

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

JUNE 30, 2010

Prepared by:

Department of Finance

Paul Espinoza
Finance Director/City Treasurer

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CITY OF WESTMINSTER

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City of Westminster

CIVIC CENTER
8200 WESTMINSTER BOULEVARD
WESTMINSTER, CALIFORNIA 92683
(714) 898-3311

MARGIE L. RICE
MAYOR

FRANK G. FRY
MAYOR PRO TEM

TYLER DIEP
COUNCIL MEMBER

ANDY QUACH
COUNCIL MEMBER

TRI TA
COUNCIL MEMBER

DONALD D. LAMM
CITY MANAGER

November 24, 2010

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, 2010.

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, 2010, 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, 2010, 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. The Single Audit Report will be filed separately and be submitted to Council in early 2011.

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 94,294.

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. The downturn in the economy and the affects it's had on real estate and retail sectors have negatively impacted the State of California and local jurisdictions within Orange County. Substantial revenue declines have led to a surge in job losses at both private and public sectors. Economists expect California will experience a sluggish economic recovery in 2011 or early 2012. While there remains some uncertainty as to when this recovery is to take place, there seems to be an overwhelming expectation among economists that any recovery will be slow and lethargic. The current economic downturn and the poor economic conditions that have existed for the past three years have started to erode the City of Westminster's general fund balance. Actual general fund revenues have declined significantly from last year's general fund revenues by \$3.0 million (or 6.7%) while general fund expenditures have remained fairly constant. Due to the severity of the recessionary market, taxes have declined by \$2.5 million (or 7.9%) from last year's reported revenues and investment income and rental income have declined by \$1.1 million from last year (or 33.7%).

To help mitigate the decline in general fund revenues, staff reduced the operating budget by implementing a golden handshake program to its employees as an incentive for early retirement. As a result of this program staff was able to reduce salaries by \$453 thousand dollars city wide. In addition to this salary savings, staff also provided operating cuts to the general fund budget in the areas of general government and the police department. Lastly, the Water Fund repaid an outstanding loan to the general fund in the amount of \$1 million. In spite of these expenditure reductions, the overall actual general fund expenditures exceed general fund revenues by \$4.4 million for the fiscal year 2009-10.

As with other municipalities, the City of Westminster, has been continually burdened by the financial pressures and demands of impacts imposed by Federal, State and County Governments. Since the 1980's these governmental units have passed on to municipalities a myriad of un-funded mandates or service/regulatory requirements and also, have eliminated or redistributed significant sources of revenue. For example, in May of this year the Agency was required to pay over \$12 million dollars to the County of Orange due to the Supplemental Educational Revenue Augmentation Fund shift imposed by the State of California. In spite of these demands, the City continues to meet these challenges to ensure a high level of service to our residents.

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 .997% for fiscal year 2010.

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, 2010. 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 249 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, 2009. This was the fifteenth 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 two-year 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. Lamra
City Manager



Paul Espinoza
Finance Director

CITY OF WESTMINSTER

Principal Officials

CITY COUNCIL

MARGIE L. RICE, Mayor

FRANK G. FRY, Mayor Pro Tem

TYLER DIEP, Council Member

ANDY QUACH, Council Member

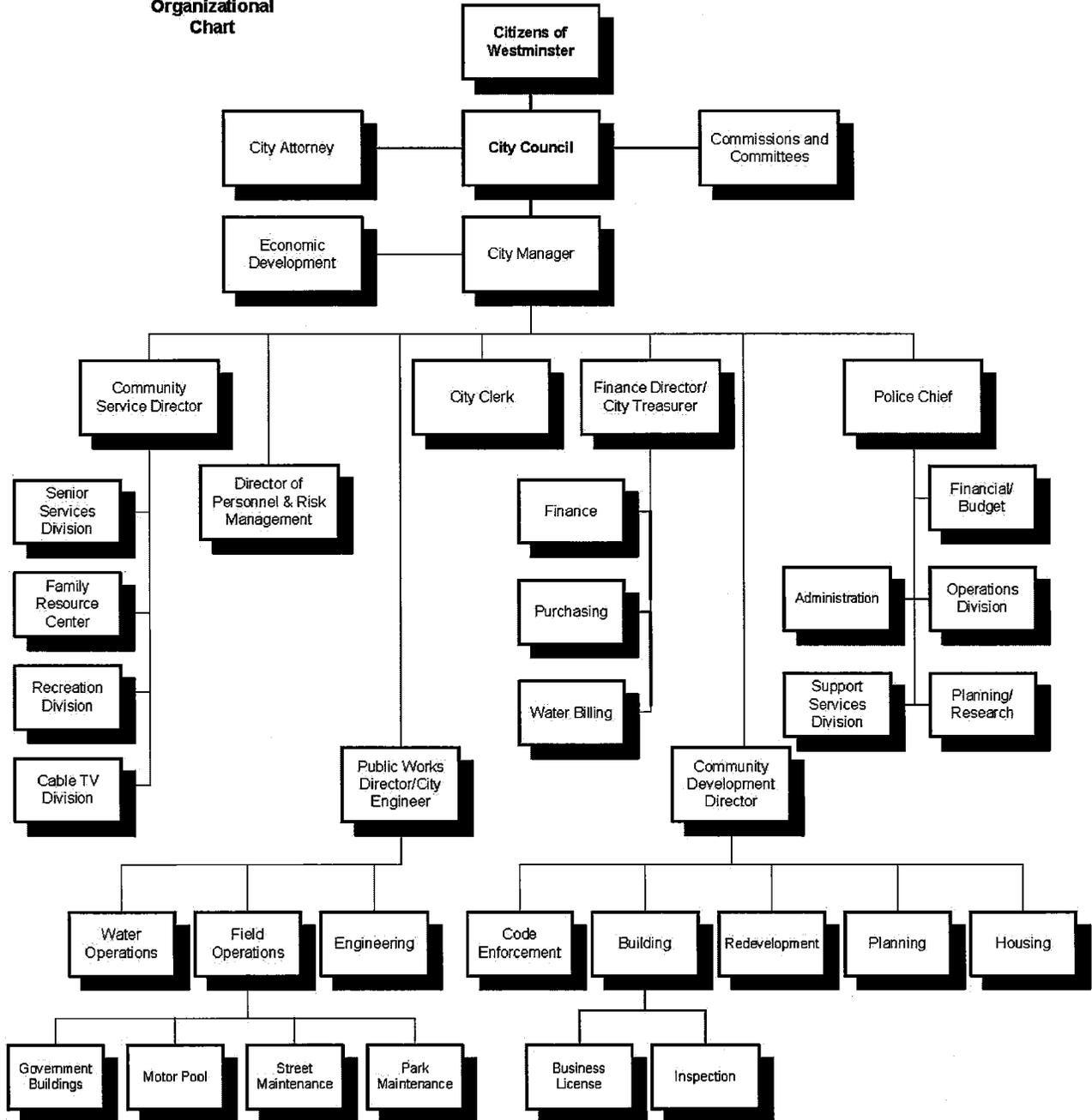
TRI TA, Council Member

CITY STAFF

Donald D. Lamm	City Manager
Richard D. Jones	City Attorney
Doug McIsaac	Community Development Director
Mitch Waller	Police Chief
Marwan Youssef	Public Works Director/City Engineer
Robin Roberts	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, 2009

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, 2010

Financial Section

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DIEHL, EVANS & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

A PARTNERSHIP INCLUDING ACCOUNTANCY CORPORATIONS

5 CORPORATE PARK, SUITE 100
IRVINE, CALIFORNIA 92606-5165
(949) 399-0600 • FAX (949) 399-0610
www.diehlevans.com

MICHAEL R. LUDIN, CPA
CRAIG W. SPRAKER, CPA
NITIN P. PATEL, CPA
ROBERT J. CALLANAN, CPA
*PHILIP H. HOLTkamp, CPA
*THOMAS M. PERLOWSKI, CPA
*HARVEY J. SCHROEDER, CPA
KENNETH R. AMES, CPA
WILLIAM C. PENTZ, CPA

*A PROFESSIONAL CORPORATION

November 24, 2010

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, 2010, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2010, 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.

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2010 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, the schedules of funding progress and budgetary comparison schedules, as listed in the table of contents as required supplementary information, 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. This information is an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the management's discussion and analysis and the schedules of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and the schedules of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of the City of Westminster or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 as a whole. 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 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 or provide any assurance on them.

Diehl, Evans and Company, LLP

CITY OF WESTMINSTER

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, 2010, along with comparisons to the fiscal year ended June 30, 2009. 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 \$294.2 million (net assets) as of June 30, 2010. Of this amount, \$61.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$202 thousand. Revenues decreased by \$3.2 million, while expenses increased \$12.6 million. The revenue decrease is mostly due to decreases in most types of revenues, with the largest decreases in operating grants and contributions, sales taxes, and unrestricted interest earnings. Expenses increased due to a \$12.1 million payment made to the State of California for the Redevelopment Agency's SERAF obligation. Additional information can be found in Note 16 of these financial statements.
- As of June 30, 2010 the City's governmental funds reported a combined ending fund balance of \$185.1 million, a decrease \$28.4 million. \$144.7 million is unreserved and is available for spending at the City's discretion.
- Unreserved fund balance for the General Fund was \$27.4 million, or 60 percent of total General Fund expenditures.
- Total City debt (excluding compensated absences and claims liabilities) decreased by \$2.3 million (2 percent). Changes in debt consisted of 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, Special Gas Tax and Street Improvements, Housing and Community Development, RDA Low and Moderate Income Housing, Westminster Redevelopment Agency Debt Service, Westminster Redevelopment Agency Capital Projects, and 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 Statements 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 103 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 37-79 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 \$294.2 million at June 30, 2010. This is a decrease of \$202 thousand as summarized below and on the following pages:

Statement of Net Assets*

	Governmental Activities			
	June 30, 2010	June 30, 2009**	Increase/ (Decrease) From 2009	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 229,728,345	\$ 254,881,695	\$ (25,153,350)	-9.87%
Capital assets, net of accumulated depreciation	172,356,554	145,489,065	26,867,489	18.47%
Total assets	402,084,899	400,370,760	1,714,139	0.43%
Liabilities:				
Current and other liabilities	24,372,883	23,054,160	1,318,723	5.72%
Long-term liabilities	115,203,922	114,188,129	1,015,793	0.89%
Total liabilities	139,576,805	137,242,289	2,334,516	1.70%
Net assets:				
Invested in capital assets, net of related debt	110,907,656	100,104,347	10,803,309	10.79%
Restricted	93,992,126	99,106,443	(5,114,317)	-5.16%
Unrestricted	57,608,312	63,917,681	(6,309,369)	-9.87%
	\$ 262,508,094	\$ 263,128,471	\$ (620,377)	-0.24%

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

** Includes a reclassification for current year comparisons.

Governmental activities had the greatest changes occur in “Current and other assets”, “Capital assets, net of accumulated depreciation”, and “Invested in capital assets, net of related debt”. The majority of these changes are a result of the City’s continuing construction work on the new headquarters for the Westminster Police Department. The decrease in “Current and other assets” of \$25.2 million or 9.87 percent, and the increase in “Capital assets, net of accumulated depreciation” of \$26.9 million or 18.47 percent occurred in part, due to the increase of \$24.3 million in “Construction in Progress”. The majority of this amount is also related to the new police facility.

See accompanying independent auditor’s report.

“Invested in capital assets, net of related debt” increased by \$10.8 million or 10.79 percent. As with the previously noted changes, the majority of this is related to the construction of the police facility and the related bond. This total increased due to payments on the related debt associated with assets, and the overall increase in those capital assets.

Statement of Net Assets*

	Business-type Activity			
	June 30, 2010	June 30, 2009	Increase/ (Decrease) From 2009	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 5,296,879	\$ 3,985,869	\$ 1,311,010	32.89%
Capital assets, net of accumulated depreciation	34,209,972	35,467,646	(1,257,674)	-3.55%
Total assets	<u>39,506,851</u>	<u>39,453,515</u>	<u>53,336</u>	0.14%
Liabilities:				
Current and other liabilities	2,325,686	2,165,685	160,001	7.39%
Long-term liabilities	5,457,910	5,983,209	(525,299)	-8.78%
Total liabilities	<u>7,783,596</u>	<u>8,148,894</u>	<u>(365,298)</u>	-4.48%
Net assets:				
Invested in capital assets, net of related debt	28,200,770	28,951,409	(750,639)	-2.59%
Restricted	113,911	335,645	(221,734)	-66.06%
Unrestricted	3,408,574	2,017,567	1,391,007	68.94%
	<u>\$ 31,723,255</u>	<u>\$ 31,304,621</u>	<u>\$ 418,634</u>	1.34%

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

Business-type activity remained fairly static for fiscal years 2010 and 2009. In an era of increasing costs, the City is making efforts to maintain customer services while keeping water rate increases to a minimum. The City has seen a slight increase in net assets (1.34 percent in 2010, and .6 percent reduction in 2009).

See accompanying independent auditor’s report.

Statement of Net Assets*

	Primary Government			
	June 30, 2010	June 30, 2009**	Increase/ (Decrease) From 2009	Percent Increase/ (Decrease)
Assets:				
Current and other assets	\$ 235,025,224	\$ 258,867,564	\$ (23,842,340)	-9.21%
Capital assets, net of accumulated depreciation	206,566,526	180,956,711	25,609,815	14.15%
Total assets	<u>441,591,750</u>	<u>439,824,275</u>	<u>1,767,475</u>	0.40%
Liabilities:				
Current and other liabilities	26,698,569	25,219,845	1,478,724	5.86%
Long-term liabilities	120,661,832	120,171,338	490,494	0.41%
Total liabilities	<u>147,360,401</u>	<u>145,391,183</u>	<u>1,969,218</u>	1.35%
Net assets:				
Invested in capital assets, net of related debt	139,108,426	129,055,756	10,052,670	7.79%
Restricted	94,106,037	99,442,088	(5,336,051)	-5.37%
Unrestricted	61,016,886	65,935,248	(4,918,362)	-7.46%
	<u>\$ 294,231,349</u>	<u>\$ 294,433,092</u>	<u>\$ (201,743)</u>	-0.07%

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

** Includes reclassifications for current year comparisons.

The City's restricted portion of net assets (\$94.1 million or 32.0 percent) represents resources that are subject to external restrictions on how they may be used. This is a \$5.3 million, or 5.37 percent decrease from prior year.

Unrestricted net assets (\$61.0 million or 20.7 percent) decreased \$4.9 million or 7.46 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 (47.3 percent) of the City's net assets reflects its investment of \$139.1 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 \$10.1 million, or 7.79 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 2010, 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 2010. The City's net assets decreased overall by \$202 thousand as summarized below and on the following pages:

Statement of Activities*

	Governmental Activities			
	For the year ended		Increase/ (Decrease) From 2009	Percent Increase/ (Decrease)
	June 30, 2010	June 30, 2009		
Revenues:				
Program revenues:				
Charges for services	\$ 7,256,052	\$ 6,524,456	\$ 731,596	11.21%
Operating grants and contributions	7,167,620	8,990,834	(1,823,214)	-20.28%
Capital grants and contributions	1,277,811	410,664	867,147	211.16%
General revenues:				
Taxes	67,587,787	70,230,702	(2,642,915)	-3.76%
Unrestricted investment earnings	3,949,401	5,926,914	(1,977,513)	-33.36%
Total Revenues	87,238,671	92,083,570	(4,844,899)	-5.26%
Expenses:				
General government	21,035,330	9,175,952	11,859,378	129.24%
Public safety	34,651,434	37,564,132	(2,912,698)	-7.75%
Public works	9,785,307	10,263,012	(477,705)	-4.65%
Community development	13,628,986	12,693,678	935,308	7.37%
Community services	3,299,613	3,050,217	249,396	8.18%
Interest on long term debt	6,027,294	2,812,049	3,215,245	114.34%
Total Expenses	88,427,964	75,559,040	12,868,924	17.03%
Increase (decrease) in net assets before transfers	(1,189,293)	16,524,530	(17,713,823)	-107.20%
Transfers	568,916	(741,732)	1,310,648	-176.70%
Increase (decrease) in net assets	(620,377)	15,782,798	(16,403,175)	-103.93%
Net assets - Beginning of Year	263,128,471	247,345,673	15,782,798	6.38%
Net assets - End of Year	\$ 262,508,094	\$ 263,128,471	\$ (620,377)	-0.24%

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

See accompanying independent auditor's report.

Governmental activities decreased the City's net assets by \$620 thousand. Public safety remains the largest expense function (39.2 percent), followed by general government (23.8 percent), community development (15.4 percent), public works (11.1 percent), interest on long term debt (6.8 percent) and community services (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 increased most significantly in "General government", which increased by \$11.9 million (129.24 percent). The majority of this increase is due to a \$12.1 million payment to the State of California for the Westminster Redevelopment Agency's SERAF payment. Excluding this payment, the expenses in "General government" actually decreased by \$286 thousand (3.1 percent). This decrease, as well as decreases in "Public safety" and "Public works" can mainly be attributed to "Golden Handshakes" that were offered to employees during the year. Overall, salaries and benefits decreased by \$453 thousand or 1.2 percent. Also, there were many vacant positions during the year. In addition, the PERS employer rate for retirement costs for both the Miscellaneous Plan and Safety Plan increased only slightly to 9.801 percent and 19.804 percent respectively in fiscal year 2010. This is an increase from fiscal year 2009's 9.554 percent for the Miscellaneous Plan and 19.474 percent for the Safety Plan.

"Interest on long term debt" increased \$3.2 million (114.34 percent). The City issued bonds during the year 2009 fiscal year to fund the construction of a new police facility. As the related debt was issued late in fiscal year 2009, interest was accrued for only a partial year. Fiscal year 2010 includes an entire year's worth of interest payments on the \$73.1 million debt. No principal payments on this debt will be made until 2028. Additional information can be found in Note 7 of these financial statements.

"Operating grants and contributions" had a decrease of \$1.8 million (20.28 percent), and "Capital grants and contributions" had an increase of \$867 thousand (211.16 percent). These revenue sources will vary from year to year, depending on the completion of grant funded projects.

Overall "Taxes" decreased again in fiscal year 2010 as expected. Sales and property taxes had a combined decrease of \$1.9 million. This is the first year that property taxes have decreased in some time. However, sales taxes have seen decreases during the last four fiscal years.

"Unrestricted investment earnings" decreased by \$2.0 million (33.36 percent). While cash has decreased, most of the decrease is due to the continuing decline in 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) From 2009	Percent Increase/ (Decrease)
	June 30, 2010	June 30, 2009		
Revenues:				
Program revenues:				
Charges for services	\$ 12,704,027	\$ 11,190,581	\$ 1,513,446	13.52%
General revenues:				
Unrestricted investment earnings	26,318	47,566	(21,248)	-44.67%
Other	167,675	46,308	121,367	-
Total Revenues	<u>12,898,020</u>	<u>11,284,455</u>	<u>1,613,565</u>	14.30%
Expenses:				
Water enterprise	<u>11,910,470</u>	<u>12,215,154</u>	<u>(304,684)</u>	-2.49%
Total Expenses	<u>11,910,470</u>	<u>12,215,154</u>	<u>(304,684)</u>	-2.49%
Increase (decrease) in net assets before transfers	987,550	(930,699)	1,918,249	-206.11%
Transfers	<u>(568,916)</u>	<u>741,732</u>	<u>(1,310,648)</u>	-176.70%
Increase (decrease) in net assets	418,634	(188,967)	607,601	-321.54%
Net assets - Beginning of Year	<u>31,304,621</u>	<u>31,493,588</u>	<u>(188,967)</u>	-0.60%
Net assets - End of Year	<u>\$ 31,723,255</u>	<u>\$ 31,304,621</u>	<u>\$ 418,634</u>	1.34%

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

Business-type activities increased the City's net assets by \$419 thousand. The Water Utility Fund implemented a utility rate increase during the year, resulting in an increase of revenue of \$1.5 million or 13.52 percent. The decrease of \$21 thousand or 44.67 percent in "Unrestricted investment earnings" is due an overall decrease in cash of \$872 thousand, and the continuing decline of interest rates. Operating expenses remained fairly static with a decrease of \$305 thousand or 2.49 percent. "Transfers" decreased by \$1.3 million or 176.7 percent. Fiscal year 2009 included a transfer of \$1.3 million to close out the water reserve fund. This was done to pay off an advance from the general fund reserve. For the water utility, fees provide the largest share of revenues (99.62 percent).

The Water Utility transferred \$210 thousand to the capital projects fund for phase four 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, 2010	June 30, 2009		
Revenues:				
Program revenues:				
Charges for services	\$ 19,960,079	\$ 17,715,037	\$ 2,245,042	12.67%
Operating grants and contributions	7,167,620	8,990,834	(1,823,214)	-20.28%
Capital grants and contributions	1,277,811	410,664	867,147	211.16%
General revenues:				
Taxes	67,587,787	70,230,702	(2,642,915)	-3.76%
Unrestricted investment earnings	3,975,719	5,974,480	(1,998,761)	-33.45%
Other	167,675	46,308	121,367	--
Total Revenues	<u>100,136,691</u>	<u>103,368,025</u>	<u>(3,231,334)</u>	-3.13%
Expenses:				
General government	21,035,330	9,175,952	11,859,378	129.24%
Public safety	34,651,434	37,564,132	(2,912,698)	-7.75%
Public works	9,785,307	10,263,012	(477,705)	-4.65%
Community development	13,628,986	12,693,678	935,308	7.37%
Community services	3,299,613	3,050,217	249,396	8.18%
Interest on long term debt	6,027,294	2,812,049	3,215,245	114.34%
Water enterprise	11,910,470	12,215,154	(304,684)	-2.49%
Total Expenses	<u>100,338,434</u>	<u>87,774,194</u>	<u>12,564,240</u>	14.31%
Increase (decrease) in net assets	(201,743)	15,593,831	(15,795,574)	-101.29%
Net assets - Beginning of Year	<u>294,433,092</u>	<u>278,839,261</u>	<u>15,593,831</u>	5.59%
Net assets - End of Year	<u>\$ 294,231,349</u>	<u>\$ 294,433,092</u>	<u>\$ (201,743)</u>	-0.07%

* 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 a decrease of \$28.4 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, 2010, the City's governmental funds reported combined ending fund balances of \$185.1 million, a decrease of \$28.4 million in comparison with the prior year. Of the \$185.1 million, \$144.7 million, or 78.2 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 \$9.0 million, (2) to pay notes and interfund receivables of \$24.3 million, (3) to pay debt service of \$6.5 million, (4) to land held for resale of \$567 thousand, or (5) for prepaid items of \$22 thousand. For a more detailed description of these reservations see Note 14.

The General Fund is the chief operating fund of the City. As of June 30, 2010, the total fund balance was \$27.4 million. The reserved portion of this balance is \$8 thousand. The remaining unreserved fund balance includes amounts set-aside for City designations such as the 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 total fund balance to total fund expenditures. Total fund balance represents 59.7 percent of total General Fund expenditures.

The major factors in fund balance changes are as follows:

Governmental Funds

- The **General Fund** recognized a \$1.5 million increase due to revenues and total other financing sources greater than expenditures. Fiscal year 2010 included one-time "Transfers In" of \$2.5 million to repay the General Fund for a previous capital project advance to the Redevelopment Agency to cover initial costs on the Police Facility, and \$956 thousand to repay the General Fund for an advance to the Water Enterprise Fund.
- The **RDA Low and Moderate Income Housing Fund** recognized a \$5.2 million increase due to revenues greater than expenditures of \$6.8 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. In fiscal year 2009, the Agency transferred \$6 million for loans and grants. The amount transferred in fiscal year 2010 was \$1 million.
- The **Housing and Community Development Fund** recognized a \$1.6 million decrease. This is a grant program which is reimbursed periodically throughout the year. The majority of the current year's "Transfers Out" was to the Capital Projects Fund for various street projects.
- The **Special Gas Tax and Street Improvements Fund** recognized a \$643 thousand decrease due, in part, to a \$4.5 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 \$3.1 million in "Intergovernmental" income in fiscal year 2010.
- The **Debt Service Fund** recognized a \$16 million decrease. A "Transfers Out" of \$18.0 million was made to the Redevelopment Capital Projects Fund for cash flows purposes. In addition a payment of \$12.1 million was made to the State of California for the Agency's share of the SERAF contribution. Fiscal year 2011's payment is expected to be \$2.5 million. See Note 16 for additional information.

See accompanying independent auditor's report.

- The **Capital Projects Funds** recognized a combined decrease in fund balance of \$17.8 million. This is mainly due to the continuing construction of the police facility. A total of \$22.5 million was spent on this bond fund project during the year.
- **Other Governmental Funds**, which are non-major funds, recognized a combined increase of \$874 thousand due to revenues greater than expenditures of \$426 thousand, and “Transfers In” of \$490 thousand from the General Fund to cover various programs within these Special Revenue Funds. These funds are further detailed beginning on page 89 of this report.

Proprietary Funds

- The **Enterprise Water Fund** recognized an increase of \$261 thousand during fiscal year 2010 due to expenditures exceeding revenues by \$936 thousand. The majority of the \$673 thousand “Transfers Out” was to the Capital Projects fund for various repair/replace type projects.
- The **Internal Service Funds** recognized a \$2.0 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 103 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 2010 fiscal year ended with the first decrease in the City’s average portfolio balance in fifteen years. Average total cash and investment balances for the past ten years are noted below:

Cash and Investments		
<u>Fiscal Year</u>	<u>Average Balance (in millions)</u>	<u>% Change</u>
2001	57.3	---
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%
2010	140.5	-1.7%

Since 2001, the City’s average portfolio balance has increased by \$83.2 million, or 145%.

See accompanying independent auditor’s report.

BUDGETARY HIGHLIGHTS

The General Fund reflected a net total budget variance of \$3.3 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 2009-10 General Fund's original (adopted) budget revenue amount of \$43.1 million to the final budgeted revenue amount of \$43.2 million shows a net \$100 thousand increase. The increase was in anticipation of an increase to intergovernmental revenues, as the City acquired additional grant funds during the fiscal year. The ending actual revenue shows a negative variance of \$1.7 million, with the largest variance in "Taxes" at \$2.1 million. This is mostly due to sales tax revenue coming in under budget by \$1.1 million, utility users tax coming in under budget by \$639 thousand as the economy continued slowing during the fiscal year.

Comparing the 2009-10 General Fund's original (adopted) budget expenditure amount of \$48.1 million to the final budget expenditure amount of \$48.4 million shows a net \$279 thousand increase. The ending actual expenditure savings were \$2.5 million. This savings is spread throughout the City, and is mainly represented by salary savings, as the City made an effort to reduce these costs during the year. The majority of the savings is in "Public Safety", at \$1.3 million.

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)	4.30	4.50
General Fund costs per capita	\$456	\$641

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.

See accompanying independent auditor's report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets:

Capital investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounted to \$207 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 2010 was \$25.6 million, which represents a \$26.9 million or 18.5 percent increase for governmental activities and a \$1.3 million or 3.5 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, 2010 and June 30, 2009 are summarized below:

Capital Assets (net of accumulated depreciation)

	June 30, 2010		
	Governmental	Business-type	Total
	Activities	Activity	
Land	\$ 6,240,528	\$ 2,484,846	\$ 8,725,374
Construction in progress	31,647,887	-	31,647,887
Buildings	22,576,020	4,751	22,580,771
Improvements other than buildings	5,273,639	10,587,382	15,861,021
Water distribution lines	-	16,350,166	16,350,166
Vehicles, machinery and equipment	5,165,975	4,763,151	9,929,126
Office furniture and equipment	1,633,287	19,676	1,652,963
Infrastructure	99,819,218	-	99,819,218
Total capital assets, net	\$ 172,356,554	\$ 34,209,972	\$ 206,566,526
	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	\$ 145,489,065	\$ 35,467,646	\$ 180,956,711

See accompanying independent auditor's report.

Major capital asset events during fiscal year 2010 included the following:

- The City added \$8.7 million in infrastructure.
- The City is working on the completion of a new police facility. A net amount of \$24.3 million was added to “Construction in Progress”.

Long-term debt:

At the end of fiscal year 2010, the City had total debt (excluding compensated absences and claims liabilities) outstanding of \$114.4 million. Additional information can be found on Note 7 in the notes to the basic financial statements. Long-term debt for June 30, 2010 and June 30, 2009 is summarized below:

	Outstanding Debt		
	June 30, 2010		
	Governmental Activities	Business-type Activity	Total
Tax allocation bonds payable	\$ 102,235,000	\$ -	\$ 102,235,000
Certificates of participation	5,889,463	3,806,075	9,695,538
Loans payable	300,000	2,203,127	2,503,127
Total outstanding debt	\$ 108,424,463	\$ 6,009,202	\$ 114,433,665

	June 30, 2009		
	Governmental Activities	Business-type Activity	Total
	Tax allocation bonds payable	\$ 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	\$ 110,194,671	\$ 6,516,235	\$ 116,710,906

The City’s total debt decreased by \$2.3 million or 2.0 percent, during fiscal year 2010. The change in governmental debt consisted of the following:

- Ongoing debt service payments on tax allocation bonds and certificates of participation.

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

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

See accompanying independent auditor’s report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

After several years of stable financial growth and prosperity, the City of Westminster is experiencing a third consecutive year of impacts from the economic recession. Although Westminster has fared the recession relatively well in comparison to our neighboring cities and the Orange County region, by no means have we been immune from this economic crisis. A decline in our major revenues sources coupled with a continued increase in expenses has led to a projected recurring General Fund deficit of \$6.5 million for fiscal year 2010-11. To help mitigate this staff has endeavored to reduce the General Fund deficit. Through staff's continued efforts and creative budgeting, the City's General Fund's deficit was reduced from \$6.5 million to \$1.4 million. Furthermore, staff established parameters for the fiscal year 2010-11 Budget which would address this deficit and facilitate the development of a balanced budget for the upcoming year.

The City continues to 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 continue to represent the largest revenue source in the City's General Fund. Fiscal year 2009-10 has shown a decline of \$1.0 million or 7.7 percent from the prior fiscal year. The fiscal year 2009-10 marks the fourth consecutive year that the City has experienced a decline in sales taxes. Furthermore, sales taxes, property taxes, and utility taxes comprise over 70% 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.

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 continue to be 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

The 2010-11 Budget was prepared during an, as of yet, unsolved State budget crisis that has put local government revenues at risk of "take-aways" by the Legislature and Governor to help compensate for declining State revenues and increased State spending in spite of the passage of Proposition 1A, the City/Agency paid over \$12 million for the Supplemental Education Revenue Augmentation Fund shift. Additionally, the Legislature is expected to continue considering local government revenue cuts as the State Budget is debated throughout the fiscal year 2010-11. The State of California's fiscal year 2010-11 budget, as with prior years, was adopted late and reflects a budget gap of close to \$19 billion. Given the State's budget uncertainty we cannot predict what cuts, if any, will be adopted at the State level and the impacts of such cuts on the City of Westminster. As such, there may be a need to revisit this budget after the State budget is adopted in the fall.

Key features of the State's fiscal year 2010-11 Budget include:

- \$6.8 billion of expenditure-related solutions (including ongoing and temporary cost or service reductions).
- \$5.4 billion of new federal funding (most of it not yet approved by Congress).
- \$3.3 billion of revenue actions (including \$1.4 billion in higher assumed baseline state revenues consistent with our May 2010 state revenue forecast).
- \$2.7 billion of largely one-time loans, transfers, and funding shifts.

With the patchwork of over a dozen separate bills and the rapidly moving negotiations, it is difficult to ascertain the full impact of the budget on local governments. Cuts and suspension to K-12 and Higher Education funding will dominate much of the media coverage, and the impacts to cities and counties are much less clear. In a statement released early this morning the State Association of Counties (CSAC) tentatively backed the plan, saying "The budget as passed by the legislature is fraught with uncertainties and assumptions that do not give a clear picture of how counties will be impacted... at this stage; lack of a budget is seen as more harmful than not having one."

Unlike the prior year's budget, there are no clear "raids" on Redevelopment. The budget does call for a \$762 million "loan" of Highway Users Tax Account (HUTA) funds to the general fund, though preliminary reports indicate this does not impact local government shares of the fund.

See accompanying independent auditor's report.

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.

See accompanying independent auditor's report.

**BASIC FINANCIAL STATEMENTS
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CITY OF WESTMINSTER

STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government		Total
	Governmental Activities	Business-type Activity	
ASSETS:			
Cash and investments (Note 2)	\$ 121,800,378	\$ 679,126	\$ 122,479,504
Receivables, net of allowances (Note 4)	24,429,279	2,558,527	26,987,806
Prepaid items	68,957	-	68,957
Internal balances	(1,506,581)	1,506,581	-
Inventory	46,036	177,835	223,871
Deferred charges	6,413,144	260,899	6,674,043
Land held for resale (Note 5)	567,200	-	567,200
Restricted assets:			
Cash and investments (Note 2)	27,453,378	-	27,453,378
Cash and investments with fiscal agents (Note 2)	50,456,554	113,911	50,570,465
Capital assets (Note 6):			
Not being depreciated:			
Land	6,240,528	2,484,846	8,725,374
Construction in progress	31,647,887	-	31,647,887
Being depreciated (net of accumulated depreciation):			
Buildings	22,576,020	4,751	22,580,771
Improvements other than buildings	5,273,639	10,587,382	15,861,021
Water distribution lines	-	16,350,165	16,350,165
Vehicles, machinery and equipment	5,165,975	4,763,152	9,929,127
Office furniture and equipment	1,633,287	19,676	1,652,963
Infrastructure	99,819,218	-	99,819,218
TOTAL ASSETS	402,084,899	39,506,851	441,591,750
LIABILITIES:			
Accounts payable and other liabilities	7,057,054	1,615,143	8,672,197
Due to other governments	11,750,088	-	11,750,088
Unearned revenue	692,985	-	692,985
Deposits	350,952	16,000	366,952
Long-term liabilities:			
Due within one year (Note 7)	4,521,804	694,543	5,216,347
Due in more than one year (Notes 7 and 11)	115,203,922	5,457,910	120,661,832
TOTAL LIABILITIES	139,576,805	7,783,596	147,360,401
NET ASSETS:			
Invested in capital assets, net of related debt	110,907,656	28,200,770	139,108,426
Restricted for:			
Community development	81,524,004	-	81,524,004
Public safety	589,234	-	589,234
Public works	3,624,330	-	3,624,330
Debt service	8,254,558	113,911	8,368,469
Unrestricted	57,608,312	3,408,574	61,016,886
TOTAL NET ASSETS	\$ 262,508,094	\$ 31,723,255	\$ 294,231,349

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

CITY OF WESTMINSTER

STATEMENT OF ACTIVITIES

For the year ended June 30, 2010

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 21,035,330	\$ 871,954	\$ 114,531	\$ -
Public safety	34,651,434	3,178,152	842,412	-
Public works	9,785,307	1,104,193	-	-
Community development	13,628,986	1,707,098	5,983,836	1,277,811
Community services	3,299,613	394,655	226,841	-
Interest on long term debt	6,027,294	-	-	-
Total governmental activities	88,427,964	7,256,052	7,167,620	1,277,811
Business-type activity:				
Water enterprise	11,910,470	12,704,027	-	-
Total	\$ 100,338,434	\$ 19,960,079	\$ 7,167,620	\$ 1,277,811

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
\$ (20,048,845)	\$ -	\$ (20,048,845)
(30,630,870)	-	(30,630,870)
(8,681,114)	-	(8,681,114)
(4,660,241)	-	(4,660,241)
(2,678,117)	-	(2,678,117)
(6,027,294)	-	(6,027,294)
<u>(72,726,481)</u>	<u>-</u>	<u>(72,726,481)</u>
-	793,557	793,557
<u>(72,726,481)</u>	<u>793,557</u>	<u>(71,932,924)</u>
12,212,474	-	12,212,474
47,264,839	-	47,264,839
5,010,797	-	5,010,797
1,167,267	-	1,167,267
1,206,421	-	1,206,421
451,640	-	451,640
274,349	-	274,349
3,949,401	26,318	3,975,719
-	167,675	167,675
568,916	(568,916)	-
<u>72,106,104</u>	<u>(374,923)</u>	<u>71,731,181</u>
(620,377)	418,634	(201,743)
<u>263,128,471</u>	<u>31,304,621</u>	<u>294,433,092</u>
<u>\$ 262,508,094</u>	<u>\$ 31,723,255</u>	<u>\$ 294,231,349</u>

CITY OF WESTMINSTER

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	General	Special Revenue Funds	
		RDA Low and Moderate Income Housing	Housing and Community Development
ASSETS			
Cash and investments (Note 2)	\$ 19,863,592	\$ -	\$ 11,412
Receivables, net of allowances (Note 4)	3,668,226	11,404,868	5,693,480
Prepaid items	8,006	-	-
Due from other funds (Note 3)	6,696,194	-	-
Restricted assets:			
Cash and investments (Note 2)	-	9,361,444	-
Cash and investments with fiscal agents (Note 2)	-	-	-
Advances to other funds (Note 3)	-	12,145,264	-
Land held for resale (Note 5)	-	-	-
TOTAL ASSETS	\$ 30,236,018	\$ 32,911,576	\$ 5,704,892
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and other liabilities	\$ 1,636,745	\$ 131,122	\$ 30,630
Deposits	321,043	-	-
Deferred revenue	845,887	-	-
Due to other funds (Note 3)	-	49,949	1,645,000
Due to other governments	5,265	-	4,559,823
Advances from other funds (Note 3)	-	-	-
TOTAL LIABILITIES	2,808,940	181,071	6,235,453
FUND BALANCES (DEFICITS):			
Reserved (Note 14)	8,006	32,730,505	850,000
Unreserved, reported in:			
General Fund	27,419,072	-	-
Special Revenue Funds	-	-	(1,380,561)
Debt Service Fund	-	-	-
Capital Projects Funds	-	-	-
TOTAL FUND BALANCES (DEFICITS)	27,427,078	32,730,505	(530,561)
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,236,018	\$ 32,911,576	\$ 5,704,892

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
\$ 73,537	\$ 23,696,206	\$ 6,576,498	\$ 49,000,872	\$ 5,089,656	\$ 104,311,773
1,344,952	1,033,886	-	792,309	388,424	24,326,145
-	-	-	7,121	6,787	21,914
-	-	7,375,000	-	-	14,071,194
-	500,000	9,981,570	4,654,661	-	24,497,675
-	3,480,981	-	46,975,566	7	50,456,554
-	141,643	-	-	-	12,286,907
-	-	-	567,200	-	567,200
<u>\$ 1,418,489</u>	<u>\$ 28,852,716</u>	<u>\$ 23,933,068</u>	<u>\$ 101,997,729</u>	<u>\$ 5,484,874</u>	<u>\$ 230,539,362</u>
\$ 149,144	\$ 269	\$ 805,703	\$ 2,739,445	\$ 138,337	\$ 5,631,395
-	-	-	-	29,909	350,952
643,485	49,500	-	-	-	1,538,872
8,400,000	-	-	3,976,245	-	14,071,194
-	7,185,000	-	-	-	11,750,088
-	12,145,264	-	-	-	12,145,264
<u>9,192,629</u>	<u>19,380,033</u>	<u>805,703</u>	<u>6,715,690</u>	<u>168,246</u>	<u>45,487,765</u>
352,499	5,382,624	-	574,321	424,824	40,322,779
-	-	-	-	-	27,419,072
(8,126,639)	-	-	-	4,891,804	(4,615,396)
-	4,090,059	-	-	-	4,090,059
-	-	23,127,365	94,707,718	-	117,835,083
<u>(7,774,140)</u>	<u>9,472,683</u>	<u>23,127,365</u>	<u>95,282,039</u>	<u>5,316,628</u>	<u>185,051,597</u>
<u>\$ 1,418,489</u>	<u>\$ 28,852,716</u>	<u>\$ 23,933,068</u>	<u>\$ 101,997,729</u>	<u>\$ 5,484,874</u>	<u>\$ 230,539,362</u>

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CITY OF WESTMINSTER

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

June 30, 2010

Fund balances - total governmental funds		\$ 185,051,597
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	\$ 314,914,162	
Accumulated depreciation	<u>(149,847,153)</u>	
		165,067,009
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		
		19,467,033
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, 2010 are:		
Tax allocation bonds payable	(102,235,000)	
Certificates of participation payable	(4,360,135)	
Notes payable	(300,000)	
Bond issuance costs	6,319,541	
Accrued interest	<u>(1,218,125)</u>	
		(101,793,719)
OPEB obligation is not accrued in governmental funds, but rather is recognized as an expenditure when paid.		
		(6,129,713)
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements.		
		<u>845,887</u>
Net assets of governmental activities		<u><u>\$ 262,508,094</u></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, 2010

	General	Special Revenue Funds	
		RDA Low and Moderate Income Housing	Housing and Community Development
REVENUES:			
Taxes	\$ 29,714,008	\$ 7,256,399	\$ -
Licenses and permits	620,236	-	-
Fines	932,334	-	1,190
Investment and rental	2,120,158	474,721	59
Intergovernmental	250,937	-	847,707
Charges for services	7,616,976	-	-
Other	209,326	385	308,687
TOTAL REVENUES	41,463,975	7,731,505	1,157,643
EXPENDITURES:			
Current:			
General government	1,931,077	-	-
Public safety	34,937,333	-	-
Public works	3,526,715	-	-
Community development	3,396,151	960,015	1,237,707
Community services	2,118,161	-	-
Capital outlay	8,055	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	45,917,492	960,015	1,237,707
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,453,517)	6,771,490	(80,064)
OTHER FINANCING SOURCES (USES):			
Sale of equipment and property	5,602	-	-
Transfers in	6,252,598	102,783	73,960
Transfers out	(287,336)	(1,668,443)	(1,581,975)
TOTAL OTHER FINANCING SOURCES (USES)	5,970,864	(1,565,660)	(1,508,015)
NET CHANGE IN FUND BALANCES	1,517,347	5,205,830	(1,588,079)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	25,909,731	27,524,675	1,057,518
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 27,427,078	\$ 32,730,505	\$ (530,561)

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	
\$ 2,487,757	\$ 29,025,595	\$ -	\$ -	\$ 1,360,733	\$ 69,844,492	
-	-	-	-	-	620,236	
-	-	-	-	-	933,524	
20,652	251,769	111,072	1,297,015	208,685	4,484,131	
3,097,771	-	-	105,638	1,221,188	5,523,241	
17,904	-	-	-	524,753	8,159,633	
18,348	-	-	9,600	152,734	699,080	
<u>5,642,432</u>	<u>29,277,364</u>	<u>111,072</u>	<u>1,412,253</u>	<u>3,468,093</u>	<u>90,264,337</u>	
-	20,565,452	-	-	77,878	22,574,407	
-	-	-	-	1,057,482	35,994,815	
-	-	-	-	-	3,526,715	
2,488,052	-	-	2,160,827	1,236,360	11,479,112	
-	-	-	-	252,706	2,370,867	
-	-	7,363,258	28,069,495	-	35,440,808	
269,285	960,000	-	-	319,351	1,548,636	
83,214	6,177,138	-	-	98,789	6,359,141	
<u>2,840,551</u>	<u>27,702,590</u>	<u>7,363,258</u>	<u>30,230,322</u>	<u>3,042,566</u>	<u>119,294,501</u>	
<u>2,801,881</u>	<u>1,574,774</u>	<u>(7,252,186)</u>	<u>(28,818,069)</u>	<u>425,527</u>	<u>(29,030,164)</u>	
-	-	-	-	-	5,602	
1,062,583	435,261	7,267,064	19,223,182	489,621	34,907,052	
<u>(4,507,120)</u>	<u>(18,000,000)</u>	<u>(3,282,578)</u>	<u>(4,940,788)</u>	<u>(41,567)</u>	<u>(34,309,807)</u>	
<u>(3,444,537)</u>	<u>(17,564,739)</u>	<u>3,984,486</u>	<u>14,282,394</u>	<u>448,054</u>	<u>602,847</u>	
(642,656)	(15,989,965)	(3,267,700)	(14,535,675)	873,581	(28,427,317)	
<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>\$ (7,774,140)</u>	<u>\$ 9,472,683</u>	<u>\$ 23,127,365</u>	<u>\$ 95,282,039</u>	<u>\$ 5,316,628</u>	<u>\$ 185,051,597</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, 2010

Net change in fund balances - total governmental funds \$(28,427,317)

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	\$ 34,008,754	
Depreciation expense	<u>(7,152,599)</u>	
		26,856,155

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.

Principal payments		1,548,636
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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	671,694	
Amortization of issuance costs	(238,759)	
OPEB contributions	<u>(3,124,713)</u>	
		(2,691,778)

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.

		1,862,875
--	--	-----------

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>231,052</u>
---------------------------------	--	----------------

Change in net assets of governmental activities		<u>\$ (620,377)</u>
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See accompanying independent auditors' report and notes to basic financial statements.

CITY OF WESTMINSTER
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2010

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 679,126	\$ 17,488,605
Receivables, net of allowances (Note 4)	2,558,527	103,134
Prepaid items	-	47,043
Inventories	177,835	46,036
Restricted assets:		
Cash and investments	-	2,955,703
Cash and investments with fiscal / other agents	113,911	-
TOTAL CURRENT ASSETS	3,529,399	20,640,521
NONCURRENT ASSETS:		
Deferred bond charges	260,899	93,603
CAPITAL ASSETS (NOTE 6):		
Land	2,484,846	-
Buildings	91,579	4,243,926
Water distribution lines	41,099,102	-
Improvements other than buildings	11,808,269	598,055
Vehicles	-	4,135,795
Machinery and equipment	12,536,024	255,294
Office furniture, computers and equipment	98,626	2,095,047
Leased property	-	370,400
Construction in progress	-	173,241
TOTAL CAPITAL ASSETS	68,118,446	11,871,758
Less accumulated depreciation	(33,908,474)	(4,582,213)
NET CAPITAL ASSETS	34,209,972	7,289,545
TOTAL NONCURRENT ASSETS	34,470,871	7,383,148
TOTAL ASSETS	38,000,270	28,023,669

(Continued)

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

CITY OF WESTMINSTER
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
(CONTINUED)

June 30, 2010

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and other liabilities	\$ 1,615,143	\$ 207,535
Deposits	16,000	-
Advances from other funds (Note 3)	141,643	-
Claims payable	-	797,430
Compensated absences	143,251	1,704,374
Certificates of participation	455,000	246,364
Loans payable	96,292	-
	2,467,329	2,955,703
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES:		
Claims payable	-	2,392,290
Compensated absences	-	277,456
Certificates of participation	3,351,075	1,282,963
Loans payable	2,106,835	-
	5,457,910	3,952,709
TOTAL LONG-TERM LIABILITIES		
	7,925,239	6,908,412
TOTAL LIABILITIES		
NET ASSETS:		
Invested in capital assets, net of related debt	28,200,770	5,760,218
Restricted for debt service	113,911	-
Unrestricted	1,760,350	15,355,039
	30,075,031	\$ 21,115,257
TOTAL NET ASSETS		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,648,224	
	\$ 31,723,255	
Net assets of business-type activity		

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, 2010

	<u>Business-type Activity Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:		
Charges for services	\$ 12,653,468	\$ 20,919,996
Other	50,558	682,724
TOTAL OPERATING REVENUES	<u>12,704,026</u>	<u>21,602,720</u>
OPERATING EXPENSES:		
Salaries	2,524,438	5,709,613
Maintenance and operations	2,681,074	4,042,218
Purchased water	3,312,323	-
Equity taxes	1,923,123	-
Insurance premiums and legal fees	13,046	3,272,000
Claims and benefits	-	5,893,956
Depreciation and amortization	1,313,971	767,154
TOTAL OPERATING EXPENSES	<u>11,767,975</u>	<u>19,684,941</u>
OPERATING INCOME	<u>936,051</u>	<u>1,917,779</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	26,318	236,431
Interest and fiscal charges	(300,575)	(101,088)
Gain (loss) on sale of equipment	167,675	(3,837)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(106,582)</u>	<u>131,506</u>
INCOME BEFORE TRANSFERS	<u>829,469</u>	<u>2,049,285</u>
TRANSFERS:		
Transfers in	104,187	864,516
Transfers out	(673,102)	(892,846)
TOTAL TRANSFERS	<u>(568,915)</u>	<u>(28,330)</u>
CHANGE IN NET ASSETS	260,554	2,020,955
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>29,814,477</u>	<u>19,094,302</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 30,075,031</u>	<u>\$ 21,115,257</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 158,080	
Change in net assets - Enterprise Funds	<u>260,554</u>	
Change in net assets of business-type activity	<u>\$ 418,634</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, 2010

	Business-type Activity <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 12,357,853	\$ 21,621,146
Payment to suppliers	(8,163,786)	(13,418,495)
Payment to employees	(2,515,144)	(5,702,677)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,678,923</u>	<u>2,499,974</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	104,187	864,516
Cash paid to other funds	(2,003,701)	(892,846)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,899,514)</u>	<u>(28,330)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(39,187)	(852,846)
Proceeds from sale of capital assets	167,675	77,588
Principal payments on long-term debt	(533,025)	(246,364)
Interest and fiscal charges	(273,057)	(76,516)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(677,594)</u>	<u>(1,098,138)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	<u>26,318</u>	<u>236,431</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(871,867)	1,609,937
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,664,904</u>	<u>18,833,371</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 793,037</u>	<u>\$ 20,443,308</u>
CASH AND CASH EQUIVALENTS:		
Cash and investments - current assets	\$ 679,126	\$ 17,488,605
Cash and investments - restricted assets	<u>113,911</u>	<u>2,955,703</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 793,037</u>	<u>\$ 20,444,308</u>

(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, 2010

	Business-type Activity	Governmental Activities
	Enterprise Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 936,051	\$ 1,917,779
Depreciation and amortization	1,313,971	767,154
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(361,721)	18,326
(Increase) decrease in other receivables	15,549	-
(Increase) decrease in due from other governments	(342,425)	-
(Increase) decrease in prepaid charges	885	(44,222)
(Increase) decrease in inventories	(25,122)	4,730
Increase (decrease) in accounts payable and other liabilities	132,441	(17,027)
Increase (decrease) in claims payable	-	(152,728)
Increase (decrease) in compensated absences payable	9,294	5,962
	\$ 1,678,923	\$ 2,499,974
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,678,923	\$ 2,499,974

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

CITY OF WESTMINSTER

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

June 30, 2010

RESTRICTED ASSETS:

Cash and investments

\$ 101,303

LIABILITIES:

Due to bondholders

\$ 101,303

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

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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 \$5,000 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, 2010

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, 2010

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, 2010 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, 2010

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, 2010

2. CASH AND INVESTMENTS:

Cash and investments at June 30, 2010 consisted of the following:

	Government Wide Statement of Net Assets	Fiduciary Fund Statement of Assets and Liabilities	Total
Unrestricted assets:			
Cash and investments	\$ 122,479,504	\$ -	\$ 122,479,504
Total unrestricted assets	<u>122,479,504</u>	<u>-</u>	<u>122,479,504</u>
Restricted assets:			
Cash and investments	27,453,378	101,303	27,554,681
Investments with fiscal agents	<u>50,570,465</u>	<u>-</u>	<u>50,570,465</u>
Total restricted assets	<u>78,023,843</u>	<u>101,303</u>	<u>78,125,146</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 200,503,347</u>	<u>\$ 101,303</u>	<u>\$ 200,604,650</u>

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

Deposits	\$ 2,258,497
Investments	<u>198,346,153</u>
	<u>\$ 200,604,650</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, 2010

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, 2010

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, 2010

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	\$ 50,599,607	\$ -	\$ -	\$ 50,599,607
United States Treasury Obligations	7,277,187	21,242,748	1,462,510	29,982,445
Federal Home Loan Mortgage Corporation	8,337,313	15,111,410	4,776,937	28,225,660
Federal Home Loan Bank	12,141,000	11,660,412	3,378,064	27,179,476
Federal National Mortgage Association	14,150,519	8,161,254	7,411,445	29,723,218
Federal Farm Credit Bank	4,782,715	16,334,547	5,735,681	26,852,943
Tennessee Valley Authority	-	2,438,411	1,593,682	4,032,093
Money Market Mutual Funds	1,750,711	-	-	1,750,711
	<u>\$ 99,039,052</u>	<u>\$ 74,948,782</u>	<u>\$ 24,358,319</u>	<u>\$198,346,153</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010	AAA	Not Required to be Rated	Not Rated
Local Agency Investment Fund	\$ 50,599,607	\$ -	\$ -	\$ 50,599,607
United States Treasury Obligations	29,982,445	-	29,982,445	-
Federal Home Loan Mortgage Corporation	28,225,660	28,225,660	-	-
Federal Home Loan Bank	27,179,476	27,179,476	-	-
Federal National Mortgage Association	29,723,218	29,723,218	-	-
Federal Farm Credit Bank	26,852,943	26,852,943	-	-
Tennessee Valley Authority	4,032,093	4,032,093	-	-
Money Market Mutual Funds	1,750,711	1,750,711	-	-
	<u>\$ 198,346,153</u>	<u>\$ 117,764,101</u>	<u>\$ 29,982,445</u>	<u>\$ 50,599,607</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	\$ 28,225,660
Federal Home Loan Bank	United States Government Sponsored Enterprise Securities	27,179,476
Federal National Mortgage Association	United States Government Sponsored Enterprise Securities	29,723,218
Federal Farm Credit Bank	United States Government Sponsored Enterprise Securities	26,852,943

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010, 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, 2010

3. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS:

Interfund receivables and payables at June 30, 2010 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 6,696,194	\$ -
Special Revenue Funds:		
RDA Low and Moderate Income Housing	-	49,949
Housing and Community Development	-	1,645,000
Special Gas Tax and Street Improvements	-	8,400,000
Capital Projects Funds:		
Capital Improvements	7,375,000	-
Redevelopment Projects	-	3,976,245
	<u>\$ 14,071,194</u>	<u>\$ 14,071,194</u>

The interfund amounts from the General Fund and Capital Improvements Capital Projects Fund to the Housing and Community Development Special Revenue Fund and the Special Gas Tax and Street Improvements Special Revenue Fund 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.

Advances to and from other funds at June 30, 2010 are as follows:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
RDA Low and Moderate Income Housing Special Revenue Fund	\$ 12,145,264	\$ -
Debt Service Fund	141,643	12,145,264
Enterprise Fund:		
Water	-	141,643
	<u>\$ 12,286,907</u>	<u>\$ 12,286,907</u>

The advance between the RDA Low and Moderate Income Housing Special Revenue Fund and the Debt Service Fund is a transfer to cover the SERAF payment to the state.

The advances from the Debt Service 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, 2010

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

The compositions of the City's interfund transfer balances as of June 30, 2010 are as follows:

Governmental Activities:

	Transfers In								
	RDA Low and	Housing		Special Gas			Other	Total	
	Moderate	and		Tax and Street	Debt	Capital	Redevelopment	Govt	
	Income	Community		Improvements	Service	Improvements	Projects	Funds	
General	Housing	Development	Improvements	Service	Improvements	Projects	Funds	Funds	
<u>Transfers Out:</u>									
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,336	\$ 257,336
RDA Low and Moderate									
Income Housing	-	-	-	-	435,261	-	1,223,182	-	1,658,443
Housing and Community									
Development	-	-	-	-	-	1,571,975	-	-	1,571,975
Special Gas Tax and									
Street Improvements	-	-	-	-	-	4,507,120	-	-	4,507,120
Debt Service									
Debt Service	-	-	-	-	-	-	18,000,000	-	18,000,000
Capital Improvements									
Capital Improvements	1,291,309	-	6,789	1,062,583	-	-	-	36,841	2,397,522
Redevelopment Projects									
Redevelopment Projects	4,661,261	102,783	-	-	-	21,300	-	135,444	4,920,788
Other Governmental Funds									
Other Governmental Funds	-	-	-	-	-	27,920	-	-	27,920
Water Enterprise									
Water Enterprise	-	-	-	-	-	613,102	-	60,000	673,102
Internal Service									
Internal Service	300,028	-	67,171	-	-	525,647	-	-	892,846
	<u>\$ 6,252,598</u>	<u>\$ 102,783</u>	<u>\$ 73,960</u>	<u>\$ 1,062,583</u>	<u>\$ 435,261</u>	<u>\$ 7,267,064</u>	<u>\$ 19,223,182</u>	<u>\$ 489,621</u>	<u>\$ 34,907,052</u>

Business-type Activity:

	Transfers In		
	Water	Internal	Total
	Enterprise	Service	
<u>Transfers Out:</u>			
General	\$ 25,000	\$ 5,000	\$ 30,000
RDA Low and Moderate Income Housing			
Income Housing	10,000	-	10,000
Housing and Community Development			
Housing and Community Development	10,000	-	10,000
Capital Improvements			
Capital Improvements	39,187	845,869	885,056
Redevelopment Projects			
Redevelopment Projects	20,000	-	20,000
Other Governmental Funds			
Other Governmental Funds	-	13,647	13,647
	<u>\$ 104,187</u>	<u>\$ 864,516</u>	<u>\$ 968,703</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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

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.

The General Fund transferred monies to the Internal Service Fund to fund operations in the Risk Management, Motor Pool/Equipment and Facilities/Maintenance funds. 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	\$ 2,950,667	\$ 230,537	\$ -	\$ -	\$ 971,650	\$ -	\$ -	\$ 23,549	\$ 4,176,403
Accounts	182,193	-	-	-	-	-	-	-	182,193
Interest	465,132	37,912	-	-	62,236	-	792,309	-	1,357,589
Loans	-	5,241,697	4,559,823	-	-	-	-	-	9,801,520
Notes	-	5,888,361	850,000	-	-	-	-	-	6,738,361
Other	-	6,361	19,025	-	-	-	-	-	25,386
Due from other governments	70,234	-	264,632	1,344,952	-	-	-	364,875	2,044,693
	<u>\$ 3,668,226</u>	<u>\$ 11,404,868</u>	<u>\$ 5,693,480</u>	<u>\$ 1,344,952</u>	<u>\$ 1,033,886</u>	<u>\$ -</u>	<u>\$ 792,309</u>	<u>\$ 388,424</u>	<u>\$ 24,326,145</u>

Proprietary Funds:

	Water Enterprise	Internal Service	Total
Accounts	\$ 2,216,102	\$ 44,855	\$ 2,260,957
Other	-	58,279	58,279
Due from other governments	342,425	-	342,425
Net Total Receivables	<u>\$ 2,558,527</u>	<u>\$ 103,134</u>	<u>\$ 2,661,661</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010, is \$567,200 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, 2010

6. CAPITAL ASSETS:

A summary of changes in the Governmental Activities capital assets at June 30, 2010 is as follows:

Governmental Activities:	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 6,040,528	\$ 200,000	\$ -	\$ 6,240,528
Construction in progress	<u>7,353,116</u>	<u>25,022,274</u>	<u>(727,503)</u>	<u>31,647,887</u>
Total capital assets, not being depreciated	<u>13,393,644</u>	<u>25,222,274</u>	<u>(727,503)</u>	<u>37,888,415</u>
Capital assets, being depreciated:				
Buildings	32,184,156	50,796	-	32,234,952
Improvements other than buildings	6,588,689	640,281	-	7,228,970
Vehicles, machinery and equipment	9,139,542	552,528	(481,749)	9,210,321
Office furniture and equipment	4,802,571	409,800	(219,155)	4,993,216
Leased property	500,000	-	(129,600)	370,400
Infrastructure	<u>226,150,528</u>	<u>8,709,124</u>	<u>-</u>	<u>234,859,652</u>
Total capital assets, being depreciated	<u>279,365,486</u>	<u>10,362,529</u>	<u>(830,504)</u>	<u>288,897,511</u>
Less accumulated depreciation for:				
Buildings	(8,913,950)	(744,982)	-	(9,658,932)
Improvements other than buildings	(1,626,844)	(328,487)	-	(1,955,331)
Vehicles, machinery and equipment	(3,566,801)	(882,536)	404,991	(4,044,346)
Office furniture and equipment	(3,287,151)	(291,567)	218,789	(3,359,929)
Leased property	(493,931)	(6,069)	129,600	(370,400)
Infrastructure	<u>(129,381,388)</u>	<u>(5,659,046)</u>	<u>-</u>	<u>(135,040,434)</u>
Total accumulated depreciation	<u>(147,270,065)</u>	<u>(7,912,687)</u>	<u>753,380</u>	<u>(154,429,372)</u>
Total capital assets, being depreciated, net	<u>132,095,421</u>	<u>2,449,842</u>	<u>(77,124)</u>	<u>134,468,139</u>
Governmental activities capital assets, net	<u>\$145,489,065</u>	<u>\$ 27,672,116</u>	<u>\$ (804,627)</u>	<u>\$172,356,554</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

6. CAPITAL ASSETS (CONTINUED):

A summary of changes in the Business-type Activity capital assets at June 30, 2010 is as follows:

Business-type Activity:	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010
Capital assets, not being depreciated:				
Land and land rights	\$ 2,484,846	\$ -	\$ -	\$ 2,484,846
Total capital assets, not being depreciated	<u>2,484,846</u>	<u>-</u>	<u>-</u>	<u>2,484,846</u>
Capital assets, being depreciated:				
Buildings	91,579	-	-	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	39,187	(11,842)	12,536,024
Office furniture and equipment	<u>99,885</u>	<u>-</u>	<u>(1,259)</u>	<u>98,626</u>
Total capital assets, being depreciated	<u>65,607,514</u>	<u>39,187</u>	<u>(13,101)</u>	<u>65,633,600</u>
Less accumulated depreciation for:				
Buildings	(86,522)	(306)	-	(86,828)
Improvements other than buildings	(982,987)	(237,900)	-	(1,220,887)
Water distribution lines	(24,116,640)	(632,297)	-	(24,748,937)
Machinery and equipment	(7,363,580)	(421,134)	11,842	(7,772,872)
Office furniture and equipment	<u>(74,985)</u>	<u>(5,224)</u>	<u>1,259</u>	<u>(78,950)</u>
Total accumulated depreciation	<u>(32,624,714)</u>	<u>(1,296,861)</u>	<u>13,101</u>	<u>(33,908,474)</u>
Total capital assets, being depreciated, net	<u>32,982,800</u>	<u>(1,257,674)</u>	<u>-</u>	<u>31,725,126</u>
Business-type Activity capital assets, net	<u>\$ 35,467,646</u>	<u>\$ (1,257,674)</u>	<u>\$ -</u>	<u>\$ 34,209,972</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

6. CAPITAL ASSETS (CONTINUED):

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

Governmental Activities:

General government	\$ 83,629
Public safety	388,825
Public works	5,694,340
Community development	425,463
Community services	560,342
Internal service funds	<u>760,088</u>

Total depreciation expense - governmental activities \$ 7,912,687

Business-type Activity:

Water Fund	<u>\$ 1,296,861</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, 2010:

Governmental Activities:

	Balance July 1, 2009	Additions	Reductions	Deferred Bond Costs	Balance June 30, 2010	Amount Due Within One Year
Tax allocation bonds payable	\$103,195,000	\$ -	\$ 960,000	\$ -	\$102,235,000	\$ 1,160,000
Certificates of participation	6,699,671	-	835,000	(24,792)	5,889,463	860,000
Note payable	300,000	-	-	-	300,000	-
Compensated absences	1,975,868	1,529,423	1,523,461	-	1,981,830	1,704,374
Claims liabilities	<u>3,342,448</u>	<u>858,365</u>	<u>1,011,093</u>	<u>-</u>	<u>3,189,720</u>	<u>797,430</u>
Total Governmental Activities	<u>115,512,987</u>	<u>2,387,788</u>	<u>4,329,554</u>	<u>(24,792)</u>	<u>113,596,013</u>	<u>4,521,804</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

7. LONG-TERM LIABILITIES (CONTINUED):

The following is a summary of long-term liability transactions for the year ended June 30, 2010
(Continued):

Business-type Activity:

	Balance July 1, 2009	Additions	Reductions	Deferred Bond Costs	Balance June 30, 2010	Amount Due Within One Year
Certificates of participation	\$ 4,220,083	\$ -	\$ 440,000	\$ (25,992)	\$ 3,806,075	\$ 455,000
Loans payable	2,296,152	-	93,025	-	2,203,127	96,292
Compensated absences	133,957	131,994	122,700	-	143,251	143,251
Total Business-type Activity	6,650,192	131,994	655,725	(25,992)	6,152,453	694,543
City Total	<u>\$122,163,179</u>	<u>\$ 2,519,782</u>	<u>\$ 4,985,279</u>	<u>\$ (50,784)</u>	<u>\$119,748,466</u>	<u>\$ 5,216,347</u>

Governmental Activities:

The Governmental Activities long-term liability transactions at June 30, 2010 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.

\$ 29,180,000

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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

\$ 102,235,000

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

\$ 6,185,000

Less: Deferred Amounts on Advance Refunding

(295,537)

Net Amount 2008 Certificates of Participation

\$ 5,889,463

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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 which do not have any set annual debt service requirements 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, 2010 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 an 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	\$ 4,170,000
Less: Deferred Amounts on Advance Refunding	<u>(363,925)</u>
Net Amount 2008 Certificates of Participation	<u>\$ 3,806,075</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010, the calculation of the Enterprise Fund's compliance with the rate coverage covenant is as follows:

Gross revenues:	
Charges for services	\$ 12,653,468
Investment income	26,318
Other	<u>50,558</u>
Total gross revenues	<u>12,730,344</u>
Operating expenses:	
Operating expenses	11,767,975
Depreciation and amortization	(1,313,971)
Vehicle replacement charges	<u>(119,902)</u>
Total operating costs	<u>10,334,102</u>
Net revenues	<u>\$ 2,396,242</u>
Installment payments:	
Principal payments	\$ 490,165
Interest payments	<u>230,258</u>
Total installment payments	<u>\$ 720,423</u>
Net revenues to installment payment coverage ratio	<u>333%</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, 2010

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, 2010, the Enterprise Fund's capital equipment replacement reserve is as follows:

Capital equipment replacement reserve	\$ <u>450,501</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.	\$ 520,420
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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>1,682,707</u>
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Total Loans Payable	<u>\$ 2,203,127</u>
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Compensated Absences

Compensated absences which do not have any set debt service requirements are 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, 2010

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, 2010, including interest payments are as follows:

Year Ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
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	1,320,000	5,374,300	6,694,300
2016-2020	7,440,000	26,018,500	33,458,500
2021-2025	9,070,000	24,325,953	33,395,953
2026-2030	11,340,000	21,975,622	33,315,622
2031-2035	14,840,000	18,277,063	33,117,063
2036-2040	20,090,000	12,859,563	32,949,563
2041-2045	26,935,000	5,869,169	32,804,169
2046-2049	6,345,000	182,418	6,527,418
	<u>\$ 102,235,000</u>	<u>\$ 136,826,613</u>	<u>\$ 239,061,613</u>

Year Ending June 30,	Certificates of Participation Governmental and Business-type Activity		
	Principal	Interest	Total
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	760,000	278,006	1,038,006
2016-2020	3,950,000	893,131	4,843,131
2021-2024	1,945,000	182,807	2,127,807
	10,355,000	2,717,594	13,072,594
Less: deferred amounts on advance refunding	(659,462)	-	(659,462)
	<u>\$ 9,695,538</u>	<u>\$ 2,717,594</u>	<u>\$ 12,413,132</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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
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	110,543	62,145	172,688
2016-2020	613,726	249,133	862,859
2021-2025	393,733	155,145	548,878
2026-2030	468,083	79,486	547,569
2031-2033	211,113	7,496	218,609
	<u>\$ 2,203,127</u>	<u>\$ 838,573</u>	<u>\$ 3,041,700</u>

Year Ending June 30,	Grand Totals		
	Principal	Interest	Total
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	2,411,794	5,883,005	8,294,799
2015	2,190,543	5,714,451	7,904,994
2016-2020	12,003,726	27,160,764	39,164,490
2021-2025	11,408,733	24,663,905	36,072,638
2026-2030	11,808,083	22,055,108	33,863,191
2031-2035	15,051,113	18,284,559	33,335,672
2036-2040	20,090,000	12,859,563	32,949,563
2041-2045	26,935,000	5,869,169	32,804,169
2046-2049	6,345,000	182,418	6,527,418
Less: deferred amounts on advance refunding	(659,462)	-	(659,462)
	<u>\$ 114,433,665</u>	<u>\$ 140,472,780</u>	<u>\$ 254,906,445</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010, the unpaid obligation on the bonds was \$100,000 and cash and investments for bonds and interest coupons redemption of \$101,303 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 2010 totaled \$6,628,647 and pass-throughs due and payable totaled \$7,185,000 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, a cost sharing multiple employer deferred benefit 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, 2010

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 2010 was \$1,145,202 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 2010, the City's actual and contributed annual pension cost was \$1,145,202. The required contribution for the fiscal year 2010 was determined as part of the June 30, 2007 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 3.0%, (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 3.0%, 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 15 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, 2010 was 18 years for the Miscellaneous Plan.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

10. PENSION PLANS (CONTINUED):

Three-Year Trend Information for the Miscellaneous Plan:

Fiscal Year	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
6/30/08	\$ 903,729	100%	\$ -
6/30/09	1,158,258	100%	-
6/30/10	1,145,202	100%	-

Funded Status and Funding Progress:

As of June 30, 2009, the most recent actuarial valuation date, the plan was 89.4% funded. The actuarial accrued liability for benefits was \$86.3 million, and the actuarial value of assets was \$77.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.1 million, and the ratio of the UAAL to the covered payroll was 76.1%.

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 19.804% of covered payroll. The City's contributions to CalPERS for the years ended June 30, 2010, 2009 and 2008 were \$1,924,324, \$1,943,238 and \$1,755,795, 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, 2010

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, 2010, the City's payroll covered by the plan was \$1,261,705. Contributions to the plan totaled \$94,628 with employee contributions in the amount of \$75,911 (6.0% of current covered payroll) and City contributions in the amount of \$18,717 (1.5% of current covered payroll).

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.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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

a. Plan Description (Continued):

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>2010 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 (\$105 in 2010)
5 through 10	25%
11 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.

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, 2010, the City paid \$1,954,000 in health care costs for its retirees and their covered dependents. The plan does not require employee contributions.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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

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	127,713
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	5,078,713
Actual contributions made	<u>(1,954,000)</u>
Increase in net OPEB obligation	3,124,713
Net OPEB Obligation - beginning of year	<u>3,005,000</u>
 Net OPEB Obligation - end of year	 <u>\$ 6,129,713</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, 2010, the second year in which GASB Statement 45 was required to be implemented, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/09	\$ 4,951,000	\$ 1,946,000	39.3 %	\$ 3,005,000
06/30/10	5,078,713	1,954,000	38.5 %	6,129,713

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010

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, 2010

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, 2010, the Risk Management Fund had accumulated fund equity of \$4,822,440. Also, at June 30, 2010, the Compensation/Benefits Fund had a reserve for catastrophic losses of \$6,433,046, which is reported as net assets in this fund. The claims liabilities of \$1,655,221 and \$1,534,499 reported in the Risk Management and Compensation/Benefits Internal Service Funds, respectively, at June 30, 2010 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 2010 and 2009 were as follows:

	Risk Management Fund		Compensation/Benefits Fund	
	2010	2009	2010	2009
Beginning-year liability	\$ 1,477,981	\$ 1,572,376	\$ 1,864,467	\$ 2,124,928
Current-year claims and changes in estimates	424,903	775,275	433,462	425,208
Claim payments	(247,663)	(869,670)	(763,430)	(685,669)
Balance at fiscal year-end	<u>\$ 1,655,221</u>	<u>\$ 1,477,981</u>	<u>\$ 1,534,499</u>	<u>\$ 1,864,467</u>

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

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, 2010 were as follows:

	General	RDA Low and Moderate Income Housing	Housing and Community Development	Special Gas Tax and Street Improvements	Debt Service	Redevelopment Projects	Other Govt Funds	Total Govt Funds
Reserves:								
Advances to other funds	\$ -	\$ 12,145,264	\$ -	\$ -	\$ 141,643	\$ -	\$ -	\$ 12,286,907
Loans and notes receivable	-	11,130,058	850,000	-	-	-	-	11,980,058
Low and moderate income housing	-	9,015,183	-	-	-	-	-	9,015,183
Debt service	-	440,000	-	352,499	5,240,981	-	418,037	6,451,517
Prepaid items	8,006	-	-	-	-	7,121	6,787	21,914
Land held for resale	-	-	-	-	-	567,200	-	567,200
	<u>\$ 8,006</u>	<u>\$ 32,730,505</u>	<u>\$ 850,000</u>	<u>\$ 352,499</u>	<u>\$ 5,382,624</u>	<u>\$ 574,321</u>	<u>\$ 424,824</u>	<u>\$ 40,322,779</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	-	23,127,365	69,050,512	92,177,877
	<u>\$ 3,681,758</u>	<u>\$ 23,127,365</u>	<u>\$ 69,050,512</u>	<u>\$ 95,859,635</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, 2010

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, 2010, but will not be recognized as an expenditure until after July 1, 2010.

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, 2010

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES:

Deficit Fund Balances:

The following Special Revenue Funds have deficit fund balances at June 30, 2010. These deficits are 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.

Housing and Community Development	\$	530,561
Special Gas Tax and Street Improvements		7,774,140

Excess of Expenditures over Appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Governmental Funds:			
Offsite Drainage District			
Special Revenue Fund	\$ 175	\$ 245	\$ (70)

16. COMMITMENTS AND CONTINGENCIES:

Claims and Judgments:

At June 30, 2010, 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, 2010

16. COMMITMENTS AND CONTINGENCIES (CONTINUED):

Debt Contingencies:

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, 2010, the aggregate principal amount of Bonds outstanding totaled \$7,020,000.

SERAF Contingency:

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 court ruled that the SERAF obligations were not unconstitutional.

The Agency's SERAF contributions are \$12,145,264 for the fiscal year 2009-2010 and \$2,498,095 for 2010-2011.

See accompanying independent auditors' report.

CITY OF WESTMINSTER

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2010

16. COMMITMENTS AND CONTINGENCIES (CONTINUED):

SERAF Contingency (Continued):

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

Fiscal Year 2009-2010

The Agency borrowed \$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.

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**REQUIRED SUPPLEMENTARY INFORMATION
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CITY OF WESTMINSTER

SCHEDULES OF FUNDING PROGRESS

For the year ended June 30, 2010

CalPERS MISCELLANEOUS PENSION PLAN
(dollar amounts in thousands)

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)
06/30/07	\$ 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%
06/30/09	86,317	77,128	9,189	89.35%	12,075	76.10%

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

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.

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CITY OF WESTMINSTER

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the year ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 31,778,025	\$ 31,778,025	\$ 29,714,008	\$ (2,064,017)
Licenses and permits	603,800	603,800	620,236	16,436
Fines	1,128,140	1,128,140	932,334	(195,806)
Investment and rental	2,251,000	2,251,000	2,120,158	(130,842)
Intergovernmental	72,600	174,236	250,937	76,701
Charges for services	7,159,089	7,159,089	7,616,976	457,887
Other	90,649	90,649	209,326	118,677
TOTAL REVENUES	43,083,303	43,184,939	41,463,975	(1,720,964)
EXPENDITURES:				
Current:				
General government	2,036,924	2,054,924	1,931,077	123,847
Public safety	36,205,025	36,218,606	34,937,333	1,281,273
Public works	4,031,909	4,031,909	3,526,715	505,194
Community development	3,573,155	3,742,655	3,396,151	346,504
Community services	2,238,220	2,308,220	2,118,161	190,059
Capital outlay	36,930	44,985	8,055	36,930
TOTAL EXPENDITURES	48,122,163	48,401,299	45,917,492	2,483,807
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,038,860)	(5,216,360)	(4,453,517)	762,843
OTHER FINANCING SOURCES (USES):				
Sale of equipment and property	3,500	3,500	5,602	2,102
Transfers in	3,258,806	3,822,598	6,252,598	2,430,000
Transfers out	(282,336)	(357,336)	(287,336)	70,000
TOTAL OTHER FINANCING SOURCES (USES)	2,979,970	3,468,762	5,970,864	2,502,102
NET CHANGE IN FUND BALANCE	(2,058,890)	(1,747,598)	1,517,347	3,264,945
FUND BALANCE - BEGINNING OF YEAR	25,909,731	25,909,731	25,909,731	-
FUND BALANCE - END OF YEAR	\$ 23,850,841	\$ 24,162,133	\$ 27,427,078	\$ 3,264,945

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 7,117,513	\$ 7,117,513	\$ 7,256,399	\$ 138,886
Investment and rental	520,000	520,000	474,721	(45,279)
Other	-	-	385	385
TOTAL REVENUES	<u>7,637,513</u>	<u>7,637,513</u>	<u>7,731,505</u>	<u>93,992</u>
EXPENDITURES:				
Current:				
Community development	<u>1,121,967</u>	<u>1,871,967</u>	<u>960,015</u>	<u>911,952</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,515,546</u>	<u>5,765,546</u>	<u>6,771,490</u>	<u>1,005,944</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	102,783	102,783
Transfers out	<u>(1,692,579)</u>	<u>(1,692,579)</u>	<u>(1,668,443)</u>	<u>24,136</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,692,579)</u>	<u>(1,692,579)</u>	<u>(1,565,660)</u>	<u>126,919</u>
NET CHANGE IN FUND BALANCE	4,822,967	4,072,967	5,205,830	1,132,863
FUND BALANCE - BEGINNING OF YEAR	<u>27,524,675</u>	<u>27,524,675</u>	<u>27,524,675</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 32,347,642</u>	<u>\$ 31,597,642</u>	<u>\$ 32,730,505</u>	<u>\$ 1,132,863</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 2,000	\$ 2,000	\$ 1,190	\$ (810)
Investment and rental	1,600	1,600	59	(1,541)
Intergovernmental	1,804,699	1,804,699	847,707	(956,992)
Other	1,246,604	1,246,604	308,687	(937,917)
TOTAL REVENUES	<u>3,054,903</u>	<u>3,054,903</u>	<u>1,157,643</u>	<u>(1,897,260)</u>
EXPENDITURES:				
Current:				
Community development	<u>1,469,328</u>	<u>1,536,499</u>	<u>1,237,707</u>	<u>298,792</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,585,575</u>	<u>1,518,404</u>	<u>(80,064)</u>	<u>(1,598,468)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	73,960	73,960	-
Transfers out	<u>(1,581,975)</u>	<u>(1,581,975)</u>	<u>(1,581,975)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,581,975)</u>	<u>(1,508,015)</u>	<u>(1,508,015)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,600	10,389	(1,588,079)	(1,598,468)
FUND BALANCE - BEGINNING OF YEAR	<u>1,057,518</u>	<u>1,057,518</u>	<u>1,057,518</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,061,118</u>	<u>\$ 1,067,907</u>	<u>\$ (530,561)</u>	<u>\$ (1,598,468)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,592,500	\$ 2,592,500	\$ 2,487,757	\$ (104,743)
Investment and rental	105,000	105,000	20,652	(84,348)
Intergovernmental	3,783,628	3,783,628	3,097,771	(685,857)
Charges for services	100,000	100,000	17,904	(82,096)
Other	813,214	813,214	18,348	(794,866)
TOTAL REVENUES	<u>7,394,342</u>	<u>7,394,342</u>	<u>5,642,432</u>	<u>(1,751,910)</u>
EXPENDITURES:				
Current:				
Community development	2,821,406	2,821,406	2,488,052	333,354
Debt service:				
Principal retirement	269,285	269,285	269,285	-
Interest and fiscal charges	83,214	83,214	83,214	-
TOTAL EXPENDITURES	<u>3,173,905</u>	<u>3,173,905</u>	<u>2,840,551</u>	<u>333,354</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,220,437</u>	<u>4,220,437</u>	<u>2,801,881</u>	<u>(1,418,556)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,062,583	1,062,583	-
Transfers out	(4,507,120)	(4,507,120)	(4,507,120)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,507,120)</u>	<u>(3,444,537)</u>	<u>(3,444,537)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(286,683)	775,900	(642,656)	(1,418,556)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(7,131,484)</u>	<u>(7,131,484)</u>	<u>(7,131,484)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (7,418,167)</u>	<u>\$ (6,355,584)</u>	<u>\$ (7,774,140)</u>	<u>\$ (1,418,556)</u>

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

CITY OF WESTMINSTER

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

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, 2010

	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
ASSETS				
Cash and investments	\$ 590,573	\$ 357,800	\$ 1,870,102	\$ 505,532
Receivables, net of allowance:				
Taxes	-	-	23,549	-
Due from other governments	-	336,510	-	28,365
Prepaid items	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
TOTAL ASSETS	<u>\$ 590,573</u>	<u>\$ 694,310</u>	<u>\$ 1,893,651</u>	<u>\$ 533,897</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and other liabilities	\$ -	\$ 75,167	\$ 2,381	\$ 46,870
Deposits	-	29,909	-	-
TOTAL LIABILITIES	<u>-</u>	<u>105,076</u>	<u>2,381</u>	<u>46,870</u>
FUND BALANCES:				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	167,215	-	-
Unreserved - undesignated	590,573	422,019	1,891,270	487,027
TOTAL FUND BALANCES	<u>590,573</u>	<u>589,234</u>	<u>1,891,270</u>	<u>487,027</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 590,573</u>	<u>\$ 694,310</u>	<u>\$ 1,893,651</u>	<u>\$ 533,897</u>

See accompanying independent auditors' report.

Offsite Drainage District	Community Promotion	Totals
\$ 115,437	\$ 1,650,212	\$ 5,089,656
-	-	23,549
-	-	364,875
-	6,787	6,787
-	7	7
<u>\$ 115,437</u>	<u>\$ 1,657,006</u>	<u>\$ 5,484,874</u>
\$ -	\$ 13,919	\$ 138,337
-	-	29,909
-	13,919	168,246
-	6,787	6,787
-	250,822	418,037
115,437	1,385,478	4,891,804
<u>115,437</u>	<u>1,643,087</u>	<u>5,316,628</u>
<u>\$ 115,437</u>	<u>\$ 1,657,006</u>	<u>\$ 5,484,874</u>

CITY OF WESTMINSTER

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

For the year ended June 30, 2010

	Parks Dedication	Special Police Services	Municipal Lighting	Other Grants
REVENUES:				
Taxes	\$ -	\$ -	\$ 843,879	\$ -
Investment and rental	51,297	28,050	65,127	13,452
Intergovernmental	44,973	655,604	-	520,611
Charges for services	390,369	132,435	-	-
Other	-	99,373	-	17,147
TOTAL REVENUES	486,639	915,462	909,006	551,210
EXPENDITURES:				
Current:				
General government	-	-	-	77,878
Public safety	-	1,057,482	-	-
Community development	24,332	-	765,162	174,664
Community services	-	-	-	252,562
Debt service:				
Principal retirement	-	127,740	-	-
Interest and fiscal charges	-	39,578	-	-
TOTAL EXPENDITURES	24,332	1,224,800	765,162	505,104
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	462,307	(309,338)	143,844	46,106
OTHER FINANCING SOURCES (USES):				
Transfers in	36,841	452,780	-	-
Transfers out	(27,920)	-	-	(13,647)
TOTAL OTHER FINANCING SOURCES (USES)	8,921	452,780	-	(13,647)
NET CHANGE IN FUND BALANCES	471,228	143,442	143,844	32,459
FUND BALANCES - BEGINNING OF YEAR	119,345	445,792	1,747,426	454,568
FUND BALANCES - END OF YEAR	\$ 590,573	\$ 589,234	\$ 1,891,270	\$ 487,027

See accompanying independent auditors' report.

Offsite Drainage District	Community Promotion	Totals
\$ -	\$ 516,854	\$ 1,360,733
3,670	47,089	208,685
-	-	1,221,188
1,227	722	524,753
-	36,214	152,734
<u>4,897</u>	<u>600,879</u>	<u>3,468,093</u>
-	-	77,878
-	-	1,057,482
245	271,957	1,236,360
-	144	252,706
-	191,611	319,351
-	59,211	98,789
<u>245</u>	<u>522,923</u>	<u>3,042,566</u>
<u>4,652</u>	<u>77,956</u>	<u>425,527</u>
-	-	489,621
-	-	(41,567)
-	-	448,054
4,652	77,956	873,581
110,785	1,565,131	4,443,047
<u>\$ 115,437</u>	<u>\$ 1,643,087</u>	<u>\$ 5,316,628</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 45,000	\$ 45,000	\$ 51,297	\$ 6,297
Intergovernmental	-	-	44,973	44,973
Charges for services	27,920	27,920	390,369	362,449
TOTAL REVENUES	72,920	72,920	486,639	413,719
EXPENDITURES:				
Current:				
Community development	3,646	25,646	24,332	1,314
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	69,274	47,274	462,307	415,033
OTHER FINANCING SOURCES (USES):				
Transfers in	-	36,841	36,841	-
Transfers out	(27,920)	(27,920)	(27,920)	-
TOTAL OTHER FINANCING SOURCES (USES)	(27,920)	8,921	8,921	-
NET CHANGE IN FUND BALANCE	41,354	56,195	471,228	415,033
FUND BALANCE - BEGINNING OF YEAR	119,345	119,345	119,345	-
FUND BALANCE - END OF YEAR	\$ 160,699	\$ 175,540	\$ 590,573	\$ 415,033

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 30,080	\$ 30,080	\$ 28,050	\$ (2,030)
Intergovernmental	420,348	1,329,286	655,604	(673,682)
Charges for services	132,500	132,500	132,435	(65)
Other	-	-	99,373	99,373
TOTAL REVENUES	<u>582,928</u>	<u>1,491,866</u>	<u>915,462</u>	<u>(576,404)</u>
EXPENDITURES:				
Current:				
Public safety	824,147	1,650,273	1,057,482	592,791
Capital outlay	9,909	66,139	-	66,139
Debt service:				
Principal retirement	127,740	127,740	127,740	-
Interest and fiscal charges	39,974	39,974	39,578	396
TOTAL EXPENDITURES	<u>1,001,770</u>	<u>1,884,126</u>	<u>1,224,800</u>	<u>659,326</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(418,842)	(392,260)	(309,338)	82,922
OTHER FINANCING SOURCES:				
Transfers in	452,780	452,780	452,780	-
NET CHANGE IN FUND BALANCE	33,938	60,520	143,442	82,922
FUND BALANCE - BEGINNING OF YEAR	<u>445,792</u>	<u>445,792</u>	<u>445,792</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 479,730</u>	<u>\$ 506,312</u>	<u>\$ 589,234</u>	<u>\$ 82,922</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 873,500	\$ 873,500	\$ 843,879	\$ (29,621)
Investment and rental	50,000	50,000	65,127	15,127
TOTAL REVENUES	<u>923,500</u>	<u>923,500</u>	<u>909,006</u>	<u>(14,494)</u>
EXPENDITURES:				
Current:				
Community development	<u>828,357</u>	<u>828,357</u>	<u>765,162</u>	<u>63,195</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	95,143	95,143	143,844	48,701
FUND BALANCE - BEGINNING OF YEAR	<u>1,747,426</u>	<u>1,747,426</u>	<u>1,747,426</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,842,569</u>	<u>\$ 1,842,569</u>	<u>\$ 1,891,270</u>	<u>\$ 48,701</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 14,000	\$ 14,000	\$ 13,452	\$ (548)
Intergovernmental	512,501	512,501	520,611	8,110
Other	45,750	45,750	17,147	(28,603)
TOTAL REVENUES	572,251	572,251	551,210	(21,041)
EXPENDITURES:				
Current:				
General government	80,101	80,101	77,878	2,223
Community development	205,038	205,038	174,664	30,374
Community services	266,835	259,835	252,562	7,273
Capital outlay	13,647	7,000	-	7,000
TOTAL EXPENDITURES	565,621	551,974	505,104	46,870
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,630	20,277	46,106	25,829
OTHER FINANCING SOURCES (USES):				
Transfers in	28,000	28,000	-	(28,000)
Transfers out	(28,000)	(41,647)	(13,647)	28,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(13,647)	(13,647)	-
NET CHANGE IN FUND BALANCE	6,630	6,630	32,459	25,829
FUND BALANCE - BEGINNING OF YEAR	454,568	454,568	454,568	-
FUND BALANCE - END OF YEAR	\$ 461,198	\$ 461,198	\$ 487,027	\$ 25,829

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment and rental	\$ 3,500	\$ 3,500	\$ 3,670	\$ 170
Charges for services	-	-	1,227	1,227
TOTAL REVENUES	<u>3,500</u>	<u>3,500</u>	<u>4,897</u>	<u>1,397</u>
EXPENDITURES:				
Current:				
Community development	<u>175</u>	<u>175</u>	<u>245</u>	<u>(70)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,325	3,325	4,652	1,327
FUND BALANCE - BEGINNING OF YEAR	<u>110,785</u>	<u>110,785</u>	<u>110,785</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 114,110</u>	<u>\$ 114,110</u>	<u>\$ 115,437</u>	<u>\$ 1,327</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 475,000	\$ 475,000	\$ 516,854	\$ 41,854
Investment and rental	37,000	37,000	47,089	10,089
Charges for services	-	-	722	722
Other	12,000	12,000	36,214	24,214
TOTAL REVENUES	524,000	524,000	600,879	76,879
EXPENDITURES:				
Current:				
Community development	296,845	299,345	271,957	27,388
Community services	-	-	144	(144)
Debt service:				
Principal retirement	191,611	191,611	191,611	-
Interest and fiscal charges	59,211	59,211	59,211	-
TOTAL EXPENDITURES	547,667	550,167	522,923	27,244
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,667)	(26,167)	77,956	104,123
FUND BALANCE - BEGINNING OF YEAR	1,565,131	1,565,131	1,565,131	-
FUND BALANCE - END OF YEAR	<u>\$ 1,541,464</u>	<u>\$ 1,538,964</u>	<u>\$ 1,643,087</u>	<u>\$ 104,123</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 28,473,052	\$ 28,473,052	\$ 29,025,595	\$ 552,543
Investment and rental	80,000	80,000	251,769	171,769
TOTAL REVENUES	<u>28,553,052</u>	<u>28,553,052</u>	<u>29,277,364</u>	<u>724,312</u>
EXPENDITURES:				
Current:				
General government	9,042,374	21,187,638	20,565,452	622,186
Debt service:				
Principal retirement	960,000	960,000	960,000	-
Interest and fiscal charges	6,166,506	6,166,506	6,177,138	(10,632)
TOTAL EXPENDITURES	<u>16,168,880</u>	<u>28,314,144</u>	<u>27,702,590</u>	<u>611,554</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,384,172</u>	<u>238,908</u>	<u>1,574,774</u>	<u>1,335,866</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	435,261	435,261	435,261	-
Transfers out	(18,000,000)	(18,000,000)	(18,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,564,739)</u>	<u>(17,564,739)</u>	<u>(17,564,739)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,180,567)	(17,325,831)	(15,989,965)	1,335,866
FUND BALANCE - BEGINNING OF YEAR	<u>25,462,648</u>	<u>25,462,648</u>	<u>25,462,648</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,282,081</u>	<u>\$ 8,136,817</u>	<u>\$ 9,472,683</u>	<u>\$ 1,335,866</u>

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, 2010

	Risk Management	Compensation/ Benefits
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 6,063,855	\$ 7,773,068
Accounts receivable	-	-
Other receivables	-	58,279
Prepaid items	-	16,634
Inventories	-	-
TOTAL CURRENT ASSETS	6,063,855	7,847,981
RESTRICTED ASSETS:		
Cash and investments	453,331	2,035,103
NONCURRENT ASSETS:		
Deferred bond charges	-	-
CAPITAL ASSETS:		
Buildings	-	-
Improvements other than buildings	-	-
Vehicles	-	-
Machinery and equipment	-	-
Office furniture, computers and equipment	-	-
Leased property	-	-
Construction in progress	-	-
TOTAL CAPITAL ASSETS	-	-
Less accumulated depreciation	-	-
NET CAPITAL ASSETS	-	-
TOTAL ASSETS	6,517,186	9,883,084

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 3,311,744	\$ 339,938	\$ 17,488,605
44,855	-	44,855
-	-	58,279
30,409	-	47,043
46,036	-	46,036
<u>3,433,044</u>	<u>339,938</u>	<u>17,684,818</u>
<u>196,594</u>	<u>270,675</u>	<u>2,955,703</u>
<u>10,885</u>	<u>82,718</u>	<u>93,603</u>
-	4,243,926	4,243,926
585,555	12,500	598,055
4,135,795	-	4,135,795
225,395	29,899	255,294
1,758,122	336,925	2,095,047
370,400	-	370,400
173,241	-	173,241
<u>7,248,508</u>	<u>4,623,250</u>	<u>11,871,758</u>
<u>(3,298,019)</u>	<u>(1,284,194)</u>	<u>(4,582,213)</u>
<u>3,950,489</u>	<u>3,339,056</u>	<u>7,289,545</u>
<u>7,591,012</u>	<u>4,032,387</u>	<u>28,023,669</u>

(Continued)

CITY OF WESTMINSTER

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
(CONTINUED)

June 30, 2010

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other liabilities	\$ 39,525	\$ 29,384
Claims payable	413,805	383,625
Compensated absences	-	1,622,093
Certificates of participation	-	-
	<u>453,330</u>	<u>2,035,102</u>
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES:		
Claims payable	1,241,416	1,150,874
Compensated absences	-	264,062
Certificates of participation	-	-
	<u>1,241,416</u>	<u>1,414,936</u>
TOTAL LONG-TERM LIABILITIES		
	<u>1,694,746</u>	<u>3,450,038</u>
TOTAL LIABILITIES		
NET ASSETS:		
Invested in capital assets, net of related debt	-	-
Unrestricted	4,822,440	6,433,046
	<u>4,822,440</u>	<u>6,433,046</u>
TOTAL NET ASSETS		

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 108,078	\$ 30,548	\$ 207,535
-	-	797,430
59,871	22,410	1,704,374
28,646	217,718	246,364
<u>196,595</u>	<u>270,676</u>	<u>2,955,703</u>
-	-	2,392,290
9,746	3,648	277,456
171,468	1,111,495	1,282,963
<u>181,214</u>	<u>1,115,143</u>	<u>3,952,709</u>
<u>377,809</u>	<u>1,385,819</u>	<u>6,908,412</u>
3,750,375	2,009,843	5,760,218
3,462,828	636,725	15,355,039
<u>\$ 7,213,203</u>	<u>\$ 2,646,568</u>	<u>\$ 21,115,257</u>

CITY OF WESTMINSTER

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

For the year ended June 30, 2010

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
OPERATING REVENUES:		
Charges for services	\$ 1,792,745	\$ 13,962,000
Other	<u>157,512</u>	<u>317,154</u>
TOTAL OPERATING REVENUES	<u>1,950,257</u>	<u>14,279,154</u>
OPERATING EXPENSES:		
Salaries	-	4,103,850
Maintenance and operations	481,492	1,298,022
Insurance premiums and legal fees	914,091	2,357,909
Claims and benefits	424,903	5,469,053
Depreciation and amortization	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>1,820,486</u>	<u>13,228,834</u>
OPERATING INCOME	<u>129,771</u>	<u>1,050,320</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)	<u>-</u>	<u>-</u>
NET INCOME BEFORE TRANSFERS	<u>129,771</u>	<u>1,050,320</u>
TRANSFERS:		
Transfers in	-	-
Transfers out	<u>(167,171)</u>	<u>-</u>
TOTAL TRANSFERS	<u>(167,171)</u>	<u>-</u>
CHANGE IN NET ASSETS	(37,400)	1,050,320
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>4,859,840</u>	<u>5,382,726</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 4,822,440</u>	<u>\$ 6,433,046</u>

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 3,505,277	\$ 1,659,974	\$ 20,919,996
127,730	80,328	682,724
<u>3,633,007</u>	<u>1,740,302</u>	<u>21,602,720</u>
1,061,575	544,188	5,709,613
1,463,604	799,100	4,042,218
-	-	3,272,000
-	-	5,893,956
<u>643,658</u>	<u>123,496</u>	<u>767,154</u>
<u>3,168,837</u>	<u>1,466,784</u>	<u>19,684,941</u>
<u>464,170</u>	<u>273,518</u>	<u>1,917,779</u>
182,152	54,279	236,431
(9,885)	(91,203)	(101,088)
<u>(3,837)</u>	<u>-</u>	<u>(3,837)</u>
<u>168,430</u>	<u>(36,924)</u>	<u>131,506</u>
<u>632,600</u>	<u>236,594</u>	<u>2,049,285</u>
859,516	5,000	864,516
<u>(650,675)</u>	<u>(75,000)</u>	<u>(892,846)</u>
<u>208,841</u>	<u>(70,000)</u>	<u>(28,330)</u>
841,441	166,594	2,020,955
<u>6,371,762</u>	<u>2,479,974</u>	<u>19,094,302</u>
<u>\$ 7,213,203</u>	<u>\$ 2,646,568</u>	<u>\$ 21,115,257</u>

CITY OF WESTMINSTER

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2010

	<u>Risk Management</u>	<u>Compensation/ Benefits</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customer	\$ 1,961,199	\$ 14,279,294
Payment to suppliers	(1,628,068)	(9,445,862)
Payment to employees	-	(4,103,363)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>333,131</u>	<u>730,069</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	-	-
Cash paid to other funds	(167,171)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(167,171)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	-
Proceeds from sale of assets	-	-
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 IN CASH AND CASH EQUIVALENTS	165,960	730,069
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>6,351,226</u>	<u>9,078,102</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,517,186</u>	<u>\$ 9,808,171</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 129,771	\$ 1,050,320
Depreciation and amortization	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	10,942	40
(Increase) decrease in prepaid charges	-	(16,634)
(Increase) decrease in inventories	-	-
Increase (decrease) in accounts payable and other liabilities	15,178	26,798
Increase (decrease) in claims payable	177,240	(329,968)
Increase (decrease) in compensated absences payable	-	(487)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 333,131</u>	<u>\$ 730,069</u>

See accompanying independent auditors' report.

<u>Motor Pool/ Equipment</u>	<u>Facilities/ Maintenance</u>	<u>Totals</u>
\$ 3,633,657	\$ 1,746,996	\$ 21,621,146
(1,465,743)	(878,822)	(13,418,495)
<u>(1,056,777)</u>	<u>(542,537)</u>	<u>(5,702,677)</u>
<u>1,111,137</u>	<u>325,637</u>	<u>2,499,974</u>
859,516	5,000	864,516
<u>(650,675)</u>	<u>(75,000)</u>	<u>(892,846)</u>
<u>208,841</u>	<u>(70,000)</u>	<u>(28,330)</u>
(852,846)	-	(852,846)
77,588	-	77,588
(28,646)	(217,718)	(246,364)
<u>(9,781)</u>	<u>(66,735)</u>	<u>(76,516)</u>
<u>(813,685)</u>	<u>(284,453)</u>	<u>(1,098,138)</u>
182,152	54,279	236,431
688,445	25,463	1,609,937
<u>2,818,893</u>	<u>585,150</u>	<u>18,833,371</u>
<u>\$ 3,507,338</u>	<u>\$ 610,613</u>	<u>\$ 20,443,308</u>
\$ 464,170	\$ 273,518	\$ 1,917,779
643,658	123,496	767,154
650	6,694	18,326
(28,804)	1,216	(44,222)
4,730	-	4,730
21,935	(80,938)	(17,027)
-	-	(152,728)
4,798	1,651	5,962
<u>\$ 1,111,137</u>	<u>\$ 325,637</u>	<u>\$ 2,499,974</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, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS:				
Restricted cash and investments	<u>\$ 98,323</u>	<u>\$ 42,645</u>	<u>\$ 39,665</u>	<u>\$ 101,303</u>
LIABILITIES:				
Due to bondholders	<u>\$ 98,323</u>	<u>\$ 42,645</u>	<u>\$ 39,665</u>	<u>\$ 101,303</u>

See accompanying independent auditors' report.

**STATISTICAL SECTION
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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2010

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 Eight 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:	\$ 147,991,259	\$ 156,526,172	\$ 172,915,724	\$ 198,231,094
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:	\$ 34,520,238	\$ 34,553,312	\$ 35,072,740	\$ 34,460,756
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:	\$ 182,511,497	\$ 191,079,484	\$ 207,988,464	\$ 232,691,850

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	2010
\$ 93,264,276	\$ 97,870,305	\$ 100,104,347	\$ 110,907,656
62,906,004	78,051,423	99,106,443	93,992,126
64,244,252	71,423,945	63,917,681	57,608,312
<u>\$ 220,414,532</u>	<u>\$ 247,345,673</u>	<u>\$ 263,128,471</u>	<u>\$ 262,508,094</u>
\$ 31,234,034	\$ 30,019,525	\$ 28,951,409	\$ 28,200,770
367,355	380,756	335,645	113,911
1,872,906	1,093,307	2,017,567	3,408,574
<u>\$ 33,474,295</u>	<u>\$ 31,493,588</u>	<u>\$ 31,304,621</u>	<u>\$ 31,723,255</u>
\$ 124,498,310	\$ 127,889,830	\$ 129,055,756	\$ 139,108,426
63,273,359	78,432,179	99,442,088	94,106,037
66,117,158	72,517,252	65,935,248	61,016,886
<u>\$ 253,888,827</u>	<u>\$ 278,839,261</u>	<u>\$ 294,433,092</u>	<u>\$ 294,231,349</u>

CITY OF WESTMINSTER

CHANGES IN NET ASSETS
EXPENSES AND PROGRAM REVENUES

Last Eight 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	<u>8,871,713</u>	<u>10,077,883</u>	<u>10,675,044</u>	<u>11,145,539</u>
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	<u>9,489,236</u>	<u>10,162,780</u>	<u>10,329,216</u>	<u>10,091,120</u>
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	<u>617,523</u>	<u>84,897</u>	<u>(345,828)</u>	<u>(1,054,419)</u>
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	2010
\$ 7,867,505	\$ 8,529,466	\$ 9,175,952	\$ 21,035,330
36,299,935	34,981,171	37,564,132	34,651,434
9,276,287	10,149,119	10,263,012	9,785,307
12,185,104	12,502,817	12,693,678	13,628,986
2,883,655	2,873,862	3,050,217	3,299,613
2,229,851	2,728,406	2,812,049	6,027,294
<u>70,742,337</u>	<u>71,764,841</u>	<u>75,559,040</u>	<u>88,427,964</u>
<u>12,084,948</u>	<u>12,112,328</u>	<u>12,215,154</u>	<u>11,910,470</u>
<u>12,084,948</u>	<u>12,112,328</u>	<u>12,215,154</u>	<u>11,910,470</u>
<u>82,827,285</u>	<u>83,877,169</u>	<u>87,774,194</u>	<u>100,338,434</u>
770,204	931,322	859,442	871,954
2,693,966	2,510,083	2,949,945	3,178,152
661,371	710,098	684,585	1,104,193
1,839,972	2,056,317	1,677,390	1,707,098
260,998	323,492	353,094	394,655
6,673,336	8,170,763	8,990,834	7,167,620
4,887,888	3,824,058	410,664	1,277,811
<u>17,787,735</u>	<u>18,526,133</u>	<u>15,925,954</u>	<u>15,701,483</u>
<u>10,673,586</u>	<u>10,866,749</u>	<u>11,190,581</u>	<u>12,704,027</u>
<u>10,673,586</u>	<u>10,866,749</u>	<u>11,190,581</u>	<u>12,704,027</u>
<u>28,461,321</u>	<u>29,392,882</u>	<u>27,116,535</u>	<u>28,405,510</u>
(52,954,602)	(53,238,708)	(59,633,086)	(72,726,481)
(1,411,362)	(1,245,579)	(1,024,573)	793,557
<u>(54,365,964)</u>	<u>(54,484,287)</u>	<u>(60,657,659)</u>	<u>(71,932,924)</u>

CITY OF WESTMINSTER

CHANGES IN NET ASSETS
GENERAL REVENUES

Last Eight 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	2010
\$ 16,537,117	\$ 16,182,971	\$ 13,238,135	\$ 12,212,474
44,158,452	47,114,786	48,096,950	47,264,839
5,398,058	5,431,551	5,478,092	5,010,797
535,896	411,655	319,341	274,349
3,034,760	2,908,715	3,098,184	2,825,328
5,754,628	7,295,177	5,926,914	3,949,401
-	-	-	-
<u>(280,871)</u>	<u>824,994</u>	<u>(741,732)</u>	<u>568,916</u>
<u>75,138,040</u>	<u>80,169,849</u>	<u>75,415,884</u>	<u>72,106,104</u>
144,030	89,866	47,566	26,318
-	-	46,308	167,675
<u>280,871</u>	<u>(824,994)</u>	<u>741,732</u>	<u>(568,916)</u>
<u>424,901</u>	<u>(735,128)</u>	<u>835,606</u>	<u>(374,923)</u>
<u>75,562,941</u>	<u>79,434,721</u>	<u>76,251,490</u>	<u>71,731,181</u>
22,183,438	26,931,141	15,782,798	(620,377)
<u>(986,461)</u>	<u>(1,980,707)</u>	<u>(188,967)</u>	<u>418,634</u>
<u>\$ 21,196,977</u>	<u>\$ 24,950,434</u>	<u>\$ 15,593,831</u>	<u>\$ (201,743)</u>

CITY OF WESTMINSTER

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Eight 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 eight years of data for this schedule.

Fiscal Year Ended June 30,			
2007	2008	2009	2010
\$ 439,516	\$ 178,817	\$ 71,467	\$ 8,006
<u>23,542,289</u>	<u>26,769,605</u>	<u>25,838,264</u>	<u>27,419,072</u>
<u>\$ 23,981,805</u>	<u>\$ 26,948,422</u>	<u>\$ 25,909,731</u>	<u>\$ 27,427,078</u>
\$ 39,922,224	\$ 46,499,980	\$ 36,271,246	\$ 40,314,773
(2,081,224)	1,025,637	(3,258,634)	(4,615,396)
-	-	19,877,443	4,090,059
<u>52,855,976</u>	<u>61,134,734</u>	<u>134,679,128</u>	<u>117,835,083</u>
<u>\$ 90,696,976</u>	<u>\$ 108,660,351</u>	<u>\$ 187,569,183</u>	<u>\$ 157,624,519</u>

CITY OF WESTMINSTER

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Eight 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	(25,968,650)	(23,897,738)	(19,949,775)	(23,880,599)
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%	6.7%	12.0%	12.1%

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

Source: City Finance Department

Fiscal Year Ended June 30,				
2007	2008	2009	2010	
\$ 73,577,733	\$ 74,944,551	\$ 72,937,249	\$ 69,844,492	
673,474	788,416	541,564	620,236	
1,122,580	1,163,930	1,204,324	933,524	
6,333,700	7,940,173	6,576,597	4,484,131	
7,086,980	8,796,697	6,681,802	5,523,241	
6,731,530	7,182,259	7,147,861	8,159,633	
637,458	411,497	600,436	699,080	
<u>96,163,455</u>	<u>101,227,523</u>	<u>95,689,833</u>	<u>90,264,337</u>	
8,691,822	9,889,172	10,202,999	22,574,407	
33,692,840	34,862,431	35,678,439	35,994,815	
3,704,058	3,963,226	3,894,763	3,526,715	
10,118,124	11,488,332	11,387,018	11,479,112	
2,181,583	2,327,286	2,345,372	2,370,867	
8,712,611	10,481,427	18,211,162	35,440,808	
4,512,892	1,494,041	567,487	1,548,636	
2,071,102	2,901,203	998,797	6,359,141	
-	-	-	-	
-	2,038,705	4,684,354	-	
<u>73,685,032</u>	<u>79,445,823</u>	<u>87,970,391</u>	<u>119,294,501</u>	
<u>22,478,423</u>	<u>21,781,700</u>	<u>7,719,442</u>	<u>(29,030,164)</u>	
1,679	15,660	6,034	5,602	
-	-	73,055,000	-	
-	35,656,258	-	-	
-	(37,132,228)	-	-	
22,073,375	41,091,464	44,647,832	34,907,052	
<u>(27,304,597)</u>	<u>(40,482,862)</u>	<u>(47,558,167)</u>	<u>(34,309,807)</u>	
<u>(5,229,543)</u>	<u>(851,708)</u>	<u>70,150,699</u>	<u>602,847</u>	
<u>\$ 17,248,880</u>	<u>\$ 20,929,992</u>	<u>\$ 77,870,141</u>	<u>\$ (28,427,317)</u>	
9.7%	6.1%	2.2%	9.3%	

CITY OF WESTMINSTER

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City Direct Rate:										
City basic rate	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09340	0.09443	0.17142
Redevelopment agency	0.13720	0.21929	0.26190	0.31095	0.35554	0.39537	0.44615	0.47658	0.48403	0.39240
Total City Direct Rate	0.23060	0.31269	0.35530	0.40435	0.44894	0.48877	0.53955	0.56998	0.57846	0.56382
Overlapping Rates:										
Special Districts	0.05281	0.05171	0.05071	0.05011	0.04981	0.04921	0.04871	0.44000	0.04400	0.04300
County of Orange	0.15285	0.15285	0.15285	0.15285	0.15285	0.15285	0.15285	0.15250	0.15277	0.15277
School Districts	0.70974	0.70974	0.70974	0.71025	0.76727	0.75058	0.74778	0.71000	0.70980	0.70980
Total Direct Rate	1.00880	1.00770	1.00670	1.00661	1.06333	1.04604	1.04274	1.39590	1.00100	1.07699

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	2010		2001	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Retail Property Trust	\$ 97,628,151	1.46%	\$ 105,343,749	2.13%
WRI Golden State South	38,316,418	0.57%	-	0.00%
PKI Pavilions Place	37,057,805	0.55%	-	0.00%
Dayton-Hudson Corporation	31,313,934	0.47%	-	0.00%
Asian Garden Limited	30,888,343	0.46%	19,853,144	0.40%
CPII Park Lane LLC	28,098,198	0.42%	-	0.00%
WRI Golden State LLC	27,555,790	0.41%	-	0.00%
Avalon Center at Garden Grove	26,167,792	0.39%	-	0.00%
Mary Warne-Parks Trust-Bolsa-Bushard	25,927,281	0.39%	16,520,554	0.33%
Delma Corporation	20,522,391	0.31%	15,300,177	0.31%
BPP Golden State Acquisitions	-	0.00%	55,694,357	1.13%
Mitsui-SBD American Fund	-	0.00%	23,066,160	0.47%
CMF, Inc.	-	0.00%	17,936,008	0.36%
California Drive-In Theaters	-	0.00%	27,526,274	0.56%
M. Westland LLC	-	0.00%	12,475,031	0.25%
Dover Two	-	0.00%	11,473,558	0.23%
	<u>\$ 363,476,103</u>	<u>5.43%</u>	<u>\$ 305,189,012</u>	<u>6.17%</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
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%
2010	2,474,260	2,448,073	98.94%	n/a	2,448,073	98.94%

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.

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	
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
2010	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
\$ 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%
6,475,021,589	223,131,714	85,047,489	6,613,105,814	0.56382%

CITY OF WESTMINSTER

WATER CUSTOMERS

Current Year and Nine Years Ago

Water Customer	2010		2001	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
City of Westminster	\$ 169,712	19.39%	\$ 146,817	19.38%
Arnel Management	139,905	15.99%	140,677	18.57%
Huntington Beach Union High School	110,030	12.57%	48,010	6.34%
Westminster School District	106,990	12.22%	90,428	11.93%
Garden Grove Unified	74,016	8.46%	41,447	5.47%
Mission Del Amo Mobile Home Park	70,595	8.07%	42,583	5.62%
Westminster Village HOA	56,799	6.49%	-	0.00%
Pembrook Management Inc.	55,433	6.33%	78,810	10.40%
Tres Vidas Apartments	46,737	5.34%	-	0.00%
Park Lane Town Home	44,982	5.14%	-	0.00%
Los Alisos	-	0.00%	81,176	10.71%
HMR Property Management Co.	-	0.00%	45,319	5.98%
Prado Verde Estates	-	0.00%	42,473	5.61%
Total	<u>\$ 875,199</u>		<u>\$ 757,740</u>	

Source: City of Westminster

CITY OF WESTMINSTER

WATER RATES

Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Monthly Base Rate</u>	<u>Rate per 1,000 Gallons</u>
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
2010	5.78	1.97

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	
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
2010	10,159,526	122,059	2,027,216	-	111,499	12,420,300

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	
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
2010	102,235,000	5,889,463	300,000	-	108,424,463

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

Business-type Activities					
Certificates of Participation	Loans Payable	Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt per Capita
\$ 4,406,815	\$ 857,906	\$ 5,264,721	\$ 59,507,742	5.46%	\$ 662
4,297,883	2,866,358	7,164,241	56,454,522	5.05%	629
4,183,950	4,566,670	8,750,620	56,243,317	4.78%	620
4,065,018	4,417,041	8,482,059	60,401,222	4.81%	660
3,936,086	4,157,757	8,093,843	58,332,534	4.38%	632
3,802,154	3,886,724	7,688,878	53,412,097	3.71%	577
3,663,223	3,604,845	7,268,068	48,300,815	3.14%	520
4,619,091	2,386,023	7,005,114	44,924,993	2.90%	483
4,220,083	2,296,152	6,516,235	116,710,906	n/a	1,251
3,806,075	2,203,127	6,009,202	114,433,665	n/a	1,214

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		
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%	-
2010	-	-	-	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, 2010

City Assessed Valuation	\$ 6,698,153,303
Redevelopment Agency Incremental Valuation	<u>(3,529,088,645)</u>
Total Assessed Valuation	<u>\$ 3,169,064,658</u>

	Percentage Applicable (1)	Outstanding Debt 6/30/10	Estimated Share of Overlapping Debt
<u>Overlapping Debt Repaid with Property Taxes:</u>			
Metropolitan Water District	0.174%	\$ 264,220,000	\$ 459,743
Coast Community College District	3.612%	334,718,867	12,090,045
Westminster School District	45.104%	34,995,681	15,784,452
Huntington Beach Union High School District	6.893%	229,759,998	15,837,357
City of Westminster 1915 Act Bonds	100.000%	100,000	100,000
Total overlapping debt repaid with property taxes		<u>\$ 863,794,546</u>	<u>\$ 44,271,597</u>
<u>Overlapping Other Debt:</u>			
Orange County General Fund Obligations	0.846%	\$ 391,027,000	\$ 3,308,088
Orange County Pension Obligations	0.846%	59,333,382	501,960
Orange County Board of Education Certificates of Participation	0.846%	19,230,000	162,686
Municipal Water District of Orange County Water Facilities Corporation	0.995%	15,965,000	158,852
Huntington Beach Union High School District Certificates of Participation	6.893%	59,846,090	4,125,191
Ocean View School District Certificates of Participation	2.900%	6,875,000	199,375
Westminster School District Certificates of Participation	45.104%	24,545,000	11,070,777
City of Westminster Certificates of Participation	100.000%	6,185,000	6,185,000
Orange County Fire Authority	1.650%	3,590,000	59,235
Total gross overlapping other debt		<u>\$ 586,596,472</u>	<u>25,771,164</u>
Less: MWDOC Water Facilities Corporation (100% self-supporting)			<u>158,852</u>
Total net overlapping other debt			<u>\$ 25,612,312</u>
City direct debt			<u>\$ 44,271,597</u>
Gross total direct and overlapping debt (2)			<u>\$ 70,042,761</u>
Net total direct and overlapping debt			<u>\$ 69,883,909</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,			
	2001	2002	2003	2004
Assessed valuation	\$ 3,947,268,827	\$ 2,307,051,267	\$ 3,171,581,353	\$ 3,171,581,353
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	986,817,207	576,762,817	792,895,338	792,895,338
Debt limit percentage	15%	15%	15%	15%
Debt limit	148,022,581	86,514,423	118,934,301	118,934,301
Total net debt applicable to limitation	59,507,742	56,454,522	56,243,317	60,401,222
Legal debt margin	\$ 88,514,839	\$ 30,059,901	\$ 62,690,984	\$ 58,533,079
Total debt applicable to the limit as a percentage of debt limit	40.2%	65.3%	47.3%	50.8%

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,					
2005	2006	2007	2008	2009	2010
\$ 3,171,581,353	\$ 3,171,752,702	\$ 3,171,750,696	\$ 3,171,050,607	\$ 3,171,067,155	\$ 3,169,064,658
25%	25%	25%	25%	25%	25%
792,895,338	792,938,176	792,937,674	792,762,652	792,766,789	792,266,165
15%	15%	15%	15%	15%	15%
118,934,301	118,940,726	118,940,651	118,914,398	118,915,018	118,839,925
58,332,534	53,412,097	48,300,815	44,924,993	116,710,906	114,433,664
<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>	<u>\$ 4,406,261</u>
49.0%	44.9%	40.6%	37.8%	98.1%	96.3%

CITY OF WESTMINSTER

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Certificates of Participation					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
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
2010	12,730,344	10,334,102	2,396,242	490,165	230,258	3.33

Notes: Details regarding the City's outstanding debt can be found in the notes to basic 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)
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	153,838,702	52,009	3.90%
2008	93,027	155,118,375	51,894	5.30%
2009	93,284	n/a	n/a	10.70%
2010	94,294	n/a	n/a	11.50%

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	2010		2001	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Westminster School District	881	4.10%	2001 Data not available	
City of Westminster	397	1.85%		
Wal Mart Stores	350	1.63%		
Macy's	300	1.40%		
Edison ESI	250	1.16%		
Target	230	1.07%		
Best Buy	200	0.93%		
Home Depot	200	0.93%		
Huntington Beach Union High School District	200	0.93%		
Magnolia Home Theater	200	0.93%		
Piercey Automotive Group	200	0.93%		

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

CITY OF WESTMINSTER

FULL-TIME AND PART-TIME CITY EMPLOYEES
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	70	74	76	57	57	47	46	47	49	47
Public safety	176	179	178	171	174	169	168	174	171	167
Public works	39	39	36	33	36	35	38	36	34	29
Community development	42	45	58	55	39	50	46	43	40	43
Community service	86	64	41	63	64	64	66	73	74	68
Water	42	32	29	28	30	28	29	31	29	28
Total	455	433	418	407	400	393	393	404	397	382

Source: City Finance Department

CITY OF WESTMINSTER

OPERATING INDICATORS
BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police:										
Arrests	3,062	2,517	2,384	2,384	2,384	2,694	2,568	*1,663	2,092	2,553
Traffic violations	9,826	11,368	14,102	10,863	10,863	11,763	8,796	6,547	6,662	11,432
Parking violations	17,776	16,190	17,608	18,321	18,321	21,839	21,731	15,884	19,102	15,504
Fire:										
Number of calls answered										
	5,410	5,498	5,674	5,729	5,898	5,804	5,665	*4,248	5,835	5,781
Inspections conducted	2,646	2,759	1,149	1,382	1,552	2,846	1,547	*644	1,820	1,347
Public works:										
Street resurfacing (miles)	12.25	6.84	9.03	17.86	11.73	7.00	9.00	18.00	15.00	18.00
Parks and recreation: **										
Number of recreation classes										
	560	554	707	602	673	988	924	991	786	532
Number of facility rentals										
	61	68	53	80	76	84	89	85	80	80
Water:										
New connections	135	295	353	410	284	56	38	***7,095	***4,214	***3,725
Average daily consumption (in hundred cubic feet)	11,048	6,333	16,188	16,120	15,576	15,176	15,367	14,910	14,678	13,477

* 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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	171	171	171	171	171	171	180	180
Streetlights	4,700	4,700	4,700	4,687	4,687	4,687	4,695	4,697	4,697	4,697
Traffic signals	61	61	61	62	63	64	64	68	66	66
Parks and recreation:										
Parks	24	24	25	25	25	25	24	24	25	25
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	157	157	157	157	157	157	230	230	230	230
Maximum daily capacity (in acre per feet per day)	67	67	81	60	60	60	76	76	76	76

Source: City of Westminster

