61,028,848
Commercial Paper Discount	7,987,310	-	7,987,310
Certificate of Deposit	4,869,101	-	4,869,101
Medium-Term Notes	30,494,515	-	30,494,515
Held by fiscal agent:			
U.S. Treasury Bills	1,314,322	1,314,322	-
Total Leveled Investments	126,278,596	1,314,322	124,964,274
Investments:			
Local Agency Investment Fund (LAIF)	23,455,782		
Held by fiscal agent:			
Local Agency Investment Fund (LAIF)	20,779,412		
Total Investment Portfolio	\$ 170,513,790		

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

Investment in State Investment Pool

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

NOTE 4 – INVESTMENT – LAND HELD FOR RESALE

The City's former Redevelopment Agency acquired several parcels of land as part of its primary purpose to develop or redevelop blighted properties. As part of the dissolution of the Redevelopment Agency, the parcels were allocated between the Redevelopment Successor Agency and the Housing Authority. As of June 30, 2018, the Housing Authority and Successor Agency Private-purpose Trust Fund reported land held for resale with a net realizable value of \$3,058,920, and \$2,827,199, respectively.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – NOTES AND LOANS RECEIVABLE

Outstanding
Balance
June 30, 2018

During the 2000-01 fiscal year, the City approved a Police Residence Incentive Program. Sworn Whittier police officers may apply for a forgivable loan toward the purchase of a single-family residence in the City. The loan shall be forgiven within 10 years for a \$10,000 loan applied before fiscal year 2005-06. During 2005-06, the City increased the loan amount up to \$50,000 each and shall be forgiven within 15 years. The employee needs to maintain the property as his/her principal residence and remain an active sworn employee of the City. As of June 30, 2018, 38 loans totaling \$1,017,655 have been provided. Principal of \$21,195 has been forgiven during 2017-18 and 24 loans has been either repaid or fully forgiven.

\$ 485,231

During the 1985-86 fiscal year, the former Redevelopment Agency (taken over by the Housing Authority) loaned the developer of the William Penn Manor Project, \$500,000 for the site acquisition. During fiscal year 1989-90, William Penn Manor borrowed an additional \$103,401 from the former Redevelopment Agency, using Community Development Block Grant funds, for a total of \$603,401. This loan is non-interest bearing and is to be repaid to the Housing Authority upon the recording of a construction loan to the developer for development of the site and the sale, transfer, conveyance or refinancing of the site, or any part, thereof, by developer, with the exception that such sale, transfer, conveyance, or refinancing must first be approved in writing by the Housing Authority. The loans are evidenced by a promissory note and secured by a first deed of trust. The William Penn Manor project is the development of the William Penn Manor, a 75 dwelling unit project to be occupied by low income senior citizens.

603,401

During the 1997-98 fiscal year, the former Redevelopment Agency approved the First-time Homebuyer Program. Since then the Agency had loaned \$1,585,000 to seventy-seven families. The program provides "silent second" loans to homebuyers of low and moderate income. The loans are interest free with no payments for the first five years, after which the borrowers pay 5% per year. Starting in the sixth year, one-fifteenth of the loan is forgiven. If the Borrower ceases to be the owner-occupant, the loan becomes due and payable. During the fiscal year ended June 30, 2018, \$21,167 in loan principal was either paid or forgiven.

37,154

On February 6, 2008, the City entered into HOME Program Participation and Loan Agreement with Whittier Area First Day Coalition (First Day), under which the City provided a loan of up to \$135,250 to First Day. On June 10, 2009, the City agreed to provide an additional \$92,300 requested by First Day for the total of \$227,550 for the sole purpose of paying for expenses of rehabilitation of the Project. The loan is evidenced by a promissory note dated June 10, 2009 and secured by deed of trust. The loan is non-interest bearing and is due and payable on the date that is fifty-five years after the date of the note.

227,550

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2018

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.

\$ 3,892,438

During the fiscal year 1999-2000, the City and the former Redevelopment Agency had entered into an affordable housing project agreement with Seasons Uptown Whittier, L.P. (Hoover). In the agreement, the City and Agency would assist Hoover in the financing of the acquisition and development of 50 senior apartment units by providing Hoover with two residual receipts loans from the Agency's Low and Moderate Income Housing Fund and the City's HOME fund. The first promissory note with the original principal of \$845,045 is an interest compounded loan at the long-term applicable federal rate as defined in Internal Revenue Code Section 1274(d)(1). The second promissory note in the original principal amount of \$494,003 is a non-interest bearing loan. Both notes shall be paid over a period of fifty-five years and secured by a first deed of trust. The borrower is obligated to repay the principal amount of the notes and the accrued interest each month in which there is positive cash flow as defined in the notes. During the fiscal year 2017-18, nothing was repaid. Of the \$2,242,855, the Housing Authority portion of the amount is \$1,188,713. The remainder is due to the HOME fund.

2,242,855

During fiscal year 2009-10, the former Redevelopment Agency ("Agency") implemented the Gables of Whittier Affordable Home Ownership Loan Program ("Program"). The Program provides "silent second" loans to homebuyers of low and moderate income. Homes purchased under the program have specific resale restrictions that intend to maintain the affordable units for a minimum of 45 years. The Agency's assistance is a deferred loan with no annual accruing interest, except in some cases for the Equity Appreciation Share, in which the homebuyer has intentions to resale the property. The loan will not become due unless a sale or transfer of the property to an eligible buyer occurs. During the fiscal year 2017-18, there were four resales of the Program units at the Gables of Whittier. Pursuant to the Program guidelines, the silent second loans provided to the former owners were reconveyed and new silent second loans to the new buyers were recorded. Due to the current housing market conditions, the four new notes receivable actually increased by \$133,510, even though no money was transacted on the Agency. As of June 30, 2018, twenty-four families received assistance from the program.

3,393,619

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

Outstanding
Balance
June 30, 2018

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 \$5,615,289 outstanding at year end, the Housing Authority portion of the amount is \$2,942,716.

\$ 5,615,289

On May 23, 2011, the former Redevelopment Agency entered into an Exclusive Negotiation and Loan Agreement with Heritage Housing Partners (Developer), which was subsequently transferred and assigned to HHP-Penn, LLC on June 23, 2015, to provide the First Predevelopment Loan of \$97,747 from the Agency’s affordable housing set-aside funds. The agreement anticipated the Agency and Developer subsequently enter into a disposition and development agreement that allows the Developer to acquire and then develop a 28,000 square foot Agency-owned site as a nine to ten unit affordable home ownership housing project located on 7306, 7312, and 7316 Comstock Avenue. The project has been continued through the Whittier Housing Authority (Authority), the housing successor to the Agency. The first predevelopment loan of \$97,747 was disbursed to the Developer during fiscal year 2013-14 and 2014-15. On June 23, 2015, the Authority entered into the Second Predevelopment Loan Agreement and Amendment of the First Predevelopment Loan Agreement with the Developer, to provide an additional loan of \$80,000 from the Authority's low/mod housing set aside funds from time to time, with no interest. \$48,868 and \$2,149,985 of the second loan has been disbursed in the fiscal years 2014-15 and 2015-16, respectively. During the beginning of the fiscal year 2017-18, the HPP-Penn, LLC completed the Guilford Court Housing Project on Penn Street and Comstock Avenue. There were nine units of the Affordable Home Ownership Program ("Program") sales. All of the nine silent second loans totaling \$2,118,854 were pre-funded through a single \$2,296,600 construction loan provided to the HHP-Penn, LLC. At closing of each of the nine loans, an equivalent portion of the HHP-Penn, LLC master loan deed of trust was reconveyed and a new deed of trust securing the individual unit silent second AHOP loan was simultaneously recorded. Under Section 3 of the HHP-Penn, LLC promissory note, any outstanding amount on the note after the last affordable unit was sold became a grant to the project developer. Please refer to Gables of Whittier Affordable Home Ownership Loan Program for the loan terms and restrictions. As of June 30, 2018, nine families received assistance from the program.

2,118,854

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – NOTES AND LOANS RECEIVABLE (CONTINUED)

	Outstanding Balance <u>June 30, 2018</u>
<p>On July 26, 2013, the City entered into a loan agreement with Whittier Senior Housing, LP. In the agreement, the City would provide a loan amount not to exceed \$300,000 loan from the federal HOME Investment Partnership Program funds for renovation costs of a 156 unit high-rise apartment project. One-hundred fifty-five (155) of the units will be restricted to households at extremely low, very-low and low income levels at affordable rents. The loan bears one percent (1%) simple interest rate per annum, and is due and payable on or before the earlier of the date that is 55 years after issuance of a Certificate of Completion or the occurrence of a Default under the Loan Agreement. The City transferred \$300,000 to Whittier Senior Housing LP on February 6, 2014. During the fiscal year, interest in the amount of \$3,000 was added to the outstanding balance.</p>	<u>313,184</u>
Total notes and loans receivable	<u>\$ 18,929,575</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – INTERFUND ACTIVITY

Transfers To/From Other Funds:

Transfer In	Transfer Out	Amount	
General Fund	Non-Major Governmental Funds	\$ 1,434,045	(A)
	Water Fund	9,050	(B)
	Housing Authority	50,000	(C)
	Subtotal	<u>1,493,095</u>	
Capital Projects Fund	General Fund	<u>667,592</u>	(D)
	Subtotal	<u>667,592</u>	
Water Fund	Capital Projects Fund	<u>6,685</u>	(E)
	Subtotal	<u>6,685</u>	
Non-Major Governmental Funds	General Fund	<u>130,000</u>	(F)
	Subtotal	<u>130,000</u>	
Internal Service Funds	General Fund	1,953,356	(G)
	Sewer Fund	207,117	(H)
	Water Fund	163,000	(H)
	Solid Waste Fund	<u>185,000</u>	(H)
	Subtotal	<u>2,508,473</u>	
	Total	<u>\$ 4,805,845</u>	

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – ADVANCES TO SUCCESSOR AGENCY

The City loaned the former Whittier Redevelopment Agency funds prior to dissolution. As of June 30, 2018, the General Fund is owed \$7,536,279, with an allowance of \$526,297, to finance expenditures incurred in the project areas. In the opinion of management, and in consultation with its legal counsel, the \$7,536,279 represents amounts owed to the City for advances by the former Whittier Redevelopment Agency for legitimate redevelopment purposes. Further, management of the City of Whittier asserts that it has complied with AB x1 26, as amended by AB 1484, and intends to perform all actions required under Health and Safety Code Section (HSC) 34191.4 to ensure collectability of the amounts outstanding. The \$526,297 allowance represents the City's calculation of interest on the advance using the first quarter 2012 LAIF rate.

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

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

During the fiscal year 2017-18, the Successor Agency made the final SERAF loan payment of \$660,257 to the Whittier Housing Authority. The fiscal year interest of \$12,373, calculated using DOF's approved LAIF rate, was included in the advance of \$7,536,279 above.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – CAPITAL ASSETS

Governmental Activities

Capital asset governmental activity for the fiscal year ended June 30, 2018 was as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 25,201,001	462,333	-	25,663,334
Rights of way/Easement	8,838,122	-	-	8,838,122
Trees	2,573,080	64,400	(31,000)	2,606,480
Construction in progress	224,682	1,254,625	(14,200)	1,465,107
Total	<u>36,836,885</u>	<u>1,781,358</u>	<u>(45,200)</u>	<u>38,573,043</u>
Capital Assets, Being Depreciated:				
Buildings	39,887,415	-	-	39,887,415
Improvements	31,137,954	2,323,964	-	33,461,918
Machinery and equipment	25,179,034	1,514,429	(3,704,921)	22,988,542
Infrastructure:				
Roadways	85,388,214	-	-	85,388,214
Storm drains	2,656,228	-	-	2,656,228
Other street appurtenances	9,587,562	879,899	-	10,467,461
Total	<u>193,836,407</u>	<u>4,718,292</u>	<u>(3,704,921)</u>	<u>194,849,778</u>
Less Accumulated Depreciation for:				
Buildings	(16,833,239)	(1,231,284)	-	(18,064,523)
Improvements	(12,762,017)	(1,891,117)	-	(14,653,134)
Machinery and equipment	(18,361,517)	(1,616,665)	3,351,125	(16,627,057)
Infrastructure:				
Roadways	(74,127,216)	(1,976,711)	-	(76,103,927)
Storm drains	(1,215,586)	(46,983)	-	(1,262,569)
Other street appurtenances	(6,792,064)	(256,865)	-	(7,048,929)
Total	<u>(130,091,639)</u>	<u>(7,019,625)</u>	<u>3,351,125</u>	<u>(133,760,139)</u>
Capital Assets being depreciated, net	<u>63,744,768</u>	<u>(2,301,333)</u>	<u>(353,796)</u>	<u>61,089,639</u>
Capital Assets, net	<u>\$ 100,581,653</u>	<u>(519,975)</u>	<u>(398,996)</u>	<u>99,662,682</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

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

	Governmental Activities
General government	\$ 1,553,489
Public safety	224,884
Public works	4,013,618
Community development	18,767
Parks and recreation	611,983
Libraries	319,727
Transit	277,157
Total	\$ 7,019,625

Business-type Activities

Capital asset business-type activities for the fiscal year ended June 30, 2018 was as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<u>Sewer Activity:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,313,867	938,560	(1,313,867)	938,560
Total Sewer Capital Assets, Not Being Depreciated	1,313,867	938,560	(1,313,867)	938,560
Capital assets, being depreciated:				
Improvements	3,670,687	1,933,465	-	5,604,152
Machinery and equipment	187,117	-	(187,117)	-
Total Sewer Capital Assets, Being Depreciated	3,857,804	1,933,465	(187,117)	5,604,152
Less - accumulated depreciation for:				
Improvements	(1,055,277)	(120,086)	-	(1,175,363)
Total Accumulated Depreciation	(1,055,277)	(120,086)	-	(1,175,363)
Total Sewer Capital Assets, Being Depreciated, Net	2,802,527	1,813,379	(187,117)	4,428,789
Total Sewer Capital Assets, Net	\$ 4,116,394	2,751,939	(1,500,984)	5,367,349

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<u>Water Activity:</u>				
Capital assets, not being depreciated:				
Land	\$ 598,955	-	-	598,955
Construction in progress	1,268,617	1,948,968	(1,146,848)	2,070,737
Total	<u>1,867,572</u>	<u>1,948,968</u>	<u>(1,146,848)</u>	<u>2,669,692</u>
Capital assets, being depreciated:				
Improvements	32,108,093	2,153,692	(2,296,239)	31,965,546
Buildings	22,321,741	-	-	22,321,741
Machinery and equipment	369,433	-	-	369,433
Total Water Capital Assets, Being Depreciated	<u>54,799,267</u>	<u>2,153,692</u>	<u>(2,296,239)</u>	<u>54,656,720</u>
Less - accumulated depreciation for:				
Improvements	(12,412,577)	(622,904)	1,518,171	(11,517,310)
Buildings	(1,335,556)	(893,211)	-	(2,228,767)
Machinery and equipment	(303,013)	(17,399)	-	(320,412)
Total Accumulated Depreciation	<u>(14,051,146)</u>	<u>(1,533,514)</u>	<u>1,518,171</u>	<u>(14,066,489)</u>
Total Water Capital Assets, Being Depreciated, Net	<u>40,748,121</u>	<u>620,178</u>	<u>(778,068)</u>	<u>40,590,231</u>
Total Water Capital Assets, Net	<u>\$ 42,615,693</u>	<u>2,569,146</u>	<u>(1,924,916)</u>	<u>43,259,923</u>

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<u>Solid Waste Activity:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,227,801	-	-	2,227,801
Construction in progress	613,231	310,242	-	923,473
Total Solid Waste Capital Assets, Not Being Depreciated	<u>2,841,032</u>	<u>310,242</u>	<u>-</u>	<u>3,151,274</u>
Capital assets, not being depreciated:				
Improvements	17,083,888	361,436	(1,369,376)	16,075,948
Buildings	151,033	-	-	151,033
Machinery and equipment	223,915	46,249	(148,855)	121,309
Total Solid Waste Capital Assets, Being Depreciated	<u>17,458,836</u>	<u>407,685</u>	<u>(1,518,231)</u>	<u>16,348,290</u>
Less - accumulated depreciation for:				
Improvements	(8,288,806)	(330,327)	453,164	(8,165,969)
Buildings	(151,033)	-	-	(151,033)
Machinery and equipment	(163,358)	(8,473)	147,096	(24,735)
Total Accumulated Depreciated	<u>(8,603,197)</u>	<u>(338,800)</u>	<u>600,260</u>	<u>(8,341,737)</u>
Total Solid Waste Assets, Being Depreciated, Net	<u>8,855,639</u>	<u>68,885</u>	<u>(917,971)</u>	<u>8,006,553</u>
Total Solid Waste Assets, Net	<u>\$ 11,696,671</u>	<u>379,127</u>	<u>(917,971)</u>	<u>11,157,827</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities (Continued)

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<u>Total Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$ 2,826,756	-	-	2,826,756
Construction in progress	3,195,715	3,197,770	(2,460,715)	3,932,770
Total Capital Assets Not Being Depreciated	<u>6,022,471</u>	<u>3,197,770</u>	<u>(2,460,715)</u>	<u>6,759,526</u>
Capital assets, being depreciated:				
Improvements	52,862,668	4,448,593	(3,665,615)	53,645,646
Buildings	22,472,774	-	-	22,472,774
Machinery and equipment	780,465	46,249	(335,972)	490,742
Total Capital Assets Being Depreciated	<u>76,115,907</u>	<u>4,494,842</u>	<u>(4,001,587)</u>	<u>76,609,162</u>
Less accumulated depreciation for:				
Improvements	(21,756,660)	(1,073,317)	1,971,335	(20,858,642)
Buildings	(1,486,589)	(893,211)	-	(2,379,800)
Machinery and equipment	(466,371)	(25,872)	147,096	(345,147)
Total Accumulated Depreciation	<u>(23,709,620)</u>	<u>(1,992,400)</u>	<u>2,118,431</u>	<u>(23,583,589)</u>
Total Capital Assets, Being Depreciated, Net	<u>52,406,287</u>	<u>2,502,442</u>	<u>(1,883,156)</u>	<u>53,025,573</u>
Total Capital Assets, Net	<u>\$ 58,428,758</u>	<u>5,700,212</u>	<u>(4,343,871)</u>	<u>59,785,099</u>

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

	Business Type Activities
Sewer	\$ 120,086
Water	1,533,514
Solid Waste	<u>338,800</u>
Total	<u>\$ 1,992,400</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 5,853,433	3,183,998	(2,981,547)	6,055,884	2,119,559
Claims payable	6,029,435	3,733,421	(2,519,980)	7,242,876	4,707,869
Total Governmental Activities	<u>\$ 11,882,868</u>	<u>6,917,419</u>	<u>(5,501,527)</u>	<u>13,298,760</u>	<u>6,827,428</u>
	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Business-type Activities:					
Sewer Fund:					
Compensated absences	\$ 65,736	55,288	(28,888)	92,136	32,248
Total Sewer Fund	<u>65,736</u>	<u>55,288</u>	<u>(28,888)</u>	<u>92,136</u>	<u>32,248</u>
Water Fund:					
Compensated absences	216,668	58,898	(76,630)	198,936	69,628
Revenue refunding bonds	15,935,000	-	(595,000)	15,340,000	620,000
Add: Premium/(Discount) on Bonds Payable	<u>605,183</u>	<u>-</u>	<u>(38,022)</u>	<u>567,161</u>	<u>-</u>
Total Water Fund	<u>16,756,851</u>	<u>58,898</u>	<u>(709,652)</u>	<u>16,106,097</u>	<u>689,628</u>
Solid Waste Fund:					
Compensated absences	182,685	88,763	(69,455)	201,993	70,698
Landfill closure and postclosure	13,440,333	562,016	-	14,002,349	-
Total Solid Waste Fund	<u>13,623,018</u>	<u>650,779</u>	<u>(69,455)</u>	<u>14,204,342</u>	<u>70,698</u>
Total Business-type Activities	<u>\$ 30,445,605</u>	<u>764,965</u>	<u>(807,995)</u>	<u>30,402,575</u>	<u>792,574</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Governmental long-term debt at June 30, 2018, 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, 2018 is \$7,242,876. The Internal Service Fund for self-insurance has liquidated claims and judgments.

Business-type activity long-term debt at June 30, 2018, consisted of the following:

Revenue Bonds, Water Fund Series 2012

On November 8, 2012, the City of Whittier's Utility Authority issued non-taxable Water Revenue Bonds, Series 2012 for \$10,085,000, payable through 2033, with a net original issue premium of \$779,451. The principal of the Bonds is payable through June 1, 2033, and interest rates vary from 2 percent to 5 percent. The Water Revenue Bonds Series 2012 were issued to finance various improvements to the City's water production, storage and distribution enterprise, refund the Authority's outstanding Water Revenue Bonds, 2003 Series A, and pay the costs of issuance of the Bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$621,404 that will be amortized through 2033. \$30,312 was amortized in the fiscal year, resulting in \$452,155 balance in deferred outflows of resources.

The City has pledged future water revenues, net of specified operating expenses in the amount of \$5,008,498, which are remaining after the payment of the 2009 Bonds, to repay the 2012 Bonds, making the 2012 Bonds junior, subordinate and inferior to the 2009 Bonds. The pledged revenues will not be available for other purposes for a period of 20 years. The amount pledged represents approximately 36.66 percent of total water revenues. In the current year, the City recognized \$14,372,522 of pledged revenues. As of June 30, 2018, the outstanding principal amount of the Series 2012 Bonds and interest were \$7,860,000 and \$2,330,850, respectively. Principal and interest paid for the current year were \$677,675.

Revenue Bonds, Water Fund 2009 Series A

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

Revenue Bonds, Water Fund 2009 Series A (Continued)

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

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

The City has pledged future water revenues, net of specified operating expenses, to repay the bond. The City has covenanted to provide net revenues equal to at least 1.25 times the annual amount of principal and interest due on the bonds. The bonds are payable through 2039. The reserve requirement was \$669,887 and the reserve as of June 30, 2018 was \$673,046. The total principal and interest remaining to be paid on the bond is \$7,480,000 and \$5,729,924, respectively. Principal and interest paid for the current year and total net revenues were \$665,687 and \$5,269,524, respectively.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$14,002,349 reported as landfill closure and postclosure care liability at June 30, 2018 represents the cumulative amount reported to date based on the use of 59.18 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$9,659,836 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012, adjusted for inflation. The City expects to close the landfill in the year 2055. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by federal and state laws and regulations to accumulate assets held in trust to finance closure and postclosure care. At June 30, 2018, assets of \$10,199,280 are held for these purposes. These are reported as restricted assets on the statement of net position. The closure and postclosure care costs are primarily funded by a portion of the fee collected from landfill users. Postclosure costs will be covered from revenues of the Solid Waste operation and interest earnings on the accumulated assets held in trust.

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

The annual requirements for repayment of principal and interest on long-term liabilities outstanding as of June 30, 2018 are as follows:

Fiscal Year Ending June 30,	2012 Water Revenue Bonds		
	Principal	Interest	Total
2019	\$ 390,000	287,675	677,675
2020	405,000	272,075	677,075
2021	425,000	255,875	680,875
2022	440,000	238,875	678,875
2023	460,000	221,275	681,275
2024-2028	2,630,000	767,125	3,397,125
2029-2033	3,110,000	287,950	3,397,950
Total	<u>\$ 7,860,000</u>	<u>2,330,850</u>	<u>10,190,850</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – LONG TERM LIABILITIES (CONTINUED)

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

Fiscal Year Ending June 30,	2009A Water Revenue Bonds		
	Principal	Interest	Total
2019	\$ 230,000	436,887	666,887
2020	240,000	427,687	667,687
2021	250,000	418,087	668,087
2022	260,000	408,087	668,087
2023	270,000	397,037	667,037
2024-2028	1,545,000	1,759,985	3,304,985
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	<u>\$ 7,480,000</u>	<u>5,729,924</u>	<u>13,209,924</u>

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT

The following bond issues are not reflected in long-term debt because these debts are solely payable from and secured by the assets and revenues of other parties. Neither the faith and credit, nor the taxing power of the City, the former Redevelopment Agency, the Housing Authority, the Public Financing Authority, the State of California or any political subdivision thereof, is pledged for the payment of these debts.

Community Facilities District No. 1989-1 (Whittier Station Center) of the City of Whittier 1998 Special Tax Bonds

On July 23, 1998, the Community Facilities District issued \$5,470,000 of 1998 Special Tax Refunding Bonds. The bonds mature on September 1, 2024. The bonds have varying interest rates ranging from 5.1 percent to 6 percent and interest is payable semi-annually on March 1 and September 1 of each year. The bonds were authorized by Ordinance 2466 and were issued pursuant to Bonds, Article 5 of said Ordinance. The purpose of the bonds is to advance refund the outstanding Community Facilities District No. 1989-1 (Whittier Station Center) 1989 Special Tax Bonds. Funds for payment of bond principal and interest requirements, as they come due, are to be obtained from a special tax levied by the City on behalf of the District against lands within the District. These bonds are payable only from special assessment collections from the property owners and funds pledged under a Fiscal Agent Agreement. The City is in no way liable for repayment. The City is only acting as an agent for the property owners and bondholders in collecting and forwarding the special assessments toward bond debt service. The outstanding principal balance at June 30, 2018 is \$2,330,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

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

The City of Whittier entered into a Loan Agreement dated April 7, 2004 with Whittier College ("College"), pursuant to which the City has issued bonds for \$60,000,000 on April 7, 2004, at a Weekly Interest rate with a maximum rate of 12 percent per annum. The proceeds of the Series 2004 Bonds will be applied to finance the acquisition, construction, expansion, rehabilitation, remodeling, renovation, and/or equipping of certain educational facilities of the College. In addition, to provide for the current refunding of the City's Educational Facility Revenue Refunding Bonds (Whittier College) Series 1993, to fund a debt service reserve fund for the Bonds and to pay costs incurred in connection with the issuance of the Bonds. The Bonds mature in December 1, 2033. The City is not obligated to pay the principal, premium and interest on the Bonds. The outstanding balance at June 30, 2018 is \$46,290,000.

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2009

The City of Whittier entered into a Loan Agreement dated May 1, 2009, and a Supplemental Master Indenture of Trust for Obligation No. 1 dated May 1, 2009, with Presbyterian Intercommunity Hospital, Inc. ("Hospital"), InterHealth Corp., and IHC Management Corp. pursuant to which the City has issued Bonds for \$280,000,000 on May 1, 2009. The proceeds of the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C and the 2009D Bonds will be applied to finance and refinance the acquisition, construction, equipping and improvement of certain facilities owned or operated by the Hospital. The proceeds were received from (i) the sale of the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, \$222,000,000, consisting of the par amount of the Series 2009 A Bonds (\$74,000,000), the par amount of the Series 2009 B Bonds (\$74,000,000) and the par amount of the Series 2009 C Bonds (\$74,000,000) and (ii) the sale of the Series 2009 D Bonds, consisting of the par amount of the Series 2009 D Bonds (\$58,000,000). The Bonds mature in June 2036. The City is not obligated to pay the principal, premium and interest on the Bonds. Outstanding balance at June 30, 2018 is \$73,825,000.

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

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2011

The City of Whittier entered into a Loan Agreement dated March 31, 2011 with Presbyterian Intercommunity Hospital, Inc. ("Hospital") pursuant to which the City issued Bonds totaling \$41,305,000 to finance certain facilities for the benefit of the Hospital. The Bonds bear fixed-interest rates ranging from 4% to 6.25% and have maturities beginning in 2012 and ending in 2036. The City is not obligated to pay the principal, or premium, if any, and interest on the Bonds. Outstanding balance at June 30, 2018 is \$35,930,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – DEBT WITHOUT GOVERNMENT COMMITMENT (CONTINUED)

Health Facility Revenue Bonds (Presbyterian Intercommunity Hospital) Series 2012

The City of Whittier entered into a Loan Agreement dated December 1, 2012 with Presbyterian Intercommunity Hospital, Inc. ("Hospital") to refinance the cost of acquiring, constructing, renovating, and equipping certain health facilities provided or operated by the Hospital, which were refinanced by the Series 2009 Bonds in the aggregate principal amount of \$148,000,000. The Bonds mature on June 1, 2036. The City is not obligated to pay the principal, or premium, if any, and interest on the Bonds. Outstanding balance at June 30, 2018 is \$141,950,000. Bonds are subject to optional redemption prior to their stated maturity. Bonds are redeemed by application of sinking fund installments beginning June 1, 2018 in annual amounts ranging from \$115,000 to \$3,340,000.

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

NOTE 11 – OBLIGATIONS OF THE REDEVELOPMENT SUCCESSOR AGENCY

The liabilities of the former redevelopment agency were transferred to the Redevelopment Successor Agency Private-purpose Trust Fund in accordance with AB x 1 26 and AB 1484 on February 1, 2012. As a result, the bonds and loans outstanding are not reflected in the long-term debt of the City, or its Statement of Net Position. In addition, as described in Note 7, the City has recorded advances to the Successor Agency in the amount of \$7,536,279, with a corresponding allowance of \$526,297.

2015 Tax Allocation Bonds

On August 5, 2015, the Whittier Redevelopment Successor Agency issued \$31,005,000 of Tax Allocation Refunding Bonds, 2015 Series A and \$13,610,000 2015 Series B ("Bonds"). Proceeds from the sale of the Bonds will be used to (i) refund the loan agreement between the Whittier Public Financing Authority and the Former Redevelopment Agency (the "2002 Greenleaf/Uptown Whittier Loan Agreement"), to refinance redevelopment activities within and for the benefit of the Greenleaf/Uptown Whittier Redevelopment Project; (ii) refund and finance the Whittier Earthquake Recovery Redevelopment Project Tax Allocation Bonds, 2005 Series A; (iii) refund and finance the Whittier Redevelopment Agency's Commercial Corridor Tax Allocation Bonds, 2007 Series A; (iv) refund the 2007 Housing Projects and finance low and moderate income housing activities throughout the geographic boundaries of the City; (v) refund and finance the Whittier Boulevard Redevelopment 2007 Series C; and (vi) refund and finance the Whittier Earthquake Recovery Redevelopment Project 2007 Series D. The refunding resulted in a difference between reacquisition price and the net carrying amount of the old debt of \$3,600,856 that will be amortized through 2039. \$154,825 was amortized in the fiscal year, resulting in \$3,149,284 of deferred outflows of resources. The reserve requirement was \$3,574,262 and the reserve as of June 30, 2018 was \$3,574,262. The principal of the Bonds is payable commencing on November 1, 2016 through November 1, 2038 and interest is payable semiannually each May and November beginning November 1, 2016. Interest rates range from 1.00% to 5.00%. The principal amount outstanding at June 30, 2018 is \$41,295,000.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Loans Payable

Quad Loan

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

In the event, however, that the tax increment and 50 percent of the sales tax generated by the Center are insufficient to cover the reimbursement, the balance becomes a loan from the owner of the Quad to the Agency at an annual interest rate of 8 percent from 1991-92 through 1993-94, 0 percent from 1994-95 through 1997-98, 3 percent from 1998-99 through 2001-02, 6 percent from 2002-03 through 2004-05 and 7 percent thereafter. Repayment of the remaining debt is still limited to the project's property tax increment and 50 percent of the sales tax. On February 1, 2012, the Quad Loan was transferred from the Whittier Redevelopment Agency to the Successor Agency. As of June 30, 2018, the loan was fully paid.

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, 2018 is \$1,446,156.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

The following is a summary of changes in the Redevelopment Successor Agency Private-purpose Trust Fund long term liabilities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Repayments	Balance at June 30, 2018	Due Within One Year
Redevelopment Successor Agency					
Private-purpose Trust Fund:					
Tax allocation bonds	\$ 43,110,000	-	(1,815,000)	41,295,000	1,830,000
Premium on 2015A	1,791,329	-	(83,939)	1,707,390	-
Discount on 2015B	(241,410)	-	11,312	(230,098)	-
Advance from City	7,692,063	12,373	(694,454)	7,009,982	-
Advance from WHA	660,257	-	(660,257)	-	-
Developer loans payable:					
Quad loan	444,976	13,377	(458,353)	-	-
Urbatec loan	1,505,964	442,169	(501,977)	1,446,156	-
	<u>54,963,179</u>	<u>467,919</u>	<u>(4,202,668)</u>	<u>51,228,430</u>	<u>1,830,000</u>
Total Redevelopment Successor Agency Private-purpose Trust Fund	<u>\$ 54,963,179</u>	<u>467,919</u>	<u>(4,202,668)</u>	<u>51,228,430</u>	<u>1,830,000</u>

NOTE 12 – PENSION PLANS

	Safety	Miscellaneous	Total
Net pension liability	\$ 80,306,448	49,196,019	129,502,467
Pension expense	10,178,436	7,100,804	17,279,240
Deferred outflows of resources	16,478,955	11,192,221	27,671,176
Deferred inflows of resources	2,472,373	1,179,674	3,652,047

Plan Descriptions

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

Benefits Provided

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	11.00%
Required employer contribution rates	50.111%	50.111%

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	5.750%
Required employer contribution rates	20.517%	20.517%

Employees covered by benefit terms. At June 30, 2016, the most recent valuation date, the following employees were covered by the benefit terms for each Plan:

	Safety	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	211	393
Inactive employees entitled to but not yet receiving benefits	49	246
Active employees	121	252
Total	<u>381</u>	<u>891</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plans as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. For the Miscellaneous Plan, employees are required to contribute 10 percent for both tiers. In May 2016, the City amended the contribution rate to 12 percent to both employees within the Miscellaneous Plan and classic local police members within the Safety Plan.

Contributions recognized by the pension plans from the employer for the year ended June 30, 2018 were \$6,374,675 for the Safety Plan and \$3,099,785 for the Miscellaneous Plan.

Net Pension Liability

The City’s net pension liability for each Plan was measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans was measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Safety</u>	<u>Miscellaneous</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Mortality Rate Table (1)	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

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

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

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be accessed on the CalPERS website.

Change of Assumptions - The discount rate of 7.15 percent used for the June 30, 2017 measurement date was decreased from 7.65 percent used for the June 30, 2016 measurement date.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

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

Asset Class	Current Target Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100%		

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

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

Changes in the Net Pension Liability

The total Net Pension Liability for the City as of June 30, 2018 was \$129,502,467. The changes in the Net Pension Liability for each Plan follows:

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 183,721,586	112,413,828	71,307,758
Changes in the year:			
Service cost	3,753,906	-	3,753,906
Interest on the total pension liability	13,615,696	-	13,615,696
Changes in assumptions	11,453,764	-	11,453,764
Differences between expected and actual experience	(1,911,889)	-	(1,911,889)
Contribution - employer	-	4,461,409	(4,461,409)
Contribution - employee	-	1,246,219	(1,246,219)
Net investment income	-	12,371,130	(12,371,130)
Benefit payments, including refunds of employee contributions	(9,422,168)	(9,422,168)	-
Administrative expenses	-	(165,971)	165,971
Net changes	17,489,309	8,490,619	8,998,690
Balance at June 30, 2018	\$ 201,210,895	120,904,447	80,306,448

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Continued)

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 174,049,217	131,960,857	42,088,360
Changes in the year:			
Service cost	3,045,686	-	3,045,686
Interest on the total pension liability	12,875,283	-	12,875,283
Changes in assumptions	10,268,334	-	10,268,334
Differences between expected and actual experience	(1,257,683)	-	(1,257,683)
Contribution - employer	-	1,870,457	(1,870,457)
Contribution - employee	-	1,576,377	(1,576,377)
Net investment income	-	14,571,958	(14,571,958)
Benefit payments, including refunds of employee contributions	(9,017,654)	(9,017,654)	-
Administrative expenses	-	(194,831)	194,831
Net changes	15,913,966	8,806,307	7,107,659
Balance at June 30, 2018	\$ 189,963,183	140,767,164	49,196,019

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

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Safety's net pension liability	\$ 108,018,142	80,306,448	57,546,864
Miscellaneous' net pension liability	73,762,537	49,196,019	28,811,944

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2018, the City recognized pension expense of \$17,279,340. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Safety Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,374,675	-
Differences between actual and expected experience	223,120	1,942,981
Changes in assumptions	8,181,260	529,392
Net differences between projected and actual earnings on plan investments	<u>1,699,900</u>	<u>-</u>
Total	<u>\$ 16,478,955</u>	<u>2,472,373</u>

Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 3,099,785	-
Differences between actual and expected experience	-	1,179,674
Changes in assumptions	6,161,000	-
Net differences between projected and actual earnings on plan investments	<u>1,931,436</u>	<u>-</u>
Total	<u>\$ 11,192,221</u>	<u>1,179,674</u>

\$9,474,460 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSION PLANS (CONTINUED)

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

Safety Plan:

Year Ended June 30		
2019	\$	1,970,210
2020		4,495,710
2021		2,070,737
2022		(904,750)
Total	\$	<u>7,631,907</u>

Miscellaneous Plan:

Year Ended June 30		
2019	\$	3,097,661
2020		4,065,486
2021		822,057
2022		(1,072,442)
Total	\$	<u>6,912,762</u>

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City's defined benefit healthcare plan, City of Whittier Retiree Healthcare Plan ("Plan"), provides benefits for all permanent full-time general and safety employees of the City. The Plan is a single-employer defined benefit healthcare plan administered by the City. 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

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. The benefit terms provide for payment up to \$415 of medical and dental premiums per month until age 65.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>365</u>
Total participants covered by OPEB Plan	<u><u>432</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$10,568,000 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.58%
Inflation	2.75%
Salary Increases	3.00%
Healthcare Trend Rate	Non-Medicare - 7.5% for 2018-2020, decreasing to an ultimate rate of 4.0% in 2076 and later years

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20 year AA municipal bond rate as of June 30, 2017.

Mortality rates were based on the CalPERS 1997-2011 Experience Study, which assumed future mortality improvements under Society of Actuaries (SOA) Scale BB. The Experience Study report can be obtained on the CalPERS website under Forms and Publications.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	\$ 10,802,000
Changes for the year:	
Service cost	638,000
Interest	317,000
Changes in assumptions	(574,000)
Benefit payments, including refunds of employee contributions	(615,000)
Net changes	(234,000)
Balance at June 30, 2018	\$ 10,568,000

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 11,363,000	10,568,000	9,834,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease (6.5% Decreasing to 3%)	Current Trend (7.5% Decreasing to 4%)	1% Increase (8.5% Decreasing to 5%)
Total OPEB Liability	\$ 9,849,000	10,568,000	11,410,000

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$888,000. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Amounts paid by the employer for OPEB as the benefits come due subsequent to the measurement date	\$ 640,000	-
Changes in assumptions	-	507,000
Total	\$ 640,000	507,000

\$640,000 reported as deferred outflows of resources related to amounts paid by employer for OPEB as the benefits come due subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30		
2019	\$	(67,000)
2020		(67,000)
2021		(67,000)
2022		(67,000)
2023		(67,000)
Thereafter		(172,000)
Total	\$	(507,000)

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – FUND BALANCE CLASSIFICATIONS

The details of the fund balance classifications as of June 30, 2018 are presented below:

	General Fund	Special Revenue Funds			Capital	Total	Total	Total
		Transit Fund	Subventions and Grants	HOME Fund	Housing Authority			
Fund Balance:								
Nonspendable								
Advances to other funds	\$ 7,009,982	-	-	-	-	7,009,982	-	7,009,982
Prepaid items	24,094	79,244	-	-	-	103,338	-	103,338
Subtotal	7,034,076	79,244	-	-	-	7,113,320	-	7,113,320
Spendable								
Restricted								
Local transit	-	6,098,517	-	-	-	6,098,517	-	6,098,517
Construction and maintenance	-	-	-	-	-	-	10,713,937	10,713,937
SB358 library	-	-	-	-	-	-	69,486	69,486
Community development	-	-	3,408,040	16,012,718	15,054,429	34,475,187	2,064,147	36,539,334
Homeless	-	-	-	-	-	-	4,967	4,967
Parkland	360	-	-	-	-	360	-	360
Park impact fees	1,459,880	-	-	-	-	1,459,880	-	1,459,880
Aquatics impact fees	11,776	-	-	-	-	11,776	-	11,776
Public facilities impact fees	247,949	-	-	-	-	247,949	-	247,949
Library impact fees	243,860	-	-	-	-	243,860	-	243,860
Asset seizure	-	-	-	-	-	-	339,427	339,427
Traffic offender	-	-	-	-	-	-	733,212	733,212
Seismic education	-	-	-	-	-	-	4,800	4,800
AQMD	-	-	-	-	-	-	804,706	804,706
PEG	484,965	-	-	-	-	484,965	-	484,965
Subtotal	2,448,790	6,098,517	-	3,408,040	16,012,718	15,054,429	43,022,494	14,734,682
Committed								
Oil wells	100,000	-	-	-	-	100,000	-	100,000
Arts in public place	533,541	-	-	-	-	533,541	-	533,541
Emergency contingency	3,169,217	-	-	-	-	3,169,217	-	3,169,217
Subtotal	3,802,758	-	-	-	-	3,802,758	-	3,802,758
Assigned								
General plan	339,342	-	-	-	-	339,342	-	339,342
General government-rental units	743,619	-	-	-	-	743,619	-	743,619
Mineral extraction	232,982	-	-	-	-	232,982	-	232,982
Capital projects	-	-	-	-	2,603,548	2,603,548	-	2,603,548
Continuing appropriations	2,811,051	-	-	-	-	2,811,051	-	2,811,051
Subtotal	4,126,994	-	-	-	2,603,548	6,730,542	-	6,730,542
Unassigned								
	30,102,634	-	(563,485)	-	-	29,539,149	-	29,539,149
Total	\$ 47,515,252	6,177,761	(563,485)	3,408,040	16,012,718	17,657,977	90,208,263	104,942,945

On June 14, 2011, the City Council adopted Resolution 8380 which established an emergency contingency reserve equivalent to five percent of the following fiscal year's General Fund budgeted operating expenditures (excluding transfers and capital improvement projects). The reserve may be used for expenditures in the event of a declaration of a state or federal state of emergency or a local emergency as defined in the City's Municipal Code Section 2.44.020. At June 30, 2018, the City had \$3,169,217 committed pursuant to Resolution 8380.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – RISK MANAGEMENT

The City adopted a self-insured workers' compensation program which is administered by a third party administrator. The City has a self-insured retention of up to \$500,000 on each claim. Insurance coverage in excess of the self-insured amount is provided by CSACEIA, a Joint Powers Authority, at statutory amounts for workers' compensation. The City is also self-insured for the first \$500,000 on each general liability claim against the City. The insurance coverage in excess of the self-insured amount is provided by California Insurance Pool Authority (CIPA) up to a limit of \$33 million.

While the ultimate amount of losses incurred through June 30, 2018, 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, 2018 and June 30, 2017:

	Worker's Compensation	General Liability	Total
Claims and judgments at June 30, 2016	\$ 3,373,289	2,221,273	5,594,562
Claims payments	(1,398,593)	(1,363,801)	(2,762,394)
Claims incurred and changes in estimates	2,042,877	1,154,390	3,197,267
Claims and judgments at June 30, 2017	4,017,573	2,011,862	6,029,435
Claims payments	(1,369,874)	(1,150,106)	(2,519,980)
Claims incurred and changes in estimates	2,566,004	1,167,417	3,733,421
Claims and judgments at June 30, 2018	<u>\$ 5,213,703</u>	<u>2,029,173</u>	<u>7,242,876</u>

NOTE 16 – DEFERRED COMPENSATION PLANS

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

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 16 – DEFERRED COMPENSATION PLANS (CONTINUED)

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

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Waste Disposal Clean Up Contingency

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

Greenway Trail Clean Up Contingency

The City has been named as a responsible party by the Environmental Protection Agency for clean up on property within the City known as Greenway Trail. In July 2014, the City entered into a voluntary compliance agreement with the California Department of Toxic Substances Control for site investigation and clean-up. At the present time any amounts due are not known and City management believes that amounts due, if any, would not materially offset the financial statements of the City.

Enforceable Obligations

The Redevelopment Successor Agency Private-purpose Trust Fund (Whittier Redevelopment Successor Agency or WRSA) has received property tax revenues for specific enforceable obligations of the former redevelopment agency that are subject to review by the Department of Finance (DOF). As discussed in Note 7, in June 2014, the City received notification from DOF that certain advances from the City were recognized as enforceable obligations.

Advances to Successor Agency

At June 30, 2018, the City of Whittier had \$7,536,279 recorded as Advances to Successor Agency, as further described in Note 7. In June 2014, these amounts were approved by DOF, and as such the outstanding principal and recalculated LAIF interest for these loans was recognized as enforceable obligations. As of June 30, 2018, the City recorded an allowance to offset the advances in the amount of \$526,297, related to the City's calculation of the LAIF rate using the first quarter 2012 LAIF rate.

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$878,473. 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 \$934,629 to the City, which is classified as other revenue in the General Fund.

Future minimum lease payment requirements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 878,743
2020	878,743
2021	878,743
2022	878,743
2023	878,743
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	3,514,972
	<u>\$ 34,270,977</u>

CITY OF WHITTIER, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

As discussed under Note 1, the City implemented GASB Statement No. 75 effective July 1, 2017. Refer to Note 13 for further disclosures related to the plan and related balances. As a result of the implementation, the City restated beginning net position for governmental and business-type activities as noted below:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Sewer</u>	<u>Water</u>	<u>Solid Waste</u>
Beginning of year, as previously reported Net Position	\$ 139,538,047	65,275,839	13,394,101	34,141,871	17,739,867
Deferred outflows of resources related to OPEB	548,153	66,847	11,698	35,095	20,054
Other Postemployment Benefit (OPEB) Obligation	4,154,539	616,461	60,091	340,043	216,327
Other Postemployment Benefit (OPEB) Liability	<u>(9,627,870)</u>	<u>(1,174,130)</u>	<u>(205,473)</u>	<u>(616,418)</u>	<u>(352,239)</u>
Beginning of year, as restated Net Position	<u>\$ 134,612,869</u>	<u>64,785,017</u>	<u>13,260,417</u>	<u>33,900,591</u>	<u>17,624,009</u>

Following is the pro forma effect of the retroactive application:

	June 30, 2017 Previously Presented	Restatement	June 30, 2017 Restated
Governmental Activities			
Net OPEB obligation	\$ (4,154,539)	4,154,539	-
Total OPEB liability	-	9,627,870	9,627,870
Deferred outflows of resources	-	548,153	548,153
Business-type Activities - Enterprise Funds			
Net OPEB obligation	\$ (616,461)	616,461	-
Total OPEB liability	-	1,174,130	1,174,130
Deferred outflows of resources	-	66,847	66,847
Sewer			
Net OPEB obligation	\$ (60,091)	60,091	-
Total OPEB liability	-	205,473	205,473
Deferred outflows of resources	-	11,698	11,698
Water			
Net OPEB obligation	\$ (340,043)	340,043	-
Total OPEB liability	-	616,418	616,418
Deferred outflows of resources	-	35,095	35,095
Solid Waste			
Net OPEB obligation	\$ (216,327)	216,327	-
Total OPEB liability	-	352,239	352,239
Deferred outflows of resources	-	20,054	20,054

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND
RELATED RATIOS FOR SAFETY PLAN
LAST TEN YEARS*
AS OF JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 3,753,906	3,078,570	3,134,989	3,219,193
Interest on the total pension liability	13,615,696	13,267,223	12,846,133	12,237,364
Differences between expected and actual experience	(1,911,889)	(1,402,128)	1,338,724	-
Changes of assumptions	11,453,764	-	(3,176,358)	-
Benefit payments, including refunds of employee contributions	(9,422,168)	(9,025,356)	(9,067,299)	(8,569,436)
Net change in total pension liability	<u>17,489,309</u>	<u>5,918,309</u>	<u>5,076,189</u>	<u>6,887,121</u>
Total pension liability - beginning	<u>183,721,586</u>	<u>177,803,277</u>	<u>172,727,088</u>	<u>165,839,967</u>
Total pension liability - ending (a)	<u>\$ 201,210,895</u>	<u>183,721,586</u>	<u>177,803,277</u>	<u>172,727,088</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,461,409	4,993,497	4,636,058	4,451,887
Contributions - employee	1,246,219	1,159,719	1,104,125	1,246,103
Net investment income	12,371,130	549,244	2,521,335	17,422,054
Plan to plan resource movement	-	8	-	-
Administrative expenses	(165,971)	(69,969)	(129,300)	(138,888)
Benefit payments	(9,422,168)	(9,025,356)	(9,067,299)	(8,569,436)
Net change in plan fiduciary net position	<u>8,490,619</u>	<u>(2,392,857)</u>	<u>(935,081)</u>	<u>14,411,720</u>
Plan fiduciary net position - beginning	<u>112,413,828</u>	<u>114,806,685</u>	<u>115,741,766</u>	<u>101,330,046</u>
Plan fiduciary net position - ending (b)	<u>\$ 120,904,447</u>	<u>112,413,828</u>	<u>114,806,685</u>	<u>115,741,766</u>
Net pension liability - ending (a)-(b)	<u>\$ 80,306,448</u>	<u>71,307,758</u>	<u>62,996,592</u>	<u>56,985,322</u>
Plan fiduciary net position as a percentage of the total pension liability	60.09%	61.19%	64.57%	67.01%
Covered payroll	13,044,349	13,270,208	13,258,438	13,020,389
Net pension liability as percentage of covered payroll	615.64%	537.35%	475.14%	437.66%

* Fiscal year 2015 was the 1st year of implementation.

Changes of Assumption

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND
RELATED RATIOS FOR MISCELLANEOUS PLAN
LAST TEN YEARS*
AS OF JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 3,045,686	2,776,437	2,707,132	2,865,513
Interest on the total pension liability	12,875,283	12,561,017	12,148,802	11,702,397
Differences between expected and actual experience	(1,257,683)	(1,639,534)	(1,564,965)	-
Changes of assumptions	10,268,334	-	(2,848,967)	-
Benefit payments, including refunds of employee contributions	(9,017,654)	(8,192,650)	(7,532,561)	(7,065,215)
Net change in total pension liability	<u>15,913,966</u>	<u>5,505,270</u>	<u>2,909,441</u>	<u>7,502,695</u>
Total pension liability - beginning	<u>174,049,217</u>	<u>168,543,947</u>	<u>165,634,506</u>	<u>158,131,811</u>
Total pension liability - ending (a)	<u>\$ 189,963,183</u>	<u>174,049,217</u>	<u>168,543,947</u>	<u>165,634,506</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,870,457	2,335,291	2,082,877	2,014,309
Contributions - employee	1,576,377	2,031,732	1,649,216	1,503,982
Net investment income	14,571,958	704,200	3,036,920	20,676,474
Plan to plan resource movement	-	(8)	208	-
Administrative expenses	(194,831)	(82,376)	(161,819)	(166,668)
Benefit payments	(9,017,654)	(8,192,650)	(7,532,561)	(7,065,215)
Net change in plan fiduciary net position	<u>8,806,307</u>	<u>(3,203,811)</u>	<u>(925,159)</u>	<u>16,962,882</u>
Plan fiduciary net position - beginning	<u>131,960,857</u>	<u>135,164,668</u>	<u>136,089,827</u>	<u>119,126,945</u>
Plan fiduciary net position - ending (b)	<u>\$ 140,767,164</u>	<u>131,960,857</u>	<u>135,164,668</u>	<u>136,089,827</u>
 Net pension liability - ending (a)-(b)	 <u>\$ 49,196,019</u>	 <u>42,088,360</u>	 <u>33,379,279</u>	 <u>29,544,679</u>
 Plan fiduciary net position as a percentage of the total pension liability	 74.10%	 75.82%	 80.20%	 82.16%
 Covered payroll	 \$ 17,012,480	 18,769,281	 18,219,175	 17,806,543
 Net pension liability as percentage of covered payroll	 289.18%	 224.24%	 183.21%	 165.92%

* Fiscal year 2015 was the 1st year of implementation.

Changes of Assumption

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
AS OF JUNE 30, 2018**

Safety Plan:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 6,374,675	4,461,408	4,993,497	4,636,058
Contributions in relation to the actuarially determined contributions	6,374,675	4,461,408	4,993,497	4,636,058
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 12,921,429	13,044,349	13,270,208	13,258,438
Contributions as a percentage of covered payroll	49%	34%	38%	35%

Miscellaneous Plan:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,099,785	1,840,981	2,335,291	2,082,877
Contributions in relation to the actuarially determined contributions	3,099,785	1,840,981	2,335,291	2,082,877
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 18,189,056	17,012,480	18,769,281	18,219,175
Contributions as a percentage of covered payroll	17%	11%	12%	11%

Notes to Schedule

Valuation date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%
Retirement age	55
Mortality	Based on CalPERS Experience Study

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
AS OF JUNE 30, 2018**

	2018
Total OPEB Liability	
Service cost	\$ 638,000
Interest on the total OPEB liability	317,000
Changes in assumptions	(574,000)
Benefit payments, including refunds of employee contributions	(615,000)
Net change in total OPEB liability	(234,000)
Total OPEB liability - beginning	10,802,000
Total OPEB liability - ending (a)	\$ 10,568,000
Covered-employee payroll	\$ 30,057,000
Total OPEB liability as a percentage of covered-employee payroll	35%

Notes to Schedule:

Funding Policy: The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

* Fiscal year 2018 was the first year of implementation.

**CITY OF WHITTIER, CALIFORNIA
MAJOR CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

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

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

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	206,298	206,298
Other	-	-	-
Total Revenues	<u>-</u>	<u>206,298</u>	<u>206,298</u>
Expenditures:			
Capital outlay	16,882,806	2,211,120	14,671,686
Total Expenditures	<u>16,882,806</u>	<u>2,211,120</u>	<u>14,671,686</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,882,806)</u>	<u>(2,004,822)</u>	<u>14,877,984</u>
Other financing sources (Uses):			
Transfers in	667,592	667,592	-
Transfers out	(1,196,419)	(6,685)	1,189,734
Total Other Financing Sources (Uses)	<u>(528,827)</u>	<u>660,907</u>	<u>1,189,734</u>
Net Change in Fund Balance	(17,411,633)	(1,343,915)	16,067,718
Fund Balance at Beginning of Year	<u>19,001,892</u>	<u>19,001,892</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,590,259</u>	<u>17,657,977</u>	<u>16,067,718</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018**

Special revenue funds are used to account for specific revenue (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

Street Lighting District 1-91 Fund — to account for street lighting assessment charges to provide for street lighting facilities for Foxley Drive between Santa Fe Springs Road and Villa Drive.

Asset Seizure - Forfeitures Fund — to account for the receipt of seized assets that were the proceeds from, or used in the sale or possession of illegal narcotics trafficking, and the expenditure of such assets for law enforcement purposes.

SB 358 Library Grant Fund — to account for the receipt and expenditure of state funds received under the Public Library Grant Program.

State COPS Grant Fund — to account for the receipt and expenditure of state funds received under the Citizens Option for Public Safety program.

Air Quality Improvement Fund — to account for motor vehicle registration fees received from the South Coast Air Quality Management District to reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988.

Business Improvement Area Fund — to account for special levy imposed on businesses in the Uptown Village area to promote various activities within the area.

Earthquake Relief Fund — to account for donations made to the Whittier Earthquake Relief Fund for providing earthquake relief grants to eligible establishments.

State Gas Tax Fund — to account for the construction and maintenance of the road network system of the City. Financing is provided by the City's share of state gasoline taxes, which are required by state law to be used to maintain streets. In addition, to account for revenues from the Vehicle Impound Program as well as court fines from traffic violations. This fund will support the Traffic Safety Program after a grant from the California Office of Traffic Safety has been exhausted.

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

Traffic Congestion Fund — to account for the receipt and expenditures of State funds to relieve traffic congestion by supplementing the City's Capital Improvement Program.



**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

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.

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

Measure H — to account for the receipt and expenditures funded with voter approved ¼ cent sales tax designated for prevention and support services for individuals experiencing homelessness in Los Angeles County.

Road and Rehabilitation — to account for vehicle fuel excise tax, sales tax and vehicle license fees to fund road maintenance and rehabilitation projects.

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

Uptown Whittier Community Benefit District (CBD) — to fund revitalization activities within the boundaries of the district's 230 parcels. The Uptown Whittier Improvement Association (UWIA) uses their funds to provide enhanced services, while at the same time continuing Uptown's growth as a destination and urban experience.

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Special Revenue Funds		
	Street Lighting District 1-91	Asset Seizure Forfeitures	SB 358 Library Grant
Assets:			
Cash and investments	\$ 850	-	69,156
Restricted assets:			
Cash and investments	-	338,151	-
Receivables:			
Intergovernmental	5	-	-
Accounts	-	-	-
Notes and loans	-	-	-
Interest	1	1,276	330
Total Assets	<u>\$ 856</u>	<u>339,427</u>	<u>69,486</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 600	-	-
Due to other funds	-	-	-
Total Liabilities	<u>600</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	256	339,427	69,486
Total Fund Balances	<u>256</u>	<u>339,427</u>	<u>69,486</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 856</u>	<u>339,427</u>	<u>69,486</u>

Special Revenue Funds

State COPS Grant	Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion
730,643	779,521	8,225	4,800	1,801,460	94,534	480,891
-	-	-	-	-	-	-
-	28,876	-	-	58,378	23,434	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,569	2,695	-	-	8,924	-	221
733,212	811,092	8,225	4,800	1,868,762	117,968	481,112
-	6,386	8,225	-	118,594	1,791	20,951
-	-	-	-	-	-	-
-	6,386	8,225	-	118,594	1,791	20,951
-	-	-	-	58,378	-	-
-	-	-	-	58,378	-	-
733,212	804,706	-	4,800	1,691,790	116,177	460,161
733,212	804,706	-	4,800	1,691,790	116,177	460,161
733,212	811,092	8,225	4,800	1,868,762	117,968	481,112

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2018**

	Special Revenue Funds		
	HUD Grants	Whittier Uptown Parking District No.1	Whittier Uptown Parking District No.2
Assets:			
Cash and investments	\$ 334,923	114,338	2,029,808
Restricted assets:			
Cash and investments	-	-	-
Receivables:			
Intergovernmental	141,869	674	22,798
Accounts	-	3,700	5,778
Notes and loans	1,713,972	-	-
Interest	120,735	372	7,126
Total Assets	<u>2,311,499</u>	<u>119,084</u>	<u>2,065,510</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 108,758	2,822	410,731
Due to other funds	-	-	-
Total Liabilities	<u>108,758</u>	<u>2,822</u>	<u>410,731</u>
Deferred Inflows of Resources:			
Unavailable revenues	138,594	-	-
Total Deferred Inflows of Resources	<u>138,594</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	2,064,147	116,262	1,654,779
Total Fund Balances	<u>2,064,147</u>	<u>116,262</u>	<u>1,654,779</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,311,499</u>	<u>119,084</u>	<u>2,065,510</u>

Special Revenue Funds						Total Non-major Governmental Funds
Measure R	Measure H	Road and Rehabilitation	Measure M	Uptown Whittier Community Benefit District		
5,346,862	-	422,338	922,367	-	-	13,140,716
-	-	-	-	-	-	338,151
-	25,000	185,896	-	-	-	486,930
-	-	-	-	-	-	9,478
-	-	-	-	-	-	1,713,972
18,268	-	278	1,184	-	-	163,979
<u>5,365,130</u>	<u>25,000</u>	<u>608,512</u>	<u>923,551</u>	<u>-</u>	<u>-</u>	<u>15,853,226</u>
215,927	13,544	6,754	-	-	-	915,083
-	6,489	-	-	-	-	6,489
<u>215,927</u>	<u>20,033</u>	<u>6,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>921,572</u>
-	-	-	-	-	-	196,972
-	-	-	-	-	-	196,972
5,149,203	4,967	601,758	923,551	-	-	14,734,682
<u>5,149,203</u>	<u>4,967</u>	<u>601,758</u>	<u>923,551</u>	<u>-</u>	<u>-</u>	<u>14,734,682</u>
<u>5,365,130</u>	<u>25,000</u>	<u>608,512</u>	<u>923,551</u>	<u>-</u>	<u>-</u>	<u>15,853,226</u>

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds		
	Street Lighting District 1-91	Asset Seizure Forfeiture	SB358 Library Grant
Revenues:			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Fines and forfeits	-	11,198	-
Use of money and property	4	2,043	689
Intergovernmental	-	-	-
Charges for services	1,114	-	-
Other	-	-	-
Total Revenues	<u>1,118</u>	<u>13,241</u>	<u>689</u>
Expenditures:			
Current:			
Public safety	-	145,439	-
Libraries	-	-	37,657
Public works	990	-	-
Community development	-	-	-
Total Expenditures	<u>990</u>	<u>145,439</u>	<u>37,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>128</u>	<u>(132,198)</u>	<u>(36,968)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	128	(132,198)	(36,968)
Fund Balances, Beginning of Year	<u>128</u>	<u>471,625</u>	<u>106,454</u>
Fund Balances, End of Year	<u>\$ 256</u>	<u>339,427</u>	<u>69,486</u>

Special Revenue Funds

State COPS Grant	Air Quality Improvement	Business Improvement Area	Earthquake Relief	State Gas Tax	Traffic Safety	Traffic Congestion
-	-	-	-	-	-	-
-	-	116,632	-	-	-	-
-	-	6,405	-	-	221,739	-
3,681	3,687	-	-	9,375	-	118
187,820	112,435	-	-	1,586,191	-	765,683
-	-	-	-	-	-	-
-	-	-	-	-	-	-
191,501	116,122	123,037	-	1,595,566	221,739	765,801
232,820	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,339,884	-	190,354
-	47,033	123,037	-	-	-	-
232,820	47,033	123,037	-	1,339,884	-	190,354
(41,319)	69,089	-	-	255,682	221,739	575,447
130,000	-	-	-	-	-	-
-	-	-	-	(1,084,045)	(350,000)	-
130,000	-	-	-	(1,084,045)	(350,000)	-
88,681	69,089	-	-	(828,363)	(128,261)	575,447
644,531	735,617	-	4,800	2,520,153	244,438	(115,286)
733,212	804,706	-	4,800	1,691,790	116,177	460,161

**CITY OF WHITTIER, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds		
	HUD Grants	Whittier Uptown Parking District No.1	Whittier Uptown Parking District No.2
Revenues:			
Taxes	\$ -	23,801	257,220
Licenses and permits	-	-	-
Fines and forfeits	-	-	-
Use of money and property	-	56,572	9,789
Intergovernmental	789,853	-	-
Charges for services	-	33,900	59,210
Other	-	148	200
Total Revenues	<u>789,853</u>	<u>114,421</u>	<u>326,419</u>
Expenditures:			
Current:			
Public safety	-	-	-
Libraries	-	-	-
Public works	-	100,275	582,030
Community development	1,218,346	-	-
Total Expenditures	<u>1,218,346</u>	<u>100,275</u>	<u>582,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(428,493)</u>	<u>14,146</u>	<u>(255,611)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(428,493)</u>	<u>14,146</u>	<u>(255,611)</u>
Fund Balances, Beginning of Year	<u>2,492,640</u>	<u>102,116</u>	<u>1,910,390</u>
Fund Balances, End of Year	<u>\$ 2,064,147</u>	<u>116,262</u>	<u>1,654,779</u>

Special Revenue Funds					
Measure R	Measure H	Road and Rehabilitation	Measure M	Uptown Whittier Community Benefit District	Total Non-major Governmental Funds
1,171,265	-	609,194	918,046	205,960	3,185,486
-	-	-	-	-	116,632
-	-	-	-	-	239,342
27,418	-	1,291	5,505	-	120,172
-	50,000	-	-	-	3,491,982
-	-	-	-	-	94,224
-	-	-	-	-	348
<u>1,198,683</u>	<u>50,000</u>	<u>610,485</u>	<u>923,551</u>	<u>205,960</u>	<u>7,248,186</u>
-	-	-	-	-	378,259
-	-	-	-	-	37,657
689,991	-	8,727	-	-	2,912,251
-	45,033	-	-	205,960	1,639,409
<u>689,991</u>	<u>45,033</u>	<u>8,727</u>	<u>-</u>	<u>205,960</u>	<u>4,967,576</u>
<u>508,692</u>	<u>4,967</u>	<u>601,758</u>	<u>923,551</u>	<u>-</u>	<u>2,280,610</u>
-	-	-	-	-	130,000
-	-	-	-	-	(1,434,045)
-	-	-	-	-	(1,304,045)
508,692	4,967	601,758	923,551	-	976,565
<u>4,640,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,758,117</u>
<u>5,149,203</u>	<u>4,967</u>	<u>601,758</u>	<u>923,551</u>	<u>-</u>	<u>14,734,682</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
STREET LIGHTING DISTRICT 1-91 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	4	4
Charges for services	1,380	1,114	(266)
Total Revenues	<u>1,380</u>	<u>1,118</u>	<u>(262)</u>
Expenditures:			
Current:			
Public works	1,274	990	284
Total Expenditures	<u>1,274</u>	<u>990</u>	<u>284</u>
Net Change in Fund Balance	106	128	22
Fund Balance at Beginning of Year	128	128	-
Fund Balance at End of Year	<u>\$ 234</u>	<u>256</u>	<u>22</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
ASSET SEIZURE FORFEITURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeits	\$ 90,000	11,198	(78,802)
Use of money and property	2,000	2,043	43
Total Revenues	<u>92,000</u>	<u>13,241</u>	<u>(78,759)</u>
Expenditures:			
Current:			
Public safety	305,835	145,439	160,396
Total Expenditures	<u>305,835</u>	<u>145,439</u>	<u>160,396</u>
Net Change in Fund Balance	(213,835)	(132,198)	81,637
Fund Balance at Beginning of Year	<u>471,625</u>	<u>471,625</u>	-
Fund Balance at End of Year	<u>\$ 257,790</u>	<u>339,427</u>	<u>81,637</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
SB 358 LIBRARY GRANT – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ -	689	689
Total Revenues	<u>-</u>	<u>689</u>	<u>689</u>
Expenditures:			
Current:			
Libraries	37,657	37,657	-
Total Expenditures	<u>37,657</u>	<u>37,657</u>	<u>-</u>
Net Change in Fund Balance	(37,657)	(36,968)	689
Fund Balance at Beginning of Year	106,454	106,454	-
Fund Balance at End of Year	<u>\$ 68,797</u>	<u>69,486</u>	<u>689</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
STATE COPS GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	3,681	2,681
Intergovernmental	100,000	187,820	87,820
Total Revenues	<u>101,000</u>	<u>191,501</u>	<u>90,501</u>
Expenditures:			
Current:			
Public safety	343,574	232,820	110,754
Total Expenditures	<u>343,574</u>	<u>232,820</u>	<u>110,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(242,574)</u>	<u>(41,319)</u>	<u>201,255</u>
Other financing sources (uses):			
Transfers in	130,000	130,000	-
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net Change in Fund Balance	(112,574)	88,681	201,255
Fund Balance at Beginning of Year	<u>644,531</u>	<u>644,531</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 531,957</u>	<u>733,212</u>	<u>201,255</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,000	3,687	2,687
Intergovernmental	105,000	112,435	7,435
Total Revenues	<u>106,000</u>	<u>116,122</u>	<u>10,122</u>
Expenditures:			
Current:			
Community development	<u>333,643</u>	<u>47,033</u>	<u>286,610</u>
Total Expenditures	<u>333,643</u>	<u>47,033</u>	<u>286,610</u>
Net Change in Fund Balance	(227,643)	69,089	296,732
Fund Balance at Beginning of Year	<u>735,617</u>	<u>735,617</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 507,974</u>	<u>804,706</u>	<u>296,732</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
BUSINESS IMPROVEMENT AREA SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Licenses and permits	\$ 110,000	116,632	6,632
Fines and forfeits	8,000	6,405	(1,595)
Total Revenues	<u>118,000</u>	<u>123,037</u>	<u>5,037</u>
Expenditures:			
Current:			
Community development	111,500	123,037	(11,537)
Total Expenditures	<u>111,500</u>	<u>123,037</u>	<u>(11,537)</u>
Net Change in Fund Balance	6,500	-	(6,500)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 6,500</u>	<u>-</u>	<u>(6,500)</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
EARTHQUAKE RELIEF SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	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	<u>\$ 4,800</u>	<u>4,800</u>	<u>-</u>

**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, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 1,500	9,375	7,875
Intergovernmental	1,432,500	1,586,191	153,691
Total Revenues	<u>1,434,000</u>	<u>1,595,566</u>	<u>161,566</u>
Expenditures:			
Current:			
Public works	2,493,500	1,339,884	1,153,616
Total Expenditures	<u>2,493,500</u>	<u>1,339,884</u>	<u>1,153,616</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,059,500)</u>	<u>255,682</u>	<u>1,315,182</u>
Other financing sources (uses):			
Transfers out	<u>(1,084,045)</u>	<u>(1,084,045)</u>	-
Total Other Financing Sources (Uses)	<u>(1,084,045)</u>	<u>(1,084,045)</u>	-
Net Change in Fund Balance	(2,143,545)	(828,363)	1,315,182
Fund Balance at Beginning of Year	<u>2,520,153</u>	<u>2,520,153</u>	-
Fund Balance at End of Year	<u>\$ 376,608</u>	<u>1,691,790</u>	<u>1,315,182</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeits	\$ 196,000	221,739	25,739
Total Revenues	<u>196,000</u>	<u>221,739</u>	<u>25,739</u>
Other financing sources (uses):			
Transfers out	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balance	(154,000)	(128,261)	25,739
Fund Balance at Beginning of Year	<u>244,438</u>	<u>244,438</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 90,438</u>	<u>116,177</u>	<u>25,739</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
TRAFFIC CONGESTION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Use of money and property	\$ 500	118	(382)
Intergovernmental	400,000	765,683	365,683
Total Revenues	<u>400,500</u>	<u>765,801</u>	<u>365,301</u>
Expenditures:			
Current:			
Public works	1,115,302	190,354	924,948
Total Expenditures	<u>1,115,302</u>	<u>190,354</u>	<u>924,948</u>
Net Change in Fund Balance	(714,802)	575,447	1,290,249
Fund Balance (Deficit) at Beginning of Year	<u>(115,286)</u>	<u>(115,286)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (830,088)</u>	<u>460,161</u>	<u>1,290,249</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
HUD GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 743,838	789,853	46,015
Total Revenues	<u>743,838</u>	<u>789,853</u>	<u>46,015</u>
Expenditures:			
Current:			
Community development	1,734,541	1,218,346	516,195
Total Expenditures	<u>1,734,541</u>	<u>1,218,346</u>	<u>516,195</u>
Net Change in Fund Balance	(990,703)	(428,493)	562,210
Fund Balance at Beginning of Year	<u>2,492,640</u>	<u>2,492,640</u>	-
Fund Balance at End of Year	<u><u>\$ 1,501,937</u></u>	<u><u>2,064,147</u></u>	<u><u>562,210</u></u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
WHITTIER UPTOWN PARKING DISTRICT NO. 1
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 6,785	23,801	17,016
Intergovernmental	58,200	56,572	(1,628)
Charges for services	47,400	33,900	(13,500)
Other	-	148	148
Total Revenues	<u>112,385</u>	<u>114,421</u>	<u>2,036</u>
Expenditures:			
Current:			
Public works	88,917	100,275	(11,358)
Total Expenditures	<u>88,917</u>	<u>100,275</u>	<u>(11,358)</u>
Net Change in Fund Balance	23,468	14,146	(9,322)
Fund Balance at Beginning of Year	<u>102,116</u>	<u>102,116</u>	-
Fund Balance at End of Year	<u>\$ 125,584</u>	<u>116,262</u>	<u>(9,322)</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
WHITTIER UPTOWN PARKING DISTRICT NO. 2
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 54,253	257,220	202,967
Use of money and property	2,000	9,789	7,789
Charges for services	60,000	59,210	(790)
Other	-	200	200
Total Revenues	<u>116,253</u>	<u>326,419</u>	<u>210,166</u>
Expenditures:			
Current:			
Public works	<u>961,577</u>	<u>582,030</u>	<u>379,547</u>
Total Expenditures	<u>961,577</u>	<u>582,030</u>	<u>379,547</u>
Net Change in Fund Balance	(845,324)	(255,611)	589,713
Fund Balance at Beginning of Year	<u>1,910,390</u>	<u>1,910,390</u>	-
Fund Balance at End of Year	<u>\$ 1,065,066</u>	<u>1,654,779</u>	<u>589,713</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 727,688	1,171,265	443,577
Use of money and property	4,000	27,418	23,418
Total Revenues	<u>731,688</u>	<u>1,198,683</u>	<u>466,995</u>
Expenditures:			
Current:			
Public works	<u>5,533,525</u>	<u>689,991</u>	<u>4,843,534</u>
Total Expenditures	<u>5,533,525</u>	<u>689,991</u>	<u>4,843,534</u>
Net Change in Fund Balance	(4,801,837)	508,692	5,310,529
Fund Balance at Beginning of Year	<u>4,640,511</u>	<u>4,640,511</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ (161,326)</u></u>	<u><u>5,149,203</u></u>	<u><u>5,310,529</u></u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE H SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,000	50,000	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Expenditures:			
Current:			
Community Development	50,000	45,033	4,967
Total Expenditures	<u>50,000</u>	<u>45,033</u>	<u>4,967</u>
Net Change in Fund Balance	-	4,967	4,967
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>4,967</u>	<u>4,967</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
ROAD AND REHABILITATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 1,008,573	609,194	(399,379)
Use of money and property	-	1,291	1,291
Total Revenues	<u>1,008,573</u>	<u>610,485</u>	<u>(398,088)</u>
Expenditures:			
Current:			
Public works	<u>499,135</u>	<u>8,727</u>	<u>490,408</u>
Total Expenditures	<u>499,135</u>	<u>8,727</u>	<u>490,408</u>
Net Change in Fund Balance	509,438	601,758	92,320
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 509,438</u></u>	<u><u>601,758</u></u>	<u><u>92,320</u></u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 1,100,497	918,046	(182,451)
Use of money and property	-	5,505	5,505
Total Revenues	<u>1,100,497</u>	<u>923,551</u>	<u>(176,946)</u>
Net Change in Fund Balance	1,100,497	923,551	(176,946)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 1,100,497</u>	<u>923,551</u>	<u>(176,946)</u>

**CITY OF WHITTIER, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
UPTOWN WHITTIER COMMUNITY BENEFIT DISTRICT
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ -	205,960	205,960
Total Revenues	-	205,960	205,960
Expenditures:			
Current:			
Community Development	-	205,960	(205,960)
Total Expenditures	-	205,960	(205,960)
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ -	-	-

**CITY OF WHITTIER
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

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 worker's 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, 2018

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Assets:						
Current assets:						
Cash and investments	\$ 11,831,194	6,654,666	1,456,175	8,867,667	4,685,575	33,495,277
Accounts receivable, net	19,398	-	9,838	3	-	29,239
Interest receivable	41,996	2,184	-	37,200	13,972	95,352
Prepaid items	19,667	-	-	-	-	19,667
Total Current Assets	11,912,255	6,656,850	1,466,013	8,904,870	4,699,547	33,639,535
Capital assets:						
Improvements	-	-	300,879	-	-	300,879
Field and shop equipment	-	-	45,511	-	129,646	175,157
Office machines	-	-	-	-	1,336,260	1,336,260
Mobile equipment	-	-	-	14,171,123	-	14,171,123
Less-accumulated depreciation	-	-	(346,390)	(9,641,996)	(916,485)	(10,904,871)
Total Capital Assets, Net	-	-	-	4,529,127	549,421	5,078,548
Total Assets	11,912,255	6,656,850	1,466,013	13,433,997	5,248,968	38,718,083
Liabilities:						
Current liabilities:						
Accounts payable	122,572	369,593	36,193	7,188	341,903	877,449
Claims payable - current	4,707,869	-	-	-	-	4,707,869
Compensated absences payable - current	-	2,119,559	-	-	-	2,119,559
Total Current Liabilities	4,830,441	2,489,152	36,193	7,188	341,903	7,704,877
Long-term liabilities:						
Claims payable - non-current	2,535,007	-	-	-	-	2,535,007
Compensated absences payable - non-current	-	3,936,325	-	-	-	3,936,325
Total Non-current Liabilities	2,535,007	3,936,325	-	-	-	6,471,332
Total Liabilities	7,365,448	6,425,477	36,193	7,188	341,903	14,176,209
Net position:						
Net investment in capital assets	-	-	-	4,529,127	549,421	5,078,548
Unrestricted	4,546,807	231,373	1,429,820	8,897,682	4,357,644	19,463,326
Total Net Position	\$ 4,546,807	231,373	1,429,820	13,426,809	4,907,065	24,541,874

CITY OF WHITTIER
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Operating Revenues:						
Charges for services	\$ 3,979,118	5,119,303	2,013,931	1,112,661	950,964	13,175,977
Total Operating Revenues	<u>3,979,118</u>	<u>5,119,303</u>	<u>2,013,931</u>	<u>1,112,661</u>	<u>950,964</u>	<u>13,175,977</u>
Operating Expenses:						
Self insurance	4,356,074	-	-	-	-	4,356,074
Employee benefits	-	5,354,980	-	-	-	5,354,980
Maintenance	632,116	-	2,137,564	7,190	1,567,504	4,344,374
Depreciation	-	-	-	1,038,052	119,505	1,157,557
Total Operating Expenses	<u>4,988,190</u>	<u>5,354,980</u>	<u>2,137,564</u>	<u>1,045,242</u>	<u>1,687,009</u>	<u>15,212,985</u>
Operating Income (Loss)	<u>(1,009,072)</u>	<u>(235,677)</u>	<u>(123,633)</u>	<u>67,419</u>	<u>(736,045)</u>	<u>(2,037,008)</u>
Nonoperating Revenues (Expenses):						
Use of money and property	59,007	2,693	-	55,786	14,284	131,770
Gain (loss) on disposal of capital assets	-	-	-	(305,385)	(39,812)	(345,197)
Other revenue (expense)	124,390	-	-	64,000	-	188,390
Total Nonoperating Revenues (Expenses)	<u>183,397</u>	<u>2,693</u>	<u>-</u>	<u>(185,599)</u>	<u>(25,528)</u>	<u>(25,037)</u>
Income (loss) before transfers	<u>(825,675)</u>	<u>(232,984)</u>	<u>(123,633)</u>	<u>(118,180)</u>	<u>(761,573)</u>	<u>(2,062,045)</u>
Transfers in	-	-	-	342,117	2,166,356	2,508,473
Change in net position	<u>(825,675)</u>	<u>(232,984)</u>	<u>(123,633)</u>	<u>223,937</u>	<u>1,404,783</u>	<u>446,428</u>
Net Position at Beginning of the Year	<u>5,372,482</u>	<u>464,357</u>	<u>1,553,453</u>	<u>13,202,872</u>	<u>3,502,282</u>	<u>24,095,446</u>
Net Position at End of the Year	<u>\$ 4,546,807</u>	<u>231,373</u>	<u>1,429,820</u>	<u>13,426,809</u>	<u>4,907,065</u>	<u>24,541,874</u>

**CITY OF WHITTIER, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Self Insurance	Employee Benefits	Mobile Equipment	Mobile Equipment Replacement	Other Equipment Replacement	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 3,980,318	5,119,303	2,016,949	1,026,606	950,964	13,094,140
Payments to suppliers	(4,138,656)	-	(2,174,942)	(7,190)	(1,412,455)	(7,733,243)
Payments to employees	-	(4,867,523)	-	-	-	(4,867,523)
Net Cash Provided by (Used in) Non-Operating Activities	(158,338)	251,780	(157,993)	1,019,416	(461,491)	493,374
Cash flows from noncapital financing activities:						
Receipt from miscellaneous sales	124,390	-	-	64,000	-	188,390
Transfers from (to) other funds	-	-	-	342,117	2,166,356	2,508,473
Net Cash Provided by (Used in) Noncapital Financing Activities	124,390	-	-	406,117	2,166,356	2,696,863
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	(1,031,738)	(62,697)	(1,094,435)
Net Cash Used in Capital and Related Financing Activities	-	-	-	(1,031,738)	(62,697)	(1,094,435)
Cash flows from investing activities:						
Interest on investments	53,679	2,822	-	48,951	8,799	114,251
Net Cash Provided by Investing Activities	53,679	2,822	-	48,951	8,799	114,251
Net Increase (Decrease) in Cash and Cash Equivalents	19,731	254,602	(157,993)	442,746	1,650,967	2,210,053
Cash and Cash Equivalents, Beginning of Fiscal Year	11,811,463	6,400,064	1,614,168	8,424,921	3,034,608	31,285,224
Cash and Cash Equivalents, End of Fiscal Year	\$ 11,831,194	6,654,666	1,456,175	8,867,667	4,685,575	33,495,277
Reconciliation of operating income to net cash provided by operations:						
Operating income (loss)	\$ (1,009,072)	(235,677)	(123,633)	67,419	(736,045)	(2,037,008)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	-	1,038,052	119,505	1,157,557
Decrease (increase) in accounts receivable	1,200	-	3,018	-	-	4,218
Decrease (increase) in prepaid items	19,667	-	-	-	-	19,667
Increase (decrease) in accounts payable	(382,958)	285,006	(7,159)	(86,055)	179,921	(11,245)
Increase (decrease) in accrued liabilities	(616)	-	(30,219)	-	(24,872)	(55,707)
Increase in claims payable	1,213,441	-	-	-	-	1,213,441
Increase in compensated absences payable	-	202,451	-	-	-	202,451
Net Cash Provided by (Used in) Operating Activities	\$ (158,338)	251,780	(157,993)	1,019,416	(461,491)	493,374

**CITY OF WHITTIER
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018**

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

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

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

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

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

CITY OF WHITTIER
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

	Flex-RAP	Special Deposits	Community Facilities District 1989-1	Habitat JPA	Totals
Assets:					
Cash and investments	\$ 162,112	920,900	353,232	-	1,436,244
Cash and investments with fiscal agents	-	-	424,769	-	424,769
Receivable:					
Accounts	-	987,382	-	56,599	1,043,981
Interest	-	-	2,613	-	2,613
Total Assets	<u>\$ 162,112</u>	<u>1,908,282</u>	<u>780,614</u>	<u>56,599</u>	<u>2,907,607</u>
Liabilities:					
Accounts payable	\$ 162,112	31,428	-	56,599	250,139
Deposits payable	-	1,876,854	-	-	1,876,854
Due to bondholders	-	-	780,614	-	780,614
Total Liabilities	<u>\$ 162,112</u>	<u>1,908,282</u>	<u>780,614</u>	<u>56,599</u>	<u>2,907,607</u>

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>Flex-Rap</u>				
Assets				
Cash and investments	\$ 10,962	2,019,975	(1,868,825)	162,112
Total Assets	<u>\$ 10,962</u>	<u>2,019,975</u>	<u>(1,868,825)</u>	<u>162,112</u>
Liabilities				
Accounts payable	\$ 10,962	162,112	(10,962)	162,112
Total Liabilities	<u>\$ 10,962</u>	<u>162,112</u>	<u>(10,962)</u>	<u>162,112</u>
<u>Special Deposits</u>				
Assets				
Cash and investments	\$ 983,285	821,181	(883,566)	920,900
Accounts receivable	887,060	264,774	(164,452)	987,382
Total Assets	<u>\$ 1,870,345</u>	<u>1,085,955</u>	<u>(1,048,018)</u>	<u>1,908,282</u>
Liabilities				
Accounts payable	\$ 28,129	31,428	(28,129)	31,428
Deposits payable	1,842,216	682,962	(648,324)	1,876,854
Total Liabilities	<u>\$ 1,870,345</u>	<u>714,390</u>	<u>(676,453)</u>	<u>1,908,282</u>
<u>Community Facilities District 1989-1</u>				
Assets				
Cash and investments	\$ 339,787	421,379	(407,934)	353,232
Cash and investments with fiscal agent	422,794	409,575	(407,600)	424,769
Interest receivable	979	2,613	(979)	2,613
Total Assets	<u>\$ 763,560</u>	<u>833,567</u>	<u>(816,513)</u>	<u>780,614</u>
Liabilities				
Due to bondholders	\$ 763,560	833,567	(816,513)	\$ 780,614
Total Liabilities	<u>\$ 763,560</u>	<u>833,567</u>	<u>(816,513)</u>	<u>780,614</u>

CITY OF WHITTIER
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>Habitat JPA</u>				
Assets				
Accounts receivable	\$ 80,826	56,599	(80,826)	56,599
Total Assets	<u>\$ 80,826</u>	<u>56,599</u>	<u>(80,826)</u>	<u>56,599</u>
Liabilities				
Accounts payable	\$ 80,826	56,599	(80,826)	56,599
Total Liabilities	<u>\$ 80,826</u>	<u>56,599</u>	<u>(80,826)</u>	<u>56,599</u>
<u>Total Agency Funds</u>				
Assets				
Cash investments	\$ 1,334,034	3,262,535	(3,160,325)	1,436,244
Cash and investments with fiscal agent	422,794	409,575	(407,600)	424,769
Receivables:				
Accounts	967,886	321,373	(245,278)	1,043,981
Interest	979	2,613	(979)	2,613
Total Assets	<u>\$ 2,725,693</u>	<u>3,996,096</u>	<u>(3,814,182)</u>	<u>2,907,607</u>
Liabilities				
Accounts payable	\$ 119,917	250,139	(119,917)	250,139
Deposits payable	1,842,216	682,962	(648,324)	1,876,854
Due to bondholders	763,560	833,567	(816,513)	780,614
Total Liabilities	<u>\$ 2,725,693</u>	<u>1,766,668</u>	<u>(1,584,754)</u>	<u>2,907,607</u>



City of Whittier

Statistical Section

STATISTICAL SECTION



Statistical Section

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

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

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year ending June 30,									
	<u>2018</u>	<u>2017</u> ¹	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<i>Governmental Activities:</i>										
Net investment in capital assets	\$ 99,663	100,582	103,579	104,182	107,928	111,342	109,657	95,435	105,775	98,199
Restricted	67,929	68,206	67,479	58,502	58,668	57,271	42,717	46,374	30,522	78,484
Unrestricted	<u>(40,042)</u>	<u>(34,175)</u>	<u>(28,300)</u>	<u>(36,190)</u>	<u>51,402</u>	<u>41,593</u>	<u>67,551</u>	<u>45,464</u>	<u>44,145</u>	<u>3,202</u>
Total Governmental Activities Net Position	<u>127,550</u>	<u>134,613</u>	<u>142,758</u>	<u>126,494</u>	<u>217,998</u>	<u>210,206</u>	<u>219,925</u>	<u>187,273</u>	<u>180,442</u>	<u>179,885</u>
% change from prior year	-5.2%	-5.7%	12.9%	-42.0%	3.7%	-4.4%	17.4%	3.8%	0.3%	4.5%
<i>Business-type Activities:</i>										
Net investment in capital assets	44,609	42,623	38,711	35,644	33,063	31,175	28,819	27,974	26,357	26,875
Restricted	215	40	35	17	6	3	135	124	185	138
Unrestricted	<u>21,830</u>	<u>22,122</u>	<u>22,653</u>	<u>22,298</u>	<u>26,779</u>	<u>22,972</u>	<u>23,254</u>	<u>14,762</u>	<u>18,097</u>	<u>15,895</u>
Total Business-Type Activities Net Position	<u>66,654</u>	<u>64,785</u>	<u>61,399</u>	<u>57,959</u>	<u>59,848</u>	<u>54,150</u>	<u>52,208</u>	<u>42,860</u>	<u>44,639</u>	<u>42,908</u>
% change from prior year	2.9%	5.5%	5.9%	-3.2%	10.5%	3.7%	21.8%	-4.0%	4.0%	-11.5%
<i>Primary Government:</i>										
Net investment in capital assets	144,272	143,205	142,290	139,826	140,991	142,517	138,476	123,409	132,132	125,074
Restricted	68,144	68,246	67,514	58,519	58,674	57,274	42,852	46,498	30,707	78,622
Unrestricted	<u>(18,212)</u>	<u>(12,053)</u>	<u>(5,647)</u>	<u>(13,892)</u>	<u>78,181</u>	<u>64,565</u>	<u>90,805</u>	<u>60,226</u>	<u>62,242</u>	<u>19,097</u>
Total Primary Government Net Position	<u>\$ 194,204</u>	<u>199,398</u>	<u>204,157</u>	<u>184,453</u>	<u>277,846</u>	<u>264,356</u>	<u>272,133</u>	<u>230,133</u>	<u>225,081</u>	<u>222,793</u>
% change from prior year	-2.6%	-2.3%	10.7%	-33.6%	5.1%	-2.9%	18.3%	2.2%	1.0%	0.9%

The City implemented GASB 68 effective July 1, 2014.

The City implemented GASB 75 effective July 1, 2017.

¹ *The City restated net position for governmental and business-type activities as of July 1, 2017, as a result of GASB 75 implementation.*

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

	Fiscal Year ending June 30,									
	2018	2017	2016	2015 ¹	2014	2013	2012	2011	2010	2009
Expenses:										
<i>Governmental activities:</i>										
General government	\$ 9,981	8,802	10,203	8,522	9,090	8,098	7,687	7,547	7,714	7,353
Public safety	39,712	35,449	31,785	31,790	31,082	29,952	28,479	28,642	25,967	30,428
Public works	10,765	12,808	11,465	11,864	13,024	12,879	13,256	8,931	10,781	11,688
Community development	3,813	1,405	3,125	1,451	1,895	10,481	8,317	5,499	5,598	6,414
Libraries	3,949	3,794	3,647	3,407	3,390	3,261	3,166	3,282	3,506	3,426
Transit	2,950	2,777	2,604	3,015	3,168	3,503	2,836	4,567	2,731	2,604
Parks and recreation	10,990	11,416	9,357	8,975	9,022	8,489	8,554	8,456	8,612	10,057
Interest on long-term debt	-	-	644	235	253	320	1,893	3,562	3,710	4,637
Total Governmental activities	<u>82,160</u>	<u>76,451</u>	<u>72,830</u>	<u>69,259</u>	<u>70,924</u>	<u>76,983</u>	<u>74,188</u>	<u>70,486</u>	<u>68,619</u>	<u>76,607</u>
<i>Business-type activities:</i>										
Sewer	2,803	2,461	2,227	1,579	1,408	1,471	1,365	1,259	1,390	1,752
Water	12,184	11,084	11,480	10,249	9,999	10,973	9,592	14,133	8,289	14,321
Solid waste	5,810	5,473	9,850	9,832	9,697	9,122	(841)	9,558	9,272	9,295
Total Business-type activities	<u>20,797</u>	<u>19,018</u>	<u>23,557</u>	<u>21,660</u>	<u>21,104</u>	<u>21,566</u>	<u>10,116</u>	<u>24,950</u>	<u>18,951</u>	<u>25,368</u>
Total primary government	<u>102,957</u>	<u>95,469</u>	<u>96,387</u>	<u>90,919</u>	<u>92,028</u>	<u>98,549</u>	<u>84,304</u>	<u>95,436</u>	<u>87,570</u>	<u>101,975</u>
Program revenues:										
<i>Governmental activities:</i>										
Charges for services:										
General government	3,981	5,190	3,002	3,048	2,446	1,972	2,090	2,011	2,128	2,047
Public safety	11,216	10,630	10,516	10,427	10,183	9,549	9,099	9,728	9,417	9,200
Public works	2,880	4,450	4,472	4,450	5,265	5,108	4,542	9,048	3,353	8,589
Parks and recreation	2,334	2,668	4,072	2,004	1,731	1,921	1,864	1,717	2,340	1,746
Community development	3	3	1	4	9,876	1,558	1,965	2,167	2,107	2,221
Other activities	454	524	818	441	815	776	898	860	895	981
Operating contributions and grants	5,646	7,865	6,126	7,003	6,694	8,127	11,754	6,139	5,362	6,294
Capital contributions and grants	1,634	990	1,020	1,320	997	902	2,561	2,788	3,300	4,521
Total governmental activities	<u>28,148</u>	<u>32,320</u>	<u>30,027</u>	<u>28,697</u>	<u>38,007</u>	<u>29,913</u>	<u>34,773</u>	<u>34,458</u>	<u>28,902</u>	<u>35,599</u>
<i>Business-type activities:</i>										
Charges for services:										
Sewer	4,242	4,026	4,040	3,900	3,109	2,549	2,216	1,955	1,740	1,902
Water	14,206	13,316	12,452	12,044	13,486	10,219	7,969	10,591	8,556	7,811
Solid waste	4,260	4,602	10,622	9,833	10,389	9,703	8,969	7,863	8,210	8,406
Operating contributions and grants	170	239	92	287	241	925	633	1,239	1,436	1,746
Capital contributions and grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>22,878</u>	<u>22,183</u>	<u>27,206</u>	<u>26,064</u>	<u>27,225</u>	<u>23,396</u>	<u>19,787</u>	<u>21,648</u>	<u>19,942</u>	<u>19,865</u>
Total primary government	<u>51,026</u>	<u>54,503</u>	<u>57,233</u>	<u>54,761</u>	<u>65,232</u>	<u>53,309</u>	<u>54,560</u>	<u>56,106</u>	<u>48,844</u>	<u>55,464</u>
Net revenues (expenses):										
<i>Governmental activities</i>	(54,012)	(44,131)	(42,803)	(40,562)	(32,917)	(47,070)	(39,415)	(36,028)	(39,717)	(41,008)
<i>Business-type activities</i>	2,081	3,165	3,649	4,404	6,121	1,830	9,671	(3,302)	991	(5,503)
Total primary government	<u>(51,931)</u>	<u>(40,966)</u>	<u>(39,154)</u>	<u>(36,158)</u>	<u>(26,796)</u>	<u>(45,240)</u>	<u>(29,744)</u>	<u>(39,330)</u>	<u>(38,726)</u>	<u>(46,511)</u>
General revenues and other changes in net position										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	16,277	15,293	14,227	5,897	5,711	6,523	8,779	11,830	9,690	13,252
Sales taxes	10,622	9,737	10,378	9,132	8,504	8,583	7,900	7,663	7,460	8,651
Franchise taxes	4,267	2,829	3,377	3,415	3,231	2,918	2,189	1,891	1,914	1,718
Utility users tax	6,695	6,801	6,812	7,049	6,903	7,003	6,760	7,034	7,366	7,659
Motor vehicle in lieu tax, unrestricted	-	-	-	7,776	7,416	7,153	7,076	7,285	7,253	7,410
Transit tax	4,555	2,903	2,858	2,786	2,673	2,466	2,332	2,150	2,035	2,314
Other taxes	3,191	3,227	3,506	2,974	2,786	2,276	2,349	2,307	2,257	2,356
Investment income	773	225	640	544	457	424	443	1,154	2,162	4,404
Other	12	1	-	1	3	1	45	4	136	16
Transfers	557	(105)	580	593	593	4	522	-	-	914
Extraordinary gain	-	-	-	-	-	-	33,672	-	-	-
Special item	-	-	16,689	-	-	-	-	-	-	-
Total governmental activities	<u>46,949</u>	<u>40,911</u>	<u>59,067</u>	<u>40,167</u>	<u>38,277</u>	<u>37,351</u>	<u>72,067</u>	<u>41,318</u>	<u>40,273</u>	<u>48,694</u>
<i>Business-type activities:</i>										
Investment income	340	593	348	223	154	103	186	935	584	818
Other	5	14	23	16	16	14	12	588	157	-
Transfers	(557)	105	(580)	(593)	(593)	(4)	(522)	-	-	(914)
Total business-type activities	<u>(212)</u>	<u>712</u>	<u>(209)</u>	<u>(354)</u>	<u>(423)</u>	<u>113</u>	<u>(324)</u>	<u>1,523</u>	<u>741</u>	<u>(96)</u>
Total primary government	<u>46,737</u>	<u>41,623</u>	<u>58,858</u>	<u>39,813</u>	<u>37,854</u>	<u>37,464</u>	<u>71,743</u>	<u>42,841</u>	<u>41,014</u>	<u>48,598</u>
Changes in net position										
<i>Governmental activities</i>	(7,063)	(3,220)	16,264	(395)	5,360	(9,719)	32,652	5,290	556	7,686
<i>Business-type activities</i>	1,869	3,877	3,440	4,050	5,698	1,943	9,347	(1,779)	1,732	(5,599)
Change in net position - total primary government	<u>\$ (5,194)</u>	<u>657</u>	<u>19,704</u>	<u>3,655</u>	<u>11,058</u>	<u>(7,776)</u>	<u>41,999</u>	<u>3,511</u>	<u>2,288</u>	<u>2,087</u>

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

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

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

	Fiscal Year Ending June 30,										
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u> ²	<u>2010</u>	<u>2009</u>	
General fund:									General fund:		
Nonspendable	\$ 7,034	7,716	7,701	7,682	7,663	23	7,858	7,321	Reserved	\$ 7,410	8,286
Restricted	2,449	2,463	2,222	515	1,083	1,057	838	728	Unreserved, designated for	12,071	18,203
Committed	3,803	3,754	3,625	3,297	3,275	3,075	2,985	2,923	Unreserved	<u>16,895</u>	<u>16,094</u>
Assigned	4,127	3,967	3,379	3,870	4,140	3,478	2,318	2,826	Total general fund	<u>36,376</u>	<u>42,583</u>
Unassigned	<u>30,102</u>	<u>29,131</u>	<u>28,628</u>	<u>25,504</u>	<u>22,670</u>	<u>20,558</u>	<u>20,875</u>	<u>22,675</u>			
Total general fund	<u>47,515</u>	<u>47,031</u>	<u>45,555</u>	<u>40,868</u>	<u>38,831</u>	<u>28,191</u>	<u>34,874</u>	<u>36,473</u>			
Other governmental funds:									Other governmental funds:		
Nonspendable	79	102	122	142	163	165	-	-	Reserved	39,268	96,938
Restricted	55,308	53,955	54,687	45,096	44,753	42,454	44,750	80,315	Unreserved, designated for, reported in:		
Committed	-	-	-	-	-	-	-	-	Special revenue funds	617	541
Assigned	2,604	3,148	3,553	4,579	5,053	5,441	9,321	6,999	Debt service funds	-	-
Unassigned	<u>(563)</u>	<u>(1,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,013)</u>	Capital projects funds	-	-
Total other governmental funds	<u>57,428</u>	<u>55,261</u>	<u>58,362</u>	<u>49,817</u>	<u>49,969</u>	<u>48,060</u>	<u>54,071</u>	<u>76,301</u>	Unreserved, reported in:		
									Special revenue funds	14,236	(10,630)
									Debt service funds	14,325	(6,044)
									Capital projects funds	<u>5,180</u>	<u>2,246</u>
Total governmental funds	<u>\$ 104,943</u>	<u>102,292</u>	<u>103,917</u>	<u>90,685</u>	<u>88,800</u>	<u>76,251</u>	<u>88,945</u>	<u>112,774</u>	Total other governmental funds	<u>73,626</u>	<u>83,051</u>
									Total governmental funds	<u>\$110,002</u>	<u>125,634</u>

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

² The City implemented GASB 54, fund balance reporting, in fiscal year 2011.

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes	\$ 44,643	39,381	39,536	38,040	36,050	36,049	36,408	41,344	42,081	37,264
Licenses and permits	2,653	2,722	3,006	2,549	2,410	1,963	1,997	1,978	3,182	2,777
Fines and forfeits	851	933	1,048	1,173	1,156	1,260	1,125	1,524	1,465	1,699
Use of money and property	1,672	1,173	1,355	1,177	1,046	1,143	1,209	1,902	2,745	5,210
Intergovernmental	7,529	3,917	4,882	5,750	6,038	6,967	8,482	7,413	8,708	15,933
Charges for services	17,936	19,168	17,286	14,832	16,620	14,988	15,554	15,591	17,470	22,015
Other	1,541	2,947	4,509	4,422	12,632	4,117	3,921	8,585	3,523	496
Total revenues	<u>76,825</u>	<u>70,241</u>	<u>71,622</u>	<u>67,943</u>	<u>75,952</u>	<u>66,487</u>	<u>68,696</u>	<u>78,337</u>	<u>79,174</u>	<u>85,394</u>
Expenditures:										
Current:										
General government	9,330	8,653	10,174	8,579	9,074	8,234	8,027	7,482	7,797	7,885
Public safety	33,142	33,587	32,533	31,972	31,030	30,457	29,669	28,398	28,977	30,942
Public works	7,120	7,278	5,525	6,592	7,847	9,983	8,336	7,223	5,643	6,639
Community development	3,533	1,344	5,256	1,460	1,892	10,525	8,700	5,450	5,932	6,472
Libraries	3,666	3,726	3,644	3,430	3,384	3,316	3,301	3,254	3,462	3,388
Local transit	2,856	2,764	2,580	3,037	3,162	3,562	2,956	4,528	2,567	2,442
Parks and recreation	10,365	11,276	9,327	9,036	9,007	8,632	8,918	8,384	8,626	9,663
Pass through agreements	-	-	-	-	-	-	695	2,203	4,644	1,736
Capital outlay	2,211	2,412	1,171	1,220	650	3,845	3,042	5,673	16,066	8,515
Debt service:										
Principal	-	-	4,170	350	335	320	1,856	2,364	8,469	1,571
Interest and fiscal charges	-	-	683	238	256	276	1,844	3,383	3,769	4,644
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>72,223</u>	<u>71,040</u>	<u>75,063</u>	<u>65,914</u>	<u>66,637</u>	<u>79,150</u>	<u>77,344</u>	<u>78,342</u>	<u>95,952</u>	<u>83,897</u>
Excess of revenues over (under) expenditures	<u>4,602</u>	<u>(799)</u>	<u>(3,441)</u>	<u>2,029</u>	<u>9,315</u>	<u>(12,663)</u>	<u>(8,648)</u>	<u>(5)</u>	<u>(16,778)</u>	<u>1,497</u>
Other financing sources (uses):										
Issuance of debt	-	-	-	-	-	-	625	1,275	1,254	1,206
Transfers in	2,291	2,038	1,953	2,490	3,507	1,965	12,267	11,162	22,370	14,875
Transfers out	(4,242)	(2,864)	(1,969)	(2,635)	(1,939)	(1,996)	(12,892)	(11,201)	(22,478)	(16,307)
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Premium (discount) from bond issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,951)</u>	<u>(826)</u>	<u>(16)</u>	<u>(145)</u>	<u>1,568</u>	<u>(31)</u>	<u>-</u>	<u>1,236</u>	<u>1,146</u>	<u>(226)</u>
Special item:										
Refunded bond proceeds from Successor Agency	-	-	16,689	-	-	-	-	-	-	-
Extraordinary item:										
Dissolution of Former Redevelopment Agency	-	-	-	-	-	-	(15,182)	-	-	-
Net change in fund balances	<u>\$ 2,651</u>	<u>(1,625)</u>	<u>13,232</u>	<u>1,884</u>	<u>10,883</u>	<u>(12,694)</u>	<u>(23,830)</u>	<u>1,231</u>	<u>(15,632)</u>	<u>1,271</u>
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	6.53%	0.91%	0.90%	0.84%	5.23%	8.49%	15.80%	8.29%

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

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

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2009	\$ 6,018,883	45,223	(250,595)	5,813,511	1,484,842	103,550	(67,704)	1,520,688	0.19172%
2010	5,820,412	42,021	(221,491)	5,640,942	1,527,176	100,306	(54,649)	1,572,833	0.20043%
2011	5,831,111	40,800	(289,426)	5,582,485	1,529,589	93,174	(106,971)	1,515,792	0.19485%
2012	6,000,274	42,055	(307,687)	5,734,642	1,539,305	98,324	(121,952)	1,515,677	0.19230%
2013	6,087,317	40,291	(337,455)	5,790,153	1,565,967	94,230	(122,001)	1,538,196	0.19204%
2014	6,305,284	45,083	(325,376)	6,024,991	1,625,768	89,858	(132,511)	1,583,115	0.07306%
2015	6,648,446	39,467	(346,308)	6,341,605	1,678,096	90,641	(129,892)	1,638,845	0.07314%
2016	6,984,126	43,550	(368,292)	6,659,384	1,771,408	84,906	(145,943)	1,710,371	0.07322%
2017	7,448,068	42,517	(344,730)	7,145,855	1,829,078	99,183	(142,249)	1,786,012	0.07333%
2018	7,795,540	45,203	(512,560)	7,328,183	1,964,207	98,656	(155,566)	1,907,297	0.07297%

NOTE:

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

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

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

Agency	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
East Whittier City School District	0.03689	0.01695	0.03826	0.03878	0.03900	0.04024	0.03680	0.03638	0.03553	0.03320
Fullerton Union High School District	0.02994	0.02819	0.01232	0.01338	0.01435	0.01579	0.01300	0.01820	0.01529	0.01431
Los Nietos School District 08 Series 2008A	0.08396	0.07063	0.08062	0.03041	0.02810	0.03351	0.03420	0.03213	0.02885	0.02680
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430
N Orange Co. Community College District	0.02927	0.02885	0.01609	0.01704	0.01704	0.01902	0.01742	0.01758	0.01649	0.01493
Rio Hondo Community College District	0.02748	0.02808	0.02712	0.02821	0.02892	0.02812	0.03418	0.03439	0.02714	0.02320
South Whittier School District	0.08821	0.06563	0.06306	0.06856	0.06403	0.06884	0.08556	0.06895	0.06169	0.05783
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	0.04781	0.05441	0.05757	0.05792	0.06110	0.03439	0.03354	0.03494	0.03443	0.03365
Whittier Union High School District	0.05781	0.06035	0.05063	0.05270	0.04473	0.04556	0.04317	0.04239	0.04224	0.03728
Total Direct & Overlapping² Tax Rates	1.57153	1.52325	1.51583	1.47716	1.46743	1.45563	1.46823	1.45532	1.43262	1.41216
City's Share of 1% Levy Per Prop 13³	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171	0.07171
Redevelopment Rate⁴							1.00370	1.00370	1.00430	1.00430
Total Direct Rate⁵	0.07297	0.07333	0.07322	0.07314	0.07306	0.19204	0.19230	0.19485	0.20043	0.19172

Notes:

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

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

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

⁴Redevelopment Rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

⁵Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: The HDL Companies, Los Angeles County Assessor

CITY OF WHITTIER
Ten Principal Property Taxpayers
Year Ended June 30, 2018

Taxpayer	No. of Parcels	Assessed Value	Percentage of Total City Property Assessed Value
WHITTWOOD 1768 INC	18	\$ 163,130,521	1.77%
GMS FIVE LLC	11	63,101,722	0.68%
WHITTIER MARKETPLACE LP LESSOR	1	44,340,139	0.48%
CLPF WHITTIER INDUSTRIAL LP	2	30,000,141	0.32%
WBCMT 2007-C31 OFFICE 15111 LP	4	24,610,510	0.27%
ARBOR RIDGE VENTURE	3	22,439,497	0.24%
GHG PROPERTIES LLC	1	22,194,500	0.24%
TAM STOCKTON LLC ET AL	1	19,898,484	0.22%
SUBURBAN WATER SYSTEMS	35	19,551,068	0.21%
RODRIGUEZ LIVING TRUST	6	<u>17,089,087</u>	<u>0.19%</u>
Total taxable assessed value of ten largest taxpayers	82	426,355,669	4.62%
Total taxable assessed value of other taxpayers		<u>8,809,124,760</u>	<u>95.38%</u>
Total taxable assessed value of all taxpayers		<u>\$9,235,480,429</u>	<u>100.00%</u>

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

Source: The HdL Companies, Los Angeles County Assessor

CITY OF WHITTIER
Property Tax Levies and Collections¹
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of Levy		Delinquent Tax Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	\$ 5,690,559	5,252,334	92.30%	245,153	5,497,487	96.61%
2010	5,530,475	5,242,687	94.80%	228,431	5,471,118	98.93%
2011	5,575,089	5,254,111	94.24%	118,642	5,372,753	96.37%
2012	5,654,107	5,507,578	97.41%	55,336	5,562,914	98.39%
2013	5,294,251	4,961,287	93.71%	89,212	5,050,499	95.40%
2014	5,403,911	5,170,686	95.68%	35,046	5,205,732	96.33%
2015	5,631,333	5,354,839	95.09%	49,630	5,404,469	95.97%
2016	5,880,497	5,590,973	95.08%	4,065	5,595,038	95.15%
2017	6,254,471	5,933,562	94.87%	11,318	5,944,880	95.05%
2018	6,472,411	6,144,736	94.94%	11,166	6,155,902	95.11%

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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Apparel stores	\$ 56,064	48,025	44,973	42,794	42,161	39,231	37,877	46,243	43,482	41,185
General merchandise	88,296	91,407	92,330	90,684	91,907	88,138	92,990	81,361	81,833	97,052
Food stores	46,531	46,600	46,586	43,252	44,049	40,133	39,106	38,537	40,050	42,573
Eating and drinking places	186,432	172,624	158,687	143,021	137,994	134,314	124,056	114,815	114,913	119,050
Building materials	89,900	82,786	83,613	72,478	57,751	56,053	52,989	50,696	51,043	63,923
Auto dealers and supplies	104,677	81,995	84,468	69,179	66,753	55,660	51,668	52,081	71,611	115,123
Service stations	99,813	92,344	103,371	110,563	110,162	115,053	109,531	87,127	78,792	107,227
Other retail stores	125,656	121,093	116,421	114,587	116,626	110,045	111,528	109,975	105,457	115,070
All other outlets	<u>212,861</u>	<u>199,213</u>	<u>193,361</u>	<u>184,682</u>	<u>171,684</u>	<u>166,840</u>	<u>176,072</u>	<u>157,346</u>	<u>166,488</u>	<u>184,900</u>
Total	\$1,010,230	936,087	923,810	871,240	839,087	805,467	795,817	738,181	753,669	886,103

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 ¹¹	Tax Allocation Loans ¹¹	Tax Allocation Bonds ¹¹	Capital Lease Payable	Loans ^{1, 11}	Total Governmental Activities ²
2009	\$4,526,553	21,100,000 ^{5,9}	41,180,000 ^{7,8}	-	8,559,510	75,366,063
2010	4,756,315	20,465,000	34,370,000	-	7,538,549	67,129,864
2011	5,002,091	19,805,000	33,695,000	-	6,870,003	65,372,094
2012	-	-	5,175,000	-	-	5,175,000
2013	-	-	4,855,000	-	-	4,855,000
2014	-	-	4,520,000	-	-	4,520,000
2015	-	-	4,170,000	-	-	4,170,000
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-

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

⁶ The Whittier Utility Authority issued 2003 revenue bonds to refund the 1993 revenue bonds.

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

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

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

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

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

¹² The Whittier Utility Authority issued 2012 revenue bonds to refund the 2003 revenue bonds.

¹³ The Public Financing Authority refunded 2002 Revenue Bonds in FY 2015-16.

<u>Water Revenue Bonds</u>	<u>Solid Waste Revenue Bonds</u>	<u>Total Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income ³</u>	<u>Debt per Capita ⁴</u>
9,460,000 ⁶	2,340,000	11,800,006	87,166,069	3.78%	1,010
18,335,000 ¹⁰	2,000,000	20,335,010	87,464,874	3.89%	1,011
17,925,000	1,640,000	19,565,000	84,937,094	3.78%	975
17,500,000	1,265,000	18,765,000	23,940,000	1.05%	279
18,892,271 ¹²	865,000	19,757,283	24,612,283	1.03%	286
18,334,249	445,000	18,779,249	23,299,249	0.96%	269
17,756,227	-	17,756,227	21,926,227	0.91%	253
17,158,205	-	17,158,205	17,158,205	0.72%	194
16,540,183	-	16,540,183	16,540,183	0.68%	189
15,907,161	-	15,907,161	15,907,161	0.64%	182

CITY OF WHITTIER
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	Tax Allocation	Tax Allocation	Total		
	Loans	Bonds			
2009	\$ 21,100	41,180	62,280	0.81%	722
2010	20,465	34,370	54,835	0.73%	634
2011	19,805	33,695	53,500	0.71%	614
2012	-	5,175	5,175 ²	0.07%	60
2013	-	4,855	4,855	0.06%	56
2014	-	4,520	4,520	0.06%	52
2015	-	4,170	4,170	0.05%	48
2016	-	-	- ³	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	-	-

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

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

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

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

CITY OF WHITTIER
Direct and Overlapping Debt
June 30, 2018

City Assessed Valuation	\$ 7,328,183,447
Redevelopment Agency Incremental Valuation	<u>1,907,296,982</u>
Total 2016-2017 Assessed Valuation	<u>\$ 9,235,480,429</u>

	Percentage Applicable to City	Outstanding Debt 6/30/18	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	0.690%	\$ 29,354,442	202,487
East Whittier DS 2016 Serial A Measure R	63.913%	19,000,000	12,143,494
East Whittier DS 2016 Serial A Measure Z	63.913%	6,000,000	3,834,787
Los Nietos SD DS 2008 Series B	9.388%	3,720,132	349,244
Los Nietos SD DS 2008 Series 11A QSCB	9.388%	2,840,000	266,618
Los Nietos SD DS 2008 Series 2011 C	9.388%	4,175,000	391,947
Los Nietos SD DS 2014 MS E 2015 Series A	9.388%	3,610,000	338,905
Los Nietos SD DS 2014 MS N 2015 Series A	9.388%	7,950,000	746,342
Los Nietos SD DS 2014 MS E 2018 Series B	9.388%	5,000,000	469,397
Los Nietos SD DS 2014 MS N 2018 Series B	9.388%	4,300,000	403,682
S Whittier Elementary DS 2004 Series A	0.519%	96,813	502
S Whittier Elementary DS 2011 Refunding	0.518%	7,745,000	40,137
S Whittier SD DS 2015 Ref Bonds	0.518%	6,275,000	32,519
S Whittier Elementary SD DS 2016 Series 2017A	0.518%	10,000,000	51,823
Whittier City SD DS 2006 Ref Bonds	52.594%	350,000	184,079
Whittier City SD DS 2010 Ref Bonds	52.594%	730,000	383,935
Whittier City SD DS 2012 Ref Bonds	52.594%	10,245,000	5,388,245
Whittier City SD DS 2012 Series A	52.594%	18,215,000	9,579,979
Whittier City SD DS 2012 Series B	52.594%	17,450,000	9,177,636
Whittier City SD DS 2016 Ref Bonds	52.594%	22,105,000	11,625,882
Fullerton Unified HSD DS 2010 Refunding	25.577%	1,938,625	495,833
Fullerton Unified HSD 2014 Series B	25.577%	3,317,433	848,484
Fullerton Joint Union HSD DS 2013 Refunding	25.577%	1,665,351	425,939
Fullerton Joint Union HSD DS 2014 Series 2015A	25.577%	3,168,978	810,515
Fullerton Joint Union HSD DS 2014 Series 2017	25.577%	3,980,919	1,018,181
Whittier Union HSD DS 2008 Series 2009A	36.393%	480,682	174,937
Whittier Union HSD DS 2008 Series 2014B	36.393%	12,465,000	4,536,449
Whittier Union HSD DS 2008 Series 2015C	36.393%	67,050,000	24,401,836
Whittier Union HSD DS 2015 Ref Bonds	36.393%	65,658,679	23,895,486
N Orange Co CCD DS 2002 Series 2005 Ref	24.970%	2,431,538	607,165
N Orange Co CCD DS 2014 Series 2016A	24.970%	1,630,203	407,068
Rio Hondo CCD DS 2005 Refunding Bonds	23.253%	31,650,000	7,359,521
Rio Hondo CCD DS 2004 Series 2008	23.253%	<u>116,557,824</u>	<u>27,102,996</u>
Total overlapping debt		<u>\$ 491,156,619</u>	147,696,050
City direct debt			-
Total direct and overlapping debt			<u>147,696,050</u> ¹

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

Notes:

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

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

Source: *HdL Coren & Cone*

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

Fiscal Year	Assessed Valuation	Conversion Percentage	Adjusted Assessed Valuation	Debt Limit Percentage	Debt Limit	Debt Applicable to Limit	Legal Debt Margin
2008-09	\$ 7,334,199,357	25%	1,833,549,839	15%	275,032,476	-	275,032,476
2009-10	7,213,775,202	25%	1,803,443,801	15%	270,516,570	-	270,516,570
2010-11	7,098,277,146	25%	1,774,569,287	15%	266,185,393	-	266,185,393
2011-12	7,250,319,391	25%	1,812,579,848	15%	271,886,977	-	271,886,977
2012-13	7,328,348,758	25%	1,832,087,190	15%	274,813,078	-	274,813,078
2013-14	7,608,106,757	25%	1,902,026,689	15%	285,304,003	-	285,304,003
2014-15	7,980,449,542	25%	1,995,112,386	15%	299,266,858	-	299,266,858
2015-16	8,369,754,972	25%	2,092,438,743	15%	313,865,811	-	313,865,811
2016-17	8,931,866,635	25%	2,232,966,659	15%	334,944,999	-	334,944,999
2017-18	9,235,480,429	25%	2,308,870,107	15%	346,330,516	-	346,330,516

Note: The Government Code of the State of California provides for a legal debt limit of 15% of assessed valuation.

However, this provision was enacted when assessed valuation was based upon 25% of market value.

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

Source: Controller's Office, City of Whittier

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

Fiscal Year Ended June 30	Gross Revenue ¹	Operating Expenses ²	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2009	\$ 9,768	7,271	2,497	210	451	661	3.78
2010	10,067	7,764	2,303	220	778	998	2.31
2011	12,190	6,755	5,435	410	919	1,329	4.09
2012	8,629	6,497	2,132	425	908	1,333	1.60
2013	11,180	7,611	3,569	670	873	1,543	2.31
2014	13,170	7,050	6,120	520	815	1,335	4.58
2015	11,870	7,402	4,468	540	802	1,342	3.33
2016	12,617	7,815	4,802	560	786	1,346	3.57
2017	13,813	8,880	4,933	580	769	1,349	3.66
2018	14,373	9,103	5,270	595	748	1,343	3.92

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

¹ Restated to exclude AB1600 Water Connection Fee.

² Excludes depreciation.

Source: Controller's Office, City of Whittier

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

Fiscal Year Ended June 30	Gross Revenue ¹	Operating Expenses ²	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2009	\$ 8,516	6,965	1,551	320	127	447	3.47
2010	8,249	6,556	1,693	340	109	449	3.77
2011	8,361	7,411	950	360	90	450	2.11
2012	8,388	7,154	1,234	375	78	453	2.72
2013	9,769	7,446	2,323	400	57	457	5.08
2014	10,410	7,694	2,716	420	35	455	5.97
2015	9,853	7,786	2,067	445	12	457	4.52
2016	-	-	-	-	-	-	³ -
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-

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.

³ The bonds were matured on August 1, 2014.

Source: *Controller's Office, City of Whittier*

CITY OF WHITTIER
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	City Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2008	86,317	\$ 2,303,772	26,690	5.3%
2009	86,472	2,246,927	25,984	8.3%
2010	87,128	2,244,330	25,759	9.1%
2011	85,654	2,290,045	26,736	8.8%
2012	86,093	2,387,101	27,727	6.6%
2013	86,538	2,419,862	27,963	5.4%
2014	86,577	2,416,016	27,906	6.5%
2015	88,341	2,387,446	27,025	5.3%
2016	87,708	2,442,867	27,852	4.1%
2017	87,369	2,469,684	28,267	3.5%

Source: The HDL Companies

CITY OF WHITTIER
Demographic and Economic Statistics
2012 Ten Largest Employers

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

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

Source: *InfoUSA.com*

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

Full-time and Part-time Employees by function										
As of June 30	General government	Public safety	Public works	Community development	Library	Transit	Parks and recreation	Water / sewer	Solid waste	Total
2009	49	204	56	23	94	4	216	25	31	702
2010	46	194	52	24	77	3	160	26	32	614
2011	45	184	54	25	67	5	157	27	31	595
2012	37	192	60	23	60	5	188	28	31	624
2013	41	189	53	21	72	4	183	26	32	621
2014	44	192	55	19	73	4	192	25	33	637
2015	50	179	41	18	80	5	209	30	29	641
2016	40	184	49	21	77	6	198	30	28	633
2017	41	171	49	19	82	3	213	37	14	629
2018	47	169	51	19	88	6	220	37	15	652

Source: *City of Whittier Controller's Office*

CITY OF WHITTIER
Operating Indicators
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<i>Public Safety</i>										
Sworn employees-full time	118	121	120	119	121	120	117	116	124	126
Civilian employees-full time	44	44	44	51	48	50	50	49	48	50
Physical arrests	3,236	2,753	3,078	2,726	2,877	2,134	2,809	3,277	3,022	3,405
Parking tickets	15,691	14,374	15,554	18,650	15,709	17,867	18,364	18,265	15,494	11,504
Traffic citations	5,113	4,552	4,515	4,296	7,129	6,485	5,841	8,245	12,259	8,066
<i>Libraries</i>										
Total items	305,368	305,795	317,086	315,428	317,998	324,422	323,771	325,813	327,336	331,885
Volumes checked out	307,605	354,000	395,000	398,000	442,114	430,756	432,084	523,733	535,962	545,629
Library patrons	625,645	630,000	634,141	598,249	586,532	481,068	420,521	482,510	479,336	460,738
New library cards	4,476	5,768	6,542	5,760	6,678	6,928	5,121	6,624	7,054	7,785
<i>Public Transit System</i>										
Fixed route:										
Routes	N/A									
Revenue service miles	N/A									
Riders	N/A									
Dial-A-Ride:										
Revenue service miles	186,061	194,036	197,146	188,970	192,595	196,557	199,273	191,067	185,589	179,739
Riders	66,420	68,895	73,128	73,199	76,373	78,865	79,466	75,521	69,818	63,931
<i>Parks & Recreation</i>										
Senior center patrons	102,251	109,552	106,900	106,500	105,000	104,000	102,783	99,235	92,656	78,648
Aquatics program participants	67,500	66,425	64,225	62,350	62,600	62,400	62,325	62,220	61,800	62,120
Tennis program participants	34,500	33,500	34,200	34,250	32,400	32,380	32,410	32,300	32,500	32,300
Youth program participants	175,000	174,350	174,255	171,345	171,000	170,889	211,552	214,477	226,594	200,558
Community center patrons	270,500	281,000	260,000	263,000	255,000	252,000	246,000	271,000	264,000	253,000
Parnell community & senior center patrons	163,525	162,564	163,240	144,380	147,000	146,004	149,635	141,711	93,870	88,587
York field patrons	125,000	124,000	128,000	126,000	123,000	121,500	118,000	116,000	113,000	110,000
<i>Water Utility</i>										
Avg daily water consumption	6,103,133	5,601,823	5,665,625	6,498,763	6,890,578	6,735,437	8,500,000	8,500,000	8,500,000	8,500,000
Maximum plant capacity per day	19,728,000	25,200,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000
<i>Sanitary Landfill</i>										
Permitted limit tons per day	350	350	350	350	350	350	350	350	350	350
<i>Sewer System</i>										
Single-family sewer service	17,496	17,876	18,265	18,265	18,265	18,265	18,442	18,442	18,442	18,442
Multi-residential sewer service	2,104	2,103	2,134	2,134	2,134	2,134	2,024	2,024	2,024	2,024
Commercial sewer service	930	929	1,066	1,066	1,006	1,066	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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<i>Public Safety</i>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	30	30	31	31	31	30	29	32	32	32
Number of canine units	2	2	1	1	1	1	1	1	1	2
Number of motorcycle units	7	7	7	7	6	5	6	6	6	5
<i>Public Works:</i>										
Miles of streets	212	212	212	212	212	212	212	212	212	212
Traffic signals	104	104	104	104	104	104	103	99	99	99
Number of street lamps	3,566	3,439	3,439	3,438	3,438	3,438	3,435	3,262	3,262	3,262
<i>Libraries</i>										
Number of libraries	2	2	2	2	2	2	2	2	2	2
<i>Public Transit System</i>										
Number of fixed route vehicles	N/A									
Number of dial-a-ride vehicles	17	17	16	15	17	17	17	13	12	11
<i>Parks & Recreation:</i>										
Number of parks	20	20	20	20	20	20	20	20	20	20
Acres of parks	411	411	411	411	411	411	411	411	411	411
Acres of designated open space	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679	1,679
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	13	13	13	13	13	13	13	13	13	13
Number of community centers	1	1	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1	1	1
<i>Water Utility</i>										
Miles of mains	143	143	143	143	143	137	137	137	137	137
Number of hydrants	916	910	910	910	910	910	910	910	910	910
<i>Sanitary Landfill</i>										
Acres of landfill permitted	132	132	132	132	132	132	132	132	132	132
<i>Sewer System</i>										
Miles of sanitary sewer lines	211	211	211	211	211	214	214	214	214	214

Source: City of Whittier Departments

City of Whittier, California
2017-18 Comprehensive Annual Financial Report
13230 E. Penn Street, Whittier, California 90602-1772 (562) 567-9999