



# City of Cerritos, California

## Annual Comprehensive Financial Report

### for the Fiscal Year ended June 30, 2023



**CITY OF CERRITOS, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2023**

**PREPARED BY THE FINANCE DIVISION**  
**RYAN CAREY, FINANCE DIVISION MANAGER**

**CITY OF CERRITOS, CALIFORNIA  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**INTRODUCTORY SECTION**

<b>LETTER OF TRANSMITTAL</b>	<b>I</b>
<b>PRINCIPAL OFFICIALS</b>	<b>VII</b>
<b>ORGANIZATION CHART</b>	<b>VIII</b>
<b>GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE</b>	<b>IX</b>

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS – REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>6</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>23</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>24</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>GOVERNMENTAL FUNDS</b>	
<b>BALANCE SHEET</b>	<b>26</b>
<b>RECONCILIATION TO THE GOVERNMENTAL FUNDS BALANCE SHEET     TO THE STATEMENT OF NET POSITION</b>	<b>27</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES</b>	<b>28</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF     REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES     TO THE STATEMENT OF ACTIVITIES</b>	<b>29</b>
<b>PROPRIETARY FUNDS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>30</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET     POSITION</b>	<b>31</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>32</b>

**CITY OF CERRITOS, CALIFORNIA  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>FIDUCIARY FUNDS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>34</b>
<b>STATEMENT OF CHANGES IN NET POSITION</b>	<b>35</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>37</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>CALPERS MISCELLANEOUS PLAN</b>	
<b>SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND             RELATED RATIOS</b>	<b>91</b>
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>93</b>
<b>PARS PENSION PLAN</b>	
<b>SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND             RELATED RATIOS</b>	<b>95</b>
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>97</b>
<b>OTHER POSTEMPLOYMENT BENEFITS PLAN</b>	
<b>SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND             RELATED RATIOS</b>	<b>99</b>
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>100</b>
<b>BUDGETARY COMPARISON SCHEDULES</b>	
<b>GENERAL FUND</b>	<b>101</b>
<b>HOUSING ASSETS SPECIAL REVENUE FUND</b>	<b>102</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>104</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS</b>	<b>108</b>
<b>OTHER GOVERNMENTAL FUNDS</b>	
<b>COMBINING BALANCE SHEET</b>	<b>110</b>

**CITY OF CERRITOS, CALIFORNIA  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>113</b>
<b>SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	
<b>STREET IMPROVEMENTS SPECIAL REVENUE FUND</b>	<b>116</b>
<b>RMRA SPECIAL REVENUE FUND</b>	<b>117</b>
<b>DRAINAGE SPECIAL REVENUE FUND</b>	<b>118</b>
<b>PROPOSITION A SPECIAL REVENUE FUND</b>	<b>119</b>
<b>PROPOSITION C SPECIAL REVENUE FUND</b>	<b>120</b>
<b>MEASURE M SPECIAL REVENUE FUND</b>	<b>121</b>
<b>ASSESSMENT DISTRICT #6 SPECIAL REVENUE FUND</b>	<b>122</b>
<b>LOS COYOTES LIGHTING DISTRICT SPECIAL REVENUE FUND</b>	<b>123</b>
<b>COPS GRANT SPECIAL REVENUE FUND</b>	<b>124</b>
<b>ENVIRONMENTAL GRANTS SPECIAL REVENUE FUND</b>	<b>125</b>
<b>AQMD SPECIAL REVENUE FUND</b>	<b>126</b>
<b>MEASURE R SPECIAL REVENUE FUND</b>	<b>127</b>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SPECIAL     REVENUE FUND</b>	<b>128</b>
<b>MEASURE W SPECIAL REVENUE FUND</b>	<b>129</b>
<b>MEASURE A SPECIAL REVENUE FUND</b>	<b>130</b>
<b>STATISTICAL SECTION</b>	
<b>DESCRIPTION OF STATISTICAL SECTION CONTENTS</b>	<b>133</b>
<b>FINANCIAL TRENDS</b>	
<b>NET POSITION BY COMPONENT</b>	<b>134</b>
<b>CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES</b>	<b>136</b>
<b>CHANGES IN NET POSITION – GENERAL REVENUES</b>	<b>138</b>
<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>140</b>

**CITY OF CERRITOS, CALIFORNIA  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

<b>CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>142</b>
<b>GOVERNMENTAL ACTIVITIES REVENUE BY SOURCES</b>	<b>144</b>
<b>REVENUE CAPACITY</b>	
<b>ASSESSED VALUE OF TAXABLE PROPERTY</b>	<b>146</b>
<b>DIRECT AND OVERLAPPING PROPERTY TAX RATES</b>	<b>148</b>
<b>TEN LARGEST SECURED TAXPAYERS</b>	<b>149</b>
<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>151</b>
<b>DEBT CAPACITY</b>	
<b>RATIOS OF OUTSTANDING DEBT BY TYPE</b>	<b>152</b>
<b>SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>155</b>
<b>LEGAL DEBT MARGIN INFORMATION</b>	<b>156</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
<b>DEMOGRAPHIC AND ECONOMIC STATISTICS</b>	<b>158</b>
<b>OPERATING INFORMATION</b>	
<b>FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION</b>	<b>159</b>
<b>OPERATING INDICATORS BY FUNCTION</b>	<b>160</b>
<b>CAPITAL ASSETS BY FUNCTION</b>	<b>162</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **INTRODUCTORY SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



# CITY OF CERRITOS<sup>SM</sup>

CIVIC CENTER • 18125 BLOOMFIELD AVENUE  
P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130  
PHONE: (562) 860-0311 • CERRITOS.US



December 20, 2023

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, 2023.

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, 2023 the City did not receive federal funding in excess of \$750,000 and therefore a single audit is not required.

(i)

BRUCE W. BARROWS  
MAYOR

NARESH SOLANKI  
MAYOR PRO TEM

LYNDA P. JOHNSON  
COUNCILMEMBER

CHUONG VO  
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 2022-23 fiscal year saw the City emerge from the shadow of the COVID-19 pandemic with a return to a full calendar of services and programming across all City departments.

From the City's perspective a return to "normal" has seen patrons return to our parks and community centers, increasing enrollment in classes and programming, and significant increases in the rental and usage of community facilities – including those at the Cerritos Center for the Performing Arts. Correspondingly, the City has benefitted from the return of important streams of revenue that are generated by facilities such as the Cerritos Center for the Performing Arts, the Cerritos Library and the City's myriad Recreation services and programs. Looking forward into the 2023-24 fiscal year and beyond, the City is ready to take on the challenges that lie ahead with the same optimistic and innovative outlook that has been the hallmark of the City of Cerritos since its inception.

The City has always been a leader in progressive economic development and has been aggressive in providing support to the business community in Cerritos throughout its history. That focus has been foundational in helping to attract the continued investment by private property owners in the City of Cerritos. This private investment has established the bedrock upon which much of the City's long-term economic stability and success has been built. The 2022-23 fiscal year was no different, as the City continued to see significant investment by the private development community in Cerritos. The list that follows highlights some of the projects that have been recently completed or that are currently in process:

- **New Industrial Building: 15912 Piuma Avenue:** In July 2021, the Cerritos City Council approved a Precise Plan for the construction of a new two-story light industrial building at 15912 Piuma Avenue. The project was completed in September 2023.
- **New Industrial Building: 13151 Midway Place:** In April 2021, the Cerritos Planning Commission approved a Precise Plan for the construction of a first- and second-floor office addition and an interior remodel to an existing one-story industrial building at 13151 Midway Place. Building permits were issued in December 2021 and it is anticipated that the project will be completed in early 2024.
- **Genesis of Cerritos:** In April 2023, the Cerritos City Council approved a Conditional Use Permit and Precise Plan to facilitate a new automobile dealership use at 11011 South Street. The project includes the demolition of an existing auto dealership and the construction of a new dealership and related site improvements. Construction is currently underway, and the new dealership, Genesis of Cerritos, is anticipated to begin operations in 2024. Genesis of Cerritos will offer new and pre-owned vehicles, in addition to service and parts operations.
- **Keystone Plaza Remodel: 13021-13223 South Street:** In February 2023, the City Council approved a Precise Plan Amendment to remodel and upgrade the Keystone Plaza Shopping Center at 13201-13223 South Street. The exterior remodel will re-design and upgrade the existing buildings to complement surrounding shopping centers. The project will be completed in phases, with permits being issued in October 2023.
- **Starbucks Drive-Through Service Restaurant: 20200 Bloomfield Avenue:** In January 2023, the City Council approved various entitlements to facilitate the development of a new, standalone Starbucks Drive-Through Service Restaurant at 20200 Bloomfield Avenue. Permits have been issued and construction is anticipated to begin in January 2024.

Local businesses have always played a vital role in the City of Cerritos' long-term economic stability and vitality, and the City remains committed to fostering a supportive business-friendly environment. That commitment is evidenced by the City's continued investment in its infrastructure, the operation of world class community facilities and in the provision of a wide variety of services and programs that are provided to support and enrich residents and businesses alike.

### **Short-Term and Long-Term Financial Planning**

The City of Cerritos has a long history of measured stewardship and management of the community's financial resources, a history that, when combined with a visionary, proactive approach to long-term economic development, has placed the City in a position of fiscal security. As the City completes its first full year of full service operations following the COVID-19 pandemic, this same fiscal management strategy will provide the funding that will allow the City to continue providing its residents and businesses with the outstanding facilities, programs and services the City is well known for.

As has been a hallmark of the City's fiscal strategy, the City continues to take a very conservative approach to the allocation of its resources in order to ensure its continued capacity to meet rising service level demands. The City is committed to the adoption of a balanced budget and the maintenance of a robust reserve to provide funding for future capital projects and developments. Management remains concerned that the cyclical nature of a sales tax based revenue budget, and economic forecasts that forecast the potential for a recession in the near term, can leave the City exposed to potential revenue fluctuations that could place the City in a position where the use of reserve funds is required in order to offset budgetary revenue shortfalls. In an effort to mitigate this concern, the City remains committed to maintaining an austere approach to expenditures and to the identification of alternative revenue sources.

The City remains committed to the efficient allocation of public fiscal resources to ensure that the City is able to meet the needs and demands of the community through the provision of the highest caliber programs, services and facilities. As part of that effort the City has focused even more critically on the evaluation of the budget in real-time in order to identify opportunities for cost savings within all cost centers. Importantly, the City Council has taken on an even more proactive role in identifying funding priorities and long-term budget goals. The City Council's efforts in this regard has helped to shape the foundation of the budget's development and has provided staff with clear direction as to the City Council's preferred use of the City's fiscal resources. While the City does enjoy a balanced budget for the 2023-24 fiscal year, it remains imperative that the City continue to seek to diversify and expand its revenue streams while continuing to identify ways to further reduce costs and minimize expenditures.

### **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, 2022. 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 2022-23 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,



Robert A. Lopez  
CITY MANAGER

**THIS PAGE INTENTIONALLY LEFT BLANK**

# CITY OF CERRITOS

## DIRECTORY OF ELECTED AND APPOINTED OFFICIALS

### **City Council / Successor Agency<sup>1</sup> / Public Financing Authority<sup>2</sup>**

Bruce W. Barrows, Mayor / Agency Chair\* / Authority Chair\*\*

Naresh Solanki, Mayor Pro Tem / Agency Vice Chair\* / Authority Vice Chair\*\*

Lynda P. Johnson, Councilmember / Agency Member\* / Authority Member\*\*

Chuong Vo, Councilmember / Agency Member\* / Authority Member\*\*

Frank Aurelio Yokoyama, Councilmember / 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**

Sandra E. Gonzalez

Richard James Martinez

Pino Pathak

Ashok "Pat" Patnaik

Ileana Prado

### **Planning Commission**

Bhavin Gandhi

Carla Gilhuys

Deepak "DJ" Jhaveri

Gloria Perlas Pulido

Milo "Larry" Sagert

### **Property Preservation Commission**

Jignesh Chokshi

Jeannie Joung

Chan Yong Kim

Celia Spitzer

Latha Vasan

### **Appointed Officials**

Art Gallucci, City Manager / Agency Executive Director\* / Authority Executive Director\*\*

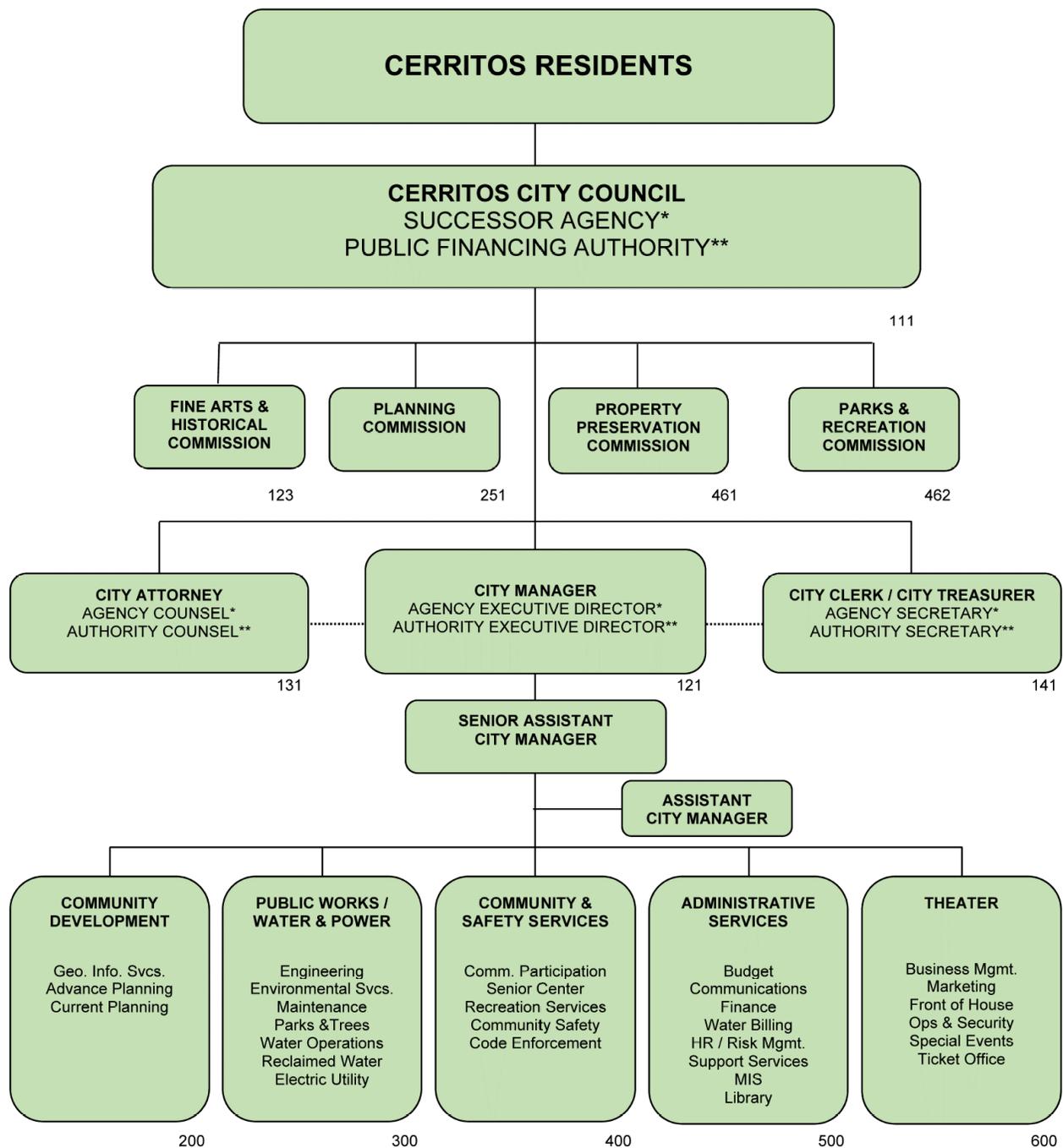
Bill H. Ihrke, City Attorney / Agency Counsel\* / Authority Counsel\*\*

Vida Barone, City Clerk / City Treasurer / Agency Secretary\* / Authority Secretary\*\*

---

<sup>1</sup> Titles with (\*) refer to the Successor Agency to the Cerritos Redevelopment Agency.

<sup>2</sup> Titles with (\*\*) refer to the Cerritos Public Financing Authority.



\*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, 2022

*Christopher P. Morill*

Executive Director/CEO

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FINANCIAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



## 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, 2023, 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, 2023, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***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 20, 2023, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Irvine, California  
December 20, 2023

**THIS PAGE INTENTIONALLY LEFT BLANK**

**City of Cerritos, California**  
**Management’s Discussion and Analysis**  
**Year Ended June 30, 2023**

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, 2023. 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, 2023 by \$418.5 million, which is referred to as the net position of the City. Of this amount, \$264.4 million is net investment in capital assets, \$36.8 million is restricted, and \$117.2 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 \$10.5 million.
- Governmental funds for the City reported combined fund balances of \$238.0 million. Of this amount, \$90.4 million is non-spendable, \$29.6 million is restricted by external parties, \$21.2 million has been assigned by City management, and \$96.9 million is unassigned fund balance which is available for future appropriation.
- For the year ended June 30, 2023, General Fund expenditures were \$66.3 million, which represent 67.6% of the unassigned General Fund balance.
- As of June 30, 2023, the cash and investments of the General Fund were \$112.3 million, which represents 53.5% 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 and liabilities, 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.

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).

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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*.

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.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

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 (Continued)**  
**Year Ended June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table summarizes the Statement of Net Position for fiscal years ending June 30, 2023 and June 30, 2022.

City of Cerritos Net Position (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 146.4	\$ 134.5	\$ 3.5	\$ 7.0	\$ 149.9	\$ 141.5
Other Assets	374.0	386.7	(47.4)	(44.0)	326.6	342.7
Capital Assets	238.9	239.5	34.9	33.3	273.8	272.8
Total Assets	<u>759.3</u>	<u>760.7</u>	<u>(9.0)</u>	<u>(3.7)</u>	<u>750.3</u>	<u>757.0</u>
Deferred Outflows	<u>32.2</u>	<u>11.0</u>	<u>3.0</u>	<u>1.0</u>	<u>35.2</u>	<u>12.0</u>
Other Liabilities	15.0	10.9	4.3	5.5	19.3	16.4
Long term liabilities outstanding	<u>72.0</u>	<u>42.6</u>	<u>15.0</u>	<u>12.7</u>	<u>87.0</u>	<u>55.3</u>
Total Liabilities	<u>87.0</u>	<u>53.5</u>	<u>19.3</u>	<u>18.2</u>	<u>106.3</u>	<u>71.7</u>
Deferred Inflows	<u>259.9</u>	<u>286.7</u>	<u>0.7</u>	<u>2.8</u>	<u>260.6</u>	<u>289.5</u>
<b>Net Position</b>						
Net investment in capital assets	238.5	239.4	25.9	24.0	264.4	263.4
Restricted	36.2	47.6	0.6	1.7	36.8	49.3
Unrestricted	<u>169.8</u>	<u>144.6</u>	<u>(52.6)</u>	<u>(49.3)</u>	<u>117.2</u>	<u>95.3</u>
Total Net Position	<u>\$ 444.5</u>	<u>\$ 431.6</u>	<u>\$ (26.1)</u>	<u>\$ (23.6)</u>	<u>\$ 418.4</u>	<u>\$ 407.8</u>

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 \$418.4 million as of June 30, 2023. The net position increased \$10.4 million, or 2.5%, during fiscal year 2022-23.

The largest portion of the City's net position at June 30, 2023 (\$264.4 million, or 63.2% 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.

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 \$1.0 million due to the City's continued efforts to update and enhance its infrastructure within the City-operated water, reclaimed and sewer utilities. The restricted portion of the City's net position of \$36.8 million or 8.8% 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 \$117.2 million (or 28.0% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

City of Cerritos Change in Net Position  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 9.1	\$ 11.0	\$ 19.2	\$ 18.5	\$ 28.3	\$ 29.5
Operating grants and contributions	8.8	17.4	-	-	8.8	17.4
Capital grants and contributions	1.0	0.5	-	-	1.0	0.5
General revenues:						
Taxes	68.9	66.7	-	-	68.9	66.7
Investment income	13.4	7.2	-	-	13.4	7.2
Miscellaneous	1.7	0.1	-	-	1.7	0.1
Total revenues	<u>102.9</u>	<u>102.9</u>	<u>19.2</u>	<u>18.5</u>	<u>122.1</u>	<u>121.4</u>
Expenses:						
Legislative and administration	2.9	3.4	-	-	2.9	3.4
Community development	5.9	5.5	-	-	5.9	5.5
Public works	28.5	18.5	-	-	28.5	18.5
Community and safety services	26.6	22.9	-	-	26.6	22.9
Administrative services	14.4	12.1	-	-	14.4	12.1
Cerritos Center for the Performing Arts	7.7	4.7	-	-	7.7	4.7
Unallocated infrastructure depreciation	0.9	1.0	-	-	0.9	1.0
Water and Sewer	-	-	15.0	14.1	15.0	14.1
Reclaimed water	-	-	1.3	1.4	1.3	1.4
Electric Utility	-	-	8.5	6.9	8.5	6.9
Total expenses	<u>86.9</u>	<u>68.1</u>	<u>24.8</u>	<u>22.4</u>	<u>111.7</u>	<u>90.5</u>
Change in net position	16.0	34.8	(5.6)	(3.9)	10.4	30.9
Transfers	(3.2)	(1.6)	3.2	1.6	-	-
Change in net position	12.8	33.2	(2.4)	(2.3)	10.4	30.9
Net position, beginning of year	<u>431.6</u>	<u>398.4</u>	<u>(23.6)</u>	<u>(21.3)</u>	<u>408.0</u>	<u>377.1</u>
Net position, end of year	<u>\$ 444.4</u>	<u>\$ 431.6</u>	<u>\$ (26.0)</u>	<u>\$ (23.6)</u>	<u>\$ 418.4</u>	<u>\$ 408.0</u>

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The City's total revenues were \$122.2 million in fiscal year 2022-2023, while the total cost of all programs and services was \$111.7 million. Revenues year-over-year remained consistent at approximately \$122 million. It is important to note that the City's revenue in fiscal year 2021-22 benefitted from a one-time infusion of \$10 million in COVID-19 relief related grant proceeds – revenue that was not received again in fiscal year 2022-23 and which contributed to an \$8.6 million decrease in Operating Grants and Contributions. The City also had a decrease of \$1.2 million in Charges for Services which was partially the result of the long-term closure of Ironwood-9 Golf Course for repair work. To offset these decreases, General Tax Revenue increased by \$2.2 million which was fueled primarily as the result of a \$1.3 million increase in sales tax. Further, the City's investment portfolio provided a significant increase in income, with a \$6.2 million increase that was realized due to substantial interest rate increases within the Certificate of Deposit and Federal Agency Issue bond market.

Expenses increased \$21.2 million, when compared to fiscal year 2021-22. The 2022-23 fiscal year marked the City's first full year of operation following the COVID-19 pandemic. Accordingly, expenditures increased within most cost centers as the City returned to a regular schedule of services and programs. The Public Works department had the most significant increase in expenditures with an overall increase of \$10.0 million. This increase can be attributed to an aggressive schedule of maintenance and improvements that the City Council has directed through the budget allocation process. The Community and Safety Services department, which includes Recreations Services and the Community Safety Divisions, had an increase in expenses of \$3.7 million. This increase comes as the result of contractual increases for the City's contract with the Los Angeles County Sheriff's Department for police services and a return to full operations and programming within the Recreation Division. The Cerritos Center for the Performing Arts also had an increase in expenditures of \$3 million, which again was the result of a return to a full calendar of performances and facility rentals.

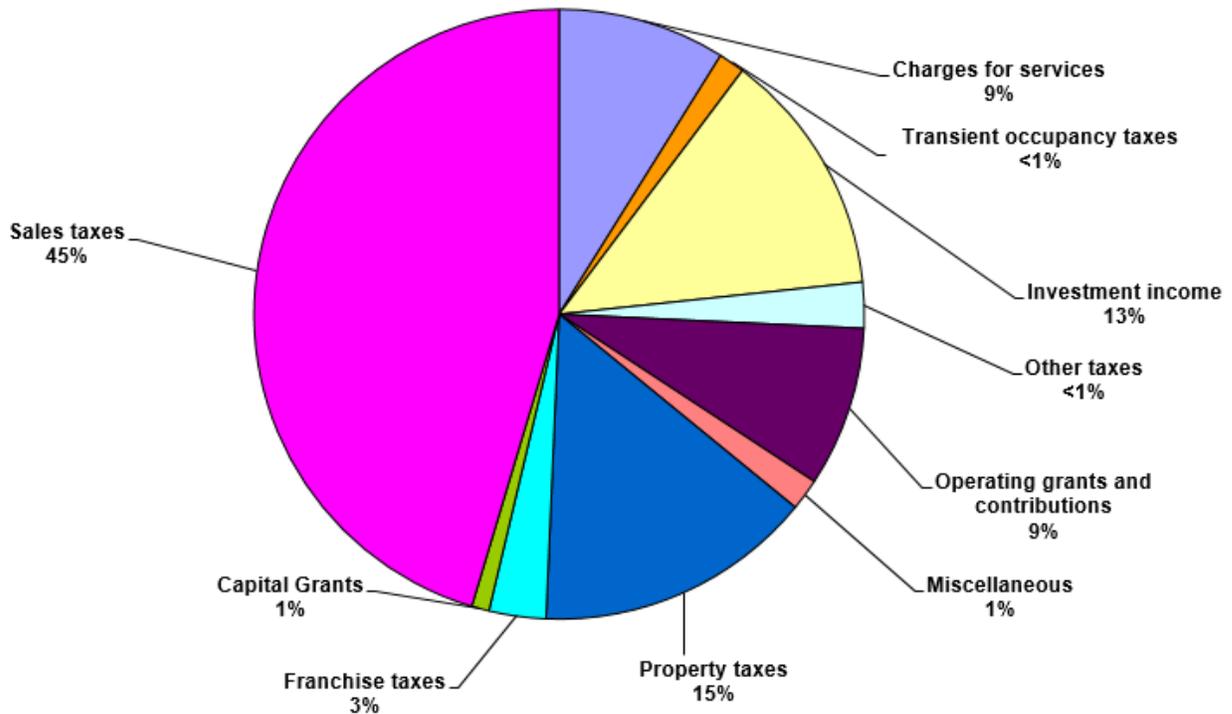
As noted previously, the City's net position increased by \$10.4 million during the 2022-23 fiscal year.

**City of Cerritos, California**  
**Management’s Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**Governmental Activities**

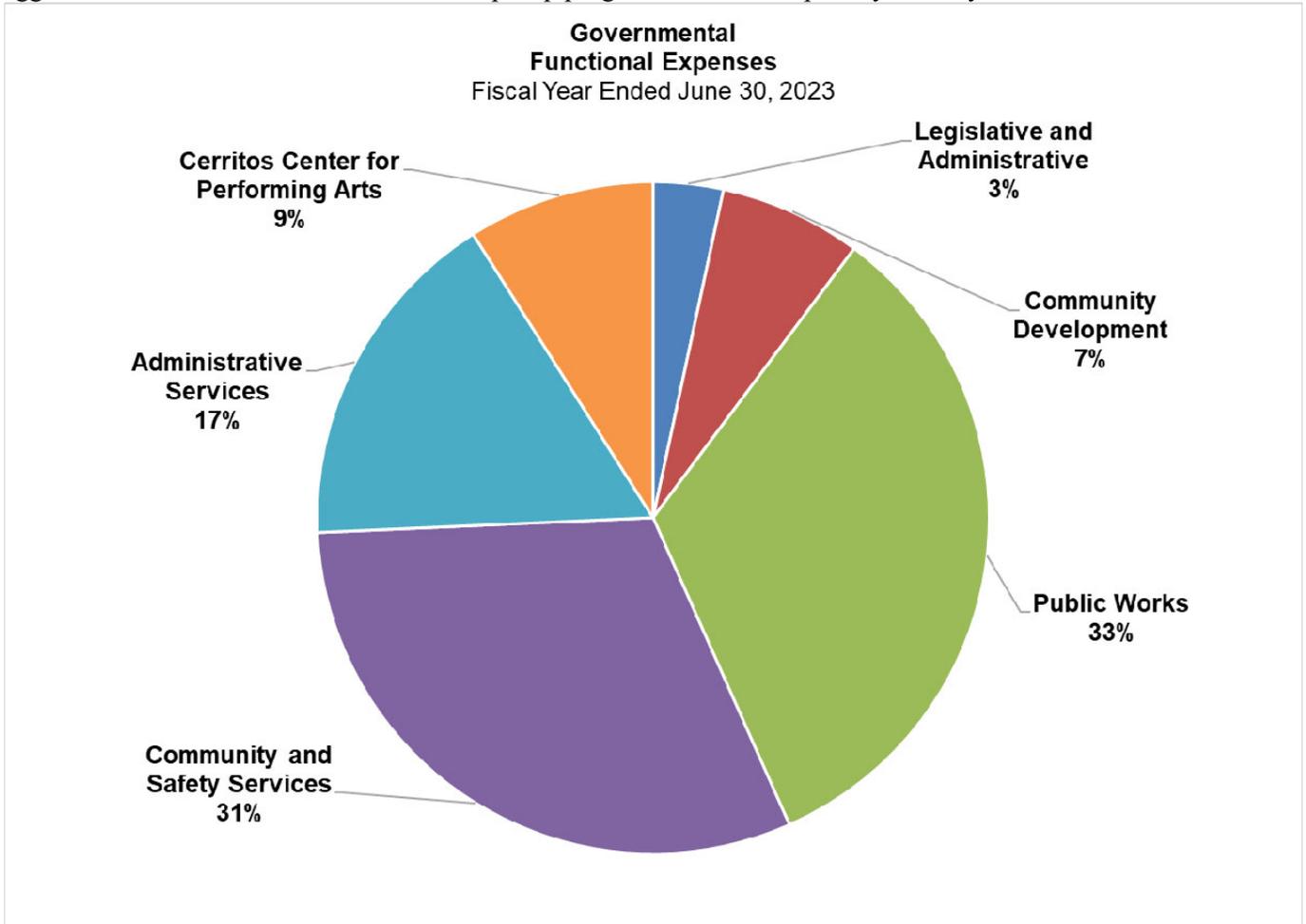
Revenues associated with governmental activities for fiscal year 2022-23 remained stable and unchanged from fiscal year 2021-22 at \$102.9 million. Charges for services revenues decreased by \$1.9 million due to a \$3.6 million reduction in revenue from the Public Works Department. Partially offsetting the reduction in revenue within the Public Works Department, the Cerritos Center for the Performing Arts saw a year-over-year increase in revenue of \$1.7 million that came as a result of a return to a full calendar of performances and rentals following the COVID-19 pandemic. Sales tax, which represents 45% of the City’s governmental activity revenue stream, increased \$1.4 million from the prior fiscal year. The increase is a testament to the City’s continued investment and support for the business community, as patrons continue to flock to the City’s regional commercial shopping centers – including the Cerritos Auto Square and Los Cerritos Center. As mentioned previously, in the 2021-22 fiscal year the City was the recipient of approximately \$10 million in COVID-19 relief grant funding that was used to offset expenses of the City’s first responders at the Cerritos Sheriff’s Station and to offset operating shortfalls at the Cerritos Center for the Performing Arts as a result of the facility’s temporary closure due to COVID-19. In light of the significant windfall received in the preceding fiscal year, the City experienced an overall reduction in grant revenue of \$8.6 million in fiscal year 2022-23, however, that decrease was largely offset by an increase of \$6.3 million in Investment Income as the result of an increase in interest rates throughout the City’s investment portfolio.

**Governmental Revenue Sources**  
 Fiscal Year Ended June 30, 2023



**City of Cerritos, California**  
**Management’s Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

Expenses associated with governmental activities increased by \$19 million when compared to the previous year. The increases in expenditures are directly related to a return to a schedule of full programming and services across all City departments as the City returned to normal operations following the COVID-19 pandemic. Of the total increase, \$10.0 million was made up of increases within the Public Works cost center as the result of an aggressive infrastructure maintenance and upkeep program that was adopted by the City Council.

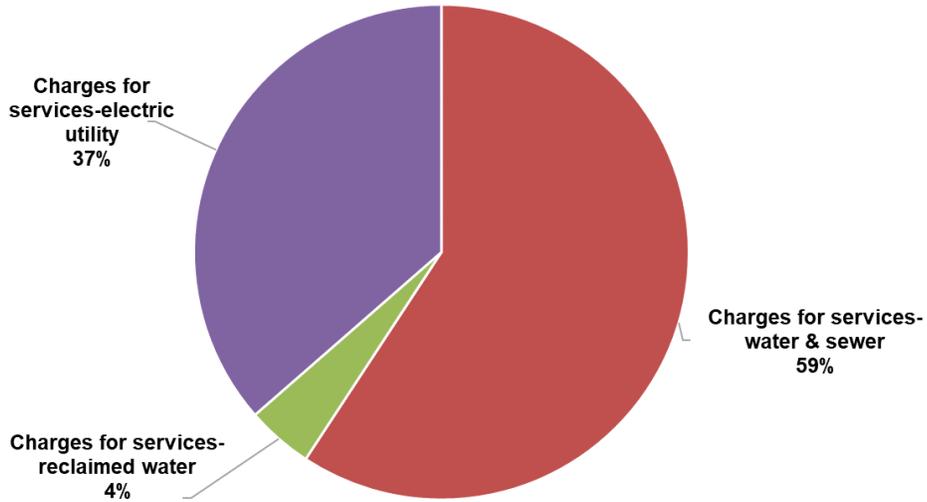


**Business-Type Activities**

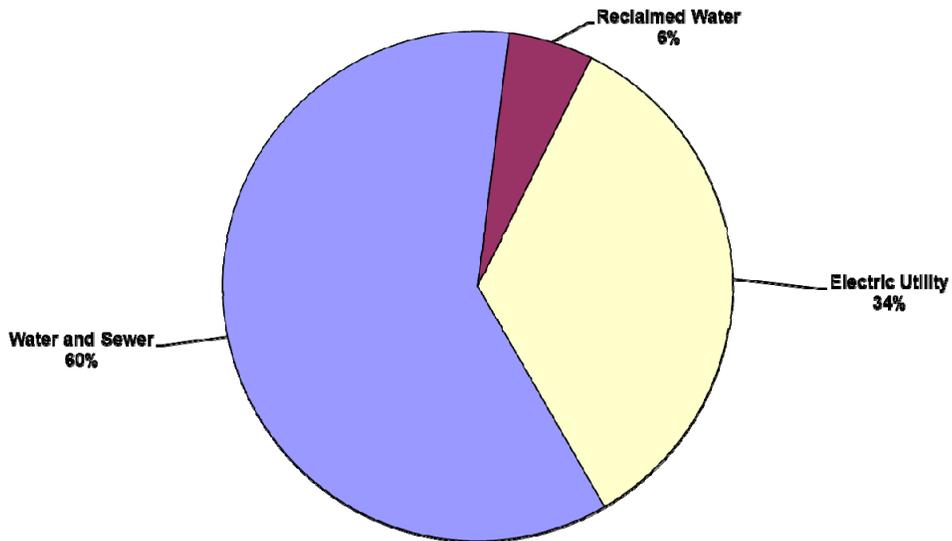
Business-type activities decreased the City’s net position by \$2.5 million when compared to fiscal year 2021-22. The decrease is attributable to continuing operating deficits in the Water, Sewer, Reclaimed Water and Electric Utility funds that are associated with user rates that do not provide for full program cost recovery to cover program operating expenditures.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**Business-Type Revenue Sources**  
**Fiscal Year Ended June 30, 2023**



**Business-Type Functional Expenses**  
**Fiscal Year Ended June 30, 2023**



**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**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 \$238.0 million, representing an increase of \$11.5 million from the prior fiscal year. Non-spendable fund balances total \$90.4 million, most of which is for long-term receivables (\$88.7 million) from the Successor Agency, Electric Utility, and Water and Sewer Funds. Restricted fund balances, legally restricted by external parties, total \$28.9 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 \$96.9 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 \$98.1 million, which represents 46.7% of the total fund balance. The remaining fund balance for the General Fund includes \$89.9 million in non-spendable funds, and \$21.9 million in assigned funds.

The City's General Fund balance increased \$11.9 million. Revenues were higher by \$7.7 million in comparison to the 2021-22 fiscal year. Increases in revenue included an increase of \$1.5 million in current fees and service revenues and a \$6.3 million increase in revenue from investment and rental income, as well as a \$2.1 million increase in property, sales and other taxes. These increases were partially offset by a reduction in revenues from other agencies of \$3.7 million which is attributed to one-time grant proceeds received in the 2021-22 fiscal year that were not received in the 2022-23 fiscal year. As has been noted previously herein, the revenue increases can be attributed to the complete re-opening of City facilities and programs for the entirety of the 2022-23 fiscal year following the COVID-19 pandemic, as well as the continuation of a robust sales tax environment that is largely supported by the City's commitment to its business community.

Expenditures were higher by \$12.3 million, with a notable increase of \$2.2 million at the Cerritos Center for the Performing Arts, \$2.56 million in Public Works and \$7.7 million in Community and Safety Services. The most significant increase within the Community and Safety Services cost center occurred due to the fact that expenditures in the 2021-22 fiscal year were offset by a COVID-19 relief grant in the amount of approximately \$6 million. Those funds were not a part of funding in the 2022-23 fiscal year and therefore the expenses within the category were not able to be offset, which lead to a return to normal expenditure levels.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

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 \$385,000, 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 major proprietary funds are the Water, Sewer, Electric Utility and Reclaimed Water funds. Net position of these funds at the end of the fiscal year totaled (\$26.1) million. The total change in net position for these funds was a decrease of \$2.5 million. The Electric Utility fund had an operating deficit of \$444,000, while the Water and Sewer Utility fund had an operating deficit of \$3.1 million and the Reclaimed Water operation had a deficit of \$503,000. The deficit positions of the referenced utility funds are a result of user fees that are not sufficient to facilitate full cost recovery for the operation of the utilities.

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

**Fiduciary Funds**

The City's fiduciary fund provides 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, 2023, the net position maintained a deficit balance in the amount of (\$33.6) million.

Operating additions exceeded deductions which resulted in an increase of net position of \$17.0 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 (Continued)**  
**Year Ended June 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues during the 2022-23 fiscal year exceeded the final budget projection by \$5.2 million. Significant increases over final budget projects included a \$1.9 million increase in Franchise Fees, \$1.5 million increase in Investment and Rental Income and a \$1.3 million increase in Other Revenues. Revenue from Current Fees and Services was lower than the final budget projection of \$5.6 million by \$502,000, with a year-end actual total of \$5.1 million. Actual General Fund expenditures were lower than the final budget allocation of \$77.7 million by \$10.8 million. The difference in budgeted expenditures can be attributed to expenditures coming in below anticipated budget levels across a majority of City departments, including a \$4.4 million difference within the Community and Safety Services cost center, a \$1.6 million difference in the Cerritos Center for the Performing Arts and \$2.7 million difference in Administrative Services. In total actual revenues of \$92.0 million, outpaced actual expenditures of \$66.9 million by \$25.1 million.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

**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, 2023 amounts to \$273.7 million (net of accumulated depreciation) which is an increase of \$900,000 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, 2023

	City of Cerritos Capital Assets (in millions)					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
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	4.9	-	-	5.0	4.9
Trees	1.4	1.4	-	-	1.4	1.4
Construction in progress	4.9	1.6	2.8	0.5	7.7	2.1
Buildings and structures	74.0	78.8	2.3	2.4	76.3	81.2
Improvements other than buildings	5.7	5.4	-	-	5.7	5.4
Infrastructure/water mains and lines/sewer mains	14.9	14.9	21.5	22.1	36.4	37.0
Water rights	0.0	0.0	1.1	1.1	1.1	1.1
Electric Rights	0.0	0.0	5.6	6.1	5.6	6.1
Furniture and equipment	2.0	1.6	1.5	1.0	3.5	2.6
Total	<u>238.9</u>	<u>239.6</u>	<u>\$ 34.8</u>	<u>\$ 33.2</u>	<u>\$ 273.7</u>	<u>\$ 272.8</u>

The capital assets increased because of \$9.6 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 \$8.1 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 (Continued)**  
**Year Ended June 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**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 2023 fiscal year, the Successor Agency had total debt outstanding of \$22.5 million.

Successor Agency Long-Term Debt  
(in millions)

	2023	2022
Los Coyotes Revenue Bonds	\$ 22.2	\$ 32.5
Add Deferred Amounts	0.3	0.5
Total Long-Term Debt	\$ 22.5	\$ 33.0

At the end of the 2023 fiscal year, the City had total debt outstanding of \$8.9 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**

The 2022-23 fiscal year represented the City’s first full year of “normal” operations following the COVID-19 pandemic. The City emerged from the shadow of the pandemic with optimism and caution. The focus for the year was on scaling up a full menu of services and programs for the benefit of the community, with a continued significant emphasis on the maintenance and upkeep of the City’s infrastructure and facilities. While the 2021-22 fiscal year was a year of transition, marked by a slow return to normal business operations beginning in December, 2021, the 2022-23 fiscal year has seen the complete re-opening of City facilities, programs and services – including a return to full a calendar of programming at the Cerritos Center for the Performing Arts.

Despite the challenges that the City has faced throughout the past several years, the City of Cerritos remains well-positioned to continue to provide the high level of services and programming that have been a hallmark of the City. This fiscal outlook is a testament to the City’s shrewd foresight, austere approach to the allocation of community assets and the tremendous care it places in the stewardship of the community’s financial resources. The City will continue to aggressively foster economic development and growth through investment in the community and the continued pursuit of a diversified pool of revenue sources. A clear emphasis will be placed on providing support for the City’s commercial sector and ultimately in growing critical sales tax revenue and supporting the growth of property values.

The City’s past success has been defined by innovative and impactful economic development. As the City moves into the 2023-24 fiscal year, it will again rely on the foresight and guidance of the City Council to define the City’s priorities and maintain the economic development efforts that will help to facilitate the City’s continued growth and success.

The City will continue to take a very conservative approach to the allocation of its expenditures in order to ensure its continued capacity to keep pace with the escalation of operations and infrastructure maintenance

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2023**

expenses – and to remain prepared for the potential of unexpected circumstances and expenses, particularly as many economists are predicting the potential for a significant recession in the near term. While sales tax remains the City's most significant source of revenue, management remains concerned that the cyclical nature of a sales tax based revenue budget can leave the City exposed to potential revenue fluctuations that could place it in a position where the use of reserve funds may be required in order to offset budgetary revenue shortfalls. In an effort to mitigate this concern, the City remains committed to maintaining a conservative approach to expenditures and to the identification of alternative revenue sources.

The 2023-24 budget and economic outlook for Cerritos remains focused on the City's tradition of careful stewardship of the community's finances with an emphasis on the provision of outstanding levels of service and programming – with an eye on adjusting services and programming to meet the needs of the community. The overriding and continuing focus of the City's budget program is on maintaining the City's commitment to its residents, both in terms of providing outstanding programming and events, and in maintaining a high-caliber community infrastructure through the prudent investment of finite economic resources.

**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 Avenue, Cerritos, CA 90703, call (562) 860-0311 or visit our website at [www.cerritos.us](http://www.cerritos.us).

## **BASIC FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Pooled Cash and Investments	\$ 146,418,516	\$ 3,528,592	\$ 149,947,108
Accounts Receivable	10,633,583	2,764,239	13,397,822
Interest Receivable	416,013	-	416,013
Lease Receivable - current	4,395,553	-	4,395,553
Prepaid Items	1,105,833	276,672	1,382,505
Inventories	537,726	-	537,726
Internal Balances	51,096,920	(51,096,920)	-
Total Current Assets	<u>214,604,144</u>	<u>(44,527,417)</u>	<u>170,076,727</u>
Noncurrent Assets:			
Net Pension Asset	1,361,493	126,478	1,487,971
Net OPEB Asset	5,219,241	484,847	5,704,088
Lease Receivable - net of current portion	252,151,575	-	252,151,575
Advances to Fiduciary Funds	47,055,664	-	47,055,664
Capital Assets:			
Not Being Depreciated	142,203,674	2,844,612	145,048,286
Being Depreciated, Net	96,669,940	32,010,248	128,680,188
Total Noncurrent Assets	<u>544,661,587</u>	<u>35,466,185</u>	<u>580,127,772</u>
Total Assets	<u>759,265,731</u>	<u>(9,061,232)</u>	<u>750,204,499</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-Related Items	22,621,169	2,101,419	24,722,588
OPEB-Related Items	9,608,547	892,598	10,501,145
Total Deferred Outflows of Resources	<u>32,229,716</u>	<u>2,994,017</u>	<u>35,223,733</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	9,329,795	1,712,974	11,042,769
Accrued Salaries and Benefits	563,296	107,262	670,558
Unearned Revenue	3,160,257	1,859,010	5,019,267
Retention	369,433	80,894	450,327
Deposits Payable	656,838	44,290	701,128
Settlement Payable	110,348	-	110,348
Compensated Absences	840,021	51,432	891,453
Long-Term Debt	-	415,000	415,000
Total Current Liabilities	<u>15,029,988</u>	<u>4,270,862</u>	<u>19,300,850</u>
Noncurrent Liabilities:			
Net Pension Liability	69,491,361	6,455,482	75,946,843
Compensated Absences	2,520,061	154,296	2,674,357
Long-Term Debt	-	8,440,000	8,440,000
Total Noncurrent Liabilities	<u>72,011,422</u>	<u>15,049,778</u>	<u>87,061,200</u>
Total Liabilities	<u>87,041,410</u>	<u>19,320,640</u>	<u>106,362,050</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease Related	252,714,697	-	252,714,697
Pension Related	3,846,916	357,363	4,204,279
OPEB Related	3,383,657	314,329	3,697,986
Total Deferred Inflows of Resources	<u>259,945,270</u>	<u>671,692</u>	<u>260,616,962</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	238,504,181	25,918,966	264,423,147
Restricted for:			
Pension	1,361,493	126,478	1,487,971
OPEB	5,219,241	484,847	5,704,088
Housing Assets	23,312,850	-	23,312,850
Transportation	5,376,591	-	5,376,591
Municipal Improvements	183,836	-	183,836
Miscellaneous Grants	712,792	-	712,792
Unrestricted (Deficit)	169,837,783	(52,589,838)	117,247,945
Total Net Position	<u>\$ 444,508,767</u>	<u>\$ (26,059,547)</u>	<u>\$ 418,449,220</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Legislative and Administration	\$ 2,969,073	\$ 5,484	\$ 169,206	\$ -
Community Development	5,939,511	2,625,789	2,706,985	951,904
Public Works	28,453,358	270,351	5,490,395	-
Community and Safety Services	26,482,421	1,786,332	174,727	-
Administrative Services	14,348,436	357,068	-	-
Cerritos Center for the Performing Arts	7,764,745	4,093,655	210,313	-
Unallocated Infrastructure Depreciation	866,535	-	-	-
Total Governmental Activities	<u>86,824,079</u>	<u>9,138,679</u>	<u>8,751,626</u>	<u>951,904</u>
<b>Business-Type Activities:</b>				
Water and Sewer	15,007,451	11,349,873	-	16,086
Electric Utility	8,535,180	6,978,100	-	-
Reclaimed Water	1,333,927	830,551	-	-
Total Business-Type Activities	<u>24,876,558</u>	<u>19,158,524</u>	<u>-</u>	<u>16,086</u>
Total	<u>\$ 111,700,637</u>	<u>\$ 28,297,203</u>	<u>\$ 8,751,626</u>	<u>\$ 967,990</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>			
Legislative and Administration	\$ (2,794,383)	\$ -	\$ (2,794,383)
Community Development	345,167	-	345,167
Public Works	(22,692,612)	-	(22,692,612)
Community and Safety Services	(24,521,362)	-	(24,521,362)
Administrative Services	(13,991,368)	-	(13,991,368)
Cerritos Center for the Performing Arts	(3,460,777)	-	(3,460,777)
Unallocated Infrastructure Depreciation	(866,535)	-	(866,535)
Total Governmental Activities	<u>(67,981,870)</u>	<u>-</u>	<u>(67,981,870)</u>
<b>Business-Type Activities:</b>			
Water and Sewer	-	(3,641,492)	(3,641,492)
Electric Utility	-	(1,557,080)	(1,557,080)
Reclaimed Water	-	(503,376)	(503,376)
Total Business-Type Activities	<u>-</u>	<u>(5,701,948)</u>	<u>(5,701,948)</u>
Total	<u>(67,981,870)</u>	<u>(5,701,948)</u>	<u>(73,683,818)</u>
<b>General Revenues:</b>			
Taxes:			
Sales Taxes	46,712,812	-	46,712,812
Property Taxes	15,202,895	-	15,202,895
Franchise Taxes	3,102,921	-	3,102,921
Transient Occupancy Taxes	1,427,146	-	1,427,146
Other Taxes	2,502,895	-	2,502,895
Investment Income	13,437,534	59,805	13,497,339
Miscellaneous	1,722,371	-	1,722,371
Transfers	(3,172,390)	3,172,390	-
Total General Revenues and Transfers	<u>80,936,184</u>	<u>3,232,195</u>	<u>84,168,379</u>
<b>CHANGE IN NET POSITION</b>	12,954,314	(2,469,753)	10,484,561
Net Position (Deficit) - Beginning of Year	<u>431,554,453</u>	<u>(23,589,794)</u>	<u>407,964,659</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 444,508,767</u>	<u>\$ (26,059,547)</u>	<u>\$ 418,449,220</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>					
Cash and Investments	\$ 112,283,785	\$ 13,901,717	\$ 3,500,770	\$ 7,976,982	\$ 137,663,254
Receivables:					
Accounts	9,591,935	-	6,799	1,034,849	10,633,583
Interest	416,013	-	-	-	416,013
Lease	256,547,128	-	-	-	256,547,128
Prepaid Items	1,046,438	-	-	59,395	1,105,833
Inventories	75,305	462,421	-	-	537,726
Due from Other Funds	1,531,661	-	-	-	1,531,661
Advances to Other Funds	51,096,920	-	-	-	51,096,920
Advances to Fiduciary Funds	37,644,531	9,411,133	-	-	47,055,664
	<u>\$ 470,233,716</u>	<u>\$ 23,775,271</u>	<u>\$ 3,507,569</u>	<u>\$ 9,071,226</u>	<u>\$ 506,587,782</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 5,337,657	\$ -	\$ 3,507,569	\$ 770,815	\$ 9,616,041
Accrued Salaries and Benefits	516,799	-	-	46,497	563,296
Deposits Payable	656,838	-	-	-	656,838
Settlement Payable - Current Portion	4,083	-	-	-	4,083
Unearned Revenue	1,123,871	-	-	2,036,386	3,160,257
Due to Other Funds	-	-	-	1,531,661	1,531,661
Total Liabilities	<u>7,639,248</u>	<u>-</u>	<u>3,507,569</u>	<u>4,385,359</u>	<u>15,532,176</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Leases Related	252,714,697	-	-	-	252,714,697
Unavailable Revenue	-	-	-	310,000	310,000
Total Deferred Inflows of Resources	<u>252,714,697</u>	<u>-</u>	<u>-</u>	<u>310,000</u>	<u>253,024,697</u>
<b>FUND BALANCES</b>					
Nonspendable	89,863,194	462,421	-	59,395	90,385,010
Restricted	-	23,312,850	-	5,562,756	28,875,606
Assigned	21,896,476	-	-	-	21,896,476
Unassigned (Deficit)	98,120,101	-	-	(1,246,284)	96,873,817
Total Fund Balances	<u>209,879,771</u>	<u>23,775,271</u>	<u>-</u>	<u>4,375,867</u>	<u>238,030,909</u>
	<u>\$ 470,233,716</u>	<u>\$ 23,775,271</u>	<u>\$ 3,507,569</u>	<u>\$ 9,071,226</u>	<u>\$ 506,587,782</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 470,233,716</u>	<u>\$ 23,775,271</u>	<u>\$ 3,507,569</u>	<u>\$ 9,071,226</u>	<u>\$ 506,587,782</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, 2023**

Fund Balances - Total Governmental Funds \$ 238,030,909

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

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 \$3,660,998 and accumulated depreciation of \$1,729,408.

Capital assets	\$ 418,627,087	
Accumulated depreciation	<u>(181,685,063)</u>	236,942,024

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.

310,000

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:

Compensated absences		(3,360,082)
Settlement payable (net of \$4,083 reported in the General Fund)		<u>(106,265)</u>

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.

Deferred outflows of resources related to pension	22,621,169	
Deferred inflows of resources related to pension	(3,846,916)	
Net pension asset	1,361,493	
Net pension liability	<u>(69,491,361)</u>	(49,355,615)

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.

Deferred outflows of resources related to OPEB	9,608,547	
Deferred inflows of resources related to OPEB	(3,383,657)	
Net OPEB asset	<u>5,219,241</u>	11,444,131

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.

10,603,665

Net Position of Governmental Activities

\$ 444,508,767

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 63,565,598	\$ -	\$ -	\$ -	\$ 63,565,598
Franchise	3,102,921	-	-	-	3,102,921
Licenses and Permits	3,460,564	-	-	-	3,460,564
Fines and Forfeitures	411,983	-	-	-	411,983
Investment and Rental Income	14,030,885	274,781	-	124,175	14,429,841
Intergovernmental	523,672	150,000	-	9,873,129	10,546,801
Charges for Services	5,101,877	-	873	4,110	5,106,860
Contributions from Property Owners	-	-	-	161,214	161,214
Other Revenues	1,761,465	-	-	-	1,761,465
Total Revenues	<u>91,958,965</u>	<u>424,781</u>	<u>873</u>	<u>10,162,628</u>	<u>102,547,247</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	2,160,373	-	-	188,695	2,349,068
Community Development	4,135,855	39,530	-	1,904,657	6,080,042
Public Works	15,587,854	-	8,543,940	4,779,231	28,911,025
Community and Safety Services	25,841,535	-	-	-	25,841,535
Administrative Services	12,769,322	-	-	571,835	13,341,157
Cerritos Center for The Performing Arts	6,380,379	-	-	-	6,380,379
Capital Outlay	-	-	4,999,290	-	4,999,290
Total Expenditures	<u>66,875,318</u>	<u>39,530</u>	<u>13,543,230</u>	<u>7,444,418</u>	<u>87,902,496</u>
Revenues Over (Under) Expenditures	<u>25,083,647</u>	<u>385,251</u>	<u>(13,542,357)</u>	<u>2,718,210</u>	<u>14,644,751</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,243,917	-	15,586,445	5,803,193	23,633,555
Transfers Out	(15,452,186)	-	(2,044,088)	(9,309,671)	(26,805,945)
Total Other Financing Sources (Uses)	<u>(13,208,269)</u>	<u>-</u>	<u>13,542,357</u>	<u>(3,506,478)</u>	<u>(3,172,390)</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,875,378	385,251	-	(788,268)	11,472,361
Fund Balances - Beginning of Year	<u>198,004,393</u>	<u>23,390,020</u>	<u>-</u>	<u>5,164,135</u>	<u>226,558,548</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 209,879,771</u>	<u>\$ 23,775,271</u>	<u>\$ -</u>	<u>\$ 4,375,867</u>	<u>\$ 238,030,909</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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 11,472,361

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 \$242,852)	\$ (6,056,721)	
Disposals	(16,298)	
Capital outlay	<u>4,999,290</u>	(1,073,729)

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.

289,091

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.

6,487

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.

(172,236)

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.

1,337,127

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.

1,092,144

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.

3,069

Change in Net Position of Governmental Activities

\$ 12,954,314

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Funds
	Major Funds		Nonmajor		Total Enterprise Funds
	Water and Sewer	Electric Utility	Reclaimed Water		
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 1,785,863	\$ 285,276	\$ 1,457,453	\$ 3,528,592	\$ 8,755,262
Accounts Receivable	1,481,772	987,653	294,814	2,764,239	-
Prepaid Items	219,562	4,650	52,460	276,672	-
Total Current Assets	<u>3,487,197</u>	<u>1,277,579</u>	<u>1,804,727</u>	<u>6,569,503</u>	<u>8,755,262</u>
Noncurrent Assets:					
Net Pension Asset	126,478	-	-	126,478	-
Net OPEB Asset	484,847	-	-	484,847	-
Capital Assets:					
Construction in Progress	2,844,612	-	-	2,844,612	-
Building and Structures	5,444,587	-	1,315,000	6,759,587	-
Water Mains and Lines	30,239,765	-	15,915,712	46,155,477	-
Equipment	6,919,620	-	120,278	7,039,898	3,660,998
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	(36,664,037)	(8,463,000)	(10,942,260)	(56,069,297)	(1,729,408)
Total Noncurrent Assets	<u>23,415,455</u>	<u>5,642,000</u>	<u>6,408,730</u>	<u>35,466,185</u>	<u>1,931,590</u>
Total Assets	<u>26,902,652</u>	<u>6,919,579</u>	<u>8,213,457</u>	<u>42,035,688</u>	<u>10,686,852</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows of Resources	2,101,419	-	-	2,101,419	-
OPEB Related Deferred Outflows of Resources	892,598	-	-	892,598	-
Total Deferred Outflows of Resources	<u>2,994,017</u>	<u>-</u>	<u>-</u>	<u>2,994,017</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,352,661	329,998	30,315	1,712,974	83,187
Accrued Liabilities	95,766	4,867	6,629	107,262	-
Retention	80,894	-	-	80,894	-
Deposits Payable	44,290	-	-	44,290	-
Unearned Revenue	1,859,010	-	-	1,859,010	-
Long-Term Debt - Due Within One Year	-	415,000	-	415,000	-
Compensated Absences - Due Within One Year	51,432	-	-	51,432	-
Total Current Liabilities	<u>3,484,053</u>	<u>749,865</u>	<u>36,944</u>	<u>4,270,862</u>	<u>83,187</u>
Noncurrent Liabilities:					
Advances from Other Funds	24,336,699	26,760,221	-	51,096,920	-
Net Pension Liabilities	6,455,482	-	-	6,455,482	-
Long-Term Debt - Due in More than One Year	-	8,440,000	-	8,440,000	-
Compensated Absences - Due in More than One Year	154,296	-	-	154,296	-
Total Noncurrent Liabilities	<u>30,946,477</u>	<u>35,200,221</u>	<u>-</u>	<u>66,146,698</u>	<u>-</u>
Total Liabilities	<u>34,430,530</u>	<u>35,950,086</u>	<u>36,944</u>	<u>70,417,560</u>	<u>83,187</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Deferred Inflows of Resources	357,363	-	-	357,363	-
OPEB Related Deferred Outflows of Resources	314,329	-	-	314,329	-
Total Deferred Inflows of Resources	<u>671,692</u>	<u>-</u>	<u>-</u>	<u>671,692</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment In Capital Assets	22,723,236	(3,213,000)	6,408,730	25,918,966	1,931,590
Restricted for Pension	126,478	-	-	126,478	-
Restricted for OPEB	484,847	-	-	484,847	-
Unrestricted (Deficit)	(28,540,114)	(25,817,507)	1,767,783	(52,589,838)	8,672,075
Total Net Position (Deficit)	<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>

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, 2023**

	Business-Type Activities				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor Reclaimed Water	Total Enterprise Funds	
	Water and Sewer	Electric Utility			
<b>OPERATING REVENUES</b>					
Sales of Water:					
Regular	\$ 9,140,414	\$ -	\$ 830,551	\$ 9,970,965	\$ -
Wholesale	1,303,312	-	-	1,303,312	-
Sales of Electricity:					
Regular	-	6,973,817	-	6,973,817	-
Fire Lines	507,256	-	-	507,256	-
Charges for Services	73,050	-	-	73,050	550,000
Other Agency Contribution	325,832	-	-	325,832	-
Other Revenues	9	4,283	-	4,292	-
Total Operating Revenues	<u>11,349,873</u>	<u>6,978,100</u>	<u>830,551</u>	<u>19,158,524</u>	<u>550,000</u>
<b>OPERATING EXPENSES</b>					
Management	4,822,881	-	-	4,822,881	-
Production and Distribution	6,187,164	-	61,839	6,249,003	-
Operations	1,682,774	6,951,575	919,291	9,553,640	418,524
Inspections	414,151	-	46,017	460,168	-
Billings and Collection	286,556	-	-	286,556	-
Depreciation	1,052,651	470,167	306,780	1,829,598	242,852
Total Operating Expenses	<u>14,446,177</u>	<u>7,421,742</u>	<u>1,333,927</u>	<u>23,201,846</u>	<u>661,376</u>
<b>OPERATING LOSS</b>	(3,096,304)	(443,642)	(503,376)	(4,043,322)	(111,376)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	19,658	15,493	24,654	59,805	114,445
Interest Expense - Debt Service	-	(460,750)	-	(460,750)	-
Interest Expense - Advances	(561,274)	(652,688)	-	(1,213,962)	-
Total Nonoperating Revenues (Expenses)	<u>(541,616)</u>	<u>(1,097,945)</u>	<u>24,654</u>	<u>(1,614,907)</u>	<u>114,445</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(3,637,920)	(1,541,587)	(478,722)	(5,658,229)	3,069
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Contributions	16,086	-	-	16,086	-
Transfers In	2,311,640	860,750	-	3,172,390	-
<b>CHANGE IN NET POSITION</b>	(1,310,194)	(680,837)	(478,722)	(2,469,753)	3,069
Net Position (Deficit) - Beginning of Year	<u>(3,895,359)</u>	<u>(28,349,670)</u>	<u>8,655,235</u>	<u>(23,589,794)</u>	<u>10,600,596</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<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>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	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	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 11,123,747	\$ 6,796,417	\$ 936,108	\$ 18,856,272	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	550,000
Cash Paid to Suppliers Of Goods Or Services	(8,919,394)	(7,149,684)	(1,534,892)	(17,603,970)	(417,209)
Cash Paid to Employees	(5,163,468)	-	-	(5,163,468)	-
Net Cash Provided (Used) by Operating Activities	<u>(2,959,115)</u>	<u>(353,267)</u>	<u>(598,784)</u>	<u>(3,911,166)</u>	<u>132,791</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Advances from Other Funds	1,324,459	-	-	1,324,459	-
Transfers In	2,311,640	860,750	-	3,172,390	-
Net Cash Provided by Noncapital Financing Activities	<u>3,636,099</u>	<u>860,750</u>	<u>-</u>	<u>4,496,849</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(3,296,638)	-	-	(3,296,638)	(706,441)
Cash Received for Capital	16,086	-	-	16,086	-
Proceeds on Sale of Capital Assets	12,223	-	-	12,223	-
Principal Paid on Debt	-	(400,000)	-	(400,000)	-
Interest Paid on Debt	-	(460,750)	-	(460,750)	-
Net Cash Used by Capital and Related Financing Activities	<u>(3,268,329)</u>	<u>(860,750)</u>	<u>-</u>	<u>(4,129,079)</u>	<u>(706,441)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Income Received	19,658	15,494	24,654	59,806	114,445
Net Cash Provided by Investing Activities	<u>19,658</u>	<u>15,494</u>	<u>24,654</u>	<u>59,806</u>	<u>114,445</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,571,687)</u>	<u>(337,773)</u>	<u>(574,130)</u>	<u>(3,483,590)</u>	<u>(459,205)</u>
Cash and Cash Equivalents - Beginning of Year	4,357,550	623,049	2,031,583	7,012,182	9,214,467
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,785,863</u>	<u>\$ 285,276</u>	<u>\$ 1,457,453</u>	<u>\$ 3,528,592</u>	<u>\$ 8,755,262</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	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	
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>					
Operating Loss	\$ (3,096,304)	\$ (443,642)	\$ (503,376)	\$ (4,043,322)	\$ (111,376)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,052,651	470,167	306,780	1,829,598	242,852
Changes in Assets and Deferred Outflows of Resources:					
(Increase) Decrease in Accounts Receivable	99,705	(181,683)	105,557	23,579	-
(Increase) Decrease in Prepaid Items	(174,488)	(4,650)	(48,296)	(227,434)	-
(Increase) Decrease in Net Pension Asset	40,845	-	-	40,845	-
(Increase) Decrease in Net OPEB Asset	1,081,032	-	-	1,081,032	-
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	(1,248,332)	-	-	(1,248,332)	-
(Increase) Decrease in Deferred Outflows of Resources related to OPEB	(721,793)	-	-	(721,793)	-
Changes in Liabilities and Deferred Inflows of Resources:					
Increase (Decrease) in Accounts Payable	(175,996)	(186,651)	(450,970)	(813,617)	1,315
Increase (Decrease) in Accrued Liabilities	(126,464)	(6,808)	(8,479)	(141,751)	-
Increase (Decrease) in Deposits Payable	1,735	-	-	1,735	-
Increase (Decrease) in Unearned Revenue	(325,832)	-	-	(325,832)	-
Increase (Decrease) in Net Pension Liability	2,721,692	-	-	2,721,692	-
Increase (Decrease) in Deferred Inflows of Resources Related to Pensions	(1,638,419)	-	-	(1,638,419)	-
Increase (Decrease) in Deferred Inflows of Resources related to OPEB	(460,694)	-	-	(460,694)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,959,115)</u>	<u>\$ (353,267)</u>	<u>\$ (598,784)</u>	<u>\$ (3,911,166)</u>	<u>\$ 132,791</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<u>Successor Agency to the Cerritos Redevelopment Agency</u>
<b>ASSETS</b>	
Cash and Investments	\$ 20,184,036
Cash and Investments with Fiscal Agents	15,795,119
Interest Receivable	110,743
Total Assets	<u>36,089,898</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Interest Payable	149,478
Long-Term Debt - Due Within One Year	<u>10,795,000</u>
Total Current Liabilities	<u>10,944,478</u>
Noncurrent Liabilities:	
Advances from City of Cerritos	47,055,664
Long-Term Debt - Due In More than One Year	<u>11,690,051</u>
Total Long-Term Liabilities	<u>58,745,715</u>
Total Liabilities	<u>69,690,193</u>
<b>NET POSITION (DEFICIT)</b>	
Held In Trust:	
Held for Dissolution of Community Redevelopment Agency	<u>(33,600,295)</u>
Total Net Position (Deficit)	<u>\$ (33,600,295)</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>Successor Agency to the Cerritos Redevelopment Agency</u>
<b>ADDITIONS</b>	
Redevelopment Property Tax Trust Fund	\$ 17,990,542
Investment Income	735,457
Total Additions	<u>18,725,999</u>
<b>DEDUCTIONS</b>	
Administrative Expenses	35,000
Interest on Long-Term Debt	1,726,323
Fiscal Charges	7,608
Total Deductions	<u>1,768,931</u>
<b>CHANGE IN NET POSITION</b>	16,957,068
Net Position (Deficit) - Beginning Of Year	<u>(50,557,363)</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u><u>\$ (33,600,295)</u></u>

See accompanying Notes to Financial Statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2023**

**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, 2023**

**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. These funds 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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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 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 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.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023**

**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, 2023**

**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. 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, 2023**

**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, 2023:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and Investments	\$ 146,418,516	\$ 3,528,592	\$ 149,947,108	\$ 20,184,036	\$ 170,131,144
Restricted Cash and Investments:					
Investments with Fiscal Agents	-	-	-	15,795,119	15,795,119
Total Cash and Investments	\$ 146,418,516	\$ 3,528,592	\$ 149,947,108	\$ 35,979,155	\$ 185,926,263

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

The City's cash and investments at June 30, 2023 in more detail:

Cash and Deposits:	
Petty Cash	\$ 9,120
Demand Deposits	12,315,549
Total Cash and Deposits	12,324,669
Investments:	
Local Agency Investment Fund	48,793,382
U.S. Government Sponsored Enterprise Securities	55,369,169
U.S. Treasury Notes	21,246,020
Negotiable Certificates of Deposit	32,397,904
Investment Contracts	3,206,533
Money Market Mutual Funds	12,588,586
Total Investments	<u>173,601,594</u>
 Total Cash and Investments	 <u><u>\$ 185,926,263</u></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, 2023, 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, 2023**

**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, 2023**

**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)	\$ 48,793,382	\$ -	\$ -	\$ 48,793,382
Federal Home Loan Bank (FHLB)	-	20,962,113	-	20,962,113
Federal National Mortgage Association (FNMA)	-	7,291,106	-	7,291,106
Federal Home Loan Mortgage Corporation (FHLMC)	-	8,508,420	-	8,508,420
Federal Farm Credit Bank (FFCB)	984,220	17,623,310	-	18,607,530
U.S. Treasury Notes	2,948,030	18,297,990	-	21,246,020
Negotiable Certificates of Deposit	2,630,569	29,767,335	-	32,397,904
Investment Contracts	-	3,206,533	-	3,206,533
Money Market Mutual Funds	12,588,586	-	-	12,588,586
<b>Total</b>	<b>\$ 67,944,787</b>	<b>\$ 105,656,807</b>	<b>\$ -</b>	<b>\$ 173,601,594</b>

**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, 2023	Minimum Legal Rating	Minimum Rating		Not Required to be Rated
			Aaa	Unrated	
LAIF	\$ 48,793,382	N/A	\$ -	\$ 48,793,382	\$ -
FHLB	20,962,113	N/A	20,962,113	-	-
FNMA	7,291,106	N/A	7,291,106	-	-
FHLMC	8,508,420	N/A	8,508,420	-	-
FFCB	18,607,530	N/A	18,607,530	-	-
U.S. Treasury Notes	21,246,020	N/A	-	-	21,246,020
Negotiable Certificates of Deposit	32,397,904	Aaa	-	32,397,904	-
Investment Contracts	3,206,533	N/A	3,206,533	-	-
Money Market Mutual Funds	12,588,586	A	-	12,588,586	-
<b>Total</b>	<b>\$ 173,601,594</b>		<b>\$ 58,575,702</b>	<b>\$ 93,779,872</b>	<b>\$ 21,246,020</b>

**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 generally accepted accounting principles. 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, 2023**

**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, 2023	Level		
		1	2	3
FHLB	\$ 20,962,113	\$ -	\$ 20,962,113	\$ -
FNMA	7,291,106	-	7,291,106	-
FHLMC	8,508,420	-	8,508,420	-
FFCB	18,607,530	-	18,607,530	-
U.S. Treasury Notes	21,246,020	-	21,246,020	-
Negotiable Certificates of Deposit	32,397,904	-	32,397,904	-
Held by Trustees/Fiscal Agents:				
Investment Contracts	3,206,533	-	3,206,533	-
Total Investments at Fair Value	112,219,626	\$ -	\$ 112,219,626	\$ -
Investments not Subject to Hierarchy				
State Investment Pool (LAIF)	48,793,382			
Held by Trustees/Fiscal Agents:				
Money Market Funds	12,588,586			
Total	61,381,968			
Total Investments	\$ 173,601,594			

**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, 2023**

**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, 2023, 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, 2023, the outstanding balances of the Residential Assistance and Loan Programs are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
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.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 INTERFUND TRANSACTIONS**

**Advances To/From Other Funds**

At June 30, 2023, the City had the following advances to/from other funds:

Advances to Other Funds		
Receivable Fund	Payable Fund	Amount
Governmental Funds:	Enterprise Funds:	
	Water and Sewer Fund:	
General Fund	Sewer Operations	\$ 13,584,730
General Fund	Water Operations	10,751,969
	Subtotal	24,336,699
	Electric Utility Enterprise Fund:	
General Fund	Operations	24,062,379
General Fund	Debt Service	2,697,842
	Subtotal	26,760,221
	Total	\$ 51,096,920

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. For the year ended June 30, 2023, interest of \$561,274 was incurred and added to the outstanding loan balance while an additional \$1,324,458 was borrowed. At June 30, 2023, the outstanding balance was \$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, 2023, interest of \$652,688 was incurred and added to the outstanding loan balance. At June 30, 2023, the outstanding balance was \$26,760,221.

**Due To/From Other Funds**

The City reclassified negative cash balances of \$1,531,661 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, 2023**

**NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

At June 30, 2023, 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	
Governmental Funds:						
General Fund	\$ -	\$ 8,788,243	\$ 5,803,193	\$ -	\$ 860,750	\$ 15,452,186
Municipal Improvement Capital Project Fund	2,044,088	-	-	-	-	2,044,088
Nonmajor Governmental Funds	199,829	6,798,202	-	2,311,640	-	9,309,671
Total	<u>\$ 2,243,917</u>	<u>\$ 15,586,445</u>	<u>\$ 5,803,193</u>	<u>\$ 2,311,640</u>	<u>\$ 860,750</u>	<u>\$ 26,805,945</u>

The transfers of \$14,591,436 from the General Fund relate to capital projects costs and administrative costs of the Municipal Improvement Capital Project Fund and the Nonmajor Governmental Funds within the Street Improvement, Drainage, and Los Coyotes Lighting District Fund.

The transfers of \$2,044,088 from the Municipal Improvement Capital Projects Fund to the General Fund relate to the funding of capital projects.

The transfers of \$199,829 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 \$2,311,640 from the Nonmajor Governmental Funds to the Water and Sewer Fund relate to the funding of capital projects.

The transfers of \$6,798,202 from the Nonmajor Governmental Funds to the Municipal Improvement Capital Project Fund relates to the funding of capital projects.

The transfers of \$860,750 from the General Fund to the Electric Utility Fund relate to debt service expenditures.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 ADVANCES TO FIDUCIARY FUNDS**

The balance of Advances to Fiduciary Funds at June 30, 2023 is \$47,055,664. 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 \$37,644,531 at June 30, 2023. The loan balance of the Housing Assets Fund, including accrued interest, is \$9,411,133 at June 30, 2023.

**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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
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	4,923,917	70,752	-	4,994,669
Trees	1,355,909	-	-	1,355,909
Construction in Progress	1,615,424	3,540,201	(209,734)	4,945,891
Total Capital Assets, not Being Depreciated	138,802,455	3,610,953	(209,734)	142,203,674
Capital Assets, Being Depreciated:				
Buildings	200,332,522	-	-	200,332,522
Improvements Other than Buildings	9,898,431	786,361	-	10,684,792
Furniture and Equipment	25,931,871	706,441	(501,221)	26,137,091
Infrastructure	42,122,114	811,709	(3,817)	42,930,006
Total Capital Assets, Being Depreciated	278,284,938	2,304,511	(505,038)	280,084,411
Less Accumulated Depreciation For:				
Buildings	(121,564,991)	(4,680,998)	-	(126,245,989)
Improvements Other Than Buildings	(4,451,459)	(478,513)	-	(4,929,972)
Furniture And Equipment	(24,362,637)	(273,527)	484,923	(24,151,241)
Infrastructure	(27,224,551)	(866,535)	3,817	(28,087,269)
Total Accumulated Depreciation	(177,603,638)	(6,299,573)	488,740	(183,414,471)
Total Capital Assets, Being Depreciated, Net	100,681,300	(3,995,062)	(16,298)	96,669,940
Governmental Activities Capital Assets, Net	<u>\$ 239,483,755</u>	<u>\$ (384,109)</u>	<u>\$ (226,032)</u>	<u>\$ 238,873,614</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 as follows:

Legislative and Administrative	\$ 922,935
Public Works	32,022
Community and Safety Services	1,447,245
Administrative Services	1,394,784
Cerritos Center for the Performing Arts	1,636,052
Unallocated Infrastructure Depreciation	866,535
Total Depreciation Expense	<u>\$ 6,299,573</u>

**Business-Type Activities**

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not Being Depreciated:				
Construction in Progress	\$ 547,078	\$ 2,605,232	\$ (307,698)	\$ 2,844,612
Total Capital Assets, not Being Depreciated	547,078	2,605,232	(307,698)	2,844,612
Capital Assets, Being Depreciated:				
Buildings and Structures	6,759,587	-	-	6,759,587
Water Mains and Lines	45,900,357	277,837	(22,716)	46,155,478
Equipment	6,237,736	802,161	-	7,039,897
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	87,022,263	1,079,998	(22,716)	88,079,545
Less Accumulated Depreciation for:				
Buildings and Structures	(4,322,458)	(119,264)	-	(4,441,722)
Water Mains and Lines	(27,783,561)	(808,250)	10,492	(28,581,319)
Equipment	(5,271,468)	(218,674)	-	(5,490,142)
Water Rights Acquired	(1,129,686)	(56,484)	-	(1,186,170)
Electric Utility Rights Acquired	(7,992,834)	(470,167)	-	(8,463,001)
Sewer Mains	(7,750,184)	(156,759)	-	(7,906,943)
Total Accumulated Depreciation	(54,250,191)	(1,829,598)	10,492	(56,069,297)
Total Capital Assets, Being Depreciated, Net	32,772,072	(749,600)	(12,224)	32,010,248
Business-Type Activities				
Capital Assets, Net	<u>\$ 33,319,150</u>	<u>\$ 1,855,632</u>	<u>\$ (319,922)</u>	<u>\$ 34,854,860</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities (Continued)**

Depreciation expense for business-type activities for the year June 30, 2023 was charged as follows:

Water and Sewer	\$ 1,052,651
Electric Utility	470,167
Reclaimed Water	306,780
Total Depreciation Expense	<u>\$ 1,829,598</u>

**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, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Compensated Absences	<u>\$ 3,187,846</u>	<u>\$ 1,997,896</u>	<u>\$ (1,825,660)</u>	<u>\$ 3,360,082</u>	<u>\$ 840,021</u>	<u>\$ 2,520,061</u>

**Business-Type Activities**

A summary of changes in compensated absences for business-type activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Compensated Absences - Water and Sewer Fund	<u>\$ 194,181</u>	<u>\$ 147,697</u>	<u>\$ (136,150)</u>	<u>\$ 205,728</u>	<u>\$ 51,432</u>	<u>\$ 154,296</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	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	\$ 2,313,750	\$ -	\$ (100,000)	\$ 2,213,750	\$ 103,750	\$ 2,110,000
Southern California Public Power Authority, Magnolia Project Los Coyotes Revenue Bonds: 2003 Issue, Series B, \$10,578,750	6,941,250	-	(300,000)	6,641,250	311,250	6,330,000
Total Revenue Bonds	9,255,000	-	(400,000)	8,855,000	415,000	8,440,000
Total Long-Term Liabilities	<u>\$ 9,255,000</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ 8,855,000</u>	<u>\$ 415,000</u>	<u>\$ 8,440,000</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, 2023**

**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 \$860,750.

Bonds outstanding at June 30, 2023 amounted to \$2,313,750 for Los Cerritos and \$6,941,250 for Los Coyotes, respectively. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Cerritos</u>			<u>Los Coyotes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 103,750	\$ 110,688	\$ 214,438	\$ 311,250	\$ 332,063	\$ 643,313
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
2029-2033	733,750	340,187	1,073,937	2,201,250	1,020,563	3,221,813
2034-2036	906,250	110,187	1,016,437	2,718,750	330,562	3,049,312
Total	<u>\$ 2,213,750</u>	<u>\$ 949,251</u>	<u>\$ 3,163,001</u>	<u>\$ 6,641,250</u>	<u>\$ 2,847,751</u>	<u>\$ 9,489,001</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, 2023 is as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Los Coyotes Redevelopment Project Revenue Bonds:						
1993 Issue, Series A, \$42,155,000	\$ 8,000,000	\$ -	\$ (465,000)	\$ 7,535,000	\$ 7,535,000	\$ -
2002 Issue, Series A, \$64,710,000	20,885,000	-	(8,660,000)	12,225,000	2,050,000	10,175,000
2002 Issue, Series B, \$12,225,000	3,630,000	-	(1,150,000)	2,480,000	1,210,000	1,270,000
Subtotal	<u>32,515,000</u>	<u>-</u>	<u>(10,275,000)</u>	<u>22,240,000</u>	<u>10,795,000</u>	<u>11,445,000</u>
Add (Less) Deferred Amounts:						
Bond Premium	613,385	-	(306,699)	306,686	-	306,686
Bond Discount	(123,270)	-	61,635	(61,635)	-	(61,635)
Total Revenue Bonds	<u>33,005,115</u>	<u>-</u>	<u>(10,520,064)</u>	<u>22,485,051</u>	<u>10,795,000</u>	<u>11,690,051</u>
Total Long-Term Liabilities	<u>\$ 33,005,115</u>	<u>\$ -</u>	<u>\$ (10,520,064)</u>	<u>\$ 22,485,051</u>	<u>\$ 10,795,000</u>	<u>\$ 11,690,051</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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.

In September 2002, the former Financing Authority issued 2002 Tax Allocation Bonds, Series A to provide funds to partially refund the 1993 Revenue Bonds (\$24,510,000), 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 advance refunding met the requirements of an in-substance defeasance, therefore, the bonds were not included in the accompanying financial statements.

The 1993 Los Coyotes Redevelopment Project Revenue Bonds, Series A, 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. Interest paid for the current year was \$504,888 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,323,570.

Bonds outstanding at June 30, 2023 amounted to \$7,535,000. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 1993 Issue, Series A</u>		
<u>2024</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>\$ 7,535,000</u>	<u>\$ 244,887</u>	<u>\$ 7,779,887</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Fiduciary Fund (Continued)**

**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, 2023 were \$10,600,000.

**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, 2023 were \$1,625,000.

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 \$9,478,728 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,323,570.

Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 2002 Issue, Series A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,050,000	\$ 554,476	\$ 2,604,476
2025	10,175,000	252,508	10,427,508
Total	\$ 12,225,000	\$ 806,984	\$ 13,031,984

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Fiduciary Fund (Continued)**

**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 \$1,307,100 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,323,570.

Bonds outstanding at June 30, 2023 were \$2,480,000. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 2002 Issue, Series B</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,210,000	\$ 97,500	\$ 1,307,500
2025	1,270,000	33,020	1,303,020
Total	\$ 2,480,000	\$ 130,520	\$ 2,610,520

**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, 2023, the City recognized \$6,951,187 and \$3,839,282 in lease revenue and interest revenue, respectively, pursuant to these agreements.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 FUND BALANCE CLASSIFICATIONS**

The City's fund balances at June 30, 2023 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	\$ 1,046,438	\$ -	\$ -	\$ 59,395	\$ 1,105,833
Inventories	75,305	462,421	-	-	537,726
Advances to Other Funds	51,096,920	-	-	-	51,096,920
Advances to Fiduciary Funds	37,644,531	-	-	-	37,644,531
Total Nonspendable	89,863,194	462,421	-	59,395	90,385,010
Restricted:					
Housing Assets Special Revenue	-	23,312,850	-	-	23,312,850
SB 821 - Bicycles/Pedestrians - Transportation Related Purposes	-	-	-	526,781	526,781
Proposition "A" Transportation Related Purposes	-	-	-	2,095,102	2,095,102
Proposition "C" Transportation Related Purposes	-	-	-	1,164,977	1,164,977
Assessment District #6 - Assessment Districts	-	-	-	183,836	183,836
Environmental Grants - Miscellaneous Grants	-	-	-	2,329	2,329
Air Quality Management District - Transportation Related Purposes	-	-	-	695,498	695,498
Measure "M" Transportation Related Purposes	-	-	-	834,140	834,140
Measure "R" Transportation Related Purposes	-	-	-	60,093	60,093
Total Restricted	-	23,312,850	-	5,562,756	28,875,606
Assigned:					
Asset Replacement	700,000	-	-	-	700,000
Art Center Programs	12,988,593	-	-	-	12,988,593
Earthquake Preparedness	3,551,265	-	-	-	3,551,265
Art In Public Places	946,155	-	-	-	946,155
Business License Software	214,043	-	-	-	214,043
General Plan Update	496,420	-	-	-	496,420
Self Insurance	3,000,000	-	-	-	3,000,000
Total Assigned	21,896,476	-	-	-	21,896,476
Unassigned:					
General Fund	98,120,101	-	-	-	98,120,101
Nonmajor Governmental Funds	-	-	-	(1,246,284)	(1,246,284)
Total Unassigned	98,120,101	-	-	(1,246,284)	96,873,817
Total	\$ 209,879,771	\$ 23,775,271	\$ -	\$ 4,375,867	\$ 238,030,909

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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	\$ 69,491,361	\$ 6,455,482	\$ 75,946,843
PARS (Asset)	(1,361,493)	(126,478)	(1,487,971)
Total	<u>\$ 68,129,868</u>	<u>\$ 6,329,004</u>	<u>\$ 74,458,872</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	\$ 7,562,580	\$ 702,535	\$ 8,265,115
PARS	201,998	18,765	220,763
Change in Assumptions:			
CalPERS Miscellaneous Plan	4,332,690	402,490	4,735,180
Net Difference Between Projected and Actual Earnings on Plan Investments:			
CalPERS Miscellaneous Plan	9,239,070	858,273	10,097,343
PARS	1,284,831	119,356	1,404,187
Total Deferred Outflows of Resources	<u>\$ 22,621,169</u>	<u>\$ 2,101,419</u>	<u>\$ 24,722,588</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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:			
Changes of Assumptions:			
PARS	\$ 6,826	\$ 634	\$ 7,460
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous Plan	3,363,200	312,428	3,675,628
PARS	476,890	44,301	521,191
Total Deferred Inflows of Resources	\$ 3,846,916	\$ 357,363	\$ 4,204,279

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	\$ 6,407,375	\$ 595,221	\$ 7,002,596
PARS	41,019	3,811	44,830
Total	\$ 6,448,394	\$ 599,032	\$ 7,047,426

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

**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.

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, 2023 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
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	7.820%	7.820%
Required Employer Contribution Rates:		
Normal Cost Rate	11.530%	11.530%
Payment of Unfunded Liability	\$ 6,188,712	\$ -

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**General Information about the Pension Plan (Continued)**

Employees Covered

At the measurement date ended June 30, 2022, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Active Employees	228
Inactive Employees or Beneficiaries Currently Receiving Benefits	362
Inactive Employees Entitled to But Not Yet Receiving Benefits	265
Total	855

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, 2023 of \$8,265,115.

**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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2023**

**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, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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, 2023**

**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, 2023**

**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, 2021 (Measurement Date)	\$ 266,706,246	\$ 222,779,309	\$ 43,926,937
Changes in the Year:			
Service Cost	3,226,445	-	3,226,445
Interest on the Total Pension Liability	18,277,233	-	18,277,233
Differences Between Expected and Actual Experience	(5,216,970)	-	(5,216,970)
Changes of Assumptions	7,891,966	-	7,891,966
Contributions from the Employer	-	7,746,132	(7,746,132)
Contributions from Employees	-	1,380,167	(1,380,167)
Net Investment Income	-	(16,828,753)	16,828,753
Benefit Payments Including Refunds of Employee Contributions	(12,214,072)	(12,214,072)	-
Administrative Expense	-	(138,778)	138,778
Net Changes	<u>11,964,602</u>	<u>(20,055,304)</u>	<u>32,019,906</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 278,670,848</u>	<u>\$ 202,724,005</u>	<u>\$ 75,946,843</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>\$ 114,367,873</u>	<u>\$ 75,946,843</u>	<u>\$ 44,429,080</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, 2023**

**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, 2023, the City recognized pension expense of \$7,002,596. At June 30, 2023, 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	\$ 8,265,115	\$ -
Difference Between Expected and Actual Experience	-	(3,675,628)
Changes of Assumptions	4,735,180	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	10,097,344	-
Total	\$ 23,097,639	\$ (3,675,628)

\$8,265,115 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, 2024. 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
2024	\$ 2,115,313
2025	1,956,554
2026	673,534
2027	6,411,495
2028	-
Thereafter	-

**Payable to the Pension Plan**

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023**

**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, 2022, the following employees were covered by the benefit terms:

	PARS
Active Employees	74
Inactive Employees or Beneficiaries Currently Receiving Benefits	41
Total	115

Contributions

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

For the year ended June 30, 2023, the contributions were:

	PARS
Contributions - Employer	\$ 220,763
Contributions - Employee	-

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2022, the total pension liability was determined by the June 30, 2021 actuarial valuation rolled forward to June 30, 2022 using standard update procedures. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.50%
Salary Increases	Graded rates based on years of service, 3.40% after 22 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, 2023**

**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	3.22 %	0.21 %	0.20 %
U.S. Core Fixed Income	66.02	1.95	1.84
U.S. Equity Market	22.74	5.70	4.10
Foreign Developed Equity	4.28	6.99	5.25
Emerging Markets Equity	2.72	9.44	5.97
U.S. REITs	1.02	6.27	4.11
Assumed Inflation - Mean		2.35	2.35
Assumed Inflation - Standard Deviation		1.25	1.25
Portfolio Real Mean Return		3.21	2.99
Portfolio Nominal Mean Return		5.56	5.42
Portfolio Standard Deviation			5.57
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%)
<u>\$ 110,982</u>	<u>\$ (1,487,971)</u>	<u>\$ (2,780,776)</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2021 (Measurement Date)	\$ 10,985,250	\$ 12,953,755	\$ (1,968,505)
Changes Recognized for the Measurement Period:			
Service Cost	214,855	-	214,855
Interest on the Total Pension Liability	627,789	-	627,789
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions from the Employer	-	1,795,693	(1,795,693)
Net Investment Income, Net of Administrative Expense	-	(1,429,836)	1,429,836
Benefit Payments Including Refunds of Employee Contributions	(572,066)	(572,066)	-
Administrative Expense	-	(3,747)	3,747
Net Changes	<u>270,578</u>	<u>(209,956)</u>	<u>480,534</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 11,255,828</u>	<u>\$ 12,743,799</u>	<u>\$ (1,487,971)</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, 2022, the City recognized pension expense of \$44,830, for the PARS Plan.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023, 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	\$ 220,763	\$ -
Difference Between Expected and Actual Experience	-	(521,191)
Changes of Assumptions	-	(7,460)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	<u>1,404,187</u>	<u>-</u>
Total	<u>\$ 1,624,950</u>	<u>\$ (528,651)</u>

\$220,763 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, 2024. 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>
2024	\$ (37,295)
2025	150,956
2026	326,837
2027	435,038
Thereafter	-
Total	<u>\$ 875,536</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2022, there were 173 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](http://www.calpers.ca.gov).

Employees Covered

As of the July 1, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active Employees	175
Inactive Employees or Beneficiaries Currently Receiving Benefits	173
Inactive Employees Entitled to But not Yet Receiving Benefits	-
Total	348

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 2023, \$1,826,679 was contributed as insurance premiums, and an implicit subsidy \$322,322 totaling \$2,149,001.

**B. Net OPEB Liability (Asset)**

The City’s net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022 using standard update procedures.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)**

**B. Net OPEB Liability (Asset) (Continued)**

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2022, was determined using the following actuarial assumptions:

Actuarial Valuation Date	July 1, 2021
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, 2021	16 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:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Inflation-Indexed Bonds	16.00 %	0.61 %	0.50 %
Long Credit Bonds	49.00	2.12	1.72
Global Equity	22.00	5.81	4.23
Global Real Estate REITs	8.00	6.06	3.92
Commodities	5.00	1.73	0.40
Assumed Inflation - Mean		2.50	2.50
Portfolio Real Mean Return		2.99	2.60
Portfolio Nominal Mean Return		5.49	5.17
Portfolio Standard Deviation			8.20
Long-Term Expected Rate of Return			5.75

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 5.75 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, 2022:

	Plan's Net OPEB Liability (Asset)		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	(4.75%)	(5.75%)	(6.75%)
Net OPEB Liability (Asset)	\$ 1,013,461	\$ (5,704,088)	\$ (11,272,651)

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, 2022:

	Plan's Net OPEB Liability (Asset)		
	Healthcare Cost Trend Rate -1%	Current Trend Rate	Trend Rate +1%
	(11,445,223)	(5,704,088)	1,408,141
Net OPEB Liability (Asset)	\$ (11,445,223)	\$ (5,704,088)	\$ 1,408,141

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2021 (Measurement Date)	\$ 45,560,005	\$ 63,982,105	\$ (18,422,100)
Changes in the Year:			
Service Cost	1,524,472	-	1,524,472
Interest on the Total OPEB Liability	2,650,392	-	2,650,392
Differences Between Actual and Expected Experience	-	-	-
Changes In Assumptions	3,643,300	-	3,643,300
Contribution - Employer	-	2,009,468	(2,009,468)
Net Investment Income	-	(6,878,155)	6,878,155
Administrative Expenses	-	(31,161)	31,161
Benefit Payments	(2,009,468)	(2,009,468)	-
Net Changes	<u>5,808,696</u>	<u>(6,909,316)</u>	<u>12,718,012</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 51,368,701</u>	<u>\$ 57,072,789</u>	<u>\$ (5,704,088)</u>

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

For the year ended June 30, 2023, OPEB expense in the amount of \$955,402 is included in the accompanying statement of activities.

At June 30, 2023, 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	\$ 2,149,001	\$ -
Differences Between Expected and Actual Experience	-	(588,481)
Changes of Assumptions	2,754,690	(3,109,505)
Net Difference Between Projected and Actual Earnings of OPEB Plan Investments	5,597,454	-
Total	<u>\$ 10,501,145</u>	<u>\$ (3,697,986)</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 \$2,149,001 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>
2024	\$ 343,810
2025	764,094
2026	1,346,147
2027	2,200,107
2028	-
Thereafter	-
Total	<u>\$ 4,654,158</u>

Changes of Assumptions

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

**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 124 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. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. 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, 2023**

**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 2022-23 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, 2023**

**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 \$238,761,723. 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 2022-23.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 14 OTHER REQUIRED DISCLOSURES**

**A. Deficit Net Position**

At June 30, 2023, the following funds had a (deficit) fund balance/net position:

Fund	Deficit
Governmental Funds:	
Measure W	\$ (876,889)
Measure A	(310,000)
Enterprise Funds:	
Water and Sewer	(5,205,553)
Electric Utility Fund	(29,030,507)
Fiduciary Fund:	
Successor Agency to the Cerritos Redevelopment Agency	(33,600,295)

**Measure W Special Revenue Fund** – the deficit will be eliminated through receipt of revenue in fiscal year 2024.

**Measure A Special Revenue Fund** – the deficit will be eliminated through receipt of revenue in fiscal year 2024. 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, 2023.

**Water and Sewer Fund** – The Water and Sewer Fund has a net position (deficit) of (\$5,205,553) as a result of operating expenses exceeding its operating revenues. The City has written off the advance from the General Fund in fiscal year 2023-2024 which will eliminate the deficit.

**Electric Utility Enterprise Fund** – The Electric Utility Fund has a deficit net position of (\$29,030,507) 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 (\$3,213,000), which is included in the total deficit of (\$29,030,507), 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 \$26,760,221 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 (\$33,600,295) 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, 2023**

**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, 2023 as follows:

Fund	Expenditures	Appropriations	Excess Expenditures Over Appropriations
Special Revenue Funds:			
Proposition "A"	\$ 1,192,524	\$ 1,000,000	\$ (192,524)
Measure "R"	819,072	759,590	(59,482)

The Special Revenue funds have actual expenditures exceeding budgeted expenditures for the Proposition "A" and Measure "R" funds.

**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, 2023**

**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 \$2,181,124.

**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, 2023, settlement payable reflected in the general fund is \$4,083 and statement of net position is \$110,348.

**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 2023, approximately \$18.4 million in encumbrances were rolled over to fiscal year 2024. The total included Municipal Improvement Fund and General Fund commitments as follows:

General Fund	\$ 827,940
Municipal Improvement Fund	<u>17,526,745</u>
	<u><u>\$ 18,354,685</u></u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 16 SUBSEQUENT EVENT**

In October 2023, the City Council approved the advance of \$24,336,699 between the Water and Sewer Enterprise Fund and General Fund be written off during fiscal year 2023-2024.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:				
Service Cost	\$ 3,226,445	\$ 3,210,638	\$ 3,237,307	\$ 3,310,335
Interest on Total Pension Liability	18,277,233	18,077,253	17,554,548	16,751,452
Differences Between Expected and Actual Experience	(5,216,970)	(2,103,860)	1,810,807	3,321,923
Changes in Assumptions	7,891,966	-	-	-
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(12,214,072)	(11,610,098)	(11,118,075)	(10,089,894)
Net Change in Total Pension Liability	11,964,602	7,573,933	11,484,587	13,293,816
Total Pension Liability - Beginning of Year	266,706,246	259,132,313	247,647,726	234,353,910
Total Pension Liability - End of Year (a)	<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	\$ 7,746,132	\$ 6,985,567	\$ 6,413,343	\$ 5,624,680
Contributions - Employee	1,380,167	1,281,337	1,375,002	1,837,226
Net Investment Income	(16,828,753)	41,725,831	8,907,017	11,219,405
Benefit Payments	(12,214,072)	(11,610,098)	(11,118,075)	(10,089,894)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income (Expense)	(138,778)	(184,385)	(252,708)	(121,482)
Net Change in Plan Fiduciary Net Position	(20,055,304)	38,198,252	5,324,579	8,469,935
Plan Fiduciary Net Position - Beginning of Year	222,779,309	184,581,057	179,256,478	170,786,543
Plan Fiduciary Net Position - End of Year (b)	<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>\$ 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				
	72.75%	83.53%	71.23%	72.38%
Covered Payroll	\$ 15,446,979	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364
Net Pension Liability as Percentage of Covered Payroll	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%.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

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
<b>Total Pension Liability:</b>					
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>
<b>Plan Fiduciary Net Position:</b>					
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>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	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%.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 8,265,115	\$ 7,746,132	\$ 6,985,567	\$ 6,413,343
Contributions In Relation to the Actuarially Determined Contributions	<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>
Covered Payroll	\$ 17,683,109	\$ 15,446,979	\$ 14,580,361	\$ 16,025,922
Contributions as a Percentage of Covered Payroll	46.74%	50.15%	47.91%	40.02%

Notes to Schedule:

Valuation Date	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
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(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.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA  
SCHEDULE OF CONTRIBUTIONS (CONTINUED)  
CaIPERS MISCELLANEOUS 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>
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>				
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				
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.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

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, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Measurement Period Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:				
Service Cost	\$ 214,855	\$ 209,105	\$ 280,802	\$ 290,763
Interest on Total Pension Liability	627,789	680,090	676,957	695,382
Differences Between Expected and Actual Experience	-	(1,047,915)	-	(499,084)
Changes in Assumptions	-	-	-	(67,132)
Changes in Benefits	-	-	-	-
Benefit Payments	<u>(572,066)</u>	<u>(936,048)</u>	<u>(730,021)</u>	<u>(730,762)</u>
Net Change in Total Pension Liability	270,578	(1,094,768)	227,738	(310,833)
Total Pension Liability - Beginning of Year	<u>10,985,250</u>	<u>12,080,018</u>	<u>11,852,280</u>	<u>12,163,113</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 11,255,828</u></u>	<u><u>\$ 10,985,250</u></u>	<u><u>\$ 12,080,018</u></u>	<u><u>\$ 11,852,280</u></u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 1,795,693	\$ 1,795,693	\$ 1,727,805	\$ 1,727,805
Contributions - Employee	-	-	-	-
Net Investment Income	(1,429,836)	1,160,124	542,109	494,848
Benefit Payments	(572,066)	(936,048)	(730,021)	(730,762)
Administrative Expense	<u>(3,747)</u>	<u>(3,418)</u>	<u>(3,027)</u>	<u>(2,953)</u>
Net Change in Plan Fiduciary Net Position	(209,956)	2,016,351	1,536,866	1,488,938
Plan Fiduciary Net Position - Beginning of Year	<u>12,953,755</u>	<u>10,937,404</u>	<u>9,400,538</u>	<u>7,911,600</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 12,743,799</u></u>	<u><u>\$ 12,953,755</u></u>	<u><u>\$ 10,937,404</u></u>	<u><u>\$ 9,400,538</u></u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u><u>\$ (1,487,971)</u></u>	<u><u>\$ (1,968,505)</u></u>	<u><u>\$ 1,142,614</u></u>	<u><u>\$ 2,451,742</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.22%	117.92%	90.54%	79.31%
Covered Payroll	\$ 7,057,327	\$ 6,663,380	\$ 6,519,659	\$ 8,076,033
Net pension liability as percentage of Covered Payroll	-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	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
<b>Total Pension Liability:</b>					
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	(749,742)	(621,846)	(588,456)	(523,749)	
Net Change in Total Pension Liability	9,017	1,117,393	1,631,815	342,194	
Total Pension Liability - Beginning of Year	12,154,096	11,036,703	9,404,888	9,062,694	
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>	
<b>Plan Fiduciary Net Position:</b>					
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	(2,420)	(3,174)	(1,427)	(2,289)	
Net Change in Plan Fiduciary Net Position	763,912	1,092,766	409,201	356,600	
Plan Fiduciary Net Position - Beginning of Year	7,147,688	6,054,922	5,645,721	5,289,121	
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.

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ 220,763	\$ 1,795,693	\$ 1,795,693	\$ 1,727,805
Contributions in Relation to the Actuarially Determined Contributions	<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>
Covered Payroll	\$ 7,325,932	\$ 7,057,327	\$ 6,663,380	\$ 6,519,659
Contributions as a Percentage of Covered Payroll	3.01%	25.44%	26.95%	26.50%

Notes to Schedule:

Valuation Date	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
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(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 1997-2011 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

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	<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>
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>				
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				
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 1997-2011 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

\* Fiscal year 2015 was the first year of implementation and therefore only nine years are shown.

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	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:						
Service Cost	\$ 1,524,472	\$ 1,676,749	\$ 1,611,055	\$ 1,240,483	\$ 1,152,240	Not Available
Interest on Total OPEB Liability	2,650,392	2,862,998	2,725,171	2,768,729	2,662,314	
Differences Between Expected and Actual Experience	-	(919,818)	-	(373,403)	-	
Changes in Assumptions	3,643,300	(5,090,743)	-	(1,263,816)	-	
Changes in Benefits	-	-	-	-	-	
Benefit Payments	(2,009,468)	(2,137,548)	(1,875,955)	(1,857,533)	(1,657,007)	
Net Change in Total OPEB Liability	5,808,696	(3,608,362)	2,460,271	514,460	2,157,547	
Total OPEB Liability - Beginning of Year	45,560,005	49,168,367	46,708,096	46,193,636	44,036,089	
Total OPEB Liability - End of Year (a)	\$ 51,368,701	\$ 45,560,005	\$ 49,168,367	\$ 46,708,096	\$ 46,193,636	
Plan Fiduciary Net Position:						
Contributions - Employer	\$ 2,009,468	\$ 3,569,055	\$ 3,239,740	\$ 3,188,056	\$ 4,115,834	Not Available
Contributions - Employee	-	-	-	-	-	
Net Investment Income	(6,878,155)	7,581,756	3,271,714	3,378,685	1,964,761	
Benefit Payments	(2,009,468)	(2,137,548)	(1,875,955)	(1,857,533)	(1,657,007)	
Other Miscellaneous Income (Expense)	(31,161)	(29,463)	(26,112)	(23,252)	(21,346)	
Net Change in Fiduciary Net Position	(6,909,316)	8,983,800	4,609,387	4,685,956	4,402,242	
Plan Fiduciary Net Position - Beginning of Year	63,982,105	54,998,305	50,388,918	45,702,962	41,300,720	
Plan Fiduciary Net Position - End of Year (a)	\$ 57,072,789	\$ 63,982,105	\$ 54,998,305	\$ 50,388,918	\$ 45,702,962	
Net OPEB Liability (Asset)	\$ (5,704,088)	\$ (18,422,100)	\$ (5,829,938)	\$ (3,680,822)	\$ 490,674	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	90.01%	71.21%	89.40%	92.70%	101.07%	
Covered Payroll	\$ 16,809,588	\$ 16,410,399	\$ 16,482,064	\$ 17,871,364	\$ 16,096,388	
Net OPEB Liability (Asset) as Percentage of Covered Payroll	-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 six 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, 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>(2,149,001)</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>\$ (2,149,001)</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	\$ 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	12.15%	11.95%	21.75%	19.66%	19.81%	25.57%
Notes to Schedule:						
Valuation Date	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 six 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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property, Sales, and Other Taxes	\$ 59,305,108	\$ 62,960,758	\$ 63,565,598	\$ 604,840
Franchise	2,715,000	1,200,000	3,102,921	1,902,921
Licenses and Permits	3,004,950	3,004,950	3,460,564	455,614
Fines and Forfeitures	342,000	342,000	411,983	69,983
Investment and Rental Income	11,752,381	12,559,125	14,030,885	1,471,760
Revenues from Other Agencies	115,500	551,105	523,672	(27,433)
Current Fees and Services	6,207,030	5,603,870	5,101,877	(501,993)
Other Revenues	488,065	499,665	1,761,465	1,261,800
Total Revenues	<u>83,930,034</u>	<u>86,721,473</u>	<u>91,958,965</u>	<u>5,237,492</u>
<b>EXPENDITURES</b>				
Current:				
Legislative And Administration	2,433,720	2,443,890	2,160,373	283,517
Community Development	5,025,444	5,104,137	4,135,855	968,282
Public Works	15,659,349	16,509,400	15,587,854	921,546
Community And Safety Services	29,840,157	30,205,628	25,841,535	4,364,093
Administrative Services	16,079,479	15,445,487	12,769,322	2,676,165
Cerritos Center for the Performing Arts	7,913,106	7,970,198	6,380,379	1,589,819
Total Expenditures	<u>76,951,255</u>	<u>77,678,740</u>	<u>66,875,318</u>	<u>10,803,422</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	6,978,779	9,042,733	25,083,647	16,040,914
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	312,090	302,139	2,243,917	(1,941,778)
Transfers Out	(18,188,677)	(29,153,482)	(15,452,186)	13,701,296
Total Other Financing Sources (Uses)	<u>(17,876,587)</u>	<u>(28,851,343)</u>	<u>(13,208,269)</u>	<u>11,759,518</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,897,808)	(19,808,610)	11,875,378	27,800,432
Fund Balance - Beginning of Year	198,004,393	198,004,393	198,004,393	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 187,106,585</u>	<u>\$ 178,195,783</u>	<u>\$ 209,879,771</u>	<u>\$ 27,800,432</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING ASSETS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental Income	\$ 263,948	\$ 263,948	\$ 274,781	\$ 10,833
Revenues from Other Agencies	-	150,000	150,000	-
Other Revenues	180,000	-	-	-
Total Revenues	<u>443,948</u>	<u>413,948</u>	<u>424,781</u>	<u>10,833</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	80,000	60,000	39,530	20,470
Total Expenditures	<u>80,000</u>	<u>60,000</u>	<u>39,530</u>	<u>20,470</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	363,948	353,948	385,251	31,303
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	1,000,000
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	1,000,000
<b>NET CHANGE IN FUND BALANCE</b>	(636,052)	(646,052)	385,251	1,031,303
Fund Balance - Beginning of Year	<u>23,390,020</u>	<u>23,390,020</u>	<u>23,390,020</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,753,968</u>	<u>\$ 22,743,968</u>	<u>\$ 23,775,271</u>	<u>\$ 1,031,303</u>

See accompanying Notes to Required Supplementary Information.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2023**

**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 “non-appropriated 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, 2023.

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, 2023 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **SUPPLEMENTARY INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF CERRITOS, CALIFORNIA**  
**DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

**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, 2023**

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, 2023**

Special Revenue Funds						
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
<b>ASSETS</b>						
Cash and Investments	\$ 340,106	\$ 333,687	\$ 4,848	\$ 2,243,237	\$ 1,164,309	\$ 834,140
Accounts Receivable	185,552	193,094	-	-	668	-
Prepaid Items	39,685	-	211	-	-	-
	<u>\$ 565,343</u>	<u>\$ 526,781</u>	<u>\$ 5,059</u>	<u>\$ 2,243,237</u>	<u>\$ 1,164,977</u>	<u>\$ 834,140</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 524,479	\$ -	\$ 4,359	\$ 148,135	\$ -	\$ -
Accrued Salaries and Benefits	40,864	-	700	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>565,343</u>	<u>-</u>	<u>5,059</u>	<u>148,135</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
<b>FUND BALANCES</b>						
Nonspendable	39,685	-	211	-	-	-
Restricted	-	526,781	-	2,095,102	1,164,977	834,140
Unassigned (Deficit)	(39,685)	-	(211)	-	-	-
Total Fund Balances	<u>-</u>	<u>526,781</u>	<u>-</u>	<u>2,095,102</u>	<u>1,164,977</u>	<u>834,140</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 565,343</u>	<u>\$ 526,781</u>	<u>\$ 5,059</u>	<u>\$ 2,243,237</u>	<u>\$ 1,164,977</u>	<u>\$ 834,140</u>

**CITY OF CERRITOS, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds						
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund		Environmental Grants	AQMD	Measure "R"
			COPS Grant				
<b>ASSETS</b>							
Cash and Investments	\$ 180,104	\$ 79,276	\$ -	\$ 97,915	\$ 679,508	\$ 60,093	
Accounts Receivable	3,732	-	-	-	15,990	-	
Prepaid Items	-	19,499	-	-	-	-	
Total Assets	<u>\$ 183,836</u>	<u>\$ 98,775</u>	<u>\$ -</u>	<u>\$ 97,915</u>	<u>\$ 695,498</u>	<u>\$ 60,093</u>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable and Accrued Liabilities	\$ -	\$ 93,842	\$ -	\$ -	\$ -	\$ -	
Accrued Salaries and Benefits	-	4,933	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	
Unearned Revenues	-	-	-	95,586	-	-	
Total Liabilities	<u>-</u>	<u>98,775</u>	<u>-</u>	<u>95,586</u>	<u>-</u>	<u>-</u>	
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unavailable Revenue	-	-	-	-	-	-	
<b>FUND BALANCES</b>							
Nonspendable	-	19,499	-	-	-	-	
Restricted	183,836	-	-	2,329	695,498	60,093	
Unassigned (Deficit)	-	(19,499)	-	-	-	-	
Total Fund Balances	<u>183,836</u>	<u>-</u>	<u>-</u>	<u>2,329</u>	<u>695,498</u>	<u>60,093</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 183,836</u>	<u>\$ 98,775</u>	<u>\$ -</u>	<u>\$ 97,915</u>	<u>\$ 695,498</u>	<u>\$ 60,093</u>	

**CITY OF CERRITOS, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds			Total Other Governmental Funds
	Community Development Block Grant	Measure "W"	Measure "A"	
	Development Block Grant	Measure "W"	Measure "A"	
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 1,959,759	\$ -	\$ 7,976,982
Accounts Receivable	325,813	-	310,000	1,034,849
Prepaid Items	-	-	-	59,395
	<u>\$ 325,813</u>	<u>\$ 1,959,759</u>	<u>\$ 310,000</u>	<u>\$ 9,071,226</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 770,815
Accrued Salaries and Benefits	-	-	-	46,497
Due to Other Funds	325,813	895,848	310,000	1,531,661
Unearned Revenues	-	1,940,800	-	2,036,386
Total Liabilities	<u>325,813</u>	<u>2,836,648</u>	<u>310,000</u>	<u>4,385,359</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	310,000	310,000
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	59,395
Restricted	-	-	-	5,562,756
Unassigned (Deficit)	-	(876,889)	(310,000)	(1,246,284)
Total Fund Balances	<u>-</u>	<u>(876,889)</u>	<u>(310,000)</u>	<u>4,375,867</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 325,813</u>	<u>\$ 1,959,759</u>	<u>\$ 310,000</u>	<u>\$ 9,071,226</u>

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
<b>REVENUES</b>						
Investment and Rental Income	\$ -	\$ 22,579	\$ -	\$ 29,886	\$ 12,602	\$ 8,923
Intergovernmental	2,603,896	1,101,949	-	1,500,688	1,103,799	925,490
Charges for Services	-	-	2,860	1,250	-	-
Contributions from Property Owners	-	-	-	-	-	-
Total Revenues	<u>2,603,896</u>	<u>1,124,528</u>	<u>2,860</u>	<u>1,531,824</u>	<u>1,116,401</u>	<u>934,413</u>
<b>EXPENDITURES</b>						
Current:						
Legislative and Administration	126,076	-	670	-	-	-
Community Development	-	-	-	1,192,524	686,969	-
Public Works	2,609,311	-	29,323	-	-	-
Administrative Services	382,073	-	2,028	-	-	-
Total Expenditures	<u>3,117,460</u>	<u>-</u>	<u>32,021</u>	<u>1,192,524</u>	<u>686,969</u>	<u>-</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	(513,564)	1,124,528	(29,161)	339,300	429,432	934,413
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	4,408,713	-	29,161	-	-	-
Transfers Out	(3,911,149)	(1,913,828)	-	-	-	(171,320)
Total Other Financing Sources (Uses)	<u>497,564</u>	<u>(1,913,828)</u>	<u>29,161</u>	<u>-</u>	<u>-</u>	<u>(171,320)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(16,000)	(789,300)	-	339,300	429,432	763,093
Fund Balances (Deficit) - Beginning of Year	<u>16,000</u>	<u>1,316,081</u>	<u>-</u>	<u>1,755,802</u>	<u>735,545</u>	<u>71,047</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 526,781</u>	<u>\$ -</u>	<u>\$ 2,095,102</u>	<u>\$ 1,164,977</u>	<u>\$ 834,140</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, 2023**

	Special Revenue Funds					Measure "R"	
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund		Environmental Grants		AQMD
			COPS Grant				
<b>REVENUES</b>							
Investment and Rental Income	\$ 1,909	\$ -	\$ -	\$ 1,610	\$ 8,772	\$ 1,892	
Intergovernmental	-	105,889	165,271	34,559	62,590	818,139	
Charges for Services	-	-	-	-	-	-	
Contributions from Property Owners	161,214	-	-	-	-	-	
Total Revenues	<u>163,123</u>	<u>105,889</u>	<u>165,271</u>	<u>36,169</u>	<u>71,362</u>	<u>820,031</u>	
<b>EXPENDITURES</b>							
Current:							
Legislative and Administration	-	61,949	-	-	-	-	
Community Development	-	-	-	-	25,164	-	
Public Works	100,000	1,221,525	-	-	-	819,072	
Administrative Services	-	187,734	-	-	-	-	
Total Expenditures	<u>100,000</u>	<u>1,471,208</u>	<u>-</u>	<u>-</u>	<u>25,164</u>	<u>819,072</u>	
<b>EXCESS REVENUES OVER (UNDER)</b>							
<b>EXPENDITURES</b>	63,123	(1,365,319)	165,271	36,169	46,198	959	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	1,365,319	-	-	-	-	
Transfers Out	-	-	(165,271)	(34,559)	-	-	
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,365,319</u>	<u>(165,271)</u>	<u>(34,559)</u>	<u>-</u>	<u>-</u>	
<b>NET CHANGE IN FUND BALANCES</b>	63,123	-	-	1,610	46,198	959	
Fund Balances (Deficit) - Beginning of Year	<u>120,713</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>649,300</u>	<u>59,134</u>	
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 183,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,329</u>	<u>\$ 695,498</u>	<u>\$ 60,093</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, 2023**

	Special Revenue Funds			Total Other Governmental Funds
	Community Development Block Grant	Measure "W"	Measure "A"	
<b>REVENUES</b>				
Investment and Rental Income	\$ -	\$ 36,002	\$ -	\$ 124,175
Intergovernmental	512,813	938,046	-	9,873,129
Charges for Services	-	-	-	4,110
Contributions from Property Owners	-	-	-	161,214
Total Revenues	512,813	974,048	-	10,162,628
<b>EXPENDITURES</b>				
Current:				
Legislative and Administration	-	-	-	188,695
Community Development	-	-	-	1,904,657
Public Works	-	-	-	4,779,231
Administrative Services	-	-	-	571,835
Total Expenditures	-	-	-	7,444,418
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	512,813	974,048	-	2,718,210
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	5,803,193
Transfers Out	(491,904)	(2,311,640)	(310,000)	(9,309,671)
Total Other Financing Sources (Uses)	(491,904)	(2,311,640)	(310,000)	(3,506,478)
<b>NET CHANGE IN FUND BALANCES</b>	20,909	(1,337,592)	(310,000)	(788,268)
Fund Balances (Deficit) - Beginning of Year	(20,909)	460,703	-	5,164,135
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ -	\$ (876,889)	\$ (310,000)	\$ 4,375,867

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 4,370,785	\$ 3,172,623	\$ 2,603,896	\$ (568,727)
Franchise	84,000	-	-	-
Total Revenues	<u>4,454,785</u>	<u>3,172,623</u>	<u>2,603,896</u>	<u>(568,727)</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administrative	182,143	139,600	126,076	13,524
Public Works	3,319,881	3,348,802	2,609,311	739,491
Administrative Services	653,591	468,427	382,073	86,354
Total Expenditures	<u>4,155,615</u>	<u>3,956,829</u>	<u>3,117,460</u>	<u>839,369</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	299,170	(784,206)	(513,564)	270,642
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,589,110	7,027,624	4,408,713	(2,618,911)
Transfers Out	<u>(7,882,280)</u>	<u>(6,259,418)</u>	<u>(3,911,149)</u>	<u>2,348,269</u>
Total Other Financing Sources (Uses)	<u>(293,170)</u>	<u>768,206</u>	<u>497,564</u>	<u>(270,642)</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,000	(16,000)	(16,000)	-
Fund Balance - Beginning of Year	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,000</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 8,000	\$ 8,000	\$ 22,579	\$ 14,579
Revenues from Other Agencies	1,108,000	1,108,000	1,101,949	(6,051)
Total Revenues	<u>1,116,000</u>	<u>1,116,000</u>	<u>1,124,528</u>	<u>8,528</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(1,567,000)</u>	<u>(2,418,000)</u>	<u>(1,913,828)</u>	<u>504,172</u>
Total Other Financing Uses	<u>(1,567,000)</u>	<u>(2,418,000)</u>	<u>(1,913,828)</u>	<u>504,172</u>
<b>NET CHANGE IN FUND BALANCE</b>	(451,000)	(1,302,000)	(789,300)	512,700
Fund Balance - Beginning of Year	<u>1,316,081</u>	<u>1,316,081</u>	<u>1,316,081</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 865,081</u></u>	<u><u>\$ 14,081</u></u>	<u><u>\$ 526,781</u></u>	<u><u>\$ 512,700</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Current Fees and Services	\$ 2,600	\$ 2,600	\$ 2,860	\$ 260
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>2,860</u>	<u>260</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administrative	582	741	670	71
Public Works	14,748	37,283	29,323	7,960
Administrative Services	2,090	2,488	2,028	460
Total Expenditures	<u>17,420</u>	<u>40,512</u>	<u>32,021</u>	<u>8,491</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	(14,820)	(37,912)	(29,161)	8,751
<b>OTHER FINANCING SOURCES</b>				
Transfers In	14,820	37,912	29,161	(8,751)
Total Other Financing Sources	<u>14,820</u>	<u>37,912</u>	<u>29,161</u>	<u>(8,751)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 15,000	\$ 15,000	\$ 29,886	\$ 14,886
Revenues from Other Agencies	1,314,010	1,409,010	1,500,688	91,678
Current Fees and Services	10,000	1,000	1,250	250
Total Revenues	<u>1,339,010</u>	<u>1,425,010</u>	<u>1,531,824</u>	<u>106,814</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,000,000	1,000,000	1,192,524	(192,524)
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,192,524</u>	<u>(192,524)</u>
<b>NET CHANGE IN FUND BALANCE</b>	339,010	425,010	339,300	(85,710)
Fund Balance - Beginning of Year	<u>1,755,802</u>	<u>1,755,802</u>	<u>1,755,802</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,094,812</u>	<u>\$ 2,180,812</u>	<u>\$ 2,095,102</u>	<u>\$ (85,710)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 15,000	\$ 15,000	\$ 12,602	\$ (2,398)
Revenues from Other Agencies	1,012,790	1,012,790	1,103,799	91,009
Current Fees and Services	10,000	10,000	-	(10,000)
Total Revenues	<u>1,037,790</u>	<u>1,037,790</u>	<u>1,116,401</u>	<u>78,611</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	800,000	800,000	686,969	113,031
Total Expenditures	<u>800,000</u>	<u>800,000</u>	<u>686,969</u>	<u>113,031</u>
<b>NET CHANGE IN FUND BALANCE</b>	237,790	237,790	429,432	191,642
Fund Balance - Beginning of Year	<u>735,545</u>	<u>735,545</u>	<u>735,545</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 973,335</u>	<u>\$ 973,335</u>	<u>\$ 1,164,977</u>	<u>\$ 191,642</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 6,500	\$ 6,500	\$ 8,923	\$ 2,423
Revenues from Other Agencies	860,870	860,870	925,490	64,620
Total Revenues	<u>867,370</u>	<u>867,370</u>	<u>934,413</u>	<u>67,043</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administration	<u>150,000</u>	<u>150,000</u>	-	150,000
Total Expenditures	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	867,370	717,370	934,413	217,043
<b>OTHER FINANCING USES</b>				
Transfers In	32,630	-	-	-
Transfers Out	<u>(750,000)</u>	<u>(717,370)</u>	<u>(171,320)</u>	546,050
Total Other Financing Uses	<u>(717,370)</u>	<u>(717,370)</u>	<u>(171,320)</u>	<u>546,050</u>
<b>NET CHANGE IN FUND BALANCE</b>	150,000	-	763,093	763,093
Fund Balance - Beginning of Year	<u>71,047</u>	<u>71,047</u>	<u>71,047</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 221,047</u>	<u>\$ 71,047</u>	<u>\$ 834,140</u>	<u>\$ 763,093</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 200	\$ 200	\$ 1,909	\$ 1,709
Contributions from Property Owners	130,000	130,000	161,214	31,214
Total Revenues	<u>130,200</u>	<u>130,200</u>	<u>163,123</u>	<u>32,923</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	30,200	30,200	63,123	32,923
Fund Balance - Beginning of Year	<u>120,713</u>	<u>120,713</u>	<u>120,713</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 150,913</u>	<u>\$ 150,913</u>	<u>\$ 183,836</u>	<u>\$ 32,923</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 98,600	\$ 98,600	\$ 105,889	\$ 7,289
Total Revenues	<u>98,600</u>	<u>98,600</u>	<u>105,889</u>	<u>7,289</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administration	55,467	68,593	61,949	6,644
Public Works	1,381,824	1,412,964	1,221,525	191,439
Administrative Services	199,036	230,164	187,734	42,430
Total Expenditures	<u>1,636,327</u>	<u>1,711,721</u>	<u>1,471,208</u>	<u>240,513</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	(1,537,727)	(1,613,121)	(1,365,319)	247,802
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,537,727	1,613,121	1,365,319	(247,802)
Total Other Financing Sources	<u>1,537,727</u>	<u>1,613,121</u>	<u>1,365,319</u>	<u>(247,802)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 110,000	\$ 165,000	\$ 165,271	\$ 271
Total Revenues	<u>110,000</u>	<u>165,000</u>	<u>165,271</u>	<u>271</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(110,000)	(165,000)	(165,271)	(271)
Total Other Financing Uses	<u>(110,000)</u>	<u>(165,000)</u>	<u>(165,271)</u>	<u>(271)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 600	\$ 600	\$ 1,610	\$ 1,010
Revenues from Other Agencies	85,570	19,900	34,559	14,659
Total Revenues	<u>86,170</u>	<u>20,500</u>	<u>36,169</u>	<u>15,669</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(86,170)</u>	<u>(21,219)</u>	<u>(34,559)</u>	<u>(13,340)</u>
Total Other Financing Uses	<u>(86,170)</u>	<u>(21,219)</u>	<u>(34,559)</u>	<u>(13,340)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(719)	1,610	2,329
Fund Balance - Beginning of Year	<u>719</u>	<u>719</u>	<u>719</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 719</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,329</u></u>	<u><u>\$ 2,329</u></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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 9,000	\$ 9,000	\$ 8,772	\$ (228)
Revenues from Other Agencies	55,000	55,000	62,590	7,590
Total Revenues	<u>64,000</u>	<u>64,000</u>	<u>71,362</u>	<u>7,362</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	58,938	43,438	25,164	18,274
Total Expenditures	<u>58,938</u>	<u>43,438</u>	<u>25,164</u>	<u>18,274</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,062	20,562	46,198	25,636
Fund Balance - Beginning of Year	<u>649,300</u>	<u>649,300</u>	<u>649,300</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 654,362</u>	<u>\$ 669,862</u>	<u>\$ 695,498</u>	<u>\$ 25,636</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income	\$ 1,000	\$ 1,000	\$ 1,892	\$ 892
Revenues from Other Agencies	759,590	759,590	818,139	58,549
Total Revenues	<u>760,590</u>	<u>760,590</u>	<u>820,031</u>	<u>59,441</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>759,590</u>	<u>759,590</u>	<u>819,072</u>	<u>(59,482)</u>
Total Expenditures	<u>759,590</u>	<u>759,590</u>	<u>819,072</u>	<u>(59,482)</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,000	1,000	959	(41)
Fund Balance - Beginning of Year	<u>59,134</u>	<u>59,134</u>	<u>59,134</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 60,134</u></u>	<u><u>\$ 60,134</u></u>	<u><u>\$ 60,093</u></u>	<u><u>\$ (41)</u></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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 295,000	\$ 504,388	\$ 512,813	\$ 8,425
Total Revenues	<u>295,000</u>	<u>504,388</u>	<u>512,813</u>	<u>8,425</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	(295,000)	(483,479)	(491,904)	(8,425)
Total Other Financing Sources	<u>(295,000)</u>	<u>(483,479)</u>	<u>(491,904)</u>	<u>(8,425)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	20,909	20,909	-
Fund Balance (Deficit) - Beginning of Year	(20,909)	(20,909)	(20,909)	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (20,909)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 1,500	\$ 1,500	\$ 36,002	\$ 34,502
Revenues from Other Agencies	3,148,000	1,438,045	938,046	(499,999)
Total Revenues	<u>3,149,500</u>	<u>1,439,545</u>	<u>974,048</u>	<u>(465,497)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	2,964,752	-	(2,964,752)
Transfers Out	<u>(2,523,000)</u>	<u>(4,865,000)</u>	<u>(2,311,640)</u>	<u>2,553,360</u>
Total Other Financing Sources	<u>(2,523,000)</u>	<u>(1,900,248)</u>	<u>(2,311,640)</u>	<u>(411,392)</u>
<b>NET CHANGE IN FUND BALANCE</b>	626,500	(460,703)	(1,337,592)	(876,889)
Fund Balance - Beginning of Year	<u>460,703</u>	<u>460,703</u>	<u>460,703</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u><u>\$ 1,087,203</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (876,889)</u></u>	<u><u>\$ (876,889)</u></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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 660,000	\$ 560,000	\$ -	\$ (560,000)
Total Revenues	<u>660,000</u>	<u>560,000</u>	<u>-</u>	<u>(560,000)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	(660,000)	(560,000)	(310,000)	250,000
Total Other Financing Sources	<u>(660,000)</u>	<u>(560,000)</u>	<u>(310,000)</u>	<u>250,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(310,000)	(310,000)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (310,000)</u></u>	<u><u>\$ (310,000)</u></u>

**STATISTICAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF CERRITOS, CALIFORNIA, CALIFORNIA  
DESCRIPTION OF STATISTICAL SECTION CONTENTS  
JUNE 30, 2023**

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

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	134 – 145
<b>Revenue Capacity</b> These tables contain information to help the reader assess the City’s most significant local revenue source, the property tax.	146 – 151
<b>Debt Capacity</b> 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.	152 – 157
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	158
<b>Operating Information</b> 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.	159 – 163

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				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 272,713,095	\$ 262,647,222	\$ 257,355,170	\$ 253,017,104	\$ 246,518,511
Restricted for:					
Street and Sewer Related Purposes	164,676	107,002	105,332	190,120	202,392
Transportation Related Purposes	1,081,590	1,477,308	1,703,058	1,733,016	1,511,593
Assessment Districts	134,111	127,306	84,023	19,625	-
Miscellaneous Grants	10,165	10,458	1,210	1,396	677,241
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	1,489,009	4,406,831	9,462,617	20,447,575	22,359,381
Municipal Improvements	-	-	-	-	623,506
Unrestricted	<u>184,788,078</u>	<u>138,360,180</u>	<u>97,927,171</u>	<u>131,068,266</u>	<u>115,756,640</u>
Total Governmental Activities Net Position	460,380,724	407,136,307	366,638,581	406,477,102	387,649,264
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	31,238,684	28,383,010	30,140,590	29,586,939	28,179,466
OPEB	-	-	-	-	-
Pension	-	-	-	-	-
Unrestricted	<u>(23,655,581)</u>	<u>(29,675,894)</u>	<u>(35,033,489)</u>	<u>(40,994,526)</u>	<u>(44,018,815)</u>
Total Business-Type Activities Net Position	7,583,103	(1,292,884)	(4,892,899)	(11,407,587)	(15,839,349)
<b>PRIMARY GOVERNMENT</b>					
Net Investment In Capital Assets	303,951,779	291,030,232	287,495,760	282,604,043	274,697,977
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	164,676	107,002	105,332	190,120	202,392
Transportation Related Purposes	1,081,590	1,477,308	1,703,058	1,733,016	1,511,593
Assessment Districts	134,111	127,306	84,023	19,625	-
Miscellaneous Grants	10,165	10,458	1,210	1,396	677,241
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	1,489,009	4,406,831	9,462,617	20,447,575	22,359,381
Municipal Improvements	-	-	-	-	623,506
Unrestricted	<u>161,132,497</u>	<u>108,684,286</u>	<u>62,893,682</u>	<u>90,073,740</u>	<u>71,737,825</u>
Total Primary Government Net Position	<u>\$ 467,963,827</u>	<u>\$ 405,843,423</u>	<u>\$ 361,745,682</u>	<u>\$ 395,069,515</u>	<u>\$ 371,809,915</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				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 241,233,174	\$ 237,632,283	\$ 236,167,050	\$ 239,378,963	\$ 238,504,181
Restricted for:					
Street and Sewer Related Purposes	87,816	827,933	1,365,023	6,957	-
Transportation Related Purposes	1,063,684	1,735,175	2,690,006	5,047,612	5,376,591
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	816,046	-	469,360	579,577	712,792
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	5,334,393	16,856,221	5,219,241
Pension	-	-	-	1,801,182	1,361,493
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	22,765,009	23,154,191	23,095,853	23,160,416	23,312,850
Municipal Improvements	589,480	3,681,441	79,319	120,713	183,836
Unrestricted	<u>127,204,497</u>	<u>125,486,394</u>	<u>129,097,671</u>	<u>144,602,812</u>	<u>169,837,783</u>
Total Governmental Activities					
Net Position	393,759,706	392,517,417	398,298,675	431,554,453	444,508,767
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	26,841,009	25,722,500	24,887,048	24,064,150	25,918,966
OPEB	-	-	495,545	167,323	126,478
Pension	-	-	-	1,565,879	484,847
Unrestricted	<u>(45,440,520)</u>	<u>(45,936,520)</u>	<u>(46,655,309)</u>	<u>(49,387,146)</u>	<u>(52,589,838)</u>
Total Business-Type Activities					
Net Position	(18,599,511)	(20,214,020)	(21,272,716)	(23,589,794)	(26,059,547)
<b>PRIMARY GOVERNMENT</b>					
Net Investment In Capital Assets	268,074,183	263,354,783	261,054,098	263,443,113	264,423,147
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	87,816	827,933	1,365,023	6,957	-
Transportation Related Purposes	1,063,684	1,735,175	2,690,006	5,047,612	5,376,591
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	816,046	-	469,360	579,577	712,792
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	5,829,938	18,422,100	5,704,088
Pension	-	-	-	1,968,505	1,487,971
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	22,765,009	23,154,191	23,095,853	23,160,416	23,312,850
Municipal Improvements	589,480	3,681,441	79,319	120,713	183,836
Unrestricted	<u>81,763,977</u>	<u>79,549,874</u>	<u>82,442,362</u>	<u>95,215,666</u>	<u>117,247,945</u>
Total Primary Government Net Position	<u>\$ 375,160,195</u>	<u>\$ 372,303,397</u>	<u>\$ 377,025,959</u>	<u>\$ 407,964,659</u>	<u>\$ 418,449,220</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				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>EXPENSES</b>					
Legislative and Administration	\$ 4,264,280	\$ 4,883,485	\$ 2,465,291	\$ 2,378,754	\$ 2,518,689
Community Development	4,991,092	7,085,991	7,917,327	6,622,743	5,917,823
Public Works	18,261,026	16,714,186	17,268,089	15,966,555	21,639,916
Water and Power	3,431	2,180	142,503	196,486	14,177
Community and Safety Services	22,432,108	24,290,009	23,633,551	22,361,018	26,170,530
Administrative Services	11,123,229	11,173,285	12,390,186	11,933,909	13,636,432
Cerritos Center for the Performing Arts	6,934,822	6,891,247	6,821,863	6,928,938	9,142,656
Unallocated Infrastructure Depreciation	895,164	917,259	934,773	932,215	851,011
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>68,905,152</u>	<u>71,957,642</u>	<u>71,573,583</u>	<u>67,320,618</u>	<u>79,891,234</u>
Water and Sewer	10,764,211	12,015,738	12,318,355	14,418,126	12,685,248
Reclaimed Water	976,476	1,361,003	1,222,306	1,182,692	1,265,363
Electric Utility	6,872,487	7,264,654	6,573,374	5,785,529	6,685,111
Total Business-Type Activities Expenses	<u>18,613,174</u>	<u>20,641,395</u>	<u>20,114,035</u>	<u>21,386,347</u>	<u>20,635,722</u>
Total Primary Government Expenses	87,518,326	92,599,037	91,687,618	88,706,965	100,526,956
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	4,682	12,817	9,582	10,691	5,451
Community Development	2,756,838	2,350,352	1,982,017	1,464,701	2,456,567
Public Works	175,944	146,802	199,911	212,402	605,302
Community and Safety Services	3,587,773	3,416,288	3,192,486	2,646,060	2,553,410
Administrative Services	191,295	268,741	318,424	305,357	283,063
Cerritos Center for the Performing Arts	3,707,910	3,705,534	3,407,864	4,320,222	5,739,821
Operating Grants and Contributions	4,931,724	5,390,206	5,085,014	6,211,435	6,124,018
Capital Grants and Contributions	155,321	163,464	2,730,681	66,852	237,883
Total Governmental Activities Program Revenues	<u>15,511,487</u>	<u>15,454,204</u>	<u>16,925,979</u>	<u>15,237,720</u>	<u>18,005,515</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	7,639,804	9,039,367	7,652,183	8,750,301	9,820,648
Reclaimed Water	1,177,437	1,213,014	3,282,140	1,087,403	1,173,266
Electric Utility	5,343,831	6,274,036	5,262,263	4,357,671	5,347,675
Capital Grants and Contributions	113,913	282,624	320,264	662,073	55,658
Total Business-Type Activities Program Revenues	<u>14,274,985</u>	<u>16,809,041</u>	<u>16,516,850</u>	<u>14,857,448</u>	<u>16,397,247</u>
Total Primary Government Program Revenues	29,786,472	32,263,245	33,442,829	30,095,168	34,402,762
<b>NET REVENUE (EXPENSE)</b>					
Governmental Activities	(53,393,665)	(56,503,438)	(54,647,604)	(52,082,898)	(61,885,719)
Business-Type Activities	<u>(4,338,189)</u>	<u>(3,832,354)</u>	<u>(3,597,185)</u>	<u>(6,528,899)</u>	<u>(4,238,475)</u>
Total Primary Government Net Expense	<u>\$ (57,731,854)</u>	<u>\$ (60,335,792)</u>	<u>\$ (58,244,789)</u>	<u>\$ (58,611,797)</u>	<u>\$ (66,124,194)</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				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>EXPENSES</b>					
Legislative and Administration	\$ 2,713,829	\$ 2,509,888	\$ 3,769,309	\$ 3,256,536	\$ 2,969,073
Community Development	6,097,709	6,040,084	6,450,142	5,490,556	5,939,511
Public Works	19,110,998	20,534,788	20,608,456	18,520,020	28,453,358
Water and Power	19,465	-	-	-	-
Community and Safety Services	26,799,680	28,017,979	24,915,839	22,905,061	26,482,421
Administrative Services	14,048,665	14,580,868	12,112,328	12,074,686	14,348,436
Cerritos Center for the Performing Arts	9,041,953	8,918,564	3,563,911	4,685,173	7,764,745
Unallocated Infrastructure Depreciation	861,392	921,562	1,140,880	931,866	866,535
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>78,693,691</u>	<u>81,523,733</u>	<u>72,560,865</u>	<u>67,863,898</u>	<u>86,824,079</u>
Water and Sewer	12,778,281	13,392,782	13,634,515	14,194,130	15,007,451
Reclaimed Water	1,178,977	6,892,482	1,117,592	1,446,991	1,333,927
Electric Utility	5,857,811	1,205,028	6,164,539	6,860,821	8,535,180
Total Business-Type Activities Expenses	<u>19,815,069</u>	<u>21,490,292</u>	<u>20,916,646</u>	<u>22,501,942</u>	<u>24,876,558</u>
Total Primary Government Expenses	98,508,760	103,014,025	93,477,511	90,365,840	111,700,637
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	4,207	12,245	3,894	3,580	5,484
Community Development	2,742,819	2,749,521	2,279,109	2,753,608	2,625,789
Public Works	269,137	287,193	279,223	3,884,530	270,351
Community and Safety Services	2,358,219	1,878,902	761,581	1,657,804	1,786,332
Administrative Services	270,528	272,745	263,318	398,386	357,068
Cerritos Center for the Performing Arts	6,088,635	4,566,056	595	2,346,135	4,093,655
Operating Grants and Contributions	5,983,320	5,925,205	8,309,776	17,361,949	8,751,626
Capital Grants and Contributions	187,606	-	163,431	464,379	951,904
Total Governmental Activities Program Revenues	<u>17,904,471</u>	<u>15,691,867</u>	<u>12,060,927</u>	<u>28,870,371</u>	<u>18,842,209</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	10,190,126	12,402,631	12,269,460	11,788,831	11,349,873
Reclaimed Water	945,186	5,077,817	1,200,034	1,218,300	830,551
Electric Utility	4,627,162	1,020,833	4,774,286	5,471,484	6,978,100
Capital Grants and Contributions	139,161	252,710	35,691	26,324	16,086
Total Business-Type Activities Program Revenues	<u>15,901,635</u>	<u>18,753,991</u>	<u>18,279,471</u>	<u>18,504,939</u>	<u>19,174,610</u>
Total Primary Government Program Revenues	33,806,106	34,445,858	30,340,398	47,375,310	38,016,819
<b>NET REVENUE (EXPENSE)</b>					
Governmental Activities	(60,789,220)	(65,831,866)	(60,499,938)	(38,993,527)	(67,981,870)
Business-Type Activities	(3,913,434)	(2,736,301)	(2,637,175)	(3,997,003)	(5,701,948)
Total Primary Government Net Expense	<u>\$ (64,702,654)</u>	<u>\$ (68,568,167)</u>	<u>\$ (63,137,113)</u>	<u>\$ (42,990,530)</u>	<u>\$ (73,683,818)</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				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 26,719,271	\$ 27,071,289	\$ 32,846,913	\$ 33,689,474	\$ 33,607,144
Property Taxes	5,179,470	10,279,496	11,278,384	11,986,780	11,894,249
Motor Vehicle Taxes	4,585,486	-	-	-	-
Franchise Taxes	1,642,819	1,711,848	1,717,909	2,570,777	2,565,011
Transient Occupancy Taxes	504,289	697,835	1,129,526	1,187,002	1,214,387
Other Taxes	326,668	1,336,488	1,392,520	1,310,269	1,481,476
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	(1,741,736)
Investment and Rental Income	10,327,623	9,596,362	10,020,263	9,482,419	10,151,736
Miscellaneous	43,570	321,260	1,668,528	234,179	60,031
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)
<b>Total Governmental Activities</b>	<b>49,329,196</b>	<b>51,014,578</b>	<b>14,149,878</b>	<b>91,921,419</b>	<b>66,898,099</b>
Business-Type Activities:					
Investment and Rental Income	14,366	16,312	(2,830)	14,211	20,018
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	19,201
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	(4,908,733)	-	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	(12,255,554)	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(17,149,921)</b>	<b>16,312</b>	<b>(2,830)</b>	<b>14,211</b>	<b>39,219</b>
<b>Total Primary Government</b>	<b>32,179,275</b>	<b>51,030,890</b>	<b>14,147,048</b>	<b>91,935,630</b>	<b>66,937,318</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	(4,064,469)	(5,488,860)	(40,497,726)	39,838,521	5,012,380
Business-Type Activities	(21,488,110)	(3,816,042)	(3,600,015)	(6,514,688)	(4,199,256)
<b>Total Primary Government</b>	<b>\$ (25,552,579)</b>	<b>\$ (9,304,902)</b>	<b>\$ (44,097,741)</b>	<b>\$ 33,323,833</b>	<b>\$ 813,124</b>

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				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 34,780,357	\$ 33,382,067	\$ 38,748,343	\$ 45,357,612	\$ 46,712,812
Property Taxes	12,419,886	13,040,649	13,513,141	14,511,290	15,202,895
Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	2,410,064	2,390,426	2,621,979	2,953,692	3,102,921
Transient Occupancy Taxes	1,045,417	1,023,825	924,051	1,235,045	1,427,146
Other Taxes	1,566,031	1,319,269	2,384,987	2,607,835	2,502,895
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Investment and Rental Income	13,120,657	12,543,010	9,550,944	7,161,700	13,437,534
Miscellaneous	108,425	49,818	56,185	63,999	1,722,371
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	(858,370)	(859,130)	(1,518,434)	(1,641,868)	(3,172,390)
<b>Total Governmental Activities</b>	<b>64,592,467</b>	<b>62,889,934</b>	<b>66,281,196</b>	<b>72,249,305</b>	<b>80,936,184</b>
Business-Type Activities:					
Investment and Rental Income	80,570	104,771	60,045	38,057	59,805
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	858,370	859,130	1,518,434	1,641,868	3,172,390
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	-	-	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>938,940</b>	<b>963,901</b>	<b>1,578,479</b>	<b>1,679,925</b>	<b>3,232,195</b>
<b>Total Primary Government</b>	<b>65,531,407</b>	<b>63,853,835</b>	<b>67,859,675</b>	<b>73,929,230</b>	<b>84,168,379</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	3,803,247	(2,941,932)	5,781,258	33,255,778	12,954,314
Business-Type Activities	(2,974,494)	(1,772,400)	(1,058,696)	(2,317,078)	(2,469,753)
<b>Total Primary Government</b>	<b>\$ 828,753</b>	<b>\$ (4,714,332)</b>	<b>\$ 4,722,562</b>	<b>\$ 30,938,700</b>	<b>\$ 10,484,561</b>

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				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>GENERAL FUND</b>					
Nonspendable	\$ 65,838,456	\$ 68,888,425	\$ 80,996,354	\$ 85,283,586	\$ 92,244,370
Restricted	-	-	-	-	145,795
Assigned	24,017,566	24,372,415	21,416,153	23,113,474	16,804,229
Unassigned	57,595,524	61,925,251	57,367,241	42,477,041	50,739,188
Total General Fund	<u>\$ 147,451,546</u>	<u>\$ 155,186,091</u>	<u>\$ 159,779,748</u>	<u>\$ 150,874,101</u>	<u>\$ 159,933,582</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Unreserved, Reported in:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,550,033	10,984,798	11,356,240	22,391,732	25,228,318
Assigned	-	-	-	-	1,549,968
Unassigned	(15,000)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 10,535,033</u>	<u>\$ 10,984,798</u>	<u>\$ 11,356,240</u>	<u>\$ 22,391,732</u>	<u>\$ 26,778,286</u>

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

	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>GENERAL FUND</b>					
Nonspendable	\$ 93,926,824	\$ 93,251,380	\$ 90,378,803	\$ 89,641,650	\$ 89,863,194
Restricted	249,694	363,533	468,963	578,858	-
Assigned	17,378,130	17,973,511	17,973,511	16,995,748	21,896,476
Unassigned	58,080,616	60,073,186	70,723,775	90,788,137	98,120,101
Total General Fund	<u>\$ 169,635,264</u>	<u>\$ 171,661,610</u>	<u>\$ 179,545,052</u>	<u>\$ 198,004,393</u>	<u>\$ 209,879,771</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Unreserved, Reported in:					
Nonspendable	\$ 167,794	\$ 409,215	\$ 253,470	\$ 242,330	\$ 521,816
Restricted	25,874,777	28,805,603	27,230,598	28,336,417	28,875,606
Assigned	1,549,967	-	-	-	-
Unassigned	(37,784)	(31,277)	(1,161,067)	(24,592)	(1,246,284)
Total All Other Governmental Funds	<u>\$ 27,554,754</u>	<u>\$ 29,183,541</u>	<u>\$ 26,323,001</u>	<u>\$ 28,554,155</u>	<u>\$ 28,151,138</u>

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

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 32,729,379	\$ 38,334,188	\$ 45,498,217	\$ 47,087,509	\$ 47,005,564
Licenses and Permits	2,776,265	3,299,686	3,118,986	2,497,839	3,560,686
Fines and Forfeitures	1,032,869	947,802	845,664	591,148	571,017
Investment and Rental Income	10,678,378	10,295,743	10,659,119	10,272,458	11,288,748
Revenues from Other Agencies	9,494,456	5,590,887	4,621,525	5,989,277	5,925,146
Current Fees and Services	5,912,674	5,683,067	5,313,010	5,897,715	6,858,320
Franchise	1,724,318	1,792,320	1,811,958	2,666,159	2,649,011
Other Revenues	492,344	525,089	2,540,878	653,766	814,690
Total Revenues	<u>64,840,683</u>	<u>66,468,782</u>	<u>74,409,357</u>	<u>75,655,871</u>	<u>78,673,182</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	4,078,994	1,891,392	1,899,115	2,054,772	1,956,223
Community Development	5,128,714	5,217,726	6,274,695	7,261,751	5,796,124
Public Works	16,303,401	16,304,994	17,953,430	18,980,316	20,983,741
Water and Power	-	-	-	-	-
Community and Safety Services	22,265,436	22,266,516	22,494,774	23,276,405	24,343,700
Administrative Services	10,063,366	9,274,520	10,608,147	11,281,082	12,140,106
Cerritos Center for the Performing Arts	5,614,248	5,123,608	5,321,948	6,062,322	7,448,010
Capital Outlay	708,045	2,050,716	2,113,290	1,034,683	2,787,119
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>64,162,204</u>	<u>62,129,472</u>	<u>66,665,399</u>	<u>69,951,331</u>	<u>75,455,023</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	678,479	4,339,310	7,743,958	5,704,540	3,218,159
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,538,165	4,011,926	6,693,682	5,759,097	10,632,340
Transfers Out	(2,538,165)	(4,011,926)	(6,693,682)	(5,759,097)	(9,187,181)
Transfers In (From) Fiduciary Funds	-	-	-	-	-
Settlement Payment from City of Cerritos for the Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Proceeds from Sale of Assets	-	3,845,000	3,390,836	-	1,097,715
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,845,000</u>	<u>3,390,836</u>	<u>-</u>	<u>2,542,874</u>
Net Change In Fund Balances Before Extraordinary Item	678,479	8,184,310	11,134,794	5,704,540	5,761,033
<b>SPECIAL ITEM</b>					
Adjustment to Amount Due from Successor Agency	-	-	(6,169,695)	7,425,305	7,685,002
Payments to Successor Agency	-	-	-	(11,000,000)	-
Gain (Loss) on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 678,479</u>	<u>\$ 8,184,310</u>	<u>\$ 4,965,099</u>	<u>\$ 2,129,845</u>	<u>\$ 13,446,035</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	0.00%	0.00%	0.00%	0.00%	0.00%

(a) 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 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				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 48,597,758	\$ 47,605,084	\$ 53,427,519	\$ 61,512,663	\$ 63,565,598
Licenses and Permits	2,934,132	3,072,377	2,764,442	3,347,206	3,460,564
Fines and Forfeitures	530,924	399,420	254,506	383,335	411,983
Investment and Rental Income	15,003,339	13,643,216	10,058,395	7,756,356	14,030,885
Revenues from Other Agencies	5,977,632	5,727,943	8,392,910	4,252,533	523,672
Current Fees and Services	7,187,142	5,830,144	829,351	3,587,590	5,101,877
Franchise	2,494,064	2,474,426	2,705,979	2,953,692	3,102,921
Other Revenues	621,282	521,232	311,658	484,305	1,761,465
Total Revenues	<u>83,346,273</u>	<u>79,273,842</u>	<u>78,744,760</u>	<u>84,277,680</u>	<u>91,958,965</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	1,902,399	2,001,819	3,366,736	2,800,256	2,160,373
Community Development	5,937,964	5,770,190	6,427,034	4,299,090	4,135,855
Public Works	18,679,980	19,408,995	20,746,765	12,998,987	15,587,854
Water and Power	-	-	-	-	-
Community and Safety Services	24,790,812	25,233,008	23,598,336	24,468,634	25,841,535
Administrative Services	12,321,143	12,656,658	10,866,366	11,824,982	12,769,322
Cerritos Center for the Performing Arts	7,316,611	6,932,283	2,019,584	4,186,181	6,380,379
Capital Outlay	1,060,844	2,756,626	5,178,603	239,084	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>72,009,753</u>	<u>74,759,579</u>	<u>72,203,424</u>	<u>60,817,214</u>	<u>66,875,318</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	11,336,520	4,514,263	6,541,336	23,460,466	25,083,647
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	5,116,101	7,699,996	9,187,413	6,460,440	2,243,917
Transfers Out	(5,974,471)	(8,559,126)	(10,705,847)	(11,461,565)	(15,452,186)
Transfers In (From) Fiduciary Funds	-	-	-	-	-
Settlement Payment from City of Cerritos for the Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(858,370)</u>	<u>(859,130)</u>	<u>(1,518,434)</u>	<u>(5,001,125)</u>	<u>(13,208,269)</u>
Net Change In Fund Balances Before Extraordinary Item	10,478,150	3,655,133	5,022,902	18,459,341	11,875,378
<b>SPECIAL ITEM</b>					
Adjustment to Amount Due from Successor Agency					
Agency	-	-	-	-	-
Payments to Successor Agency	-	-	-	-	-
Gain (Loss) on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 10,478,150</u>	<u>\$ 3,655,133</u>	<u>\$ 5,022,902</u>	<u>\$ 18,459,341</u>	<u>\$ 11,875,378</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	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
2013-14	\$ 26,719,271	\$ 1,724,318	\$ 6,010,108	\$ 1,019,504	\$ 1,723,137	\$ 33,624	\$ 1,032,869
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

(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
2013-14	\$ 10,678,378	\$ 5,912,671	\$ 5,912,674	\$ 9,494,456	\$ 492,344	\$ 64,840,682	\$ 64,840,683
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

(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				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Residential	\$ 4,977,340,010	\$ 5,198,430,172	\$ 5,452,662,517	\$ 5,664,862,220	\$ 5,985,120,470
Commercial	1,375,986,165	1,451,612,802	1,461,715,583	1,564,664,100	1,608,072,241
Industrial	1,059,593,438	1,039,888,633	1,064,647,720	1,136,434,293	1,204,290,890
Government	-	-	-	-	-
Institutional	33,259,181	24,120,806	24,598,861	38,647,793	29,800,634
Irrigated	352	352	358	362	368
Miscellaneous	-	-	-	-	-
Recreational	7,097,438	7,129,658	7,272,107	9,778,502	9,974,070
Vacant land	9,771,184	10,108,450	7,847,824	7,874,148	8,866,218
SBE nonunitary	2,597,624	2,597,624	2,597,624	2,597,624	1,090,020
Possessory interest	39,836,710	39,800,342	41,108,313	41,346,564	42,421,550
Unsecured	295,052,199	302,637,567	304,132,822	328,708,158	348,141,264
Exempt	(38,989,210)	(38,720,924)	(44,654,722)	(41,020,226)	(38,894,002)
Unknown	-	-	-	44	-
Subtotal	7,761,545,091	8,037,605,482	8,321,929,007	8,753,893,582	9,198,883,723
Add Back Exempt	38,989,210	38,720,924	44,654,722	41,020,226	38,894,002
Grand Total	<u>\$ 7,800,534,301</u>	<u>\$ 8,076,326,406</u>	<u>\$ 8,366,583,729</u>	<u>\$ 8,794,913,808</u>	<u>\$ 9,237,777,725</u>
Total Direct Rate	0.08552%	0.08558%	0.08565%	0.08572%	0.08572%

Source: Finance Division, City of Cerritos.

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

Category	Fiscal Year				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Residential	\$ 6,262,589,166	\$ 6,558,161,474	\$ 6,801,438,135	\$ 7,025,711,124	\$ 7,367,367,927
Commercial	1,653,321,928	1,723,699,070	1,251,559,583	1,370,791,505	1,322,078,495
Industrial	1,250,629,963	1,299,456,065	1,389,502,499	1,451,469,413	1,567,893,338
Government	-	-	-	-	-
Institutional	45,245,961	49,914,765	68,225,677	54,439,965	60,339,871
Irrigated	374	380	386	388	394
Miscellaneous	-	-	-	-	22
Recreational	10,173,550	10,377,019	10,584,577	10,694,212	11,417,896
Vacant land	10,498,383	24,759,544	9,765,688	8,500,827	8,876,748
SBE nonunitary	1,090,020	1,090,020	1,090,020	3,724,019	3,724,019
Possessory interest	44,897,673	49,889,122	50,349,296	562,318,705	563,164,896
Unsecured	358,754,897	378,475,475	384,709,705	393,355,756	415,259,472
Exempt	(38,740,873)	(38,740,873)	(549,160,853)	(214,001,681)	(213,663,546)
Unknown	-	-	-	44	441,717
Subtotal	9,598,461,042	10,057,082,061	9,418,064,713	10,667,004,277	11,106,901,249
Add Back Exempt	38,740,873	38,740,873	549,160,853	214,001,681	213,663,546
Grand Total	<u>\$ 9,637,201,915</u>	<u>\$ 10,095,822,934</u>	<u>\$ 9,967,225,566</u>	<u>\$ 10,881,005,958</u>	<u>\$ 11,320,564,795</u>
Total Direct Rate	0.08575%	0.08613%	0.08628%	0.08629%	0.08634%

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)
2013	1.0000	0.0000	0.0505	0.0000	0.0035	1.0540	0.48023
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

(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	2022-23		2013-14	
		Assessed Valuations	Percentage of Total (1)	Assessed Valuations	Percentage of Total (1)
Macerich Cerritos, LLC	Commercial	\$ 384,467,596	3.40%	\$ -	0.00%
Icon Owner Pool	Industrial	164,898,168	1.46%	-	0.00%
Cerritos TC Property	Cross Reference	154,673,862	1.37%	-	0.00%
CTC Office	Cross Reference	111,225,194	0.98%	-	0.00%
Teachers Insurance and Annuity Association	Industrial	97,044,284	0.86%	-	0.00%
Cerritos Corporate Center Property	Cross Reference	92,146,309	0.81%	-	0.00%
Rexford Industrial Realty	Industrial	89,221,681	0.79%	-	0.00%
TPG Cerritos Acquisition	Residential	85,258,319	0.75%	-	0.00%
Cerritos Retail Centercal	Commercial	80,099,912	0.71%	-	0.00%
Avalon Cerritos	Residential	65,016,363	0.57%	-	0.00%
Cerritos City	Commercial	-	0.00%	\$ 366,477,103	4.70%
Macerich Cerritos	Commercial	-	0.00%	281,634,721	3.61%
Walton CWCA O'Donnell Cerritos	Industrial	-	0.00%	138,229,141	1.77%
Teachers Insurance and Annuity Assoc	Industrial	-	0.00%	85,200,000	1.09%
Cerritos Retail Centercal	Commercial	-	0.00%	55,000,000	0.71%
JCC California Properties	Industrial	-	0.00%	40,851,000	0.52%
Cerritos Promenade	Commercial	-	0.00%	36,800,000	0.47%
Nordstrom	Commercial	-	0.00%	33,859,111	0.43%
Cerritos Corporate Tower	Commercial	-	0.00%	33,300,000	0.43%
Target Corporation	Commercial	-	0.00%	33,248,737	0.43%
<b>Total</b>		<b>\$ 1,324,051,688</b>	<b>11.70%</b>	<b>1,104,599,813</b>	<b>14.16%</b>
(1) 2022-23 and 2013-14 Total Secured Assessed Valuation is:		<b>\$ 11,320,564,795</b>		<b>\$ 7,800,534,301</b>	

Source: Finance Division, City of Cerritos.

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

Fiscal Year	Property Tax Collections
2013-14	\$ -
2014-15	-
2015-16	-
2016-17	-
2017-18	-
2018-19	-
2019-20	-
2020-21	-
2021-22	-
2022-23	-

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
2013-14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014-15	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-

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				
2013-14	\$ 2,976,250 (c)	\$ 8,928,750 (c)	\$ 11,905,000	49,741	\$ 239	(a)
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)

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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

\$ 11,320,567,795

	Total Debt (3) 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/23
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Los Angeles County Flood Control District	\$ 19,215,000	0.311%	\$ 59,759
Cerritos Community College District	445,232,887	19.495	86,798,151
ABC Unified School District	124,137,739	59.657	74,056,851
Bellflower Unified School District	74,495,000	3,937.000	2,932,868
Total Overlapping Tax and Assessment Debt			\$ 163,847,629
 <b>DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			
Los Angeles County General Fund Obligations	\$ 2,601,551,282	0.598%	\$ 15,557,277
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.598	20,353
Bellflower Unified School District Certificates of Participation			
City of Cerritos General Fund Obligations	-	100	-
Los Angeles County Sanitation District No. 2 Authority	776,732	0.871	6,765
Los Angeles County Sanitation District No. 3 Authority	590,194	0.341	2,013
Los Angeles County Sanitation District No. 18 Authority	434,236	6.972	30,275
Los Angeles County Sanitation District No. 19 Authority	139,904	42.933	60,065
Total Direct and Overlapping General Fund Debt			\$ 15,676,748
 <b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</b>	 \$ 22,240,000	 100%	 \$ 22,240,000
 <b>TOTAL DIRECT DEBT</b>			 \$ -
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 201,764,377</b>
 <b>COMBINED TOTAL DEBT</b>			 <b>\$ 201,764,377 (2)</b>

- (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	1.23%
Total Direct Debt	0.00%
Combined Total Debt	1.69%

**RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY**

**INCREMENTAL VALUATION (\$4,986,855,238)**

Total Overlapping Tax Increment Debt	0.65%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

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

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Debt Limit	\$ 1,176,293,833	\$ 1,219,571,424	\$ 1,263,255,833	\$ 1,326,564,282	\$ 1,394,812,766
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,176,293,833</u>	<u>\$ 1,219,571,424</u>	<u>\$ 1,263,255,833</u>	<u>\$ 1,326,564,282</u>	<u>\$ 1,394,812,766</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 2021-22:

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				
	2018-19	2019-20	2020-21	2021-22	2022-23
Debt Limit	\$ 1,523,688,647	\$ 1,523,688,647	\$ 1,495,083,832	\$ 1,632,150,898	\$ 1,698,084,719
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,523,688,647</u>	<u>\$ 1,523,688,647</u>	<u>\$ 1,495,083,832</u>	<u>\$ 1,632,150,898</u>	<u>\$ 1,698,084,719</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 2021-22:					
Assessed Value				\$ 11,106,901,249	
Add Back: Exempt Real Property				213,663,546	
Total Assessed Value				<u>\$ 11,320,564,795</u>	
Debt Limit (15% of Total Assessed Value)				\$ 1,698,084,719	
Debt Applicable to Limit				-	
Legal Debt Margin				<u>\$ 1,698,084,719</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**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (in thousands)</u>	<u>Personal Income (2) *</u>	<u>City Unemployment Rate (3)</u>
2013-14	49,741	\$ 50,751	\$ 2,524,405	5.40%
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%

\* 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	2013-14 (a)	2014-15 (a)	2015-16 (a)	2016-17 (a)	2017-18 (a)	2018-19 (a)	2019-20(a)	2020-21	2021-22	2022-23
Legislative and Administration	7	7	7	6	7	6	7	11	11	7
Community Development	17	17	18	17	19	17	16	16	18	15
Public Works	71	69	67	68	72	65	65	60	71	59
Water and Power	14	13	15	13	16	14	12	12	13	15
Community and Safety Services	246	248	253	234	307	248	235	177	238	228
Administrative Services	121	115	118	119	132	116	123	103	118	102
Cerritos Center for the Performing Arts	76	71	87	84	92	78	76	57	74	80
<b>Total</b>	<b>552</b>	<b>540</b>	<b>565</b>	<b>541</b>	<b>645</b>	<b>544</b>	<b>534</b>	<b>436</b>	<b>543</b>	<b>506</b>
Full-Time Employees	209	189	181	186	175	174	174	180	187	177
Part-Time Employees	530	363	359	379	366	370	360	256	356	329
<b>Total</b>	<b>739</b>	<b>552</b>	<b>540</b>	<b>565</b>	<b>541</b>	<b>544</b>	<b>534</b>	<b>436</b>	<b>543</b>	<b>506</b>

(a) Beginning in fiscal year 2013-14, the amount represents the number of filled positions by department. Prior to fiscal year 2013-14, the amounts noted represent budgeted positions.

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

Function	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>PUBLIC WORKS</b>					
Maintenance:					
Graffiti Removal (Average Incidence)	\$ 6,000	\$ 5,500	\$ 4,750	\$ 6,270	\$ 4,600
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,900	28,000	28,000	28,000	28,000
Trees Trimmed	4,000	2,700	5,255	5,284	7,900
<b>WATER AND POWER</b>					
Water:					
Number of Customer Accounts	15,655	15,792	15,752	15,714	15,567
Average Daily Consumption (Millions of Gallons)	8	8	6	8	6
Water Samples Taken (Annual)	2,130	2,061	2,086	2,111	2,088
<b>COMMUNITY AND SAFETY SERVICES</b>					
Police (1):					
Number of Sworn Officers	68	65	63	66	66
Community Service Officers (Non-Sworn)	3	3	3	3	3
Calls Dispatched	15,798	16,469	11,608	20,067	18,378
Crime Reports	4,990	4,747	3,467	6,145	5,457
Moving Citations	7,336	6,351	2,857	3,941	6,031
Parking Citations	463	664	412	645	856
Culture and Recreation:					
Leisure Classes Attendance	47,583	43,636	40,613	38,262	36,228
Indoor Park Reservation Attendance	78,284	69,264	71,224	65,618	64,723
Picnic Shelter Attendance	65,953	48,869	60,013	73,409	70,988
Swim Lessons Attendance	237,457	213,559	218,618	202,077	157,908
Recreational Swim Attendance	55,656	48,162	42,294	44,842	42,000
Volunteer Hours	15,855	14,948	13,902	12,027	10,021
<b>ADMINISTRATIVE SERVICES</b>					
Library:					
Number of Patrons	935,480	912,852	1,955,332	2,652,290	2,781,673

(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				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>PUBLIC WORKS</b>					
Maintenance:					
Graffiti Removal (Average Incidence)	\$ 2,100	\$ 2,622	\$ 5,408	\$ 5,211	\$ 4,941
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,400	28,500	28,500	28,000	28,000
Trees Trimmed	8,000	6,500	7,000	6,120	6,500
<b>WATER AND POWER</b>					
Water:					
Number of Customer Accounts	15,403	15,809	15,757	15,749	15,664
Average Daily Consumption (Millions of Gallons)	6	7	6	7	5
Water Samples Taken (Annual)	2,151	2,107	2,000	1,788	2,148
<b>COMMUNITY AND SAFETY SERVICES</b>					
Police (1):					
Number of Sworn Officers	65	65	65	65	65
Community Service Officers (Non-Sworn)	3	3	19	3	19
Calls Dispatched	17,696	15,787	14,646	16,725	17,104
Crime Reports	5,487	4,699	4,191	4,735	4,736
Moving Citations	6,397	4,821	3,220	3,081	3,022
Parking Citations	1,316	7,723	3,399	12,618	16,886
Culture and Recreation:					
Leisure Classes Attendance	31,856	17,894	0*	5,940	30,846
Indoor Park Reservation Attendance	66,585	39,846	0*	16,644	17,471
Picnic Shelter Attendance	59,416	32,444	0*	51,932	55,782
Swim Lessons Attendance	140,147	103,577	0*	28,724	129,469
Recreational Swim Attendance	42,810	10,439	0*	8,159	31,060
Volunteer Hours	10,566	7,330	0*	0*	5,017
<b>ADMINISTRATIVE SERVICES</b>					
Library:					
Number of Patrons	552,212	376,010	0*	324,174	368,900

(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				
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>PUBLIC WORKS</b>					
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
<b>COMMUNITY AND SAFETY SERVICES</b>					
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
<b>ADMINISTRATIVE SERVICES</b>					
Number of Libraries	1	1	1	1	1
Number of Volumes	252,108	266,647	264,316	265,507	268,772

Source: Finance Division, City of Cerritos.

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

Function	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>PUBLIC WORKS</b>					
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
<b>COMMUNITY AND SAFETY SERVICES</b>					
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
<b>ADMINISTRATIVE SERVICES</b>					
Number of Libraries	1	1	1	1	1
Number of Volumes	247,091	284,849	317,218	238,850	238,012

Source: Finance Division, City of Cerritos.

**THIS PAGE INTENTIONALLY LEFT BLANK**



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.