



City of Cerritos Annual Comprehensive Financial Report

for the Fiscal Year ended June 30, 2024



CITY OF CERRITOS, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

PREPARED BY THE FINANCE DIVISION
PETER KEMP, FINANCE MANAGER/CITY TREASURER

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INTRODUCTORY SECTION

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CITY OF CERRITOSSM

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December 10, 2024

Honorable Mayor, Members of the City Council, and Citizens of the City of Cerritos

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Cerritos (the City) for the fiscal year ended June 30, 2024.

This report consists of management’s representations concerning the finances of the City of Cerritos. Management assumes the responsibility for the accuracy of the presented data, the completeness and fairness of the presentation and all disclosures. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft or misuse and to compile sufficiently reliable information for the preparation of the City’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The City’s financial statements have been audited by Clifton Larson Allen (CLA), a firm of certified public accountants that was selected via a competitive bid process. The auditors have issued an unmodified opinion on these financial statements. Such an opinion states that the auditors feel the City followed all applicable accounting rules and principles appropriately and that the financial reports are an accurate representation of the City’s financial condition. Their report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

As a recipient of federal, state and county grants, the City of Cerritos is responsible for establishing that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to such grant programs. This internal control structure is subject to periodic evaluation by management.

If over \$750,000 is expended on Federal financial grant programs, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. For the year ended June 30, 2024 the City did not receive federal funding in excess of \$750,000 and therefore a single audit is not required.

(i)

NARESH SOLANKI
MAYOR

CHUONG VO
MAYOR PRO TEM

BRUCE W. BARROWS
COUNCILMEMBER

LYNDA P. JOHNSON
COUNCILMEMBER

FRANK AURELIO YOKOYAMA
COUNCILMEMBER

Profile of the City of Cerritos

The City of Cerritos is located approximately 20 miles southeast of downtown Los Angeles along the border of Orange County. Beginning as an unincorporated area known for its strawberry farms and dairy operations, the City transitioned into a more urban environment beginning in the late 1960s. In 1973 the City Council adopted a unique and innovative General Plan which has guided development within the City in a master planned fashion to create a park-like community with balanced development. Today the City is a progressive, affluent community with a highly educated and ethnically diverse population.

The City is home to approximately 50,000 residents and several large business organizations. Cerritos supports a robust commercial business environment that generates substantial amounts of sales tax revenue which, in turn, is utilized to support the City's varied operations.

The City, incorporated in 1956 as a charter city under the laws of the State of California, encompasses an area of 8.9 square miles. Under the City's Council-Manager form of government, City Council members are elected at large for four-year staggered terms, and the Mayor is chosen among the elected Council members to serve a one-year term. The City Council appoints the City Manager, who is responsible for the day-to-day administration and management of City business within all City departments.

A commitment to strategic planning and progressive, forward-thinking leadership, combined with a tradition of careful fiscal stewardship, has helped to place the City in a strong fiscal position. From this position of fiscal strength, the City has been able to provide residents and businesses with outstanding infrastructure, facilities, services and programs that have earned the City the reputation as an attractive place to live, work and play. However, the City is aware that its enviable fiscal position can be maintained only by managing its available resources wisely and monitoring its operating expenditures carefully.

The City provides a full range of municipal services, including community development, public works, recreational activities, state-of-the-art library services, a performing arts center, water, sewer and electric utility services, and general administrative and support services. The City provides police and fire services through contracts with the County of Los Angeles. The City's Sheriff Station serves as the operational headquarters for all County Sheriff's Department personnel assigned to Cerritos, and the Station acts as a stand-alone full-service safety facility for the community. The building's status as an "independent station" has enabled the Sheriff's Department to achieve progressively lower response times in Cerritos, thereby creating an atmosphere of enhanced safety and security for the community.

The annual budget serves as the foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution for all funds. The City Manager is authorized to make changes in departmental operating budget totals as he may from time-to-time deem necessary in order to meet the City's needs. In past years, resources have been allocated to departments based on their work program objectives. Continuing allocations are justified by measurable outputs and the ongoing need for the services provided.

Economic Outlook and Major Initiatives

The City of Cerritos continues to uphold its commitment to economic development, fostering a business-friendly environment, and supporting strategic investments that contribute to the long-term stability of the community. The 2023-24 fiscal year reinforced this focus, with ongoing efforts to attract and retain businesses, maintain robust infrastructure, and deliver exceptional community services. The City Council remains dedicated to promoting private investment, recognizing that a strong partnership with the business community is fundamental to the City's economic vitality.

A key initiative introduced in fiscal year 2023-24 is the integration of formal strategic planning into the budget process. This milestone reflects the City Council's commitment to continuous improvement and proactive governance. The City Council identified five strategic goals to guide the City's priorities and resource allocation for the 2023-24 fiscal year:

1. Increase Tree & Street Maintenance/Repair
2. Increase and Augment Sales Tax Revenue
3. Enhance Effectiveness and Efficiencies of Public Safety Programs
4. Increase Technology Infrastructure/Use
5. Increase Fiscal Transparency

Significant progress was made toward these goals during the 2023-24 fiscal year. The City completed parkway landscaping rehabilitations along major roadways such as Gridley Road, Bloomfield Avenue, and 183rd Street, enhancing the City's visual appeal and reinforcing its commitment to infrastructure upkeep. Additionally, the Shop Cerritos program was successfully relaunched with a new website in February 2024, supporting local businesses and encouraging community engagement.

Public safety also saw important advancements. The City upgraded its Emergency Operations Center (EOC) by installing new technology, including wall-mounted LED monitors, upgraded laptops, and a Los Angeles County Sheriff's Department base station radio. These enhancements improve the City's emergency response capabilities and preparedness. Furthermore, the City established a cost-neutral parking enforcement program by adjusting parking fines to fully offset program costs, ensuring sustainable funding for this essential service.

As we move further away from the impacts of the COVID-19 pandemic, the City's focus has shifted fully to addressing current economic challenges. Persistent inflationary pressures and elevated interest rates have strained key revenue streams, leading to a decline in sales tax revenue for fiscal year 2023-24. The City is prepared to meet these challenges head-on, continuing to invest in infrastructure, support the business community, and provide the high-quality services and programs that residents expect.

Cerritos remains well-positioned to face these economic uncertainties. Through strategic planning, ongoing investment in infrastructure, and steadfast support for local businesses, the City will continue to build on its legacy of innovation, resilience, and progress.

Short-Term and Long-Term Financial Planning

The City of Cerritos maintains a long-standing tradition of prudent stewardship and careful management of the community's financial resources. This commitment to fiscal responsibility, combined with a forward-thinking approach to economic development, has provided the foundation for the City's financial stability and success.

As the City navigates the fiscal year 2024-25 and beyond, economic conditions such as inflation and rising interest rates pose challenges to revenue stability, particularly for sales tax, the City's largest revenue source. The cyclical nature of sales tax revenue exposes the City to potential fluctuations, as seen with the decrease in sales tax revenue in fiscal year 2023-24. To mitigate this volatility, the City remains committed to maintaining a conservative approach to the allocation of resources and pursuing the diversification of revenue streams. Identifying alternative funding sources and expanding revenue opportunities are essential to reducing the City's reliance on sales tax and ensuring long-term financial resilience.

In addition to revenue diversification, the City Council has prioritized infrastructure maintenance and improvement as a key component of the City's financial strategy. Addressing deferred maintenance projects will be crucial in the coming years to ensure the continued functionality and safety of public facilities and infrastructure. The strategic allocation of resources toward these priorities reflects the City's dedication to maintaining a high quality of life for residents and businesses.

The introduction of strategic planning into the budget process has further strengthened the City's financial planning framework. By establishing clear goals and objectives, the City Council has provided a focused approach to resource allocation and decision-making. This proactive planning ensures that the City can address current challenges, seize future opportunities, and remain responsive to community needs.

The City also continues to emphasize the importance of maintaining a robust reserve fund to prepare for unexpected economic downturns or emergencies. This commitment to financial prudence ensures that the City can sustain operations and infrastructure investments even during periods of economic uncertainty.

Through careful fiscal management, strategic planning, and a commitment to community-focused initiatives, the City of Cerritos is poised to maintain its financial health and deliver the exceptional services, programs, and infrastructure that define the City's legacy.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cerritos for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. The report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement from the GFOA is valid for a period of one year. We believe that this 2023-24 ACFR continues to conform to the Certificate of Achievement program requirements, and it will be submitted to GFOA for award consideration.

The preparation and publication of this report would not have been possible without the dedication, professionalism, and teamwork of the entire staff of the Finance Division within the Administrative Services Department and the City's independent auditors, Clifton Larson Allen. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report.

The City Council has continued to extend their support to City staff in the planning of responsible and progressive financial operations. We would like to thank the Mayor and City Council for their continued support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. A. Lopez". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Robert A. Lopez
CITY MANAGER

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**CITY OF CERRITOS
DIRECTORY OF ELECTED AND APPOINTED OFFICIALS**

City Council / Successor Agency¹ / Public Financing Authority²

Naresh Solanki, Mayor / Agency Chair* / Authority Chair**
Chuong Vo, Mayor Pro Tem / Agency Vice Chair* / Authority Vice Chair**
Bruce W. Barrows, Council / Agency Member* / Authority Member**
Lynda P. Johnson, Council / Agency Member* / Authority Member**
Frank Aurelio Yokoyama, Council / Agency Member* / Authority Member**

Fine Arts and Historical Commission

Kelly Colwell
Michelle H. Guerrero
Matthew S. Kauble
C.J. Villaluna Ratliff
Parimal Shah

Parks and Recreation Commission

Steve W. Lin
Richard James Martinez
Pino Pathak
Ashok "Pat" Patnaik
Ileana Prado

Planning Commission

Gene Burd
Bhavin Gandhi
Carla Gilhuys
Deepak "DJ" Jhaveri
Gloria Perlas Pulido

Property Preservation Commission

Jignesh Chokshi
Lew Gentiluomo
Jeannie Joung
Celia Spitzer
Latha Vasan

Community Safety Committee

Habib Ali
Mel Cortez
Pinal Doshi
Martin Flax
Sebastian Gonzalez
Gordon Hom
Leila Nom
Patrick "Maurice" Stitt
Eric Westphal
Karen Wilson

Let Freedom Ring Committee

Monica Ballentine
Al Barlevy
Hyun Kim
Daisy Mina Lagasca
Leah Nass
Dan E. Nino
Rosa Peters
Melissa Snyder
Sean Wang
Candy Yee

Appointed Officials

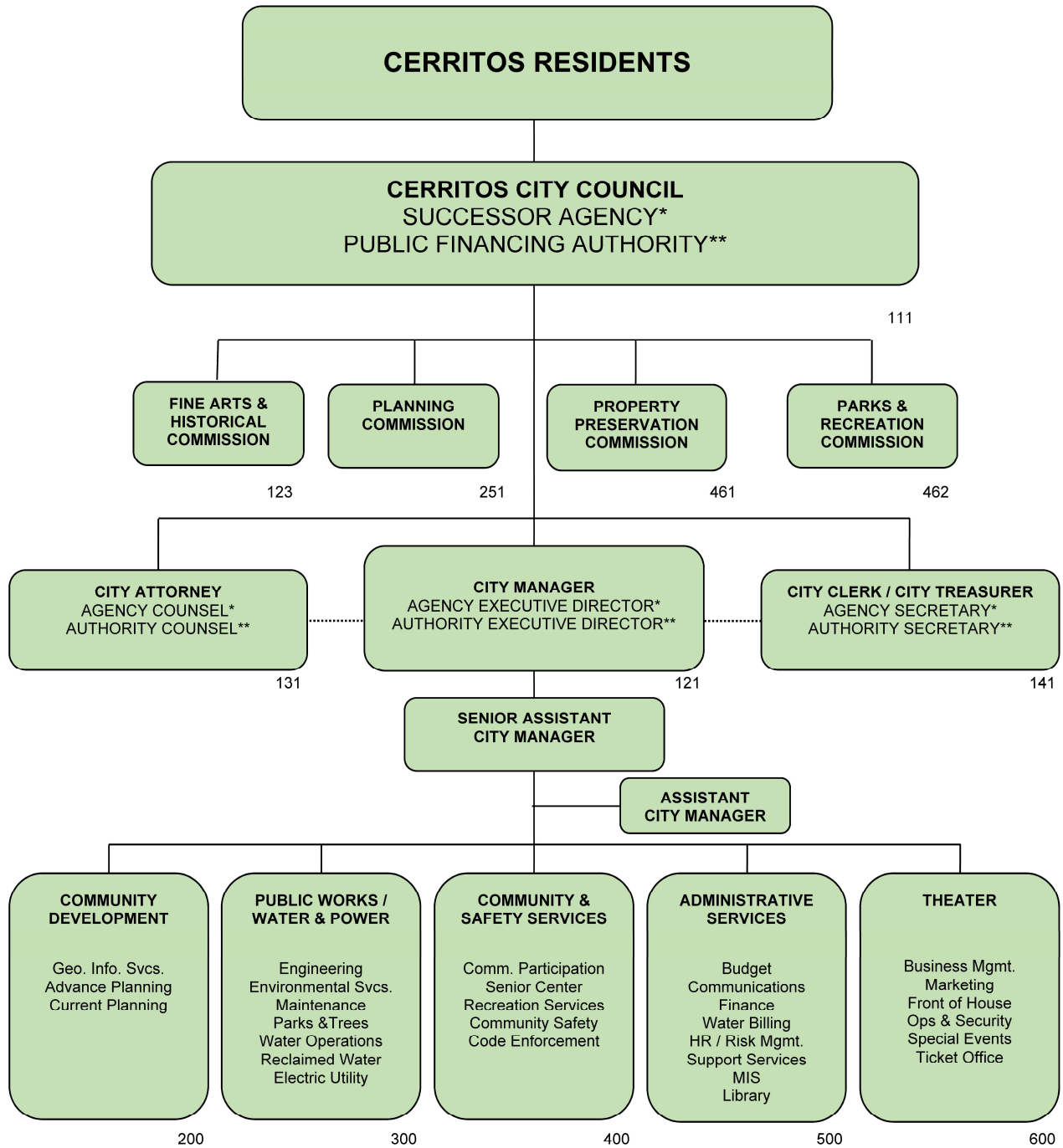
Robert A. Lopez, City Manager / Agency Executive Director* / Authority Executive Director**
Bill H. Ihrke, City Attorney / Agency Counsel* / Authority Counsel**
Vida Barone, City Clerk / City Treasurer / Agency Secretary* / Authority Secretary**

(Updated as of June 27, 2024)

¹ Titles with (*) refer to the Successor Agency to the Cerritos Redevelopment Agency.

² Titles with (**) refer to the Cerritos Public Financing Authority.

CITY OF CERRITOS ORGANIZATIONAL CHART



*Denotes Titles of the Successor Agency to the Cerritos Redevelopment Agency
 **Denotes Titles of the Cerritos Public Financing Authority

Note: The Cerritos Redevelopment Agency was dissolved on February 1, 2012 by order of the California Supreme Court on December 29, 2011 (California Redevelopment Association et al. v. Ana Matosantos). Accordingly, the Successor Agency to the Cerritos Redevelopment Agency ("Successor Agency") was formed to facilitate its dissolution in accordance with State law.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cerritos
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable City Council
City of Cerritos, California
Cerritos, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cerritos, California, (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cerritos, California, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, the schedule of changes in net pension liability and related ratios, the schedule of pension contributions, the schedule of changes in net OPEB liability (asset) and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 GAAS. In our opinion, the combining financial statements and individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable City Council
City of Cerritos, California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
December 10, 2024

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**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

As Management of the City of Cerritos, California ("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, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying letter of transmittal at the front of this report, and the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2024 by \$421.8 million, which is referred to as the net position of the City. Of this amount, \$271.7 million is net investment in capital assets, \$32.7 million is restricted, and \$117.4 million is unrestricted. The unrestricted amount may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased \$3.4 million.
- Governmental funds for the City reported combined fund balances of \$213.9 million. Of this amount, \$61.7 million is non-spendable, \$31.0 million is restricted by external parties, \$21.9 million has been assigned by City management, and \$99.3 million is unassigned fund balance which is available for future appropriation.
- For the year ended June 30, 2024, General Fund expenditures were \$73.5 million, which represent 71.6% of the unassigned General Fund balance.
- As of June 30, 2024, the cash and investments of the General Fund were \$111.6 million, which represents 60.0% of the total fund balance for the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The *Statement of Activities* presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused employee leaves).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cerritos include legislative and administration, community development, public works, water and power, community and safety services, administrative services and the theater (Cerritos Center for the Performing Arts). The business-type activities of the City include water and sewer operations, reclaimed water, and electric utility.

The government-wide financial statements include the City of Cerritos itself (known as the primary government) only.

The Successor Agency is presented as a Fiduciary Fund in the financial statements and is considered a separate operating entity from the City of Cerritos.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cerritos, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental 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 the City'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 City'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*.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The City of Cerritos maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Housing Assets Special Revenue Fund and Municipal Improvement Capital Projects Fund. The other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Cerritos adopts an annual appropriated budget for the General Fund and all Special Revenue Funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City of Cerritos maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, reclaimed water, and electric utility activities. *Internal service funds* are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its equipment maintenance and replacement activities. Because the internal service fund provides services that predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Electric Utility, and Reclaimed Water Funds. The internal service fund is shown as a separate reporting category on the Proprietary Funds statements.

Fiduciary Funds

The City maintains one Fiduciary Fund, a Private Purpose Trust Fund, which depicts the Successor Agency's activities.

Fiduciary funds provide the same type of information as the government-wide financial statements, only in more detail. The fiduciary fund financial statements provide separate information for the Successor Agency.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The combining statements, referred to earlier in connection with other governmental funds and the internal service fund are presented in Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table summarizes the Statement of Net Position for fiscal years ending June 30, 2024 and June 30, 2023.

City of Cerritos Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Cash and investments	\$ 149.2	\$ 146.4	\$ 4.5	\$ 3.5	\$ 153.7	\$ 149.9
Other Assets	338.0	374.0	(24.4)	(47.4)	313.6	326.6
Capital Assets	244.9	238.9	36.0	34.9	280.9	273.8
Total Assets	732.2	759.3	16.0	(9.0)	748.2	750.3
Deferred Outflows	33.7	32.2	3.1	3.0	36.8	35.2
Other Liabilities	16.8	15.0	4.7	4.3	21.5	19.3
Long term liabilities outstanding	76.9	72.0	15.1	15.0	92.0	87.0
Total Liabilities	93.7	87.0	19.8	19.3	114.4	106.3
Deferred Inflows	249.5	259.9	0.3	0.7	249.8	260.6
Net Position						
Net investment in capital assets	244.4	238.5	27.3	25.9	271.7	264.4
Restricted	32.6	36.2	0.1	0.6	32.7	36.8
Unrestricted	145.8	169.8	(28.4)	(52.6)	117.4	117.2
Total Net Position	\$ 422.8	\$ 444.5	\$ (0.9)	\$ (26.1)	\$ 421.8	\$ 418.4

As noted earlier, the City's net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cerritos, net position was \$421.8 million as of June 30, 2024. The net position increased \$3.4 million, or 0.81%, during fiscal year 2023-24.

The largest portion of the City's net position at June 30, 2024 (\$271.7 million, or 64.4% of total net position) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment). 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

While it is typical to anticipate an annual decrease in investment in capital assets that is attributable to normal depreciation of existing capital assets, the City saw that anticipated decrease offset by a year-over-year increase in capital asset position of \$7.3 million due to the City's continued efforts to update and enhance its infrastructure. The restricted portion of the City's net position of \$32.7 million or 7.8% of total net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$117.4 million (or 27.% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Cerritos Change in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 10.7	\$ 9.1	\$ 19.4	\$ 19.2	\$ 30.1	\$ 28.3
Operating grants and contributions	12.2	8.8	-	-	12.2	8.8
Capital grants and contributions	0.3	1.0	0.1	0.0	0.3	1.0
General revenues:						
Taxes	66.6	68.9	-	-	66.6	68.9
Investment income	22.7	13.4	0.1	0.1	22.8	13.5
Miscellaneous	0.1	1.7	-	-	0.1	1.7
Total revenues	<u>112.6</u>	<u>103.0</u>	<u>19.5</u>	<u>19.2</u>	<u>132.1</u>	<u>122.2</u>
Expenses:						
Legislative and administration	3.3	3.0	-	-	3.3	3.0
Community development	7.8	5.9	-	-	7.8	5.9
Public works	32.1	28.5	-	-	32.1	28.5
Community and safety services	31.3	26.5	-	-	31.3	26.5
Administrative services	16.8	14.3	-	-	16.8	14.3
Cerritos Center for the Performing Arts	10.9	7.8	-	-	10.9	7.8
Unallocated infrastructure depreciation	0.9	0.9	-	-	0.9	0.9
Water and Sewer	-	-	15.6	15.0	15.6	15.0
Reclaimed water	-	-	1.5	1.3	1.5	1.3
Electric Utility	-	-	8.5	8.6	8.5	8.6
Total expenses	<u>103.1</u>	<u>86.8</u>	<u>25.6</u>	<u>24.9</u>	<u>128.7</u>	<u>111.7</u>
Change in net position	9.5	16.1	(6.0)	(5.7)	3.4	10.5
Transfers	(6.8)	(3.2)	6.8	3.2	-	-
Special Items	<u>(24.3)</u>	<u>-</u>	<u>24.3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(21.6)	13.0	25.1	(2.5)	3.4	10.5
Net position, beginning of year	<u>444.5</u>	<u>431.6</u>	<u>(26.1)</u>	<u>(23.6)</u>	<u>418.4</u>	<u>408.0</u>
Net position, end of year	<u>\$ 422.8</u>	<u>\$ 444.5</u>	<u>\$ (0.9)</u>	<u>\$ (26.1)</u>	<u>\$ 421.8</u>	<u>\$ 418.4</u>

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

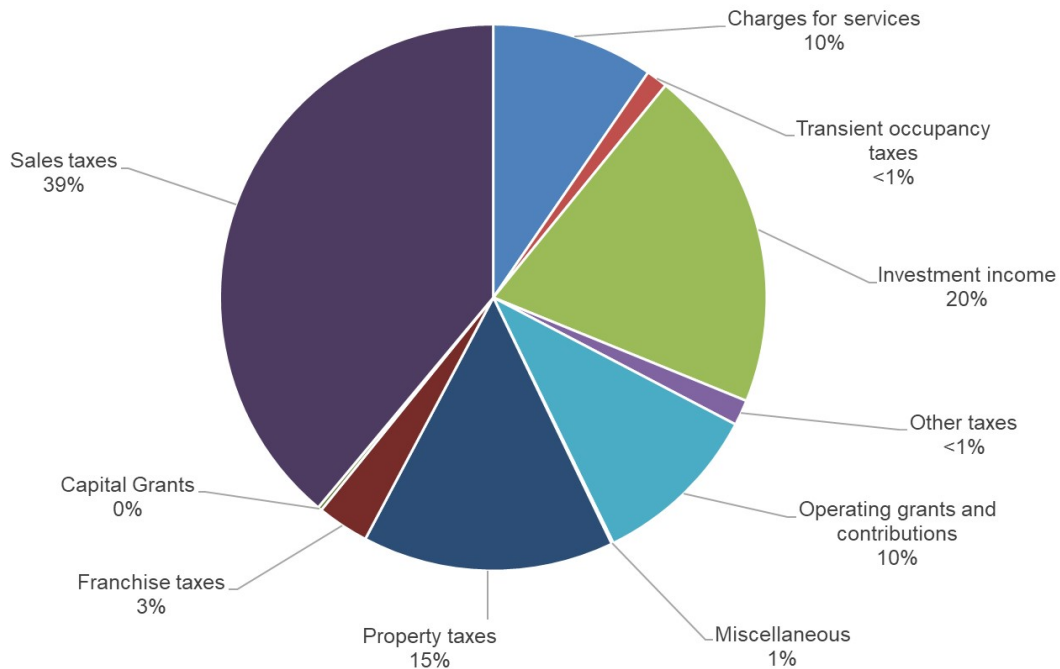
Revenues

Total revenues on a citywide basis for fiscal year 2023-24 were \$132.1 million, an increase of \$9.9 million from the prior year. This growth was driven by substantial gains in investment income, which offset challenges in tax revenue, the City's largest revenue category. Tax revenue totaled \$66.6 million, a decline of \$2.3 million from fiscal year 2022-23, primarily due to a \$3.2 million reduction in sales tax revenue.

Sales tax, which constitutes 39% of the City's governmental activity revenue stream, was notably impacted by inflationary pressures and rising interest rates. These economic factors tempered consumer demand, particularly for high-ticket items, and had a pronounced effect on sales at the Cerritos Auto Square, which typically generates approximately one-third of the City's annual sales tax revenue. The decline also reflects a temporary stagnation following several years of strong sales tax growth. As economic conditions stabilize, the City anticipates a return to more normalized growth patterns in sales tax revenue in the coming years.

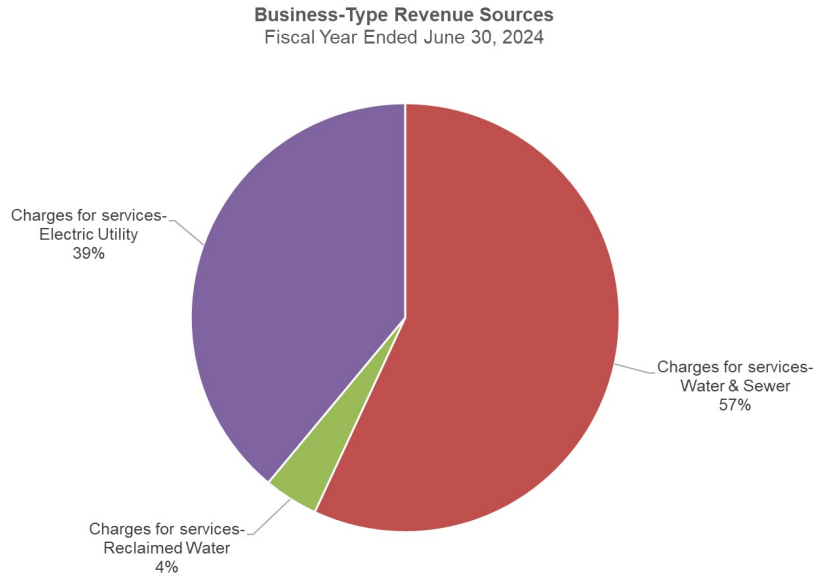
Conversely, investment income saw significant gains in fiscal year 2023-24. The increase was driven by the City's proactive and responsive management of its investment portfolio, which capitalized on prevailing interest rate increases in the financial markets. This category also includes income from the City's lease portfolio, which remained a consistent source of revenue.

Governmental Revenue Sources
Fiscal Year Ended June 30, 2024



**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Revenues from business-type activities, including water and sewer, reclaimed water, and electric services, remained stable at \$19.5 million, reflecting a modest increase of \$0.3 million from the prior year.



Expenses

Expenses from Governmental Activities increased by \$16.3 million in fiscal year 2023-24 compared to the prior year. Unlike previous years, where expenses were influenced by the City's recovery from the COVID-19 pandemic, the City has now distanced itself from the pandemic and returned to steady, ongoing operations. The increase in expenses this year reflects rising costs associated with service delivery and expanded programming across several key departments.

A significant portion of the increase is attributed to growth in salaries and benefits. Cost-of-living adjustments of 2% and 3.7%, effective July 2023 and December 2023 respectively, contributed to higher personnel costs across all City departments.

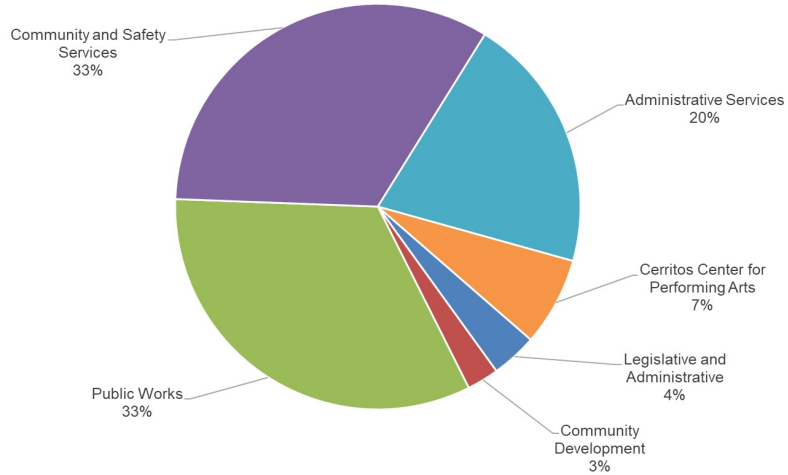
The Community and Safety Services Department, which encompasses Recreation Services, Senior Services, and the Community Safety Divisions, experienced the largest increase, with expenses rising by \$4.8 million. This growth includes an increase in the City's contract with the Los Angeles County Sheriff's Department for police services.

The Public Works Department also saw a notable increase, rising by \$3.6 million. This reflects the City Council's continued focus on infrastructure, as directed through the budget allocation process, with an aggressive schedule of maintenance and improvements.

The Cerritos Center for the Performing Arts experienced an increase in expenses of \$3.2 million. This increase can be attributed to an expanded programming calendar featuring higher-profile performers and an increase in facility rentals.

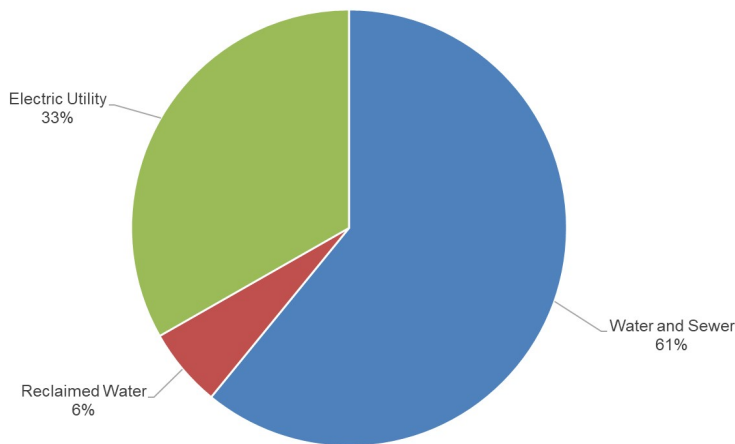
**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Governmental Functional Expenses
Fiscal Year Ended June 30, 2024



Expenses from Business-Type Activities totaled \$25.6 million, an increase of \$0.7 million compared to the prior year. The Water and Sewer Fund accounted for \$15.6 million in expenses, up \$0.6 million from the prior year, reflecting rising operational and maintenance costs. The Reclaimed Water Fund incurred \$1.5 million in expenses, an increase of \$0.2 million, while the Electric Utility Fund reported expenses of \$8.5 million, comparable to the prior year. These expenses underscore the ongoing financial challenges faced by these utility operations, which rely on user fees that remain insufficient to fully cover operating costs.

Business-Type Functional Expenses
Fiscal Year Ended June 30, 2024



**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Cerritos uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$213.9 million, representing a decrease of \$24.2 million from the prior fiscal year. This decrease was primarily driven by the forgiveness of loans from the General Fund to the Water and Sewer Funds in the current year, as directed by the City Council. Non-spendable fund balances total \$61.7 million, most of which is for long-term receivables (\$60.0 million) from the Successor Agency and Electric Utility Fund. Restricted fund balances, legally restricted by external parties, total \$31.0 million. An additional \$21.9 million in fund balances have been assigned by City management for such items as art center programs, asset replacement, self-insurance, and advance loan repayment. The remaining fund balance of \$99.3 million is categorized as unassigned.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$102.7 million, which represents 55.2% of the total fund balance. The remaining fund balance for the General Fund includes \$61.4 million in non-spendable funds and \$21.9 million in assigned funds. The City's total General Fund balance decreased by \$24.0 million in fiscal year 2023-24, primarily due to the aforementioned forgiveness of loans to the Water and Sewer Funds.

General Fund revenues increased by \$7.6 million compared to fiscal year 2022-23. One of the most significant contributors to this increase was Investment and Rental Income, which rose by \$8.5 million. As noted previously, this increase can be primarily attributed to higher interest rates, which resulted in improved yields from the City's fixed-income investment portfolio. Additionally, Charges for Services increased by \$1.6 million, driven in part by strong ticket sales at the Cerritos Center for the Performing Arts, which benefited from an expanded programming calendar. These revenue gains were partially offset by a \$1.7 million decrease in Property, Sales, and Other Taxes, largely due to the previously mentioned decline in sales tax revenues. The decrease in sales tax reflects the impact of economic factors, including inflation and rising interest rates, on consumer demand.

General Fund expenditures increased by \$6.7 million in fiscal year 2023-24 compared to the prior year. This increase reflects higher costs across all departments, primarily driven by increases in employee salaries and benefits. Notable increases include \$2.4 million in expenditures for the Cerritos Center for the Performing Arts, which supported an expanded programming calendar and higher operating costs associated with facility operations. The Community and Safety Services Department also saw an increase of \$2.0 million, driven in part by contractual increases for police services provided through the City's agreement with the Los Angeles County Sheriff's Department. These increases are indicative of rising costs associated with maintaining City services and programs at full operational levels.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As a result of the passage of the State of California Assembly Bill 1484 in June 2012, the Housing Assets Special Revenue Fund is considered a governmental fund of the City. The fund consists of advances made to the Successor Agency along with cash and investments that are restricted for the purpose of low and moderate income housing projects. The Housing Asset Fund increased by \$195,000, the majority of which relates to interest income. The increase in fund balance is consistent with increases that the fund has experienced over the past several years.

The Municipal Improvement Capital Project Fund is utilized to support non-enterprise related capital improvement projects. It receives revenue from a variety of sources, including transfers from the General Fund and other Special Revenue Funds which are intended to offset expenditures and maintain a zero fund balance within the fund.

Proprietary Funds

The City's proprietary funds include the Water, Sewer, Electric Utility, and Reclaimed Water Funds. The net position of these funds at the end of fiscal year 2023-24 totaled (\$0.9) million, a significant increase from the prior year's net position of (\$26.1) million. This \$25.1 million increase is the result of the forgiveness of loans from the General Fund to the Water and Sewer Fund, as directed by the City Council. Moving forward, any deficits in these funds will be subsidized by the General Fund, with no expectation of repayment.

The Water and Sewer Fund reported an operating loss of \$4.5 million, while the Reclaimed Water Fund reported an operating loss of \$705,000. These deficits are the result of user fees that are not sufficient to fully cover the cost of operating these utilities.

The proprietary fund statements provide the same type of information found in the government-wide financial statements but include additional detail on the financial performance of the City's utility operations.

Fiduciary Funds

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

The City presents one fiduciary fund which is the Private Purpose Trust Fund. At June 30, 2024, the net position maintained a deficit balance in the amount of (\$23.1) million.

Operating additions exceeded deductions which resulted in an increase of net position of \$10.5 million. The major components of the additions were the Successor Agency's share of property taxes from the Redevelopment Property Tax Trust Fund.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues during the 2023-24 fiscal year exceeded the final budget projection by \$10.2 million. Significant increases over final budget projections included an \$8.6 million increase in Investment and Rental Income. Licenses and Permits revenue also exceeded the final budget by \$627,000. Additionally, Current Fees and Services revenue surpassed projections by \$319,000. Actual General Fund expenditures were \$6.5 million lower than the final budget allocation of \$80.0 million, with savings seen across multiple departments. The Community and Safety Services cost center accounted for the largest variance, with expenditures coming in \$3.4 million below budget. Administrative Services expenditures were \$1.7 million under budget, and the Cerritos Center for the Performing Arts cost center was \$549,000 below budgeted levels. In total, actual revenues of \$99.5 million outpaced actual expenditures of \$73.5 million by \$26.0 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Cerritos investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$280.9 million (net of accumulated depreciation) which is an increase of \$7.2 million from the prior fiscal year. The increase offsets typically anticipated decreases due to depreciation and is the result of the City's continued commitment to the improvement of infrastructure and facilities throughout the community. This investment in capital assets includes land, streets, water, sewer and storm drain systems, buildings and improvements, machinery and equipment, vehicles, public works of art, parking structures, water rights and electric rights.

The following table presents the capital assets of the City of Cerritos at June 30, 2024:

City of Cerritos Capital Assets (in millions)						
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 78.0	\$ 78.0	\$ -	\$ -	\$ 78.0	\$ 78.0
Parking structure rights	3.8	3.8	-	-	3.8	3.8
Right-of-way	49.2	49.2	-	-	49.2	49.2
Public art	5.0	5.0	-	-	5.0	5.0
Trees	1.4	1.4	-	-	1.4	1.4
Construction in progress	11.2	4.9	5.3	2.8	16.5	7.8
Buildings and structures	69.4	74.1	2.2	2.3	71.6	76.4
Improvements other than buildings	7.3	5.8	-	-	7.3	5.8
Infrastructure/water mains and lines/sewer mains	17.4	14.8	20.7	21.4	38.1	36.3
Water rights	0.0	0.0	1.0	1.1	1.0	1.1
Electric Rights	0.0	0.0	5.2	5.6	5.2	5.6
Furniture and equipment	2.3	2.0	1.5	1.5	3.9	3.5
Total	<u>244.9</u>	<u>238.9</u>	<u>\$ 36.0</u>	<u>\$ 34.9</u>	<u>\$ 280.9</u>	<u>\$ 273.7</u>

The capital assets increased because of \$17.6 million of capital additions, a majority of which was a result of construction in progress items within both the Governmental and Business-type activities. That capital increase was partially offset by \$8.4 million of annual depreciation. Detailed information relating to capital assets can be found in Note 6 to the basic financial statements.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Long-term debt

As a result of the dissolution of the City's Redevelopment Agency on February 1, 2012, the City transferred the debt issued by the Cerritos Public Financing Authority to the Successor Agency.

At the end of the 2024 fiscal year, the Successor Agency had total debt outstanding of \$11.4 million.

Successor Agency Long-Term Debt (in millions)		
	2024	2023
Los Coyotes Revenue Bonds	\$ 11.4	\$ 22.2
Add (Less) Deferred Amounts	-	0.2
Total Long-Term Debt	<u>\$ 11.4</u>	<u>\$ 22.5</u>

At the end of the 2024 fiscal year, the City had total debt outstanding of \$8.4 million which consisted of bonds issued for the development of the Magnolia Power Project. Detailed information relating to long-term debt can be found in Note 8 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As the City moves into fiscal year 2024-25, the focus remains on careful stewardship of the community's finances and the provision of outstanding services and programming. The City is committed to maintaining its tradition of adapting to the evolving needs of the community while ensuring long-term fiscal sustainability.

The current economic environment presents challenges, including inflationary pressures and a high interest rate landscape, which have already affected key revenue streams such as sales tax. Rising costs have tempered consumer spending, particularly in sectors like automotive sales, a significant driver of the City's revenue. To address these challenges, the City will continue its conservative approach to expenditures while pursuing strategies to stabilize revenues and diversify funding sources.

A key focus moving forward is addressing deferred maintenance of the City's infrastructure. The City Council has emphasized the importance of maintaining and improving public facilities to meet the community's long-term needs. These investments will be carefully balanced against the City's fiscal constraints to ensure sustainability.

Long-term strategic planning will also be a priority in fiscal year 2024-25. The City aims to establish actionable plans for maintaining financial stability while navigating economic uncertainty. This includes assessing the adequacy of existing revenue structures and exploring opportunities for economic growth.

**CITY OF CERRITOS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Despite economic pressures, the City remains well-positioned to deliver high-quality services and programs. Through prudent fiscal management and strategic planning, Cerritos will continue to support its residents and uphold its commitment to maintaining a high standard of living and infrastructure for the community.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Cerritos citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the fiscal resources it receives. If you have questions about this report or need additional financial information, contact the City's Finance Division at the City of Cerritos, 18125 Bloomfield Aven

BASIC FINANCIAL STATEMENTS

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**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Pooled Cash and Investments	\$ 149,242,183	\$ 4,460,051	\$ 153,702,234
Accounts Receivable	12,043,071	2,663,495	14,706,566
Interest Receivable	643,609	-	643,609
Lease Receivable - current	4,520,448	-	4,520,448
Prepaid Items	1,502,162	222,215	1,724,377
Inventories	345,814	-	345,814
Internal Balances	27,429,227	(27,429,227)	-
Total Current Assets	<u>196,131,883</u>	<u>(20,083,466)</u>	<u>176,048,417</u>
Noncurrent Assets:			
Net Pension Asset	959,089	89,096	1,048,185
Net OPEB Asset	638,233	59,289	697,522
Lease Receivable - net of current portion	248,884,782	-	248,884,782
Advances to Fiduciary Funds	40,658,146	-	40,658,146
Capital Assets:			
Not Being Depreciated	148,442,903	5,326,848	153,769,751
Being Depreciated, Net	96,469,209	30,641,380	127,110,589
Total Noncurrent Assets	<u>536,052,362</u>	<u>36,116,613</u>	<u>572,168,975</u>
Total Assets	<u>732,184,245</u>	<u>16,033,147</u>	<u>748,217,392</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Items	21,613,949	2,007,851	23,621,800
OPEB-Related Items	12,098,535	1,123,908	13,222,443
Total Deferred Outflows of Resources	<u>33,712,484</u>	<u>3,131,759</u>	<u>36,844,243</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	10,467,278	2,323,001	12,790,279
Accrued Salaries and Benefits	691,874	112,706	804,580
Unearned Revenue	3,378,298	1,589,590	4,967,888
Retention	535,369	183,462	718,831
Deposits Payable	781,338	46,040	827,378
Settlement Payable	104,963	-	104,963
Compensated Absences	840,021	55,929	895,950
Long-Term Debt	-	435,000	435,000
Total Current Liabilities	<u>16,799,141</u>	<u>4,745,728</u>	<u>21,544,869</u>
Noncurrent Liabilities:			
Net Pension Liability	74,201,868	6,893,070	81,094,938
Compensated Absences	2,654,925	167,786	2,822,711
Long-Term Debt	-	8,005,000	8,005,000
Total Noncurrent Liabilities	<u>76,856,793</u>	<u>15,065,856</u>	<u>91,922,649</u>
Total Liabilities	<u>93,655,934</u>	<u>19,811,584</u>	<u>113,467,518</u>
DEFERRED INFLOWS OF RESOURCES			
Lease Related	246,439,268	-	246,439,268
Pension Related	1,114,512	103,533	1,218,045
OPEB Related	1,912,928	177,704	2,090,632
Total Deferred Inflows of Resources	<u>249,466,708</u>	<u>281,237</u>	<u>249,747,945</u>
NET POSITION			
Net Investment in Capital Assets	244,376,743	27,344,766	271,721,509
Restricted for:			
Pension	959,089	89,096	1,048,185
OPEB	638,233	59,289	697,522
Housing Assets	23,737,033	-	23,737,033
Transportation	7,006,069	-	7,006,069
Municipal Improvements	255,850	-	255,850
Miscellaneous Grants	4,441	-	4,441
Unrestricted (Deficit)	<u>145,796,629</u>	<u>(28,421,066)</u>	<u>117,375,563</u>
Total Net Position	<u>\$ 422,774,087</u>	<u>\$ (927,915)</u>	<u>\$ 421,846,172</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Legislative and Administration	\$ 3,275,544	\$ 6,386	\$ 339,688	\$ -
Community Development	7,786,406	2,735,611	2,757,123	264,304
Public Works	32,062,208	258,098	6,340,488	-
Community and Safety Services	31,320,201	1,949,090	2,753,876	-
Administrative Services	16,829,565	464,184	-	-
Cerritos Center for the Performing Arts	10,935,670	5,281,219	-	-
Unallocated Infrastructure Depreciation	938,375	-	-	-
Total Governmental Activities	<u>103,147,969</u>	<u>10,694,588</u>	<u>12,191,175</u>	<u>264,304</u>
Business-Type Activities:				
Water and Sewer	15,571,399	11,040,252	-	83,083
Electric Utility	8,494,618	7,557,246	-	-
Reclaimed Water	1,499,269	794,596	-	-
Total Business-Type Activities	<u>25,565,286</u>	<u>19,392,094</u>	<u>-</u>	<u>83,083</u>
Total	<u>\$ 128,713,255</u>	<u>\$ 30,086,682</u>	<u>\$ 12,191,175</u>	<u>\$ 347,387</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
Legislative and Administration	\$ (2,929,470)	\$ -	\$ (2,929,470)
Community Development	(2,029,368)	-	(2,029,368)
Public Works	(25,463,622)	-	(25,463,622)
Community and Safety Services	(26,617,235)	-	(26,617,235)
Administrative Services	(16,365,381)	-	(16,365,381)
Cerritos Center for the Performing Arts	(5,654,451)	-	(5,654,451)
Unallocated Infrastructure Depreciation	(938,375)	-	(938,375)
Total Governmental Activities	<u>(79,997,902)</u>	<u>-</u>	<u>(79,997,902)</u>
Business-Type Activities:			
Water and Sewer	-	(4,448,064)	(4,448,064)
Electric Utility	-	(937,372)	(937,372)
Reclaimed Water	-	(704,673)	(704,673)
Total Business-Type Activities	<u>-</u>	<u>(6,090,109)</u>	<u>(6,090,109)</u>
Total	<u>(79,997,902)</u>	<u>(6,090,109)</u>	<u>(86,088,011)</u>
General Revenues:			
Taxes:			
Sales Taxes	43,466,843	-	43,466,843
Property Taxes	16,610,075	-	16,610,075
Franchise Taxes	3,427,300	-	3,427,300
Transient Occupancy Taxes	1,418,810	-	1,418,810
Other Taxes	1,689,271	-	1,689,271
Investment Income	22,683,990	68,487	22,752,477
Miscellaneous	120,187	-	120,187
Transfers	(6,816,555)	6,816,555	-
Total General Revenues and Transfers	<u>82,599,921</u>	<u>6,885,042</u>	<u>89,484,963</u>
Special Item:			
Forgiveness of Advance	(24,336,699)	24,336,699	-
CHANGE IN NET POSITION	(21,734,680)	25,131,632	3,396,952
Net Position (Deficit) - Beginning of Year	<u>444,508,767</u>	<u>(26,059,547)</u>	<u>418,449,220</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 422,774,087</u>	<u>\$ (927,915)</u>	<u>\$ 421,846,172</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
ASSETS					
Cash and Investments	\$ 111,571,361	\$ 15,603,027	\$ 4,760,938	\$ 9,136,918	\$ 141,072,244
Receivables:					
Accounts	9,965,352	2,377	6,799	2,068,543	12,043,071
Interest	643,609	-	-	-	643,609
Lease	253,405,230	-	-	-	253,405,230
Notes	405,369	-	-	-	405,369
Prepaid Items	1,284,976	-	-	65,596	1,350,572
Inventories	112,997	232,817	-	-	345,814
Due from Other Funds	3,283,088	-	-	-	3,283,088
Advances to Other Funds	27,429,227	-	-	-	27,429,227
Advances to Fiduciary Funds	32,526,517	8,131,629	-	-	40,658,146
	<u>\$ 440,627,726</u>	<u>\$ 23,969,850</u>	<u>\$ 4,767,737</u>	<u>\$ 11,271,057</u>	<u>\$ 480,636,370</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 5,506,067	\$ -	\$ 4,767,737	\$ 672,350	\$ 10,946,154
Accrued Salaries and Benefits	649,984	-	-	41,890	691,874
Deposits Payable	781,338	-	-	-	781,338
Settlement Payable - Current Portion	3,985	-	-	-	3,985
Unearned Revenue	1,337,841	-	-	2,040,457	3,378,298
Due to Other Funds	-	-	-	3,283,088	3,283,088
	<u>8,279,215</u>	<u>-</u>	<u>4,767,737</u>	<u>6,037,785</u>	<u>19,084,737</u>
DEFERRED INFLOW OF RESOURCES					
Leases Related	246,439,268	-	-	-	246,439,268
Unavailable Revenue	-	-	-	1,250,000	1,250,000
	<u>246,439,268</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>	<u>247,689,268</u>
FUND BALANCES					
Nonspendable	61,353,717	232,817	-	65,596	61,652,130
Restricted	-	23,737,033	-	7,266,360	31,003,393
Assigned	21,901,003	-	-	-	21,901,003
Unassigned (Deficit)	102,654,523	-	-	(3,348,684)	99,305,839
	<u>185,909,243</u>	<u>23,969,850</u>	<u>-</u>	<u>3,983,272</u>	<u>213,862,365</u>
	<u>\$ 440,627,726</u>	<u>\$ 23,969,850</u>	<u>\$ 4,767,737</u>	<u>\$ 11,271,057</u>	<u>\$ 480,636,370</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 440,627,726</u>	<u>\$ 23,969,850</u>	<u>\$ 4,767,737</u>	<u>\$ 11,271,057</u>	<u>\$ 480,636,370</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Fund Balances - Total Governmental Funds		\$ 213,862,365
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets net of depreciation have not been included as financial resources in governmental funds. This does not include internal service fund capital assets of \$4,336,903 and accumulated depreciation of \$2,029,249.</p>		
Capital assets	\$ 430,028,015	
Accumulated depreciation	<u>(187,423,557)</u>	242,604,458
<p>Unavailable revenues are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the fund financial statements.</p>		
		1,250,000
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities consists of the following:</p>		
Compensated absences		(3,494,946)
Settlement payable (net of \$3,985 reported in the General Fund)		(100,978)
<p>Net pension liability/asset applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.</p>		
Deferred outflows of resources related to pension	21,613,949	
Deferred inflows of resources related to pension	(1,114,512)	
Net pension asset	959,089	
Net pension liability	<u>(74,201,868)</u>	(52,743,342)
<p>Net OPEB liability/asset applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflow of resources related to OPEB are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.</p>		
Deferred outflows of resources related to OPEB	12,098,535	
Deferred inflows of resources related to OPEB	(1,912,928)	
Net OPEB asset	<u>638,233</u>	10,823,840
<p>Internal service funds are used by management to charge the costs of vehicle replacement to individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.</p>		
		<u>10,572,690</u>
Net Position of Governmental Activities		<u>\$ 422,774,087</u>

See accompanying Notes to Financial Statements.

CITY OF CERRITOS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
REVENUES					
Property, Sales, and Other Taxes	\$ 61,819,221	\$ -	\$ -	\$ -	\$ 61,819,221
Franchise	3,427,300	-	-	-	3,427,300
Licenses and Permits	3,808,587	-	-	-	3,808,587
Fines and Forfeitures	483,159	-	-	-	483,159
Investment and Rental Income	22,572,705	353,356	-	190,967	23,117,028
Intergovernmental	163,438	69,462	204,477	8,568,412	9,005,789
Charges for Services	6,673,461	-	2,316	10,030	6,685,807
Contributions from Property Owners	-	-	-	168,091	168,091
Other Revenues	581,875	11,800	-	-	593,675
Total Revenues	<u>99,529,746</u>	<u>434,618</u>	<u>206,793</u>	<u>8,937,500</u>	<u>109,108,657</u>
EXPENDITURES					
Current:					
Legislative and Administration	2,266,645	-	-	196,132	2,462,777
Community Development	4,866,214	240,039	-	2,369,711	7,475,964
Public Works	15,949,938	-	10,077,910	4,951,491	30,979,339
Community and Safety Services	27,800,344	-	-	-	27,800,344
Administrative Services	13,916,002	-	-	662,962	14,578,964
Cerritos Center for The Performing Arts	8,744,578	-	-	-	8,744,578
Capital Outlay	-	-	12,034,981	-	12,034,981
Total Expenditures	<u>73,543,721</u>	<u>240,039</u>	<u>22,112,891</u>	<u>8,180,296</u>	<u>104,076,947</u>
Revenues Over (Under) Expenditures	25,986,025	194,579	(21,906,098)	757,204	5,031,710
OTHER FINANCING SOURCES (USES)					
Insurance Reimbursement	-	-	2,353,000	-	2,353,000
Transfers In	382,104	-	19,553,098	8,406,050	28,341,252
Transfers Out	(26,001,958)	-	-	(9,555,849)	(35,557,807)
Total Other Financing Sources (Uses)	<u>(25,619,854)</u>	<u>-</u>	<u>21,906,098</u>	<u>(1,149,799)</u>	<u>(4,863,555)</u>
SPECIAL ITEM					
Forgiveness of Advance	(24,336,699)	-	-	-	(24,336,699)
NET CHANGE IN FUND BALANCES	(23,970,528)	194,579	-	(392,595)	(24,168,544)
Fund Balances - Beginning of Year	<u>209,879,771</u>	<u>23,775,271</u>	<u>-</u>	<u>4,375,867</u>	<u>238,030,909</u>
FUND BALANCES - END OF YEAR	<u>\$ 185,909,243</u>	<u>\$ 23,969,850</u>	<u>\$ -</u>	<u>\$ 3,983,272</u>	<u>\$ 213,862,365</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (24,168,544)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Depreciation (does not include internal service fund depreciation expense of \$315,013)	\$ (6,175,938)	
Disposals	(659)	
Capital outlay	<u>11,839,031</u>	5,662,434

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements. This amount represents the change during the fiscal year.

940,000

Settlement payable reported on the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds. The net change is reported on the statement of activities.

5,287

Compensated absences reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net change is reported on the statement of activities.

(134,864)

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

(3,387,727)

OPEB expenditures reported in the governmental funds includes the insurance premiums paid. In the statement of activities, OPEB expense includes the change in the net OPEB asset and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.

(620,291)

Internal service funds are used by management to charge the costs of vehicle replacement to individual funds. The net revenues of the internal service fund are reported with governmental activities.

(30,975)

Change in Net Position of Governmental Activities

\$ (21,734,680)

CITY OF CERRITOS, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Funds
	Major Funds		Nonmajor Reclaimed Water	Total Enterprise Funds	
	Water and Sewer	Electric Utility			
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,584,472	\$ 1,261,303	\$ 1,614,276	\$ 4,460,051	\$ 8,169,939
Accounts Receivable	1,706,234	737,120	220,141	2,663,495	-
Prepaid Items	203,852	-	18,363	222,215	151,590
Total Current Assets	<u>3,494,558</u>	<u>1,998,423</u>	<u>1,852,780</u>	<u>7,345,761</u>	<u>8,321,529</u>
Noncurrent Assets:					
Net Pension Asset	89,096	-	-	89,096	-
Net OPEB Asset	59,289	-	-	59,289	-
Capital Assets:					
Construction in Progress	5,326,848	-	-	5,326,848	-
Building and Structures	5,444,587	-	1,315,000	6,759,587	-
Water Mains and Lines	30,471,512	-	15,915,712	46,387,224	-
Equipment	7,165,645	-	120,278	7,285,923	4,336,903
Water Rights Acquired	2,259,378	-	-	2,259,378	-
Electric Utility Rights Acquired	-	14,105,000	-	14,105,000	-
Sewer Mains	11,760,205	-	-	11,760,205	-
Accumulated Depreciation	<u>(37,733,730)</u>	<u>(8,933,167)</u>	<u>(11,249,040)</u>	<u>(57,915,937)</u>	<u>(2,029,249)</u>
Total Noncurrent Assets	<u>24,842,830</u>	<u>5,171,833</u>	<u>6,101,950</u>	<u>36,116,613</u>	<u>2,307,654</u>
Total Assets	28,337,388	7,170,256	7,954,730	43,462,374	10,629,183
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows of Resources	2,007,851	-	-	2,007,851	-
OPEB Related Deferred Outflows of Resources	1,123,908	-	-	1,123,908	-
Total Deferred Outflows of Resources	<u>3,131,759</u>	<u>-</u>	<u>-</u>	<u>3,131,759</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,516,964	362,736	443,301	2,323,001	56,493
Accrued Liabilities	101,175	5,194	6,337	112,706	-
Retention	183,462	-	-	183,462	-
Deposits Payable	46,040	-	-	46,040	-
Unearned Revenue	1,589,590	-	-	1,589,590	-
Long-Term Debt - Due Within One Year	-	435,000	-	435,000	-
Compensated Absences - Due Within One Year	55,929	-	-	55,929	-
Total Current Liabilities	<u>3,493,160</u>	<u>802,930</u>	<u>449,638</u>	<u>4,745,728</u>	<u>56,493</u>
Noncurrent Liabilities:					
Advances from Other Funds	-	27,429,227	-	27,429,227	-
Net Pension Liabilities	6,893,070	-	-	6,893,070	-
Long-Term Debt - Due in More than One Year	-	8,005,000	-	8,005,000	-
Compensated Absences - Due in More than One Year	167,786	-	-	167,786	-
Total Noncurrent Liabilities	<u>7,060,856</u>	<u>35,434,227</u>	<u>-</u>	<u>42,495,083</u>	<u>-</u>
Total Liabilities	10,554,016	36,237,157	449,638	47,240,811	56,493
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows of Resources	103,533	-	-	103,533	-
OPEB Related Deferred Outflows of Resources	177,704	-	-	177,704	-
Total Deferred Inflows of Resources	<u>281,237</u>	<u>-</u>	<u>-</u>	<u>281,237</u>	<u>-</u>
NET POSITION					
Net Investment In Capital Assets	24,510,983	(3,268,167)	6,101,950	27,344,766	2,307,654
Restricted for Pension	89,096	-	-	89,096	-
Restricted for OPEB	59,289	-	-	59,289	-
Unrestricted (Deficit)	<u>(4,025,474)</u>	<u>(25,798,734)</u>	<u>1,403,142</u>	<u>(28,421,066)</u>	<u>8,265,036</u>
Total Net Position (Deficit)	<u>\$ 20,633,894</u>	<u>\$ (29,066,901)</u>	<u>\$ 7,505,092</u>	<u>\$ (927,915)</u>	<u>\$ 10,572,690</u>

See accompanying Notes to Financial Statements.

CITY OF CERRITOS, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor Reclaimed Water	Total Enterprise Funds	
	Water and Sewer	Electric Utility			
OPERATING REVENUES					
Sales of Water:					
Regular	\$ 9,247,126	\$ -	\$ 794,596	\$ 10,041,722	\$ -
Wholesale	909,688	-	-	909,688	-
Sales of Electricity:					
Regular	-	7,555,941	-	7,555,941	-
Fire Lines	508,625	-	-	508,625	-
Charges for Services	105,395	-	-	105,395	-
Other Agency Contribution	269,418	-	-	269,418	-
Other Revenues	-	1,305	-	1,305	-
Total Operating Revenues	<u>11,040,252</u>	<u>7,557,246</u>	<u>794,596</u>	<u>19,392,094</u>	<u>-</u>
OPERATING EXPENSES					
Management	5,529,702	-	-	5,529,702	-
Production and Distribution	5,900,595	-	61,878	5,962,473	-
Operations	2,347,199	6,912,696	1,082,246	10,342,141	280,848
Inspections	435,287	-	48,365	483,652	-
Billings and Collection	270,354	-	-	270,354	-
Depreciation	1,088,262	470,167	306,780	1,865,209	315,013
Total Operating Expenses	<u>15,571,399</u>	<u>7,382,863</u>	<u>1,499,269</u>	<u>24,453,531</u>	<u>595,861</u>
OPERATING LOSS	(4,531,147)	174,383	(704,673)	(5,061,437)	(595,861)
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Loss)	(7,993)	43,228	33,252	68,487	165,545
Interest Expense - Debt Service	-	(442,750)	-	(442,750)	-
Interest Expense - Advances	-	(669,005)	-	(669,005)	-
Gain (Loss) on Disposal of Assets	-	-	-	-	(659)
Total Nonoperating Revenues (Expenses)	<u>(7,993)</u>	<u>(1,068,527)</u>	<u>33,252</u>	<u>(1,043,268)</u>	<u>164,886</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(4,539,140)	(894,144)	(671,421)	(6,104,705)	(430,975)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	83,083	-	-	83,083	-
Transfers In	5,958,805	857,750	-	6,816,555	400,000
SPECIAL ITEM					
Forgiveness of Advance	24,336,699	-	-	24,336,699	
CHANGE IN NET POSITION	25,839,447	(36,394)	(671,421)	25,131,632	(30,975)
Net Position (Deficit) - Beginning of Year	<u>(5,205,553)</u>	<u>(29,030,507)</u>	<u>8,176,513</u>	<u>(26,059,547)</u>	<u>10,603,665</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 20,633,894</u>	<u>\$ (29,066,901)</u>	<u>\$ 7,505,092</u>	<u>\$ (927,915)</u>	<u>\$ 10,572,690</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 10,546,371	\$ 7,807,779	\$ 869,269	\$ 19,223,419	\$ -
Cash Paid to Suppliers Of Goods Or Services	(8,771,672)	(6,874,981)	(745,698)	(16,392,351)	(459,131)
Cash Paid to Employees	(5,133,975)	-	-	(5,133,975)	-
Net Cash Provided (Used) by Operating Activities	(3,359,276)	932,798	123,571	(2,302,907)	(459,131)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	5,958,805	857,750	-	6,816,555	400,000
Net Cash Provided by Noncapital Financing Activities	5,958,805	857,750	-	6,816,555	400,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,891,738)	-	-	(2,891,738)	(691,737)
Cash Received for Capital	83,083	-	-	83,083	-
Proceeds on Sale of Capital Assets	15,728	-	-	15,728	-
Principal Paid on Debt	-	(415,000)	-	(415,000)	-
Interest Paid on Debt	-	(442,750)	-	(442,750)	-
Net Cash Used by Capital and Related Financing Activities	(2,792,927)	(857,750)	-	(3,650,677)	(691,737)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income Received	(7,993)	43,229	33,252	68,488	165,545
Net Cash Provided (Used) by Investing Activities	(7,993)	43,229	33,252	68,488	165,545
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(201,391)	976,027	156,823	931,459	(585,323)
Cash and Cash Equivalents - Beginning of Year	1,785,863	285,276	1,457,453	3,528,592	8,755,262
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,584,472</u>	<u>\$ 1,261,303</u>	<u>\$ 1,614,276</u>	<u>\$ 4,460,051</u>	<u>\$ 8,169,939</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (4,531,147)	\$ 174,383	\$ (704,673)	\$ (5,061,437)	\$ (595,861)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,088,262	470,167	306,780	1,865,209	315,013
Changes in Assets and Deferred Outflows of Resources:					
(Increase) Decrease in Accounts Receivable	(224,462)	250,533	74,673	100,744	-
(Increase) Decrease in Prepaid Items	15,710	4,650	34,097	54,457	(151,590)
(Increase) Decrease in Net Pension Asset	37,382	-	-	37,382	-
(Increase) Decrease in Net OPEB Asset	425,558	-	-	425,558	-
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	93,568	-	-	93,568	-
(Increase) Decrease in Deferred Outflows of Resources related to OPEB	(231,310)	-	-	(231,310)	-
Changes in Liabilities and Deferred Inflows of Resources:					
Increase (Decrease) in Accounts Payable	164,303	32,737	412,986	610,026	(26,693)
Increase (Decrease) in Accrued Liabilities	5,410	328	(292)	5,446	-
Increase (Decrease) in Deposits Payable	1,750	-	-	1,750	-
Increase (Decrease) in Unearned Revenue	(269,420)	-	-	(269,420)	-
Increase (Decrease) in Net Pension Liability	437,588	-	-	437,588	-
Increase (Decrease) in Deferred Inflows of Resources Related to Pensions	(253,830)	-	-	(253,830)	-
Increase (Decrease) in Deferred Inflows of Resources related to OPEB	(136,625)	-	-	(136,625)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,359,276)</u>	<u>\$ 932,798</u>	<u>\$ 123,571</u>	<u>\$ (2,302,907)</u>	<u>\$ (459,131)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Forgiveness of Advance	<u>\$ 24,336,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,336,699</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	Successor Agency to the Cerritos Redevelopment Agency
ASSETS	
Cash and Investments	\$ 19,953,058
Cash and Investments with Fiscal Agents	8,948,237
Interest Receivable	100,042
Total Assets	29,001,337
LIABILITIES	
Current Liabilities:	
Interest Payable	47,588
Long-Term Debt - Due Within One Year	11,445,000
Total Current Liabilities	11,492,588
Noncurrent Liabilities:	
Advances from City of Cerritos	40,658,146
Total Long-Term Liabilities	40,658,146
Total Liabilities	52,150,734
NET POSITION (DEFICIT)	
Held In Trust:	
Held for Dissolution of Community Redevelopment Agency	(23,149,397)
Total Net Position (Deficit)	\$ (23,149,397)

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Successor Agency to the Cerritos Redevelopment Agency
ADDITIONS	
Redevelopment Property Tax Trust Fund	\$ 10,030,284
Investment Income	1,121,999
Total Additions	11,152,283
DEDUCTIONS	
Administrative Expenses	35,000
Interest on Long-Term Debt	659,556
Fiscal Charges	6,829
Total Deductions	701,385
CHANGE IN NET POSITION	10,450,898
Net Position (Deficit) - Beginning Of Year	(33,600,295)
NET POSITION (DEFICIT) - END OF YEAR	\$ (23,149,397)

See accompanying Notes to Financial Statements.

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**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Cerritos, California (the City), have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of the Financial Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended. The basic, but not the only, criterion for including a potential component unit within the City's reporting entity is whether the City Council, as the City's governing body, has financial accountability for the potential component unit. The most significant manifestations of financial accountability include the ability of the Council to appoint a voting majority of the organization's governing body and the ability to impose its will on the organization; or that there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be deemed to be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. In addition to those organizations for which the City may be financially accountable, other organizations for which the City is not financially accountable, but for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete, may also be component units. Component units are presented on a "blended" basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Based upon the application of these criteria, the City has no component units. The following is a brief review of the City's reporting entity.

City of Cerritos

The City was incorporated on April 26, 1956 as a charter city under the laws of the state of California and enjoys all the rights and privileges allowed by its charter. The City is governed by an elected five-member council.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position (i.e., fund balances) as presented in these statements to the net position presented in the Government-wide financial statements.

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each proprietary fund and nonmajor funds aggregated. A column representing internal service funds is also presented in these statements. However, the internal service balances and activities have been combined with the governmental activities in the Government-wide financial statements.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The following are the major governmental funds of the City:

The **General Fund** is the general operating fund of the City. All general tax revenues and other receipts not allocated by law or contractual agreement to other funds are accounted for in this fund. Expenditures of this fund include general operating costs not paid through other funds.

The **Housing Assets Special Revenue Fund** is used to account for activities of the former Redevelopment Agency Low and Moderate Income Housing Fund. The funds revenue is provided through recognized obligation payment schedule (ROPS) and are restricted for administrative costs and projects related to low and moderate income housing.

The **Municipal Improvement Capital Project Fund** is used to account for the monies received from General Fund and other grant monies for the construction of major capital facilities, which generally require more than one budgetary cycle to complete.

The following are the major proprietary funds of the City:

The **Water and Sewer Enterprise Fund** is used to account for the provision of water and sewer to the residents and businesses of the City and to account for monies received from sewer connection and maintenance fees. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, construction, and financing.

The **Electric Utility Enterprise Fund** is used to account for retail electricity provided by the City. Initially, major accounts for both the City and the ABC Unified School District were served. Additional accounts have been added since inception to utilize the full output of the Magnolia plant allocated to Cerritos. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, construction financing and related debt service.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects), that are restricted to expenditures for special purposes.

Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major facilities other than those financed by Proprietary Funds.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Funds

The Reclaimed Water Fund, an **Enterprise Fund**, is used to account for the sale of reclaimed water to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, construction, and financing.

The Equipment Replacement Fund, an **Internal Service Fund**, is used to account for the regular maintenance and replacement of the City's capital equipment and office equipment inventory and to accumulate funds necessary for equipment replacement.

Fiduciary Fund

The **Successor Agency to the Cerritos Redevelopment Agency Fund** is a private purpose trust fund used to account for nonhousing activities of the Successor Agency to the Cerritos Redevelopment Agency (Successor Agency).

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property and sales taxes, utility users' taxes, transient occupancy taxes, franchise taxes, licenses and other charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary are reported using the economic resources measurement focus and the accrual basis of accounting.

D. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and investments with original maturities of three months or less from the date of acquisition. With respect to cash and investments with fiscal agents, all investments have an original maturity of less than three months and are considered to be cash equivalents.

E. Investments

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

F. Inventories

Inventories are valued at weighted average cost. Inventories in the Governmental Funds are recorded based on the consumption method and are classified as nonspendable fund balance.

CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaids

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are valued at their acquisition value at the date of contribution. Generally, capital asset purchases in excess of \$10,000 are capitalized if they have an expected useful life of one year or more.

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

For infrastructure systems, the City elected to use the “Basic Approach” and depreciate over its estimated useful life. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes of each capital asset class are:

Buildings	40 Years
Improvements Other than Buildings	10 to 40 Years
Water Mains and Lines	65 Years
Water Rights	40 Years
Electricity Rights	30 Years
Vehicles	5 to 15 Years
Machinery and Equipment	5 to 15 Years
Office Furniture, Computers, and Equipment	3 to 15 Years
Leased Property	5 to 10 Years
Infrastructure	20 to 75 Years

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability and net OPEB liability.
- Deferred outflow related to pensions and OPEB for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB through the plans.
- Deferred inflow from pensions and OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions and OPEB through the plans.
- Deferred outflow related to pensions and OPEB resulting from the net difference in projected and actual earnings on investments of the OPEB and pension plans' fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from *unavailable revenues*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflow related to leases, this amount is deferred and recognized as an inflow of resources based on the payment provisions in the contract.
- Deferred inflow related to pensions and OPEB for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB through the plans.
- Deferred inflow from OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with OPEB through the plan.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases

The City is a lessor for a noncancellable lease of a building and land. The City recognizes a lease receivable and a deferred inflow of resources in the governmental activities in the government-wide and in the general fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

K. Compensated Absences

In governmental funds, vacation and sick leave are recorded as expenditures in the year paid. Accordingly, the entire unpaid liability for the governmental funds is recorded as a long-term obligation in the government-wide financial statements only.

Unpaid compensated absences in proprietary funds are recorded as a liability in those funds as the vested benefits accrue to the employees.

The compensated absences for governmental funds will generally be liquidated through the general fund. The balances in the proprietary funds will generally be liquidated through the individual funds.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Claims and Judgments

When it is probable that a claim or judgment liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage. The City is a member of the California Joint Powers Insurance Authority (CJPIA). The City believes that its deposits with the CJPIA are adequate to cover all claims, including claims incurred by not reported.

M. Pensions

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

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Benefits Plan (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

O. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, with the County, and are then allocated to the cities based on complex formulas. The following are annual dates pertaining to property taxes:

Lien Date	January 1
Levy Date	June 30
Due Dates	November 1 and February 1
Delinquency Dates	December 10 and April 10

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balances and Net Position

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance – This amount indicates the portion of funds balances which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted Fund Balance – This amount indicates the portion of fund balances which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; orb) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution of the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned Fund Balance – This amount indicates the portion of fund balances which is constrained by the City's intent to be used for specific purpose, but is neither restricted nor committed. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council adopts a resolution contained within the annual budget that delegates the authority to the City Manager to assign fund balance amounts in the annual financial statements.

Unassigned Fund Balance – Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or designated as nonspendable. Only the General Fund reports a positive unassigned fund balance. If expenditures incurred for specific purposes exceed amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in a fund.

When expenses are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balances and Net Position (Continued)

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City’s policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. The City has the following cash and investments at June 30, 2024:

	<u>Government-Wide Statement of Net Position</u>			<u>Fiduciary Funds Statement of Net Position</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Net Position</u>	<u>Total</u>
Cash and Investments	\$ 149,242,183	\$ 4,460,051	\$ 153,702,234	\$ 19,953,058	\$ 173,655,292
Restricted Cash and Investments:					
Investments with Fiscal Agents	-	-	-	8,948,237	8,948,237
Total Cash and Investments	<u>\$ 149,242,183</u>	<u>\$ 4,460,051</u>	<u>\$ 153,702,234</u>	<u>\$ 28,901,295</u>	<u>\$ 182,603,529</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

The City's cash and investments at June 30, 2024 in more detail:

Cash and Deposits:	
Petty Cash	\$ 9,190
Demand Deposits	15,671,890
Total Cash and Deposits	15,681,080
Investments:	
Local Agency Investment Fund	42,406,698
U.S. Government Sponsored Enterprise Securities	60,319,564
U.S. Treasury Notes	19,016,670
Negotiable Certificates of Deposit	36,231,280
Money Market Mutual Funds	8,948,237
Total Investments	<u>166,922,449</u>
Total Cash and Investments	<u>\$ 182,603,529</u>

All of the City's deposits, except certain cash balances held by fiscal agents, are entirely insured or collateralized. The California Government Code requires California banks and savings and loans to secure the City's deposits by pledging government securities as collateral. The fair value of the pledged securities must equal 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes equal to 150% of the City's deposits. The City may waive collateral requirements for the portion of cash deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), statutorily limited to \$250,000. As of June 30, 2024, the City maintains cash deposits that are partially insured by FDIC insurance. All uninsured cash deposited are fully collateralized.

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 trustees/fiscal agents 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.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

<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
U.S. Government Sponsored Enterprise Securities	5 Years	No Limit	No Limit
Corporate Medium Term Notes	5 Years	30%	5%
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	25%	5%
Negotiable Certificates of Deposit	5 Years	30%	5%
Investment Grade Obligations of State, Local Government, and Public Authorities	5 Years	30%	5%
Repurchase Agreements	30 day	No Limit	No Limit
Money Market Mutual Funds	N/A	10%	No Limit
Local Agency Investment Fund (LAIF)	N/A	75 Million	No limit

N/A Not Applicable

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

Investments Authorized by Debt Agreements

Investment of debt proceeds held by a 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. Investments authorized for funds held by the bond trustee include U.S. Treasury Obligations, U.S. Government Sponsored Enterprise Securities, Money Market Mutual Funds and Investment Contracts. There are no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment.

Disclosures Relating to Interest Rate Risk

The City's investment policy manages exposure to interest rate risk 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. The policy limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments at maturity:

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 60 Months	Greater Than 60 Months	
Local Agency Investment Fund (LAIF)	\$ 42,406,698	\$ -	\$ -	\$ 42,406,698
Federal Home Loan Bank (FHLB)	3,913,510	19,619,783	-	23,533,293
Federal National Mortgage Association (FNMA)	979,750	7,579,528	-	8,559,278
Federal Home Loan Mortgage Corporation (FHLMC)	986,230	6,737,630	-	7,723,860
Federal Farm Credit Bank (FFCB)	7,720,510	12,782,623	-	20,503,133
U.S. Treasury Notes	7,821,510	11,195,160	-	19,016,670
Negotiable Certificates of Deposit	9,680,402	26,550,878	-	36,231,280
Money Market Mutual Funds	8,948,237	-	-	8,948,237
Total	\$ 82,456,847	\$ 84,465,602	\$ -	\$ 166,922,449

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 Moody's, a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government.

Investment Type	Total as of June 30, 2024	Minimum Legal Rating	Aaa		Unrated		Not Required to be Rated
LAIF	\$ 42,406,698	N/A	\$ -	\$ 42,406,698	\$ -	-	
FHLB	23,533,293	N/A	23,533,293	-	-	-	
FNMA	8,559,278	N/A	8,559,278	-	-	-	
FHLMC	7,723,860	N/A	7,723,860	-	-	-	
FFCB	20,503,133	N/A	20,503,133	-	-	-	
U.S. Treasury Notes	19,016,670	N/A	-	-	-	19,016,670	
Negotiable Certificates of Deposit	36,231,280	Aaa	-	36,231,280	-	-	
Money Market Mutual Funds	8,948,237	A	-	8,948,237	-	-	
Total	\$ 166,922,449		\$ 60,319,564	\$ 87,586,215	\$ 19,016,670		

Fair Value Measurements

GASB Statement No. 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

United States Government – Sponsored Agency securities, negotiable certificates of deposit, and investment contracts held by trustees/fiscal agents are classified in level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Investment Type	June 30, 2024	Level		
		1	2	3
FHLB	\$ 23,533,293	\$ -	\$ 23,533,293	\$ -
FNMA	8,559,278	-	8,559,278	-
FHLMC	7,723,860	-	7,723,860	-
FFCB	20,503,133	-	20,503,133	-
U.S. Treasury Notes	19,016,670	-	19,016,670	-
Negotiable Certificates of Deposit	36,231,280	-	36,231,280	-
Total Investments at Fair Value	115,567,514	\$ -	\$ 115,567,514	\$ -
Investments not Subject to Hierarchy				
State Investment Pool (LAIF)	42,406,698			
Held by Trustees/Fiscal Agents:				
Money Market Funds	8,948,237			
Total	51,354,935			
Total Investments	\$ 166,922,449			

Disclosure Risk Relating to 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.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosure Risk Relating to Custodial Credit Risk (Continued)

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the City’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2024, the deposits were collateralized in accordance with Section 53652 of the California Government Code by the pledging financial institution in the City’s name.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). The fund is not registered with the SEC but 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.

NOTE 3 LOANS AND NOTES RECEIVABLE

Residential Assistance and Loan Program

At June 30, 2024, the outstanding balances of the Residential Assistance and Loan Programs are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Residential Assistance Program	\$ 2,040,000	\$ -	\$ -	\$ 2,040,000
Residential Loan Program	139,237	-	-	139,237
Subtotal	2,179,237	-	-	2,179,237
Less: Allowance for Uncollectible	(2,179,237)	-	-	(2,179,237)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The receivables are not included in the accompanying basic financial statements due to the contingent nature of the repayment schedule of these loans.

Loan Receivable

The City has a loan receivable with an association that commenced during fiscal year 2023-2024 for \$446,090. interest is charged at 4% and the loan matures in December 2028. The outstanding balance at June 30, 2024, is \$405,369.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 INTERFUND TRANSACTIONS

Advances To/From Other Funds

At June 30, 2024, the City had the following advances to/from other funds:

Advances to Other Funds		
Receivable Fund	Payable Fund	Amount
Governmental Funds:	Enterprise Funds:	
	Electric Utility Enterprise Fund:	
General Fund	Operations	\$ 24,663,939
General Fund	Debt Service	2,765,288
	Total	\$ 27,429,227

Advances were made to the Water and Sewer Enterprise Fund from the General Fund during fiscal years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, and 2022-2023. The advances were used for water and sewer operations. Interest on the outstanding balance on advances payable is charged at an annual rate of 2.50% to the Water and Sewer Enterprise Fund. In October 2023, the City Council approved the write off of the advance for \$24,336,699.

Advances were made to the Electric Utility Enterprise Fund from the General Fund were used for initial working capital. Prior to July 1, 2012, interest on the outstanding balance on advances payable was charged at an annual rate of 12% to the Electric Utility Enterprise Fund. On June 28, 2012, the City adopted Resolution No. 2012-17 authorizing the interest rate to be reduced from 12% to 2.5% after June 30, 2012. For the year ended June 30, 2024, interest of \$669,006 was incurred and added to the outstanding loan balance. At June 30, 2024, the outstanding balance was \$27,429,227.

Due To/From Other Funds

The City reclassified negative cash balances of \$3,283,088 in the City-wide cash pool from the General Fund to the Nonmajor Governmental Funds.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

Transfers

At June 30, 2024, the City had the following transfers in/out:

Transfers Out	Transfers In						Total
	Governmental Funds			Proprietary Funds			
	General Fund	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Utility Fund	Internal Service Fund	
Governmental Funds:							
General Fund	\$ -	\$ 12,335,287	\$ 8,406,050	\$ 4,002,871	\$ 857,750	\$ 400,000	\$ 26,001,958
Nonmajor Governmental Funds	382,104	7,217,811	-	1,995,934	-	-	9,595,849
Total	<u>\$ 382,104</u>	<u>\$ 19,553,098</u>	<u>\$ 8,406,050</u>	<u>\$ 5,998,805</u>	<u>\$ 857,750</u>	<u>\$ 400,000</u>	<u>\$ 35,597,807</u>

The transfers of \$20,741,337 from the General Fund relate to capital projects costs and administrative costs of the Municipal Improvement Capital Project Fund and the Nonmajor Governmental Funds.

The transfers of \$382,104 from the Nonmajor Governmental Funds to the General Fund relate to the repayment to the General Fund relate to the funding of projects.

The transfers of \$1,955,935 from the Nonmajor Governmental Funds to the Water and Sewer Fund relate to the funding of capital projects.

The transfers of \$7,217,811 from the Nonmajor Governmental Funds to the Municipal Improvement Capital Project Fund relates to the funding of capital projects.

The transfers of \$857,750 from the General Fund to the Electric Utility Fund relate to debt service expenditures.

The transfers of \$4,002,871 from the General Fund to the Water and Sewer Fund relate to the funding of capital projects.

The transfers of \$400,000 from the General Fund to the Internal Service Fund relate to the funding of capital equipment.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 ADVANCES TO FIDUCIARY FUNDS

The balance of Advances to Fiduciary Funds at June 30, 2024 is \$40,658,146. Advances from the General Fund to the Successor Agency to the Cerritos Redevelopment Agency Fiduciary Fund were provided to fund capital improvements and land purchases in both the Los Cerritos and Los Coyotes project areas. The State Department of Finance (DOF) approved the City loans, and the loans accrue interest at 4% using simple interest. The loan balance of the General Fund, including accrued interest, is \$32,526,517 at June 30, 2024. The loan balance of the Housing Assets Fund, including accrued interest, is \$8,131,629 at June 30, 2024.

NOTE 6 CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not Being Depreciated:				
Land	\$ 77,962,622	\$ -	\$ -	\$ 77,962,622
Parking Structure Rights	3,760,000	-	-	3,760,000
Right-of-Way	49,184,583	-	-	49,184,583
Public Art	4,994,669	-	-	4,994,669
Trees	1,355,909	-	-	1,355,909
Construction in Progress	4,945,891	8,284,850	(2,045,621)	11,185,120
Total Capital Assets, not Being Depreciated	142,203,674	8,284,850	(2,045,621)	148,442,903
Capital Assets, Being Depreciated:				
Buildings	200,332,522	-	-	200,332,522
Improvements Other than Buildings	10,684,792	2,128,415	-	12,813,207
Furniture and Equipment	26,137,091	691,738	(314,385)	26,514,444
Infrastructure	42,930,006	3,470,726	(138,890)	46,261,842
Total Capital Assets, Being Depreciated	280,084,411	6,290,879	(453,275)	285,922,015
Less Accumulated Depreciation For:				
Buildings	(126,245,989)	(4,680,027)	-	(130,926,016)
Improvements Other Than Buildings	(4,929,972)	(539,014)	-	(5,468,986)
Furniture And Equipment	(24,151,241)	(333,535)	313,726	(24,171,050)
Infrastructure	(28,087,269)	(938,375)	138,890	(28,886,754)
Total Accumulated Depreciation	(183,414,471)	(6,490,951)	452,616	(189,452,806)
Total Capital Assets, Being Depreciated, Net	96,669,940	(200,072)	(659)	96,469,209
Governmental Activities Capital Assets, Net	<u>\$ 238,873,614</u>	<u>\$ 8,084,778</u>	<u>\$ (2,046,280)</u>	<u>\$ 244,912,112</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

Depreciation expense was charged to the functions/programs of governmental activities for the year ended June 30, 2024 as follows:

Legislative and Administrative	\$	995,095
Public Works		20,990
Community and Safety Services		1,506,469
Administrative Services		1,394,784
Cerritos Center for the Performing Arts		1,635,238
Unallocated Infrastructure Depreciation		938,375
Total Depreciation Expense		\$ 6,490,951

Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not Being Depreciated:				
Construction in Progress	\$ 2,844,612	\$ 2,482,236	\$ -	\$ 5,326,848
Total Capital Assets, not Being Depreciated	2,844,612	2,482,236	-	5,326,848
Capital Assets, Being Depreciated:				
Buildings and Structures	6,759,587	-	-	6,759,587
Water Mains and Lines	46,155,478	266,044	(34,298)	46,387,224
Equipment	7,039,897	246,026	-	7,285,923
Water Rights Acquired	2,259,378	-	-	2,259,378
Electric Utility Rights Acquired	14,105,000	-	-	14,105,000
Sewer Mains	11,760,205	-	-	11,760,205
Total Capital Assets, Being Depreciated	88,079,545	512,070	(34,298)	88,557,317
Less Accumulated Depreciation for:				
Buildings and Structures	(4,441,722)	(119,264)	-	(4,560,986)
Water Mains and Lines	(28,581,319)	(814,392)	18,569	(29,377,142)
Equipment	(5,490,142)	(248,143)	-	(5,738,285)
Water Rights Acquired	(1,186,170)	(56,484)	-	(1,242,654)
Electric Utility Rights Acquired	(8,463,001)	(470,167)	-	(8,933,168)
Sewer Mains	(7,906,943)	(156,759)	-	(8,063,702)
Total Accumulated Depreciation	(56,069,297)	(1,865,209)	18,569	(57,915,937)
Total Capital Assets, Being Depreciated, Net	32,010,248	(1,353,139)	(15,729)	30,641,380
Business-Type Activities Capital Assets, Net	\$ 34,854,860	\$ 1,129,097	\$ (15,729)	\$ 35,968,228

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities (Continued)

Depreciation expense for business-type activities for the year June 30, 2024 was charged as follows:

Water and Sewer	\$ 1,088,262
Electric Utility	470,167
Reclaimed Water	306,780
Total Depreciation Expense	\$ 1,865,209

NOTE 7 COMPENSATED ABSENCES

This liability represents the total unpaid vacation and compensatory time earned by employees of the City. Since this amount is paid to the employee upon termination of employment, there is no fixed payment schedule for earned but unpaid compensated absences. The compensated absences are predominately associated with the General Fund and Water and Sewer Fund for the governmental and business-type activities, respectively.

Governmental Activities

A summary of changes in compensated absences for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Compensated Absences	\$ 3,360,082	\$ 1,907,496	\$ (1,772,632)	\$ 3,494,946	\$ 873,736	\$ 2,621,210

Business-Type Activities

A summary of changes in compensated absences for business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Compensated Absences - Water and Sewer Fund	\$ 205,728	\$ 132,701	\$ (114,714)	\$ 223,715	\$ 55,929	\$ 167,786

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 LONG-TERM DEBT

Business-Type Activities (Continued)

A summary of changes in long-term debt for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Direct Borrowings:						
Southern California Public Power Authority, Magnolia Project Los Cerritos Revenue Bonds: 2003 Issue, Series B, \$3,526,250	\$ 2,213,750	\$ -	\$ (103,750)	\$ 2,110,000	\$ 108,750	\$ 2,001,250
Southern California Public Power Authority, Magnolia Project Los Coyotes Revenue Bonds: 2003 Issue, Series B, \$10,578,750	6,641,250	-	(311,250)	6,330,000	326,250	6,003,750
Total Revenue Bonds	<u>8,855,000</u>	<u>-</u>	<u>(415,000)</u>	<u>8,440,000</u>	<u>435,000</u>	<u>8,005,000</u>
Total Long-Term Liabilities	<u>\$ 8,855,000</u>	<u>\$ -</u>	<u>\$ (415,000)</u>	<u>\$ 8,440,000</u>	<u>\$ 435,000</u>	<u>\$ 8,005,000</u>

SCPPA – Magnolia Power Project B, Series 2003 Revenue Bonds

The Southern California Public Power Authority (SCPPA) was created in 1980 under a joint exercise of powers agreement. It was formed for the acquisition and construction of facilities to supply electric energy within the boundaries of its members. Complete financial statements for SCPPA may be obtained at their administrative office located at 225 S. Lake Avenue, Suite 1250, Pasadena, CA 91101.

In 2001, SCPPA entered into an agreement with the Cities of Anaheim, Burbank, Cerritos, Colton, Glendale, and Pasadena to construct a generation facility with a capacity of 242 megawatts to be located on the existing Magnolia generating site in Burbank, California.

SCPPA issued \$14,105,000 of lease revenue bonds to finance a portion of the project costs for the facility that was collateralized by the parking structure at City Hall. The City has leased back the parking structure from SCPPA. SCPPA will provide for the payment of a portion of the costs of operation of the Project through the sale of a portion of the capacity and energy of the Project of the member cities pursuant to the Power Sales Agreement. On March 1, 2003, the City entered into this sales agreement with SCPPA, entitling the City to a 4.2% share of the plant output.

The payments are due in annual installments on January 1 and July 1 of each year. The first payment was made January 2006, and the final payment is due at maturity on July 1, 2036.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

SCPPA – Magnolia Power Project B, Series 2003 Revenue Bonds (Continued)

The debt is payable from the sales of electricity. A loan from the General Fund has been established to cover any shortfall to pay the debt (See Note 4). Principal and interest paid for the current year amounted to \$857,750.

Bonds outstanding at June 30, 2024 amounted to \$2,110,000 for Los Cerritos and \$6,330,000 for Los Coyotes, respectively. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Los Cerritos			Los Coyotes		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 108,750	\$ 105,500	\$ 214,250	\$ 326,250	\$ 316,500	\$ 642,750
2026	115,000	100,063	215,063	345,000	300,188	645,188
2027	120,000	94,313	214,313	360,000	282,938	642,938
2028	126,250	88,313	214,563	378,750	264,937	643,687
2029	132,500	82,000	214,500	397,500	246,000	643,500
2030-2034	770,000	303,500	1,073,500	2,310,000	910,500	3,220,500
2035-2036	737,500	64,875	802,375	2,212,500	194,625	2,407,125
Total	<u>\$ 2,110,000</u>	<u>\$ 838,564</u>	<u>\$ 2,948,564</u>	<u>\$ 6,330,000</u>	<u>\$ 2,515,688</u>	<u>\$ 8,845,688</u>

Fiduciary Fund

A summary of changes in long-term debt for the Successor Agency to the Cerritos Redevelopment Agency Fiduciary Fund for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Los Coyotes Redevelopment Project Revenue Bonds:						
1993 Issue, Series A, \$42,155,000	\$ 7,535,000	\$ -	\$ (7,535,000)	\$ -	\$ -	\$ -
2002 Issue, Series A, \$64,710,000	12,225,000	-	(2,050,000)	10,175,000	10,175,000	-
2002 Issue, Series B, \$12,225,000	2,480,000	-	(1,210,000)	1,270,000	1,270,000	-
Subtotal	22,240,000	-	(10,795,000)	11,445,000	11,445,000	-
Add (Less) Deferred Amounts:						
Bond Premium	306,686	-	(306,686)	-	-	-
Bond Discount	(61,635)	-	61,635	-	-	-
Total Revenue Bonds	22,485,051	-	(11,040,051)	11,445,000	11,445,000	-
Total Long-Term Liabilities	<u>\$ 22,485,051</u>	<u>\$ -</u>	<u>\$ (11,040,051)</u>	<u>\$ 11,445,000</u>	<u>\$ 11,445,000</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Fiduciary Fund (Continued)

Los Coyotes Redevelopment Project 1993 Revenue Bonds, Series A

In June 1993, the former Financing Authority issued \$42,155,000 in 1993 Revenue Bonds, Series A. \$2,594,959 of the \$42,155,000 issue was loaned to the former Redevelopment Agency to advance refund the \$7,500,000 Los Coyotes Redevelopment Project Tax Allocation Bonds, Series A originally issued by the former Redevelopment Agency in 1976, \$6,780,483 was loaned to the former Redevelopment Agency to advance refund the \$15,000,000 Los Coyotes Redevelopment Project Tax Allocation Bonds, Series B originally issued by the Redevelopment Agency in 1977, \$19,669,546 was loaned to repay prior City loans to the former Redevelopment Agency, \$9,000,000 was loaned to fund additional projects in the Los Coyotes Project Area, \$3,206,533 was used to fund a reserve fund for the loans to the former Redevelopment Agency, and the remaining balance was used to pay the cost of issuance of the bonds. Interest rates on the bonds vary from 2.50% to 6.50% with interest payable semiannually on May 1 and November 1, and principal maturing annually on November 1 and was paid off during fiscal year 2023-2024.

Los Coyotes Redevelopment Project 2002 Tax Allocation Revenue Bonds, Series A

In June 1993, the former Financing Authority issued \$42,155,000 in Revenue Bonds, Series A. In September 2002, the Authority issued \$64,710,000 of Tax Allocation Bonds to provide funds to refund \$24,510,000 of the remaining \$32,510,000 the 1993 Revenue Bonds, Series A. A portion of the proceeds from the Bonds issued in 2002 were placed in an escrow fund to provide the debt service on the 1993 Revenue Bonds, Series A.

The bonds were broken into two segments:

Term Bonds – \$53,675,000

The Term Bonds are payable in annual installments ranging from \$775,000 to \$9,345,000 until maturity on November 1, 2024. Interest is payable semiannually on May 1 and November 1, with rates ranging from 2.00% to 5.00%. Bonds outstanding at June 30, 2024 were \$9,345,000.

Special Escrow Bonds – \$11,035,000

The Special Escrow bonds are payable in annual installments ranging from \$435,000 to \$830,000 until maturity on November 1, 2024. Interest is payable semiannually on May 1 and November 1, with rates ranging from 3.40% to 4.55%. Bonds outstanding at June 30, 2024 were \$830,000.

The 2002 Los Coyotes Redevelopment Project Tax Allocation Revenue Bonds, Series A, are payable solely from and secured by RPTTF revenues received by the Successor Agency. Annual principal and interest payments on the bonds are expected to require less than 25% of net property tax increment revenues. Principal and interest paid for the current year was \$2,604,476 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$10,755,113.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Fiduciary Fund (Continued)

**Los Coyotes Redevelopment Project 2002 Tax Allocation Revenue Bonds, Series A
(Continued)**

Special Escrow Bonds – \$11,035,000 (Continued)

Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	Los Coyotes 2002 Issue, Series A		
	Principal	Interest	Total
2025	\$ 10,175,000	\$ 252,508	\$ 10,427,508
Total	\$ 10,175,000	\$ 252,508	\$ 10,427,508

Los Coyotes Redevelopment Project 2002 Tax Allocation Revenue Bonds, Series B

In September 2002, the former Financing Authority issued \$12,225,000 in 2002 Series B Tax Allocation Revenue Bonds. The proceeds were loaned to the former Redevelopment Agency and will be used to fund projects in the Los Coyotes Project Area and to pay for the cost of issuance.

The bonds are payable in annual installments ranging from \$210,000 to \$1,270,000 until maturity on November 1, 2024. Interest is payable semiannually on May 1 and November 1, with rates ranging from 1.85% to 4.70%.

The 2002 Los Coyotes Redevelopment Project Tax Allocation Revenue Bonds, Series B, are payable solely from and secured by RPTTF revenues received from the Successor Agency. Annual principal and interest payments on the bonds are expected to require less than 10% of net property tax increment revenues. Principal and interest paid for the current year was \$1,307,500 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$10,755,113.

Bonds outstanding at June 30, 2024 were \$1,270,000. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	Los Coyotes 2002 Issue, Series B		
	Principal	Interest	Total
2025	\$ 1,270,000	\$ 33,020	\$ 1,303,020
Total	\$ 1,270,000	\$ 33,020	\$ 1,303,020

NOTE 9 LEASES

The City, acting as lessor, leases for the use of land under long-term, noncancelable lease agreements, which expire at various dates through 2088 with an interest rates ranging from .2% of 1.5% depending on the length of the lease agreement. During the fiscal year ended June 30, 2024, the City recognized \$6,567,817 and \$3,801,100 in lease revenue and interest revenue, respectively, pursuant to these agreements.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 FUND BALANCE CLASSIFICATIONS

The City's fund balances at June 30, 2024 are tabulated below:

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Corporation Capital Projects Fund	Nonmajor Governmental Funds	
Nonspendable:					
Prepaid Items	\$ 1,284,976	\$ -	\$ -	\$ 65,596	\$ 1,350,572
Inventories	112,997	232,817	-	-	345,814
Advances to Other Funds	27,429,227	-	-	-	27,429,227
Advances to Fiduciary Funds	32,526,517	-	-	-	32,526,517
Total Nonspendable	61,353,717	232,817	-	65,596	61,652,130
Restricted:					
Housing Assets Special Revenue	-	23,737,033	-	-	23,737,033
SB 821 - Bicycles/Pedestrians - Transportation Related Purposes	-	-	-	1,739,416	1,739,416
Proposition "A" Transportation Related Purposes	-	-	-	2,088,982	2,088,982
Proposition "C" Transportation Related Purposes	-	-	-	1,456,729	1,456,729
Assessment District #6 - Assessment Districts	-	-	-	255,850	255,850
Environmental Grants - Miscellaneous Grants	-	-	-	4,441	4,441
Air Quality Management District - Transportation Related Purposes	-	-	-	749,631	749,631
Measure "M" Transportation Related Purposes	-	-	-	907,925	907,925
Measure "R" Transportation Related Purposes	-	-	-	63,386	63,386
Total Restricted	-	23,737,033	-	7,266,360	31,003,393
Assigned:					
Asset Replacement	700,000	-	-	-	700,000
Art Center Programs	12,775,299	-	-	-	12,775,299
Earthquake Preparedness	3,714,831	-	-	-	3,714,831
Art In Public Places	889,880	-	-	-	889,880
Business License Software	242,864	-	-	-	242,864
General Plan Update	578,129	-	-	-	578,129
Self Insurance	3,000,000	-	-	-	3,000,000
Total Assigned	21,901,003	-	-	-	21,901,003
Unassigned:					
General Fund	102,654,523	-	-	-	102,654,523
Nonmajor Governmental Funds	-	-	-	(3,348,684)	(3,348,684)
Total Unassigned	102,654,523	-	-	(3,348,684)	99,305,839
Total	\$ 185,909,243	\$ 23,969,850	\$ -	\$ 3,983,272	\$ 213,862,365

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN

A. Summary

Net Pension Liability

Net pension liability is reported in the accompanying Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
CalPERS Miscellaneous Plan	\$ 74,201,868	\$ 6,893,070	\$ 81,094,938
PARS (Asset)	(959,089)	(89,096)	(1,048,185)
Total	<u>\$ 73,242,779</u>	<u>\$ 6,803,974</u>	<u>\$ 80,046,753</u>

Deferred Outflows of Resources

Deferred outflows of resources are reported in the accompanying Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
Deferred Outflows of Resources:			
Pension Contribution Made After Measurement Date:			
CalPERS Miscellaneous Plan	\$ 7,375,573	\$ 685,162	\$ 8,060,735
PARS	206,967	19,226	226,193
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous Plan	2,544,508	236,375	2,780,883
PARS	33,103	3,075	36,178
Change in Assumptions:			
CalPERS Miscellaneous Plan	1,444,231	134,163	1,578,394
PARS	64,384	5,981	70,365
Net Difference Between Projected and Actual Earnings on Plan Investments:			
CalPERS Miscellaneous Plan	8,724,055	810,431	9,534,486
PARS	1,221,128	113,438	1,334,566
Total Deferred Outflows of Resources	<u>\$ 21,613,949</u>	<u>\$ 2,007,851</u>	<u>\$ 23,621,800</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

A. Summary (Continued)

Deferred Inflows of Resources

Deferred inflows of resources are reported in the accompanying Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
Deferred Inflows of Resources:			
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous Plan	\$ 954,706	\$ 88,688	\$ 1,043,394
PARS	159,806	14,845	174,651
Total Deferred Inflows of Resources	\$ 1,114,512	\$ 103,533	\$ 1,218,045

Pension Expense

Pension expense/(income) is included in the accompanying Statement of Activities, and Changes in Net Position as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
CalPERS Miscellaneous Plan	\$ 10,792,533	\$ 1,002,585	\$ 11,795,118
PARS	246,709	22,918	269,627
Total	\$ 11,039,242	\$ 1,025,503	\$ 12,064,745

B. California Public Employees' Retirement System (CalPERS) Plan

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024 are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire Date		
Benefit Formula	2.5%@55	2%@60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55 to 60	55 to 60
Monthly Benefits, as a % of Eligible Compensation	2% to 3%	2% to 3%
Required Employee Contribution Rates	7.810%	7.810%
Required Employer Contribution Rates:		
Normal Cost Rate	12.980%	12.980%
Payment of Unfunded Liability	\$ 5,491,059	\$ -

Employees Covered

At the measurement date ended June 30, 2023, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Active Employees	246
Inactive Employees or Beneficiaries Currently Receiving Benefits	368
Inactive Employees Entitled to But Not Yet Receiving Benefits	270
Total	<u>884</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The City made contributions to the Miscellaneous Plan during the fiscal year ended June 30, 2024 of \$8,060,735.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Market Value of Assets
 Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website report from December 2017 that can be found on the CalPERS website.
- (3) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

Long-Term Expected Rate of Return

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

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a) (b)</u>
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

Changes in the Net Pension Liability

The changes in the net pension liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Position	Net Pension Liability / (Asset)
Balance at June 30, 2022 (Measurement Date)	\$ 278,670,848	\$ 202,724,005	\$ 75,946,843
Changes in the Year:			
Service Cost	3,351,658	-	3,351,658
Interest on the Total Pension Liability	19,217,756	-	19,217,756
Changes of Benefit Terms	287,067	-	287,067
Differences Between Expected and Actual Experience	4,518,935	-	4,518,935
Contributions from the Employer	-	8,340,496	(8,340,496)
Contributions from Employees	-	1,485,401	(1,485,401)
Net Investment Income	-	12,550,498	(12,550,498)
Benefit Payments Including Refunds of Employee Contributions	(13,268,983)	(13,268,983)	-
Administrative Expense	-	(149,074)	149,074
Net Changes	<u>14,106,433</u>	<u>8,958,338</u>	<u>5,148,095</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 292,777,281</u>	<u>\$ 211,682,343</u>	<u>\$ 81,094,938</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan of 6.90%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	Plan's Net Pension Liability (Asset)		
	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
CalPERS Miscellaneous Plan	<u>\$ 120,784,984</u>	<u>\$ 81,094,938</u>	<u>\$ 48,428,360</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

B. California Public Employees' Retirement System (CalPERS) Plan (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense of \$11,795,118. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution Made After the Measurement Date	\$ 8,060,735	\$ -
Difference Between Expected and Actual Experience	2,780,883	(1,043,394)
Changes of Assumptions	1,578,394	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	9,534,486	-
Total	\$ 21,954,498	\$ (1,043,394)

\$8,060,735 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2025	\$ 3,951,582
2026	1,973,341
2027	6,668,471
2028	256,975
2029	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan

General Information about the Pension Plan

Plan Description

The City has adopted, through the Public Agency Retirement Services (PARS), a tax qualified governmental agent multiple-employer defined benefit plan for the benefit of eligible City employees to provide supplemental retirement benefits. The plan, which includes exempt and nonexempt employees, conforms to the requirements of Internal Revenue Code Section 401(a) and therefore is entitled to favorable tax treatment.

Members are eligible to receive benefits under the PARS plan if they:

- a) Were a full-time nonexempt employee of the City on or after December 1, 2002 and prior to July 1, 2004;
- b) Are at least 50 years of age;
- c) Have completed five or more years of full-time continuous employment with the City as of the last day of employment with the City. Full-time employees of the City, with the exception of those in elected positions, hired on or after July 1, 2003 in a full-time position, must complete fifteen or more years of full-time continuous employment with the City as of the last day of employment;
- d) Have applied for benefits under the Plan; and
- e) Have terminated employment with the City and concurrently retired under CalPERS.

Benefits Provided

Members are paid benefits equal to an amount equal to one-twelfth (1/12) of the difference between (1) and (2) described below; and the actuarial equivalent value of a monthly payment of the member's accumulated benefit (if any) under the Plan if such accumulated benefit was converted to the form of a life annuity:

- a) The number of full and partial years of full-time continuous employment with the City completed as of the member's retirement times the member's final pay, times the PARS benefit factor determined as of the first day of the member's retirement.
- b) The number of full and partial years of full-time continuous employment with the City completed as of the member's retirement times the member's final pay, times the CalPERS Benefit Factor.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Upon death of a member, the member’s monthly allowance will automatically continue to an eligible survivor (if spouse, through spouse’s death or if children under the age of eighteen, through the age of eighteen). No pre-retirement disability benefits are provided. Pre-retirement death benefits are provided for employees who die while actively employed with the City and have attained at least fifty years of age and have five years of full-time employment with the City.

Employees Covered by Benefit Terms

At measurement date June 30, 2023, the following employees were covered by the benefit terms:

	PARS
Active Employees	55
Inactive Employees or Beneficiaries Currently Receiving Benefits	38
Total	93

Contributions

Annually, the City contributes the actuarially determined contribution to the PARS plan.

For the year ended June 30, 2024, the contributions were:

	PARS
Contributions - Employer	\$ 226,193
Contributions - Employee	-

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan (Continued)

Net Pension Liability (Asset)

Actuarial Assumptions Used to Determine the Total Pension Liability

For the measurement period ended June 30, 2023, the total pension liability was determined by the June 30, 2023 actuarial valuation. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.30%
Salary Increases	Graded rates based on years of service, 3.34% after 30 years of service
Investment Rate of Return	5.75%
Mortality Rate Table	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans
Postretirement Benefit Increase	Contract COLA of 2.00%

Discount Rate

The best estimate for the long-term rate of return of 5.75% is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan (Continued)

Net Pension Liability (Asset) (Continued)

Discount Rate (Continued)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Cash	6.94 %	0.94 %	0.91 %
U.S. Core Fixed Income	48.25	2.52	2.36
U.S. Short Govt/Credit Bonds	13.71	1.65	1.59
U.S. High Yield Bonds	1.71	4.43	3.87
U.S. Large & Mid Cap Equity	15.18	5.41	3.74
U.S. Mid Cap Equity	2.94	5.98	3.90
U.S. Small Cap Equity	0.04	6.99	4.41
Foreign Developed Equity	3.92	6.92	5.12
Emerging Markets Equity	1.96	9.34	6.21
U.S. REITs	0.98	6.91	4.72
Portfolio Standard Deviation			6.08
Long-Term Expected Rate of Return			5.75

Sensitivity of the Net Pension Liability (Asset) to Changes in Discount Rate

The following presents the net pension liability (asset) of the PARS Plan as of the measurement date, calculated using the discount rate of 5.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current rate:

Plan's Net Pension Liability (Asset)		
Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
\$ 639,665	\$ (1,048,185)	\$ (2,412,582)

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan (Continued)

Changes in Net Pension Liability (Asset)

The following tables show the changes in the net pension liability (asset) recognized over the measurement period for the PARS Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	\$ 11,255,828	\$ 12,743,799	\$ (1,487,971)
Changes Recognized for the Measurement Period:			
Service Cost	208,146	-	208,146
Interest on the Total Pension Liability	643,431	-	643,431
Differences Between Expected and Actual Experience	74,045	-	74,045
Changes of Assumptions	144,016	-	144,016
Contributions from the Employer	-	220,763	(220,763)
Net Investment Income,	-	411,213	(411,213)
Benefit Payments Including Refunds of Employee Contributions	(555,486)	(555,486)	-
Administrative Expense	-	(2,124)	2,124
Net Changes	<u>514,152</u>	<u>74,366</u>	<u>439,786</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 11,769,980</u>	<u>\$ 12,818,165</u>	<u>\$ (1,048,185)</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued PARS financial report.

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

For measurement date June 30, 2023, the City recognized pension expense of \$269,627, for the PARS Plan.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RETIREMENT PLAN (CONTINUED)

C. Public Agency Retirement Services (PARS) Plan (Continued)

Changes in Net Pension Liability (Continued)

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

At June 30, 2024, the City reported deferred outflows resources and deferred inflows of resources related to PARS pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 226,193	\$ -
Difference Between Expected and Actual Experience	36,178	(174,651)
Changes of Assumptions	70,365	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	<u>1,334,566</u>	<u>-</u>
Total	<u>\$ 1,667,302</u>	<u>\$ (174,651)</u>

\$226,193 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to PARS pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 319,270
2026	388,608
2027	496,809
2028	61,771
Thereafter	-
Total	<u>\$ 1,266,458</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS

A. General Information about the Plan

Plan Description

In addition to the pension benefits described in Note 11, the City provides other postemployment benefits (OPEB) through the California Employer’s Retiree Benefit Trust Fund (the CERBT), an agent multiple-employer defined benefit healthcare plan administered by CalPERS, by contributing an approximate amount for each eligible retiree and spouse toward health insurance. These benefits are provided per contract between the City and the City’s management, professional and general employees. Health insurance premiums for the City Manager, City Attorney and City Council are fully covered per Council decision. As of June 30, 2023, there were 170 participants receiving these healthcare benefits.

Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814, or by visiting the CalPERS website at www.calpers.ca.gov.

Employees Covered

As of the July 1, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active Employees	179
Inactive Employees or Beneficiaries Currently Receiving Benefits	170
Inactive Employees Entitled to But not Yet Receiving Benefits	-
Total	349

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The contribution required to be made is based on an Actuarially Determined Contributions (i.e., as medical insurance premiums become due). For fiscal year 2024, \$2,031,195 was contributed as insurance premiums, and an implicit subsidy \$392,575 totaling \$2,423,770.

B. Net OPEB Liability (Asset)

The City’s net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

B. Net OPEB Liability (Asset) (Continued)

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2023, was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Early Age Normal, Level Percentage of Pay
Amortization Method	
Level Percent or Level Dollar	Level Percent
Closed, Open, or Layered Periods	Closed
Amortization Period as of July 1, 2023	14 Years
Amortization Growth Rate	2.50%
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.75%
Discount Rate	5.75%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Long Treasury Bonds	20.40 %	2.44 %	1.62 %
U.S. Long Credit Bonds	16.32	3.35	2.85
U.S. Securitized Securities	14.28	2.57	2.45
U.S. Inflation-Indexed Bonds	9.00	1.58	1.43
Global Equity	23.00	6.27	4.63
Global REITs	0.14	7.34	5.16
Commodities	0.03	2.86	1.36
Portfolio Nominal Mean Return		6.43	6.13
Portfolio Standard Deviation			8.07
Long-Term Expected Rate of Return			5.50

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

B. Net OPEB Liability (Asset) (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2023:

	Plan's Net OPEB Liability (Asset)		
	Discount Rate -1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1% (6.50%)
Net OPEB Liability (Asset)	\$ 6,992,659	\$ (697,522)	\$ (7,036,524)

Sensitivity of the Net OPEB Liability (Asset) to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City, as well as what the net OPEB liability (asset) would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2023:

	Plan's Net OPEB Liability (Asset)		
	Healthcare Cost Trend Rate -1%	Current Trend Rate	Trend Rate +1%
Net OPEB Liability (Asset)	\$ (7,693,400)	\$ (697,522)	\$ 7,910,325

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

C. Change in Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balance at June 30, 2022 (Measurement Date)	\$ 51,368,701	\$ 57,072,789	\$ (5,704,088)
Changes in the Year:			
Service Cost	1,861,165	-	1,861,165
Interest on the Total OPEB Liability	2,999,797	-	2,999,797
Differences Between Actual and Expected Experience	830,468	-	830,468
Changes In Assumptions	2,336,368	-	2,336,368
Contribution - Employer	-	2,149,001	(2,149,001)
Net Investment Income	-	900,079	(900,079)
Administrative Expenses	-	(27,848)	27,848
Benefit Payments	<u>(2,149,001)</u>	<u>(2,149,001)</u>	<u>-</u>
Net Changes	<u>5,878,797</u>	<u>872,231</u>	<u>5,006,566</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 57,247,498</u>	<u>\$ 57,945,020</u>	<u>\$ (697,522)</u>

OPEB Expense (Income) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, OPEB expense in the amount of \$3,101,684 is included in the accompanying statement of activities.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Made After Measurement Date	\$ 2,423,770	\$ -
Differences Between Expected and Actual Experience	653,773	(319,938)
Changes of Assumptions	3,705,348	(1,770,694)
Net Difference Between Projected and Actual Earnings of OPEB Plan Investments	6,439,552	-
Total	<u>\$ 13,222,443</u>	<u>\$ (2,090,632)</u>

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

C. Change in Net OPEB Liability (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
(Continued)

The \$2,423,770 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an addition of the net OPEB liability (asset) in the subsequent fiscal period. Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 1,914,052
2026	2,496,104
2027	3,350,065
2028	917,820
2029	-
Thereafter	-
Total	<u>\$ 8,678,041</u>

Changes of Assumptions

The discount rate changed from 5.75% to 5.50%.

NOTE 13 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Self-Insurance Programs of the CJPIA

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 13 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION
(CONTINUED)**

B. Self-Insurance Programs of the CJPIA (Continued)

Liability

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 13 LIABILITY, PROPERTY AND WORKERS' COMPENSATION PROTECTION
(CONTINUED)**

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Cerritos. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$253,712,567. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in fiscal year 2023-24.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER REQUIRED DISCLOSURES

A. Deficit Net Position

At June 30, 2024, the following funds had a (deficit) fund balance/net position:

Fund	Deficit
Governmental Funds:	
Measure W	\$ (2,973,088)
Measure A	(310,000)
Enterprise Funds:	
Electric Utility Fund	(29,066,901)
Fiduciary Fund:	
Successor Agency to the Cerritos Redevelopment Agency	(23,149,397)

Measure W Special Revenue Fund – the deficit will be eliminated through receipt of revenue in fiscal year 2025.

Measure A Special Revenue Fund – the deficit will be eliminated through receipt of revenue in fiscal year 2025. The deficit equity has been created by recognition of reimbursable costs, where payment had not been received by the City within the recognition period for the year ended June 30, 2024.

Electric Utility Enterprise Fund – The Electric Utility Fund has a deficit net position of (\$29,066,901) as a result of operating expenses exceeding operating revenues and the assumption of the Magnolia debt. In addition, there is a net investment in capital assets (deficit) of (\$3,268,167), which is included in the total deficit of (\$29,066,901), as the outstanding debt associated with the electric rights exceeds the net capital assets. The deficit is expected to be eliminated with the City entering into long-term contracts with vendors related to expenses incurred by the operations and through sale of the electric energy output. The General Fund has a nonspendable fund balance in the amount \$27,429,227 for the advances to the Electric Utility Fund to account for this deficit.

Successor Agency to the Cerritos Redevelopment Agency Private-Purpose Trust Fund – The Successor Agency to the Cerritos Redevelopment Agency Fund has a deficit net position of (\$23,149,397) as a result of its long-term debt exceeding its total assets. The deficit is expected to be eliminated with future repayments by the Successor Agency for its long-term debt from the receipt of future property tax revenues from the County of Los Angeles; with the final payment occurring in fiscal year 2029.

**CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER REQUIRED DISCLOSURES (CONTINUED)

B. Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2024 as follows:

Fund	Expenditures	Appropriations	Excess Expenditures Over Appropriations
Housing Assets Special Revenue Fund	\$ 240,039	\$ 150,000	\$ (90,039)
Special Revenue Fund:			
Proposition "A"	\$ 1,530,183	\$ 1,250,000	\$ (280,183)

The Housing Assets Special Revenue fund and the Proposition "A" Special Revenue Fund have actual expenditures exceeding budgeted expenditures.

NOTE 15 COMMITMENTS AND CONTINGENCIES

A. Lawsuits

Numerous claims and suits have been filed against the City in the normal course of conducting City business. Based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by the deposits paid to CJPIA for self-insurance and insurance coverage (See Note 13).

B. Contract with Los Angeles County Sheriff's Department

The City contracts for policing services through the Los Angeles County Sheriff's Department. As part of the agreement for services, the City is required to pay an additional 9.5% premium over the contract price to the Sheriff's Department for liability insurance. This amount is held by the County in a Liability Trust Fund and provides for the payment of claims brought against the Sheriff's Department. During the fiscal year ended June 30, 2023, the results of an actuarial study of both existing open claims and claims not yet reported are not able to be estimated at this time. In order to fund these past obligations of the Liability Trust Fund, the premium paid by the City may increase in future periods. The precise amount and timing of any contingencies or commitments resulting from the shortfall in the County's Liability Trust Fund cannot be determined at this time.

CITY OF CERRITOS, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Electric Utility

The City's Electric Utility is a member of the Magnolia Power Project that is financed and owned by the Southern California Public Power Authority (SCPPA). Member cities of the Magnolia Power Project include the Cities of Anaheim, Burbank, Colton, Glendale and Pasadena (the Project "A" Participants) and the City of Cerritos (the Project "B" Participant). All Magnolia Participants have a "Take or Pay" contract with SCPPA and are obligated to pay their share of the indebtedness regardless of the ability of the contracting agency to provide electricity. See Note 8 for debt related to the Magnolia Power Project. This contract provides for generating capacity of 4.2% of the output generated from the plant. During the fiscal year, the City's take or pay payment was approximately \$2,762,520.

D. Grants

Amounts received or receivable from federal and state granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or Single Audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

E. Liability for Future Environmental Response Costs

As of April 17, 2014, the City of Cerritos has entered a settlement agreement with MGP IX Lincoln Station (MGP) related to the financial responsibility for cleaning up contamination located at the property and, more specifically, for performing environmental work. In the settlement, the city may be obligated to pay up to \$3.1 million in potential future costs. At June 30, 2024, settlement payable reflected in the general fund is \$3,985 and statement of net position is \$104,963.

F. Encumbrances

The City uses encumbrances to control expenditure commitments for the year and allow for clearer determination of available funds. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse unless appropriations are made for certain capital projects in the subsequent fiscal year. At the end of fiscal year 2024, approximately \$9.5 million in encumbrances were rolled over to fiscal year 2025. The total included Municipal Improvement Fund and General Fund commitments as follows:

General Fund	\$ 950,717
Municipal Improvement Fund	<u>8,541,412</u>
	<u><u>\$ 9,492,129</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	\$ 3,351,658	\$ 3,226,445	\$ 3,210,638	\$ 3,237,307	\$ 3,310,335
Interest on Total Pension Liability	19,217,756	18,277,233	18,077,253	17,554,548	16,751,452
Differences Between Expected and Actual Experience	4,518,935	(5,216,970)	(2,103,860)	1,810,807	3,321,923
Changes in Assumptions	-	7,891,966	-	-	-
Changes in Benefits	287,067	-	-	-	-
Benefit Payments, Including					
Refunds of Employee Contributions	(13,268,983)	(12,214,072)	(11,610,098)	(11,118,075)	(10,089,894)
Net Change in Total Pension Liability	14,106,433	11,964,602	7,573,933	11,484,587	13,293,816
Total Pension Liability - Beginning of Year	278,670,848	266,706,246	259,132,313	247,647,726	234,353,910
Total Pension Liability - End of Year (a)	<u>\$ 292,777,281</u>	<u>\$ 278,670,848</u>	<u>\$ 266,706,246</u>	<u>\$ 259,132,313</u>	<u>\$ 247,647,726</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 8,340,496	\$ 7,746,132	\$ 6,985,567	\$ 6,413,343	\$ 5,624,680
Contributions - Employee	1,485,401	1,380,167	1,281,337	1,375,002	1,837,226
Net Investment Income	12,550,498	(16,828,753)	41,725,831	8,907,017	11,219,405
Benefit Payments	(13,268,983)	(12,214,072)	(11,610,098)	(11,118,075)	(10,089,894)
Net Plan to Plan Resource Movement	-	-	-	-	-
Other Miscellaneous Income (Expense)	(149,074)	(138,778)	(184,385)	(252,708)	(121,482)
Net Change in Plan Fiduciary Net Position	8,958,338	(20,055,304)	38,198,252	5,324,579	8,469,935
Plan Fiduciary Net Position - Beginning of Year	202,724,005	222,779,309	184,581,057	179,256,478	170,786,543
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 211,682,343</u>	<u>\$ 202,724,005</u>	<u>\$ 222,779,309</u>	<u>\$ 184,581,057</u>	<u>\$ 179,256,478</u>
Net Pension Liability - Ending (A)-(B)	<u>\$ 81,094,938</u>	<u>\$ 75,946,843</u>	<u>\$ 43,926,937</u>	<u>\$ 74,551,256</u>	<u>\$ 68,391,248</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability					
	72.30%	72.75%	83.53%	71.23%	72.38%
Covered Payroll	\$ 17,683,109	\$ 15,446,979	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364
Net Pension Liability as Percentage of Covered Payroll	458.60%	491.66%	301.27%	465.19%	382.69%

Notes to Schedule:

Benefit Changes:

There were no Changes in Benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measure.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

See accompanying Notes to Required Supplementary Information.

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
CalPERS MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 3,211,358	\$ 3,170,426	\$ 2,965,498	\$ 3,020,515	\$ 3,240,470
Interest on Total Pension Liability	15,850,378	15,418,751	15,062,482	14,487,605	13,949,974
Differences Between Expected and Actual Experience	(2,581,182)	(4,370,245)	(1,769,960)	(2,262,020)	-
Changes in Assumptions	(889,556)	13,544,952	-	(3,806,191)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including					
Refunds of Employee Contributions	(9,571,522)	(8,632,827)	(8,474,088)	(7,917,777)	(7,345,114)
Net Change in Total Pension Liability	6,019,476	19,131,057	7,783,932	3,522,132	9,845,330
Total Pension Liability - Beginning of Year	228,334,434	209,203,377	201,419,445	197,897,313	188,051,983
Total Pension Liability - End of Year (a)	<u>\$ 234,353,910</u>	<u>\$ 228,334,434</u>	<u>\$ 209,203,377</u>	<u>\$ 201,419,445</u>	<u>\$ 197,897,313</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 4,966,169	\$ 5,465,459	\$ 4,472,467	\$ 3,524,782	\$ 3,515,860
Contributions - Employee	1,438,480	1,361,130	1,521,739	1,430,858	1,544,713
Net Investment Income	13,482,704	16,331,253	744,239	3,275,852	22,074,825
Benefit Payments	(9,571,522)	(8,632,827)	(8,474,088)	(7,917,777)	(7,345,114)
Net Plan to Plan Resource Movement	(395)	-	-	-	-
Other Miscellaneous Income (Expense)	(728,213)	(216,875)	(90,636)	(167,515)	-
Net Change in Plan Fiduciary Net Position	9,587,223	14,308,140	(1,826,279)	146,200	19,790,284
Plan Fiduciary Net Position - Beginning of Year	161,199,320	146,891,180	148,717,459	148,571,259	128,780,975
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 170,786,543</u>	<u>\$ 161,199,320</u>	<u>\$ 146,891,180</u>	<u>\$ 148,717,459</u>	<u>\$ 148,571,259</u>
Net Pension Liability - Ending (A)-(B)	<u>\$ 63,567,367</u>	<u>\$ 67,135,114</u>	<u>\$ 62,312,197</u>	<u>\$ 52,701,986</u>	<u>\$ 49,326,054</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability					
	72.88%	70.60%	70.21%	73.83%	75.07%
Covered Payroll	\$ 16,892,992	\$ 16,925,189	\$ 17,606,708	\$ 17,978,187	\$ 18,404,441
Net Pension Liability as Percentage of Covered Payroll	376.29%	396.66%	353.91%	293.14%	268.01%

Notes to Schedule:

Benefit Changes:

There were no Changes in Benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measure.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
CaIPERS MISCELLANEOUS PENSION PLAN
LAST TEN FISCAL YEARS**

Fiscal Year Ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially Determined Contribution	\$ 8,060,735	\$ 8,265,115	\$ 7,746,132	\$ 6,985,567	\$ 6,413,343
Contributions In Relation to the Actuarially Determined Contributions	<u>(8,060,735)</u>	<u>(8,265,115)</u>	<u>(7,746,132)</u>	<u>(6,985,567)</u>	<u>(6,413,343)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 18,821,112	\$ 17,683,109	\$ 15,446,979	\$ 14,580,361	\$ 16,025,922
Contributions as a Percentage of Covered Payroll	42.83%	46.74%	50.15%	47.91%	40.02%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
CalPERS MISCELLANEOUS PENSION PLAN
LAST TEN FISCAL YEARS ***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 5,624,680	\$ 4,966,169	\$ 5,465,459	\$ 4,472,467	\$ 3,524,782
Contributions In Relation to the Actuarially Determined Contributions	<u>(5,624,680)</u>	<u>(4,966,169)</u>	<u>(5,465,459)</u>	<u>(4,472,467)</u>	<u>(3,524,782)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 17,871,364	\$ 16,892,992	\$ 16,925,184	\$ 17,606,708	\$ 17,978,187
Contributions as a Percentage of Covered Payroll	31.47%	29.40%	32.29%	25.40%	19.61%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

See accompanying Notes to Required Supplementary Information.

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PARS PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	\$ 208,146	\$ 214,855	\$ 209,105	\$ 280,802	\$ 290,763
Interest on Total Pension Liability	643,431	627,789	680,090	676,957	695,382
Differences Between Expected and Actual Experience	74,045	-	(1,047,915)	-	(499,084)
Changes in Assumptions	144,016	-	-	-	(67,132)
Changes in Benefits	-	-	-	-	-
Benefit Payments	<u>(555,486)</u>	<u>(572,066)</u>	<u>(936,048)</u>	<u>(730,021)</u>	<u>(730,762)</u>
Net Change in Total Pension Liability	514,152	270,578	(1,094,768)	227,738	(310,833)
Total Pension Liability - Beginning of Year	11,255,828	10,985,250	12,080,018	11,852,280	12,163,113
Total Pension Liability - End of Year (a)	<u>\$ 11,769,980</u>	<u>\$ 11,255,828</u>	<u>\$ 10,985,250</u>	<u>\$ 12,080,018</u>	<u>\$ 11,852,280</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 220,763	\$ 1,795,693	\$ 1,795,693	\$ 1,727,805	\$ 1,727,805
Contributions - Employee	-	-	-	-	-
Net Investment Income	411,213	(1,429,836)	1,160,124	542,109	494,848
Benefit Payments	(555,486)	(572,066)	(936,048)	(730,021)	(730,762)
Administrative Expense	<u>(2,124)</u>	<u>(3,747)</u>	<u>(3,418)</u>	<u>(3,027)</u>	<u>(2,953)</u>
Net Change in Plan Fiduciary Net Position	74,366	(209,956)	2,016,351	1,536,866	1,488,938
Plan Fiduciary Net Position - Beginning of Year	12,743,799	12,953,755	10,937,404	9,400,538	7,911,600
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 12,818,165</u>	<u>\$ 12,743,799</u>	<u>\$ 12,953,755</u>	<u>\$ 10,937,404</u>	<u>\$ 9,400,538</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (1,048,185)</u>	<u>\$ (1,487,971)</u>	<u>\$ (1,968,505)</u>	<u>\$ 1,142,614</u>	<u>\$ 2,451,742</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.91%	113.22%	117.92%	90.54%	79.31%
Covered Payroll	\$ 7,325,932	\$ 7,057,327	\$ 6,663,380	\$ 6,519,659	\$ 8,076,033
Net pension liability as percentage of Covered Payroll	-14.31%	-21.08%	-29.54%	17.53%	30.36%

Notes to Schedule:

* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown. When the City first implemented GASB 68, in fiscal year 2015, the City used a measurement period that is the same as the reporting period. In fiscal year 2019, the City changed the measurement period to June 30, 2018, therefore information related to measurement period ending June 30, 2014 is not available.

See accompanying Notes to Required Supplementary Information.

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
PARS PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 282,294	\$ 284,923	\$ 276,624	\$ 212,170	Not Available
Interest on Total Pension Liability	693,839	688,464	586,984	653,773	
Differences Between Expected and Actual Experience	-	-	(603,157)	-	
Changes in Assumptions	(217,374)	765,852	1,959,820	-	
Changes in Benefits	-	-	-	-	
Benefit Payments	<u>(749,742)</u>	<u>(621,846)</u>	<u>(588,456)</u>	<u>(523,749)</u>	
Net Change in Total Pension Liability	9,017	1,117,393	1,631,815	342,194	
Total Pension Liability - Beginning of Year	<u>12,154,096</u>	<u>11,036,703</u>	<u>9,404,888</u>	<u>9,062,694</u>	
Total Pension Liability - End of Year (a)	<u>\$ 12,163,113</u>	<u>\$ 12,154,096</u>	<u>\$ 11,036,703</u>	<u>\$ 9,404,888</u>	
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 1,331,501	\$ 1,450,583	\$ 847,840	\$ 868,240	Not Available
Contributions - Employee	-	-	-	-	
Net Investment Income	184,573	267,203	(588,456)	14,398	
Benefit Payments	(749,742)	(621,846)	151,244	(523,749)	
Administrative Expense	<u>(2,420)</u>	<u>(3,174)</u>	<u>(1,427)</u>	<u>(2,289)</u>	
Net Change in Plan Fiduciary Net Position	763,912	1,092,766	409,201	356,600	
Plan Fiduciary Net Position - Beginning of Year	<u>7,147,688</u>	<u>6,054,922</u>	<u>5,645,721</u>	<u>5,289,121</u>	
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 7,911,600</u>	<u>\$ 7,147,688</u>	<u>\$ 6,054,922</u>	<u>\$ 5,645,721</u>	
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 4,251,513</u>	<u>\$ 5,006,408</u>	<u>\$ 4,981,781</u>	<u>\$ 3,759,167</u>	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.05%	58.81%	54.86%	60.03%	
Covered Payroll	\$ 8,797,761	\$ 9,905,146	\$ 9,616,647	\$ 9,336,558	
Net pension liability as percentage of Covered Payroll	48.32%	50.54%	51.80%	40.26%	

Notes to Schedule:

* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown. When the City first implemented GASB 68, in fiscal year 2015, the City used a measurement period that is the same as the reporting period. In fiscal year 2019, the City changed the measurement period to June 30, 2018, therefore information related to measurement period ending June 30, 2014 is not available.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN
LAST TEN FISCAL YEARS**

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 226,193	\$ 220,763	\$ 1,795,693	\$ 1,795,693	\$ 1,727,805
Contributions in Relation to the Actuarially Determined Contributions	<u>(226,193)</u>	<u>(220,763)</u>	<u>(1,795,693)</u>	<u>(1,795,693)</u>	<u>(1,727,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,745,881	\$ 7,325,932	\$ 7,057,327	\$ 6,663,380	\$ 6,519,659
Contributions as a Percentage of Covered Payroll	3.35%	3.01%	25.44%	26.95%	26.50%

Notes to Schedule:

Valuation Date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019
Methods and Assumptions used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percent, closed for 7 years with 3.00% amortization growth rate.
- (2) Graded rates based on years of service, 3.50% after 30 years of service.
- (3) Net of pension plan investment and administrative expenses, including inflation
- (4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.
- (5) Pre-retirement: consistent with the non-industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Post-retirement - CalPERS 1997-2019 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
PARS PENSION PLAN
LAST TEN FISCAL YEARS ***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 1,727,805	\$ 1,331,501	\$ 1,450,583	\$ 847,840	\$ 868,240
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,727,805)</u>	<u>(1,331,501)</u>	<u>(1,450,583)</u>	<u>(847,840)</u>	<u>(868,240)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,076,033	\$ 8,797,761	\$ 9,905,146	\$ 9,616,647	\$ 9,336,558
Contributions as a Percentage of Covered Payroll	21.39%	15.13%	14.64%	8.82%	9.30%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percent, closed for 7 years with 3.00% amortization growth rate.

(2) Graded rates based on years of service, 3.50% after 30 years of service.

(3) Net of pension plan investment and administrative expenses, including inflation

(4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.

(5) Pre-retirement: consistent with the non-industrial rates used to value the Miscellaneous CalPERS Pension Plans.

Post-retirement - CalPERS 1997-2019 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

See accompanying Notes to Required Supplementary Information.

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
OPEB PLAN
LAST TEN FISCAL YEARS *

Fiscal Year Ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:							
Service Cost	\$ 1,861,165	\$ 1,524,472	\$ 1,676,749	\$ 1,611,055	\$ 1,240,483	\$ 1,152,240	Not Available
Interest on Total OPEB Liability	2,999,797	2,650,392	2,862,998	2,725,171	2,768,729	2,662,314	
Differences Between Expected and Actual Experience	830,468	-	(919,818)	-	(373,403)	-	
Changes in Assumptions	2,336,368	3,643,300	(5,090,743)	-	(1,263,816)	-	
Changes in Benefits	-	-	-	-	-	-	
Benefit Payments	<u>(2,149,001)</u>	<u>(2,009,468)</u>	<u>(2,137,548)</u>	<u>(1,875,955)</u>	<u>(1,857,533)</u>	<u>(1,657,007)</u>	
Net Change in Total OPEB Liability	5,878,797	5,808,696	(3,608,362)	2,460,271	514,460	2,157,547	
Total OPEB Liability - Beginning of Year	<u>51,368,701</u>	<u>45,560,005</u>	<u>49,168,367</u>	<u>46,708,096</u>	<u>46,193,636</u>	<u>44,036,089</u>	
Total OPEB Liability - End of Year (a)	<u>\$ 57,247,498</u>	<u>\$ 51,368,701</u>	<u>\$ 45,560,005</u>	<u>\$ 49,168,367</u>	<u>\$ 46,708,096</u>	<u>\$ 46,193,636</u>	
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 2,149,001	\$ 2,009,468	\$ 3,569,055	\$ 3,239,740	\$ 3,188,056	\$ 4,115,834	Not Available
Contributions - Employee	-	-	-	-	-	-	
Net Investment Income	900,079	(6,878,155)	7,581,756	3,271,714	3,378,685	1,964,761	
Benefit Payments	(2,149,001)	(2,009,468)	(2,137,548)	(1,875,955)	(1,857,533)	(1,657,007)	
Other Miscellaneous Income (Expense)	<u>(27,848)</u>	<u>(31,161)</u>	<u>(29,463)</u>	<u>(26,112)</u>	<u>(23,252)</u>	<u>(21,346)</u>	
Net Change in Fiduciary Net Position	872,231	(6,909,316)	8,983,800	4,609,387	4,685,956	4,402,242	
Plan Fiduciary Net Position - Beginning of Year	<u>57,072,789</u>	<u>63,982,105</u>	<u>54,998,305</u>	<u>50,388,918</u>	<u>45,702,962</u>	<u>41,300,720</u>	
Plan Fiduciary Net Position - End of Year (a)	<u>\$ 57,945,020</u>	<u>\$ 57,072,789</u>	<u>\$ 63,982,105</u>	<u>\$ 54,998,305</u>	<u>\$ 50,388,918</u>	<u>\$ 45,702,962</u>	
Net OPEB Liability (Asset)	<u>\$ (697,522)</u>	<u>\$ (5,704,088)</u>	<u>\$ (18,422,100)</u>	<u>\$ (5,829,938)</u>	<u>\$ (3,680,822)</u>	<u>\$ 490,674</u>	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	98.80%	90.01%	71.21%	89.40%	92.70%	101.07%	
Covered Payroll	\$ 17,683,109	\$ 16,809,588	\$ 16,410,399	\$ 16,482,064	\$ 17,871,364	\$ 16,096,388	
Net OPEB Liability (Asset) as Percentage of Covered Payroll	-3.94%	-33.93%	-112.26%	-35.37%	-20.60%	3.05%	

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2019 to June 30, 2020:

Discount rate was changed from 6.00% to 5.75%.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

The healthcare trend rate assumption for pre-65 and post-65 changed and are consistent with information from the Getzen Trend Model.

*

Fiscal year 2018 was the first year of implementation and therefore only seven years are shown. When the City implemented GASB 75, in fiscal year 2018, the City used a measurement period that is the same as the reporting period. In fiscal year 2019, the City changed the measurement period to June 30, 2018, therefore information related to measurement period ending June 30, 2017 is not available.

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS ***

Fiscal Year Ended	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution	\$ -	\$ -	\$ 1,470,873	\$ 1,431,507	\$ 1,363,785	\$ 1,330,523	\$ 2,458,827
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,423,770)</u>	<u>(2,149,001)</u>	<u>(2,009,468)</u>	<u>(3,569,055)</u>	<u>(3,239,740)</u>	<u>(3,188,056)</u>	<u>(4,115,834)</u>
Contribution Deficiency (Excess)	<u>\$ (2,423,770)</u>	<u>\$ (2,149,001)</u>	<u>\$ (538,595)</u>	<u>\$ (2,137,548)</u>	<u>\$ (1,875,955)</u>	<u>\$ (1,857,533)</u>	<u>\$ (1,657,007)</u>
Covered-Employee Payroll	\$ 18,821,112	\$ 17,683,109	\$ 16,809,588	\$ 16,410,399	\$ 16,482,064	\$ 16,096,388	\$ 16,096,388
Contributions as a Percentage of Covered-Employee Payroll	12.88%	12.15%	11.95%	21.75%	19.66%	19.81%	25.57%
Notes to Schedule:							
Valuation Date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017

* Fiscal year 2018 was the first year of implementation and therefore only seven years are shown. During fiscal year 2018-2019 the City had a restatement for a change in measurement date of the OPEB plan, therefore the balances related to fiscal 2017-2018 and 2018-2019 include the same information, additional information not available prior to fiscal year 2018-2019 after the restatement.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property, Sales, and Other Taxes	\$ 63,268,534	\$ 61,193,319	\$ 61,819,221	\$ 625,902
Franchise	3,169,400	3,233,400	3,427,300	193,900
Licenses and Permits	3,004,950	3,181,450	3,808,587	627,137
Fines and Forfeitures	342,000	494,239	483,159	(11,080)
Investment and Rental Income	14,510,789	13,997,699	22,572,705	8,575,006
Revenues from Other Agencies	444,500	264,740	163,438	(101,302)
Current Fees and Services	7,544,060	6,354,458	6,673,461	319,003
Other Revenues	602,165	579,043	581,875	2,832
Total Revenues	92,886,398	89,298,348	99,529,746	10,231,398
EXPENDITURES				
Current:				
Legislative And Administration	2,818,068	2,783,129	2,266,645	516,484
Community Development	4,906,401	4,910,911	4,866,214	44,697
Public Works	16,971,318	16,282,500	15,949,938	332,562
Community And Safety Services	32,005,847	31,174,215	27,800,344	3,373,871
Administrative Services	16,091,319	15,591,719	13,916,002	1,675,717
Cerritos Center for the Performing Arts	9,619,449	9,293,754	8,744,578	549,176
Total Expenditures	82,412,402	80,036,228	73,543,721	6,492,507
EXCESS REVENUES OVER EXPENDITURES	10,473,996	9,262,120	25,986,025	16,723,905
OTHER FINANCING SOURCES (USES)				
Transfers In	386,990	305,148	382,104	(76,956)
Transfers Out	(23,324,538)	(36,705,655)	(26,001,958)	10,703,697
Total Other Financing Sources (Uses)	(22,937,548)	(36,400,507)	(25,619,854)	10,626,741
SPECIAL ITEM				
Forgiveness of Advance	-	(24,336,701)	(24,336,699)	(2)
NET CHANGE IN FUND BALANCE	(12,463,552)	(51,475,088)	(23,970,528)	27,350,644
Fund Balance - Beginning of Year	209,879,771	209,879,771	209,879,771	-
FUND BALANCE - END OF YEAR	\$ 197,416,219	\$ 158,404,683	\$ 185,909,243	\$ 27,350,644

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING ASSETS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment and Rental Income	\$ 211,315	\$ 211,315	\$ 353,356	\$ 142,041
Intergovernmental	-	70,000	69,462	538
Other Revenues	450,000	230,000	11,800	(218,200)
Total Revenues	<u>661,315</u>	<u>511,315</u>	<u>434,618</u>	<u>(76,697)</u>
EXPENDITURES				
Current:				
Community Development	90,000	150,000	240,039	(90,039)
Total Expenditures	<u>90,000</u>	<u>150,000</u>	<u>240,039</u>	<u>(90,039)</u>
EXCESS REVENUES OVER EXPENDITURES	571,315	361,315	194,579	(166,736)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,600,000)	(1,600,000)	-	1,600,000
Total Other Financing Sources (Uses)	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>-</u>	<u>1,600,000</u>
NET CHANGE IN FUND BALANCE	(1,028,685)	(1,238,685)	194,579	1,433,264
Fund Balance - Beginning of Year	<u>23,775,271</u>	<u>23,775,271</u>	<u>23,775,271</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 22,746,586</u></u>	<u><u>\$ 22,536,586</u></u>	<u><u>\$ 23,969,850</u></u>	<u><u>\$ 1,433,264</u></u>

See accompanying Notes to Required Supplementary Information.

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CITY OF CERRITOS, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2024

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers substantially all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior years, which expenditures constitute legally-authorized “nonappropriated budget.”

There were no significant nonbudgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. However, the City Manager is authorized to transfer budgeted amounts between departments within a fund. There were no significant supplementary budget appropriations during the year ended June 30, 2024.

Formal budgetary integration is employed as a management control. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse, unless appropriations are made for certain capital projects in the subsequent fiscal year.

Annual budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America other than the Housing Assets and American Rescue Plan Funds which did not have an adopted budget. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Budgets for the Capital Projects and Debt Service Funds are long-term in nature. Accordingly, no budgetary comparisons are reflected for these funds in the accompanying financial statements. No budgetary comparisons are presented for Proprietary Funds, as the City is not legally required to adopt a budget for these types of funds.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2024 based on calculations by City Management, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

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SUPPLEMENTARY INFORMATION

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CITY OF CERRITOS, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Special Revenue Funds. Are used to account for taxes and other revenues set aside in accordance with law or administrative regulations for a specific purpose.

Street Improvements Fund – To account for allocation of state gasoline taxes received by the City. These funds may be used for street maintenance, right-of-way acquisition, and street construction.

RMRA Fund – To account for allocations of State taxes under the Road Maintenance and Rehabilitation Account received by the City. These funds may be used for street maintenance, right-of-way acquisition, and street construction.

Drainage Fund – To account for monies received from development fees. The funds are used for the maintenance of the drainage system.

Proposition “A” Fund – To account for Los Angeles County special 1/2 cent transportation sales tax, which became effective July 1, 1982. These funds may only be used for certain transportation purposes.

Proposition “C” Fund – To account for a Los Angeles County special 1/2 cent transit sales tax, which was approved by the voters in November 1990. These funds may only be used for public transit projects.

Measure “M” Fund – To account for Los Angeles County special one-half cent transportation sales tax, which became effective July 1, 2017. These funds may only be used for transportation purposes.

Assessment District #6 Fund – To account for monies received from the special assessment tax levied from the areas benefited. These funds are restricted for covering the expenses of maintaining the improvements in the area.

Los Coyotes Lighting District Fund – To account for monies secured from the state of California under the provision of Division 14, Part I, Street and Highways Code, state of California as amended, referred to as the “Street Lighting Act of 1919”. These funds are restricted for the installation, maintenance of, and furnishing of electrical currents for the lighting of a street lighting system on certain public streets within the City.

Public Safety Grant Fund – COPS Grant – To account for nonrecurring grant monies received from the state of California under the following laws: COPS SB3229 and COPS Ahead. These funds are restricted for public safety programs.

Environmental Grants Fund – To account for nonrecurring grant monies received from the state of California for increased recycling efforts within the City.

Air Quality Management District (AQMD) Fund – To account for monies received from the South Coast Air Quality Management District. These funds are restricted for the City’s rideshare program.

Measure "R" Fund – To account for a Los Angeles County 1/2 cent sales tax which was approved by voters in November 2008 for transportation purposes.

CITY OF CERRITOS, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

SB 821 Fund – To account for funds derived through AB-821 that are reserved for use on bicycle and pedestrian facilities.

Community Development Block Grant (CDBG) Fund – To account for Federal grant monies received and expended for the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements.

Measure “W” Fund – To account for Los Angeles County parcel tax increase of \$0.025 per square foot of impermeable space. Funds are reserved for the completion of projects relating to water quality improvements.

Measure “A” Fund – To account for funds derived from a Los Angeles County-wide property tax increase of \$0.015 per square foot of building area. Funds are reserved for the completion of improvement projects for the City's parks and open spaces.

**CITY OF CERRITOS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds					
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
ASSETS						
Cash and Investments	\$ -	\$ 1,443,989	\$ 311	\$ 2,373,158	\$ 1,371,509	\$ 836,272
Accounts Receivable	357,089	222,065	-	-	85,220	71,653
Prepaid Items	44,322	-	453	-	-	-
Total Assets	<u>\$ 401,411</u>	<u>\$ 1,666,054</u>	<u>\$ 764</u>	<u>\$ 2,373,158</u>	<u>\$ 1,456,729</u>	<u>\$ 907,925</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 364,913	\$ -	\$ 350	\$ 284,176	\$ -	\$ -
Accrued Salaries and Benefits	36,498	-	414	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>401,411</u>	<u>-</u>	<u>764</u>	<u>284,176</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	44,322	-	453	-	-	-
Restricted	-	1,666,054	-	2,088,982	1,456,729	907,925
Unassigned (Deficit)	(44,322)	-	(453)	-	-	-
Total Fund Balances	<u>-</u>	<u>1,666,054</u>	<u>-</u>	<u>2,088,982</u>	<u>1,456,729</u>	<u>907,925</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 401,411</u>	<u>\$ 1,666,054</u>	<u>\$ 764</u>	<u>\$ 2,373,158</u>	<u>\$ 1,456,729</u>	<u>\$ 907,925</u>

**CITY OF CERRITOS, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds					
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund	Environmental Grants	AQMD	Measure "R"
			COPS Grant			
ASSETS						
Cash and Investments	\$ 252,635	\$ 7,068	\$ -	\$ 104,098	\$ 733,531	\$ 185
Accounts Receivable	3,215	-	-	-	16,100	63,201
Prepaid Items	-	20,821	-	-	-	-
Total Assets	\$ 255,850	\$ 27,889	\$ -	\$ 104,098	\$ 749,631	\$ 63,386
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ -	\$ 22,911	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	4,978	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenues	-	-	-	99,657	-	-
Total Liabilities	-	27,889	-	99,657	-	-
DEFERRED INFLOW OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	20,821	-	-	-	-
Restricted	255,850	-	-	4,441	749,631	63,386
Unassigned (Deficit)	-	(20,821)	-	-	-	-
Total Fund Balances	255,850	-	-	4,441	749,631	63,386
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 255,850	\$ 27,889	\$ -	\$ 104,098	\$ 749,631	\$ 63,386

**CITY OF CERRITOS, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds				Total Other Governmental Funds
	SB 821	Community Development Block Grant	Measure "W"	Measure "A"	
ASSETS					
Cash and Investments	\$ 73,362	\$ -	\$ 1,940,800	\$ -	\$ 9,136,918
Accounts Receivable	-	-	940,000	310,000	2,068,543
Prepaid Items	-	-	-	-	65,596
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,596</u>
Total Assets	<u>\$ 73,362</u>	<u>\$ -</u>	<u>\$ 2,880,800</u>	<u>\$ 310,000</u>	<u>\$ 11,271,057</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 672,350
Accrued Salaries and Benefits	-	-	-	-	41,890
Due to Other Funds	-	-	2,973,088	310,000	3,283,088
Unearned Revenues	-	-	1,940,800	-	2,040,457
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,913,888</u>	<u>310,000</u>	<u>6,037,785</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue		-	940,000	310,000	1,250,000
FUND BALANCES					
Nonspendable	-	-	-	-	65,596
Restricted	73,362	-	-	-	7,266,360
Unassigned (Deficit)	-	-	(2,973,088)	(310,000)	(3,348,684)
Total Fund Balances	<u>73,362</u>	<u>-</u>	<u>(2,973,088)</u>	<u>(310,000)</u>	<u>3,983,272</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 73,362</u>	<u>\$ -</u>	<u>\$ 2,880,800</u>	<u>\$ 310,000</u>	<u>\$ 11,271,057</u>

CITY OF CERRITOS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
REVENUES						
Investment and Rental Income	\$ -	\$ 23,544	\$ -	\$ 48,411	\$ 25,715	\$ 29,007
Intergovernmental	2,390,404	1,274,200	-	1,473,092	1,080,525	905,648
Charges for Services	-	-	7,470	2,560	-	-
Contributions from Property Owners	-	-	-	-	-	-
Total Revenues	<u>2,390,404</u>	<u>1,297,744</u>	<u>7,470</u>	<u>1,524,063</u>	<u>1,106,240</u>	<u>934,655</u>
EXPENDITURES						
Current:						
Legislative and Administration	132,521	-	1,355	-	-	-
Community Development	-	-	-	1,530,183	814,488	-
Public Works	2,813,726	-	34,924	-	-	-
Administrative Services	447,947	-	4,580	-	-	-
Total Expenditures	<u>3,394,194</u>	<u>-</u>	<u>40,859</u>	<u>1,530,183</u>	<u>814,488</u>	<u>-</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,003,790)	1,297,744	(33,389)	(6,120)	291,752	934,655
OTHER FINANCING SOURCES (USES)						
Transfers In	7,001,281	-	33,389	-	-	-
Transfers Out	(5,997,491)	(158,471)	-	-	-	(860,870)
Total Other Financing Sources (Uses)	<u>1,003,790</u>	<u>(158,471)</u>	<u>33,389</u>	<u>-</u>	<u>-</u>	<u>(860,870)</u>
NET CHANGE IN FUND BALANCES	-	1,139,273	-	(6,120)	291,752	73,785
Fund Balances (Deficit) - Beginning of Year	-	526,781	-	2,095,102	1,164,977	834,140
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 1,666,054</u>	<u>\$ -</u>	<u>\$ 2,088,982</u>	<u>\$ 1,456,729</u>	<u>\$ 907,925</u>

**CITY OF CERRITOS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund		Environmental Grants	Measure "R"
			COPS Grant	AQMD		
REVENUES						
Investment and Rental Income	\$ 3,923	\$ -	\$ -	\$ 2,112	\$ 14,532	\$ 3,338
Intergovernmental	-	108,225	186,159	15,297	64,641	802,018
Charges for Services	-	-	-	-	-	-
Contributions from Property Owners	168,091	-	-	-	-	-
Total Revenues	<u>172,014</u>	<u>108,225</u>	<u>186,159</u>	<u>17,409</u>	<u>79,173</u>	<u>805,356</u>
EXPENDITURES						
Current:						
Legislative and Administration	-	62,256	-	-	-	-
Community Development	-	-	-	-	25,040	-
Public Works	100,000	1,200,778	-	-	-	802,063
Administrative Services	-	210,435	-	-	-	-
Total Expenditures	<u>100,000</u>	<u>1,473,469</u>	<u>-</u>	<u>-</u>	<u>25,040</u>	<u>802,063</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	72,014	(1,365,244)	186,159	17,409	54,133	3,293
OTHER FINANCING SOURCES (USES)						
Transfers In	-	1,365,244	-	-	-	-
Transfers Out	-	-	(186,159)	(15,297)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,365,244</u>	<u>(186,159)</u>	<u>(15,297)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	72,014	-	-	2,112	54,133	3,293
Fund Balances (Deficit) - Beginning of Year	<u>183,836</u>	<u>-</u>	<u>-</u>	<u>2,329</u>	<u>695,498</u>	<u>60,093</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 255,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,441</u>	<u>\$ 749,631</u>	<u>\$ 63,386</u>

**CITY OF CERRITOS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				Total Other Governmental Funds
	SB 821	Community Development Block Grant	Measure "W"	Measure "A"	
REVENUES					
Investment and Rental Income	\$ -	\$ -	\$ 40,385	\$ -	\$ 190,967
Intergovernmental	73,362	194,841	-	-	8,568,412
Charges for Services	-	-	-	-	10,030
Contributions from Property Owners	-	-	-	-	168,091
Total Revenues	<u>73,362</u>	<u>194,841</u>	<u>40,385</u>	<u>-</u>	<u>8,937,500</u>
EXPENDITURES					
Current:					
Legislative and Administration	-	-	-	-	196,132
Community Development	-	-	-	-	2,369,711
Public Works	-	-	-	-	4,951,491
Administrative Services	-	-	-	-	662,962
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,180,296</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	73,362	194,841	40,385	-	757,204
OTHER FINANCING SOURCES (USES)					
Transfers In	-	6,136	-	-	8,406,050
Transfers Out	-	(200,977)	(2,136,584)	-	(9,555,849)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(194,841)</u>	<u>(2,136,584)</u>	<u>-</u>	<u>(1,149,799)</u>
NET CHANGE IN FUND BALANCES	73,362	-	(2,096,199)	-	(392,595)
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>(876,889)</u>	<u>(310,000)</u>	<u>4,375,867</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 73,362</u>	<u>\$ -</u>	<u>\$ (2,973,088)</u>	<u>\$ (310,000)</u>	<u>\$ 3,983,272</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET IMPROVEMENTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 4,743,321	\$ 5,302,079	\$ 2,390,404	\$ (2,911,675)
Franchise	-	-	-	-
Total Revenues	<u>4,743,321</u>	<u>5,302,079</u>	<u>2,390,404</u>	<u>(2,911,675)</u>
EXPENDITURES				
Current:				
Legislative and Administrative	151,310	156,972	132,521	24,451
Public Works	3,923,587	3,580,401	2,813,726	766,675
Administrative Services	509,040	507,480	447,947	59,533
Total Expenditures	<u>4,583,937</u>	<u>4,244,853</u>	<u>3,394,194</u>	<u>850,659</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	159,384	1,057,226	(1,003,790)	(2,061,016)
OTHER FINANCING SOURCES (USES)				
Transfers In	11,057,983	10,892,737	7,001,281	(3,891,456)
Transfers Out	<u>(11,217,364)</u>	<u>(11,949,963)</u>	<u>(5,997,491)</u>	<u>5,952,472</u>
Total Other Financing Sources (Uses)	<u>(159,381)</u>	<u>(1,057,226)</u>	<u>1,003,790</u>	<u>2,061,016</u>
NET CHANGE IN FUND BALANCE	3	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RMRA SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 8,000	\$ 10,000	\$ 23,544	\$ 13,544
Revenues from Other Agencies	1,130,160	1,182,143	1,274,200	92,057
Total Revenues	<u>1,138,160</u>	<u>1,192,143</u>	<u>1,297,744</u>	<u>105,601</u>
OTHER FINANCING USES				
Transfers Out	(1,000,000)	(1,182,143)	(158,471)	1,023,672
Total Other Financing Uses	<u>(1,000,000)</u>	<u>(1,182,143)</u>	<u>(158,471)</u>	<u>1,023,672</u>
NET CHANGE IN FUND BALANCE	138,160	10,000	1,139,273	1,129,273
Fund Balance - Beginning of Year	<u>526,781</u>	<u>526,781</u>	<u>526,781</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 664,941</u></u>	<u><u>\$ 536,781</u></u>	<u><u>\$ 1,666,054</u></u>	<u><u>\$ 1,129,273</u></u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRAINAGE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Current Fees and Services	\$ 2,500	\$ 2,500	\$ 7,470	\$ 4,970
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>7,470</u>	<u>4,970</u>
EXPENDITURES				
Current:				
Legislative and Administrative	804	1,605	1,355	250
Public Works	41,627	38,092	34,924	3,168
Administrative Services	<u>2,704</u>	<u>5,189</u>	<u>4,580</u>	<u>609</u>
Total Expenditures	<u>45,135</u>	<u>44,886</u>	<u>40,859</u>	<u>4,027</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(42,635)	(42,386)	(33,389)	8,997
OTHER FINANCING SOURCES				
Transfers In	<u>42,635</u>	<u>42,386</u>	<u>33,389</u>	<u>(8,997)</u>
Total Other Financing Sources	<u>42,635</u>	<u>42,386</u>	<u>33,389</u>	<u>(8,997)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PROPOSITION "A" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 15,000	\$ 25,000	\$ 48,411	\$ 23,411
Revenues from Other Agencies	1,500,000	1,580,000	1,473,092	(106,908)
Current Fees and Services	1,000	1,000	2,560	1,560
Total Revenues	<u>1,516,000</u>	<u>1,606,000</u>	<u>1,524,063</u>	<u>(81,937)</u>
EXPENDITURES				
Current:				
Community Development	1,250,000	1,250,000	1,530,183	(280,183)
Total Expenditures	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,530,183</u>	<u>(280,183)</u>
NET CHANGE IN FUND BALANCE	266,000	356,000	(6,120)	(362,120)
Fund Balance - Beginning of Year	<u>2,095,102</u>	<u>2,095,102</u>	<u>2,095,102</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,361,102</u>	<u>\$ 2,451,102</u>	<u>\$ 2,088,982</u>	<u>\$ (362,120)</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PROPOSITION "C" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 5,000	\$ 19,000	\$ 25,715	\$ 6,715
Revenues from Other Agencies	1,100,000	1,100,000	1,080,525	(19,475)
Current Fees and Services	10,000	10,000	-	(10,000)
Total Revenues	<u>1,115,000</u>	<u>1,129,000</u>	<u>1,106,240</u>	<u>(22,760)</u>
EXPENDITURES				
Current:				
Community Development	1,000,000	1,000,000	814,488	185,512
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>814,488</u>	<u>185,512</u>
NET CHANGE IN FUND BALANCE	115,000	129,000	291,752	162,752
Fund Balance - Beginning of Year	<u>1,164,977</u>	<u>1,164,977</u>	<u>1,164,977</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,279,977</u>	<u>\$ 1,293,977</u>	<u>\$ 1,456,729</u>	<u>\$ 162,752</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE "M" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 6,500	\$ 6,500	\$ 29,007	\$ 22,507
Revenues from Other Agencies	991,000	975,000	905,648	(69,352)
Total Revenues	<u>997,500</u>	<u>981,500</u>	<u>934,655</u>	<u>(46,845)</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	997,500	981,500	934,655	(46,845)
OTHER FINANCING USES				
Transfers Out	<u>(860,870)</u>	<u>(1,410,870)</u>	<u>(860,870)</u>	550,000
Total Other Financing Uses	<u>(860,870)</u>	<u>(1,410,870)</u>	<u>(860,870)</u>	<u>550,000</u>
NET CHANGE IN FUND BALANCE	136,630	(429,370)	73,785	503,155
Fund Balance - Beginning of Year	<u>834,140</u>	<u>834,140</u>	<u>834,140</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 970,770</u>	<u>\$ 404,770</u>	<u>\$ 907,925</u>	<u>\$ 503,155</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ASSESSMENT DISTRICT #6 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 200	\$ 2,200	\$ 3,923	\$ 1,723
Contributions from Property Owners	130,000	140,000	168,091	28,091
Total Revenues	<u>130,200</u>	<u>142,200</u>	<u>172,014</u>	<u>29,814</u>
EXPENDITURES				
Current:				
Public Works	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	30,200	42,200	72,014	29,814
Fund Balance - Beginning of Year	<u>183,836</u>	<u>183,836</u>	<u>183,836</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 214,036</u>	<u>\$ 226,036</u>	<u>\$ 255,850</u>	<u>\$ 29,814</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOS COYOTES LIGHTING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 98,600	\$ 108,600	\$ 108,225	\$ (375)
Total Revenues	<u>98,600</u>	<u>108,600</u>	<u>108,225</u>	<u>(375)</u>
EXPENDITURES				
Current:				
Legislative and Administration	74,347	73,742	62,256	11,486
Public Works	1,479,248	1,471,663	1,200,778	270,885
Administrative Services	250,120	238,402	210,435	27,967
Total Expenditures	<u>1,803,715</u>	<u>1,783,807</u>	<u>1,473,469</u>	<u>310,338</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,705,115)	(1,675,207)	(1,365,244)	309,963
OTHER FINANCING SOURCES				
Transfers In	1,705,115	1,675,207	1,365,244	(309,963)
Total Other Financing Sources	<u>1,705,115</u>	<u>1,675,207</u>	<u>1,365,244</u>	<u>(309,963)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COPS GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 165,000	\$ 165,000	\$ 186,159	\$ 21,159
Total Revenues	<u>165,000</u>	<u>165,000</u>	<u>186,159</u>	<u>21,159</u>
OTHER FINANCING USES				
Transfers Out	(165,000)	(165,000)	(186,159)	(21,159)
Total Other Financing Uses	<u>(165,000)</u>	<u>(165,000)</u>	<u>(186,159)</u>	<u>(21,159)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ENVIRONMENTAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 600	\$ 2,000	\$ 2,112	\$ 112
Revenues from Other Agencies	105,470	19,900	15,297	(4,603)
Total Revenues	<u>106,070</u>	<u>21,900</u>	<u>17,409</u>	<u>(4,491)</u>
OTHER FINANCING USES				
Transfers Out	(106,070)	(24,228)	(15,297)	8,931
Total Other Financing Uses	<u>(106,070)</u>	<u>(24,228)</u>	<u>(15,297)</u>	<u>8,931</u>
NET CHANGE IN FUND BALANCE	-	(2,328)	2,112	4,440
Fund Balance - Beginning of Year	<u>2,329</u>	<u>2,329</u>	<u>2,329</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,329</u>	<u>\$ 1</u>	<u>\$ 4,441</u>	<u>\$ 4,440</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AQMD SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 9,000	\$ 12,500	\$ 14,532	\$ 2,032
Revenues from Other Agencies	55,000	55,000	64,641	9,641
Total Revenues	<u>64,000</u>	<u>67,500</u>	<u>79,173</u>	<u>11,673</u>
EXPENDITURES				
Current:				
Community Development	58,438	58,438	25,040	33,398
Total Expenditures	<u>58,438</u>	<u>58,438</u>	<u>25,040</u>	<u>33,398</u>
NET CHANGE IN FUND BALANCE	5,562	9,062	54,133	45,071
Fund Balance - Beginning of Year	<u>695,498</u>	<u>695,498</u>	<u>695,498</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 701,060</u>	<u>\$ 704,560</u>	<u>\$ 749,631</u>	<u>\$ 45,071</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE "R" SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 1,000	\$ 1,000	\$ 3,338	\$ 2,338
Revenues from Other Agencies	874,000	874,000	802,018	(71,982)
Total Revenues	<u>875,000</u>	<u>875,000</u>	<u>805,356</u>	<u>(69,644)</u>
EXPENDITURES				
Current:				
Public Works	874,000	874,000	802,063	71,937
Total Expenditures	<u>874,000</u>	<u>874,000</u>	<u>802,063</u>	<u>71,937</u>
NET CHANGE IN FUND BALANCE	1,000	1,000	3,293	2,293
Fund Balance - Beginning of Year	<u>60,093</u>	<u>60,093</u>	<u>60,093</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 61,093</u></u>	<u><u>\$ 61,093</u></u>	<u><u>\$ 63,386</u></u>	<u><u>\$ 2,293</u></u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SB 821 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 73,362	\$ 48,362
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>73,362</u>	<u>48,362</u>
Revenues Over (Under) Expenditures	25,000	25,000	73,362	48,362
OTHER FINANCING SOURCES				
Transfers Out	<u>(25,000)</u>	<u>(25,000)</u>	-	25,000
Total Other Financing Sources	<u>(25,000)</u>	<u>(25,000)</u>	-	25,000
NET CHANGE IN FUND BALANCE	-	-	73,362	73,362
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,362</u>	<u>\$ 73,362</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CDBG SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 230,000	\$ 236,101	\$ 194,841	\$ (41,260)
Total Revenues	<u>230,000</u>	<u>236,101</u>	<u>194,841</u>	<u>(41,260)</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	6,136	6,136
Transfers Out	<u>(230,000)</u>	<u>(236,101)</u>	<u>(200,977)</u>	<u>35,124</u>
Total Other Financing Sources	<u>(230,000)</u>	<u>(236,101)</u>	<u>(194,841)</u>	<u>41,260</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE W SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income (Loss)	\$ 1,500	\$ 16,500	\$ 40,385	\$ 23,885
Revenues from Other Agencies	<u>2,846,000</u>	<u>938,000</u>	<u>-</u>	<u>(938,000)</u>
Total Revenues	2,847,500	954,500	40,385	(914,115)
OTHER FINANCING SOURCES				
Transfers In	-	1,611,065	-	(1,611,065)
Transfers Out	<u>(2,847,500)</u>	<u>(2,584,524)</u>	<u>(2,136,584)</u>	<u>447,940</u>
Total Other Financing Sources	<u>(2,847,500)</u>	<u>(973,459)</u>	<u>(2,136,584)</u>	<u>(1,163,125)</u>
NET CHANGE IN FUND BALANCE	-	(18,959)	(2,096,199)	(2,077,240)
Fund Balance (Deficit) - Beginning of Year	<u>(876,889)</u>	<u>(876,889)</u>	<u>(876,889)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (876,889)</u>	<u>\$ (895,848)</u>	<u>\$ (2,973,088)</u>	<u>\$ (2,077,240)</u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ -	\$ 510,000	\$ -	\$ (510,000)
Total Revenues	-	510,000	-	(510,000)
OTHER FINANCING SOURCES				
Transfers Out	-	(200,000)	-	200,000
Total Other Financing Sources	-	(200,000)	-	200,000
NET CHANGE IN FUND BALANCE	-	310,000	-	(310,000)
Fund Balance - Beginning of Year	(310,000)	(310,000)	(310,000)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (310,000)</u>	<u>\$ -</u>	<u>\$ (310,000)</u>	<u>\$ (310,000)</u>

STATISTICAL SECTION

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**CITY OF CERRITOS, CALIFORNIA, CALIFORNIA
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2024**

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	119 – 130
Revenue Capacity These tables contain information to help the reader assess the City’s most significant local revenue source, the property tax.	131 – 135
Debt Capacity These tables 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 – 140
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	141
Operating Information These tables 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.	142 – 146

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

**CITY OF CERRITOS, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 262,647,222	\$ 257,355,170	\$ 253,017,104	\$ 246,518,511	\$ 241,233,174
Restricted for:					
Street and Sewer Related Purposes	107,002	105,332	190,120	202,392	87,816
Transportation Related Purposes	1,477,308	1,703,058	1,733,016	1,511,593	1,063,684
Assessment Districts	127,306	84,023	19,625	-	-
Miscellaneous Grants	10,458	1,210	1,396	677,241	816,046
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	4,406,831	9,462,617	20,447,575	22,359,381	22,765,009
Municipal Improvements	-	-	-	623,506	589,480
Unrestricted	<u>138,360,180</u>	<u>97,927,171</u>	<u>131,068,266</u>	<u>115,756,640</u>	<u>127,204,497</u>
Total Governmental Activities					
Net Position	407,136,307	366,638,581	406,477,102	387,649,264	393,759,706
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	28,383,010	30,140,590	29,586,939	28,179,466	26,841,009
OPEB	-	-	-	-	-
Pension	-	-	-	-	-
Unrestricted	<u>(29,675,894)</u>	<u>(35,033,489)</u>	<u>(40,994,526)</u>	<u>(44,018,815)</u>	<u>(45,440,520)</u>
Total Business-Type Activities					
Net Position	(1,292,884)	(4,892,899)	(11,407,587)	(15,839,349)	(18,599,511)
PRIMARY GOVERNMENT					
Net Investment In Capital Assets	291,030,232	287,495,760	282,604,043	274,697,977	268,074,183
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	107,002	105,332	190,120	202,392	87,816
Transportation Related Purposes	1,477,308	1,703,058	1,733,016	1,511,593	1,063,684
Assessment Districts	127,306	84,023	19,625	-	-
Miscellaneous Grants	10,458	1,210	1,396	677,241	816,046
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	4,406,831	9,462,617	20,447,575	22,359,381	22,765,009
Municipal Improvements	-	-	-	623,506	589,480
Unrestricted	<u>108,684,286</u>	<u>62,893,682</u>	<u>90,073,740</u>	<u>71,737,825</u>	<u>81,763,977</u>
Total Primary Government Net Position	<u>\$ 405,843,423</u>	<u>\$ 361,745,682</u>	<u>\$ 395,069,515</u>	<u>\$ 371,809,915</u>	<u>\$ 375,160,195</u>

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
GOVERNMENTAL ACTIVITIES					
Net Investment in Capital Assets	\$ 237,632,283	\$ 236,167,050	\$ 239,378,963	\$ 238,504,181	\$ 244,376,743
Restricted for:					
Street and Sewer Related Purposes	827,933	1,365,023	6,957	-	-
Transportation Related Purposes	1,735,175	2,690,006	5,047,612	5,376,591	7,006,069
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	-	469,360	579,577	712,792	4,441
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	5,334,393	16,856,221	5,219,241	638,233
Pension	-	-	1,801,182	1,361,493	959,089
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	23,154,191	23,095,853	23,160,416	23,312,850	23,737,033
Municipal Improvements	3,681,441	79,319	120,713	183,836	255,850
Unrestricted	<u>125,486,394</u>	<u>129,097,671</u>	<u>144,602,812</u>	<u>169,837,783</u>	<u>145,796,629</u>
Total Governmental Activities					
Net Position	392,517,417	398,298,675	431,554,453	444,508,767	422,774,087
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	25,722,500	24,887,048	24,064,150	25,918,966	27,344,766
OPEB	-	495,545	167,323	126,478	89,096
Pension	-	-	1,565,879	484,847	59,289
Unrestricted	<u>(45,936,520)</u>	<u>(46,655,309)</u>	<u>(49,387,146)</u>	<u>(52,589,838)</u>	<u>(28,421,066)</u>
Total Business-Type Activities					
Net Position	(20,214,020)	(21,272,716)	(23,589,794)	(26,059,547)	(927,915)
PRIMARY GOVERNMENT					
Net Investment In Capital Assets	263,354,783	261,054,098	263,443,113	264,423,147	271,721,509
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	827,933	1,365,023	6,957	-	-
Transportation Related Purposes	1,735,175	2,690,006	5,047,612	5,376,591	7,006,069
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	-	469,360	579,577	712,792	4,441
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	5,829,938	18,422,100	5,704,088	697,522
Pension	-	-	1,968,505	1,487,971	1,048,185
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	23,154,191	23,095,853	23,160,416	23,312,850	23,737,033
Municipal Improvements	3,681,441	79,319	120,713	183,836	255,850
Unrestricted	<u>79,549,874</u>	<u>82,442,362</u>	<u>95,215,666</u>	<u>117,247,945</u>	<u>117,375,563</u>
Total Primary Government Net Position	<u>\$ 372,303,397</u>	<u>\$ 377,025,959</u>	<u>\$ 407,964,659</u>	<u>\$ 418,449,220</u>	<u>\$ 421,846,172</u>

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
EXPENSES					
Legislative and Administration	\$ 4,883,485	\$ 2,465,291	\$ 2,378,754	\$ 2,518,689	\$ 2,713,829
Community Development	7,085,991	7,917,327	6,622,743	5,917,823	6,097,709
Public Works	16,714,186	17,268,089	15,966,555	21,639,916	19,110,998
Water and Power	2,180	142,503	196,486	14,177	19,465
Community and Safety Services	24,290,009	23,633,551	22,361,018	26,170,530	26,799,680
Administrative Services	11,173,285	12,390,186	11,933,909	13,636,432	14,048,665
Cerritos Center for the Performing Arts	6,891,247	6,821,863	6,928,938	9,142,656	9,041,953
Unallocated Infrastructure Depreciation	917,259	934,773	932,215	851,011	861,392
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>71,957,642</u>	<u>71,573,583</u>	<u>67,320,618</u>	<u>79,891,234</u>	<u>78,693,691</u>
Water and Sewer	12,015,738	12,318,355	14,418,126	12,685,248	12,778,281
Reclaimed Water	1,361,003	1,222,306	1,182,692	1,265,363	1,178,977
Electric Utility	7,264,654	6,573,374	5,785,529	6,685,111	5,857,811
Total Business-Type Activities Expenses	<u>20,641,395</u>	<u>20,114,035</u>	<u>21,386,347</u>	<u>20,635,722</u>	<u>19,815,069</u>
Total Primary Government Expenses	92,599,037	91,687,618	88,706,965	100,526,956	98,508,760
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	12,817	9,582	10,691	5,451	4,207
Community Development	2,350,352	1,982,017	1,464,701	2,456,567	2,742,819
Public Works	146,802	199,911	212,402	605,302	269,137
Community and Safety Services	3,416,288	3,192,486	2,646,060	2,553,410	2,358,219
Administrative Services	268,741	318,424	305,357	283,063	270,528
Cerritos Center for the Performing Arts	3,705,534	3,407,864	4,320,222	5,739,821	6,088,635
Operating Grants and Contributions	5,390,206	5,085,014	6,211,435	6,124,018	5,983,320
Capital Grants and Contributions	163,464	2,730,681	66,852	237,883	187,606
Total Governmental Activities Program Revenues	<u>15,454,204</u>	<u>16,925,979</u>	<u>15,237,720</u>	<u>18,005,515</u>	<u>17,904,471</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	9,039,367	7,652,183	8,750,301	9,820,648	10,190,126
Reclaimed Water	1,213,014	3,282,140	1,087,403	1,173,266	945,186
Electric Utility	6,274,036	5,262,263	4,357,671	5,347,675	4,627,162
Capital Grants and Contributions	282,624	320,264	662,073	55,658	139,161
Total Business-Type Activities Program Revenues	<u>16,809,041</u>	<u>16,516,850</u>	<u>14,857,448</u>	<u>16,397,247</u>	<u>15,901,635</u>
Total Primary Government Program Revenues	32,263,245	33,442,829	30,095,168	34,402,762	33,806,106
NET REVENUE (EXPENSE)					
Governmental Activities	(56,503,438)	(54,647,604)	(52,082,898)	(61,885,719)	(60,789,220)
Business-Type Activities	<u>(3,832,354)</u>	<u>(3,597,185)</u>	<u>(6,528,899)</u>	<u>(4,238,475)</u>	<u>(3,913,434)</u>
Total Primary Government Net Expense	<u>\$ (60,335,792)</u>	<u>\$ (58,244,789)</u>	<u>\$ (58,611,797)</u>	<u>\$ (66,124,194)</u>	<u>\$ (64,702,654)</u>

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
EXPENSES					
Legislative and Administration	\$ 2,509,888	\$ 3,769,309	\$ 3,256,536	\$ 2,969,073	\$ 3,275,544
Community Development	6,040,084	6,450,142	5,490,556	5,939,511	7,786,406
Public Works	20,534,788	20,608,456	18,520,020	28,453,358	32,062,208
Water and Power	-	-	-	-	-
Community and Safety Services	28,017,979	24,915,839	22,905,061	26,482,421	31,320,201
Administrative Services	14,580,868	12,112,328	12,074,686	14,348,436	16,829,565
Cerritos Center for the Performing Arts	8,918,564	3,563,911	4,685,173	7,764,745	10,935,670
Unallocated Infrastructure Depreciation	921,562	1,140,880	931,866	866,535	938,375
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>81,523,733</u>	<u>72,560,865</u>	<u>67,863,898</u>	<u>86,824,079</u>	<u>103,147,969</u>
Water and Sewer	13,392,782	13,634,515	14,194,130	15,007,451	15,571,399
Reclaimed Water	6,892,482	1,117,592	1,446,991	1,333,927	1,499,269
Electric Utility	1,205,028	6,164,539	6,860,821	8,535,180	8,494,618
Total Business-Type Activities Expenses	<u>21,490,292</u>	<u>20,916,646</u>	<u>22,501,942</u>	<u>24,876,558</u>	<u>25,565,286</u>
Total Primary Government Expenses	103,014,025	93,477,511	90,365,840	111,700,637	128,713,255
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	12,245	3,894	3,580	5,484	6,386
Community Development	2,749,521	2,279,109	2,753,608	2,625,789	2,735,611
Public Works	287,193	279,223	3,884,530	270,351	258,098
Community and Safety Services	1,878,902	761,581	1,657,804	1,786,332	1,949,090
Administrative Services	272,745	263,318	398,386	357,068	464,184
Cerritos Center for the Performing Arts	4,566,056	595	2,346,135	4,093,655	5,281,219
Operating Grants and Contributions	5,925,205	8,309,776	17,361,949	8,751,626	12,191,175
Capital Grants and Contributions	-	163,431	464,379	951,904	264,304
Total Governmental Activities Program Revenues	<u>15,691,867</u>	<u>12,060,927</u>	<u>28,870,371</u>	<u>18,842,209</u>	<u>23,150,067</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	12,402,631	12,269,460	11,788,831	11,349,873	11,040,252
Reclaimed Water	5,077,817	1,200,034	1,218,300	830,551	794,596
Electric Utility	1,020,833	4,774,286	5,471,484	6,978,100	7,557,246
Capital Grants and Contributions	252,710	35,691	26,324	16,086	83,083
Total Business-Type Activities Program Revenues	<u>18,753,991</u>	<u>18,279,471</u>	<u>18,504,939</u>	<u>19,174,610</u>	<u>19,475,177</u>
Total Primary Government Program Revenues	34,445,858	30,340,398	47,375,310	38,016,819	42,625,244
NET REVENUE (EXPENSE)					
Governmental Activities	(65,831,866)	(60,499,938)	(38,993,527)	(67,981,870)	(79,997,902)
Business-Type Activities	<u>(2,736,301)</u>	<u>(2,637,175)</u>	<u>(3,997,003)</u>	<u>(5,701,948)</u>	<u>(6,090,109)</u>
Total Primary Government Net Expense	<u>\$ (68,568,167)</u>	<u>\$ (63,137,113)</u>	<u>\$ (42,990,530)</u>	<u>\$ (73,683,818)</u>	<u>\$ (86,088,011)</u>

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
CHANGES IN NET POSITION – GENERAL REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 27,071,289	\$ 32,846,913	\$ 33,689,474	\$ 33,607,144	\$ 34,780,357
Property Taxes	10,279,496	11,278,384	11,986,780	11,894,249	12,419,886
Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	1,711,848	1,717,909	2,570,777	2,565,011	2,410,064
Transient Occupancy Taxes	697,835	1,129,526	1,187,002	1,214,387	1,045,417
Other Taxes	1,336,488	1,392,520	1,310,269	1,481,476	1,566,031
Gain (Loss) on Disposal of Capital Assets	-	-	-	(1,741,736)	-
Investment and Rental Income	9,596,362	10,020,263	9,482,419	10,151,736	13,120,657
Miscellaneous	321,260	1,668,528	234,179	60,031	108,425
Gain on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Settlement Disbursement from the City due to the Dissolution of Cerritos Redevelopment Agency	-	-	-	-	-
Adjustment to Amount due from Successor Agency	-	(45,904,165)	7,425,305	7,685,002	-
Gain due to Payment of Long Range Property Management Plan	-	-	28,734,470	-	-
Loss due to Elimination of Pension Obligation due from Successor Agency	-	-	(4,699,256)	-	-
Transfers	-	-	-	(19,201)	(858,370)
Total Governmental Activities	<u>51,014,578</u>	<u>14,149,878</u>	<u>91,921,419</u>	<u>66,898,099</u>	<u>64,592,467</u>
Business-Type Activities:					
Investment and Rental Income	16,312	(2,830)	14,211	20,018	80,570
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	19,201	858,370
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	-	-	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	-	-	-	-	-
Total Business-Type Activities	<u>16,312</u>	<u>(2,830)</u>	<u>14,211</u>	<u>39,219</u>	<u>938,940</u>
Total Primary Government	51,030,890	14,147,048	91,935,630	66,937,318	65,531,407
CHANGES IN NET POSITION					
Governmental Activities	(5,488,860)	(40,497,726)	39,838,521	5,012,380	3,803,247
Business-Type Activities	<u>(3,816,042)</u>	<u>(3,600,015)</u>	<u>(6,514,688)</u>	<u>(4,199,256)</u>	<u>(2,974,494)</u>
Total Primary Government	<u>\$ (9,304,902)</u>	<u>\$ (44,097,741)</u>	<u>\$ 33,323,833</u>	<u>\$ 813,124</u>	<u>\$ 828,753</u>

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
CHANGES IN NET POSITION – GENERAL REVENUES (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 33,382,067	\$ 38,748,343	\$ 45,357,612	\$ 46,712,812	\$ 43,466,843
Property Taxes	13,040,649	13,513,141	14,511,290	15,202,895	16,610,075
Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	2,390,426	2,621,979	2,953,692	3,102,921	3,427,300
Transient Occupancy Taxes	1,023,825	924,051	1,235,045	1,427,146	1,418,810
Other Taxes	1,319,269	2,384,987	2,607,835	2,502,895	1,689,271
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Investment and Rental Income	12,543,010	9,550,944	7,161,700	13,437,534	22,683,990
Miscellaneous	49,818	56,185	63,999	1,722,371	120,187
Gain on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Settlement Disbursement from the City due to the Dissolution of Cerritos Redevelopment Agency	-	-	-	-	-
Adjustment to Amount due from Successor Agency	-	-	-	-	-
Gain due to Payment of Long Range Property Management Plan	-	-	-	-	-
Loss due to Elimination of Pension Obligation due from Successor Agency	-	-	-	-	-
Transfers	(859,130)	(1,518,434)	(1,641,868)	(3,172,390)	(6,816,555)
Total Governmental Activities	<u>62,889,934</u>	<u>66,281,196</u>	<u>72,249,305</u>	<u>80,936,184</u>	<u>82,599,921</u>
Business-Type Activities:					
Investment and Rental Income	104,771	60,045	38,057	59,805	68,487
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	859,130	1,518,434	1,641,868	3,172,390	6,816,555
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	-	-	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	-	-	-	-	-
Total Business-Type Activities	<u>963,901</u>	<u>1,578,479</u>	<u>1,679,925</u>	<u>3,232,195</u>	<u>6,885,042</u>
Total Primary Government	63,853,835	67,859,675	73,929,230	84,168,379	89,484,963
CHANGES IN NET POSITION					
Governmental Activities	(2,941,932)	5,781,258	33,255,778	12,954,314	2,602,019
Business-Type Activities	<u>(1,772,400)</u>	<u>(1,058,696)</u>	<u>(2,317,078)</u>	<u>(2,469,753)</u>	<u>794,933</u>
Total Primary Government	<u>\$ (4,714,332)</u>	<u>\$ 4,722,562</u>	<u>\$ 30,938,700</u>	<u>\$ 10,484,561</u>	<u>\$ 3,396,952</u>

Source: Finance Division, City of Cerritos.

**CITY OF CERRITOS, CALIFORNIA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
GENERAL FUND					
Nonspendable	\$ 68,888,425	\$ 80,996,354	\$ 85,283,586	\$ 92,244,370	\$ 93,926,824
Restricted	-	-	-	145,795	249,694
Assigned	24,372,415	21,416,153	23,113,474	16,804,229	17,378,130
Unassigned	61,925,251	57,367,241	42,477,041	50,739,188	58,080,616
	<u>\$ 155,186,091</u>	<u>\$ 159,779,748</u>	<u>\$ 150,874,101</u>	<u>\$ 159,933,582</u>	<u>\$ 169,635,264</u>
Total General Fund					
ALL OTHER GOVERNMENTAL FUNDS					
Unreserved, Reported in:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 167,794
Restricted	10,984,798	11,356,240	22,391,732	25,228,318	25,874,777
Assigned	-	-	-	1,549,968	1,549,967
Unassigned	-	-	-	-	(37,784)
	<u>\$ 10,984,798</u>	<u>\$ 11,356,240</u>	<u>\$ 22,391,732</u>	<u>\$ 26,778,286</u>	<u>\$ 27,554,754</u>
Total All Other Governmental Funds					

CITY OF CERRITOS, CALIFORNIA
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
GENERAL FUND					
Nonspendable	\$ 93,251,380	\$ 90,378,803	\$ 89,641,650	\$ 89,863,194	\$ 61,353,717
Restricted	363,533	468,963	578,858	-	-
Assigned	17,973,511	17,973,511	16,995,748	21,896,476	21,901,003
Unassigned	60,073,186	70,723,775	90,788,137	98,120,101	102,654,523
	<u>\$ 171,661,610</u>	<u>\$ 179,545,052</u>	<u>\$ 198,004,393</u>	<u>\$ 209,879,771</u>	<u>\$ 185,909,243</u>
ALL OTHER GOVERNMENTAL FUNDS					
Unreserved, Reported in:					
Nonspendable	\$ 409,215	\$ 253,470	\$ 242,330	\$ 521,816	\$ 298,413
Restricted	28,805,603	27,230,598	28,336,417	28,875,606	31,003,393
Assigned	-	-	-	-	-
Unassigned	(31,277)	(1,161,067)	(24,592)	(1,246,284)	(3,348,684)
	<u>\$ 29,183,541</u>	<u>\$ 26,323,001</u>	<u>\$ 28,554,155</u>	<u>\$ 28,151,138</u>	<u>\$ 27,953,122</u>
Total All Other Governmental Funds	<u>\$ 29,183,541</u>	<u>\$ 26,323,001</u>	<u>\$ 28,554,155</u>	<u>\$ 28,151,138</u>	<u>\$ 27,953,122</u>

CITY OF CERRITOS, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
REVENUES					
Property, Sales, and Other Taxes	\$ 38,334,188	\$ 45,498,217	\$ 47,087,509	\$ 47,005,564	\$ 48,597,758
Licenses and Permits	3,299,686	3,118,986	2,497,839	3,560,686	2,934,132
Fines and Forfeitures	947,802	845,664	591,148	571,017	530,924
Investment and Rental Income	10,295,743	10,659,119	10,272,458	11,288,748	15,003,339
Revenues from Other Agencies	5,590,887	4,621,525	5,989,277	5,925,146	5,977,632
Current Fees and Services	5,683,067	5,313,010	5,897,715	6,858,320	7,187,142
Franchise	1,792,320	1,811,958	2,666,159	2,649,011	2,494,064
Other Revenues	525,089	2,540,878	653,766	814,690	621,282
Total Revenues	<u>66,468,782</u>	<u>74,409,357</u>	<u>75,655,871</u>	<u>78,673,182</u>	<u>83,346,273</u>
EXPENDITURES					
Current:					
Legislative and Administration	1,891,392	1,899,115	2,054,772	1,956,223	1,902,399
Community Development	5,217,726	6,274,695	7,261,751	5,796,124	5,937,964
Public Works	16,304,994	17,953,430	18,980,316	20,983,741	18,679,980
Water and Power	-	-	-	-	-
Community and Safety Services	22,266,516	22,494,774	23,276,405	24,343,700	24,790,812
Administrative Services	9,274,520	10,608,147	11,281,082	12,140,106	12,321,143
Cerritos Center for the Performing Arts	5,123,608	5,321,948	6,062,322	7,448,010	7,316,611
Capital Outlay	2,050,716	2,113,290	1,034,683	2,787,119	1,060,844
Total Expenditures	<u>62,129,472</u>	<u>66,665,399</u>	<u>69,951,331</u>	<u>75,455,023</u>	<u>72,009,753</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,339,310	7,743,958	5,704,540	3,218,159	11,336,520
OTHER FINANCING SOURCES (USES)					
Transfers In	4,011,926	6,693,682	5,759,097	10,632,340	5,116,101
Transfers Out	(4,011,926)	(6,693,682)	(5,759,097)	(9,187,181)	(5,974,471)
Proceeds from Sale of Assets	3,845,000	3,390,836	-	1,097,715	-
Total Other Financing Sources (Uses)	<u>3,845,000</u>	<u>3,390,836</u>	<u>-</u>	<u>2,542,874</u>	<u>(858,370)</u>
Net Change In Fund Balances Before Extraordinary Item	8,184,310	11,134,794	5,704,540	5,761,033	10,478,150
SPECIAL ITEM					
Adjustment to Amount Due from Successor Agency	-	(6,169,695)	7,425,305	7,685,002	-
Payments to Successor Agency	-	-	(11,000,000)	-	-
Forgiveness of Advance	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 8,184,310</u>	<u>\$ 4,965,099</u>	<u>\$ 2,129,845</u>	<u>\$ 13,446,035</u>	<u>\$ 10,478,150</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%
	(a)				

(a) Long-term debt was transferred to the Successor Agency on February 1, 2012. The Si Long-term debt was transferred to the Successor Agency on February 1, 2012. The Successor Agency is not considered a component unit for the City, thus the debt payments are disclosed in the Fiduciary Funds component unit for the City, thus the debt payments are disclosed in the Fiduciary Funds section of this report.

CITY OF CERRITOS, CALIFORNIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
REVENUES					
Property, Sales, and Other Taxes	\$ 47,605,084	\$ 53,427,519	\$ 61,512,663	\$ 63,565,598	\$ 61,819,221
Licenses and Permits	3,072,377	2,764,442	3,347,206	3,460,564	3,808,587
Fines and Forfeitures	399,420	254,506	383,335	411,983	483,159
Investment and Rental Income	13,643,216	10,058,395	7,756,356	14,030,885	22,572,705
Revenues from Other Agencies	5,727,943	8,392,910	4,252,533	523,672	163,438
Current Fees and Services	5,830,144	829,351	3,587,590	5,101,877	6,673,461
Franchise	2,474,426	2,705,979	2,953,692	3,102,921	3,427,300
Other Revenues	521,232	311,658	484,305	1,761,465	581,875
Total Revenues	<u>79,273,842</u>	<u>78,744,760</u>	<u>84,277,680</u>	<u>91,958,965</u>	<u>99,529,746</u>
EXPENDITURES					
Current:					
Legislative and Administration	2,001,819	3,366,736	2,800,256	2,160,373	2,266,645
Community Development	5,770,190	6,427,034	4,299,090	4,135,855	4,866,214
Public Works	19,408,995	20,746,765	12,998,987	15,587,854	15,949,938
Water and Power	-	-	-	-	-
Community and Safety Services	25,233,008	23,598,336	24,468,634	25,841,535	27,800,344
Administrative Services	12,656,658	10,866,366	11,824,982	12,769,322	13,916,002
Cerritos Center for the Performing Arts	6,932,283	2,019,584	4,186,181	6,380,379	8,744,578
Capital Outlay	2,756,626	5,178,603	239,084	-	-
Total Expenditures	<u>74,759,579</u>	<u>72,203,424</u>	<u>60,817,214</u>	<u>66,875,318</u>	<u>73,543,721</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,514,263	6,541,336	23,460,466	25,083,647	25,986,025
OTHER FINANCING SOURCES (USES)					
Transfers In	7,699,996	9,187,413	6,460,440	2,243,917	382,104
Transfers Out	(8,559,126)	(10,705,847)	(11,461,565)	(15,452,186)	(26,001,958)
Proceeds from Sale of Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(859,130)</u>	<u>(1,518,434)</u>	<u>(5,001,125)</u>	<u>(13,208,269)</u>	<u>(25,619,854)</u>
Net Change In Fund Balances Before Extraordinary Item	3,655,133	5,022,902	18,459,341	11,875,378	366,171
SPECIAL ITEM					
Adjustment to Amount Due from Successor Agency	-	-	-	-	-
Payments to Successor Agency	-	-	-	-	-
Forgiveness of Advance	-	-	-	-	(24,336,699)
NET CHANGE IN FUND BALANCES	<u>\$ 3,655,133</u>	<u>\$ 5,022,902</u>	<u>\$ 18,459,341</u>	<u>\$ 11,875,378</u>	<u>\$ (23,970,528)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Finance Division, City of Cerritos.

**CITY OF CERRITOS, CALIFORNIA
GOVERNMENTAL ACTIVITIES (1) REVENUES BY SOURCES
LAST TEN FISCAL YEARS**

Fiscal Year	Sales Tax	Franchise	Other Taxes	Business Licenses	Building Permits	Other Licenses and Permits	Fines and Forfeitures
2014-15	\$ 27,071,289	\$ 1,792,320	\$ 11,262,899	\$ 1,027,101	\$ 2,240,780	\$ 31,805	\$ 947,802
2015-16	32,846,913	1,811,958	12,651,304	1,128,964	1,948,542	41,480	845,664
2016-17	33,689,474	2,666,159	13,398,035	1,063,850	1,397,633	36,356	591,148
2017-18	33,607,144	2,565,011	13,375,725	1,165,354	2,085,196	310,136	571,017
2018-19	34,780,357	2,494,064	13,817,401	1,190,631	1,673,590	69,911	530,924
2019-20	33,382,067	2,474,426	14,223,017	1,113,565	1,625,994	332,818	399,420
2020-21	38,748,343	3,705,979	14,679,176	1,142,379	1,322,899	299,164	254,506
2021-22	45,357,612	3,037,692	16,155,051	1,171,649	1,860,063	315,494	383,335
2022-23	46,712,812	3,102,921	16,852,786	1,255,933	1,890,912	313,719	411,983
2023-24	43,466,843	3,427,300	18,352,378	1,270,638	2,276,408	261,541	483,159

(1) Includes General, Special Revenue, Debt Service, and Capital Projects funds.

**CITY OF CERRITOS, CALIFORNIA
GOVERNMENTAL ACTIVITIES (1) REVENUES BY SOURCES (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Investment and Rental Income	Investment Market Fluctuation	Charges For Services	From Other Agencies	Other	Expendable Trust Contributions	Totals
2014-15	\$ 10,295,743	\$ 5,912,671	\$ 5,683,067	\$ 5,590,887	\$ 525,089	\$ 64,840,682	\$ 66,468,782
2015-16	10,659,119	5,912,671	5,313,010	4,621,525	2,540,878	64,840,682	74,409,357
2016-17	10,272,458	5,912,671	5,897,715	5,989,277	653,766	64,840,682	75,655,871
2017-18	11,288,748	5,912,671	6,858,320	5,925,146	921,385	64,840,682	78,673,182
2018-19	15,003,339	-	7,187,142	5,977,632	621,282	-	83,346,273
2019-20	13,643,216	-	5,830,144	5,727,943	521,232	-	79,273,842
2020-21	10,058,395	-	829,351	8,392,910	311,658	-	79,744,760
2021-22	7,986,015	-	3,601,159	19,751,667	512,270	-	100,132,007
2022-23	14,429,841	-	5,106,860	10,708,015	1,761,465	-	102,547,247
2023-24	23,117,028	-	6,685,807	9,005,789	761,766	-	109,108,657

(1) Includes General, Special Revenue, Debt Service, and Capital Projects funds.

**CITY OF CERRITOS, CALIFORNIA
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Category	Fiscal Year				
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Residential	\$ 5,198,430,172	\$ 5,452,662,517	\$ 5,664,862,220	\$ 5,985,120,470	\$ 6,262,589,166
Commercial	1,451,612,802	1,461,715,583	1,564,664,100	1,608,072,241	1,653,321,928
Industrial	1,039,888,633	1,064,647,720	1,136,434,293	1,204,290,890	1,250,629,963
Government	-	-	-	-	-
Institutional	24,120,806	24,598,861	38,647,793	29,800,634	45,245,961
Irrigated	352	358	362	368	374
Miscellaneous	-	-	-	-	-
Recreational	7,129,658	7,272,107	9,778,502	9,974,070	10,173,550
Vacant land	10,108,450	7,847,824	7,874,148	8,866,218	10,498,383
SBE nonunitary	2,597,624	2,597,624	2,597,624	1,090,020	1,090,020
Possessory interest	39,800,342	41,108,313	41,346,564	42,421,550	44,897,673
Unsecured	302,637,567	304,132,822	328,708,158	348,141,264	358,754,897
Exempt	(38,720,924)	(44,654,722)	(41,020,226)	(38,894,002)	(38,740,873)
Unknown	-	-	44	-	-
Subtotal	8,037,605,482	8,321,929,007	8,753,893,582	9,198,883,723	9,598,461,042
Add Back Exempt	38,720,924	44,654,722	41,020,226	38,894,002	38,740,873
Grand Total	<u>\$ 8,076,326,406</u>	<u>\$ 8,366,583,729</u>	<u>\$ 8,794,913,808</u>	<u>\$ 9,237,777,725</u>	<u>\$ 9,637,201,915</u>
Total Direct Rate	0.08558%	0.08565%	0.08572%	0.08572%	0.08575%

Source: Finance Division, City of Cerritos.

**CITY OF CERRITOS, CALIFORNIA
 ASSESSED VALUE OF TAXABLE PROPERTY (CONTINUED)
 LAST TEN FISCAL YEARS**

Category	Fiscal Year				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Residential	\$ 6,558,161,474	\$ 6,801,438,135	\$ 7,025,711,124	\$ 7,367,367,927	\$ 7,704,904,938
Commercial	1,723,699,070	1,251,559,583	1,370,791,505	1,322,078,495	1,341,973,515
Industrial	1,299,456,065	1,389,502,499	1,451,469,413	1,567,893,338	1,775,532,538
Government	-	-	-	-	-
Institutional	49,914,765	68,225,677	54,439,965	60,339,871	56,639,327
Irrigated	380	386	388	394	400
Miscellaneous	-	-	-	22	23
Recreational	10,377,019	10,584,577	10,694,212	11,417,896	11,126,254
Vacant land	24,759,544	9,765,688	8,500,827	8,876,748	7,833,631
SBE nonunitary	1,090,020	1,090,020	3,724,019	3,724,019	3,724,019
Possessory interest	49,889,122	50,349,296	562,318,705	563,164,896	585,555,800
Unsecured	378,475,475	384,709,705	393,355,756	415,259,472	448,947,445
Exempt	(38,740,873)	(549,160,853)	(214,001,681)	(213,663,546)	(213,663,546)
Unknown	-	-	44	441,717	-
Subtotal	10,057,082,061	9,418,064,713	10,667,004,277	11,106,901,249	11,722,574,344
Add Back Exempt	38,740,873	549,160,853	214,001,681	213,663,546	213,663,546
Grand Total	<u>\$ 10,095,822,934</u>	<u>\$ 9,967,225,566</u>	<u>\$ 10,881,005,958</u>	<u>\$ 11,320,564,795</u>	<u>\$ 11,936,237,890</u>
Total Direct Rate	0.08613%	0.08628%	0.08629%	0.08634%	0.08638%

Source: Finance Division, City of Cerritos.

**CITY OF CERRITOS, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Tax Levy	Los Angeles County	School District	Sanitation/ Flood Control	Water District	Totals	Total Direct Rate (a)
2014	1.0000	0.0000	0.0875	0.0000	0.0035	1.0910	0.08552
2015	1.0000	0.0000	0.1236	0.0000	0.0035	1.1271	0.08558
2016	1.0000	0.0000	0.1232	0.0000	0.0035	1.1267	0.08730
2017	1.0000	0.0000	0.1293	0.0000	0.0035	1.1328	0.08572
2018	1.0000	0.0000	0.1253	0.0000	0.0035	1.1288	0.08572
2019	1.0000	0.0000	0.1252	0.0000	0.0035	1.1287	0.08609
2020	1.0000	0.0000	0.1768	0.0000	0.0035	1.1803	0.08613
2021	1.0000	0.0000	0.1712	0.0000	0.0035	1.1747	0.08628
2022	1.0000	0.0000	0.1685	0.0000	0.0035	1.1720	0.08629
2023	1.0000	0.0000	0.1713	0.0000	0.0035	1.1748	0.08634
2024	1.0000	0.0000	0.1652	0.0000	0.0035	1.1687	0.08638

(a) Because basic and debt rates vary by tax rate area, individual rates cannot be summed.
The Total Direct Rate is the weighted average of all individual direct rates applied by the government.

**CITY OF CERRITOS, CALIFORNIA
TEN LARGEST SECURED TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Property Owner	Property Description	2023-24		2014-15	
		Assessed Valuations	Percentage of Total (1)	Assessed Valuations	Percentage of Total (1)
Macerich Cerritos LLC	Commercial	\$ 392,457,812	3.29%	\$ -	0.00%
Cerritos TC Property LLC	Cross Reference	157,767,328	1.32%	-	0.00%
Rexford Industrial Realty Inc	Industrial	120,706,107	1.01%	-	0.00%
CTC Office LP	Cross Reference	113,449,692	0.95%	-	0.00%
Icon Owner Pool 1 NA Non-Business Parks	Industrial	99,419,218	0.83%	-	0.00%
Teachers Insurance and Annuity Association	Industrial	98,985,150	0.83%	-	0.00%
Cerritos Corporate Center Property	Cross Reference	93,989,234	0.79%	-	0.00%
Scind Carmenita Point LLC	Industrial	88,000,000	0.74%	-	0.00%
Los Angeles County Metropolitan Transportation	Residential	87,509,590	0.73%	-	0.00%
Cerritos Retail Centercal LLC	Commercial	81,701,905	0.68%	-	0.00%
Cerritos City Lessor	Commercial	-	0.00%	412,731,451	5.11%
Macerich Cerritos LLC	Commercial	-	0.00%	303,233,985	3.75%
Icon Owner Pool 1 NA Non-Bus	Industrial	-	0.00%	122,853,219	1.52%
Teachers Insurance and Annuity Assoc	Industrial	-	0.00%	85,586,808	1.06%
Cerritos Retail Centercal LLC	Commercial	-	0.00%	66,690,411	0.83%
AG-Crownsnest Cerritos Owner LLC	Industrial	-	0.00%	42,500,000	0.53%
JCC California Properties LLC	Industrial	-	0.00%	41,036,463	0.51%
Cerritos Promenade LLC	Commercial	-	0.00%	39,337,000	0.49%
Cerritos Corporate Tower LP	Commercial	-	0.00%	33,300,000	0.41%
Target Corporation	Commercial	-	0.00%	33,087,444	0.41%
Total		\$ 1,333,986,036	11.18%	1,180,356,781	14.62%
(1) 2023-24 and 2014-15 Total Secured Assessed Valuation is:		\$ 11,936,237,890		\$ 8,076,326,406	

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**CITY OF CERRITOS, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Property Tax Collections</u>
2014-15	\$ -
2015-16	-
2016-17	-
2017-18	-
2018-19	-
2019-20	-
2020-21	-
2021-22	-
2022-23	-
2023-24	-

Note: On February 1, 2012, the Cerritos Redevelopment Agency was dissolved, the information listed above is related to property tax collections for the period July 1, 2012 to January 31, 2012. Property tax collections received by the Successor Agency to the Cerritos Redevelopment Agency (SA) for the period after February 1, 2012 are not reflected due to the fact that it is not a component unit of the City.

**CITY OF CERRITOS, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					
	Los Cerritos Redevelopment Project Revenue Bonds	Los Coyotes Redevelopment Project Revenue Bonds	Los Cerritos Redevelopment Project Note Payable	Add (Less) Deferred Amounts		
				Bond Premium	Bond Discount	Deferred Charge on Refunding
2014-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-
2023-24	-	-	-	-	-	-

Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

**CITY OF CERRITOS, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Business-Type Activities		Total Primary Government	Population	Total Debt per Capita	% of Personal Income
	SCPPA - Los Cerritos Project 2003 Issue, Series B Revenue Bonds	SCPPA - Los Coyotes Project 2003 Issue, Series B Revenue Bonds				
2014-15	\$ 2,903,750 (c)	\$ 8,711,250 (c)	\$ 11,615,000	49,968	\$ 232	(a)
2015-16	2,828,750 (c)	8,486,250 (c)	11,315,000	49,412	229	(a)
2016-17	2,751,250 (c)	8,253,750 (c)	11,005,000	50,039	220	(a)
2017-18	2,671,250 (c)	8,013,750 (c)	10,685,000	50,058	213	(a)
2018-19	2,587,500 (c)	7,762,500 (c)	10,350,000	50,711	204	(a)
2019-20	2,500,000 (c)	7,500,000 (c)	10,000,000	49,994	200	(a)
2020-21	2,408,750 (c)	7,226,250 (c)	9,635,000	50,143	192	(a)
2021-22	2,313,750 (c)	6,941,250 (c)	9,255,000	49,578	187	(a)
2022-23	2,213,750 (c)	6,641,250 (c)	8,855,000	47,475	187	(a)
2023-24	2,110,000 (c)	6,330,000 (c)	8,440,000	49,578	170	(a)

Note: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

- (a) Not available.
- (b) Long-term debt was transferred to the Successor Agency on February 1, 2012. The Successor Agency is not considered a component unit for the City, thus the debt is disclosed in the Fiduciary Funds section of this report.
- (c) On August 14, 2013, the State of California Department of Finance submitted a final determination that the Magnolia Bonds, 2003 Issue - Series B was denied as an enforceable obligation of the Successor Agency. The Magnolia debt was transferred to the City's Electric Fund as of July 1, 2013.

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**CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN FISCAL YEARS**

2023-24 Assessed Valuation: \$ 11,936,237,890

	Total Debt (3) 6/30/2024	% Applicable (1)	City's Share of Debt 6/30/24
OVERLAPPING TAX AND ASSESSMENT DEBT			
Metropolitan Water District	\$ 18,210,000	0.308%	\$ 56,087
Cerritos Community College District	433,766,921	19.396	84,133,432
ABC Unified School District	116,814,373	59	69,180,976
Bellflower Unified School District	69,400,000	3.911	2,714,234
Total Overlapping Tax and Assessment Debt			<u>\$ 156,084,729</u>
 DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Los Angeles County General Fund Obligations	\$ 2,479,229,730	0.595%	\$ 14,751,417
Los Angeles County Superintendent of Schools Certificates of Participation	2,857,300	0.595	17,001
Bellflower Unified School District Certificates of Participation			
City of Cerritos General Fund Obligations	-	100	-
Total Direct and Overlapping General Fund Debt			<u>\$ 14,768,418</u>
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	 \$ 11,445,000	 100%	 \$ 11,445,000
TOTAL DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			\$ 182,298,147
 COMBINED TOTAL DEBT			 \$ 182,298,147 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2020-21 ASSESSED VALUATION

Overlapping Tax and Assessment Debt	1.31%
Total Direct Debt	0.00%
Combined Total Debt	1.53%

**RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY
INCREMENTAL VALUATION (\$5,345,358,991)**

Total Overlapping Tax Increment Debt	0.21%
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Source: California Municipal Statistics, Inc.

**CITY OF CERRITOS, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Debt Limit	\$ 1,219,571,424	\$ 1,263,255,833	\$ 1,326,564,282	\$ 1,394,812,766	\$ 1,523,688,647
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,219,571,424</u>	<u>\$ 1,263,255,833</u>	<u>\$ 1,326,564,282</u>	<u>\$ 1,394,812,766</u>	<u>\$ 1,523,688,647</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2023-24:					
Assessed Value					
Add Back: Exempt Real Property					
Total Assessed Value					
Debt Limit (15% of Total Assessed Value)					
Debt Applicable to Limit					
Legal Debt Margin					

Note: Section 43605 of the Government Code of the state of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

**CITY OF CERRITOS, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Debt Limit	\$ 1,523,688,647	\$ 1,495,083,832	\$ 1,632,150,898	\$ 1,698,084,719	\$ 1,790,435,684
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,523,688,647</u>	<u>\$ 1,495,083,832</u>	<u>\$ 1,632,150,898</u>	<u>\$ 1,698,084,719</u>	<u>\$ 1,790,435,684</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2023-24:					
Assessed Value				\$ 11,722,574,344	
Add Back: Exempt Real Property				213,663,546	
Total Assessed Value				<u>\$ 11,936,237,890</u>	
Debt Limit (15% of Total Assessed Value)				\$ 1,790,435,684	
Debt Applicable to Limit				-	
Legal Debt Margin				<u>\$ 1,790,435,684</u>	

Note: Section 43605 of the Government Code of the state of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

**CITY OF CERRITOS, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Per Capita Personal Income (in thousands)	Personal Income (2) *	City Unemployment Rate (3)
2014-15	49,968	\$ 54,526	\$ 2,724,555	5.20%
2015-16	49,412	57,160	2,824,390	3.90%
2016-17	50,039	(a)	(a)	3.60%
2017-18	50,058	(a)	(a)	4.50%
2018-19	50,711	(a)	(a)	3.90%
2019-20	49,994	(a)	(a)	3.60%
2020-21	50,143	(a)	(a)	8.50%
2021-22	49,578	(a)	(a)	3.80%
2022-23	47,475	(a)	(a)	4.20%
2023-24	49,578	(a)	(a)	5.40%

* Based on Los Angeles County personal income data

(a) Not Available

Source: (1) City of Cerritos.

(2) Bureau of Economic Analysis

(3) State of California, Labor Market Information, Data Library

**CITY OF CERRITOS, CALIFORNIA
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Department	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Legislative and Administration	7	7	6	7	6	7	11	11	7	-
Community Development	17	18	17	19	17	16	16	18	15	-
Public Works	69	67	68	72	65	65	60	71	59	-
Water and Power	13	15	13	16	14	12	12	13	15	-
Community and Safety Services	248	253	234	307	248	235	177	238	228	-
Administrative Services	115	118	119	132	116	123	103	118	102	-
Cerritos Center for the Performing Arts	71	87	84	92	78	76	57	74	80	-
Total	540	565	541	645	544	534	436	543	506	-
Full-Time Employees	189	181	186	175	174	174	180	187	177	-
Part-Time Employees	363	359	379	366	370	360	256	356	329	-
Total	552	540	565	541	544	534	436	543	506	-

Source: Finance Division, City of Cerritos.

**CITY OF CERRITOS, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
PUBLIC WORKS					
Maintenance:					
Graffiti Removal (Average Incidence)	\$ 5,500	\$ 4,750	\$ 6,270	\$ 4,600	\$ 2,100
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,000	28,000	28,000	28,000	28,400
Trees Trimmed	2,700	5,255	5,284	7,900	8,000
WATER AND POWER					
Water:					
Number of Customer Accounts	15,792	15,752	15,714	15,567	15,403
Average Daily Consumption (Millions of Gallons)	8	6	8	6	6
Water Samples Taken (Annual)	2,061	2,086	2,111	2,088	2,151
COMMUNITY AND SAFETY SERVICES					
Police (1):					
Number of Sworn Officers	65	63	66	66	65
Community Service Officers (Non-Sworn)	3	3	3	3	3
Calls Dispatched	16,469	11,608	20,067	18,378	17,696
Crime Reports	4,747	3,467	6,145	5,457	5,487
Moving Citations	6,351	2,857	3,941	6,031	6,397
Parking Citations	664	412	645	856	1,316
Culture and Recreation:					
Leisure Classes Attendance	43,636	40,613	38,262	36,228	31,856
Indoor Park Reservation Attendance	69,264	71,224	65,618	64,723	66,585
Picnic Shelter Attendance	48,869	60,013	73,409	70,988	59,416
Swim Lessons Attendance	213,559	218,618	202,077	157,908	140,147
Recreational Swim Attendance	48,162	42,294	44,842	42,000	42,810
Volunteer Hours	14,948	13,902	12,027	10,021	10,566
ADMINISTRATIVE SERVICES					
Library:					
Number of Patrons	912,852	1,955,332	2,652,290	2,781,673	552,212

(1) Services are contracted with the County of Los Angeles

* Zero attendance at facilities and programs as result of closures associated with COVID-19

**CITY OF CERRITOS, CALIFORNIA
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
PUBLIC WORKS					
Maintenance:					
Graffiti Removal (Average Incidence)	\$ 2,622	\$ 5,408	\$ 5,211	\$ 4,941	\$ 5,779
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,500	28,500	28,000	28,000	27,500
Trees Trimmed	6,500	7,000	6,120	6,500	4,483
WATER AND POWER					
Water:					
Number of Customer Accounts	15,809	15,757	15,749	15,664	15,676
Average Daily Consumption (Millions of Gallons)	7	6	7	5	6.5
Water Samples Taken (Annual)	2,107	2,000	1,788	2,148	1,760
COMMUNITY AND SAFETY SERVICES					
Police (1):					
Number of Sworn Officers	65	65	65	65	65
Community Service Officers (Non-Sworn)	3	19	3	19	19
Calls Dispatched	15,787	14,646	16,725	17,104	17,241
Crime Reports	4,699	4,191	4,735	4,736	2,915
Moving Citations	4,821	3,220	3,081	3,022	3,377
Parking Citations	7,723	3,399	12,618	16,886	18,193
Culture and Recreation:					
Leisure Classes Attendance	17,894	0*	5,940	14,765	19,922
Indoor Park Reservation Attendance	39,846	0*	16,644	17,471	21,578
Picnic Shelter Attendance	32,444	0*	51,932	55,782	53,987
Swim Lessons Attendance	103,577	0*	28,724	129,469	125,622
Recreational Swim Attendance	10,439	0*	8,159	31,060	29,672
Volunteer Hours	7,330	0*	0*	5,017	4,493
ADMINISTRATIVE SERVICES					
Library:					
Number of Patrons	376,010	0*	324,174	368,900	396,216

(1) Services are contracted with the County of Los Angeles

* Zero attendance at facilities and programs as result of closures associated with COVID-19

(1) Services are contracted with the County of Los Angeles

* Zero attendance at facilities and programs as result of closures associated with COVID-19

**CITY OF CERRITOS, CALIFORNIA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
PUBLIC WORKS					
Sewers:					
Miles of Sanitary Sewers	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
COMMUNITY AND SAFETY SERVICES					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
ADMINISTRATIVE SERVICES					
Number of Libraries	1	1	1	1	1
Number of Volumes	266,647	264,316	265,507	268,772	247,091

**CITY OF CERRITOS, CALIFORNIA
CAPITAL ASSETS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
PUBLIC WORKS					
Sewers:					
Miles of Sanitary Sewers	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
COMMUNITY AND SAFETY SERVICES					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
ADMINISTRATIVE SERVICES					
Number of Libraries	1	1	1	1	1
Number of Volumes	284,849	317,218	238,850	238,012	241,275

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