

CITY OF WESTMINSTER, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
JUNE 30, 2009

Prepared by:

Department of Finance

Paul Espinoza
Finance Director/City Treasurer

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CITY OF WESTMINSTER

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October 16, 2009

To the Honorable Mayor, Members of the City Council and Citizens of the City of Westminster:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Westminster for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the City of Westminster. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Westminster has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Westminster's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Westminster's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Westminster's financial statements have been audited by Diehl Evans & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Westminster for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Westminster's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Westminster was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Westminster’s separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Westminster’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Westminster

The City of Westminster, incorporated in 1957, is located in the northeast corner of Orange County. The City of Westminster currently occupies a land area of 10.6 square miles and serves a population of 93,284.

The City of Westminster operates under the council-manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of the Mayor and four Council Members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, hiring the City Manager and appointing the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government and for appointing the heads of the City departments. The City Council is elected, at large, on a non-partisan basis. The Mayor is elected, at large, to serve a two-year term. Council Members serve four-year staggered terms, with two Council Members elected every two years.

The City of Westminster provides a full range of services, including police, fire protection (as a contract member of the Orange County Fire Authority), water utility, street and infrastructure maintenance and construction, recreational and cultural services, planning and community development and general administration. The City of Westminster also is financially accountable for the legally separate Westminster Redevelopment Agency and the Westminster Financing Authority. The City has accounted for the Agency and Authority as “blended” component units and therefore they have been included as an integral part of the City of Westminster’s financial statements. The annual budget serves as the foundation for the City of Westminster’s financial planning and control. All departments of the City of Westminster are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City of Westminster’s fiscal year.

The appropriated budget is prepared by fund (e.g., general), department (e.g., public works), and program (e.g., engineering). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments within the same fund require the City Manager's approval. Transfers between funds, however, require approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 83 as part of the required supplementary information portion of the basic financial statements for the governmental funds. For other funds with appropriated annual budgets, this comparison is presented beginning on page 84 of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Westminster operates.

Local Economy. While most local economies have been hard hit by the effects of the recent economic downturn, the City of Westminster continues to find itself well positioned for the eventual economic recovery. Due to its location, between the beaches and entertainment venues of Orange County, Westminster offers some of the most accessible and attractive retail development opportunities in Southern California. The City is well served by I-405 and SR-22 and is highly accessible by most other Southern California freeways. Since motorists are able to quickly access the I-5, I-605, SR-57 and SR-55, the City has been able to tap into the different consumer bases of nearly all of Orange County and nearby Los Angeles County. As growth in retail demand is a function of trade area population and income growth, it is important to not only retain internal sales, but increase the amount of retail sales that is captured from outside communities. While Westminster only accounts for 3.0 percent of the Orange County population, the City continues to enjoy a trade area that encompasses a much larger customer base than Westminster's 90,000 residents and is a net importer of sales in the automobile, general merchandise, building materials & hardware and apparel sectors. With nearly 3.1 million Southern California residents living within a 20 minute drive time of the City's center, and over 75% of those trade area residents falling into middle to high income households, the City is in a great position to continue increasing its amount of retail sales.

The City also enjoys its position as the internationally recognized social, cultural, and retail hub of the Vietnamese American community. With the continued development of Little Saigon into a destination retail attraction, the City expects to increase its amount of captured retail sales. This national and international marketplace serves as an important economic engine and is bolstered by the fact that it is an authentic cultural retail center, which is unique in Orange County. This coupled with the real estate demands in the area provides retailers with the opportunity to reach a broad demographic base that is actively looking for variety in shopping and entertainment choices, from large, well-established brands to emerging and specialty boutiques.

While Westminster is already a successful home to many national retailers including Lexus, Toyota, Honda, Wal-Mart, Lowe's, Home Depot, Best Buy, Target, and the Westminster Mall, there is still room for growth. With an average market demand for 55,000 square feet of new retail and a demand for more than 70,000 square feet of restaurants alone over the next five years, it is easy to see the opportunity for continued expansion within the local economy. Since the level of demand is distributed across all retail sectors, Westminster enjoys a full array of strategic options in terms of additional economic development.

An accessible central location, a unique Vietnamese-American market niche, and the demonstrated ability to attract both large national chains, while supporting smaller emerging businesses, are all examples of Westminster's economic versatility and denotes the great potential for long term sustainable growth.

Long Term Financial Planning and Policies. The City's continued control over expenditure growth has been and will continue to be a key factor in maintaining the City's strong financial position and healthy fund balance reserves. The Mayor and City Council has benefited from the past years financial prosperity to secure the future stability of the City. On an ongoing basis, funds are being set aside as reserves for building maintenance, capital replacement, vehicle replacement, and the replacement of the City's water systems infrastructure.

Decisions on utilizing municipal financing techniques are based on specific projects and financial considerations, including:

- Long-term financing is limited to funding of capital improvement projects and equipment or other long-term obligations. The use of long term borrowing for ongoing operations is prohibited.
- The term of the financing shall not exceed the expected useful life of the capital improvement or equipment being financed.
- A recommended financing must also include the resources available to meet the annual obligation, the percentage of annual resources available to meet the obligation, and a projection of resource availability for the term of the financing.
- Financing obligations are met in a timely and efficient manner.
- The City shall comply with all issuance covenants.
- Refunding techniques may be used where appropriate to allow for the restructuring of its current outstanding debt in order to remove or change restrictive covenants, reduce annual debt service costs in an amount sufficient to justify the costs of the refunding/reissuance and other purposes that can be clearly shown to be cost effective and in the City's best interest.

State Budget. Sales tax revenue has continued to be impacted due to the approval of Proposition 57 and the “triple flip”. The City receives a “sales tax in-lieu” payment, for the City’s share of local sales tax dollars to the State on a dollar-per-dollar basis. The impact to the City has been a cash flow issue because of how the “sales-tax-in-lieu” has been paid. The “sales-tax-in-lieu” is paid on the same schedule as property tax with the majority paid in January and May, rather than on a monthly basis. Sales tax revenue accounts for 30% of the City’s total General Fund Revenues.

Cash Management. Cash temporarily idle during the year was invested in instruments permitted under Section 53600 of the California Government Code and the City’s adopted investment policy. Permitted investments include demand deposits, certificates of deposit, obligations of the U.S. Treasury and agencies, as well as high-grade commercial paper and banker’s acceptances. Average yield for investments was 1.94% for fiscal year 2009.

Risk Management. The City maintains self-insurance programs for workers’ compensation and general liability as part of its comprehensive risk management program. The city is self-insured for worker’s compensation up to \$300,000 per person per occurrence. General liability self-insurance is limited to the first \$350,000 of liability per occurrence. Excess coverage is maintained through the California Insurance Pool Authority (CIPA), a consortium of eleven cities in California organized to pool resources and share risks, as well as the costs of professional risk management and claims administration. Excess coverage is maintained in the amounts of \$10,000,000 and \$50,000,000 annual aggregate for worker’s compensation and general liability, respectively. The City has accrued a liability for all known general and workers’ compensation claims as of June 30, 2009. In addition, estimated amounts for claims incurred, but not yet reported, have also been accrued.

Pension and Other Postemployment Benefits. The City of Westminster is a member of the California Public Employees Retirement System (CalPERS). CalPERS sets the contribution rates for the City’s represented and non-represented employee groups. Participants are required to contribute 8%-9% of their annual covered salary. The City makes contributions required of City employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. As a result of continued CalPERS investment losses and previously approved enhancements to the benefit plans, the City anticipates significant increases to the employer contribution rate in the next fiscal year.

The City of Westminster also provides postretirement health, dental and life benefits for retirees. As of the end of the current fiscal year, there were 233 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information on the City of Westminster's pension arrangements and postemployment benefits can be found in Notes 10 and 11 in the notes to the financial statements.

Awards and Acknowledgements

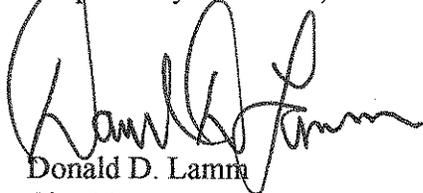
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the fourteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of a number of City staff and departments, especially the Finance Department. We would like to express our appreciation to all members of the City staff who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Council Members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Westminster's finances.

Respectfully submitted,



Donald D. Lamm
City Manager



Paul Espinoza
Finance Director

CITY OF WESTMINSTER

Principal Officials

CITY COUNCIL

MARGIE L. RICE, Mayor

TRI TA, Mayor Pro Tem

TYLER DIEP, Council Member

FRANK G. FRY, Council Member

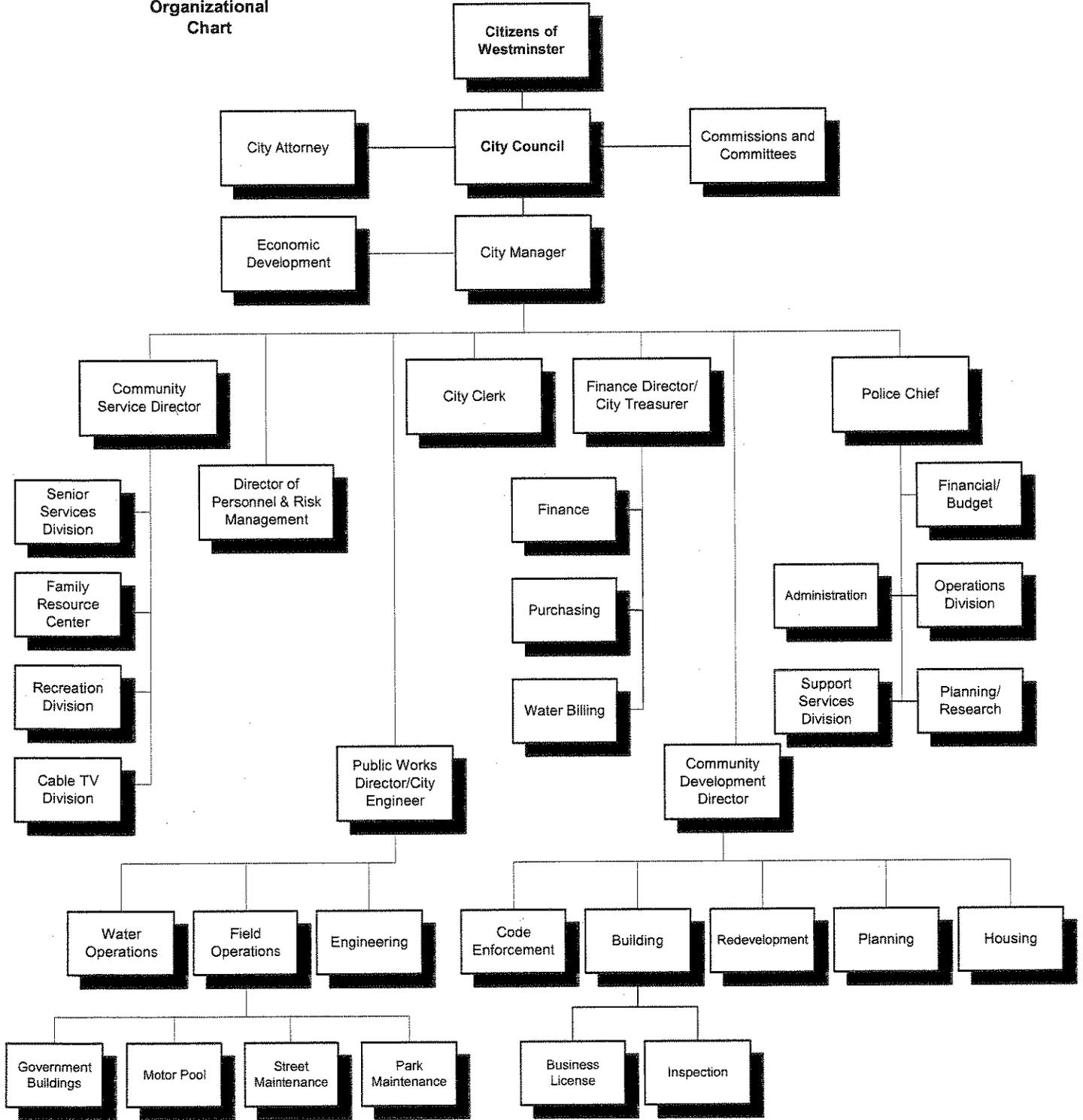
ANDY QUACH, Council Member

CITY STAFF

Donald D. Lamm	City Manager
Richard D. Jones	City Attorney
Doug McIsaac	Community Development Director
Andrew Hall	Police Chief
Marwan Youssef	Public Works Director/City Engineer
Marian Contreras	City Clerk
Paul Espinoza	Finance Director/City Treasurer
Eddie Manfro	Director of Human Resources & Risk Management
Greg Johnson	Community Services Director



**City of Westminster
Organizational
Chart**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westminster
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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CITY OF WESTMINSTER

Comprehensive Annual Financial Report

June 30, 2009

Financial Section

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*A PROFESSIONAL CORPORATION

October 16, 2009

INDEPENDENT AUDITORS' REPORT

City Council Members
City of Westminster
Westminster, California

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Westminster's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 activity, each major fund, and the aggregate remaining fund information of the City of Westminster, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 11 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for the year ended June 30, 2009.

- 1 -

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In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2009 on our consideration of the City of Westminster's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and the other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, the California Public Employees Retirement System's Schedule of Funding Progress and the Other Post-Employment Benefit Plan's Schedule of Funding Progress, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the management's discussion and analysis, the California Public Employees Retirement System's Schedule of Funding Progress or the Other Post-Employment Benefit Plan's Schedule of Funding Progress and express no opinion on them. The budgetary comparison schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The introductory section, supplementary information and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Diehl, Evans and Company, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Westminster (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009, along with comparisons to the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities by \$294.4 million (net assets) as of June 30, 2009. Of this amount, \$65.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$15.6 million. Revenues decreased by \$5.5 million, while expenses increased \$3.9 million. The revenue decrease is mostly due to decreases of \$3.4 in Capital Grants and Contributions, \$3.0 million in sales taxes and \$1.4 million in interest earnings. Expenses increased due to a \$3.0 million recording of the OPEB liability.
- As of June 30, 2009 the City's governmental funds reported a combined ending fund balance of \$213.5 million, an increase of \$77.9 million. \$177.1 million is unreserved and is available for spending at the City's discretion.
- Unreserved fund balance for the General Fund was \$25.8 million, or 57 percent of total General Fund expenditures.
- Total City debt (excluding compensated absences and claims liabilities) increased by \$71.8 million (160 percent). Changes in debt consisted of a bond issuance, principal reduction payments, and \$50,784 in amortized bond costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

See accompanying independent auditor's report.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., uncollected taxes or earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City and the Westminster Redevelopment Agency, a blended component unit, include general government, public safety, community development, community services and public works. A business-type activity of the City includes the water utility. The government-wide financial statements can be found on pages 21-23 of this report.

Fund Financial Statements

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized by their type (special revenue, debt service and capital projects funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the RDA Low and Moderate Income Housing, the Housing and Community Development, and the Special Gas Tax and Street Improvements Special Revenue Funds, the Debt Service Fund, the Capital Improvements and Westminster Redevelopment Agency Projects Capital Projects Funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the other governmental funds is provided in the form of combining statements beginning on page 89 of this report.

See accompanying independent auditor's report.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary Comparison Schedules have been provided to demonstrate compliance with this budget. These statements begin on page 83 of this report. The basic governmental fund financial statements can be found on pages 24-30 of this report.

Proprietary funds are generally used to account for services for which the City charges outside customers, or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two 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 uses an enterprise fund to account for the operations of water.
- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its equipment replacement, general benefits, liability administration, information systems and equipment, and government buildings. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements beginning on page 104 of this report.

The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The basic fiduciary fund financial statements can be found on page 36 of this report.

Notes to the Basic Financial Statements

The notes 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 on pages 37-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes the Schedules of Funding Progress and the Budgetary Comparison Schedules for the General and Major Special Revenue Funds. Required supplementary information can be found on pages 81-87 of this report.

Combining statements for other governmental funds, internal service funds and agency funds are presented immediately following the required supplementary information, and can be found on pages 89-114 of this report.

See accompanying independent auditor's report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements – and Management’s Discussion and Analysis (MD&A) – for State and Local Governments.

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. City assets exceeded liabilities by \$294.4 million at June 30, 2009. This is an increase of \$15.6 million as summarized below and on the following pages:

Statement of Net Assets*

	Governmental Activities			
	June 30, 2009	June 30, 2008	Increase/ (Decrease) From 2008	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 254,881,695	\$ 172,444,129	\$ 82,437,566	47.81%
Capital assets, net of accumulated depreciation	145,489,065	135,790,183	9,698,882	7.14%
Total assets	400,370,760	308,234,312	92,136,448	29.89%
Liabilities:				
Current and other liabilities	26,059,160	20,724,768	5,334,392	25.74%
Long-term liabilities	111,183,129	40,163,871	71,019,258	176.82%
Total liabilities	137,242,289	60,888,639	76,353,650	125.40%
Net assets:				
Invested in capital assets, net of related debt	100,104,347	97,870,305	2,234,042	2.28%
Restricted	99,106,443	78,051,423	21,055,020	26.98%
Unrestricted	63,917,681	71,423,945	(7,506,264)	-10.51%
	\$ 263,128,471	\$ 247,345,673	\$ 15,782,798	6.38%

* A more detailed statement of net assets is shown on page 21 of this report.

Governmental activities had the greatest changes occur in “Current and other assets”, “Current and other liabilities”, “Long-term liabilities” and “Restricted net assets”. The majority of these changes are a result of the City issuing bonds during the year. The increase of 47.8 percent in “Current and other assets” occurred in part, because “Restricted assets-Cash and investments with fiscal agents” increased by \$68 million. The related debt caused increases of \$71 million in “Long-term liabilities”, and \$960 thousand in “Current and other liabilities”. In addition to the debt related increase in “Current and other liabilities”, the addition of a \$3.0 million OPEB liability contributed to the 25.7 percent increase in this category.

See accompanying independent auditor’s report.

“Restricted net assets” increased by 27 percent. The increase is due to the continuing growth of property taxes. Until these funds are spent, they are maintained in “Restricted net assets” of the related funds. The majority of the property taxes are deposited into the Debt Service Fund, the Redevelopment Projects Capital Projects Fund, and the RDA Low and Moderate Income Housing Special Revenue Fund. The latter noted increase is not expected to continue in the near future.

Statement of Net Assets*

	Business-type Activity			
	June 30, 2009	June 30, 2008	Increase/ (Decrease) From 2008	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 3,985,869	\$ 3,225,958	\$ 759,911	23.56%
Capital assets, net of accumulated depreciation	35,467,646	37,024,644	(1,556,998)	-4.21%
Total assets	39,453,515	40,250,602	(797,087)	-1.98%
Liabilities:				
Current and other liabilities	2,165,685	2,266,771	(101,086)	-4.46%
Long-term liabilities	5,983,209	6,490,243	(507,034)	-7.81%
Total liabilities	8,148,894	8,757,014	(608,120)	-6.94%
Net assets:				
Invested in capital assets, net of related debt	28,951,409	30,019,525	(1,068,116)	-3.56%
Restricted	335,645	380,756	(45,111)	-11.85%
Unrestricted	2,017,567	1,093,307	924,260	84.54%
Total net assets	\$ 31,304,621	\$ 31,493,588	\$ (188,967)	-0.60%

* A more detailed statement of net assets is shown on page 21 of this report.

Business-type activity remained fairly static for fiscal years 2009 and 2008. In an era of increasing costs, the City is making efforts to maintain customer services while keeping water rate increases to a minimum. However, the City has seen a slight reduction in net assets (.6 percent in 2009, and 5.9 percent in 2008) as a result of losses in the last few years.

See accompanying independent auditor’s report.

	Primary Government			
	June 30, 2009	June 30, 2008	Increase/ (Decrease) From 2005	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 258,867,564	\$ 175,670,087	\$ 83,197,477	47.36%
Capital assets, net of accumulated depreciation	180,956,711	172,814,827	8,141,884	4.71%
Total assets	<u>439,824,275</u>	<u>348,484,914</u>	<u>91,339,361</u>	26.21%
Liabilities:				
Current and other liabilities	28,224,845	22,991,539	5,233,306	22.76%
Long-term liabilities	<u>117,166,338</u>	<u>46,654,114</u>	<u>70,512,224</u>	151.14%
Total liabilities	<u>145,391,183</u>	<u>69,645,653</u>	<u>75,745,530</u>	108.76%
Net assets:				
Invested in capital assets, net of related debt	129,055,756	127,889,830	1,165,926	0.91%
Restricted	99,442,088	78,432,179	21,009,909	26.79%
Unrestricted	<u>65,935,248</u>	<u>72,517,252</u>	<u>(6,582,004)</u>	-9.08%
	<u>\$ 294,433,092</u>	<u>\$ 278,839,261</u>	<u>\$ 15,593,831</u>	5.59%

* A more detailed statement of net assets is shown on page 21 of this report.

The City's restricted portion of the net assets (\$99.4 million or 33.8 percent) represents resources that are subject to external restrictions on how they may be used. This is a \$21.0 million, or 26.79 percent increase from prior year.

The City's unrestricted net assets (\$65.9 million or 22.4 percent) decreased \$6.6 million or 9.1 percent from the prior year. These funds may be used to meet the government's ongoing obligations to citizens, creditors, and City imposed designations (e.g., reserves, pending litigations, contingencies, capital projects).

The largest portion (43.8 percent) of the City's net assets reflects its investment of \$129.1 million in capital assets (land, buildings and improvements, equipment, infrastructure, and construction in progress, net of accumulated depreciation); less any related outstanding debt used to acquire those assets. This is an overall increase of \$1.2 million, or 1.0 percent from the prior year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of fiscal year 2009, the City shows positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities and business-type activity.

See accompanying independent auditor's report.

Statement of Activities

The statement of activities shows how the government's net assets changed during fiscal year 2009. The City's net assets increased overall by \$15.6 million as summarized below and on the following pages:

Statement of Activities*

	Governmental Activities			
	For the year ended		Increase/ (Decrease)	Percent Increase/ (Decrease)
	June 30, 2009	June 30, 2008		
Revenues:				
Program revenues:				
Charges for services	6,524,456	6,531,312	(6,856)	-0.10%
Operating grants and contributions	8,990,834	8,170,763	820,071	10.04%
Capital grants and contributions	410,664	3,824,058	(3,413,394)	-89.26%
General revenues:				
Taxes	70,230,702	72,049,678	(1,818,976)	-2.52%
Unrestricted investment earnings	5,926,914	7,295,177	(1,368,263)	-18.76%
Total Revenues	<u>92,083,570</u>	<u>97,870,988</u>	<u>(5,787,418)</u>	-5.91%
Expenses:				
General government	9,175,952	8,529,466	646,486	7.58%
Public safety	37,564,132	34,981,171	2,582,961	7.38%
Public works	10,263,012	10,149,119	113,893	1.12%
Community development	12,693,678	12,502,817	190,861	1.53%
Community services	3,050,217	2,873,862	176,355	6.14%
Interest on long term debt	2,812,049	2,728,406	83,643	3.07%
Total Expenses	<u>75,559,040</u>	<u>71,764,841</u>	<u>3,794,199</u>	5.29%
Increase in net assets before transfers	16,524,530	26,106,147	(9,581,617)	-36.70%
Transfers	<u>(741,732)</u>	<u>824,994</u>	<u>(1,566,726)</u>	-189.91%
Increase in net assets	15,782,798	26,931,141	(11,148,343)	-41.40%
Net assets - Beginning of Year	<u>247,345,673</u>	<u>220,414,532</u>	<u>26,931,141</u>	12.22%
Net assets - End of Year	<u>\$ 263,128,471</u>	<u>\$ 247,345,673</u>	<u>\$ 15,782,798</u>	6.38%

* A more detailed statement of activities is shown on pages 22-23 of this report.

See accompanying independent auditor's report.

Governmental activities increased the City's net assets by \$15.8 million, thereby accounting for 101.0 percent of the total growth in City net assets. Public safety remains the largest expense function (49.7 percent), followed by community development (16.8 percent), public works (13.6 percent), general government (12.2 percent), community services (4.0 percent) and interest on long term debt (3.7 percent). General revenues such as property and sales tax are not shown by program, but are effectively used to support program activities citywide.

Operating expenses remained fairly static for fiscal years 2009 and 2008. One significant impact to the operating costs of the City is the result of a continuing increase in the PERS employer rate for retirement costs and the contractually obligated medical costs. Overall, salaries and benefits increased \$733 thousand or 2.1 percent. The PERS employer rate for retirement costs for both the Miscellaneous Plan and Safety Plans increased to 9.55 percent and 19.47 percent respectively in fiscal year 2009. This is an increase from fiscal year 2008's 9.26 percent for the Miscellaneous Plan and 18.78 percent for the Safety Plan. In addition to the increase in PERS costs, the most significant impact resulted from the City, in accordance with GASB 45, accruing an annual contribution for other post-employment benefits (OPEB). This resulted in additional expense of \$3.0 million in fiscal year 2009. Additional information can be found on Notes 10 and 11 of these financial statements.

"Interest on long term debt" increased \$84 thousand (3.1 percent). The City issued bonds during the year to fund the construction of a new police facility. Interest was accrued during the year, but no principal payments will be made until 2028. Additional information can be found in Note 7 of these financial statements.

"Capital grants and contributions" had a decrease of \$3.5 million (89.3% percent). This revenue source will vary from year to year, depending on the completion of grant funded projects. The City had several reimbursements in the prior year on completed projects.

"Taxes" decreased as expected during the year. Property taxes provided the City with an additional \$982 thousand during the current fiscal year. However, sales taxes which has decreased slightly in the last three fiscal years, decreased by \$2.9 million in the current fiscal year.

"Unrestricted investment earnings" decreased by \$1.4 million (18.8 percent). While cash has increased, the decrease is due to mostly to decreasing interest rates. The City is making efforts to place a lot of these funds into greater interest bearing investments. See the "Cash Management" section on the following pages as well as Note 2 of these financial statements for more information.

See accompanying independent auditor's report.

Statement of Activities*

	Business-type Activity			
	For the year ended		Increase/ (Decrease)	Percent Increase/ (Decrease)
	June 30, 2009	June 30, 2008		
Revenues:				
Program revenues:				
Charges for services	11,190,581	10,866,749	323,832	2.98%
General revenues:				
Unrestricted investment earnings	47,566	89,866	(42,300)	-47.07%
Other	46,308	-	46,308	-
Total Revenues	<u>11,284,455</u>	<u>10,956,615</u>	<u>327,840</u>	2.99%
Expenses:				
Water enterprise	<u>12,215,154</u>	<u>12,112,328</u>	<u>102,826</u>	0.85%
Total Expenses	<u>12,215,154</u>	<u>12,112,328</u>	<u>102,826</u>	0.85%
Decrease in net assets before transfers	(930,699)	(1,155,713)	225,014	-19.47%
Transfers	<u>741,732</u>	<u>(824,994)</u>	<u>1,566,726</u>	-189.91%
Decrease in net assets	(188,967)	(1,980,707)	1,791,740	-90.46%
Net assets - Beginning of Year	<u>31,493,588</u>	<u>33,474,295</u>	<u>(1,980,707)</u>	-5.92%
Net assets - End of Year	<u>\$ 31,304,621</u>	<u>\$ 31,493,588</u>	<u>\$ (188,967)</u>	-0.60%

* A more detailed statement of activities is shown on pages 22-23 of this report.

Business-type activities decreased the City's net assets by \$189 thousand. The Water Utility Fund had a static year with revenue of \$11.3 million and operating expenses of \$12.2 million. For the water utility, fees provide the largest share of revenues (99.2 percent).

The Water Utility transferred \$200 thousand to the capital projects fund for phases three of a five phase meter exchange project. This project was instated in accordance with manufacturer recommendations and industry standards for small meters which state that they have a reliable service life of ten years. The cost of repairs and maintenance proved to be much greater than replacing the meter. The replacements will insure more accurate reads and should help in future planning of water demands.

See accompanying independent auditor's report.

Statement of Activities*

	Primary Government			
	For the year ended		Increase/ (Decrease)	Percent Increase/ (Decrease)
	June 30, 2009	June 30, 2008		
Revenues:				
Program revenues:				
Charges for services	17,715,037	17,398,061	316,976	1.82%
Operating grants and contributions	8,990,834	8,170,763	820,071	10.04%
Capital grants and contributions	410,664	3,824,058	(3,413,394)	-89.26%
General revenues:				
Taxes	70,230,702	72,049,678	(1,818,976)	-2.52%
Unrestricted investment earnings	5,974,480	7,385,043	(1,410,563)	-19.10%
Other	46,308	-	46,308	--
Total Revenues	103,368,025	108,827,603	(5,459,578)	-5.02%
Expenses:				
General government	9,175,952	8,529,466	646,486	7.58%
Public safety	37,564,132	34,981,171	2,582,961	7.38%
Public works	10,263,012	10,149,119	113,893	1.12%
Community development	12,693,678	12,502,817	190,861	1.53%
Community services	3,050,217	2,873,862	176,355	6.14%
Interest on long term debt	2,812,049	2,728,406	83,643	3.07%
Water enterprise	12,215,154	12,112,328	102,826	0.85%
Total Expenses	87,774,194	83,877,169	3,897,025	4.65%
Increase in net assets	15,593,831	24,950,434	(9,356,603)	-37.50%
Net assets - Beginning of Year	278,839,261	253,888,827	24,950,434	9.83%
Net assets - End of Year	\$ 294,433,092	\$ 278,839,261	\$ 15,593,831	5.59%

* A more detailed statement of activities is shown on pages 22-23 of this report.

FINANCIAL ANALYSIS OF CITY FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Overall, the City had an increase of \$77.9 million to fund balances.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Refer to pages 24-30 of this report for more detail on governmental funds.

See accompanying independent auditor's report.

As of June 30, 2009, the City's governmental funds reported combined ending fund balances of \$213.5 million, an increase of \$77.9 million in comparison with the prior year. Of the \$213.5 million, \$177.1 million, or 83.0 percent, constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to pay low and moderate income housing of \$16.4 million, (2) to pay notes and interfund receivables of \$8.8 million, (3) to pay debt service of \$6.3 million, (4) to land held for resale of \$4.9 million, or (5) for a variety of other restricted purposes of \$38 thousand. For a more detailed description of these reservations see page 75 of this report.

The General Fund is the chief operating fund of the City. As of June 30, 2009, unreserved fund balance was \$25.8 million, while total fund balance was \$25.9 million. Note that unreserved fund balance includes amounts set-aside for City designations such as City's reserve policy, post-employment retirement medical benefits and legal contingencies. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance, which includes designated funds, represents 56.6 percent of total General Fund expenditures, while total fund balance represents 56.8 percent of that same amount.

The major factors in fund balance changes are as follows:

Governmental Funds

- The **General Fund** recognized a \$1.0 million decrease due to expenditures greater than revenues of \$1.2 million. Fiscal year 2009 included a one-time "Transfer Out" of \$2.2 million to the Compensation/Benefits Internal Service Fund to cover a payment to PARS for the payoff of a police supplemental retirement plan.
- The **RDA Low and Moderate Income Housing Special Revenue Fund** recognized a \$1.1 million increase due to revenues greater than expenditures of \$7.2 million. "Transfers Out" is mainly related to rehab loans and grants. As monies are allocated, they are transferred to the Capital Projects Fund. As loans are made, the amounts are reclassified back to receivables.
- The **Housing and Community Development Special Revenue Fund** recognized a \$1.2 million increase due to revenues greater than expenditures of \$1.5 million. This is a grant program which is reimbursed periodically throughout the year.
- The **Special Gas Tax and Street Improvements Special Revenue Fund** recognized a \$5.8 million decrease due, in part, to a \$9.4 million "Transfers Out" to the Capital Projects Fund for various street projects. This is grant funded and many of the projects are reimbursable only upon completion. The fund received \$2.9 million in "Intergovernmental" income in fiscal year 2009.
- The **Debt Service Fund** recognized a \$9.1 million increase due to revenues greater than expenditures of \$15.3 million and proceeds from issuance of bonds of \$11.6 million. A "Transfers Out" of \$18.0 million was made to the Redevelopment Projects Fund to cover administrative charges.

See accompanying independent auditor's report.

- The **Capital Projects Funds** recognized a combined increase in fund balance of \$73.1 million. This is due to the funding of various projects during the year, which have not yet been completed. In addition, the Redevelopment Projects Fund received \$61.4 million in bond proceeds.
- **Other Governmental Funds**, which are non-major funds, recognized a combined increase of \$348 thousand due to revenues greater than expenditures of \$40 thousand, and “Transfers In” of \$413 thousand from the General Fund to cover various programs within these Special Revenue Funds. These funds are further detailed beginning on page 90 of this report.

Proprietary Funds

- The **Enterprise Water Fund** recognized a decrease of \$166.0 thousand during fiscal year 2009 due to expenditures exceeding revenues by \$669 thousand and “Transfers In” exceeding “Transfers Out” by \$742 thousand.
- The **Internal Service Funds** recognized a \$1.6 million increase in fund balance. These funds finance and account for goods and services provided by one City department to other City departments, or to other governments, on a cost-reimbursement basis. The City has four internal service funds. These funds are further detailed beginning on page 104 of this report.

CASH MANAGEMENT

The City follows the practice of pooling cash and investments of all funds except for amounts with fiscal agents, and legally restricted funds. Additional information can be found in Note 2 in the notes to the basic financial statements.

The 2009 fiscal year ended with the fourteenth consecutive increase in the City’s average portfolio balance. Average total cash and investment balances for the past ten years are noted below:

<u>Fiscal Year</u>	<u>Average Balance (in millions)</u>	<u>% Change</u>
2000	49.0	---
2001	57.3	16.9%
2002	62.1	8.4%
2003	70.3	13.2%
2004	83.4	18.6%
2005	92.5	10.9%
2006	97.6	5.5%
2007	111.7	14.4%
2008	132.0	18.2%
2009	143.0	8.3%

Since 2000, the City’s average portfolio balance has increased by \$94.0 million, or 192%.

See accompanying independent auditor’s report.

BUDGETARY HIGHLIGHTS

The General Fund reflected a net total budget variance of \$1.5 million when comparing actual amounts to the final budget for the current fiscal year. When preparing its budget, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations in a prudent manner. In comparing the 2008-09 General Fund's original (adopted) budget revenue amount of \$46.0 million to the final budgeted revenue amount of \$44.1 million shows a net \$1.9 million decrease. The decrease was in anticipation of a decrease in tax revenue. The ending actual revenue shows a positive variance of \$394 thousand, with the largest variance in "Investment and rentals" at \$1.2 million. "Taxes" shows a negative variance of \$785 thousand. This is due to sales tax revenue coming in under budget, as the economy continued slowing during the fiscal year.

Comparing the 2008-09 General Fund's original (adopted) budget expenditure amount of \$47.5 million to the final budget expenditure amount of \$46.7 million shows a net \$753 thousand decrease. In addition, the ending actual expenditure savings were \$1.1 million. The majority of this savings is in "Public Safety", at \$409 thousand and "Community Development", at \$291 thousand.

Controlling employee growth has been a key to cost controls. The City continues to provide full services at ratios equal to or exceeding other "full service" cities while maintaining ratios for cost and employee per capita that are substantially below that of comparable cities.

	<u>City</u>	<u>County Average</u>
Employees per capita (1,000)	4.22	5.22
General Fund costs per capita	\$475	\$672

The City continues to dedicate itself to cost-effective service, without sacrificing the quality of service levels so important to the overall quality of life, health and safety of the community. The General Fund budget to actual report can be found on page 83 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets:

Capital investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounted to \$181 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure, and construction in progress. The total increase in capital assets for fiscal year 2009 was \$8.1 million, which represents a \$9.7 million or 7.1 percent increase for governmental activities and a \$1.6 million or 4.2 percent decrease for business-type activity.

Additional information on the City's capital assets can be found in Note 6 in the notes to the basic financial statements. Capital assets (net of accumulated depreciation) at June 30, 2009 and June 30, 2008 are summarized on the following page:

See accompanying independent auditor's report.

Capital Assets (net of accumulated depreciation)

	June 30, 2009		
	Governmental	Business-type	Total
	Activities	Activity	
Land	\$ 6,040,528	\$ 2,484,846	\$ 8,525,374
Construction in progress	7,353,116	-	7,353,116
Buildings	23,270,206	5,057	23,275,263
Improvements other than buildings	4,961,845	10,825,282	15,787,127
Water distribution lines	-	16,982,462	16,982,462
Vehicles, machinery and equipment	5,572,741	5,145,099	10,717,840
Office furniture and equipment	1,515,420	24,900	1,540,320
Leased property	6,069	-	6,069
Infrastructure	96,769,140	-	96,769,140
Total capital assets, net	<u>\$ 145,489,065</u>	<u>\$ 35,467,646</u>	<u>\$ 180,956,711</u>

	June 30, 2008		
	Governmental	Business-type	Total
	Activities	Activity	
Land	\$ 4,040,528	\$ 2,494,846	\$ 6,535,374
Construction in progress	1,621,857	-	1,621,857
Buildings	23,977,253	117,012	24,094,265
Improvements other than buildings	4,938,810	11,063,182	16,001,992
Water distribution lines	-	17,614,757	17,614,757
Vehicles, machinery and equipment	5,110,751	5,704,077	10,814,828
Office furniture and equipment	1,522,540	30,770	1,553,310
Leased property	8,570	-	8,570
Infrastructure	94,569,874	-	94,569,874
Total capital assets, net	<u>\$ 135,790,183</u>	<u>\$ 37,024,644</u>	<u>\$ 172,814,827</u>

Major capital asset events during fiscal year 2009 included the following:

- The City purchased land for \$2.0 million.
- The City added \$7.4 million in infrastructure.
- The City is working on the completion of a new police facility. \$5.0 million was added to "Construction in Progress".

See accompanying independent auditor's report.

Long-term debt:

At the end of fiscal year 2009, the City had total debt (excluding compensated absences and claims liabilities) outstanding of \$116.7 million. Additional information can be found on Note 7 in the notes to the basic financial statements. Long-term debt for June 30, 2009 and June 30, 2008 is summarized below:

	Outstanding Debt		
	June 30, 2009		
	Governmental Activities	Business-type Activity	Total
Tax allocation bonds payable	\$ 103,195,000	\$ -	\$ 103,195,000
Certificates of participation	6,699,671	4,220,083	10,919,754
Loans payable	300,000	2,296,152	2,596,152
Total outstanding debt	<u>\$ 110,194,671</u>	<u>\$ 6,516,235</u>	<u>\$ 116,710,906</u>
	June 30, 2008		
	Governmental Activities	Business-type Activity	Total
Tax allocation bonds payable	\$ 30,140,000	\$ -	\$ 30,140,000
Certificates of participation	7,479,879	4,619,091	12,098,970
Loans payable	300,000	2,386,023	2,686,023
Total outstanding debt	<u>\$ 37,919,879</u>	<u>\$ 7,005,114</u>	<u>\$ 44,924,993</u>

The City's total debt increased by \$71.8 million or 160 percent, during fiscal year 2009. The change in governmental debt consisted of the following:

- The issuance of a \$73.1 million tax allocation bond for the construction of a police facility.
- Ongoing debt service payments on certificates of participation.

The change in business-type debt consisted of the following:

- Ongoing debt service payments on certificates of participation and loans payable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City budget for fiscal year 2009-10 is balanced as to revenue and expenditures without the need to raise taxes or fees and without the need to reduce needed services. The fiscal year 2009-10 City budget was adopted, however, with the use of one-time funds and the use of reserves. The City made great strides in balancing current expenditures with current year revenues and the prudent use of reserves and authorizing the use of "contingency" reserves for General operating funds.

See accompanying independent auditor's report.

The City will also maintain its equipment replacement and repair programs. The City also maintains a vehicle replacement program, as well as modest maintenance and replacement programs in building maintenance and information systems. These programs will help protect the City's operating efficiency.

The City continues to strive to provide the highest quality of services by taking into consideration the concerns and interests of the past year, and integrating these into a vision dedicated to meeting the needs of our citizens. This is accomplished by making fiscally responsible decisions (structuring a solid forecasting model) that will ultimately strengthen the organization, and improve the financial integrity of the City.

Future Issues

There are a number of future issues that are cause for serious concern. These concerns include:

- **Revenue Stability**

Sales Taxes revenue for the fiscal year constitutes approximately 30% of total General Fund revenues and represents the largest General Fund revenue component. Fiscal year 2008-09 has shown a decline of \$2.9 million or 18.2 percent from the prior fiscal year. The fiscal year 2008-09 marks the third consecutive year that the City has experienced a decline in sales taxes. Furthermore, sales taxes, property taxes, and utility taxes comprise approximately 75% of the total general fund revenues and are prone to Proposition 218 initiatives. As such, the City needs a strong economy and voter cooperation to maintain existing revenue levels.

A downturn in the economy had been anticipated for some time and most local agencies projected their 2009-10 sales taxes accordingly. However, the current finance/credit turmoil and ensuing panic adds a new level of uncertainty that will take months to sort out. In most cases the downturn has been more severe than previously anticipated and the decline is expected to stretch out longer than was predicted just a few weeks ago. In the end, the economy is still about people and bad news tends to compound cutbacks in consumer spending and business investment.

- **Water Rate Increases**

On December 10, 2008 the City Council approved a water rate increase as a result of increased costs passed through from the Orange County Water District (OCWD) and the Municipal Water District of Orange County (MWDOC). OCWD raised the basin Replenishment Assessment (RA) charge to \$237.00 (FY 07/08) per acre-foot to \$249.00 (FY 08/09) per acre-foot. In addition, MWDOC increased the rate for purchased water from \$504.50 (FY 07/08) per acre-foot to \$566.00 (FY 08/09) per acre-foot. Due to a recent Federal Court Ruling requiring reduced water pumping to protect the Northern California Delta-Smelt (an endangered species) and the fact that the State of California is in its 8th year of a drought, the City Council directed staff to conduct a detailed water rate study and to come up with a new fair, and equitable rate for all users. Additionally, the City Council approved the hiring of the consulting firm Wildan Financial Services and formed the Ad Hoc Water Rate Committee to work with staff on this new rate study.

On September 9, 2009, a public hearing was held and the City Council approved the new rate structure. This new rate structure is to be implemented in fiscal year 2009-10.

See accompanying independent auditor's report.

- GASB 45

With the first phase of Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)" going into effect, planning for the OPEB liability will become a high priority for the City. For the City, the accrued expense of OPEB obligations for current and future retirees will create a significant, unfunded liability in the financial statements. This unfunded liability is disclosed in the Notes to the Basic Financial Statements (Note 11 Other Post-Employment Benefits (OPEB)).

- State Actions

On September 23, 2008 Governor Schwarzenegger signed the State of California's fiscal year budget. The budget included a one-time take-away from redevelopment agencies of \$350 million or 7.7% of fiscal year 2008-09 agency's revenues. In response to this the California Redevelopment Association (CRA) filed a lawsuit against the State for violation of Article XVI, Section 16 of the California Constitution. In April of 2009, the Sacramento Superior Court ruled in favor of the CRA and invalidated the 2008 legislation.

As with last year, in July 2009, the state budget was passed by the State Legislators and Governor Schwarzenegger and included a provision to take \$2.05 billion in redevelopment funding to use to fund state obligations. This take includes a \$1.7 billion take in the fiscal year 2009-10 and another \$350 million in fiscal year 2010-11. The Westminster Redevelopment Agency's portion of the SERAF (Supplemental Education Revenue Augmentation Fund) payment amounts to \$12.1 million in fiscal year 2009-10 and \$2.5 million in fiscal year 2010-11. Both payments are to be made to the State on or before May 10, of each respective year.

As with the prior year the CRA is filing a lawsuit claiming the proposed take is a violation of the California Constitution. Regardless of the outcome of the lawsuit, this year begs the question about next year's State Budget. In short, relying on redevelopment funds to balance the State budget this year and next will still result in an unbalanced State budget in years thereafter. With no real plan to future State budgets; it would most likely mean further unconstitutional raids on Agency and or City funds. Of course we cannot predict what cuts, if any, will be adopted. As such, there may be a need to revisit this budget based on the outcome of the lawsuit filed by the CRA.

In addition to the Redevelopment SERAF take, the Governor's office approved ABX4 14 and ABX4 15 as part of the 2009-10 budget package. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties, and special districts. The State will be required to repay those obligations plus interest by June 30, 2013.

To help mitigate the impact of the State borrow, the City Council has approved the City's participation in the Proposition 1A Securitization Program. Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

See accompanying independent auditor's report.

The Utility Users Tax has shown to be a strong component of General Fund revenues due to business expansion and continued growth in telephone usage for both residential and business users. It is important to note, however, that proposed State and Federal legislation related to Utility Users Taxes may threaten this revenue stream to the City. As internet technology advances, combining phone and video services, the City is concerned about the potential for regulatory changes that will restrict the ability to charge fees and taxes to pay for related local services. It is crucial for any pending legislation not to impact the City negatively as Utility Users Tax is the third largest revenue source for the General Fund

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of City finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director, City of Westminster, 8200 Westminster Boulevard, City of Westminster, California 92683, or call (714) 898-3311.

**BASIC FINANCIAL STATEMENTS
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CITY OF WESTMINSTER

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS:			
Cash and investments (Note 2)	\$ 120,847,296	\$ 1,329,259	\$ 122,176,555
Receivables, net of allowances (Note 4)	20,258,832	1,869,930	22,128,762
Prepaid items	40,652	885	41,537
Internal balances	(17,902)	17,902	-
Inventory	50,766	152,713	203,479
Deferred charges	6,659,751	279,535	6,939,286
Land held for resale (Note 5)	4,874,067	-	4,874,067
Restricted assets:			
Cash and investments (Note 2)	34,049,170	-	34,049,170
Cash and investments with fiscal agents (Note 2)	68,119,063	335,645	68,454,708
Capital assets (net of accumulated depreciation) (Note 6):			
Land	6,040,528	2,484,846	8,525,374
Construction in progress	7,353,116	-	7,353,116
Buildings	23,270,206	5,057	23,275,263
Improvements other than buildings	4,961,845	10,825,282	15,787,127
Water distribution lines	-	16,982,462	16,982,462
Vehicles, machinery and equipment	5,572,741	5,145,099	10,717,840
Office furniture and equipment	1,515,420	24,900	1,540,320
Leased property	6,069	-	6,069
Infrastructure	96,769,140	-	96,769,140
TOTAL ASSETS	400,370,760	39,453,515	439,824,275
LIABILITIES:			
Accounts payable and other liabilities	5,507,699	1,483,702	6,991,401
Due to other governments	11,579,610	-	11,579,610
Unearned revenue	1,126,010	-	1,126,010
Deposits	510,983	15,000	525,983
OPEB liability (Note 11)	3,005,000	-	3,005,000
Long-term liabilities:			
Due within one year (Note 7)	4,329,858	666,983	4,996,841
Due in more than one year (Note 7)	111,183,129	5,983,209	117,166,338
TOTAL LIABILITIES	137,242,289	8,148,894	145,391,183
NET ASSETS:			
Invested in capital assets, net of related debt	100,104,347	28,951,409	129,055,756
Restricted for:			
Community development	72,987,003	-	72,987,003
Public safety	445,792	-	445,792
Public works	2,100,819	-	2,100,819
Debt service	23,572,829	335,645	23,908,474
Unrestricted	63,917,681	2,017,567	65,935,248
TOTAL NET ASSETS	\$ 263,128,471	\$ 31,304,621	\$ 294,433,092

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF ACTIVITIES

For the year ended June 30, 2009

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,175,952	\$ 859,442	\$ 118,727	\$ -
Public safety	37,564,132	2,949,945	631,959	-
Public works	10,263,012	684,585	-	-
Community development	12,693,678	1,677,390	8,094,747	410,664
Community services	3,050,217	353,094	145,401	-
Interest on long term debt	2,812,049	-	-	-
Total governmental activities	<u>75,559,040</u>	<u>6,524,456</u>	<u>8,990,834</u>	<u>410,664</u>
Business-type activity:				
Water enterprise	<u>12,215,154</u>	<u>11,190,581</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 87,774,194</u>	<u>\$ 17,715,037</u>	<u>\$ 8,990,834</u>	<u>\$ 410,664</u>

General revenues:

Unrestricted taxes:

Sales taxes

Property taxes, levied for general purposes

Utility users taxes

Business operation taxes

Franchise taxes

Transient occupancy taxes

Intergovernmental revenue - Motor vehicle taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - Beginning of Year

Net assets - End of Year

See accompanying independent auditors' report and notes to basic financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activity	Total
\$ (8,197,783)	\$ -	\$ (8,197,783)
(33,982,228)	-	(33,982,228)
(9,578,427)	-	(9,578,427)
(2,510,877)	-	(2,510,877)
(2,551,722)	-	(2,551,722)
(2,812,049)	-	(2,812,049)
<u>(59,633,086)</u>	<u>-</u>	<u>(59,633,086)</u>
<u>-</u>	<u>(1,024,573)</u>	<u>(1,024,573)</u>
<u>(59,633,086)</u>	<u>(1,024,573)</u>	<u>(60,657,659)</u>
13,238,135	-	13,238,135
48,096,950	-	48,096,950
5,478,092	-	5,478,092
1,237,147	-	1,237,147
1,337,974	-	1,337,974
523,063	-	523,063
319,341	-	319,341
5,926,914	47,566	5,974,480
-	46,308	46,308
<u>(741,732)</u>	<u>741,732</u>	<u>-</u>
<u>75,415,884</u>	<u>835,606</u>	<u>76,251,490</u>
15,782,798	(188,967)	15,593,831
<u>247,345,673</u>	<u>31,493,588</u>	<u>278,839,261</u>
<u>\$ 263,128,471</u>	<u>\$ 31,304,621</u>	<u>\$ 294,433,092</u>

CITY OF WESTMINSTER

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	General	Special Revenue Funds	
		RDA Low and Moderate Income Housing	Housing and Community Development
ASSETS			
Cash and investments (Note 2)	\$ 36,983,672	\$ -	\$ 3,682
Receivables, net of allowances (Note 4)	3,755,316	6,779,438	5,837,369
Prepaid items	22,301	-	-
Due from other funds (Note 3)	2,026,206	-	-
Restricted assets:			
Cash and investments (Note 2)	-	16,503,395	-
Cash and investments with fiscal agents (Note 2)	-	-	-
Advances to other funds (Note 3)	49,166	-	-
Land held for resale (Note 5)	-	4,306,867	-
TOTAL ASSETS	\$ 42,836,661	\$ 27,589,700	\$ 5,841,051
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and other liabilities	\$ 1,746,782	\$ 40,819	\$ 31,122
Deposits	493,317	-	-
Deferred revenue	967,301	-	-
Due to other funds (Note 3)	13,717,331	24,206	560,000
Due to other governments	2,199	-	4,192,411
Advances from other funds (Note 3)	-	-	-
TOTAL LIABILITIES	16,926,930	65,025	4,783,533
FUND BALANCES (DEFICIT):			
Reserved (Note 14)	71,467	27,524,675	850,000
Unreserved, reported in:			
General Fund	25,838,264	-	-
Special Revenue Funds	-	-	207,518
Debt Service Fund	-	-	-
Capital Projects Funds	-	-	-
TOTAL FUND BALANCES (DEFICIT)	25,909,731	27,524,675	1,057,518
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,836,661	\$ 27,589,700	\$ 5,841,051

See accompanying independent auditors' report and notes to basic financial statements.

Special Revenue Funds (Continued)		Capital Projects Funds			Other	Total
Special Gas Tax and Street Improvements	Debt Service	Capital Improvements	Redevelopment Projects	Governmental Funds	Governmental Funds	
\$ 1,415,241	\$ 26,997,655	\$ 8,477,140	\$ 26,304,495	\$ 4,837,825	\$ 105,019,710	
1,133,099	1,585,635	1,351	896,578	148,586	20,137,372	
-	-	-	10,305	5,225	37,831	
-	-	7,425,000	13,717,331	-	23,168,537	
-	500,000	9,870,498	4,169,489	3	31,043,385	
-	3,309,109	-	64,809,954	-	68,119,063	
-	516,096	956,146	-	-	1,521,408	
-	-	-	567,200	-	4,874,067	
<u>\$ 2,548,340</u>	<u>\$ 32,908,495</u>	<u>\$ 26,730,135</u>	<u>\$ 110,475,352</u>	<u>\$ 4,991,639</u>	<u>\$ 253,921,373</u>	
\$ 91,837	\$ 11,681	\$ 335,070	\$ 657,638	\$ 480,284	\$ 3,395,233	
-	-	-	-	17,666	510,983	
762,987	-	-	-	8,642	1,738,930	
8,825,000	-	-	-	42,000	23,168,537	
-	7,385,000	-	-	-	11,579,610	
-	49,166	-	-	-	49,166	
<u>9,679,824</u>	<u>7,445,847</u>	<u>335,070</u>	<u>657,638</u>	<u>548,592</u>	<u>40,442,459</u>	
353,393	5,585,205	956,146	577,505	424,322	36,342,713	
-	-	-	-	-	25,838,264	
(7,484,877)	-	-	-	4,018,725	(3,258,634)	
-	19,877,443	-	-	-	19,877,443	
-	-	25,438,919	109,240,209	-	134,679,128	
<u>(7,131,484)</u>	<u>25,462,648</u>	<u>26,395,065</u>	<u>109,817,714</u>	<u>4,443,047</u>	<u>213,478,914</u>	
<u>\$ 2,548,340</u>	<u>\$ 32,908,495</u>	<u>\$ 26,730,135</u>	<u>\$ 110,475,352</u>	<u>\$ 4,991,639</u>	<u>\$ 253,921,373</u>	

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CITY OF WESTMINSTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2009

Fund balances - total governmental funds		\$ 213,478,914
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet:		
Capital assets	\$ 281,160,820	
Accumulated depreciation	<u>(142,949,966)</u>	
		138,210,854
Internal Service funds are used by management to charge the costs of various city activities to individual governmental and business-like funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Activities. Internal Service funds net assets are		
		17,604,158
Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities, both current and long-term, are reported in the Statement of Net Assets. Balances as of June 30, 2009 are:		
Tax allocation bonds payable	(103,195,000)	
Certificates of participation payable	(4,948,771)	
Notes payable	(300,000)	
Bond issuance costs	6,558,300	
Accrued interest	<u>(1,889,819)</u>	
		(103,775,290)
OPEB obligation is not accrued in governmental funds, but rather is recognized as an expenditure when paid.		
		(3,005,000)
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements.		
		<u>614,835</u>
Net assets of governmental activities		<u>\$ 263,128,471</u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2009

	General	Special Revenue Funds	
		RDA Low and Moderate Income Housing	Housing and Community Development
REVENUES:			
Taxes	\$ 32,247,961	\$ 7,384,926	\$ -
Licenses and permits	541,564	-	-
Fines	1,203,554	-	770
Investment and rental	3,198,840	804,463	2,312
Intergovernmental	359,626	-	2,450,190
Charges for services	6,717,677	-	-
Other	187,832	1,540	51,499
TOTAL REVENUES	<u>44,457,054</u>	<u>8,190,929</u>	<u>2,504,771</u>
EXPENDITURES:			
Current:			
General government	1,164,066	-	-
Public safety	34,859,355	-	-
Public works	3,894,763	-	-
Community development	3,383,522	950,765	926,130
Community services	2,146,142	-	-
Capital outlay	205,507	-	32,315
Debt service:			
Bond issuance costs	-	-	-
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>45,653,355</u>	<u>950,765</u>	<u>958,445</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,196,301)</u>	<u>7,240,164</u>	<u>1,546,326</u>
OTHER FINANCING SOURCES (USES):			
Sale of equipment and property	6,034	-	-
Issuance of bonds	-	-	-
Transfers in	2,871,840	222,760	126,937
Transfers out	(2,720,264)	(6,405,528)	(475,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>157,610</u>	<u>(6,182,768)</u>	<u>(348,063)</u>
NET CHANGE IN FUND BALANCES	(1,038,691)	1,057,396	1,198,263
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>26,948,422</u>	<u>26,467,279</u>	<u>(140,745)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 25,909,731</u>	<u>\$ 27,524,675</u>	<u>\$ 1,057,518</u>

See accompanying independent auditors' report and notes to basic financial statements.

Special Revenue Funds (Continued)		Capital Projects Funds		Other	Total
Special Gas Tax and Street Improvements	Debt Service	Capital Improvements	Redevelopment Projects	Governmental Funds	Governmental Funds
\$ 2,378,408	\$ 29,539,703	\$ -	\$ -	\$ 1,386,251	\$ 72,937,249
-	-	-	-	-	541,564
-	-	-	-	-	1,204,324
126,980	248,637	150,546	1,822,462	222,357	6,576,597
2,912,537	-	-	-	959,449	6,681,802
25,125	-	-	-	405,059	7,147,861
161,868	-	-	102,361	95,336	600,436
<u>5,604,918</u>	<u>29,788,340</u>	<u>150,546</u>	<u>1,924,823</u>	<u>3,068,452</u>	<u>95,689,833</u>
-	8,962,270	-	-	76,663	10,202,999
-	-	-	-	819,084	35,678,439
-	-	-	-	-	3,894,763
2,491,131	-	-	2,258,521	1,376,949	11,387,018
-	-	-	-	199,230	2,345,372
-	-	6,547,727	11,274,256	151,357	18,211,162
-	4,684,354	-	-	-	4,684,354
259,610	-	-	-	307,877	567,487
81,742	819,879	-	-	97,176	998,797
<u>2,832,483</u>	<u>14,466,503</u>	<u>6,547,727</u>	<u>13,532,777</u>	<u>3,028,336</u>	<u>87,970,391</u>
<u>2,772,435</u>	<u>15,321,837</u>	<u>(6,397,181)</u>	<u>(11,607,954)</u>	<u>40,116</u>	<u>7,719,442</u>
-	-	-	-	-	6,034
-	11,582,000	-	61,473,000	-	73,055,000
829,150	154,143	11,947,667	28,082,694	412,641	44,647,832
(9,410,955)	(18,000,000)	(8,090,940)	(2,350,398)	(105,082)	(47,558,167)
<u>(8,581,805)</u>	<u>(6,263,857)</u>	<u>3,856,727</u>	<u>87,205,296</u>	<u>307,559</u>	<u>70,150,699</u>
(5,809,370)	9,057,980	(2,540,454)	75,597,342	347,675	77,870,141
(1,322,114)	16,404,668	28,935,519	34,220,372	4,095,372	135,608,773
<u>\$ (7,131,484)</u>	<u>\$ 25,462,648</u>	<u>\$ 26,395,065</u>	<u>\$ 109,817,714</u>	<u>\$ 4,443,047</u>	<u>\$ 213,478,914</u>

CITY OF WESTMINSTER

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2009

Net change in fund balances - total governmental funds		\$ 77,870,141
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 the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital expense in the current period.		
Net change in capital assets	\$ 15,789,835	
Depreciation expense	<u>(6,697,388)</u>	9,092,447
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term-debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Issuance of bonds		(73,055,000)
Issuance costs		4,684,354
Principal payments		567,487
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Net change in accrued interest	(1,549,446)	
Amortization of issuance costs	(153,782)	
OPEB contributions	<u>(3,005,000)</u>	(4,708,228)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, telephones, and warehouse operations to individual funds. The net revenue (expense) of these internal service funds are reported as governmental activities.		
		1,659,735
Some revenues reported previously in the Statement of Activities were reported as revenues in the governmental funds as they were received in the current fiscal year.		
Net change in sales tax accrual		<u>(328,138)</u>
Change in net assets of governmental activities		<u><u>\$ 15,782,798</u></u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

June 30, 2009

	Business-type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 1,329,259	\$ 15,827,586
Receivables, net of allowances (Note 4)	1,869,930	121,460
Prepaid items	885	2,821
Inventories	152,713	50,766
Restricted assets:		
Cash and investments	-	3,005,785
Cash and investments with fiscal / other agents	335,645	-
	3,688,432	19,008,418
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Deferred bond charges	279,535	101,451
CAPITAL ASSETS (NOTE 6):		
Land	2,484,846	-
Buildings	91,579	4,203,394
Water distribution lines	41,099,102	-
Improvements other than buildings	11,808,269	12,500
Vehicles	-	4,028,561
Machinery and equipment	12,508,679	254,296
Office furniture, computers and equipment	99,885	1,698,816
Leased property	-	500,000
Construction in progress	-	900,743
TOTAL CAPITAL ASSETS	68,092,360	11,598,310
Less accumulated depreciation	(32,624,714)	(4,320,099)
	35,467,646	7,278,211
NET CAPITAL ASSETS		
	35,747,181	7,379,662
TOTAL NONCURRENT ASSETS		
	39,435,613	26,388,080
TOTAL ASSETS		

(Continued)

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
(CONTINUED)

June 30, 2009

	Business-type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and other liabilities	\$ 1,483,702	\$ 222,647
Deposits	15,000	-
Deferred revenue	-	1,915
Advances from other funds (Note 3)	1,472,242	-
Claims payable	-	835,612
Compensated absences	133,957	1,699,246
Certificates of participation	440,000	246,364
Loans payable	93,026	-
	<u>3,637,927</u>	<u>3,005,784</u>
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES:		
Claims payable	-	2,506,836
Compensated absences	-	276,622
Certificates of participation	3,780,083	1,504,536
Loans payable	2,203,126	-
	<u>5,983,209</u>	<u>4,287,994</u>
TOTAL LONG-TERM LIABILITIES		
TOTAL LIABILITIES		
	<u>9,621,136</u>	<u>7,293,778</u>
NET ASSETS:		
Invested in capital assets, net of related debt	28,951,409	5,527,312
Restricted for debt service	335,645	-
Unrestricted	527,423	13,566,990
	<u>29,814,477</u>	<u>\$ 19,094,302</u>
TOTAL NET ASSETS		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>1,490,144</u>	
Net assets of business-type activity	<u>\$ 31,304,621</u>	

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the year ended June 30, 2009

	Business-type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
OPERATING REVENUES:		
Rentals	\$ -	\$ 113,806
Charges for services	11,154,302	20,382,510
Other	36,279	1,057,324
TOTAL OPERATING REVENUES	<u>11,190,581</u>	<u>21,553,640</u>
OPERATING EXPENSES:		
Salaries	2,533,928	5,572,147
Maintenance and operations	3,408,595	4,250,384
Purchased water	2,190,228	-
Equity taxes	2,257,382	-
Insurance premiums and legal fees	14,315	3,218,504
Claims and benefits	-	8,442,433
Depreciation and amortization	1,454,836	728,560
TOTAL OPERATING EXPENSES	<u>11,859,284</u>	<u>22,212,028</u>
OPERATING LOSS	<u>(668,703)</u>	<u>(658,388)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	47,566	300,233
Interest and fiscal charges	(332,784)	(110,025)
Gain (loss) on sale of equipment	46,308	(63,774)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(238,910)</u>	<u>126,434</u>
LOSS BEFORE TRANSFERS	<u>(907,613)</u>	<u>(531,954)</u>
TRANSFERS:		
Transfers in	1,439,962	3,512,003
Transfers out	(698,230)	(1,343,400)
TOTAL TRANSFERS	<u>741,732</u>	<u>2,168,603</u>
CHANGE IN NET ASSETS	(165,881)	1,636,649
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>29,980,358</u>	<u>17,457,653</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 29,814,477</u>	<u>\$ 19,094,302</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (23,086)	
Change in net assets - Enterprise Funds	<u>(165,881)</u>	
Change in net assets of business-type activity	<u>\$ (188,967)</u>	

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2009

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 11,174,907	\$ 21,576,186
Payment to suppliers	(8,000,606)	(16,392,448)
Payment to employees	(2,533,928)	(5,589,279)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	640,373	(405,541)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	1,439,962	3,512,003
Cash paid to other funds	(1,387,426)	(1,343,400)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	52,536	2,168,603
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	(1,431,746)
Proceeds from sale of capital assets	166,206	-
Bond costs	-	40,308
Principal payments on long-term debt	(514,871)	(237,513)
Interest and fiscal charges	(275,960)	(73,766)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(624,625)	(1,702,717)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	47,681	300,233
NET INCREASE IN CASH AND CASH EQUIVALENTS	115,965	360,578
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,548,939	18,472,793
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,664,904	\$ 18,833,371
CASH AND CASH EQUIVALENTS:		
Cash and investments - current assets	\$ 1,329,259	\$ 15,827,586
Cash and investments - restricted assets	335,645	3,005,785
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,664,904	\$ 18,833,371

(Continued)

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2009

	Business-type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET		
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (668,703)	\$ (658,388)
Depreciation and amortization	1,454,836	728,560
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(15,674)	22,546
(Increase) decrease in other receivables	1,875	-
(Increase) decrease in prepaid charges	8,609	4,941
(Increase) decrease in inventories	(21,329)	(1,680)
Increase (decrease) in accounts payable and other liabilities	(121,207)	(151,000)
Increase (decrease) in claims payable	-	(354,856)
Increase (decrease) in compensated absences payable	1,966	4,336
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 640,373</u>	<u>\$ (405,541)</u>

See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

June 30, 2009

RESTRICTED ASSETS:

Cash and investments

\$ 98,323

LIABILITIES:

Due to bondholders

\$ 98,323

See accompanying independent auditors' report and notes to basic financial statements..

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of the Reporting Entity:

The basic financial statements of the City of Westminster include the activities of the City, the Westminster Redevelopment Agency and the Westminster Public Financing Authority.

The City of Westminster was incorporated in 1957 under the General Laws of the State of California. The City operates under a Council-Manager form of government governed by a five-member council and provides the following services: public safety (police, fire, paramedic and ambulance), highways and streets, parks and recreation, public improvements, planning and zoning, and general administrative services.

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board Statement 14. The City of Westminster is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City has accounted for the Agency and Authority as "blended" component units. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, these basic financial statements present the City and its component units, the Westminster Redevelopment Agency and the Westminster Public Financing Authority. Each blended component unit has a June 30 year end.

The Westminster Redevelopment Agency (the Agency) was established in September 1982 pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law." Its purpose is to eliminate blighted areas, enhance job creation and retention, improve the tax base for the City, promote quality new development and improve the image of the City. City Council members, in separate session, serve as the governing board of the Agency. The activity of the Agency is reported in the Special Revenue, Debt Service and Capital Project Funds. The Agency prepares separate Basic Financial Statements and a copy can be obtained from the City's Finance Department.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Description of the Reporting Entity (Continued):

The Westminster Public Financing Authority (the Authority) was established on March 23, 1993 pursuant to California Government Code, Section 6500. The Authority was established to provide a financing mechanism for the City's and Agency's various public projects. A separate fund is not maintained for the Authority as principal and interest payments on debt issued by the Authority is paid directly by the City and Agency. The payments are reported in the Special Revenue, Debt Service, Enterprise and Internal Service Funds. There are no separate Basic Financial Statements prepared for the Public Financing Authority.

The accounting policies of the City of Westminster, the Westminster Redevelopment Agency and the Westminster Public Financing Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information about the reporting government as a whole, except for its fiduciary activities. 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. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activity, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Government-Wide and Fund Financial Statements (Continued):

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements, even though excluded from the government-wide financial statements represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 is the proprietary fund financial statement. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied. Operating expenses for proprietary 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.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued):**

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of 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 a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued):**

The City's Fiduciary Fund consists of Agency Funds which have no measurement focus.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Fund Classifications:

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

The Redevelopment Agency (RDA) Low and Moderate Income Housing Special Revenue Fund is used to account for the 20% set-aside property tax increment revenues and the associated expenditures to be used for increasing or improving low and moderate income housing, as required by section 33334.2 of the Health and Safety Code.

The Housing and Community Development Special Revenue Fund is used to account for Federal grants received from the Department of Housing and Urban Development (HUD). The grants are to be used for the development of a viable community by providing decent housing, suitable living environment, and expanding economic opportunities, principally for persons with low and moderate income.

The Special Gas Tax and Street Improvements Special Revenue Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California, Measure M sales taxes, and various grant programs available for street-related expenditures. Expenditures may be made for any street-related purpose in the City's system of streets, including maintenance thereof.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs other than those being financed by proprietary funds.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund Classifications (Continued):

The City reports the following major governmental funds (Continued):

The Capital Improvements Capital Projects Fund is used to account for City projects funded by various sources.

The Redevelopment Projects Capital Projects Fund is used to account for the proceeds of notes and advances, and the expenditure of such funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Westminster Redevelopment Agency.

The City reports the following major enterprise fund:

The Water Enterprise Fund is used to account for the provision of water services to residential, commercial and industrial customers.

The City's fund structure also includes the following fund types:

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

The Internal Service Funds are used to account for the financing of special activities that provide services within the City. These activities include risk management, compensation and benefits, motor pool and equipment maintenance, and facilities maintenance.

The Agency Funds are used to account for money and property held by the City as trustee or custodian. They are also used to account for the 1915 Act Bonds (Limited Obligation Improvement Bonds) for which the City acts as an agent for debt service activity.

Capital Assets:

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Generally, capital asset purchases in excess of \$500 are capitalized if they have an expected useful life of 1 year or more.

Capital assets include additions to public domain (infrastructure), certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, sewers, storm drains, bridges and right-of-way corridors within the City.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital Assets (Continued):

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-Wide Financial Statements and in the Fund Financial Statements of the Enterprise Fund. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The lives used for depreciation purposes of each capital asset class are:

Buildings	30 to 50 years
Improvements other than buildings	20 years
Water distribution lines	65 years
Vehicles	4 to 15 years
Machinery and equipment	5 to 30 years
Office furniture, computers and equipment	5 to 20 years
Leased property	5 to 10 years
Infrastructure	20 to 50 years

Long-Term Obligations:

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year. As of June 30, 2009 all encumbrances at year-end were closed. Unexpended appropriations are reencumbered in the following year after reconsideration, without additional budget appropriation.

Statement of Cash Flows:

For purposes of the Statement of Cash Flows, City's Enterprise and Internal Service Funds participate in the pooling of City-wide cash and investments. As amounts are available to these Funds on demand, all cash and investments are considered to be cash and cash equivalents for statement of cash flow purposes.

Investments:

Investments are stated at fair value (quoted market price or best available estimate thereof).

Inventories:

Inventories are valued at cost, which approximates market, on a first-in, first-out basis. Inventory in the Enterprise Fund consists mostly of water meters and spare parts. Inventory in the Internal Service Funds consists of expendable supplies held for consumption.

Land Held for Resale:

Land held for resale is carried in the Redevelopment Projects Capital Projects Fund at the lower of acquisition cost or estimated net realizable value. The land values are reappraised on a periodic basis and any adjustments on the properties are shown in the Redevelopment Projects Capital Projects Fund statement of revenues, expenditures, and changes in fund balance.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1 and become delinquent December 11 and April 11. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2% per year. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

Compensated Absences:

Costs associated with compensated absences, along with any related accruals, are accounted for in the Compensation/Benefits Internal Service Fund. The costs for this program will be recovered from those governmental units through inter-departmental charges for services. Other proprietary funds with payroll costs account for their own respective compensated absences.

Retirement Benefits:

The City accounts for CalPERS retirement benefit expenditures in the Compensation/Benefits Internal Service Fund.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Specifically, the City has made certain estimates and assumptions relating to the collectibility of its receivables (including accounts receivable, notes receivable, amounts due from other funds and amounts advanced to other funds), the valuation of property held for resale, and the ultimate outcome of claims and judgments. Actual results could differ from those estimates and assumptions.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS:

Cash and investments at June 30, 2009 consisted of the following:

	Government Wide Statement of Net Assets	Fiduciary Fund Statement of Assets and Liabilities	Total
Unrestricted assets:			
Cash and investments	\$ 122,176,555	\$ -	\$ 122,176,555
Total unrestricted assets	<u>122,176,555</u>	<u>-</u>	<u>122,176,555</u>
Restricted assets:			
Cash and investments	34,049,170	98,323	34,147,493
Investments with fiscal agents	<u>68,454,708</u>	<u>-</u>	<u>68,454,708</u>
Total restricted assets	<u>102,503,878</u>	<u>98,323</u>	<u>102,602,201</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 224,680,433</u>	<u>\$ 98,323</u>	<u>\$ 224,778,756</u>

Cash and investments consist of deposits and investments, as noted below:

Deposits	\$ 415,685
Investments	<u>224,363,071</u>
	<u>\$ 224,778,756</u>

The City follows the practice of pooling cash and investments of all funds except for amounts with fiscal agents, and legally restricted funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Unrestricted assets - cash and investments" or "Restricted assets - cash and investments".

Investment income earned on pooled cash and investments is allocated to the various funds based on ending cash and investment balances. Interest from cash and investments of funds excluded from pooled amounts is credited directly to the related fund.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS (CONTINUED):

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 years	No Limit	No Limit
United States Government Sponsored Enterprise Securities	5 years	No Limit	No Limit
Banker's Acceptances	180 days	15%	\$ 2,000,000
Time Certificate of Deposits	5 years	No Limit	5%
Negotiable Certificates of Deposit	5 years	15%	15%
Repurchase Agreements	1 year	Unlimited	Unlimited
Local Agency Investment Fund (LAIF)	N/A	No Limit	\$ 40,000,000

N/A - Not Applicable

* - Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

Investments of debt proceeds held by bond trustee 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 trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	No Limit	No Limit	No Limit
United States Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit
Banker's Acceptances	360 days	No Limit	No Limit
Time Certificate of Deposits	360 days	No Limit	No Limit
Commercial Paper	270 days	No Limit	No Limit
Money Market Mutual Funds	N/A	No Limit	No Limit

N/A - Not Applicable

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS (CONTINUED):

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 flow and liquidity needed for operations.

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 36 Months	37 - 60 Months	
Local Agency Investment Fund	\$ 61,835,345	\$ -	\$ -	\$ 61,835,345
United States Treasury Obligations	9,052,214	20,692,297	4,414,973	34,159,484
Federal Home Loan Mortgage Corporation	12,643,252	16,739,030	2,215,791	31,598,073
Federal Home Loan Bank	15,505,177	13,980,037	2,647,076	32,132,290
Federal National Mortgage Association	14,493,736	16,451,415	5,036,379	35,981,530
Federal Farm Credit Bank	4,614,471	10,031,271	5,460,556	20,106,298
Tennessee Valley Authority	-	1,128,840	2,848,760	3,977,600
Money Market Mutual Funds	4,572,451	-	-	4,572,451
	<u>\$122,716,646</u>	<u>\$ 79,022,890</u>	<u>\$ 22,623,535</u>	<u>\$224,363,071</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS (CONTINUED):

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, by Standards and Poor, as of year end for each investment type:

Investment Type	Total as of June 30, 2009	AAA	Not Required to be Rated	Not Rated
Local Agency Investment Fund	\$ 61,835,345	\$ -	\$ -	\$ 61,835,345
United States Treasury Obligations	34,159,484	-	34,159,484	-
Federal Home Loan Mortgage Corporation	31,598,073	31,598,073	-	-
Federal Home Loan Bank	32,132,290	32,132,290	-	-
Federal National Mortgage Association	35,981,530	35,981,530	-	-
Federal Farm Credit Bank	20,106,298	20,106,298	-	-
Tennessee Valley Authority	3,977,600	3,977,600	-	-
Money Market Mutual Funds	4,572,451	4,572,451	-	-
	<u>\$ 224,363,071</u>	<u>\$ 128,368,242</u>	<u>\$ 34,159,484</u>	<u>\$ 61,835,345</u>

Concentration of Credit Risk:

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Corporation	United States Government Sponsored Enterprise Securities	\$ 31,598,073
Federal Home Loan Bank	United States Government Sponsored Enterprise Securities	32,132,290
Federal National Mortgage Association	United States Government Sponsored Enterprise Securities	35,981,530
Federal Farm Credit Bank	United States Government Sponsored Enterprise Securities	20,106,298
Tennessee Valley Authority	United States Government Sponsored Enterprise Securities	3,977,600

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

2. CASH AND INVESTMENTS (CONTINUED):

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% 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% of the secured public deposits. At June 30, 2009, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law. The difference between the bank balances and deposits represent deposits in transit and outstanding checks.

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 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.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS:

Interfund receivables and payables at June 30, 2009 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,026,206	\$ 13,717,331
Special Revenue Funds:		
RDA Low and Moderate Income Housing	-	24,206
Housing and Community Development	-	560,000
Special Gas Tax and Street Improvements	-	8,825,000
Capital Projects Funds:		
Capital Improvements	7,425,000	-
Redevelopment Projects	13,717,331	-
Other Governmental Funds	-	42,000
	<u>\$ 23,168,537</u>	<u>\$ 23,168,537</u>

The interfund amounts from the General Fund and Capital Improvements Capital Projects Fund to the Housing and Community Development Special Revenue Fund, the Special Gas Tax and Street Improvements Special Revenue Fund and Other Governmental Funds are for short-term loans to cover operations.

The receivable and payable between the General Fund and the RDA Low and Moderate Income Housing Special Revenue Fund and the Redevelopment Projects Capital Projects Fund are for short-term operations related to activity between the funds.

The receivable and payable between the General Fund and the Redevelopment Projects Capital Projects Funds are for loan proceeds on the Police Facility construction.

Advances to and from other funds at June 30, 2009 are as follows:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 49,166	\$ -
Debt Service Fund	516,096	49,166
Capital Projects Funds:		
Capital Improvements	956,146	-
Enterprise Fund:		
Water	-	1,472,242
	<u>\$ 1,521,408</u>	<u>\$ 1,521,408</u>

The advances from the General Fund of \$49,166 to the Debt Service Fund are to provide for operations of the Redevelopment Agency. The advances from the Debt Service Fund and Capital Improvements Capital Projects Fund to the Water Enterprise Fund are to provide funds for capital improvements.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED):

The compositions of the City's interfund transfer balances as of June 30, 2009 are as follows:

Governmental Activities:

	Transfers In								Total Govt Funds						
	RDA Low and Moderate Income Housing		Housing and Community Development		Special Gas Tax and Street Improvements		Debt Service			Capital Improvements		Redevelopment Projects		Other Govt Funds	
	General	Housing	Development	Improvements	Service	Improvements	Projects	Funds		Funds					
<u>Transfers Out:</u>															
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 352,631	\$ 412,631						
RDA Low and Moderate															
Income Housing	-	-	-	-	154,143	-	6,241,385	-	6,395,528						
Housing and Community															
Development	-	-	-	-	-	465,000	-	-	465,000						
Special Gas Tax and															
Street Improvements	-	-	-	-	-	9,410,955	-	-	9,410,955						
Debt Service	-	-	-	-	-	-	18,000,000	-	18,000,000						
Capital Improvements	669,202	-	126,937	829,150	-	-	3,841,309	10	5,466,608						
Redevelopment Projects	2,127,638	222,760	-	-	-	-	-	-	2,350,398						
Other Governmental Funds	-	-	-	-	-	105,082	-	-	105,082						
Water Enterprise	-	-	-	-	-	638,230	-	60,000	698,230						
Internal Service	75,000	-	-	-	-	1,268,400	-	-	1,343,400						
	<u>\$ 2,871,840</u>	<u>\$ 222,760</u>	<u>\$ 126,937</u>	<u>\$ 829,150</u>	<u>\$ 154,143</u>	<u>\$ 11,947,667</u>	<u>\$ 28,082,694</u>	<u>\$ 412,641</u>	<u>\$ 44,647,832</u>						

Business-type Activity:

	Transfers In		
	Water		Internal Service
	Enterprise	Service	
<u>Transfers Out:</u>			
General	\$ 140,000	\$ 2,167,633	\$ 2,307,633
RDA Low and Moderate Income Housing	10,000	-	10,000
Housing and Community Development	10,000	-	10,000
Capital Improvements	<u>1,279,962</u>	<u>1,344,370</u>	<u>2,624,332</u>
	<u>\$ 1,439,962</u>	<u>\$ 3,512,003</u>	<u>\$ 4,951,965</u>

Transfers between/to Capital Improvements and Redevelopment Projects Funds from the other funds are to primarily fund capital projects, which are then transferred back to the original fund upon completion of the project.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED):

The General Fund transferred monies to the Internal Service Fund to fund operations in the Motor Pool/Equipment fund. Other transfers from the General Fund to the Capital Improvements Capital Projects Fund and Other Governmental Funds are for operations.

4. RECEIVABLES:

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds:

	General	RDA Low and Moderate Income Housing	Housing and Community Development	Special Gas Tax and Street Improvements	Debt Service	Capital Improvements	Redevelopment Projects	Other Governmental	Total
Taxes	\$ 2,900,276	\$ 387,225	\$ -	\$ -	\$ 1,548,900	\$ -	\$ -	\$ 52,459	\$ 4,888,860
Accounts	182,681	-	-	-	-	-	-	-	182,681
Interest	575,120	-	158	-	36,735	-	885,778	14,314	1,512,105
Loans	-	4,729,029	4,192,411	-	-	-	-	-	8,921,440
Notes	-	1,663,184	850,000	-	-	-	-	-	2,513,184
Other	-	-	-	-	-	1,351	-	-	1,351
Due from other governments	97,239	-	794,800	1,133,099	-	-	10,800	81,813	2,117,751
	<u>\$ 3,755,316</u>	<u>\$ 6,779,438</u>	<u>\$ 5,837,369</u>	<u>\$ 1,133,099</u>	<u>\$ 1,585,635</u>	<u>\$ 1,351</u>	<u>\$ 896,578</u>	<u>\$ 148,586</u>	<u>\$ 20,137,372</u>

Proprietary Funds:

	Water Enterprise	Internal Service	Total
Accounts	\$ 1,854,381	\$ 25,857	\$ 1,880,238
Other	15,549	58,318	73,867
Due from other governments	-	37,285	37,285
Net Total Receivables	<u>\$ 1,869,930</u>	<u>\$ 121,460</u>	<u>\$ 1,991,390</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

5. LAND HELD FOR RESALE:

Land held for resale consists of property acquired by the Redevelopment Agency and held for resale. The property is carried at the lower of cost or estimated net realizable value. The estimated net realizable value as of June 30, 2009, is \$4,874,067 with this amount offset by reservations of fund balance in the governmental fund financial statements. Certain properties held by the Agency have been leased to private parties with future options to purchase.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

6. CAPITAL ASSETS:

A summary of changes in the Governmental Activities capital assets at June 30, 2009 is as follows:

Governmental Activities:	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Capital assets, not being depreciated:				
Land	\$ 4,040,528	\$ 2,000,000	\$ -	\$ 6,040,528
Construction in progress	<u>1,621,857</u>	<u>5,731,259</u>	<u>-</u>	<u>7,353,116</u>
Total capital assets, not being depreciated	<u>5,662,385</u>	<u>7,731,259</u>	<u>-</u>	<u>13,393,644</u>
Capital assets, being depreciated:				
Buildings	32,141,373	42,783	-	32,184,156
Improvements other than buildings	6,254,755	333,934	-	6,588,689
Vehicles, machinery and equipment	7,983,531	1,342,242	(186,231)	9,139,542
Office furniture and equipment	4,584,624	366,729	(148,782)	4,802,571
Leased property	553,422	2,950	(56,372)	500,000
Infrastructure	<u>218,747,366</u>	<u>7,403,162</u>	<u>-</u>	<u>226,150,528</u>
Total capital assets, being depreciated	<u>270,265,071</u>	<u>9,491,800</u>	<u>(391,385)</u>	<u>279,365,486</u>
Less accumulated depreciation for:				
Buildings	(8,164,120)	(749,830)	-	(8,913,950)
Improvements other than buildings	(1,315,945)	(310,899)	-	(1,626,844)
Vehicles, machinery and equipment	(2,872,780)	(819,644)	125,623	(3,566,801)
Office furniture and equipment	(3,062,084)	(328,897)	103,830	(3,287,151)
Leased property	(544,852)	(5,451)	56,372	(493,931)
Infrastructure	<u>(124,177,492)</u>	<u>(5,203,896)</u>	<u>-</u>	<u>(129,381,388)</u>
Total accumulated depreciation	<u>(140,137,273)</u>	<u>(7,418,617)</u>	<u>285,825</u>	<u>(147,270,065)</u>
Total capital assets, being depreciated, net	<u>130,127,798</u>	<u>2,073,183</u>	<u>(105,560)</u>	<u>132,095,421</u>
Governmental activities capital assets, net	<u>\$135,790,183</u>	<u>\$ 9,804,442</u>	<u>\$ (105,560)</u>	<u>\$145,489,065</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

6. CAPITAL ASSETS (CONTINUED):

A summary of changes in the Business-type Activity capital assets at June 30, 2009 is as follows:

Business-type Activity:	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 2,494,846	\$ -	\$ (10,000)	\$ 2,484,846
Total capital assets, not being depreciated	<u>2,494,846</u>	<u>-</u>	<u>(10,000)</u>	<u>2,484,846</u>
Capital assets, being depreciated:				
Buildings	208,285	-	(116,706)	91,579
Improvements other than buildings	11,808,269	-	-	11,808,269
Water distribution lines	41,099,102	-	-	41,099,102
Machinery and equipment	12,508,679	-	-	12,508,679
Office furniture and equipment	<u>99,885</u>	<u>-</u>	<u>-</u>	<u>99,885</u>
Total capital assets, being depreciated	<u>65,724,220</u>	<u>-</u>	<u>(116,706)</u>	<u>65,607,514</u>
Less accumulated depreciation for:				
Buildings	(91,273)	(2,057)	6,808	(86,522)
Improvements other than buildings	(745,087)	(237,900)	-	(982,987)
Water distribution lines	(23,484,345)	(632,295)	-	(24,116,640)
Machinery and equipment	(6,804,602)	(558,978)	-	(7,363,580)
Office furniture and equipment	<u>(69,115)</u>	<u>(5,870)</u>	<u>-</u>	<u>(74,985)</u>
Total accumulated depreciation	<u>(31,194,422)</u>	<u>(1,437,100)</u>	<u>6,808</u>	<u>(32,624,714)</u>
Total capital assets, being depreciated, net	<u>34,529,798</u>	<u>(1,437,100)</u>	<u>(109,898)</u>	<u>32,982,800</u>
Business-type Activity capital assets, net	<u>\$ 37,024,644</u>	<u>\$ (1,437,100)</u>	<u>\$ (119,898)</u>	<u>\$ 35,467,646</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

6. CAPITAL ASSETS (CONTINUED):

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 76,263
Public safety	415,092
Public works	5,246,153
Community development	398,286
Community services	561,595
Internal service funds	<u>721,228</u>

Total depreciation expense - governmental activities \$ 7,418,617

Business-type Activity:

Water Fund	<u>\$ 1,437,100</u>
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7. LONG-TERM LIABILITIES:

The following is a summary of long-term liability transactions for the year ended June 30, 2009:

Governmental Activities:

	Balance July 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Deferred Bond Costs	Balance June 30, <u>2009</u>	Amount Due Within <u>One Year</u>
Tax allocation bonds payable	\$ 30,140,000	\$ 73,055,000	\$ -	\$ -	\$103,195,000	\$ 960,000
Certificates of participation	7,479,879	-	805,000	(24,792)	6,699,671	835,000
Note payable	300,000	-	-	-	300,000	-
Compensated absences	1,971,532	1,734,277	1,729,941	-	1,975,868	1,699,246
Claims liabilities	<u>3,697,304</u>	<u>1,200,483</u>	<u>1,555,339</u>	<u>-</u>	<u>3,342,448</u>	<u>835,612</u>
Total Governmental Activities	<u>43,588,715</u>	<u>75,989,760</u>	<u>4,090,280</u>	<u>(24,792)</u>	<u>115,512,987</u>	<u>4,329,858</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

The following is a summary of long-term liability transactions for the year ended June 30, 2009 (Continued):

Business-type Activity:

	Balance July 1, 2008	Additions	Reductions	Deferred Bond Costs	Balance June 30, 2009	Amount Due Within One Year
Certificates of participation	\$ 4,619,091	\$ -	\$ 425,000	\$ (25,992)	\$ 4,220,083	\$ 440,000
Loans payable	2,386,023	-	89,871	-	2,296,152	93,026
Compensated absences	131,991	128,458	126,492	-	133,957	133,957
Total Business-type Activity	7,137,105	128,458	641,363	(25,992)	6,650,192	666,983
City Total	\$ 50,725,820	\$ 76,118,218	\$ 4,731,643	\$ (50,784)	\$122,163,179	\$ 4,996,841

Governmental Activities:

The Governmental Activities long-term liability transactions at June 30, 2009 are comprised of the following individual items:

Tax Allocation Bonds

\$30,140,000 Westminster Commercial Redevelopment Project No. 1, 2008 Tax Allocation Refunding Bonds dated June 1, 2008. The bonds are payable in annual installments ranging from \$960,000 to \$2,260,000 until maturity on August 1, 2027. Interest is payable bi-annually at an average rate of 4.4%. The 2008 bonds were issued for the purpose of advance refunding \$40,250,000 Westminster Commercial Redevelopment Project No. 1, 1997 Tax Allocation Revenue Refunding Bonds. Proceeds from the 2008 bonds were invested in an escrow fund with a trustee which together with earnings will pay interest and principal on the bonds until fully retired. The 1997 bonds are legally defeased and are no longer a liability of the Agency.

\$ 30,140,000

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

Tax Allocation Bonds (Continued)

\$73,055,000 Westminster Commercial Redevelopment Project No. 1, 2009 Subordinate Tax Allocation Bonds (Police Facility) dated March 12, 2009. The bonds are payable in annual installments ranging from \$2,360,000 to \$6,345,000 from November 1, 2028 until maturity on November 1, 2045. Interest is payable bi-annually at an average rate of 4.4%. The 2009 bonds were issued for the purpose of acquiring and constructing a new headquarters for the Westminster Police Department.

\$ 73,055,000

Total Tax Allocation Bonds

\$ 103,195,000

Certificates of Participation

\$7,825,000 City of Westminster 2008 Certificates of Participation (Civic Center Refunding), dated May 1, 2008. The Certificates are payable in annual installments ranging from \$320,000 to \$860,000 until maturity on June 1, 2022. Interest is payable bi-annually at an average rate of 4.1%. The 2008 Certificates were issued for the purpose of advance refunding the \$13,600,000 Westminster Variable Rate Demand Certificates of Participation, Series 1998A (1998 Civic Center Refunding Program). Proceeds from the Series 2008 Certificates were invested in an escrow fund with a trustee which together with earnings will pay interest and principal on the Certificates until fully retired. The 1998 Certificates are legally defeased and no longer a liability of the City. The reacquisition price exceeded the net carrying amount of the debt. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Gross Principal

\$ 7,020,000

Less: Deferred Amounts on Advance Refunding

(320,329)

Net Amount 2008 Certificates of Participation

\$ 6,699,671

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

Note Payable

\$300,000 California Housing Finance Agency note dated February 6, 2002, and executed on January 28, 2004. The principal is due January 28, 2014 with interest payable at a rate of 3%.

\$ 300,000

Compensated Absences/Claims Liabilities

Compensated absences and claims liabilities are being liquidated in the internal service funds. These internal service funds predominately serve the governmental funds. Accordingly, these liabilities are part of the total liabilities for governmental activities.

Business-type Activity:

The Business-type Activity long-term liability transactions at June 30, 2009 are comprised of the following individual items:

Certificates of Participation

\$5,035,000 Certificates of Participation (Water System Refunding) Series 2008, dated June 1, 2008. The Certificates are payable in annual installments ranging from \$220,000 to \$465,000 until maturity on June 1, 2024. Interest is payable bi-annually at an average rate of 4.1%. The 2008 Certificates were issued for the purpose of advance refunding the \$5,210,000 Westminster Variable Rate Demand Certificates of Participation, Series 1998B (1998 Water System Refunding Program) and the \$2,200,000 installment purchase agreement payable to Zions First National Bank. The 2008 Series Certificates were invested in and escrow fund with a trustee which together with earnings will pay interest and principal on the 2008 Certificates until fully retired. The 1998 Certificates are legally defeased and no longer a liability of the City. The reacquisition price exceeded the net carrying amount of the debt. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Gross Principal	\$ 4,610,000
Less: Deferred Amounts on Advance Refunding	<u>(389,917)</u>
Net Amount 2008 Certificates of Participation	<u>\$ 4,220,083</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activity (Continued)

Certificates of Participation (Continued)

The covenants authorizing the 2008 Water System Refunding Program Certificates of Participation stipulate that water rates must be maintained at levels sufficient to generate revenues in excess of certain predetermined amounts. Additionally, the City must establish certain management guidelines with respect to the operation of the water system. Resolution No. 4147, authorizing the issuance, terms and conditions of the 2008 Water System Refunding Program Certificates of Participation, includes a covenant requiring that the charges for the services, facilities and water costs of the enterprise be so fixed that the "net revenues" of the enterprise shall be at least 120% of the installment payments on the Certificates, and the California Infrastructure and Economic Development Bank Loan.

For the fiscal year ended June 30, 2009, the calculation of the Enterprise Fund's compliance with the rate coverage covenant is as follows:

Gross revenues:	
Charges for services	\$ 11,154,302
Investment income	47,566
Other	<u>36,279</u>
Total gross revenues	<u>11,238,147</u>
Operating expenses:	
Operating expenses	11,859,284
Depreciation and amortization	(1,454,836)
Vehicle replacement charges	<u>(119,902)</u>
Total operating costs	<u>10,284,546</u>
Net revenues	<u>\$ 953,601</u>
Installment payments:	
Principal payments	\$ 473,459
Interest payments	<u>243,728</u>
Total installment payments	<u>\$ 717,187</u>
Net revenues to installment payment coverage ratio	<u>133%</u>

City management believes it is in compliance with all such covenants.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activity (Continued)

Certificates of Participation (Continued)

Additionally, the City has agreed to maintain a replacement reserve at a level the City determines to be economically prudent. For the fiscal year ended June 30, 2009, the Enterprise Fund's capital equipment replacement reserve is as follows:

Capital equipment replacement reserve	\$ <u>360,088</u>
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Loans Payable

\$889,355 loan payable to Orange County Water District, dated August 1, 2000. The loan is payable in annual installments ranging from \$31,449 to \$60,640 until maturity on February 1, 2020. Interest is payable at a fixed rate of 3.5%. The loan was issued as per a conjunctive use well construction program agreement with the Orange County Water District for the completion of a well.

	\$ 563,281
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\$2,000,000 installment sale agreement payable to California Infrastructure and Economic Development Bank, dated January 28, 2002. The agreement was issued to provide for the financing of a water tank. The project was completed, and the loan was fully funded as of June 30, 2004. The agreement is payable in annual installments ranging from \$40,000 to \$105,000 until maturity on August 1, 2032. Interest is payable at a fixed rate of 3.26% per annum until fully funded. Once funded, the interest is payable at a fixed rate of 3.52% per annum.

	<u>1,732,871</u>
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Total Loans Payable	\$ <u>2,296,152</u>
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Compensated Absences

Compensated absences expected to be liquidated by the Water Enterprise Fund are reported as a liability for Business-type Activity.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Governmental and Business-type Activity:

Annual Amortization Requirements of Governmental and Business-type Long-Term Liabilities

The annual requirements to amortize all governmental and business-type long-term liabilities (excluding compensated absences, claims payable and capitalized lease) outstanding as of June 30, 2009, including interest payments are as follows:

Year Ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2010	\$ 960,000	\$ 6,166,506	\$ 7,126,506
2011	1,160,000	5,541,650	6,701,650
2012	1,195,000	5,506,325	6,701,325
2013	1,230,000	5,469,950	6,699,950
2014	1,270,000	5,426,100	6,696,100
2015-2019	7,155,000	26,310,400	33,465,400
2020-2024	8,705,000	24,709,684	33,414,684
2025-2029	10,825,000	22,510,781	33,335,781
2030-2034	13,985,000	19,166,972	33,151,972
2035-2039	18,910,000	14,078,313	32,988,313
2040-2044	25,450,000	7,386,538	32,836,538
2045-2049	12,350,000	719,900	13,069,900
	<u>\$ 103,195,000</u>	<u>\$ 142,993,119</u>	<u>\$ 246,188,119</u>

Year Ending June 30,	Certificates of Participation Governmental and Business-type Activity		
	Principal	Interest	Total
2010	\$ 1,275,000	\$ 428,175	\$ 1,703,175
2011	1,315,000	389,925	1,704,925
2012	940,000	350,475	1,290,475
2013	710,000	322,275	1,032,275
2014	735,000	300,975	1,035,975
2015-2019	4,105,000	1,063,031	5,168,031
2020-2024	2,550,000	290,913	2,840,913
	11,630,000	3,145,769	14,775,769
Less: deferred amounts on advance refunding	(710,246)	-	(710,246)
	<u>\$ 10,919,754</u>	<u>\$ 3,145,769</u>	<u>\$ 14,065,523</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

7. LONG-TERM LIABILITIES (CONTINUED):

Governmental and Business-type Activity (Continued):

Annual Amortization Requirements of Governmental and Business-type Long-Term Liabilities
(Continued)

Year Ending June 30,	Note Payable		
	Principal	Interest	Total
2014	\$ 300,000	\$ 90,000	\$ 390,000

Year Ending June 30,	Loans Payable		
	Principal	Interest	Total
2010	\$ 93,026	\$ 79,829	\$ 172,855
2011	96,292	76,532	172,824
2012	99,672	73,119	172,791
2013	103,171	69,587	172,758
2014	106,794	65,930	172,724
2015-2019	592,910	250,015	842,925
2020-2024	440,805	177,579	618,384
2025-2029	452,167	103,641	555,808
2030-2033	311,315	22,169	333,484
	<u>\$ 2,296,152</u>	<u>\$ 918,401</u>	<u>\$ 3,214,553</u>

Year Ending June 30,	Grand Totals		
	Principal	Interest	Total
2010	\$ 2,328,026	\$ 6,674,510	\$ 9,002,536
2011	2,571,292	6,008,107	8,579,399
2012	2,234,672	5,929,919	8,164,591
2013	2,043,171	5,861,812	7,904,983
2014	2,111,794	5,793,005	7,904,799
2015-2019	12,152,910	27,713,446	39,866,356
2020-2024	11,695,805	25,178,176	36,873,981
2025-2029	11,277,167	22,614,422	33,891,589
2030-2034	14,296,315	19,189,141	33,485,456
2035-2039	18,910,000	14,078,313	32,988,313
2040-2044	25,450,000	7,386,538	32,836,538
2045-2049	12,350,000	719,900	13,069,900
Less: deferred amounts on advance refunding	(710,246)	-	(710,246)
	<u>\$ 116,710,906</u>	<u>\$ 147,147,289</u>	<u>\$ 263,858,195</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

8. ASSESSMENT DISTRICT BONDS:

In July 1992, the City issued \$400,373 Limited Obligation Improvement Bonds, on behalf of Assessment District No. 92-1. Proceeds of the bonds were used to finance the construction of streets, storm drains, and traffic improvements. The bonds are secured by the unpaid assessments, together with interest thereon, on parcels within the District. The City is in no way liable for repayment, but is only acting as an agent for the collection of principal and interest payments by property owners and remittance for such monies to the bondholders. At June 30, 2009, the unpaid obligation on the bonds was \$130,000 and cash and investments for bonds and interest coupons redemption of \$98,323 was held by the City and recorded on the 1915 Act Bonds Agency Fund.

9. PASS-THROUGH AGREEMENTS:

The Westminster Redevelopment Agency has entered into agreements with various governmental entities to "pass-through" portions of tax increments received to entities which are located within the Agency's project area. Tax incremental revenues passed through to other agencies during fiscal year 2009 totaled \$7,133,757 and pass-throughs due and payable totaled \$7,385,000 at year-end and are recorded in the Debt Service Fund.

10. PENSION PLANS:

Plan Description:

The City's defined benefit pension plans, the Miscellaneous and Safety Plans for the City of Westminster (Plans), provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. As of July 1, 2005, the City was mandated by the State to participate in the risk pool for the Safety Plan. For the Safety Plan, the risk pool combines the assets and liabilities across employers of the risk pool to provide a method to spread the risk of uncertain gains and losses over a larger base of members. The Miscellaneous Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office: 400 P Street, Sacramento, CA 95814.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

10. PENSION PLANS (CONTINUED):

Funding Policy:

Participants are required to contribute 8%-9% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution requirement for fiscal year 2009 was \$1,158,258 for miscellaneous employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost for the Miscellaneous Plan:

For fiscal year 2009, the City's actual and contributed annual pension cost was \$1,158,258. The required contribution for the fiscal year 2009 was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) inflation of 3.00%, (d) payroll growth of 3.25%, and (e) an individual salary growth based on merit scale varying by duration of employment, coupled with an assumed annual inflation component of 3.00%, and an annual production growth of 0.25%.

The actuarial value of the Plan's assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a fifteen year period. The Plan's initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period. If the Plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period. The remaining Plan's amortization period at June 30, 2009 was 15 years for the Miscellaneous Plan.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

10. PENSION PLANS (CONTINUED):

Three-Year Trend Information for the Miscellaneous Plan:

Fiscal Year	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
6/30/07	\$ 769,522	100%	\$ -
6/30/08	903,729	100%	-
6/30/09	1,158,258	100%	-

Funded Status and Funding Progress:

As of June 30, 2008, the most recent actuarial valuation date, the plan was 96.4% funded. The actuarial accrued liability for benefits was \$76.8 million, and the actuarial value of assets was \$74.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.0 million, and the ratio of the UAAL to the covered payroll was 22.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding salary increase, inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Annual Required Contribution for the Safety Plan:

The contribution requirements of the Safety Plan members and the City are established and may be amended by the State. Plan members are required to contribute 9% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 19.474% of covered payroll. The City's contributions to CalPERS for the years ended June 30, 2009, 2008 and 2007 were \$1,943,238, \$1,755,795 and \$2,849,915, respectively, and were equal to the required contributions for each year.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

10. PENSION PLANS (CONTINUED):

Plan Description - Other Defined Contribution Pension Plans:

Part-time, Seasonal and Temporary Employees-Alternate Retirement System Plan

Omnibus Budget Reconciliation Act of 1990 (OBRA 90) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by Social Security or an alternate plan. In accordance with this federal law, the City provides pension benefits for all part-time, seasonal and temporary employees through the City of Westminster Alternate Retirement System Plan administered by the Public Agency Retirement System (PARS-ARS). PARS-ARS is a defined contribution pension plan and benefits depend solely on amounts contributed to the plan plus investment earnings. Federal legislation requires defined contributions to the retirement plan of at least 7.5% of the employee's salary. Accordingly, contributions to the plan consist of 6% by the employee and 1.5% by the City. All part-time, seasonal or temporary employees are immediately eligible to participate in the plan from the date of employment and all contributions are fully vested. The contribution requirements are established by Federal statutes and may be amended by the Federal government.

For the year ended June 30, 2009, the City's payroll covered by the plan was \$1,246,566. Contributions to the plan totaled \$93,492 with employee contributions in the amount of \$74,959 (6.0% of current covered payroll) and City contributions in the amount of \$18,533 (1.5% of current covered payroll).

Law Enforcement - Public Agency Retirement System Supplement

All full-time and permanent personnel represented by the Westminster Police Officers' Association are eligible to participate in the Public Agency Retirement System Supplement to the California Public Employees' Retirement System Plan. This supplemental plan is administered by PARS with Union Bank of California and operates in conjunction with the City's CalPERS pension plan. As a defined contribution plan, the City contributes on the employees' behalf fifty dollars per month for each year of service with the Employer with a maximum benefit of \$1,250 per month. Employee service time vests immediately. The employees, however, must retire from the City of Westminster to receive the retirement benefit. City contributions are made monthly to PARS and participants fully vest in these benefits. Plan provisions and contribution requirements are established by plan members and the City and may be amended by plan members and/or the City. During the fiscal year, the City made a final contribution of \$2,195,654 to fully fund the plan.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

a. Plan Description:

The City provides post-employment healthcare benefits including medical, dental, vision, and life insurance to eligible employees and their dependents at retirement through a single employer defined benefit OPEB plan administered by the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees, and unions representing the City's employees. Eligible retirees (service or disability retire through CalPERS directly from the City) receive reimbursement from the City for a portion of the costs for the coverage. The retiree healthcare plan does not issue a financial report.

The medical benefit through the California Public Employees Retirement System Healthcare Program (PEMHCA) is based on the hire date and the employee group. For employees in employee groups hired prior to dates in the following table, the City pays up to 100% of the cap.

<u>Employee Group</u>	<u>2009 Cap</u>	<u>Hire Date</u>
POA	\$ 892.00	07/01/2004
Mgmt/Admin/Conf	937.00	08/10/2005
WMEA	937.00	06/22/2005

For employees hired after the dates in the table above, the City pays a percent of the cap based on years of service with the City.

<u>Years of Service</u>	<u>Percentage of Cap</u>
Less than 5	PEMHCA minimum (\$101 in 2009)
5 through 10	25%
10 through 15	50%
More than 15	100%

The benefit to a surviving spouse continues based on CalPERS retirement plan election.

Dental, vision, and life insurance benefits are provided through the City's group insurance plans. The City provides full vision coverage, pays dental coverage up to \$20/month, and pays life insurance premiums up to \$19.10/month.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

b. Funding Policy:

The contribution requirements of plan members and the City are established and may be amended by the City, the City's City Council, and/or the employee associations. The City is currently funding this OPEB obligation on a pay-as-you-go basis. For the year ended June 30, 2009, the City paid \$1,946,000 in health care costs for its retirees and their covered dependents. The plan does not require employee contributions.

c. Annual OPEB Cost and Net OPEB Obligation:

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

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

Annual required contribution	\$ 4,951,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>4,951,000</u>
Actual contributions made	<u>(1,946,000)</u>
Increase in net OPEB obligation	3,005,000
Net OPEB Obligation - beginning of year	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 3,005,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2009, the first year in which GASB Statement 45 is required to be implemented, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 4,951,000	\$ 1,946,000	39.3 %	\$ 3,005,000

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

d. Funded Status and Funding Progress:

As of June 30, 2008, the first actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$65,675,000, and the actuarial value of assets was zero, resulting in an unfunded accrued liability (UAL) of \$65,675,000. The funded ratio (actuarial value of assets as a percentage of actuarial accrued liability) was 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$19,019,000 and the ratio of the UAL to the covered payroll was 345%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

e. Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included an investment interest rate of 4.25% per annum (net of administrative expenses), and a general inflation rate of 3% per annum. Medical premiums were assumed to increase annually with a pre-Medicare cost increase rate of 9.1% for HMOs and 9.8% for PPOs for 2010 premiums over 2009 premiums, both grading down to 4.5% for calendar year 2017 and thereafter. The post-Medicare annual medical cost increase rates were 9.4% for HMOs and 10.1% for PPOs for 2010 premiums over 2009 premiums, both grading down to 4.5% for calendar year 2017 and thereafter. The PEMHCA minimum was assumed to increase with medical inflation (4.5%) annually after 2010. Medical caps were assumed to follow healthcare trend. Vision premiums were assumed to increase by 3% annually. Dental and life insurance caps were assumed to remain frozen in the future. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis commencing in fiscal year 2009.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

12. DEFERRED COMPENSATION:

Certain provisions of the Small Business Job Protection Act (the Act) effected Internal Revenue Code Section 457 plans by eliminating the requirement that Section 457 plan assets legally remain the assets of the sponsoring government. The Act requires that amounts deferred under a Section 457 plan be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors.

The City has implemented GASB 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The assets have been transferred into a trust, and are no longer subject to claims of the City's general creditors, and are no longer considered the assets of the City. The plan permits all City employees to defer a portion of their salary until future years. The amount deferred is not available to employees until termination, retirement, death or unforeseeable emergency.

The City contracts with private deferred compensation administration firms to act as an agent of the City to fulfill all the City's administrative responsibilities. The duties performed by this fiduciary on behalf of the City include assisting employees in the execution of investment transactions and providing summary and participant reporting of these investments.

Since the City has placed the assets into a trust and has little administrative involvement and does not perform the investing function for the plan, the assets have been removed from the City's financial statements.

13. RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

The City retains the risk of loss for general liability claims of up to \$350,000 per occurrence and workers compensation claims of up to \$300,000 per person per occurrence. The City has established the Risk Management and Compensation/Benefits Internal Service Funds to account for and finance these uninsured risks of loss, and liabilities are accrued when incurred, whether or not reported, in each of these Funds.

The City is also a member of the California Insurance Pool Authority (CIPA), a public entity risk pool consisting of 11 member cities in Orange County, California, which was established to pool resources, share risks, purchase excess insurance, and share costs for professional risk management and claims administration. Portions of general liability and workers compensation claims exceeding the above mentioned amounts are covered by CIPA up to a maximum \$10,000,000 per claim and \$50,000,000 annual aggregate amount for general liability claims.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

13. RISK MANAGEMENT (CONTINUED):

The coverage for workers' compensation extends to statutory limit. Member cities make payments to CIPA based on underwriting estimates and may be assessed the difference between funds available and the \$50,000,000 annual aggregate in proportion to their annual premiums. Additional coverage is maintained through a commercial insurer for claims in excess of the per claim units and the annual aggregate amounts.

The City continues to carry commercial insurance for all other risks of loss, including employee health, fire, water, boiler and machinery insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All Funds of the City participate in the risk management program and make payments to the Risk Management and Compensation/Benefits Internal Service Funds based on estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. At June 30, 2009, the Risk Management Fund had accumulated fund equity of \$4,859,840. Also, at June 30, 2009, the Compensation/Benefits Fund had a reserve for catastrophic losses of \$5,382,726, which is reported as net assets in this fund. The claims liabilities of \$1,477,981 and \$1,864,467 reported in the Risk Management and Compensation/Benefits Internal Service Funds, respectively, at June 30, 2009 are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and amount of the loss can be reasonably estimated.

Changes in the Risk Management and Compensation/Benefits Internal Service Funds' claims liability amounts in fiscal years 2009 and 2008 were as follows:

	Risk Management Fund		Compensation/Benefits Fund	
	2009	2008	2009	2008
Beginning-year liability	\$ 1,572,376	\$ 934,567	\$ 2,124,928	\$ 1,590,957
Current-year claims and changes in estimates	775,275	1,748,067	425,208	1,005,342
Claim payments	<u>(869,670)</u>	<u>(1,110,258)</u>	<u>(685,669)</u>	<u>(471,371)</u>
Balance at fiscal year-end	<u>\$ 1,477,981</u>	<u>\$ 1,572,376</u>	<u>\$ 1,864,467</u>	<u>\$ 2,124,928</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

14. RESERVES AND DESIGNATIONS OF FUND BALANCE:

Reserves segregate portions of fund balance that are not available spendable resources. The various reserves established as of June 30, 2009 were as follows:

	General	RDA Low and Moderate income Housing	Housing and Community Development	Special Gas Tax and Street Improvements	Debt Service	Capital Improvements	Redevelopment Projects	Other Govt Funds	Total Govt Funds
Reserves:									
Advances to other funds	\$ 49,166	\$ -	\$ -	\$ -	\$ 516,096	\$ 956,146	\$ -	\$ -	\$ 1,521,408
Loans and notes receivable	-	6,392,213	850,000	-	-	-	-	-	7,242,213
Low and moderate income housing	-	16,385,595	-	-	-	-	-	-	16,385,595
Debt service	-	440,000	-	353,393	5,069,109	-	-	419,097	6,281,599
Prepaid items	22,301	-	-	-	-	-	10,305	5,225	37,831
Land held for resale	-	4,306,867	-	-	-	-	567,200	-	4,874,067
	<u>\$ 71,467</u>	<u>\$ 27,524,675</u>	<u>\$ 850,000</u>	<u>\$ 353,393</u>	<u>\$ 5,585,205</u>	<u>\$ 956,146</u>	<u>\$ 577,505</u>	<u>\$ 424,322</u>	<u>\$ 36,342,713</u>

	General	Capital Improvements	Redevelopment Projects	Total Governmental Funds
Designations:				
General contingencies	\$ 1,935,325	\$ -	\$ -	\$ 1,935,325
Emergency reserves	1,746,433	-	-	1,746,433
Capital projects	-	25,438,919	90,210,289	115,649,208
	<u>\$ 3,681,758</u>	<u>\$ 25,438,919</u>	<u>\$ 90,210,289</u>	<u>\$ 119,330,966</u>

Reserved for Advances to Other Funds

These reserves represent the amounts that were advanced to other funds and are not anticipated to be repaid in the current year and are not considered as available resources.

Reserved for Loans and Notes Receivable

This reserve is provided to indicate that the amounts that are to be paid on the notes are not considered "available" to meet the expenditures of the current period.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

14. RESERVES AND DESIGNATIONS OF FUND BALANCE (CONTINUED):

Reserved for Low and Moderate Income Housing

This reserve is the unexpended 20% portion of the tax increment revenue received under the California Health and Safety Code which is required to be used for Low and Moderate Income Housing.

Reserved for Debt Service

These reserves are amounts accumulated by the City that are restricted to the payment of long-term debt principal and interest amounts that mature in future years.

Reserved for Prepaid Items

This reserve represents contractual obligations for cash payments made before June 30, 2009, but will not be recognized as an expenditure until after July 1, 2009.

Reserved for Land Held for Resale

This reserve is provided to indicate that land held for resale is not "available" as a resource to meet the expenditures of the current period.

Designated for General Contingencies

These funds are designated for general contingencies of the City from the General Fund.

Designated for Emergency Reserves

These funds are designated as an emergency reserve of the City from the General Fund.

Designated for Capital Projects

These funds are designated to provide for future capital additions as determined by the City Council.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

Deficit Fund Balances:

The following Special Revenue Fund has a deficit fund balance at June 30, 2009. This deficit is primarily the result of cash being transferred to the Capital Projects Funds prior to the funding of projects. As projects are completed and funded, revenues will be accrued in the various Special Revenue Funds.

Special Gas Tax and Street Improvements \$ 7,131,484

Excess of Expenditures over Appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Redevelopment Agency Debt Service Fund	\$ 14,081,832	\$ 14,466,503	\$ (384,671)
Other Governmental Funds:			
Parks Dedication Special Revenue Fund	4,646	16,278	(11,632)
Municipal Lighting Special Revenue Fund	827,425	889,003	(61,578)

16. COMMITMENTS AND CONTINGENCIES:

Claims and Judgments:

At June 30, 2009, the City was a defendant in a number of lawsuits arising in the ordinary course of operations which allege liability on the part of the City in connection with workers compensation and general liability matters. Management believes that potential losses relating to these lawsuits will not materially affect the financial position of the City.

Grant Contingencies:

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

16. COMMITMENTS AND CONTINGENCIES (CONTINUED):

Debt Contingencies:

The Agency has a contingent liability with regard to the \$6.1 million Westminster Redevelopment Agency Multi-Family Housing Revenue Bonds issue dated December 16, 1993. In fiscal year 2008-2009, the remaining \$4.9 million of the original amount of \$6.1 million in bonds was paid off. The proceeds of the bonds were loaned by the Westminster Redevelopment Agency to Elderly Development Westminster (Developer) pursuant to a loan agreement between the Agency, Bank of America (Trustee) and the Developer. The agreement was entered into simultaneously with the bond issuance and requires payments sufficient to pay principal and interest consistent with the term bond maturity dates.

If certain conditions are met, such assistance is further limited to 75% of debt service for the first 12 consecutive months, 75% of debt service for the next 12 consecutive months and 50% of annual debt service thereafter. The bondholders have no other recourse against Agency funds and in no event is the Agency liable for amounts in excess of the annual debt service.

Not included in the accompanying financial statements are Variable Rate Demand Multifamily Housing Revenue Bonds (Brookhurst Royale Senior Assisting Living Project) 2000 Series A and Subordinate Taxable Multifamily Housing Revenue Bonds (Brookhurst Royale Senior Assisted Living Project) 2000 Series A-S (collectively, the "Bonds"), conduit debt obligations issued under the name of the Redevelopment Agency. The Bonds were issued to finance the construction of a 117-unit residential care facility for the elderly. The Bonds are not secured by or payable from revenues or assets of the City or the Redevelopment Agency. Neither the faith and credit nor the taxing power of the City of Westminster, the Westminster Redevelopment Agency, the State of California or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds nor is the City or the Agency in any manner obligated to make appropriations for payment on these bonds. At June 30, 2009, the aggregate principal amount of Bonds outstanding totaled \$7,290,000.

ERAF and SERAF Contingency:

During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various "budget trailer bills" were passed by the state legislature to balance the state's budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the ERAF and SERAF legislation, together with the effect of this legislation on the Westminster Redevelopment Agency (the Agency).

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

16. COMMITMENTS AND CONTINGENCIES (CONTINUED):

ERAF and SERAF Contingency (Continued):

ERAF Contribution for the Fiscal Year 2008-2009

Pursuant to AB 1389, a budget trailer bill, California redevelopment agencies were required to make ERAF contributions totaling \$350 million for the fiscal year 2008-2009. The contributions were due by May 10, 2009. The Agency's required contribution for the fiscal year 2008-2009 was \$2,498,095.

In response to AB 1389, the California Redevelopment Association (CRA) filed a lawsuit against the State of California (California Redevelopment Association et al v. Genest), challenging the constitutionality of the required ERAF contributions. On April 30, 2009, the Sacramento Superior Court held in favor of CRA, ruling that AB 1389 was unconstitutional. On September 28, 2009, the State of California announced its decision not to appeal the decision in "Genest". Accordingly, the Superior Court's decision is now final and binding, and California redevelopment agencies will not be required to make the ERAF contributions pursuant to AB 1389. Accordingly, the Agency did not make the ERAF contribution of \$2,498,095 for the fiscal year 2008-2009.

SERAF Contributions for the Fiscal Years 2009-2010 and 2010-2011

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portion of the required contributions from their low and moderate income housing fund. Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the CRA filed a class action lawsuit in behalf of all California redevelopment agencies, again challenging the SERAF obligations as unconstitutional.

The Agency's estimated SERAF contributions are \$12,145,264 for the fiscal year 2009-2010 and \$2,498,095 for 2010-2011. However, it is the position of Agency officials that the SERAF contributions required by AB 26 4x are unconstitutional, and that the Agency is not obligated to make these contributions. Accordingly, the Agency intends to join as a Plaintiff in CRA's class action lawsuit, to overturn the provisions of AB 26 4x.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2009

16. COMMITMENTS AND CONTINGENCIES (CONTINUED):

ERAF and SERAF Contingency (Continued):

SERAF Contributions for the Fiscal Years 2009-2010 and 2010-2011 (Continued)

If the class action lawsuit is unsuccessful, and if the Agency is required to make these SERAF contributions, Agency officials have estimated that the Agency will have sufficient funds to make the estimated contributions, as follows:

Fiscal Year 2009-2010

The Agency will borrow \$12,145,264 from the low and moderate income housing fund to make its estimated contributions for the fiscal year 2009-2010.

Fiscal Year 2010-2011

The Agency will borrow \$2,498,095 from the low and moderate income housing fund to make its estimated contributions for the fiscal year 2010-2011.

See accompanying independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION
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CITY OF WESTMINSTER

SCHEDULES OF FUNDING PROGRESS

For the year ended June 30, 2009

CalPERS MISCELLANEOUS PENSION PLAN
(dollar amounts in thousands)

Note 10

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Liability (UAAL) (a) - (b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
06/30/06	\$ 64,464	\$ 63,899	\$ 565	99.12%	\$ 9,628	5.87%
06/30/07	70,395	68,990	1,405	98.00%	10,784	13.03%
06/30/08	76,806	74,074	2,732	96.44%	12,012	22.74%

OTHER POST-EMPLOYMENT BENEFIT PLAN
(dollar amounts in thousands)

Note 11d

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Payroll [(b)-(a)]/(c)
06/30/08	\$ -	\$ 65,676	\$ 65,676	0.00%	\$ 19,019	345.32%

See accompanying independent auditors' report and notes to basic financial statements.

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CITY OF WESTMINSTER

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 35,307,007	\$ 33,032,594	\$ 32,247,961	\$ (784,633)
Licenses and permits	583,500	583,500	541,564	(41,936)
Fines	1,229,000	1,229,000	1,203,554	(25,446)
Investment and rental	1,966,080	1,966,080	3,198,840	1,232,760
Intergovernmental	77,600	196,098	359,626	163,528
Charges for services	6,722,556	6,917,483	6,717,677	(199,806)
Other	137,871	137,871	187,832	49,961
TOTAL REVENUES	46,023,614	44,062,626	44,457,054	394,428
EXPENDITURES:				
Current:				
General government	1,656,130	1,263,313	1,164,066	99,247
Public safety	35,565,180	35,268,357	34,859,355	409,002
Public works	4,356,173	4,064,211	3,894,763	169,448
Community development	3,559,503	3,674,503	3,383,522	290,981
Community services	2,300,162	2,236,512	2,146,142	90,370
Capital outlay	46,281	223,521	205,507	18,014
TOTAL EXPENDITURES	47,483,429	46,730,417	45,653,355	1,077,062
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,459,815)	(2,667,791)	(1,196,301)	1,471,490
OTHER FINANCING SOURCES (USES):				
Sale of equipment and property	3,500	3,500	6,034	2,534
Transfers in	2,234,436	2,871,840	2,871,840	-
Transfers out	(3,110,131)	(2,708,285)	(2,720,264)	(11,979)
TOTAL OTHER FINANCING SOURCES (USES)	(872,195)	167,055	157,610	(9,445)
NET CHANGE IN FUND BALANCE	(2,332,010)	(2,500,736)	(1,038,691)	1,462,045
FUND BALANCE - BEGINNING OF YEAR	26,948,422	26,948,422	26,948,422	-
FUND BALANCE - END OF YEAR	<u>\$ 24,616,412</u>	<u>\$ 24,447,686</u>	<u>\$ 25,909,731</u>	<u>\$ 1,462,045</u>

See accompanying independent auditors' report and note to required supplementary information.

CITY OF WESTMINSTER

BUDGETARY COMPARISON SCHEDULE
 RDA LOW AND MODERATE INCOME HOUSING SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 7,225,891	\$ 7,225,891	\$ 7,384,926	\$ 159,035
Investment and rental	460,000	460,000	804,463	344,463
Other	2,000	2,000	1,540	(460)
TOTAL REVENUES	7,687,891	7,687,891	8,190,929	503,038
EXPENDITURES:				
Current:				
Community development	977,725	1,098,493	950,765	147,728
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,710,166	6,589,398	7,240,164	650,766
OTHER FINANCING SOURCES (USES):				
Transfers in	-	222,760	222,760	-
Transfers out	(6,445,664)	(6,442,287)	(6,405,528)	36,759
TOTAL OTHER FINANCING SOURCES (USES)	(6,445,664)	(6,219,527)	(6,182,768)	36,759
NET CHANGE IN FUND BALANCE	264,502	369,871	1,057,396	687,525
FUND BALANCE - BEGINNING OF YEAR	26,467,279	26,467,279	26,467,279	-
FUND BALANCE - END OF YEAR	\$ 26,731,781	\$ 26,837,150	\$ 27,524,675	\$ 687,525

See accompanying independent auditors' report and note to required supplementary information.

CITY OF WESTMINSTER

BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Fines	\$ 2,000	\$ 2,000	\$ 770	\$ (1,230)
Investment and rental	2,200	2,200	2,312	112
Intergovernmental	1,997,418	1,997,418	2,450,190	452,772
Other	60,000	60,000	51,499	(8,501)
TOTAL REVENUES	2,061,618	2,061,618	2,504,771	443,153
EXPENDITURES:				
Current:				
Community development	1,582,418	1,850,728	926,130	924,598
Capital outlay	-	32,316	32,315	1
TOTAL EXPENDITURES	1,582,418	1,883,044	958,445	924,599
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	479,200	178,574	1,546,326	1,367,752
OTHER FINANCING SOURCES (USES):				
Transfers in	-	126,937	126,937	-
Transfers out	(475,000)	(475,000)	(475,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(475,000)	(348,063)	(348,063)	-
NET CHANGE IN FUND BALANCE	4,200	(169,489)	1,198,263	1,367,752
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(140,745)	(140,745)	(140,745)	-
FUND BALANCE - END OF YEAR	\$ (136,545)	\$ (310,234)	\$ 1,057,518	\$ 1,367,752

See accompanying independent auditors' report and note to required supplementary information.

CITY OF WESTMINSTER

BUDGETARY COMPARISON SCHEDULE
SPECIAL GAS TAX AND STREET IMPROVEMENTS SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Taxes	\$ 3,964,500	\$ 3,964,500	\$ 2,378,408	\$ (1,586,092)
Investment and rental	144,900	144,900	126,980	(17,920)
Intergovernmental	5,724,118	5,724,118	2,912,537	(2,811,581)
Charges for services	60,000	60,000	25,125	(34,875)
Other	-	-	161,868	161,868
TOTAL REVENUES	9,893,518	9,893,518	5,604,918	(4,288,600)
EXPENDITURES:				
Current:				
Community development	2,861,613	2,768,918	2,491,131	277,787
Debt service:				
Principal retirement	259,610	259,610	259,610	-
Interest and fiscal charges	93,783	93,783	81,742	12,041
TOTAL EXPENDITURES	3,215,006	3,122,311	2,832,483	289,828
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,678,512	6,771,207	2,772,435	(3,998,772)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	829,150	829,150	-
Transfers out	(8,030,318)	(9,410,955)	(9,410,955)	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,030,318)	(8,581,805)	(8,581,805)	-
NET CHANGE IN FUND BALANCE	(1,351,806)	(1,810,598)	(5,809,370)	(3,998,772)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(1,322,114)	(1,322,114)	(1,322,114)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (2,673,920)	\$ (3,132,712)	\$ (7,131,484)	\$ (3,998,772)

See accompanying independent auditors' report and note to required supplementary information.

CITY OF WESTMINSTER

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2009

1. BUDGETS AND BUDGETARY ACCOUNTING:

The City establishes accounting control through formal adoption of an annual operating budget for the General, Special Revenue and Debt Service Funds. The City Council's policy is to adopt a formal operating budget by June 30 of each year. The legal level of budgetary control, that is, the level at which expenditures cannot exceed appropriations, is the fund level for all General, Special Revenue and Debt Service Funds, and by project in the Capital Projects Funds.

The City Manager may authorize appropriation transfers within a single department, between capital projects with a single funding source, and between departments within the same fund. All increases at the overall fund level must be approved by the City Council. All budget appropriations, except capital project and grant funded budgets, lapse at the end of each fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All increases to the adopted budget require Council approval and must clearly state the amount of increase requested, as well as the availability of appropriate funding sources.

See accompanying independent auditors' report.

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**OTHER SUPPLEMENTAL INFORMATION
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SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or City Council resolution to expenditure for specific purposes.

Parks Dedication Fund - accounts for payments assessed against new residential developments to support community parks. Amounts are required to be used for acquisition and improvement of City parks.

Special Police Services Fund - accounts for the regional and local narcotics suppression programs, Federal grants related to crime prevention and the Westminster Mall police patrol.

Municipal Lighting Fund - accounts for the City's share of property taxes collected under the Municipal Lighting District Act of 1919. Property taxes are collected by the County and paid to the City for operating and maintaining the municipal lighting district.

Other Grants Fund - accounts for all Federal, State, County or other grants received which are not otherwise separately accounted for in other funds. These grants include summer youth, air quality management, and Safety, Health and Understanding in Education (S.H.U.E.).

Offsite Drainage District Fund - accounts for revenues received from developers and expenditures to provide storm drain systems within each District.

Community Promotion Fund - accounts for the assets generated by the sale of the City's cable franchise. Interest earnings on the proceeds of the sale are used to fund various cable television broadcasts and community promotion activities.

CITY OF WESTMINSTER

COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS

June 30, 2009

	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
ASSETS				
Cash and investments	\$ 119,345	\$ 499,179	\$ 2,110,776	\$ 436,536
Receivables, net of allowance:				
Taxes	-	-	36,983	-
Interest	-	-	14,314	-
Due from other governments	-	52,730	-	29,083
Prepaid items	-	-	-	-
Restricted cash and investments	-	-	-	-
 TOTAL ASSETS	 <u>\$ 119,345</u>	 <u>\$ 551,909</u>	 <u>\$ 2,162,073</u>	 <u>\$ 465,619</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and other liabilities	\$ -	\$ 46,451	\$ 414,505	\$ 11,051
Deposits	-	17,666	-	-
Deferred revenue	-	-	142	-
Due to other funds	-	42,000	-	-
 TOTAL LIABILITIES	 <u>-</u>	 <u>106,117</u>	 <u>414,647</u>	 <u>11,051</u>
FUND BALANCES:				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	167,639	-	-
Unreserved - undesignated	119,345	278,153	1,747,426	454,568
 TOTAL FUND BALANCES	 <u>119,345</u>	 <u>445,792</u>	 <u>1,747,426</u>	 <u>454,568</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 119,345</u>	 <u>\$ 551,909</u>	 <u>\$ 2,162,073</u>	 <u>\$ 465,619</u>

See accompanying independent auditors' report.

Offsite Drainage District	Community Promotion	Totals
\$ 110,785	\$ 1,561,204	\$ 4,837,825
-	15,476	52,459
-	-	14,314
-	-	81,813
-	5,225	5,225
-	3	3
<u>\$ 110,785</u>	<u>\$ 1,581,908</u>	<u>\$ 4,991,639</u>
\$ -	\$ 8,277	\$ 480,284
-	-	17,666
-	8,500	8,642
-	-	42,000
<u>-</u>	<u>16,777</u>	<u>548,592</u>
-	5,225	5,225
-	251,458	419,097
<u>110,785</u>	<u>1,308,448</u>	<u>4,018,725</u>
<u>110,785</u>	<u>1,565,131</u>	<u>4,443,047</u>
<u>\$ 110,785</u>	<u>\$ 1,581,908</u>	<u>\$ 4,991,639</u>

CITY OF WESTMINSTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS

For the year ended June 30, 2009

	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
REVENUES:				
Taxes	\$ -	\$ -	\$ 859,568	\$ -
Investment and rental	46,204	29,490	74,281	14,695
Intergovernmental	11,654	503,615	-	444,180
Charges for services	267,702	132,365	-	-
Other	-	65,767	-	26,556
TOTAL REVENUES	325,560	731,237	933,849	485,431
EXPENDITURES:				
Current:				
General government	-	-	-	76,663
Public safety	-	819,084	-	-
Community development	16,278	-	889,003	205,397
Community services	-	-	-	165,598
Capital outlay	-	148,457	-	2,900
Debt service:				
Principal retirement	-	123,151	-	-
Interest and fiscal charges	-	39,012	-	-
TOTAL EXPENDITURES	16,278	1,129,704	889,003	450,558
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	309,282	(398,467)	44,846	34,873
OTHER FINANCING SOURCES (USES):				
Transfers in	10	366,631	-	3,000
Transfers out	(80,394)	(24,688)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(80,384)	341,943	-	3,000
NET CHANGE IN FUND BALANCES	228,898	(56,524)	44,846	37,873
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	(109,553)	502,316	1,702,580	416,695
FUND BALANCES - END OF YEAR	\$ 119,345	\$ 445,792	\$ 1,747,426	\$ 454,568

See accompanying independent auditors' report.

Offsite Drainage District	Community Promotion	Totals
\$ -	\$ 526,683	\$ 1,386,251
4,105	53,582	222,357
-	-	959,449
3,372	1,620	405,059
-	3,013	95,336
<u>7,477</u>	<u>584,898</u>	<u>3,068,452</u>
-	-	76,663
-	-	819,084
374	265,897	1,376,949
-	33,632	199,230
-	-	151,357
-	184,726	307,877
-	58,164	97,176
<u>374</u>	<u>542,419</u>	<u>3,028,336</u>
<u>7,103</u>	<u>42,479</u>	<u>40,116</u>
-	43,000	412,641
-	-	(105,082)
-	43,000	307,559
7,103	85,479	347,675
<u>103,682</u>	<u>1,479,652</u>	<u>4,095,372</u>
<u>\$ 110,785</u>	<u>\$ 1,565,131</u>	<u>\$ 4,443,047</u>

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARKS DEDICATION SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 45,000	\$ 45,000	\$ 46,204	\$ 1,204
Intergovernmental	-	45,000	11,654	(33,346)
Charges for services	27,920	27,920	267,702	239,782
TOTAL REVENUES	72,920	117,920	325,560	207,640
EXPENDITURES:				
Current:				
Community development	3,646	4,646	16,278	(11,632)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	69,274	113,274	309,282	196,008
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10	10	-
Transfers out	(27,920)	(80,394)	(80,394)	-
TOTAL OTHER FINANCING SOURCES (USES)	(27,920)	(80,384)	(80,384)	-
NET CHANGE IN FUND BALANCE	41,354	32,890	228,898	196,008
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(109,553)	(109,553)	(109,553)	-
FUND BALANCE - END OF YEAR	\$ (68,199)	\$ (76,663)	\$ 119,345	\$ 196,008

See accompanying independent auditors' report.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL POLICE SERVICES SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 28,120	\$ 28,120	\$ 29,490	\$ 1,370
Intergovernmental	129,351	734,400	503,615	(230,785)
Charges for services	132,500	132,500	132,365	(135)
Other	-	-	65,767	65,767
TOTAL REVENUES	<u>289,971</u>	<u>895,020</u>	<u>731,237</u>	<u>(163,783)</u>
EXPENDITURES:				
Current:				
Public safety	560,389	937,556	819,084	118,472
Capital outlay	44,812	264,450	148,457	115,993
Debt service:				
Principal retirement	123,151	123,151	123,151	-
Interest and fiscal charges	44,988	44,988	39,012	5,976
TOTAL EXPENDITURES	<u>773,340</u>	<u>1,370,145</u>	<u>1,129,704</u>	<u>240,441</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(483,369)</u>	<u>(475,125)</u>	<u>(398,467)</u>	<u>76,658</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	483,631	366,631	366,631	-
Transfers out	-	(24,688)	(24,688)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>483,631</u>	<u>341,943</u>	<u>341,943</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	262	(133,182)	(56,524)	76,658
FUND BALANCE - BEGINNING OF YEAR	<u>502,316</u>	<u>502,316</u>	<u>502,316</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 502,578</u>	<u>\$ 369,134</u>	<u>\$ 445,792</u>	<u>\$ 76,658</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MUNICIPAL LIGHTING SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 871,500	\$ 871,500	\$ 859,568	\$ (11,932)
Investment and rental	50,000	50,000	74,281	24,281
TOTAL REVENUES	<u>921,500</u>	<u>921,500</u>	<u>933,849</u>	<u>12,349</u>
EXPENDITURES:				
Current:				
Community development	<u>827,640</u>	<u>827,425</u>	<u>889,003</u>	<u>(61,578)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	93,860	94,075	44,846	(49,229)
FUND BALANCE - BEGINNING OF YEAR	<u>1,702,580</u>	<u>1,702,580</u>	<u>1,702,580</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,796,440</u>	<u>\$ 1,796,655</u>	<u>\$ 1,747,426</u>	<u>\$ (49,229)</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OTHER GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 12,000	\$ 12,000	\$ 14,695	\$ 2,695
Intergovernmental	542,812	567,812	444,180	(123,632)
Other	35,500	10,500	26,556	16,056
TOTAL REVENUES	590,312	590,312	485,431	(104,881)
EXPENDITURES:				
Current:				
General government	80,176	80,176	76,663	3,513
Community development	213,865	213,865	205,397	8,468
Community services	307,229	307,229	165,598	141,631
Capital outlay	3,000	3,000	2,900	100
TOTAL EXPENDITURES	604,270	604,270	450,558	153,712
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,958)	(13,958)	34,873	48,831
OTHER FINANCING SOURCES (USES):				
Transfers in	43,500	43,500	3,000	(40,500)
Transfers out	(40,500)	(40,500)	-	40,500
TOTAL OTHER FINANCING SOURCES (USES)	3,000	3,000	3,000	-
NET CHANGE IN FUND BALANCE	(10,958)	(10,958)	37,873	48,831
FUND BALANCE - BEGINNING OF YEAR	416,695	416,695	416,695	-
FUND BALANCE - END OF YEAR	\$ 405,737	\$ 405,737	\$ 454,568	\$ 48,831

See accompanying independent auditors' report.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OFFSITE DRAINAGE DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 3,500	\$ 3,500	\$ 4,105	\$ 605
Charges for services	-	-	3,372	3,372
TOTAL REVENUES	3,500	3,500	7,477	3,977
EXPENDITURES:				
Current:				
Community development	175	475	374	101
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,325	3,025	7,103	4,078
FUND BALANCE - BEGINNING OF YEAR	103,682	103,682	103,682	-
FUND BALANCE - END OF YEAR	\$ 107,007	\$ 106,707	\$ 110,785	\$ 4,078

See accompanying independent auditors' report.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY PROMOTION SPECIAL REVENUE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 475,000	\$ 475,000	\$ 526,683	\$ 51,683
Investment and rental	37,100	37,100	53,582	16,482
Charges for services	-	-	1,620	1,620
Other	17,000	17,000	3,013	(13,987)
TOTAL REVENUES	529,100	529,100	584,898	55,798
EXPENDITURES:				
Current:				
Community development	302,329	304,829	265,897	38,932
Community services	37,000	37,000	33,632	3,368
Debt service:				
Principal retirement	184,726	184,726	184,726	-
Interest and fiscal charges	66,732	66,732	58,164	8,568
TOTAL EXPENDITURES	590,787	593,287	542,419	50,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,687)	(64,187)	42,479	106,666
OTHER FINANCING SOURCES:				
Transfers in	40,500	43,000	43,000	-
NET CHANGE IN FUND BALANCE	(21,187)	(21,187)	85,479	106,666
FUND BALANCE - BEGINNING OF YEAR	1,479,652	1,479,652	1,479,652	-
FUND BALANCE - END OF YEAR	\$ 1,458,465	\$ 1,458,465	\$ 1,565,131	\$ 106,666

See accompanying independent auditors' report.

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DEBT SERVICE FUND

The Redevelopment Agency Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs other than those being financed by proprietary funds.

CITY OF WESTMINSTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

REDEVELOPMENT AGENCY DEBT SERVICE FUND

For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 28,686,464	\$ 28,686,464	\$ 29,539,703	\$ 853,239
Investment and rental	100,000	100,000	248,637	148,637
TOTAL REVENUES	28,786,464	28,786,464	29,788,340	1,001,876
EXPENDITURES:				
Current:				
General government	8,596,116	8,596,116	8,962,270	(366,154)
Debt service:				
Bond issuance costs	-	4,696,013	4,684,354	11,659
Interest and fiscal charges	789,703	789,703	819,879	(30,176)
TOTAL EXPENDITURES	9,385,819	14,081,832	14,466,503	(384,671)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,400,645	14,704,632	15,321,837	617,205
OTHER FINANCING SOURCES (USES):				
Issuance of bonds	-	11,582,000	11,582,000	-
Transfers in	157,941	157,941	154,143	(3,798)
Transfers out	(18,000,000)	(18,000,000)	(18,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,842,059)	(6,260,059)	(6,263,857)	(3,798)
NET CHANGE IN FUND BALANCE	1,558,586	8,444,573	9,057,980	613,407
FUND BALANCE - BEGINNING OF YEAR	16,404,668	16,404,668	16,404,668	-
FUND BALANCE - END OF YEAR	\$ 17,963,254	\$ 24,849,241	\$ 25,462,648	\$ 613,407

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Internal Service Funds finance and account for goods and services provided by one City department to other City departments, or to other governments, on a cost-reimbursement basis, including depreciation. The City used the following Internal Service Funds:

Risk Management Fund - accounts for the administration of the City's general liability insurance and for the payment of any related claims.

Compensation/Benefits Fund - finances and accounts for the City's group medical, vision and dental insurance, workers compensation insurance, unemployment insurance, employee life insurance and compensated absences.

Motor Pool/Equipment Fund - accounts for the maintenance and replacement of City-owned vehicles and equipment.

Facilities/Maintenance Fund - accounts for the City's buildings maintenance and utilities costs.

CITY OF WESTMINSTER

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2009

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 5,957,384	\$ 6,986,887
Accounts receivable	10,942	-
Other receivables	-	58,319
Prepaid items	-	-
Inventories	-	-
	<u>5,968,326</u>	<u>7,045,206</u>
TOTAL CURRENT ASSETS		
RESTRICTED ASSETS:		
Cash and investments	<u>393,842</u>	<u>2,091,215</u>
NONCURRENT ASSETS:		
Deferred bond charges	<u>-</u>	<u>-</u>
CAPITAL ASSETS:		
Buildings	-	-
Improvements other than buildings	-	-
Vehicles	-	-
Machinery and equipment	-	-
Office furniture, computers and equipment	-	-
Leased property	-	-
Construction in progress	-	-
TOTAL CAPITAL ASSETS	<u>-</u>	<u>-</u>
Less accumulated depreciation	<u>-</u>	<u>-</u>
NET CAPITAL ASSETS	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>6,362,168</u>	<u>9,136,421</u>

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 2,648,360	\$ 234,955	\$ 15,827,586
45,505	6,694	63,141
-	-	58,319
1,605	1,216	2,821
50,766	-	50,766
<u>2,746,236</u>	<u>242,865</u>	<u>16,002,633</u>
<u>170,533</u>	<u>350,195</u>	<u>3,005,785</u>
<u>11,797</u>	<u>89,654</u>	<u>101,451</u>
-	4,203,394	4,203,394
-	12,500	12,500
4,028,561	-	4,028,561
223,784	30,512	254,296
1,360,345	338,471	1,698,816
500,000	-	500,000
860,211	40,532	900,743
<u>6,972,901</u>	<u>4,625,409</u>	<u>11,598,310</u>
<u>(3,150,991)</u>	<u>(1,169,108)</u>	<u>(4,320,099)</u>
<u>3,821,910</u>	<u>3,456,301</u>	<u>7,278,211</u>
<u>6,750,476</u>	<u>4,139,015</u>	<u>26,388,080</u>

(Continued)

CITY OF WESTMINSTER

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
(CONTINUED)

June 30, 2009

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other liabilities	\$ 24,347	\$ 671
Deferred revenue	-	1,915
Claims payable	369,496	466,116
Compensated absences	-	1,622,512
Certificates of participation	-	-
	<u>393,843</u>	<u>2,091,214</u>
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES:		
Claims payable	1,108,485	1,398,351
Compensated absences	-	264,130
Certificates of participation	-	-
	<u>1,108,485</u>	<u>1,662,481</u>
TOTAL LONG-TERM LIABILITIES		
	<u>1,502,328</u>	<u>3,753,695</u>
TOTAL LIABILITIES		
NET ASSETS:		
Invested in capital assets, net of related debt	-	-
Unrestricted	4,859,840	5,382,726
	<u>4,859,840</u>	<u>5,382,726</u>
TOTAL NET ASSETS		

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 86,143	\$ 111,486	\$ 222,647
-	-	1,915
-	-	835,612
55,744	20,990	1,699,246
<u>28,646</u>	<u>217,718</u>	<u>246,364</u>
<u>170,533</u>	<u>350,194</u>	<u>3,005,784</u>
-	-	2,506,836
9,075	3,417	276,622
<u>199,106</u>	<u>1,305,430</u>	<u>1,504,536</u>
<u>208,181</u>	<u>1,308,847</u>	<u>4,287,994</u>
<u>378,714</u>	<u>1,659,041</u>	<u>7,293,778</u>
3,594,158	1,933,154	5,527,312
<u>2,777,604</u>	<u>546,820</u>	<u>13,566,990</u>
<u>\$ 6,371,762</u>	<u>\$ 2,479,974</u>	<u>\$ 19,094,302</u>

CITY OF WESTMINSTER

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2009

	Risk Management	Compensation/ Benefits
OPERATING REVENUES:		
Rentals	\$ -	\$ -
Charges for services	1,793,945	13,672,061
Other	554,638	299,713
	<u>2,348,583</u>	<u>13,971,774</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Salaries	-	3,974,740
Maintenance and operations	531,447	1,402,283
Insurance premiums and legal fees	718,789	2,499,111
Claims and benefits	775,277	7,667,156
Depreciation and amortization	-	-
	<u>2,025,513</u>	<u>15,543,290</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)		
	<u>323,070</u>	<u>(1,571,516)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	-	-
Interest and fiscal charges	-	-
Gain (loss) on sale of property and equipment	-	-
	<u>-</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
NET INCOME (LOSS) BEFORE TRANSFERS		
	<u>323,070</u>	<u>(1,571,516)</u>
TRANSFERS:		
Transfers in	-	2,155,654
Transfers out	(75,000)	-
	<u>(75,000)</u>	<u>2,155,654</u>
TOTAL TRANSFERS		
CHANGE IN NET ASSETS		
	248,070	584,138
TOTAL NET ASSETS - BEGINNING OF YEAR		
	<u>4,611,770</u>	<u>4,798,588</u>
TOTAL NET ASSETS - END OF YEAR		
	<u>\$ 4,859,840</u>	<u>\$ 5,382,726</u>

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 73,806	\$ 40,000	\$ 113,806
3,273,639	1,642,865	20,382,510
178,960	24,013	1,057,324
<u>3,526,405</u>	<u>1,706,878</u>	<u>21,553,640</u>
1,031,797	565,610	5,572,147
1,541,224	775,430	4,250,384
562	42	3,218,504
-	-	8,442,433
601,773	126,787	728,560
<u>3,175,356</u>	<u>1,467,869</u>	<u>22,212,028</u>
351,049	239,009	(658,388)
232,025	68,208	300,233
(10,922)	(99,103)	(110,025)
(63,774)	-	(63,774)
<u>157,329</u>	<u>(30,895)</u>	<u>126,434</u>
508,378	208,114	(531,954)
1,279,218	77,131	3,512,003
(1,228,400)	(40,000)	(1,343,400)
<u>50,818</u>	<u>37,131</u>	<u>2,168,603</u>
559,196	245,245	1,636,649
<u>5,812,566</u>	<u>2,234,729</u>	<u>17,457,653</u>
<u>\$ 6,371,762</u>	<u>\$ 2,479,974</u>	<u>\$ 19,094,302</u>

CITY OF WESTMINSTER

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2009

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customer	\$ 2,337,641	\$ 13,948,700
Payment to suppliers	(2,105,039)	(11,810,274)
Payment to employees	-	(3,985,474)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>232,602</u>	<u>(1,847,048)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	-	2,155,654
Cash paid to other funds	(75,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(75,000)</u>	<u>2,155,654</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	-
Bond costs	-	-
Principal payment on bonds	-	-
Interest and fiscal charges	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	157,602	308,606
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>6,193,624</u>	<u>8,769,496</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,351,226</u>	<u>\$ 9,078,102</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 323,070	\$ (1,571,516)
Depreciation and amortization	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(10,942)	(23,074)
(Increase) decrease in prepaid charges	-	-
(Increase) decrease in inventories	-	-
Increase (decrease) in accounts payable and other liabilities	14,869	(2,731)
Increase (decrease) in claims payable	(94,395)	(260,461)
Increase (decrease) in compensated absences payable	-	10,734
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 232,602</u>	<u>\$ (1,847,048)</u>

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 3,561,160	\$ 1,728,685	\$ 21,576,186
(1,727,083)	(750,052)	(16,392,448)
<u>(1,033,108)</u>	<u>(570,697)</u>	<u>(5,589,279)</u>
<u>800,969</u>	<u>407,936</u>	<u>(405,541)</u>
1,279,218	77,131	3,512,003
<u>(1,228,400)</u>	<u>(40,000)</u>	<u>(1,343,400)</u>
<u>50,818</u>	<u>37,131</u>	<u>2,168,603</u>
(1,354,615)	(77,131)	(1,431,746)
40,308	-	40,308
(27,617)	(209,896)	(237,513)
<u>(8,577)</u>	<u>(65,189)</u>	<u>(73,766)</u>
<u>(1,350,501)</u>	<u>(352,216)</u>	<u>(1,702,717)</u>
<u>232,025</u>	<u>68,208</u>	<u>300,233</u>
(266,689)	161,059	360,578
<u>3,085,582</u>	<u>424,091</u>	<u>18,472,793</u>
<u>\$ 2,818,893</u>	<u>\$ 585,150</u>	<u>\$ 18,833,371</u>
\$ 351,049	\$ 239,009	\$ (658,388)
601,773	126,787	728,560
34,755	21,807	22,546
3,292	1,649	4,941
(1,680)	-	(1,680)
(186,909)	23,771	(151,000)
-	-	(354,856)
<u>(1,311)</u>	<u>(5,087)</u>	<u>4,336</u>
<u>\$ 800,969</u>	<u>\$ 407,936</u>	<u>\$ (405,541)</u>

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AGENCY FUND

Agency funds are used to account for assets held by the City as an agent for individuals, principle organizations, other governments and/or funds.

1915 Acts Bonds Fund - accounts for the collection of assessments and debt repayments on the Limited Obligation Improvement Bonds issued to finance the costs of acquisition of streets, storm drains and traffic improvements in Assessment District No. 92-1.

CITY OF WESTMINSTER

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
1915 ACT BONDS AGENCY FUND

For the year ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
ASSETS:				
Restricted cash and investments	<u>\$ 91,926</u>	<u>\$ 43,008</u>	<u>\$ 36,611</u>	<u>\$ 98,323</u>
LIABILITIES:				
Due to bondholders	<u>\$ 91,926</u>	<u>\$ 43,008</u>	<u>\$ 36,611</u>	<u>\$ 98,323</u>

See accompanying independent auditors' report.

**STATISTICAL SECTION
DO NOT NUMBER HAVE TAB**

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2009

This part of the City of Westminster's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	116 - 125
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	126 - 135
<u>Debt Capacity</u> these schedules 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.	136 - 142
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	143 - 144
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	145 - 147

CITY OF WESTMINSTER

NET ASSETS BY COMPONENT

Last Seven Fiscal Years
(accrual bases of accounting)

	Fiscal Year Ended June 30,			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 66,448,133	\$ 66,853,270	\$ 69,841,696	\$ 89,013,498
Restricted	27,334,806	33,729,348	40,578,288	43,466,845
Unrestricted	54,208,320	55,943,554	62,495,740	65,750,751
Total governmental activities net assets:	<u>\$ 147,991,259</u>	<u>\$ 156,526,172</u>	<u>\$ 172,915,724</u>	<u>\$ 198,231,094</u>
Business-type activity:				
Invested in capital assets, net of related debt	\$ 32,325,680	\$ 31,616,482	\$ 31,817,042	\$ 31,958,977
Restricted	357,139	355,111	361,722	367,947
Unrestricted	1,837,419	2,581,719	2,893,976	2,133,832
Total business-type activity net assets:	<u>\$ 34,520,238</u>	<u>\$ 34,553,312</u>	<u>\$ 35,072,740</u>	<u>\$ 34,460,756</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 98,773,813	\$ 98,469,752	\$ 101,658,738	\$ 120,972,475
Restricted	27,691,945	34,084,459	40,940,010	43,834,792
Unrestricted	56,045,739	58,525,273	65,389,716	67,884,583
Total primary government net assets:	<u>\$ 182,511,497</u>	<u>\$ 191,079,484</u>	<u>\$ 207,988,464</u>	<u>\$ 232,691,850</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Fiscal Year Ended June 30,		
2007	2008	2009
\$ 93,264,276	\$ 97,870,305	\$ 100,104,347
62,906,004	78,051,423	99,106,443
64,244,252	71,423,945	63,917,681
<u>\$ 220,414,532</u>	<u>\$ 247,345,673</u>	<u>\$ 263,128,471</u>
\$ 31,234,034	\$ 30,019,525	\$ 28,951,409
367,355	380,756	335,645
1,872,906	1,093,307	2,017,567
<u>\$ 33,474,295</u>	<u>\$ 31,493,588</u>	<u>\$ 31,304,621</u>
\$ 124,498,310	\$ 127,889,830	\$ 129,055,756
63,273,359	78,432,179	99,442,088
66,117,158	72,517,252	65,935,248
<u>\$ 253,888,827</u>	<u>\$ 278,839,261</u>	<u>\$ 294,433,092</u>

CITY OF WESTMINSTER

CHANGES IN NET ASSETS
EXPENSES AND PROGRAM REVENUES

Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2003	2004	2005	2006
Expenses:				
Governmental activities:				
General government	\$ 4,392,839	\$ 6,433,847	\$ 6,015,172	\$ 6,228,357
Public safety	27,244,747	28,682,303	30,959,971	31,688,177
Public works	5,435,120	3,600,981	7,382,183	8,622,725
Community development	10,286,472	14,275,910	8,075,648	14,741,768
Community services	2,027,702	1,862,386	1,894,745	2,122,936
Interest on long-term debt	2,397,431	2,303,688	2,498,057	2,374,796
Total governmental activities expenses	<u>51,784,311</u>	<u>57,159,115</u>	<u>56,825,776</u>	<u>65,778,759</u>
Business-type activity:				
Water enterprise	8,871,713	10,077,883	10,675,044	11,145,539
Total business-type activity expenses	<u>8,871,713</u>	<u>10,077,883</u>	<u>10,675,044</u>	<u>11,145,539</u>
Total primary government expenses	<u>60,656,024</u>	<u>67,236,998</u>	<u>67,500,820</u>	<u>76,924,298</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	943,332	947,660	1,449,420	1,633,260
Public safety	3,875,111	3,662,085	3,931,255	3,305,174
Public works	776,134	1,148,568	871,794	837,055
Community development	1,889,925	2,031,913	2,020,380	1,954,382
Community services	239,607	255,160	271,867	294,745
Operating grants and contributions	7,556,590	5,958,376	5,564,678	6,705,228
Capital grants and contributions	1,442,637	216,666	1,845,256	442,300
Total governmental activities program revenues	<u>16,723,336</u>	<u>14,220,428</u>	<u>15,954,650</u>	<u>15,172,144</u>
Business-type activity:				
Charges for services:				
Water enterprise	9,489,236	10,162,780	10,329,216	10,091,120
Total business-type activity program revenues	<u>9,489,236</u>	<u>10,162,780</u>	<u>10,329,216</u>	<u>10,091,120</u>
Total primary government program revenues	<u>26,212,572</u>	<u>24,383,208</u>	<u>26,283,866</u>	<u>25,263,264</u>
Net revenues (expenses):				
Governmental activities	(35,060,975)	(42,938,687)	(40,871,126)	(50,606,615)
Business-type activity	617,523	84,897	(345,828)	(1,054,419)
Total net revenues (expenses)	<u>(34,443,452)</u>	<u>(42,853,790)</u>	<u>(41,216,954)</u>	<u>(51,661,034)</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Source: City Finance Department

Fiscal Year Ended June 30,		
2007	2008	2009
\$ 7,867,505	\$ 8,529,466	\$ 9,175,952
36,299,935	34,981,171	37,564,132
9,276,287	10,149,119	10,263,012
12,185,104	12,502,817	12,693,678
2,883,655	2,873,862	3,050,217
2,229,851	2,728,406	2,812,049
<u>70,742,337</u>	<u>71,764,841</u>	<u>75,559,040</u>
12,084,948	12,112,328	12,215,154
<u>12,084,948</u>	<u>12,112,328</u>	<u>12,215,154</u>
82,827,285	83,877,169	87,774,194
770,204	931,322	859,442
2,693,966	2,510,083	2,949,945
661,371	710,098	684,585
1,839,972	2,056,317	1,677,390
260,998	323,492	353,094
6,673,336	8,170,763	8,990,834
4,887,888	3,824,058	410,664
<u>17,787,735</u>	<u>18,526,133</u>	<u>15,925,954</u>
10,673,586	10,866,749	11,190,581
<u>10,673,586</u>	<u>10,866,749</u>	<u>11,190,581</u>
28,461,321	29,392,882	27,116,535
(52,954,602)	(53,238,708)	(59,633,086)
(1,411,362)	(1,245,579)	(1,024,573)
<u>(54,365,964)</u>	<u>(54,484,287)</u>	<u>(60,657,659)</u>

CITY OF WESTMINSTER

CHANGES IN NET ASSETS
GENERAL REVENUES

Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2003	2004	2005	2006
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Sales taxes	\$ 15,196,645	\$ 15,886,793	\$ 16,845,993	\$ 17,407,934
Property taxes, levied for general purposes	17,553,360	21,221,236	25,799,308	35,816,370
Utility users tax	4,548,381	4,750,700	5,013,869	5,203,530
Motor vehicle taxes	5,411,162	5,921,745	5,371,319	242,717
Other taxes	2,189,269	2,729,143	2,756,886	2,869,831
Unrestricted investment earnings	1,652,947	770,069	2,142,307	2,875,268
Miscellaneous	443,502	-	-	-
Transfers	523,987	193,914	(669,004)	(285,998)
Total governmental activities	<u>47,519,253</u>	<u>51,473,600</u>	<u>57,260,678</u>	<u>64,129,652</u>
Business-type activity:				
Unrestricted investment earnings	147,781	141,345	195,651	168,027
Miscellaneous	1,580,171	746	601	(11,590)
Transfers	(523,987)	(193,914)	669,004	285,998
Total business-type activity	<u>1,203,965</u>	<u>(51,823)</u>	<u>865,256</u>	<u>442,435</u>
Total primary government	<u>48,723,218</u>	<u>51,421,777</u>	<u>58,125,934</u>	<u>64,572,087</u>
Changes in net assets				
Governmental activities	12,458,278	8,534,913	16,389,552	13,523,037
Business-type activity	1,821,488	33,074	519,428	(611,984)
Total primary government	<u>\$ 14,279,766</u>	<u>\$ 8,567,987</u>	<u>\$ 16,908,980</u>	<u>\$ 12,911,053</u>

GASB 34 was implemented for the fiscal year ended June 30, 2003.
Information prior to implementation of GASB 34 is not available.

Fiscal Year Ended June 30,

2007	2008	2009
\$ 16,537,117	\$ 16,182,971	\$ 13,238,135
44,158,452	47,114,786	48,096,950
5,398,058	5,431,551	5,478,092
535,896	411,655	319,341
3,034,760	2,908,715	3,098,184
5,754,628	7,295,177	5,926,914
-	-	-
(280,871)	824,994	(741,732)
<u>75,138,040</u>	<u>80,169,849</u>	<u>75,415,884</u>
144,030	89,866	47,566
-	-	46,308
280,871	(824,994)	741,732
<u>424,901</u>	<u>(735,128)</u>	<u>835,606</u>
<u>75,562,941</u>	<u>79,434,721</u>	<u>76,251,490</u>
22,183,438	26,931,141	15,782,798
(986,461)	(1,980,707)	(188,967)
<u>\$ 21,196,977</u>	<u>\$ 24,950,434</u>	<u>\$ 15,593,831</u>

CITY OF WESTMINSTER

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2003	2004	2005	2006
General fund:				
Reserved	\$ 2,224,382	\$ 1,855,144	\$ 1,453,642	\$ 1,099,215
Unreserved	10,226,553	13,946,853	20,559,828	24,820,433
Total general fund	<u>\$ 12,450,935</u>	<u>\$ 15,801,997</u>	<u>\$ 22,013,470</u>	<u>\$ 25,919,648</u>
All other governmental funds:				
Reserved	\$ 16,115,399	\$ 18,041,121	\$ 21,234,149	\$ 28,162,911
Unreserved, reported in:				
Special revenue funds	1,150,142	808,575	163,573	(3,617,166)
Debt service funds	-	-	-	-
Capital projects funds	41,298,187	48,434,181	49,860,609	46,964,508
Total all other governmental funds	<u>\$ 58,563,728</u>	<u>\$ 67,283,877</u>	<u>\$ 71,258,331</u>	<u>\$ 71,510,253</u>

The City of Westminster has elected to show only seven years of data for this schedule.

Fiscal Year Ended June 30,

2007	2008	2009
\$ 439,516	\$ 178,817	\$ 71,467
<u>23,542,289</u>	<u>26,769,605</u>	<u>25,838,264</u>
<u>\$ 23,981,805</u>	<u>\$ 26,948,422</u>	<u>\$ 25,909,731</u>
\$ 39,922,224	\$ 46,499,980	\$ 36,271,246
(2,081,224)	1,025,637	(3,258,634)
-	-	19,877,443
<u>52,855,976</u>	<u>61,134,734</u>	<u>134,679,128</u>
<u>\$ 90,696,976</u>	<u>\$ 108,660,351</u>	<u>\$ 187,569,183</u>

CITY OF WESTMINSTER

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2003	2004	2005	2006
Revenues:				
Taxes	\$ 47,794,596	\$ 51,707,823	\$ 59,082,016	\$ 64,656,552
Licenses and permits	683,574	740,893	781,468	610,347
Fines	1,133,471	1,156,610	1,198,103	1,115,973
Investment and rental	2,142,508	1,168,895	2,583,482	3,323,952
Intergovernmental	5,390,846	2,673,376	3,995,166	4,010,412
Charges for services	6,048,718	5,530,755	5,981,705	6,230,734
Other	875,049	1,273,797	374,248	594,603
Total revenues	<u>64,068,762</u>	<u>64,252,149</u>	<u>73,996,188</u>	<u>80,542,573</u>
Expenditures				
Current:				
General government	4,402,404	4,869,899	6,143,610	7,152,460
Public safety	28,289,482	28,107,348	30,295,390	31,171,238
Public works	3,358,499	3,020,997	2,934,063	3,185,114
Community development	8,214,778	7,294,351	7,056,187	8,621,528
Community services	2,102,260	1,789,396	1,823,333	1,972,542
Capital outlay	5,680,079	10,126,674	12,022,185	18,959,758
Debt service:				
Principal retirement	1,528,873	1,602,971	4,617,646	4,345,269
Interest and fiscal charges	2,253,395	2,131,874	2,303,283	2,203,295
Note issuance cost	-	118,792	73,849	-
Bond issuance cost	-	-	-	-
Total expenditures	<u>55,829,770</u>	<u>59,062,302</u>	<u>67,269,546</u>	<u>77,611,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,238,992</u>	<u>5,189,847</u>	<u>6,726,642</u>	<u>2,931,369</u>
Other financing sources (uses):				
Sale of equipment and property	8,133	557,727	3,295	3,390
Issuance of notes	-	6,200,000	3,100,000	-
Refunding bonds issued	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Transfers in	26,033,282	24,021,375	20,305,765	25,103,940
Transfers out	<u>(25,968,650)</u>	<u>(23,897,738)</u>	<u>(19,949,775)</u>	<u>(23,880,599)</u>
Total other financing sources (uses)	<u>72,765</u>	<u>6,881,364</u>	<u>3,459,285</u>	<u>1,226,731</u>
Net change in fund balances	<u>\$ 8,311,757</u>	<u>\$ 12,071,211</u>	<u>\$ 10,185,927</u>	<u>\$ 4,158,100</u>
Debt service as a percentage of noncapital expenditures	7.5%	6.9%	12.1%	12.1%

The City of Westminster has elected to show only seven years of data for this schedule.

Source: City Finance Department

Fiscal Year Ended June 30,

2007	2008	2009
\$ 73,577,733	\$ 74,944,551	\$ 72,937,249
673,474	788,416	541,564
1,122,580	1,163,930	1,204,324
6,333,700	7,940,173	6,576,597
7,086,980	8,796,697	6,681,802
6,731,530	7,182,259	7,147,861
637,458	411,497	600,436
<u>96,163,455</u>	<u>101,227,523</u>	<u>95,689,833</u>
8,691,822	9,889,172	10,202,999
33,692,840	34,862,431	35,678,439
3,704,058	3,963,226	3,894,763
10,118,124	11,488,332	11,387,018
2,181,583	2,327,286	2,345,372
8,712,611	10,481,427	18,211,162
4,512,892	1,494,041	567,487
2,071,102	2,901,203	998,797
-	-	-
-	2,038,705	4,684,354
<u>73,685,032</u>	<u>79,445,823</u>	<u>87,970,391</u>
<u>22,478,423</u>	<u>21,781,700</u>	<u>7,719,442</u>
1,679	15,660	6,034
-	-	73,055,000
-	35,656,258	-
-	(37,132,228)	-
22,073,375	41,091,464	44,647,832
(27,304,597)	(40,482,862)	(47,558,167)
<u>(5,229,543)</u>	<u>(851,708)</u>	<u>70,150,699</u>
<u>\$ 17,248,880</u>	<u>\$ 20,929,992</u>	<u>\$ 77,870,141</u>
9.7%	8.9%	8.7%

CITY OF WESTMINSTER

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years
(rate per \$100 of taxable value)

	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Direct Rate:										
City basic rate	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09443
Redevelopment agency	0.12983	0.13720	0.21929	0.26190	0.31095	0.35554	0.39537	0.44615	0.47658	0.48403
Total City Direct Rate	0.22323	0.23060	0.31269	0.35530	0.40435	0.44894	0.48877	0.53955	0.56998	0.57846
Overlapping Rates:										
Special Districts	0.05291	0.05281	0.05171	0.05071	0.05011	0.04981	0.04921	0.04871	0.44000	0.04400
County of Orange	0.15285	0.15285	0.15285	0.15285	0.15285	0.15285	0.15285	0.15285	0.15250	0.15277
School Districts	0.70974	0.70974	0.70974	0.70974	0.71025	0.76727	0.75058	0.74778	0.71000	0.70980
Total Direct Rate	<u>1.00890</u>	<u>1.00880</u>	<u>1.00770</u>	<u>1.00670</u>	<u>1.00661</u>	<u>1.06333</u>	<u>1.04604</u>	<u>1.04274</u>	<u>1.39590</u>	<u>1.00100</u>

Notes:

In 1978 the voters of the State of California passed Proposition 13 which sets 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 voter approved bonds.

CITY OF WESTMINSTER
PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2009		2000	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Retail Property Trust	\$ 94,827,859	1.40%	\$ 99,282,960	2.69%
WRI Golden State LLC	51,603,101	0.76%	-	0.00%
Dayton-Hudson Corporation	31,117,438	0.46%	-	0.00%
PKI Pavilions Place	27,268,757	0.40%	-	0.00%
CPII Park Lane LLC	27,071,962	0.40%	-	0.00%
Asian Garden Unlimited	25,817,821	0.38%	19,495,805	0.53%
Avalon Center at Garden Grove	25,654,699	0.38%	-	0.00%
Macys California Realty	25,378,695	0.37%	-	0.00%
Mary Warne-Parks Trust-Bolsa-Bushard	25,205,758	0.37%	-	0.00%
Delma Corporation	20,119,992	0.30%	15,021,480	0.41%
BPP Golden State Acquisitions	-	0.00%	53,728,933	1.46%
California Drive-In Theaters	-	0.00%	26,442,092	0.72%
Thomas W. Warne	-	0.00%	23,079,929	0.63%
Mitsui-SBD American Fund	-	0.00%	22,613,884	0.61%
SCI California Funeral	-	0.00%	15,819,305	0.43%
John F. Whelan	-	0.00%	13,699,125	0.37%
M. Westland Company	-	0.00%	12,390,442	0.34%
	<u>\$ 354,066,082</u>	<u>5.23%</u>	<u>\$ 301,573,955</u>	<u>8.18%</u>

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

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CITY OF WESTMINSTER

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000	\$ 2,500,182	\$ 2,453,987	98.15%	\$ 2,452	\$ 2,456,439	98.25%
2001	2,629,114	2,610,795	99.30%	1,663	2,612,458	99.37%
2002	2,492,049	2,471,035	99.16%	1,714	2,472,749	99.23%
2003	2,472,862	2,450,817	99.11%	1,453	2,452,270	99.17%
2004	2,476,077	2,454,647	99.13%	1,851	2,456,498	99.21%
2005	2,481,815	2,463,752	99.27%	1,699	2,465,451	99.34%
2006	2,479,852	2,454,465	98.98%	2,653	2,457,118	99.08%
2007	2,482,855	2,452,572	98.78%	3,956	2,456,528	98.94%
2008	2,480,113	2,473,935	99.75%	5,545	2,479,480	99.97%
2009	2,486,095	2,466,393	99.21%	n/a	2,466,393	99.21%

Note:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Sources: Orange County Assessor's Office
Orange County Office of Auditor-Controller

CITY OF WESTMINSTER

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended June 30,	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2000	\$ 3,069,308,750	\$ 101,314,066	\$ 82,498,972	\$ 3,088,123,844
2001	3,704,775,410	160,313,311	82,180,106	3,782,908,615
2002	3,069,767,327	101,438,368	82,519,972	3,088,685,723
2003	3,070,142,985	101,438,368	82,526,972	3,089,054,381
2004	4,615,203,550	187,047,921	82,526,972	4,719,724,499
2005	3,070,142,985	101,438,368	82,526,972	3,089,054,381
2006	3,070,314,334	101,438,368	82,526,972	3,089,225,730
2007	3,070,312,328	101,438,368	82,533,972	3,089,216,724
2008	3,069,628,787	101,438,368	82,540,972	3,088,526,183
2009	3,067,626,290	101,438,368	82,540,972	3,086,523,686

Notes:

Beginning with the fiscal year ended June 30, 2002, exemptions are netted directly against the individual property categories.

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 reassessed 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.

Redevelopment Agency

Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
\$ 964,043,045	\$ 127,966,612	\$ 1,821,200	\$ 1,090,188,457	0.22323%
1,031,874,369	133,775,239	3,502,800	1,162,146,808	0.23060%
4,010,413,851	168,233,484	86,276,891	4,092,370,444	0.31269%
4,269,675,287	170,143,081	86,374,184	4,353,444,184	0.35530%
4,705,155,866	186,033,418	89,655,634	4,801,533,650	0.40435%
4,976,039,997	212,157,032	89,002,400	5,099,194,629	0.44894%
5,498,360,086	190,250,992	98,904,230	5,589,706,848	0.48877%
6,073,405,708	234,532,935	105,484,147	6,202,454,496	0.53955%
6,522,611,781	223,161,571	108,888,418	6,636,884,934	0.56998%
6,640,331,942	246,139,801	115,830,355	6,770,641,388	0.57846%

CITY OF WESTMINSTER

WATER CUSTOMERS

Current Year and Nine Years Ago

Water Customer	2009		2000	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
City of Westminster	\$ 151,949	18.54%	\$ 146,817	17.44%
Arnel Management	139,114	16.97%	140,677	16.71%
Westminster School District	92,914	11.34%	136,736	16.24%
Garden Grove Unified	84,289	10.28%	41,447	4.92%
Westminster Village HOA	70,454	8.59%	-	0.00%
Mission Del Amo Mobile Home Park	47,239	5.76%	42,583	5.06%
Birmingham Realty Services	47,074	5.74%	-	0.00%
Tres Vidas Apartments	40,119	4.90%	-	-0.01%
Pembrook Management Inc.	39,299	4.80%	78,810	9.36%
Park Lane Town Home	36,957	4.51%	-	0.00%
Busch Carr & McAdoo	35,317	4.31%	-	0.00%
Rancho del Sol	34,845	4.25%	-	0.00%
Los Alisos	-	0.00%	81,176	9.64%
Huntington Beach High School	-	0.00%	48,010	5.70%
HMR Property Management	-	0.00%	45,319	5.38%
Prado Verde Estates	-	0.00%	42,473	5.04%
JMR Enterprises LTD	-	0.00%	37,878	4.50%
Total	<u>\$ 819,570</u>		<u>\$ 841,926</u>	

Source: City of Westminster

CITY OF WESTMINSTER

WATER RATES

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Monthly Base Rate	Rate per 1,000 Gallons
2000	\$ -	\$ 1.47
2001	-	1.52
2002	4.50	1.30
2003	4.05	1.20
2004	4.82	1.26
2005	4.82	1.26
2006	4.82	1.26
2007	4.82	1.26
2008	5.21	1.36
2009	5.21	1.56

Note:

Rates are based on 5/8" meter, which is the standard household meter size. The City charges an excess-use rate above normal demand.

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CITY OF WESTMINSTER

WATER SOLD BY TYPE OF CUSTOMER

Last Ten Fiscal Years
(in millions of gallons)

Fiscal Year Ended June 30,	Type of Customer					Total
	Residential	Industrial	Commercial	Military	Government	
2000	\$ 6,958,326	\$ 110,044	\$ 1,626,670	\$ -	\$ 53,702	\$ 8,748,742
2001	4,546,397	65,895	1,129,601	-	32,938	5,774,831
2002	2,929,686	37,867	614,889	-	81,852	3,664,294
2003	7,395,139	79,095	1,527,961	-	101,899	9,104,094
2004	7,411,563	91,508	1,444,947	-	183,526	9,131,544
2005	7,740,877	91,961	1,521,968	-	107,159	9,461,965
2006	8,338,946	103,672	1,661,118	-	118,161	10,221,897
2007	8,477,163	91,779	1,617,759	-	92,457	10,279,158
2008	8,454,873	107,602	1,696,826	-	102,111	10,361,412
2009	9,125,193	105,137	1,750,138	-	106,469	11,086,937

Total direct rate
per 1,000 gallons

CITY OF WESTMINSTER

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Total Governmental Activities
	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capitalized Lease	
2000	\$ 42,217,256	\$ 8,723,796	\$ 1,780,000	\$ 130,690	\$ 52,851,742
2001	41,110,408	11,580,579	1,460,000	92,034	54,243,021
2002	40,156,185	7,958,921	1,125,000	50,175	49,290,281
2003	36,385,000	10,319,635	770,000	18,062	47,492,697
2004	41,480,000	9,744,163	695,000	-	51,919,163
2005	40,805,000	9,133,691	300,000	-	50,238,691
2006	36,925,000	8,498,219	300,000	-	45,723,219
2007	32,895,000	7,837,747	300,000	-	41,032,747
2008	30,140,000	7,479,879	300,000	-	37,919,879
2009	103,195,000	6,699,671	300,000	-	110,194,671

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

Business-type Activities			Total Primary Government	Percentage of Personal Income	Debt per Capita
Certificates of Participation	Loans Payable	Total Business-type Activities			
\$ 4,510,747	\$ -	\$ 4,510,747	\$ 57,362,489	5.41%	\$ 665
4,406,815	857,906	5,264,721	59,507,742	5.46%	675
4,297,883	2,866,358	7,164,241	56,454,522	5.05%	632
4,183,950	4,566,670	8,750,620	56,243,317	4.81%	620
4,065,018	4,417,041	8,482,059	60,401,222	4.84%	666
3,936,086	4,157,757	8,093,843	58,332,534	n/a	632
3,802,154	3,886,724	7,688,878	53,412,097	n/a	578
3,663,223	3,604,845	7,268,068	48,300,815	n/a	520
4,619,091	2,386,023	7,005,114	44,924,993	n/a	483
4,220,083	2,296,152	6,516,235	116,710,906	n/a	1,251

CITY OF WESTMINSTER

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Bonded Debt			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2000	\$ -	\$ -	\$ -	0.00%	\$ -
2001	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-

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

CITY OF WESTMINSTER

DIRECT AND OVERLAPPING DEBT

June 30, 2009

City Assessed Valuation	\$ 6,775,451,176
Redevelopment Agency Incremental Valuation	<u>(3,604,384,021)</u>
Total Assessed Valuation	<u>\$ 3,171,067,155</u>

	Percentage Applicable (1)	Outstanding Debt 6/30/09	Estimated Share of Overlapping Debt
<u>Overlapping Debt Repaid with Property Taxes:</u>			
Metropolitan Water District	0.171%	\$ 293,425,000	\$ 501,757
Coast Community College District	3.642%	341,668,867	12,443,580
Huntington Beach Union High School District	6.939%	231,234,998	16,045,397
City of Westminster 1915 Act Bonds	100.000%	130,000	130,000
Total overlapping debt repaid with property taxes		<u>\$ 866,458,865</u>	<u>\$ 29,120,733</u>
<u>Overlapping Other Debt:</u>			
Orange County General Fund Obligations	0.836%	\$ 462,152,000	\$ 3,863,591
Orange County Pension Obligations	0.836%	69,713,001	582,801
Orange County Board of Education Certificates of Participation	0.836%	19,430,000	162,435
Municipal Water District of Orange County Water Facilities Corporation	0.987%	17,685,000	174,551
Huntington Beach Union High School District Certificates of Participation	6.939%	52,021,090	3,609,743
Ocean View School District Certificates of Participation	2.922%	7,755,000	226,601
Westminster School District Certificates of Participation	45.619%	17,425,000	7,949,111
City of Westminster Certificates of Participation	100.000%	7,020,000	7,020,000
Orange County Fire Authority	1.626%	7,040,000	114,470
Total gross overlapping other debt		<u>\$ 660,241,091</u>	<u>23,703,303</u>
Less: MWDOC Water Facilities Corporation (100% self-supporting)			174,551
Total net overlapping other debt			<u>\$ 23,528,752</u>
City direct debt			<u>\$ 29,120,734</u>
Gross total direct and overlapping debt			<u>\$ 52,824,036</u>
Net total direct and overlapping debt			<u>\$ 52,649,486</u>

Notes:

(1) Percentage of overlapping agency's assessed valuation located with boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and nonbonded capital lease obligations.

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. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics

CITY OF WESTMINSTER

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	Fiscal Year Ended June 30,			
	2000	2001	2002	2003
Assessed valuation	\$ 3,170,622,816	\$ 3,947,268,827	\$ 2,307,051,267	\$ 3,171,581,353
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	792,655,704	986,817,207	576,762,817	792,895,338
Debt limit percentage	15%	15%	15%	15%
Debt limit	118,898,356	148,022,581	86,514,423	118,934,301
Total net debt applicable to limitation	57,362,489	59,507,742	56,454,522	56,243,317
Legal debt margin	<u>\$ 61,535,867</u>	<u>\$ 88,514,839</u>	<u>\$ 30,059,901</u>	<u>\$ 62,690,984</u>
Total debt applicable to the limit as a percentage of debt limit	48.2%	40.2%	65.3%	47.3%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year 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.

Fiscal Year Ended June 30,					
2004	2005	2006	2007	2008	2009
\$ 3,171,581,353	\$ 3,171,581,353	\$ 3,171,752,702	\$ 3,171,750,696	\$ 3,171,050,607	\$ 3,171,067,155
25%	25%	25%	25%	25%	25%
792,895,338	792,895,338	792,938,176	792,937,674	792,762,652	792,766,789
15%	15%	15%	15%	15%	15%
118,934,301	118,934,301	118,940,726	118,940,651	118,914,398	118,915,018
60,401,222	58,332,534	53,412,097	48,300,815	44,924,993	116,710,906
<u>\$ 58,533,079</u>	<u>\$ 60,601,767</u>	<u>\$ 65,528,629</u>	<u>\$ 70,639,836</u>	<u>\$ 73,989,405</u>	<u>\$ 2,204,112</u>
50.8%	49.0%	44.9%	40.6%	37.8%	98.1%

CITY OF WESTMINSTER

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Certificates of Participation					
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000	\$ 9,824,626	\$ 8,173,589	\$ 1,651,037	\$ 115,000	\$ 216,177	4.99
2001	9,619,952	7,865,648	1,754,304	120,000	211,048	5.30
2002	9,634,056	7,388,576	2,245,480	125,000	205,701	6.79
2003	9,637,017	7,384,480	2,252,537	130,000	200,135	6.82
2004	10,304,125	8,375,396	1,928,729	135,000	194,352	5.86
2005	10,524,867	9,035,378	1,489,489	145,000	188,241	4.47
2006	10,259,147	9,237,504	1,021,643	150,000	181,802	3.08
2007	10,817,613	9,885,518	932,095	155,000	175,146	2.82
2008	10,956,615	10,096,961	859,654	200,011	291,052	1.75
2009	11,238,147	10,284,546	953,601	473,459	243,728	1.33

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation expenses.

CITY OF WESTMINSTER

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1)	Personal Income (in thousands)(2)*	Per Capita Personal Income (2) *	Unemployment Rate (3)
2000	87,637	\$ 106,003,904	\$ 37,095	5.10%
2001	89,927	109,010,278	37,614	5.20%
2002	89,683	111,750,294	38,109	6.70%
2003	90,643	117,722,484	39,745	6.90%
2004	91,464	125,670,056	42,115	6.30%
2005	92,270	133,031,819	44,453	5.00%
2006	92,566	143,949,044	48,209	4.70%
2007	92,870	n/a	n/a	3.90%
2008	93,027	n/a	n/a	5.30%
2009	93,284	n/a	n/a	10.70%

Sources:

(1) State Department of Finance

* (2) BEA - Bureau of Economic Analysis (Orange County)

(3) U.S. Dept of Labor, Bureau of Labor & Statistics

CITY OF WESTMINSTER

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2009		2000	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Westminster School District	1,150	2.73%	2000 Data not available	
Southern California Edison	603	1.43%		
Ito Farms	600	1.43%		
Kindred Hospital of Westminster	450	1.07%		
City of Westminster	397	0.94%		
BE Aerospace	350	0.83%		
Wal Mart Stores	350	0.83%		
Sears Roebuck & Co.	300	0.71%		
Westminster High School	250	0.59%		
LBS Financial Credit Union	225	0.53%		
Target	210	0.50%		

"Total Employment" as used above represents the total employment of all employers located within City limits.

Sources: Inside Prospects, Inc.
 California Employment Development Department
 City Finance Department

CITY OF WESTMINSTER

FULL-TIME AND PART-TIME CITY EMPLOYEES
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	56	70	74	76	57	57	47	46	47	49
Public safety	177	176	179	178	171	174	169	168	174	171
Public works	39	39	39	36	33	36	35	38	36	34
Community development	46	42	45	58	55	39	50	46	43	40
Community service	52	86	64	41	63	64	64	66	73	74
Water	41	42	32	29	28	30	28	29	31	29
Total	<u>411</u>	<u>455</u>	<u>433</u>	<u>418</u>	<u>407</u>	<u>400</u>	<u>393</u>	<u>393</u>	<u>404</u>	<u>397</u>

CITY OF WESTMINSTER

OPERATING INDICATORS
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Arrests	3,153	3,062	2,517	2,384	2,384	2,384	2,694	2,568	*1,663	2,092
Traffic violations	9,826	9,826	11,368	14,102	10,863	10,863	11,763	8,796	6,547	6,662
Parking violations	14,293	17,776	16,190	17,608	18,321	18,321	21,839	21,731	15,884	19,102
Fire:										
Number of calls answered	5,324	5,410	5,498	5,674	5,729	5,898	5,804	5,665	*4,248	5,835
Inspections conducted	2,558	2,646	2,759	1,149	1,382	1,552	2,846	1,547	*644	1,820
Public works:										
Street resurfacing (miles)	29.67	12.25	6.84	9.03	17.86	11.73	7.00	9.00	18.00	15.00
Parks and recreation: **										
Number of recreation classes	560	560	554	707	602	673	988	924	991	786
Number of facility rentals	67	61	68	53	80	76	84	89	85	80
Water:										
New connections	120	135	295	353	410	284	56	38	***7,095	***4,214
Average daily consumption (in hundred cubic feet)	17,332	11,048	6,333	16,188	16,120	15,576	15,176	15,367	14,910	14,678

* As of September 30, 2008

**Retention program requires only 4 years of documents

*** Includes replacement meters

CITY OF WESTMINSTER
 CAPITAL ASSET STATISTICS
 BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works:										
Street (miles)	161	161	161	171	171	171	171	171	171	180
Streetlights	4,700	4,700	4,700	4,700	4,687	4,687	4,687	4,695	4,697	4,697
Traffic signals	61	61	61	61	62	63	64	64	68	66
Parks and recreation:										
Parks	23	24	24	25	25	25	25	24	24	25
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	157	157	157	157	157	157	157	230	230	230
Maximum daily capacity (in acre per feet per day)	68	67	67	81	60	60	60	76	76	76

Source: City of Westminster

