



# City of Cerritos, California Annual Comprehensive Financial Report

for the Fiscal Year ended June 30, 2025



**CITY OF CERRITOS, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2025**

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

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## **INTRODUCTORY SECTION**

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

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P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130  
PHONE: (562) 860-0311 • CERRITOS.US



December 23, 2025

Honorable Mayor, Members of the City Council, and Residents 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, 2025.

This report consists of management's representations concerning the finances of the City of Cerritos. Management is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To provide a reasonable basis for these representations, management has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to ensure the reliability of financial reporting in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the system of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The City's financial statements have been audited by CliftonLarsonAllen LLP (CLA), a firm of certified public accountants selected through a competitive bid process. The auditors have issued an unmodified opinion on the City's financial statements, indicating that the financial statements present fairly, in all material respects, the financial position and results of operations of the City in conformity with GAAP. The independent auditor's 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 intended 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 maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to such grant programs. This internal control structure is subject to periodic evaluation by management.

When federal expenditures exceed \$750,000, the City is required to undergo an annual single audit in accordance with the provisions of the Single Audit Act of 1984 and applicable federal requirements. For the fiscal year ended June 30, 2025, the City did not expend federal funds in excess of this threshold and therefore was not subject to a single audit.

## 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. Originally an unincorporated area known for its strawberry farms and dairy operations, the City began transitioning into a more urban environment in the late 1960s. In 1973, the City Council adopted a unique and innovative

General Plan that has guided development in a master planned manner to create a park-like community with balanced growth. Today, Cerritos is a progressive, affluent community with a highly educated and ethnically diverse population.

The City is home to over 48,000 residents and both small and large business organizations. Cerritos supports a strong commercial base that generates substantial sales tax revenue, which helps fund a wide range of City services and operations.

Incorporated in 1956 as a charter city under the laws of the State of California, Cerritos encompasses an area of 8.9 square miles. The City operates under a Council-Manager form of government. City Council members are elected at large for four-year staggered terms, and the Mayor is selected from among the Councilmembers 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 operations.

A long-standing commitment to strategic planning and careful fiscal stewardship has helped place the City in a strong financial position. This foundation has allowed the City to invest in high-quality infrastructure, facilities, services, and programs that contribute to an exceptional quality of life. The City also recognizes that maintaining this position requires ongoing attention to resource management and expenditure control.

The City provides a full range of municipal services, including community development, public works, recreational programs, library services, a performing arts center, water, sewer, and electric utilities, as well as general administrative and support services. Police services are provided through a contract with the Los Angeles County Sheriff's Department (LASD). Fire protection and emergency medical services are provided by the Los Angeles County Fire Department.

The City's Sheriff Station serves as the operational headquarters for LASD personnel assigned to Cerritos and functions as a full-service public safety facility for the community. Its status as an independent station has contributed to lower response times and enhanced public safety.

The annual budget serves as the foundation for the City's financial planning and control. The City Council adopts an annual budget following public hearings. The City Manager is authorized to make adjustments to departmental operating budgets as necessary to meet operational needs. Resources are allocated based on work program objectives, with ongoing funding supported by demonstrated service needs and measurable outcomes.

## **Economic Outlook and Major Initiatives**

The City of Cerritos continues to demonstrate a strong commitment to strategic planning and long-term community investment. Fiscal year 2024-25 marked an important transition year as the City formally implemented its new Strategic Plan, providing a clear framework to guide policy decisions and resource allocation. This effort reflects the City Council's focus on aligning financial decisions with long-term goals while maintaining flexibility to respond to changing economic conditions.

Throughout the fiscal year, the City advanced several initiatives tied directly to the Strategic Plan, including targeted investments in infrastructure and technology. Progress was also made toward improving fiscal transparency and sustainability through the adoption of new financial policies and enhanced long-term planning tools. Together, these initiatives strengthen the City's ability to evaluate tradeoffs, prioritize capital investments, and

communicate financial information clearly to decision-makers and the public.

At the same time, the broader economic environment remains challenging. Inflationary pressures and higher interest rates have continued to affect key revenue streams, particularly sales tax, which remains the City's largest and most economically sensitive source of revenue. While Cerritos continues to benefit from a strong commercial base, recent revenue trends underscore the importance of cautious forecasting and disciplined expenditure management.

Despite these headwinds, the City remains proactive and forward-looking. By integrating strategic planning into the budget process and focusing on long-term sustainability rather than short-term solutions, the City is better positioned to navigate uncertainty while continuing to provide high-quality services. The accomplishments of fiscal year 2024-25 reflect both the City's capacity to deliver results and its willingness to adapt in response to evolving fiscal realities.

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

Sound financial planning remains a cornerstone of the City of Cerritos' approach to governance. The City emphasizes long-term financial sustainability through conservative budgeting practices and disciplined reserve management. This approach helps ensure that expenditures remain aligned with available and recurring revenues.

As the City looks ahead, fiscal challenges are expected to persist. Sales tax volatility and inflation-driven cost increases will continue to place pressure on the City's operating budget. These conditions reinforce the importance of maintaining flexibility within the City's financial framework and avoiding structural imbalances that could limit future options.

During fiscal year 2024-25, the City took meaningful steps to strengthen its long-term planning capacity. The adoption of new financial policies, including formal reserve and capital planning policies, provides clearer direction for managing risk and prioritizing investments. In addition, the City initiated a citywide non-enterprise rate study and a part-time staffing study to further evaluate cost recovery and service delivery. These studies are intended to assess the alignment between fees, staffing levels, and service demands, and to provide objective information to support future policy and budget decisions.

Looking forward, the City recognizes that maintaining service levels and fiscal stability may require difficult decisions. Careful consideration of program costs and service delivery models will be necessary to preserve the City's strong financial position. By addressing these challenges proactively and transparently, the City is better prepared to respond to economic uncertainty while continuing to invest in the community.

Through prudent financial management and ongoing strategic planning, the City of Cerritos remains focused on sustaining its financial health and adapting to future challenges while continuing to meet the needs of residents and businesses.

### **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, 2024. 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 2024-25 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 and Budget 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

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CITY OF CERRITOS

## Elected Officials



**Frank Aurelio  
Yokoyama**  
Mayor



**Lynda P. Johnson**  
Mayor Pro Tem



**Jennifer Hong**  
Councilmember



**Mark E. Pulido**  
Councilmember



**Sophia M. Tse**  
Councilmember



CITY OF CERRITOS

## Executive Team

City Manager  
City Clerk  
City Attorney  
Assistant City Manager  
Deputy City Manager  
Director of Administrative Services  
Director of Community and Cultural Services  
Director of Community Development  
Director of Public Works/City Engineer  
Theater Executive Director  
Public Safety Manager

**Robert A. Lopez**  
**Cynthia Nava**  
**Pam K. Lee**  
**Kathy Matsumoto**  
**Ryan Carey**  
**Drew Schneider**  
**Annie Hylton**  
**Kristin Aguila**  
**Alvin Papa**  
**Jeff Thielke**  
**Daryl Evans**



## Economic Development Commission

**Kenneth Chiang**  
**Brian Hews**  
**Grace Hu**  
**Alfred Reyes, Jr.**  
**Aris Tagle**

## Parks and Recreation Commission

**Alex Camargo**  
**Cathy DeLeon**  
**Jose Iglesias**  
**Pat Patnaik**  
**Ileana Prado**

## Planning Commission

**Bejamin Ao**  
**Kirit Chauhan**  
**Deepak "DJ" Jhaveri**  
**Jose "Armin" Reyes**  
**Riaz Surti**

## Property Preservation Commission

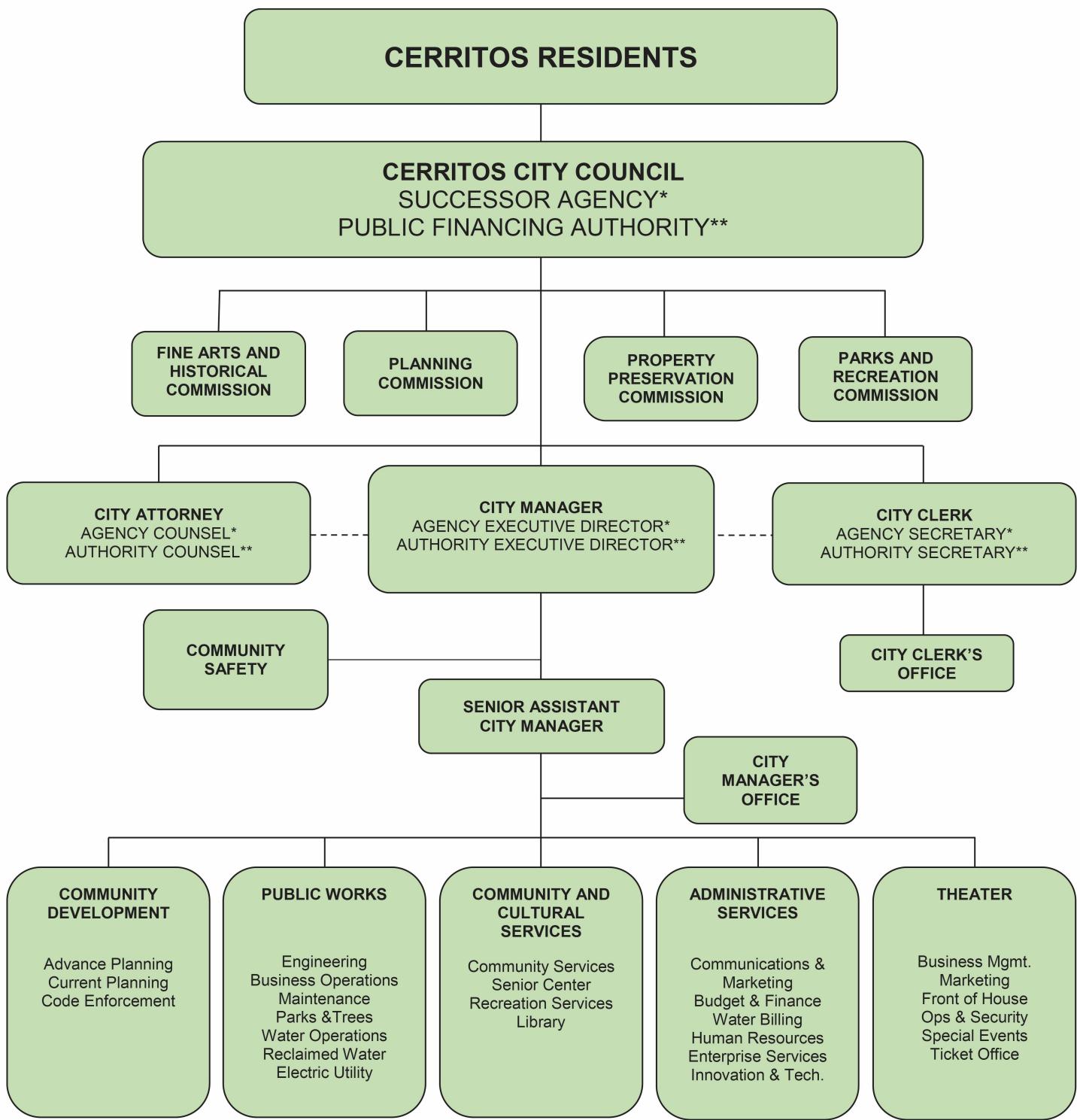
**Jignesh Chokshi**  
**Brian Ferrer**  
**Frances Ann Robles**  
**Celia Spitzer**  
**Eric Westphal**

## Community Safety Committee

**Mike Ballentine**  
**Roumel DeLeon**  
**Sebastian Gonzalez**  
**Gordon Hom**  
**Daniel Kim**  
**Leila Nam**  
**Mike Rosario**  
**Jonathan Tan**  
**Sarju Vora**  
**Karen Wilson**

## Let Freedom Ring Committee

**Al Barlevy**  
**Shiva Bhatt**  
**Ben Chou**  
**Maria Figueroa**  
**Ethan Jones**  
**Hyun Kim**  
**Dan E. Nino**  
**Joseph Sahli**  
**Thomas Schwartz**  
**Gurpal Singh**



\*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, 2024

*Christopher P. Monell*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable City Council  
City of Cerritos, California  
Cerritos, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cerritos, California, (the City) as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

Honorable City Council  
City of Cerritos, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, 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 black ink that reads "CliftonLarsonAllen LLP". The signature is fluid and cursive, with "CliftonLarson" on the first line and "Allen LLP" on the second line.

**CliftonLarsonAllen LLP**

Irvine, California  
December 23, 2025

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**City of Cerritos, California**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2025**

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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, 2025. 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, 2025 by \$413.8 million, which represents the City's net position. Of this amount, \$275.0 million is net investment in capital assets, \$34.5 million is restricted, and \$104.3 million is unrestricted. The unrestricted portion may be used to meet the City's ongoing obligations to residents and creditors.
- The City's total net position decreased by \$7.9 million during fiscal year 2024-25, reflecting higher operating costs across governmental activities and continued operating deficits within the City's business-type activities.
- Governmental funds reported combined ending fund balances of \$213.9 million, representing no significant change from the prior year. Of this amount, \$56.7 million is classified as nonspendable, \$31.9 million is restricted by external parties, \$43.0 million has been assigned by City management, and \$82.3 million is unassigned fund balance available for future appropriation.
- The General Fund reported an unassigned fund balance of \$84.4 million, representing 51.7 percent of total General Fund balance. Total General Fund balance decreased by \$22.7 million, driven primarily by a \$20.0 million transfer to the Municipal Improvement Fund associated with the implementation of the City's Financial Reserve Policy.
- General Fund expenditures for fiscal year 2024-25 totaled \$84.2 million, reflecting increases in personnel costs, contractual services, and operating expenses required to maintain City services and programs.
- Revenues from business-type activities totaled \$18.9 million, while expenses totaled \$26.8 million, resulting in continued operating losses across the City's utility funds. These operations remain reliant on General Fund subsidies and interfund financing to maintain service levels.

## **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.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cerritos include legislative and administration, community development, public works, 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 to the Cerritos Redevelopment Agency (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

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

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.

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.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table summarizes the Statement of Net Position for fiscal years ending June 30, 2025 and June 30, 2024.

| City of Cerritos Net Position<br>(in millions) |                         |                        |                          |                        |                        |                        |
|--|-------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|
|  | Governmental Activities |                        | Business-Type Activities |                        | Total                  |                        |
|  | 2025                    | 2024                   | 2025                     | 2024                   | 2025                   | 2024                   |
| Cash and investments                           | \$ 147.1                | \$ 149.2               | \$ 2.8                   | \$ 4.5                 | \$ 149.9               | \$ 153.7               |
| Other Assets                                   | 549.2                   | 338.0                  | (24.3)                   | (24.4)                 | 524.9                  | 313.6                  |
| Capital Assets                                 | 247.7                   | 244.9                  | 36.0                     | 36.0                   | 283.7                  | 280.9                  |
| Total Assets                                   | <u>944.0</u>            | <u>732.2</u>           | <u>14.5</u>              | <u>16.0</u>            | <u>958.5</u>           | <u>748.2</u>           |
| Deferred Outflows                              | 27.7                    | 33.7                   | 2.6                      | 3.1                    | 30.3                   | 36.8                   |
| Other Liabilities                              | 17.6                    | 16.8                   | 4.6                      | 4.7                    | 22.2                   | 21.5                   |
| Long term liabilities outstanding              | 80.5                    | 76.9                   | 15.0                     | 15.1                   | 95.5                   | 92.0                   |
| Total Liabilities                              | <u>98.1</u>             | <u>93.7</u>            | <u>19.6</u>              | <u>19.8</u>            | <u>117.7</u>           | <u>113.5</u>           |
| Deferred Inflows                               | 457.6                   | 249.5                  | 0.1                      | 0.3                    | 457.7                  | 249.8                  |
| Net Position                                   |                         |                        |                          |                        |                        |                        |
| Net investment in capital assets               | 247.2                   | 244.4                  | 27.8                     | 27.3                   | 275.0                  | 271.7                  |
| Restricted                                     | 34.3                    | 32.6                   | 0.2                      | 0.1                    | 34.5                   | 32.7                   |
| Unrestricted                                   | <u>134.9</u>            | <u>145.8</u>           | <u>(30.6)</u>            | <u>(28.4)</u>          | <u>104.3</u>           | <u>117.4</u>           |
| Total Net Position                             | <u><u>\$ 416.4</u></u>  | <u><u>\$ 422.8</u></u> | <u><u>\$ (2.6)</u></u>   | <u><u>\$ (0.9)</u></u> | <u><u>\$ 413.8</u></u> | <u><u>\$ 421.8</u></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 \$413.8 million as of June 30, 2025. The net position decreased \$8.0 million, or 1.9%, during fiscal year 2024-25.

The largest portion of the City's net position at June 30, 2025 (\$275.0 million, or 66.4% of total net position) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment). The City uses these capital assets to provide services to residents; 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 \$3.3 million due to the City's continued efforts to update and enhance its infrastructure. The restricted portion of the City's net position of \$34.5 million or 8.3%

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

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 \$104.3 million (or 25.2% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

In addition, the City experienced a significant increase in both lease receivables and the related deferred inflows of resources during fiscal year 2024-25. These changes resulted from a re-evaluation of existing lease agreements and updates to underlying assumptions, rather than the execution of new lease activity. While these balances increased substantially compared to the prior year, their net effect on the City's overall net position was limited, as the receivables and deferred inflows largely offset one another.

City of Cerritos Change in Net Position  
 (in millions)

|   | Governmental Activities |                 | Business-type Activities |                 | Total           |                 |
|---|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|   | 2025                    | 2024            | 2025                     | 2024            | 2025            | 2024            |
| <b>Revenues</b>                         |                         |                 |                          |                 |                 |                 |
| Program revenues:                       |                         |                 |                          |                 |                 |                 |
| Charges for services                    | \$ 12.2                 | \$ 10.7         | \$ 18.8                  | \$ 19.4         | \$ 31.0         | \$ 30.1         |
| Operating grants and contributions      | 9.4                     | 12.2            | -                        | -               | 9.4             | 12.2            |
| Capital grants and contributions        | 0.2                     | 0.3             | 0.0                      | 0.1             | 0.2             | 0.3             |
| General revenues:                       |                         |                 |                          |                 |                 |                 |
| Taxes                                   | 69.7                    | 66.6            | -                        | -               | 69.7            | 66.6            |
| Investment income                       | 25.4                    | 22.7            | 0.0                      | 0.1             | 25.5            | 22.8            |
| Miscellaneous                           | 0.3                     | 0.1             | -                        | -               | 0.3             | 0.1             |
| Total revenues                          | <u>117.1</u>            | <u>112.6</u>    | <u>18.9</u>              | <u>19.5</u>     | <u>136.0</u>    | <u>132.1</u>    |
| <b>Expenses:</b>                        |                         |                 |                          |                 |                 |                 |
| Legislative and administration          | 3.4                     | 3.3             | -                        | -               | 3.4             | 3.3             |
| Community development                   | 7.9                     | 7.8             | -                        | -               | 7.9             | 7.8             |
| Public works                            | 35.8                    | 32.1            | -                        | -               | 35.8            | 32.1            |
| Community and safety services           | 36.3                    | 31.3            | -                        | -               | 36.3            | 31.3            |
| Administrative services                 | 18.5                    | 16.8            | -                        | -               | 18.5            | 16.8            |
| Cerritos Center for the Performing Arts | 14.0                    | 10.9            | -                        | -               | 14.0            | 10.9            |
| Unallocated infrastructure depreciation | 1.2                     | 0.9             | -                        | -               | 1.2             | 0.9             |
| Water and Sewer                         | -                       | -               | 17.3                     | 15.6            | 17.3            | 15.6            |
| Reclaimed water                         | -                       | -               | 1.6                      | 1.5             | 1.6             | 1.5             |
| Electric Utility                        | -                       | -               | 8.0                      | 8.5             | 8.0             | 8.5             |
| Total expenses                          | <u>117.2</u>            | <u>103.1</u>    | <u>26.8</u>              | <u>25.6</u>     | <u>144.0</u>    | <u>128.7</u>    |
| Change in net position                  | (0.1)                   | 9.4             | (7.9)                    | (6.0)           | (8.0)           | 3.4             |
| Transfers                               | (6.2)                   | (6.8)           | 6.2                      | 6.8             | -               | -               |
| Special Items                           | -                       | (24.3)          | -                        | 24.3            | -               | -               |
| Change in net position                  | <u>(6.3)</u>            | <u>(21.7)</u>   | <u>(1.7)</u>             | <u>25.1</u>     | <u>(8.0)</u>    | <u>3.4</u>      |
| Net position, beginning of year         | <u>422.8</u>            | <u>444.5</u>    | <u>(0.9)</u>             | <u>(26.1)</u>   | <u>421.8</u>    | <u>418.4</u>    |
| Net position, end of year               | <u>\$ 416.5</u>         | <u>\$ 422.8</u> | <u>\$ (2.6)</u>          | <u>\$ (0.9)</u> | <u>\$ 413.8</u> | <u>\$ 421.8</u> |

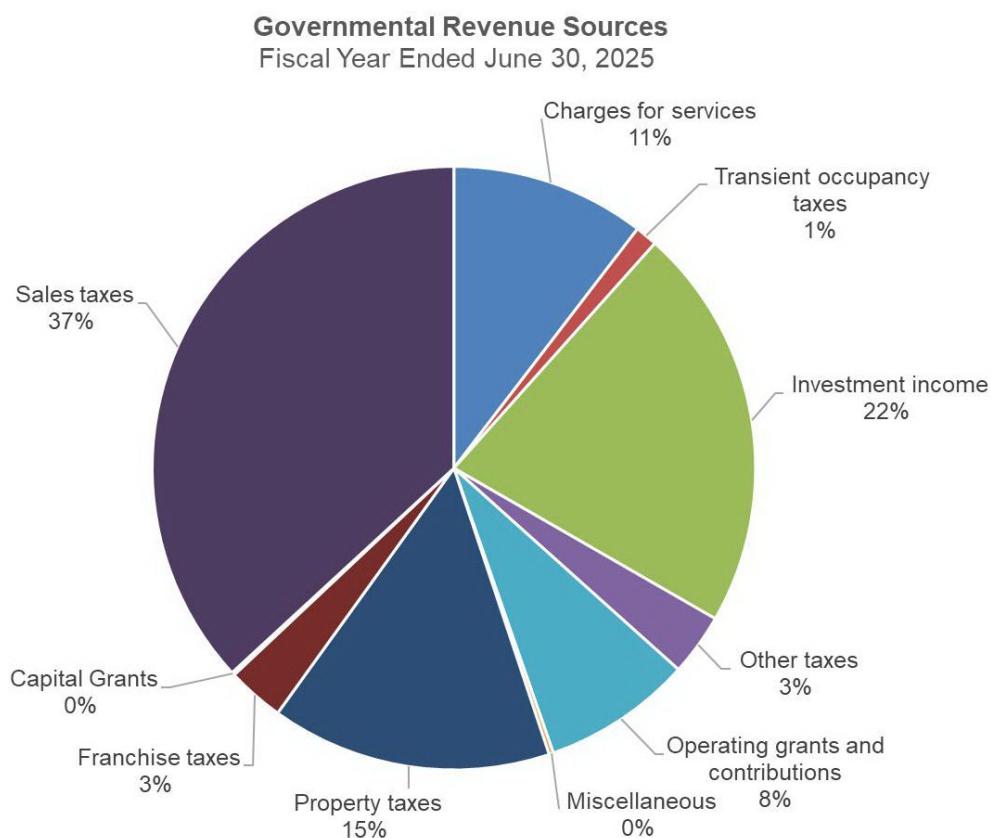
**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

**Revenues**

Total revenues on a citywide basis for fiscal year 2024-25 were \$136.0 million, an increase of \$3.9 million from the prior year. This growth was supported by modest increases in investment income and growth in certain tax categories, including property and other taxes, which partially offset a slight decline in sales tax, the City's largest single revenue source.

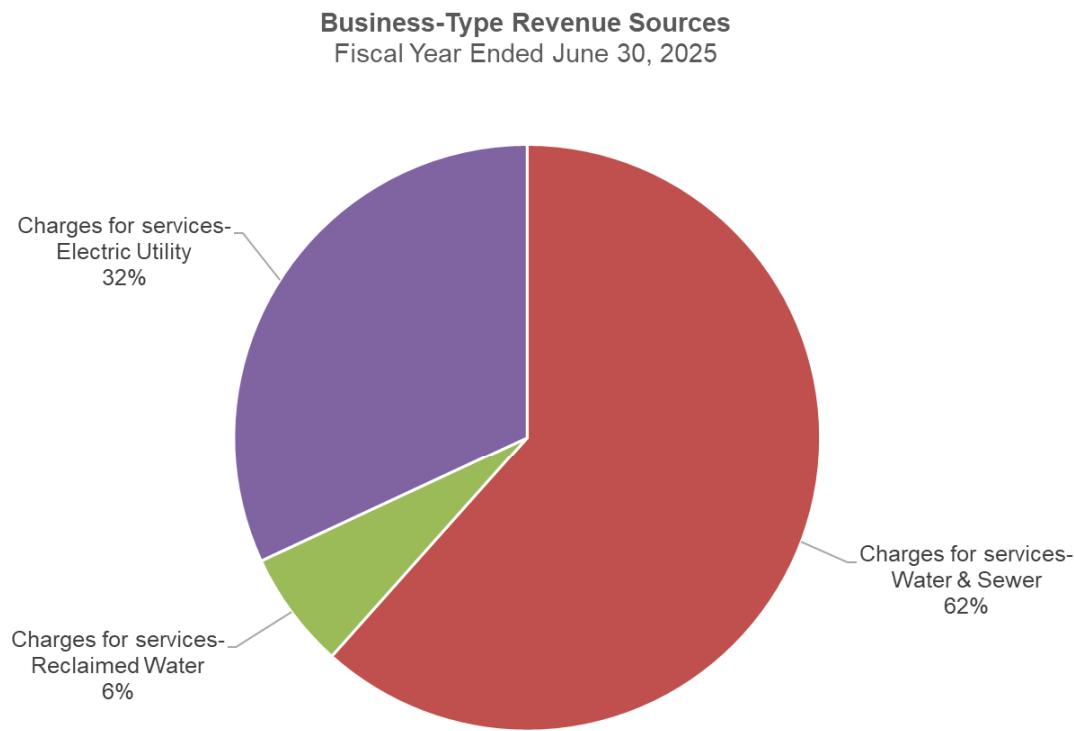
Sales tax accounted for approximately 37% of governmental activity revenues in fiscal year 2024-25 and declined slightly during the year. This follows a decline in the prior fiscal year and reflects a broader period of relatively flat sales tax performance compared to the growth experienced earlier in the economic cycle. While the Cerritos Auto Square remains a significant contributor to sales tax revenues, recent trends highlight the City's ongoing exposure to shifts in consumer spending and economic conditions. Given the City's reliance on sales tax as a primary revenue source, this pattern reinforces the need for cautious revenue forecasting and continued evaluation of strategies to support long-term revenue stability.

In contrast, investment income continued to increase in fiscal year 2024-25, reflecting the ongoing impact of higher interest rates on the City's investment portfolio. Many lower-yield investments originated during the post-pandemic low-interest-rate environment matured during the year and were reinvested at significantly higher prevailing rates, contributing to improved earnings. Investment income also includes revenues from the City's lease portfolio, which remained a stable and consistent source of revenue.



**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

Revenues from business-type activities, including water and sewer, reclaimed water, and electric services, totaled \$18.9 million in fiscal year 2024-25, a decrease of \$0.6 million from the prior year, primarily due to lower charges for services in the electric utility.



## Expenses

Expenses from governmental activities in fiscal year 2024-25 totaled \$117.2 million, an increase of \$14.1 million compared to the prior year. This increase reflects inflationary pressures affecting labor, contractual services, and operating costs, along with the resources required to maintain service levels and support City programs across departments.

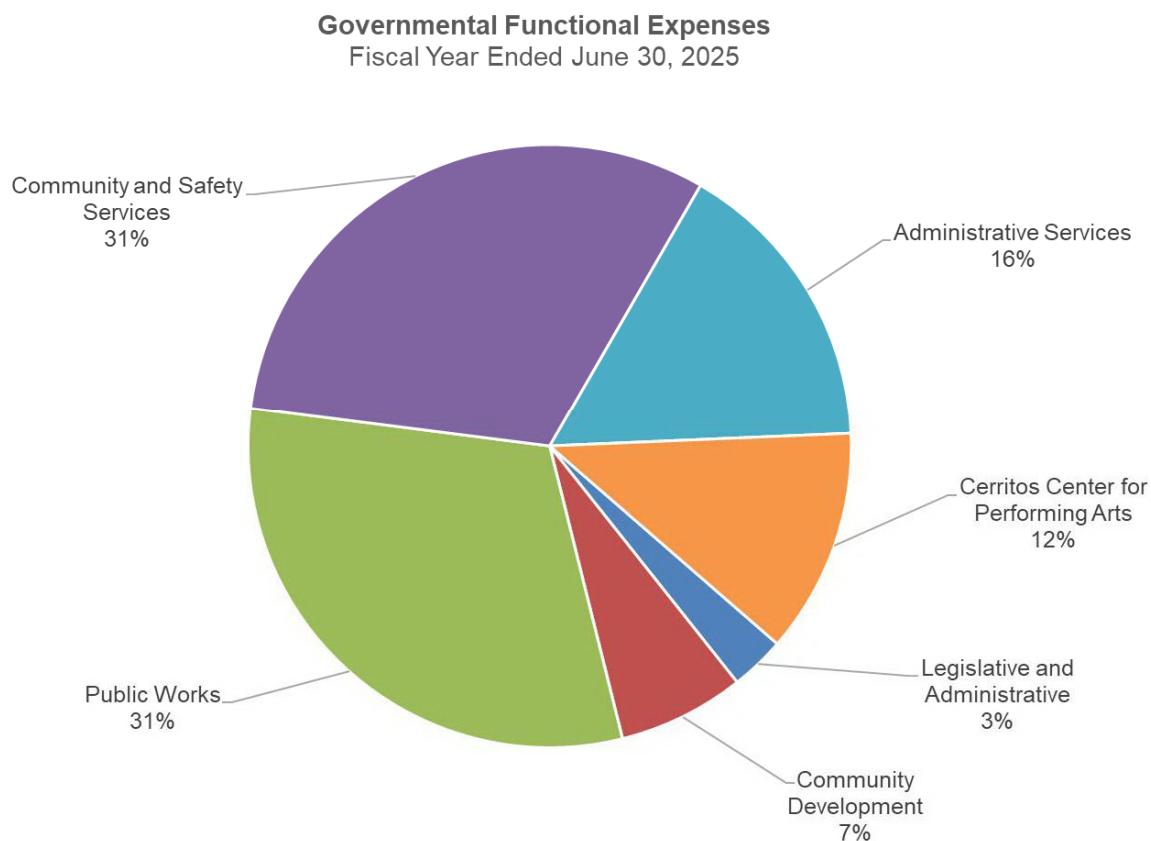
A significant portion of the increase was attributable to higher salaries and benefits. Personnel costs rose due to a cost-of-living adjustment and the addition of several new full-time positions, impacting departments Citywide.

The Community and Safety Services Department, which includes Recreation Services, Senior Services, and Community Safety, experienced the largest increase in expenses, rising by \$5.0 million. This increase was driven primarily by higher costs associated with the City's contract with the Los Angeles County Sheriff's Department for police services.

Expenses in the Public Works Department increased by \$3.7 million, reflecting the City Council's continued emphasis on infrastructure investment. This growth aligns with budgeted priorities and an active schedule of maintenance and capital improvement activities.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

The Cerritos Center for the Performing Arts recorded an increase in expenses of \$3.1 million. This increase reflects an expanded programming calendar that included higher-profile performers, as well as increased facility rental activity.

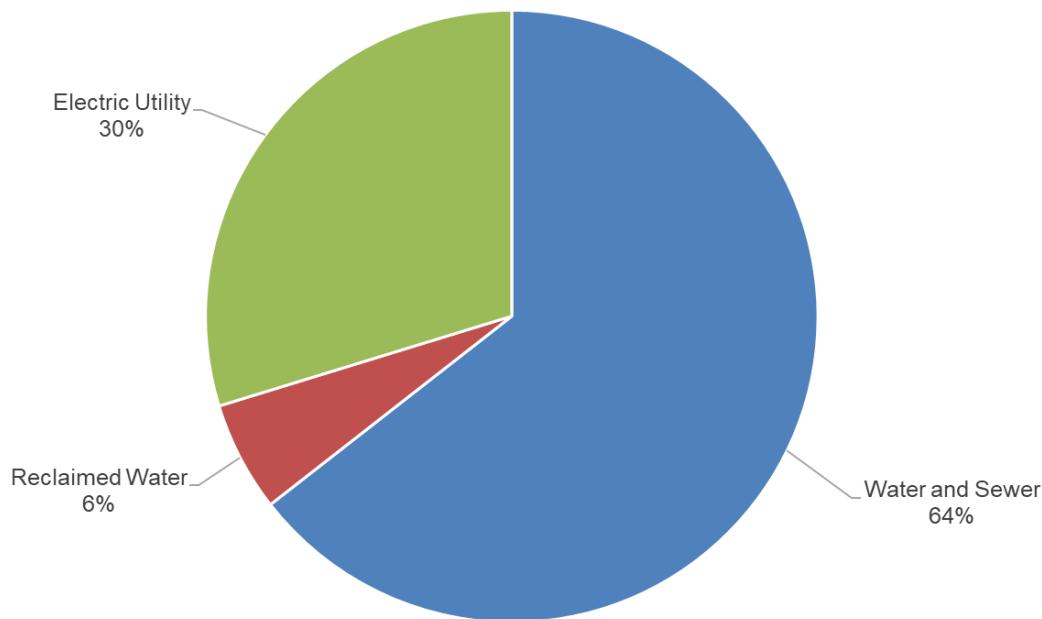


Expenses from business-type activities totaled \$26.8 million in fiscal year 2024-25, an increase of \$1.2 million compared to the prior year. The Water and Sewer Fund accounted for \$17.3 million in expenses, up \$1.7 million, reflecting higher operational and maintenance costs. The Reclaimed Water Fund incurred \$1.6 million in expenses, an increase of \$0.1 million, while the Electric Utility Fund reported \$8.0 million in expenses, a decrease of \$0.5 million.

Overall, expense trends within the business-type activities highlight continued cost pressures across the City's utility operations. These activities are primarily supported by user fees, which remain insufficient to fully offset operating costs.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

**Business-Type Functional Expenses**  
Fiscal Year Ended June 30, 2025



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

### **Governmental Funds**

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$213.9 million, reflecting no significant change from the prior year. Of this amount, \$56.7 million is classified as nonspendable, primarily consisting of long-term receivables totaling \$56.0 million from the Successor Agency and the Electric Utility Fund. Restricted fund balances, which are legally constrained by external parties, totaled \$31.9 million. An additional \$43.0 million has been assigned by City management for specific purposes, including art center programs, asset replacement, and self-insurance. The remaining \$82.3 million is classified as unassigned fund balance.

The General Fund is the City's primary operating fund. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$84.4 million, representing 51.7 percent of the total

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

General Fund balance. The remaining fund balance consists of \$56.6 million in nonspendable funds and \$22.2 million in assigned funds.

The City's total General Fund balance decreased by \$22.7 million during fiscal year 2024-25. This decrease was driven primarily by a \$20.0 million transfer from the General Fund to the Municipal Improvement Fund. The transfer reflects the implementation of the City's Financial Reserve Policy, approved by the City Council during fiscal year 2024-25, which establishes target reserve levels for the General Fund. Amounts in excess of the target reserve were intentionally reallocated to support long-term capital and infrastructure needs, while maintaining the General Fund at levels consistent with adopted policy.

General Fund revenues increased by \$5.0 million compared to fiscal year 2023-24. Investment and rental income increased by \$2.9 million, reflecting higher interest rates and improved yields within the City's fixed-income investment portfolio. Charges for services increased by \$1.5 million, driven in part by strong ticket sales at the Cerritos Center for the Performing Arts, which benefited from an expanded programming calendar. These increases were partially offset by a \$0.4 million decline in licenses and permits, as well as a decrease in sales tax revenues. The decline in sales tax reflects broader economic conditions, including inflationary pressures and elevated interest rates that have moderated consumer spending.

General Fund expenditures increased by \$10.6 million in fiscal year 2024-25 compared to the prior year. This increase reflects higher costs across departments, primarily driven by increases in employee salaries and benefits. Notable increases include a \$2.9 million increase at the Cerritos Center for the Performing Arts, supporting expanded programming and higher facility operating costs, including the addition of several full-time and part-time positions. The Community and Safety Services Department also experienced a \$3.8 million increase in expenditures, driven in part by higher contractual costs for police services provided under the City's agreement with the Los Angeles County Sheriff's Department. Overall, these increases reflect the rising cost of maintaining City services and programs.

As a result of the passage of Assembly Bill 1484 in June 2012, the Housing Assets Special Revenue Fund is reported as a governmental fund of the City. The fund consists primarily of advances made to the Successor Agency, along with cash and investments restricted for low- and moderate-income housing activities. The Housing Assets Fund increased by \$0.3 million during fiscal year 2024-25, largely attributable to interest earnings. The increase in fund balance is consistent with trends observed in recent years.

The Municipal Improvement Capital Project Fund is used to support non-enterprise capital improvement projects. In prior years, the fund was structured to receive transfers intended to offset expenditures and maintain a zero fund balance. During fiscal year 2024-25, the fund reported an ending fund balance of \$20.9 million, reflecting the previously mentioned transfer from the General Fund associated with the implementation of the City's Financial Reserve Policy. This change represents a shift in how excess General Fund reserves are formally designated and tracked, providing a dedicated funding source for future capital and infrastructure investments.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

### **Proprietary Funds**

The City's proprietary funds include the Water and Sewer, Reclaimed Water, and Electric Utility Funds. These funds are used to account for operations that are financed primarily through user fees and charges. The proprietary fund statements provide the same type of information presented in the government-wide financial statements, but in greater detail regarding the financial performance and condition of the City's utility operations.

At the end of fiscal year 2024-25, the combined net position of the City's proprietary funds totaled a deficit of \$2.6 million, a decrease of \$1.7 million from the prior year's net position of a \$0.9 million deficit. The change reflects continued operating losses across the utility funds, driven primarily by user fees that remain insufficient to fully recover operating and maintenance costs.

During fiscal year 2024-25, the Water and Sewer Fund reported an operating loss of \$5.7 million, while the Reclaimed Water Fund reported an operating loss of \$0.3 million. The Electric Utility Fund reported an operating loss of \$0.8 million. These results reflect ongoing cost pressures and rate structures that do not fully offset the cost of providing utility services.

In fiscal year 2023-24, the City Council approved the forgiveness of more than \$24 million in outstanding loans to the Water and Sewer Fund. As a result, deficits in the Water and Sewer and Reclaimed Water Funds are now supported through General Fund subsidies, with no expectation of repayment. During fiscal year 2024-25, the General Fund provided \$5.4 million in transfers to the Water and Sewer Fund to support operations.

The Electric Utility Fund continues to be supported through loans from the General Fund, rather than direct operating subsidies. During fiscal year 2024-25, outstanding loans to the Electric Utility Fund increased by approximately \$0.7 million, reflecting continued operating shortfalls.

Overall, the proprietary fund results highlight the financial challenges facing the City's utility operations and the extent to which they rely on General Fund support to maintain service levels.

### **Fiduciary Funds**

The City's fiduciary fund statements report resources held by the City in a trustee or custodial capacity for parties outside the City's reporting entity. These funds are not available to support the City's own programs and, accordingly, are excluded from the government-wide financial statements.

The City reports one fiduciary fund, the Private Purpose Trust Fund. At June 30, 2025, the fund reported a net position deficit of \$16.3 million.

During fiscal year 2024-25, operating additions exceeded deductions, resulting in an increase in net position of \$6.8 million. The primary source of additions was the Successor Agency's share of property tax revenues received from the Redevelopment Property Tax Trust Fund. While the fund's net position remained in a deficit at year-end, the increase reflects the ongoing receipt of revenues dedicated to meeting the trust's obligations.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund is the City's primary operating fund and is subject to a legally adopted annual budget. The final budget reflects amendments approved by the City Council during the fiscal year to incorporate updated revenue projections and expenditure appropriations.

Actual General Fund revenues totaled \$104.5 million for fiscal year 2024-25, exceeding the final budget of \$94.8 million. The most significant favorable variance occurred in investment and rental income, which totaled \$25.5 million compared to a final budget of \$15.2 million. This increase reflects higher interest rates and improved yields on the City's investment portfolio; however, reported investment and rental income was also affected by accounting treatment related to leases under GASB Statement No. 87. Under this standard, certain lease revenues are recognized based on accounting measurements rather than cash receipts, which resulted in reported revenues exceeding actual cash collections for the year. As a result, the increase in this category should be viewed in the context of accounting recognition timing, in addition to market-driven investment performance.

Other revenue categories generally tracked close to budgeted levels. Property, sales, and other taxes slightly exceeded final budget estimates, while franchise revenues also finished above budget. These favorable results were partially offset by lower-than-budgeted revenues in fines and forfeitures, charges for services, licenses and permits, and revenues from other agencies.

Total General Fund expenditures were \$84.2 million, compared to a final budget of \$85.5 million. Savings were realized in several functional areas, including Legislative and Administration, Community and Safety Services, and Administrative Services. These savings were partially offset by higher expenditures in Public Works, reflecting increased activity levels, and at the Cerritos Center for the Performing Arts, which experienced higher operating costs associated with expanded programming. Overall, expenditures were managed below appropriations while maintaining service levels.

Actual excess revenues over expenditures totaled \$20.3 million, compared to \$7.5 million anticipated in the final budget. After accounting for other financing sources and uses, including transfers out of the General Fund, the General Fund reported an actual decrease in fund balance of \$22.7 million, compared to a final budgeted decrease of \$41.8 million. While fund balance declined during the year, the decrease was significantly less than budgeted, reflecting stronger-than-anticipated revenue performance and expenditure savings, partially offset by planned transfers associated with the City's financial and reserve management strategies.

At June 30, 2025, the General Fund reported an ending fund balance of \$163.2 million, which exceeded the final budgeted ending balance of \$156.6 million.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The City of Cerritos investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounts to \$283.7 million (net of accumulated depreciation) which is an increase of \$2.8 million from the prior fiscal year. The increase offsets typically anticipated decreases due to depreciation and is the result of the City's continued commitment to the improvement of infrastructure and facilities throughout the community. This investment in capital assets includes land, streets,

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

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, 2025:

|   | City of Cerritos Capital Assets<br>(in millions) |                 |                          |                |                 |                 |
|---|--|-----------------|--------------------------|----------------|-----------------|-----------------|
|   | Governmental activities                          |                 | Business-type activities |                | Total           |                 |
|   | 2025   | 2024            | 2025                     | 2024           | 2025            | 2024            |
| 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  | 5.8  | 5.0             | -                        | -              | 5.8             | 5.0             |
| Trees   | 1.4  | 1.4             | -                        | -              | 1.4             | 1.4             |
| Construction in progress                            | 7.4  | 11.2            | 6.8                      | 5.3            | 14.2            | 16.5            |
| Buildings and structures                            | 66.4   | 69.4            | 2.1                      | 2.2            | 68.5            | 71.6            |
| Improvements other<br>than buildings                | 7.1  | 7.3             | 0.0                      | -              | 7.1             | 7.3             |
| Infrastructure/water mains<br>and lines/sewer mains | 25.0   | 17.4            | 19.9                     | 20.7           | 44.9            | 38.1            |
| Right to Use Asset -                                |  |                 |                          |                |                 |                 |
| Subscriptions                                       | 0.3  | 0.0             | 0.0                      | -              | 0.3             | -               |
| Water rights  | 0.0  | 0.0             | 1.0                      | 1.0            | 1.0             | 1.0             |
| Electric Rights                                     | 0.0  | 0.0             | 4.7                      | 5.2            | 4.7             | 5.2             |
| Furniture and equipment                             | 3.5  | 2.3             | 1.5                      | 1.5            | 5.0             | 3.9             |
| <b>Total</b>  | <b>\$ 247.7</b>                                  | <b>\$ 244.9</b> | <b>\$ 36.0</b>           | <b>\$ 36.0</b> | <b>\$ 283.7</b> | <b>\$ 280.9</b> |

Overall, the City's investment in capital assets increased by \$2.8 million during fiscal year 2024-25. For governmental activities, net capital assets increased by \$2.8 million, reflecting capital additions of approximately \$9.6 million, primarily related to infrastructure improvements and construction activity, partially offset by \$7.0 million of annual depreciation. Capital additions included investments in public infrastructure, facilities, and public art, as well as the completion and capitalization of construction in progress projects.

Capital assets for business-type activities remained relatively stable, with a modest net increase. Additions related primarily to ongoing construction in progress and routine system improvements, which were largely offset by annual depreciation of utility infrastructure and equipment. Detailed information regarding the City's capital asset activity, including additions, deletions, and depreciation, is presented in Note 6 to the basic financial statements.

#### **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.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

During fiscal year 2024-25, the Successor Agency fully retired the remaining Los Coyotes Redevelopment Project revenue bonds. As a result, the Successor Agency had no long-term debt outstanding as of June 30, 2025, compared to \$11.4 million at the end of the prior fiscal year.

**Successor Agency Long-Term Debt**  
(in millions)

|                             | <u>2025</u> | <u>2024</u>    |
|-----------------------------|-------------|----------------|
| Los Coyotes Revenue Bonds   | \$ -        | \$ 11.4        |
| Add (Less) Deferred Amounts | - -         | - -            |
| <b>Total Long-Term Debt</b> | <b>\$ -</b> | <b>\$ 11.4</b> |

At the end of the 2024-25 fiscal year, the City had total debt outstanding of \$8.0 million which consisted of bonds issued for the development of the Magnolia Power Project. Detailed information relating to long-term debt can be found in Note 8 to the basic financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

As the City enters fiscal year 2025-26, the focus remains on prudent financial management, long-term planning, and the continued delivery of high-quality services and programs. While the City remains financially stable, recent trends highlight the importance of a cautious and forward-looking approach as economic conditions continue to evolve.

Sales tax, the City's largest single revenue source, has experienced multiple years of relatively flat performance following a period of strong growth. At the same time, operating costs have continued to rise due to inflationary pressures affecting labor, contractual services, and materials. Although elevated interest rates have supported investment income in the near term, this revenue source is subject to market conditions and should not be viewed as a permanent offset to structural cost growth. In addition, any sustained reduction in reserves will place downward pressure on future investment income.

In response to these conditions, the City is actively evaluating its long-term financial position through a number of strategic initiatives. A water and sewer rate study is underway to assess the sustainability of utility operations and to reduce reliance on General Fund subsidies. In addition, the City is conducting a part-time staffing analysis to better align service delivery with operational needs while managing personnel-related costs. A comprehensive citywide user fee study is also in progress to evaluate whether existing fees accurately reflect the cost of services provided.

Infrastructure investment remains a priority, particularly as the City addresses deferred maintenance and capital needs across its facilities and public assets. These investments will be guided by recently adopted financial policies and capital prioritization frameworks to ensure that limited resources are directed toward the most critical needs.

Looking ahead, the City will continue to emphasize conservative budgeting, long-range financial forecasting, and strategic planning. While no single solution will address all fiscal pressures, ongoing evaluation of expenditures, service levels, and revenue capacity will be essential to maintaining long-term fiscal sustainability. Through thoughtful planning and disciplined financial management, the City is positioning itself to navigate economic uncertainty while preserving the quality of services expected by the Cerritos community.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2025**

**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 and Budget Division at the City of Cerritos, 18125 Bloomfield Avenue, Cerritos, CA 90703, call (562) 860-0311 or visit our website at [www.cerritos.gov](http://www.cerritos.gov).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>                             |                            |                             |                       |
| Current Assets:                           |                            |                             |                       |
| Pooled Cash and Investments               | \$ 147,117,575             | \$ 2,770,332                | \$ 149,887,907        |
| Accounts Receivable                       | 11,951,940                 | 3,464,415                   | 15,416,355            |
| Interest Receivable                       | 632,579                    | -                           | 632,579               |
| Lease Receivable - current                | 3,030,487                  | -                           | 3,030,487             |
| Notes Receivable                          | 321,454                    | -                           | 321,454               |
| Prepaid Items                             | 617,590                    | 116,959                     | 734,549               |
| Inventories                               | 79,387                     | -                           | 79,387                |
| Internal Balances                         | 28,114,957                 | (28,114,957)                | -                     |
| Total Current Assets                      | <u>191,865,969</u>         | <u>(21,763,251)</u>         | <u>170,102,718</u>    |
| Noncurrent Assets:                        |                            |                             |                       |
| Net Pension Asset                         | 1,099,310                  | 102,122                     | 1,201,432             |
| Net OPEB Asset                            | 1,289,593                  | 119,797                     | 1,409,390             |
| Lease Receivable - net of current portion | 467,250,984                | -                           | 467,250,984           |
| Advances to Fiduciary Funds               | 34,840,415                 | -                           | 34,840,415            |
| Capital Assets:                           |                            |                             |                       |
| Not Being Depreciated                     | 145,443,747                | 6,790,149                   | 152,233,896           |
| Being Depreciated, Net                    | <u>102,221,673</u>         | <u>29,215,695</u>           | <u>131,437,368</u>    |
| Total Noncurrent Assets                   | <u>752,145,722</u>         | <u>36,227,763</u>           | <u>788,373,485</u>    |
| Total Assets                              | 944,011,691                | 14,464,512                  | 958,476,203           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                            |                             |                       |
| Pension-Related Items                     | 18,671,771                 | 1,734,536                   | 20,406,307            |
| OPEB-Related Items                        | <u>9,041,710</u>           | <u>839,941</u>              | <u>9,881,651</u>      |
| Total Deferred Outflows of Resources      | <u>27,713,481</u>          | <u>2,574,477</u>            | <u>30,287,958</u>     |
| <b>LIABILITIES</b>                        |                            |                             |                       |
| Current Liabilities:                      |                            |                             |                       |
| Accounts Payable and Accrued Liabilities  | 8,582,013                  | 2,470,656                   | 11,052,669            |
| Accrued Salaries and Benefits             | 1,168,905                  | 166,290                     | 1,335,195             |
| Unearned Revenue                          | 5,303,596                  | 1,185,921                   | 6,489,517             |
| Retention                                 | 269,138                    | 158,792                     | 427,930               |
| Deposits Payable                          | 1,056,354                  | 46,420                      | 1,102,774             |
| Settlement Payable                        | 95,419                     | -                           | 95,419                |
| Compensated Absences                      | 1,037,368                  | 86,115                      | 1,123,483             |
| Long-Term Debt                            | 106,991                    | 460,000                     | 566,991               |
| Total Current Liabilities                 | <u>17,619,784</u>          | <u>4,574,194</u>            | <u>22,193,978</u>     |
| Noncurrent Liabilities:                   |                            |                             |                       |
| Net Pension Liability                     | 77,290,401                 | 7,179,983                   | 84,470,384            |
| Compensated Absences                      | 3,112,102                  | 258,346                     | 3,370,448             |
| Long-Term Debt                            | 111,351                    | 7,545,000                   | 7,656,351             |
| Total Noncurrent Liabilities              | <u>80,513,854</u>          | <u>14,983,329</u>           | <u>95,497,183</u>     |
| Total Liabilities                         | 98,133,638                 | 19,557,523                  | 117,691,161           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                            |                             |                       |
| Lease Related                             | 456,415,533                | -                           | 456,415,533           |
| OPEB Related                              | <u>717,350</u>             | <u>66,639</u>               | <u>783,989</u>        |
| Total Deferred Inflows of Resources       | <u>457,132,883</u>         | <u>66,639</u>               | <u>457,199,522</u>    |
| <b>NET POSITION</b>                       |                            |                             |                       |
| Net Investment in Capital Assets          | 247,189,700                | 27,842,052                  | 275,031,752           |
| Restricted for:                           |                            |                             |                       |
| Pension                                   | 1,099,310                  | 102,122                     | 1,201,432             |
| OPEB                                      | 1,289,593                  | 119,797                     | 1,409,390             |
| Housing Assets                            | 24,324,333                 | -                           | 24,324,333            |
| Street Improvements                       | 29,983                     | -                           | 29,983                |
| Transportation                            | 7,156,543                  | -                           | 7,156,543             |
| Municipal Improvements                    | 377,695                    | -                           | 377,695               |
| Miscellaneous Grants                      | 6,557                      | -                           | 6,557                 |
| Unrestricted (Deficit)                    | <u>134,984,937</u>         | <u>(30,649,144)</u>         | <u>104,335,793</u>    |
| Total Net Position                        | <u>\$ 416,458,651</u>      | <u>\$ (2,585,173)</u>       | <u>\$ 413,873,478</u> |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**

| Functions/Programs                      | Expenses                     | Program Revenues            |                                    |                                  |
|---|------------------------------|-----------------------------|------------------------------------|----------------------------------|
|   |                              | Charges for Services        | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental Activities:</b>         |                              |                             |                                    |                                  |
| Legislative and Administration          | \$ 3,404,351                 | \$ 9,900                    | \$ 170,843                         | \$ -                             |
| Community Development                   | 7,877,639                    | 2,190,259                   | 2,541,261                          | 186,663                          |
| Public Works                            | 35,841,978                   | 217,191                     | 6,406,300                          | -                                |
| Community and Safety Services           | 36,330,021                   | 2,739,680                   | 194,663                            | -                                |
| Administrative Services                 | 18,536,304                   | 531,013                     | -                                  | -                                |
| Cerritos Center for the Performing Arts | 13,989,758                   | 6,518,335                   | 82,405                             | -                                |
| Unallocated Infrastructure Depreciation | 1,248,019                    | -                           | -                                  | -                                |
| Interest on Long-Term Debt              | 2,887                        | -                           | -                                  | -                                |
| Total Governmental Activities           | <u>117,230,957</u>           | <u>12,206,378</u>           | <u>9,395,472</u>                   | <u>186,663</u>                   |
| <b>Business-Type Activities:</b>        |                              |                             |                                    |                                  |
| Water and Sewer                         | 17,249,323                   | 11,599,284                  | -                                  | 22,096                           |
| Electric Utility                        | 7,967,570                    | 6,011,037                   | -                                  | -                                |
| Reclaimed Water                         | 1,556,678                    | 1,217,856                   | -                                  | -                                |
| Total Business-Type Activities          | <u>26,773,571</u>            | <u>18,828,177</u>           | <u>-</u>                           | <u>22,096</u>                    |
| Total                                   | <u><u>\$ 144,004,528</u></u> | <u><u>\$ 31,034,555</u></u> | <u><u>\$ 9,395,472</u></u>         | <u><u>\$ 208,759</u></u>         |

**General Revenues:**

|                                      |  |
|--------------------------------------|--|
| Taxes:                               |  |
| Sales Taxes                          |  |
| Property Taxes                       |  |
| Franchise Taxes                      |  |
| Transient Occupancy Taxes            |  |
| Other Taxes                          |  |
| Investment Income                    |  |
| Miscellaneous                        |  |
| Transfers                            |  |
| Total General Revenues and Transfers |  |

**CHANGE IN NET POSITION**

Net Position (Deficit) - Beginning of Year

**NET POSITION (DEFICIT) - END OF YEAR**

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

| Functions/Programs                          | Net (Expense) Revenue and<br>Changes in Net Assets |                              |                              |
|---|--|------------------------------|------------------------------|
|   | Governmental<br>Activities                         | Business-Type<br>Activities  | Total                        |
| <b>Governmental Activities:</b>             |  |                              |                              |
| Legislative and Administration              | \$ (3,223,608)                                     | \$ -                         | \$ (3,223,608)               |
| Community Development                       | (2,959,456)  | -                            | (2,959,456)                  |
| Public Works                                | (29,218,487)                                       | -                            | (29,218,487)                 |
| Community and Safety Services               | (33,395,678)                                       | -                            | (33,395,678)                 |
| Administrative Services                     | (18,005,291)                                       | -                            | (18,005,291)                 |
| Cerritos Center for the Performing Arts     | (7,389,018)  | -                            | (7,389,018)                  |
| Unallocated Infrastructure Depreciation     | (1,248,019)  | -                            | (1,248,019)                  |
| Interest on Long-Term Debt                  | (2,887)  | -                            | (2,887)                      |
| Total Governmental Activities               | <u>(95,442,444)</u>                                | <u>-</u>                     | <u>(95,442,444)</u>          |
| <b>Business-Type Activities:</b>            |  |                              |                              |
| Water and Sewer                             | -  | (5,627,943)                  | (5,627,943)                  |
| Electric Utility                            | -  | (1,956,533)                  | (1,956,533)                  |
| Reclaimed Water                             | -  | (338,822)                    | (338,822)                    |
| Total Business-Type Activities              | <u>-</u>   | <u>(7,923,298)</u>           | <u>(7,923,298)</u>           |
| Total                                       | (95,442,444)                                       | (7,923,298)                  | (103,365,742)                |
| <b>General Revenues:</b>                    |  |                              |                              |
| Taxes:                                      |  |                              |                              |
| Sales Taxes                                 | 43,166,330   | -                            | 43,166,330                   |
| Property Taxes                              | 17,626,701   | -                            | 17,626,701                   |
| Franchise Taxes                             | 3,583,765  | -                            | 3,583,765                    |
| Transient Occupancy Taxes                   | 1,400,914  | -                            | 1,400,914                    |
| Other Taxes                                 | 3,886,588  | -                            | 3,886,588                    |
| Investment Income                           | 25,463,013   | 34,300                       | 25,497,313                   |
| Miscellaneous                               | 231,437  | -                            | 231,437                      |
| Transfers                                   | <u>(6,231,740)</u>                                 | <u>6,231,740</u>             | <u>-</u>                     |
| Total General Revenues and Transfers        | <u>89,127,008</u>                                  | <u>6,266,040</u>             | <u>95,393,048</u>            |
| <b>CHANGE IN NET POSITION</b>               |  |                              |                              |
| Net Position (Deficit) - Beginning of Year  | (6,315,436)  | (1,657,258)                  | (7,972,694)                  |
| Net Position (Deficit) - Beginning of Year  | <u>422,774,087</u>                                 | <u>(927,915)</u>             | <u>421,846,172</u>           |
| <b>NET POSITION (DEFICIT) - END OF YEAR</b> | <b><u>\$ 416,458,651</u></b>                       | <b><u>\$ (2,585,173)</u></b> | <b><u>\$ 413,873,478</u></b> |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

|  | Major Funds                  |                             |                             |                             |                              |                           |  |  |
|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------|--|--|
|  | Housing                      |                             | Municipal                   |                             | Nonmajor                     | Total                     |  |  |
|  | Assets                       |                             | Improvement                 |                             |                              |                           |  |  |
|  | General                      | Revenue                     | Capital Project             | Fund                        |                              |                           |  |  |
| <b>ASSETS</b>  |                              |                             |                             |                             |                              |                           |  |  |
| Cash and Investments   | \$ 89,769,448                | \$ 17,356,250               | \$ 22,234,326               | \$ 9,870,670                | \$ 139,230,694               |                           |  |  |
| Receivables:   |                              |                             |                             |                             |                              |                           |  |  |
| Accounts   | 8,941,528                    | -                           | -                           | 3,010,412                   | 11,951,940                   |                           |  |  |
| Interest   | 632,579                      | -                           | -                           | -                           | 632,579                      |                           |  |  |
| Lease  | 470,281,471                  | -                           | -                           | -                           | 470,281,471                  |                           |  |  |
| Notes  | 321,454                      | -                           | -                           | -                           | 321,454                      |                           |  |  |
| Prepaid Items  | 565,953                      | -                           | -                           | 17,396                      | 583,349                      |                           |  |  |
| Inventories  | 79,387                       | -                           | -                           | -                           | 79,387                       |                           |  |  |
| Due from Other Funds   | 4,023,182                    | -                           | -                           | -                           | 4,023,182                    |                           |  |  |
| Advances to Other Funds  | 28,114,957                   | -                           | -                           | -                           | 28,114,957                   |                           |  |  |
| Advances to Fiduciary Funds  | 27,872,332                   | 6,968,083                   | -                           | -                           | -                            | 34,840,415                |  |  |
| <b>Total Assets</b>  | <b><u>\$ 630,602,291</u></b> | <b><u>\$ 24,324,333</u></b> | <b><u>\$ 22,234,326</u></b> | <b><u>\$ 12,898,478</u></b> | <b><u>\$ 690,059,428</u></b> |                           |  |  |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                              |                             |                             |                             |                              |                           |  |  |
| <b>LIABILITIES</b>   |                              |                             |                             |                             |                              |                           |  |  |
| Accounts Payable and Accrued Liabilities                                   | \$ 5,997,126                 | \$ -                        | \$ 1,367,975                | \$ 788,759                  | \$ 8,153,860                 |                           |  |  |
| Accrued Salaries and Benefits  | 1,077,106                    | -                           | -                           | 91,799                      | 1,168,905                    |                           |  |  |
| Deposits Payable   | 1,056,354                    | -                           | -                           | -                           | 1,056,354                    |                           |  |  |
| Settlement Payable - Current Portion                                       | 21                           | -                           | -                           | -                           | 21                           |                           |  |  |
| Unearned Revenue   | 2,872,566                    | -                           | -                           | 2,431,030                   | 5,303,596                    |                           |  |  |
| Due to Other Funds   | -                            | -                           | -                           | 4,023,182                   | 4,023,182                    |                           |  |  |
| <b>Total Liabilities</b>   | <b><u>11,003,173</u></b>     | <b><u>-</u></b>             | <b><u>1,367,975</u></b>     | <b><u>7,334,770</u></b>     | <b><u>19,705,918</u></b>     |                           |  |  |
| <b>DEFERRED INFLOW OF RESOURCES</b>  |                              |                             |                             |                             |                              |                           |  |  |
| Leases Related   | 456,415,533                  | -                           | -                           | -                           | -                            | 456,415,533               |  |  |
| <b>Total Deferred Inflows of Resources</b>                                 | <b><u>456,415,533</u></b>    | <b><u>-</u></b>             | <b><u>-</u></b>             | <b><u>-</u></b>             | <b><u>-</u></b>              | <b><u>456,415,533</u></b> |  |  |
| <b>FUND BALANCES</b>   |                              |                             |                             |                             |                              |                           |  |  |
| Nonspendable   | 56,632,629                   | -                           | -                           | 17,396                      | 56,650,025                   |                           |  |  |
| Restricted   | -                            | 24,324,333                  | -                           | 7,570,778                   | 31,895,111                   |                           |  |  |
| Assigned   | 22,181,943                   | -                           | 20,866,351                  | -                           | 43,048,294                   |                           |  |  |
| Unassigned (Deficit)   | 84,369,013                   | -                           | -                           | (2,024,466)                 | 82,344,547                   |                           |  |  |
| <b>Total Fund Balances</b>   | <b><u>163,183,585</u></b>    | <b><u>24,324,333</u></b>    | <b><u>20,866,351</u></b>    | <b><u>5,563,708</u></b>     | <b><u>213,937,977</u></b>    |                           |  |  |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b><u>\$ 630,602,291</u></b> | <b><u>\$ 24,324,333</u></b> | <b><u>\$ 22,234,326</u></b> | <b><u>\$ 12,898,478</u></b> | <b><u>\$ 690,059,428</u></b> |                           |  |  |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

## Fund Balances - Total Governmental Funds

\$ 213,937,977

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 \$5,854,944 and accumulated depreciation of \$2,421,811.

|                          |                |
|--------------------------|----------------|
| Capital assets           | \$ 437,751,508 |
| Accumulated depreciation | (193,519,221)  |

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  | (4,149,470) |
| SBITA agreements  | (218,342)   |
| Settlement payable (net of \$21 reported in the General Fund) | (95,398)    |

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 | 18,671,771   |
| Net pension asset                                 | 1,099,310    |
| Net pension liability                             | (77,290,401) |

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 | 9,041,710 |
| Deferred inflows of resources related to OPEB  | (717,350) |
| Net OPEB asset                                 | 1,289,593 |

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.

Net Position of Governmental Activities **\$ 416,458,651**

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|   | Major Funds           |                      |   |                                   |                                |  |
|---|-----------------------|----------------------|---|-----------------------------------|--------------------------------|--|
|   | General               | Housing<br>Assets    | Municipal<br>Improvement<br>Capital Project<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |  |
|   |                       | Special<br>Revenue   |   |                                   |                                |  |
| <b>REVENUES</b>                         |                       |                      |   |                                   |                                |  |
| Property, Sales, and Other Taxes        | \$ 62,462,357         | \$ -                 | \$ -  | \$ -                              | \$ 62,462,357                  |  |
| Franchise                               | 3,583,765             | -                    | -   | -                                 | 3,583,765                      |  |
| Licenses and Permits                    | 3,397,619             | -                    | -   | -                                 | 3,397,619                      |  |
| Fines and Forfeitures                   | 540,525               | -                    | -   | -                                 | 540,525                        |  |
| Investment and Rental Income            | 25,492,612            | 434,744              | -   | 248,559                           | 26,175,915                     |  |
| Intergovernmental                       | 192,914               | -                    | -   | 12,812,301                        | 13,005,215                     |  |
| Charges for Services                    | 8,218,683             | -                    | 374   | 1,998                             | 8,221,055                      |  |
| Contributions from Property Owners      | -                     | -                    | -   | 215,527                           | 215,527                        |  |
| Other Revenues                          | 591,717               | 32,732               | -   | -                                 | 624,449                        |  |
| Total Revenues                          | 104,480,192           | 467,476              | 374   | 13,278,385                        | 118,226,427                    |  |
| <b>EXPENDITURES</b>                     |                       |                      |   |                                   |                                |  |
| Current:                                |                       |                      |   |                                   |                                |  |
| Legislative and Administration          | 2,242,721             | -                    | -   | 256,806                           | 2,499,527                      |  |
| Community Development                   | 4,786,375             | 112,993              | -   | 2,446,962                         | 7,346,330                      |  |
| Public Works                            | 18,591,664            | -                    | 9,309,998   | 5,929,719                         | 33,831,381                     |  |
| Community and Safety Services           | 31,553,095            | -                    | -   | -                                 | 31,553,095                     |  |
| Administrative Services                 | 15,368,010            | -                    | -   | 747,316                           | 16,115,326                     |  |
| Cerritos Center for The Performing Arts | 11,610,645            | -                    | -   | -                                 | 11,610,645                     |  |
| Capital Outlay                          | -                     | -                    | 8,178,226   | -                                 | 8,178,226                      |  |
| Debt Service:                           |                       |                      |   |                                   |                                |  |
| Principal                               | 56,441                | -                    | -   | -                                 | 56,441                         |  |
| Interest                                | 2,887                 | -                    | -   | -                                 | 2,887                          |  |
| Total Expenditures                      | 84,211,838            | 112,993              | 17,488,224  | 9,380,803                         | 111,193,858                    |  |
| Revenues Over (Under)<br>Expenditures   | 20,268,354            | 354,483              | (17,487,850)  | 3,897,582                         | 7,032,569                      |  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                       |                      |   |                                   |                                |  |
| Subscriptions Proceeds                  | 274,783               | -                    | -   | -                                 | 274,783                        |  |
| Transfers In                            | 339,183               | -                    | 38,354,201  | 9,243,362                         | 47,936,746                     |  |
| Transfers Out                           | (43,607,978)          | -                    | -   | (11,560,508)                      | (55,168,486)                   |  |
| Total Other Financing Sources (Uses)    | (42,994,012)          | -                    | 38,354,201  | (2,317,146)                       | (6,956,957)                    |  |
| <b>NET CHANGE IN FUND BALANCES</b>      |                       |                      |   |                                   |                                |  |
| Fund Balances - Beginning of Year       | 185,909,243           | 23,969,850           | -   | 3,983,272                         | 213,862,365                    |  |
| <b>FUND BALANCES - END OF YEAR</b>      | <b>\$ 163,183,585</b> | <b>\$ 24,324,333</b> | <b>\$ 20,866,351</b>                                | <b>\$ 5,563,708</b>               | <b>\$ 213,937,977</b>          |  |

See accompanying Notes to Basic 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, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ 75,612

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 \$416,606) | \$ (6,632,363)   |
| Disposals  | (102,015)        |
| Capital outlay   | <u>8,362,207</u> |

1,627,829

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.

(1,250,000)

Long-term liabilities 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.

|                    |           |
|--------------------|-----------|
| Settlement payable | 5,580     |
| SBITA              | (218,342) |

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.

(654,524)

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.

(4,775,978)

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.

(1,209,887)

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.

84,274

Change in Net Position of Governmental Activities \$ (6,315,436)

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2025**

|  | Business-Type Activities - Enterprise Funds |                        |                          |                        | Governmental Activities - Equipment Replacement Internal Service Funds |
|--|---|------------------------|--------------------------|------------------------|--|
|  | Major Funds                                 |                        | Nonmajor Reclaimed Water | Total Enterprise Funds |  |
|  | Water and Sewer                             | Electric Utility       | Reclaimed Water          | Total Enterprise Funds |  |
| <b>ASSETS</b>                                    |   |                        |                          |                        |  |
| Current Assets:                                  |   |                        |                          |                        |  |
| Cash and Investments                             | \$ 884,643                                  | \$ 598,996             | \$ 1,286,693             | \$ 2,770,332           | \$ 7,886,881   |
| Accounts Receivable                              | 1,929,079                                   | 1,040,036              | 495,300                  | 3,464,415              | -  |
| Prepaid Items                                    | 75,173                                      | -                      | 41,786                   | 116,959                | 34,241   |
| Total Current Assets                             | <u>2,888,895</u>                            | <u>1,639,032</u>       | <u>1,823,779</u>         | <u>6,351,706</u>       | <u>7,921,122</u>   |
| Noncurrent Assets:                               |   |                        |                          |                        |  |
| Net Pension Asset                                | 102,122                                     | -                      | -                        | 102,122                | -  |
| Net OPEB Asset                                   | 119,797                                     | -                      | -                        | 119,797                | -  |
| Capital Assets:                                  |   |                        |                          |                        |  |
| Construction in Progress                         | 6,786,099                                   | -                      | 4,050                    | 6,790,149              | -  |
| Building and Structures                          | 5,444,587                                   | -                      | 1,315,000                | 6,759,587              | -  |
| Water Mains and Lines                            | 30,674,683                                  | -                      | 15,915,712               | 46,590,395             | -  |
| Equipment  | 7,380,389                                   | -                      | 120,278                  | 7,500,667              | 5,854,944  |
| 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                         | (38,800,384)                                | (9,403,333)            | (11,555,820)             | (59,759,537)           | (2,421,811)  |
| Total Noncurrent Assets                          | <u>25,726,876</u>                           | <u>4,701,667</u>       | <u>5,799,220</u>         | <u>36,227,763</u>      | <u>3,433,133</u>   |
| Total Assets                                     | <u>28,615,771</u>                           | <u>6,340,699</u>       | <u>7,622,999</u>         | <u>42,579,469</u>      | <u>11,354,255</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>            |   |                        |                          |                        |  |
| Pension Related Deferred Outflows of Resources   | 1,734,536                                   | -                      | -                        | 1,734,536              | -  |
| OPEB Related Deferred Outflows of Resources      | 839,941                                     | -                      | -                        | 839,941                | -  |
| Total Deferred Outflows of Resources             | <u>2,574,477</u>                            | <u>-</u>               | <u>-</u>                 | <u>2,574,477</u>       | <u>-</u>   |
| <b>LIABILITIES</b>                               |   |                        |                          |                        |  |
| Current Liabilities:                             |   |                        |                          |                        |  |
| Accounts Payable                                 | 1,714,321                                   | 341,574                | 414,761                  | 2,470,656              | 697,291  |
| Accrued Liabilities                              | 150,498                                     | 5,578                  | 10,214                   | 166,290                | -  |
| Retention  | 158,792                                     | -                      | -                        | 158,792                | -  |
| Deposits Payable                                 | 46,420                                      | -                      | -                        | 46,420                 | -  |
| Unearned Revenue                                 | 1,185,921                                   | -                      | -                        | 1,185,921              | -  |
| Long-Term Debt - Due Within One Year             | -   | 460,000                | -                        | 460,000                | -  |
| Compensated Absences - Due Within One Year       | 86,115                                      | -                      | -                        | 86,115                 | -  |
| Total Current Liabilities                        | <u>3,342,067</u>                            | <u>807,152</u>         | <u>424,975</u>           | <u>4,574,194</u>       | <u>697,291</u>   |
| Noncurrent Liabilities:                          |   |                        |                          |                        |  |
| Advances from Other Funds                        | -   | 28,114,957             | -                        | 28,114,957             | -  |
| Net Pension Liabilities                          | 7,179,983                                   | -                      | -                        | 7,179,983              | -  |
| Long-Term Debt - Due in More than One Year       | -   | 7,545,000              | -                        | 7,545,000              | -  |
| Compensated Absences - Due in More than One Year | 258,346                                     | -                      | -                        | 258,346                | -  |
| Total Noncurrent Liabilities                     | <u>7,438,329</u>                            | <u>35,659,957</u>      | <u>-</u>                 | <u>43,098,286</u>      | <u>-</u>   |
| Total Liabilities                                | <u>10,780,396</u>                           | <u>36,467,109</u>      | <u>424,975</u>           | <u>47,672,480</u>      | <u>697,291</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |   |                        |                          |                        |  |
| Pension Related Deferred Inflows of Resources    | -   | -                      | -                        | -                      | -  |
| OPEB Related Deferred Outflows of Resources      | 66,639                                      | -                      | -                        | 66,639                 | -  |
| Total Deferred Inflows of Resources              | <u>66,639</u>                               | <u>-</u>               | <u>-</u>                 | <u>66,639</u>          | <u>-</u>   |
| <b>NET POSITION</b>                              |   |                        |                          |                        |  |
| Net Investment In Capital Assets                 | 25,346,165                                  | (3,303,333)            | 5,799,220                | 27,842,052             | 3,433,133  |
| Restricted for Pension                           | 102,122                                     | -                      | -                        | 102,122                | -  |
| Restricted for OPEB                              | 119,797                                     | -                      | -                        | 119,797                | -  |
| Unrestricted (Deficit)                           | (5,224,871)                                 | (26,823,077)           | 1,398,804                | (30,649,144)           | 7,223,831  |
| Total Net Position (Deficit)                     | <u>\$ 20,343,213</u>                        | <u>\$ (30,126,410)</u> | <u>\$ 7,198,024</u>      | <u>\$ (2,585,173)</u>  | <u>\$ 10,656,964</u>   |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|   | Business-Type Activities |                  |                          |                  |                        | Governmental Activities - Equipment Replacement Internal Service Fund |
|---|--------------------------|------------------|--------------------------|------------------|------------------------|---|
|   | Major Funds              |                  | Nonmajor Reclaimed Water |                  | Total Enterprise Funds |   |
|   | Water and Sewer          | Electric Utility | Reclaimed Water          | Enterprise Funds |                        |   |
| <b>OPERATING REVENUES</b>                                       |                          |                  |                          |                  |                        |   |
| Sales of Water:   |                          |                  |                          |                  |                        |   |
| Regular   | \$ 9,682,144             | \$ -             | \$ 1,217,856             | \$ 10,900,000    | \$ -                   |   |
| Wholesale   | 936,559                  | -                | -                        | 936,559          | -                      |   |
| Sales of Electricity:   |                          |                  |                          |                  |                        |   |
| Regular   | -                        | 6,007,541        | -                        | 6,007,541        | -                      |   |
| Fire Lines  | 508,079                  | -                | -                        | 508,079          | -                      |   |
| Charges for Services  | 68,835                   | -                | -                        | 68,835           | -                      |   |
| Other Agency Contribution                                       | 403,667                  | -                | -                        | 403,667          | -                      |   |
| Other Revenues  | -                        | 3,496            | -                        | 3,496            | -                      |   |
| Total Operating Revenues  | 11,599,284               | 6,011,037        | 1,217,856                | 18,828,177       | -                      |   |
| <b>OPERATING EXPENSES</b>                                       |                          |                  |                          |                  |                        |   |
| Management  | 6,292,305                | -                | -                        | 6,292,305        | -                      |   |
| Production and Distribution                                     | 6,053,844                | -                | 63,503                   | 6,117,347        | -                      |   |
| Operations  | 2,958,876                | 6,389,672        | 1,126,499                | 10,475,047       | 669,954                |   |
| Inspections   | 539,068                  | -                | 59,896                   | 598,964          | -                      |   |
| Billings and Collection   | 326,491                  | -                | -                        | 326,491          | -                      |   |
| Depreciation  | 1,078,739                | 470,167          | 306,780                  | 1,855,686        | 416,606                |   |
| Total Operating Expenses  | 17,249,323               | 6,859,839        | 1,556,678                | 25,665,840       | 1,086,560              |   |
| <b>OPERATING LOSS</b>   |                          |                  |                          |                  |                        |   |
|   | (5,650,039)              | (848,802)        | (338,822)                | (6,837,663)      | (1,086,560)            |   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                         |                          |                  |                          |                  |                        |   |
| Investment Income (Loss)  | (37,478)                 | 40,024           | 31,754                   | 34,300           | 170,834                |   |
| Interest Expense - Debt Service                                 | -                        | (422,000)        | -                        | (422,000)        | -                      |   |
| Interest Expense - Advances                                     | -                        | (685,731)        | -                        | (685,731)        | -                      |   |
| Total Nonoperating Revenues (Expenses)                          | (37,478)                 | (1,067,707)      | 31,754                   | (1,073,431)      | 170,834                |   |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> |                          |                  |                          |                  |                        |   |
|   | (5,687,517)              | (1,916,509)      | (307,068)                | (7,911,094)      | (915,726)              |   |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>                      |                          |                  |                          |                  |                        |   |
| Capital Contributions   | 22,096                   | -                | -                        | 22,096           | -                      |   |
| Transfers In  | 5,374,740                | 857,000          | -                        | 6,231,740        | 1,000,000              |   |
| <b>CHANGE IN NET POSITION</b>                                   |                          |                  |                          |                  |                        |   |
|   | (290,681)                | (1,059,509)      | (307,068)                | (1,657,258)      | 84,274                 |   |
| Net Position (Deficit) - Beginning of Year                      | 20,633,894               | (29,066,901)     | 7,505,092                | (927,915)        | 10,572,690             |   |
| <b>NET POSITION (DEFICIT) - END OF YEAR</b>                     | \$ 20,343,213            | \$ (30,126,410)  | \$ 7,198,024             | \$ (2,585,173)   | \$ 10,656,964          |   |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|   | Business-Type Activities - Enterprise Funds |                     |                     |                           |                     | Governmental<br>Activities -<br>Equipment<br>Replacement<br>Internal<br>Service Fund |  |
|---|---|---------------------|---------------------|---------------------------|---------------------|--|--|
|   | Major Funds                                 |                     | Nonmajor            |                           |                     |  |  |
|   | Water and<br>Sewer                          | Electric<br>Utility | Reclaimed<br>Water  | Total Enterprise<br>Funds |                     |  |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |   |                     |                     |                           |                     |  |  |
| Cash Received from Customers                                    | \$ 10,972,771                               | \$ 5,708,121        | \$ 942,697          | \$ 17,623,589             | \$ -                |  |  |
| Cash Paid to Suppliers of Goods or Services                     | (9,551,863)                                 | (6,410,451)         | (1,297,984)         | (17,260,298)              | 88,194              |  |  |
| Cash Paid to Employees  | (5,566,173)                                 | -                   | -                   | (5,566,173)               | -                   |  |  |
| Net Cash Provided (Used) by Operating Activities                | (4,145,265)                                 | (702,330)           | (355,287)           | (5,202,882)               | 88,194              |  |  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |   |                     |                     |                           |                     |  |  |
| Transfers In  | 5,374,740                                   | 857,000             | -                   | 6,231,740                 | 1,000,000           |  |  |
| Net Cash Provided by Noncapital Financing Activities            | 5,374,740                                   | 856,999             | -                   | 6,231,739                 | 1,000,000           |  |  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |   |                     |                     |                           |                     |  |  |
| Acquisition of Capital Assets                                   | (1,920,854)                                 | -                   | (4,050)             | (1,924,904)               | (1,542,085)         |  |  |
| Cash Received for Capital                                       | 22,096                                      | -                   | -                   | 22,096                    | -                   |  |  |
| Proceeds on Sale of Capital Assets                              | 6,932                                       | -                   | -                   | 6,932                     | -                   |  |  |
| Principal Paid on Debt  | -   | (435,000)           | -                   | (435,000)                 | -                   |  |  |
| Interest Paid on Debt   | -   | (422,000)           | -                   | (422,000)                 | -                   |  |  |
| Net Cash Used by Capital and Related Financing Activities       | (1,891,826)                                 | (857,000)           | (4,050)             | (2,752,876)               | (1,542,085)         |  |  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |   |                     |                     |                           |                     |  |  |
| Interest Income Received  | (37,478)                                    | 40,024              | 31,754              | 34,300                    | 170,833             |  |  |
| Net Cash Provided (Used) by Investing Activities                | (37,478)                                    | 40,024              | 31,754              | 34,300                    | 170,833             |  |  |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                  |   |                     |                     |                           |                     |  |  |
| Cash and Cash Equivalents - Beginning of Year                   | 1,584,472                                   | 1,261,303           | 1,614,276           | 4,460,051                 | 8,169,939           |  |  |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                  | <b>\$ 884,643</b>                           | <b>\$ 598,996</b>   | <b>\$ 1,286,693</b> | <b>\$ 2,770,332</b>       | <b>\$ 7,886,881</b> |  |  |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|  | Business-Type Activities - Enterprise Funds |                     |                     |                           | Governmental<br>Activities -<br>Equipment<br>Replacement<br><br>Internal<br>Service Fund |  |
|--|---|---------------------|---------------------|---------------------------|--|--|
|  | Major Funds                                 |                     | Nonmajor            |                           |  |  |
|  | Water and<br>Sewer                          | Electric<br>Utility | Reclaimed<br>Water  | Total Enterprise<br>Funds |  |  |
| <b>RECONCILIATION OF OPERATING LOSS</b>                                      |   |                     |                     |                           |  |  |
| <b>TO NET CASH USED BY</b>   |   |                     |                     |                           |  |  |
| <b>OPERATING ACTIVITIES</b>  |   |                     |                     |                           |  |  |
| Operating Loss   | \$ (5,650,039)                              | \$ (848,802)        | \$ (338,822)        | \$ (6,837,663)            | \$ (1,086,560)   |  |
| Adjustments to Reconcile Operating Loss to                                   |   |                     |                     |                           |  |  |
| Net Cash Provided (Used) by Operating Activities:                            |   |                     |                     |                           |  |  |
| Depreciation   | 1,078,739                                   | 470,167             | 306,780             | 1,855,686                 | 416,606  |  |
| Changes in Assets and Deferred Outflows<br>of Resources:                     |   |                     |                     |                           |  |  |
| (Increase) Decrease in Accounts Receivable                                   | (222,845)                                   | (302,916)           | (275,159)           | (800,920)                 | -  |  |
| (Increase) Decrease in Prepaid Items   | 128,679                                     | -                   | (23,423)            | 105,256                   | 117,349  |  |
| (Increase) Decrease in Net Pension Asset                                     | (13,026)                                    | -                   | -                   | (13,026)                  | -  |  |
| (Increase) Decrease in Net OPEB Asset  | (60,508)                                    | -                   | -                   | (60,508)                  | -  |  |
| (Increase) Decrease in Deferred Outflows<br>of Resources Related to Pensions | 273,315                                     | -                   | -                   | 273,315                   | -  |  |
| (Increase) Decrease in Deferred Outflows<br>of Resources related to OPEB     | 283,967                                     | -                   | -                   | 283,967                   | -  |  |
| Changes in Liabilities and Deferred Inflows<br>of Resources:                 |   |                     |                     |                           |  |  |
| Increase (Decrease) in Accounts Payable                                      | 197,357                                     | (21,163)            | (28,540)            | 147,654                   | 640,799  |  |
| Increase (Decrease) in Accrued Liabilities                                   | 49,324                                      | 384                 | 3,877               | 53,585                    | -  |  |
| Increase (Decrease) in Deposits Payable                                      | 380   | -                   | -                   | 380                       | -  |  |
| Increase (Decrease) in Unearned Revenue                                      | (403,669)                                   | -                   | -                   | (403,669)                 | -  |  |
| Increase (Decrease) in Net Pension Liability                                 | 286,913                                     | -                   | -                   | 286,913                   | -  |  |
| Increase (Decrease) in Deferred Inflows<br>of Resources Related to Pensions  | (103,533)                                   | -                   | -                   | (103,533)                 | -  |  |
| Increase (Decrease) in Deferred Inflows<br>of Resources related to OPEB      | (111,065)                                   | -                   | -                   | (111,065)                 | -  |  |
| Net Cash Provided (Used) by Operating<br>Activities                          | <u>\$ (4,145,265)</u>                       | <u>\$ (702,330)</u> | <u>\$ (355,287)</u> | <u>\$ (5,202,882)</u>     | <u>\$ 88,194</u>   |  |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2025**

|  | Successor<br>Agency to the<br>Cerritos<br>Redevelopment<br>Agency |
|--|---|
| <b>ASSETS</b>  |   |
| Cash and Investments                                   | \$ 18,240,518   |
| Cash and Investments with Fiscal Agents                | 239,489   |
| Interest Receivable                                    | 45,272  |
| Total Assets   | <u>18,525,279</u>   |
| <b>LIABILITIES</b>                                     |   |
| Noncurrent Liabilities:                                |   |
| Advances from City of Cerritos                         | 34,840,415  |
| Total Long-Term Liabilities                            | <u>34,840,415</u>   |
| Total Liabilities                                      | <u>34,840,415</u>   |
| <b>NET POSITION (DEFICIT)</b>                          |   |
| Restricted:  |   |
| Held for Dissolution of Community Redevelopment Agency | <u>(16,315,136)</u>   |
| Total Net Position (Deficit)                           | <u>\$ (16,315,136)</u>  |

See accompanying Notes to Basic Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|   | Successor<br>Agency to the<br>Cerritos<br>Redevelopment<br>Agency |
|---|---|
| <b>ADDITIONS</b>                            |   |
| Redevelopment Property Tax Trust Fund       | \$ 6,656,954  |
| Investment Income                           | 452,560   |
| Total Additions                             | <u>7,109,514</u>  |
| <b>DEDUCTIONS</b>                           |   |
| Administrative Expenses                     | 35,000  |
| Interest on Long-Term Debt                  | 237,940   |
| Fiscal Charges                              | 2,313   |
| Total Deductions                            | <u>275,253</u>  |
| <b>CHANGE IN NET POSITION</b>               | 6,834,261   |
| Net Position (Deficit) - Beginning Of Year  | <u>(23,149,397)</u>   |
| <b>NET POSITION (DEFICIT) - END OF YEAR</b> | <u><u>\$ (16,315,136)</u></u>                                     |

See accompanying Notes to Basic Financial Statements.

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**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The following are the major governmental funds of the City:

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

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

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

The following are the major proprietary funds of the City:

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

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

Additionally, the City reports the following fund types:

**Governmental Fund Types**

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

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 funds 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.

**G. Prepays**

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 |

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Outflows/Inflows of Resources**

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

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Leases**

The City is a lessor for a noncancelable 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 noncancelable 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**

During the year ended June 30, 2025, the City implemented GASB Statement No. 101 *Compensated Absences*. The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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; or b) imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025:

|                                  | Government-Wide Statement of Net Position |                          |                       | Fiduciary Funds Statement of Net Position |                       |
|----------------------------------|---|--------------------------|-----------------------|---|-----------------------|
|                                  | Governmental Activities                   | Business-Type Activities | Total                 | Net Position                              | Total                 |
| Cash and Investments             | \$ 147,117,575                            | \$ 2,770,332             | \$ 149,887,907        | \$ 18,240,518                             | \$ 168,128,425        |
| Restricted Cash and Investments: |   |                          |                       |   |                       |
| Investments with Fiscal Agents   | -   | -                        | -                     | 239,489                                   | 239,489               |
| Total Cash and Investments       | <u>\$ 147,117,575</u>                     | <u>\$ 2,770,332</u>      | <u>\$ 149,887,907</u> | <u>\$ 18,480,007</u>                      | <u>\$ 168,367,914</u> |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

The City's cash and investments at June 30, 2025 in more detail:

Cash and Deposits:

|                         |                   |
|-------------------------|-------------------|
| Petty Cash              | \$ 9,190          |
| Demand Deposits         | 26,460,918        |
| Total Cash and Deposits | <u>26,470,108</u> |

Investments:

|   |                    |
|---|--------------------|
| Local Agency Investment Fund                    | 40,244,011         |
| U.S. Government Sponsored Enterprise Securities | 52,041,095         |
| U.S. Treasury Notes                             | 20,428,310         |
| Negotiable Certificates of Deposit              | 28,944,901         |
| Money Market Mutual Funds                       | <u>239,489</u>     |
| Total Investments                               | <u>141,897,806</u> |

Total Cash and Investments \$ 168,367,914

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, 2025, 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Investments Authorized by the California Government Code and the City's Investment Policy (Continued)**

| Authorized Investment Type  | Maximum Maturity* | Maximum Percentage of Portfolio* | Maximum Investment in One Issuer |
|---|-------------------|----------------------------------|----------------------------------|
| 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.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Disclosures Relating to Interest Rate Risk (Continued)**

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:

| Investment Type                                | Remaining Maturity (in Months) |                      |                        | Total                 |
|--|--------------------------------|----------------------|------------------------|-----------------------|
|  | 12 Months or Less              | 13 - 60 Months       | Greater Than 60 Months |                       |
| Local Agency Investment Fund (LAIF)            | \$ 40,244,011                  | \$ -                 | \$ -                   | \$ 40,244,011         |
| Federal Home Loan Bank (FHLB)                  | 5,192,543                      | 13,881,020           | -                      | 19,073,563            |
| Federal National Mortgage Association (FNMA)   | 6,942,280                      | 4,909,517            | -                      | 11,851,797            |
| Federal Home Loan Mortgage Corporation (FHLMC) | 4,959,210                      | 4,961,610            | -                      | 9,920,820             |
| Federal Farm Credit Bank (FFCB)                | 7,929,930                      | 3,264,985            | -                      | 11,194,915            |
| U.S. Treasury Notes                            | 8,819,800                      | 11,608,510           | -                      | 20,428,310            |
| Negotiable Certificates of Deposit             | 5,887,510                      | 23,057,391           | -                      | 28,944,901            |
| Money Market Mutual Funds                      | 239,489                        | -                    | -                      | 239,489               |
| Total  | <u>\$ 80,214,773</u>           | <u>\$ 61,683,033</u> | <u>\$ -</u>            | <u>\$ 141,897,806</u> |

**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, 2025 | Minimum Legal Rating | Not Required to be Rated |                      |                      |
|------------------------------------|---------------------------|----------------------|--------------------------|----------------------|----------------------|
|                                    |                           |                      | Aaa                      | Unrated              |                      |
| LAIF                               | \$ 40,244,011             | N/A                  | \$ -                     | \$ 40,244,011        | \$ -                 |
| FHLB                               | 19,073,563                | N/A                  | 19,073,563               | -                    | -                    |
| FNMA                               | 11,851,797                | N/A                  | 11,851,797               | -                    | -                    |
| FHLMC                              | 9,920,820                 | N/A                  | 9,920,820                | -                    | -                    |
| FFCB                               | 11,194,915                | N/A                  | 11,194,915               | -                    | -                    |
| U.S. Treasury Notes                | 20,428,310                | N/A                  | -                        | -                    | 20,428,310           |
| Negotiable Certificates of Deposit | 28,944,901                | Aaa                  | -                        | 28,944,901           | -                    |
| Money Market Mutual Funds          | 239,489                   | A                    | -                        | 239,489              | -                    |
| Total                              | <u>\$ 141,897,806</u>     |                      | <u>\$ 52,041,095</u>     | <u>\$ 69,428,401</u> | <u>\$ 20,428,310</u> |

**Fair Value Measurements**

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025         | Level       |                       |             |
|--------------------------------------|-----------------------|-------------|-----------------------|-------------|
|                                      |                       | 1           | 2                     | 3           |
| FHLB                                 | \$ 19,073,563         | \$ -        | \$ 19,073,563         | \$ -        |
| FNMA                                 | 11,851,797            | -           | 11,851,797            | -           |
| FHLMC                                | 9,920,820             | -           | 9,920,820             | -           |
| FFCB                                 | 11,194,915            | -           | 11,194,915            | -           |
| U.S. Treasury Notes                  | 20,428,310            | -           | 20,428,310            | -           |
| Negotiable Certificates of Deposit   | 28,944,901            | -           | 28,944,901            | -           |
| Total Investments at Fair Value      | 101,414,306           | <u>\$ -</u> | <u>\$ 101,414,306</u> | <u>\$ -</u> |
| Investments not Subject to Hierarchy |                       |             |                       |             |
| State Investment Pool (LAIF)         | 40,244,011            |             |                       |             |
| Held by Trustees/Fiscal Agents:      |                       |             |                       |             |
| Money Market Funds                   | 239,489               |             |                       |             |
| Total                                | 40,483,500            |             |                       |             |
| Total Investments                    | <u>\$ 141,897,806</u> |             |                       |             |

**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 fair 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.

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, 2025, the deposits were collateralized in accordance with Section 53652 of the California Government Code by the pledging financial institution in the City's name.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**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, 2025, the outstanding balances of the Residential Assistance and Loan Programs are as follows:

|                                   | Balance<br>July 1, 2024 | Additions   | Deletions   | Balance<br>June 30, 2025 |
|-----------------------------------|-------------------------|-------------|-------------|--------------------------|
| Residential Assistance Program    | \$ 2,040,000            | \$ -        | \$ -        | \$ 2,040,000             |
| Residential Loan Program          | 139,237                 | -           | (139,237)   | -                        |
| Subtotal                          | 2,179,237               | -           | (139,237)   | 2,040,000                |
| Less: Allowance for Uncollectible | (2,179,237)             | -           | 139,237     | (2,040,000)              |
| Total                             | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>              |

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

**Loan Receivable**

The City has a loan receivable with an association that commenced during fiscal year 2023-2024 for \$446,090. interest is charged at 4% and the loan matures in December 2028. The outstanding balance at June 30, 2025, is \$321,454.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 4 INTERFUND TRANSACTIONS**

**Advances To/From Other Funds**

At June 30, 2025, the City had the following advances to/from other funds:

| Advances to Other Funds |                                   |                             |
|-------------------------|-----------------------------------|-----------------------------|
| Receivable Fund         | Payable Fund                      | Amount                      |
| Governmental Funds:     | Enterprise Funds:                 |                             |
|                         | Electric Utility Enterprise Fund: |                             |
| General Fund            | Operations                        | \$ 25,280,537               |
| General Fund            | Debt Service                      | 2,834,420                   |
|                         | Total                             | <u><u>\$ 28,114,957</u></u> |

Advances 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, 2025, interest of \$685,731 was incurred and added to the outstanding loan balance. At June 30, 2025, the outstanding balance was \$28,114,957.

**Due To/From Other Funds**

The City reclassified negative cash balances of \$4,023,182 in the City-wide cash pool from the General Fund to the Nonmajor Governmental Funds.

**Transfers**

At June 30, 2025, the City had the following transfers in/out:

| Transfers Out               | Transfers In             |                             |                                   |                            |                          |                             |                             |
|-----------------------------|--------------------------|-----------------------------|-----------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
|                             | Governmental Funds       |                             |                                   | Proprietary Funds          |                          |                             |                             |
|                             | Municipal                |                             | Nonmajor<br>Governmental<br>Funds | Water<br>and Sewer<br>Fund | Electric Utility<br>Fund | Internal<br>Service<br>Fund | Total                       |
|                             | General<br>Fund          | Capital<br>Project<br>Fund  |                                   |                            |                          |                             |                             |
| Governmental Funds:         |                          |                             |                                   |                            |                          |                             |                             |
| General Fund                | \$ -                     | \$ 27,581,096               | \$ 9,243,362                      | \$ 4,926,520               | \$ 857,000               | \$ 1,000,000                | \$ 43,607,978               |
| Nonmajor Governmental Funds | 339,183                  | 10,773,105                  | -                                 | 448,220                    | -                        | -                           | 11,560,508                  |
| Total                       | <u><u>\$ 339,183</u></u> | <u><u>\$ 38,354,201</u></u> | <u><u>\$ 9,243,362</u></u>        | <u><u>\$ 5,374,740</u></u> | <u><u>\$ 857,000</u></u> | <u><u>\$ 1,000,000</u></u>  | <u><u>\$ 55,168,486</u></u> |

The transfers of \$27,581,096 from the General Fund relate to capital projects costs and administrative costs of the Municipal Improvement Capital Project Fund and the Nonmajor Governmental Funds.

The transfers of \$339,183 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 \$448,220 from the Nonmajor Governmental Funds to the Water and Sewer Fund relate to the funding of capital projects.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)**

**Due To/From Other Funds (Continued)**

The transfers of \$10,773,105 from the Nonmajor Governmental Funds to the Municipal Improvement Capital Project Fund relates to the funding of capital projects.

The transfers of \$857,000 from the General Fund to the Electric Utility Fund relate to debt service expenditures.

The transfers of \$4,926,520 from the General Fund to the Water and Sewer Fund relate to the funding of capital projects.

The transfers of \$9,243,362 from the General Fund to the Nonmajor Governmental Funds relate to the funding related to administrative overhead costs and capital projects.

The transfers of \$1,000,000 from the General Fund to the Internal Service Fund relate to the funding of capital equipment.

**NOTE 5 ADVANCES TO FIDUCIARY FUNDS**

The balance of Advances to Fiduciary Funds at June 30, 2025 is \$34,840,415. 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 \$27,872,332 at June 30, 2025. The loan balance of the Housing Assets Fund, including accrued interest, is \$6,968,083 at June 30, 2025.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025:

|   | Balance<br>July 1, 2024      | Additions                  | Deletions                    | Balance<br>June 30, 2025     |
|---|------------------------------|----------------------------|------------------------------|------------------------------|
| <b>Capital Assets, not Being Depreciated:</b>           |                              |                            |                              |                              |
| Land  | \$ 77,962,622                | \$ -                       | \$ -                         | \$ 77,962,622                |
| Parking Structure Rights                                | 3,760,000                    | -                          | -                            | 3,760,000                    |
| Right-of-Way  | 49,184,583                   | -                          | -                            | 49,184,583                   |
| Public Art  | 4,994,669                    | 817,910                    | -                            | 5,812,579                    |
| Trees   | 1,355,909                    | -                          | -                            | 1,355,909                    |
| Construction in Progress                                | <u>11,185,120</u>            | <u>2,944,777</u>           | <u>(6,761,843)</u>           | <u>7,368,054</u>             |
| <b>Total Capital Assets, not<br/>Being Depreciated</b>  | <b>148,442,903</b>           | <b>3,762,687</b>           | <b>(6,761,843)</b>           | <b>145,443,747</b>           |
| <b>Capital Assets, Being Depreciated:</b>               |                              |                            |                              |                              |
| Buildings   | 200,332,522                  | 1,704,964                  | -                            | 202,037,486                  |
| Improvements Other than Buildings                       | 12,813,207                   | 418,620                    | (103,810)                    | 13,128,017                   |
| Furniture and Equipment                                 | 26,514,444                   | 1,542,085                  | (322,644)                    | 27,733,885                   |
| Infrastructure  | 46,261,842                   | 8,962,996                  | (236,304)                    | 54,988,534                   |
| Right to Use Asset - Subscriptions                      | <u>-</u>                     | <u>274,783</u>             | <u>-</u>                     | <u>274,783</u>               |
| <b>Total Capital Assets, Being<br/>Depreciated</b>      | <b>285,922,015</b>           | <b>12,903,448</b>          | <b>(662,758)</b>             | <b>298,162,705</b>           |
| <b>Less Accumulated Depreciation For:</b>               |                              |                            |                              |                              |
| Buildings   | (130,926,016)                | (4,711,995)                | -                            | (135,638,011)                |
| Improvements Other Than Buildings                       | (5,468,986)                  | (622,327)                  | 103,810                      | (5,987,503)                  |
| Furniture And Equipment                                 | (24,171,050)                 | (429,990)                  | 319,698                      | (24,281,342)                 |
| Infrastructure  | (28,886,754)                 | (1,248,019)                | 137,235                      | (29,997,538)                 |
| Right to Use Asset - Subscriptions                      | <u>-</u>                     | <u>(36,638)</u>            | <u>-</u>                     | <u>(36,638)</u>              |
| <b>Total Accumulated<br/>Depreciation</b>               | <b>(189,452,806)</b>         | <b>(7,048,969)</b>         | <b>560,743</b>               | <b>(195,941,032)</b>         |
| <b>Total Capital Assets, Being<br/>Depreciated, Net</b> | <b>96,469,209</b>            | <b>5,854,479</b>           | <b>(102,015)</b>             | <b>102,221,673</b>           |
| <br><b>Governmental Activities</b>                      |                              |                            |                              |                              |
| <b>Capital Assets, Net</b>                              | <b><u>\$ 244,912,112</u></b> | <b><u>\$ 9,617,166</u></b> | <b><u>\$ (6,863,858)</u></b> | <b><u>\$ 247,665,420</u></b> |

Depreciation expense was charged to the functions/programs of governmental activities for the year ended June 30, 2025 as follows:

|   |                            |
|---|----------------------------|
| Legislative and Administrative          | \$ 937,354                 |
| Public Works                            | 276,067                    |
| Community and Safety Services           | 1,814,511                  |
| Administrative Services                 | 1,300,275                  |
| Cerritos Center for the Performing Arts | 1,472,743                  |
| Unallocated Infrastructure Depreciation | 1,248,019                  |
| <b>Total Depreciation Expense</b>       | <b><u>\$ 7,048,969</u></b> |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities**

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2025:

|   | Balance<br>July 1, 2024 | Additions          | Deletions         | Balance<br>June 30, 2025 |
|---|-------------------------|--------------------|-------------------|--------------------------|
| Capital Assets, not Being Depreciated:          |                         |                    |                   |                          |
| Construction in Progress                        | \$ 5,326,848            | \$ 1,463,301       | \$ -              | \$ 6,790,149             |
| Total Capital Assets, not<br>Being Depreciated  | 5,326,848               | 1,463,301          | -                 | 6,790,149                |
| Capital Assets, Being Depreciated:              |                         |                    |                   |                          |
| Buildings and Structures                        | 6,759,587               | -                  | -                 | 6,759,587                |
| Water Mains and Lines                           | 46,387,224              | 222,190            | (19,019)          | 46,590,395               |
| Equipment                                       | 7,285,923               | 214,745            | -                 | 7,500,668                |
| Water Rights Acquired                           | 2,259,378               | -                  | -                 | 2,259,378                |
| Electric Utility Rights Acquired                | 14,105,000              | -                  | -                 | 14,105,000               |
| Sewer Mains                                     | <u>11,760,205</u>       | <u>-</u>           | <u>-</u>          | <u>11,760,205</u>        |
| Total Capital Assets, Being<br>Depreciated      | 88,557,317              | 436,935            | (19,019)          | 88,975,233               |
| Less Accumulated Depreciation for:              |                         |                    |                   |                          |
| Buildings and Structures                        | (4,560,986)             | (111,846)          | -                 | (4,672,832)              |
| Water Mains and Lines                           | (29,377,142)            | (819,337)          | 12,085            | (30,184,394)             |
| Equipment                                       | (5,738,285)             | (241,093)          | -                 | (5,979,378)              |
| Water Rights Acquired                           | (1,242,654)             | (56,484)           | -                 | (1,299,138)              |
| Electric Utility Rights Acquired                | (8,933,168)             | (470,167)          | -                 | (9,403,335)              |
| Sewer Mains                                     | <u>(8,063,702)</u>      | <u>(156,759)</u>   | <u>-</u>          | <u>(8,220,461)</u>       |
| Total Accumulated<br>Depreciation               | <u>(57,915,937)</u>     | <u>(1,855,686)</u> | <u>12,085</u>     | <u>(59,759,538)</u>      |
| Total Capital Assets, Being<br>Depreciated, Net | <u>30,641,380</u>       | <u>(1,418,751)</u> | <u>(6,934)</u>    | <u>29,215,695</u>        |
| Business-Type Activities                        |                         |                    |                   |                          |
| Capital Assets, Net                             | <u>\$ 35,968,228</u>    | <u>\$ 44,550</u>   | <u>\$ (6,934)</u> | <u>\$ 36,005,844</u>     |

Depreciation expense for business-type activities for the year June 30, 2025 was charged as follows:

|                            |                     |
|----------------------------|---------------------|
| Water and Sewer            | \$ 1,078,739        |
| Electric Utility           | 470,167             |
| Reclaimed Water            | 306,780             |
| Total Depreciation Expense | <u>\$ 1,855,686</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.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 COMPENSATED ABSENCES (CONTINUED)**

**Governmental Activities**

A summary of changes in compensated absences for governmental activities for the year ended June 30, 2025 is as follows:

|                      | Balance<br>July 1, 2024 | Net<br>Change | Balance<br>June 30, 2025 | Due<br>Within<br>One Year | Due in<br>More Than<br>One Year |
|----------------------|-------------------------|---------------|--------------------------|---------------------------|---------------------------------|
| Compensated Absences | \$ 3,494,946            | \$ 654,524    | \$ 4,149,470             | \$ 1,037,368              | \$ 3,112,102                    |

**Business-Type Activities**

A summary of changes in compensated absences for business-type activities for the year ended June 30, 2025 is as follows:

|  | Balance<br>July 1, 2024 | Net<br>Change | Balance<br>June 30, 2025 | Due<br>Within<br>One Year | Due in<br>More Than<br>One Year |
|--|-------------------------|---------------|--------------------------|---------------------------|---------------------------------|
| Compensated Absences -<br>Water and Sewer Fund | \$ 223,715              | \$ 120,746    | \$ 344,461               | \$ 86,115                 | \$ 258,346                      |

**NOTE 8 LONG-TERM DEBT**

**Governmental Activities**

The City has entered into subscription based-information technology arrangement (SBITAs) for software applications. The SBITA arrangement expires in fiscal year 2026-2027 and provides for renewal options.

As of June 30, 2025, SBITA assets and the related accumulated amortization totaled \$274,783 and \$36,638, respectively.

The future subscription payments under SBITA agreements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|-----------------------------|-------------------|-----------------|-------------------|
| 2026                        | \$ 106,991        | \$ 5,103        | \$ 112,094        |
| 2027                        | 111,351           | 744             | 112,095           |
| <b>Totals</b>               | <b>\$ 218,342</b> | <b>\$ 5,847</b> | <b>\$ 224,189</b> |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Business-Type Activities**

A summary of changes in long-term debt for the business-type activities for the year ended June 30, 2025 is as follows:

|   | Balance<br>July 1, 2024 | Additions   | Deletions           | Balance<br>June 30, 2025 | Due<br>Within<br>One Year | Due in<br>More Than<br>One Year |
|---|-------------------------|-------------|---------------------|--------------------------|---------------------------|---------------------------------|
| Direct Borrowings:                                    |                         |             |                     |                          |                           |                                 |
| Southern California Public Power Authority, Magnolia: |                         |             |                     |                          |                           |                                 |
| Project Los Cerritos                                  |                         |             |                     |                          |                           |                                 |
| Revenue Bonds:  |                         |             |                     |                          |                           |                                 |
| 2003 Issue, Series B,<br>\$3,526,250                  | \$ 2,110,000            | \$ -        | \$ (108,750)        | \$ 2,001,250             | \$ 115,000                | \$ 1,886,250                    |
| Southern California Public Power Authority, Magnolia: |                         |             |                     |                          |                           |                                 |
| Project Los Coyotes                                   |                         |             |                     |                          |                           |                                 |
| Revenue Bonds:  |                         |             |                     |                          |                           |                                 |
| 2003 Issue, Series B,<br>\$10,578,750                 | 6,330,000               | - (326,250) | 6,003,750           | 345,000                  | 5,658,750                 |                                 |
| Total Revenue Bonds                                   | 8,440,000               | - (435,000) | 8,005,000           | 460,000                  | 7,545,000                 |                                 |
| Total Long-Term Liabilities                           | <u>\$ 8,440,000</u>     | <u>\$ -</u> | <u>\$ (435,000)</u> | <u>\$ 8,005,000</u>      | <u>\$ 460,000</u>         | <u>\$ 7,545,000</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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Business-Type Activities (Continued)**

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

The debt is payable from the sales of electricity. A loan from the General Fund has been established to cover any shortfall to pay the debt (See Note 4). Principal and interest paid for the current year amounted to \$857,000.

Bonds outstanding at June 30, 2025 amounted to \$2,001,250 for Los Cerritos and \$6,003,750 for Los Coyotes, respectively. Future debt service requirements on the bonds are as follows:

| <u>Year Ending June 30,</u> | Los Cerritos        |                   |                     | Los Coyotes         |                     |                     |
|-----------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                             | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
| 2026                        | \$ 115,000          | \$ 100,063        | \$ 215,063          | \$ 345,000          | \$ 300,188          | \$ 645,188          |
| 2027                        | 120,000             | 94,313            | 214,313             | 360,000             | 282,938             | 642,938             |
| 2028                        | 126,250             | 88,313            | 214,563             | 378,750             | 264,937             | 643,687             |
| 2029                        | 132,500             | 82,000            | 214,500             | 397,500             | 246,000             | 643,500             |
| 2030                        | 140,000             | 75,375            | 215,375             | 420,000             | 226,125             | 646,125             |
| 2031-2035                   | 807,500             | 265,000           | 1,072,500           | 2,422,500           | 795,000             | 3,217,500           |
| 2036                        | 560,000             | 28,000            | 588,000             | 1,680,000           | 84,000              | 1,764,000           |
| Total                       | <u>\$ 2,001,250</u> | <u>\$ 733,064</u> | <u>\$ 2,734,314</u> | <u>\$ 6,003,750</u> | <u>\$ 2,199,188</u> | <u>\$ 8,202,938</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, 2025 is as follows:

|  | Balance              | Additions   | Deletions              | Balance       | Due             | Due in             |
|--|----------------------|-------------|------------------------|---------------|-----------------|--------------------|
|  | July 1, 2024         |             |                        | June 30, 2025 | Within One Year | More Than One Year |
| Los Coyotes Redevelopment Project Revenue Bonds: |                      |             |                        |               |                 |                    |
| 2002 Issue, Series A, \$64,710,000               | \$ 10,175,000        | \$ -        | \$ (10,175,000)        | \$ -          | \$ -            | \$ -               |
| 2002 Issue, Series B, \$12,225,000               | 1,270,000            | -           | (1,270,000)            | -             | -               | -                  |
| Total Long-Term Liabilities                      | <u>\$ 11,445,000</u> | <u>\$ -</u> | <u>\$ (11,445,000)</u> | <u>\$ -</u>   | <u>\$ -</u>     | <u>\$ -</u>        |

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

**Fiduciary Fund (Continued)**

**Los Coyotes Redevelopment Project 1993 Revenue Bonds, Series A**

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

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

In June 1993, the former Financing Authority issued \$42,155,000 in Revenue Bonds, Series A. In September 2002, the Authority issued \$64,710,000 of Tax Allocation Bonds to provide funds to refund \$24,510,000 of the remaining \$32,510,000 the 1993 Revenue Bonds, Series A. A portion of the proceeds from the Bonds issued in 2002 were placed in an escrow fund to provide the debt service on the 1993 Revenue Bonds, Series A. The bond was paid off during fiscal year 2024-2025.

**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 bond was paid off during fiscal year 2024-2025.

**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% to 4.0% depending on the length of the lease agreement. During the fiscal year ended June 30, 2025, the City's lease receivable increased to \$470,780,633 due to modifications to the lease contracts. The City recognized \$10,077,484 and \$8,008,349 in lease revenue and interest revenue, respectively, pursuant to these agreements.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 10 FUND BALANCE CLASSIFICATIONS**

The City's fund balances at June 30, 2025 are tabulated below:

|  | Major Funds           |                      |                                   |                     |                                   |                                | Total<br>Governmental<br>Funds |  |
|--|-----------------------|----------------------|-----------------------------------|---------------------|-----------------------------------|--------------------------------|--------------------------------|--|
|  | Housing Assets        |                      | Municipal Improvement             |                     | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |                                |  |
|  | General               | Special Revenue      | Corporation Capital Projects Fund | Fund                |                                   |                                |                                |  |
| <b>Nonspendable:</b>                             |                       |                      |                                   |                     |                                   |                                |                                |  |
| Prepaid Items                                    | \$ 565,953            | \$ -                 | \$ -                              | \$ 17,396           | \$ 583,349                        |                                |                                |  |
| Inventories                                      | 79,387                | -                    | -                                 | -                   | -                                 | 79,387                         |                                |  |
| Advances to Other Funds                          | 28,114,957            | -                    | -                                 | -                   | -                                 | 28,114,957                     |                                |  |
| Advances to Fiduciary Funds                      | 27,872,332            | -                    | -                                 | -                   | -                                 | 27,872,332                     |                                |  |
| <b>Total Nonspendable</b>                        | <b>56,632,629</b>     | <b>-</b>             | <b>-</b>                          | <b>17,396</b>       | <b>56,630,025</b>                 |                                |                                |  |
| <b>Restricted:</b>                               |                       |                      |                                   |                     |                                   |                                |                                |  |
| Housing Assets Special Revenue                   | -                     | 24,324,333           | -                                 | -                   | -                                 | 24,324,333                     |                                |  |
| Street Improvements - Street and Sewer           |                       |                      |                                   |                     |                                   |                                |                                |  |
| Related Purposes                                 | -                     | -                    | -                                 | 29,983              | 29,983                            |                                |                                |  |
| SB 821 - Bicycles/Pedestrians - Transportation   |                       |                      |                                   |                     |                                   |                                |                                |  |
| Related Purposes                                 | -                     | -                    | -                                 | 1,820,399           | 1,820,399                         |                                |                                |  |
| Proposition "A" Transportation Related Purposes  | -                     | -                    | -                                 | 2,135,271           | 2,135,271                         |                                |                                |  |
| Proposition "C" Transportation Related Purposes  | -                     | -                    | -                                 | 1,480,827           | 1,480,827                         |                                |                                |  |
| Assessment District #6 - Assessment Districts    | -                     | -                    | -                                 | 377,695             | 377,695                           |                                |                                |  |
| Environmental Grants - Miscellaneous Grants      | -                     | -                    | -                                 | 6,557               | 6,557                             |                                |                                |  |
| Air Quality Management District - Transportation |                       |                      |                                   |                     |                                   |                                |                                |  |
| Related Purposes                                 | -                     | -                    | -                                 | 807,112             | 807,112                           |                                |                                |  |
| Measure "M" Transportation Related Purposes      | -                     | -                    | -                                 | 874,141             | 874,141                           |                                |                                |  |
| Measure "R" Transportation Related Purposes      | -                     | -                    | -                                 | 38,793              | 38,793                            |                                |                                |  |
| <b>Total Restricted</b>                          | <b>-</b>              | <b>24,324,333</b>    | <b>-</b>                          | <b>7,570,778</b>    | <b>31,895,111</b>                 |                                |                                |  |
| <b>Assigned:</b>                                 |                       |                      |                                   |                     |                                   |                                |                                |  |
| Capital Projects                                 | -                     | -                    | 20,866,351                        | -                   | 20,866,351                        |                                |                                |  |
| Asset Replacement                                | 700,000               | -                    | -                                 | -                   | -                                 | 700,000                        |                                |  |
| Art Center Programs                              | 12,707,244            | -                    | -                                 | -                   | -                                 | 12,707,244                     |                                |  |
| Earthquake Preparedness                          | 3,907,631             | -                    | -                                 | -                   | -                                 | 3,907,631                      |                                |  |
| Art In Public Places                             | 991,069               | -                    | -                                 | -                   | -                                 | 991,069                        |                                |  |
| Business License Software                        | 225,416               | -                    | -                                 | -                   | -                                 | 225,416                        |                                |  |
| General Plan Update                              | 650,583               | -                    | -                                 | -                   | -                                 | 650,583                        |                                |  |
| Self Insurance                                   | 3,000,000             | -                    | -                                 | -                   | -                                 | 3,000,000                      |                                |  |
| <b>Total Assigned</b>                            | <b>22,181,943</b>     | <b>-</b>             | <b>20,866,351</b>                 | <b>-</b>            | <b>-</b>                          | <b>43,048,294</b>              |                                |  |
| <b>Unassigned:</b>                               |                       |                      |                                   |                     |                                   |                                |                                |  |
| General Fund                                     | 84,369,013            | -                    | -                                 | -                   | -                                 | 84,369,013                     |                                |  |
| Nonmajor Governmental Funds                      | -                     | -                    | -                                 | (2,024,466)         | (2,024,466)                       |                                |                                |  |
| <b>Total Unassigned</b>                          | <b>84,369,013</b>     | <b>-</b>             | <b>-</b>                          | <b>(2,024,466)</b>  | <b>(2,024,466)</b>                | <b>82,344,547</b>              |                                |  |
| <b>Total</b>                                     | <b>\$ 163,183,585</b> | <b>\$ 24,324,333</b> | <b>\$ 20,866,351</b>              | <b>\$ 5,563,708</b> | <b>\$ 213,937,977</b>             |                                |                                |  |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 11 RETIREMENT PLAN**

**A. Summary**

**Net Pension Liability**

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

|                            | Business-Type Activities |    |                      | Total Primary Government |
|----------------------------|--------------------------|----|----------------------|--------------------------|
|                            | Governmental Activities  |    | Water and Sewer Fund |                          |
|                            | \$                       | \$ | \$                   |                          |
| CalPERS Miscellaneous Plan | \$ 77,290,401            |    | \$ 7,179,983         | \$ 84,470,384            |
| PARS (Asset)               | (1,099,310)              |    | (102,122)            | (1,201,432)              |
| <b>Total</b>               | <b>\$ 76,191,091</b>     |    | <b>\$ 7,077,861</b>  | <b>\$ 83,268,952</b>     |

**Deferred Outflows of Resources**

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

|   | Business-Type Activities |    |                      | Total Primary Government |
|---|--------------------------|----|----------------------|--------------------------|
|   | Governmental Activities  |    | Water and Sewer Fund |                          |
|   | \$                       | \$ | \$                   |                          |
| Deferred Outflows of Resources:   |                          |    |                      |                          |
| Pension Contribution Made After Measurement Date:                         |                          |    |                      |                          |
| CalPERS Miscellaneous Plan  | \$ 8,658,368             |    | \$ 804,329           | \$ 9,462,697             |
| PARS  | 206,967                  |    | 19,226               | 226,193                  |
| Difference Between Expected and Actual Experience:                        |                          |    |                      |                          |
| CalPERS Miscellaneous Plan  | 6,108,088                |    | 567,418              | 6,675,506                |
| Net Difference Between Projected and Actual Earnings on Plan Investments: |                          |    |                      |                          |
| CalPERS Miscellaneous Plan  | 2,904,377                |    | 269,806              | 3,174,183                |
| PARS  | 793,971                  |    | 73,757               | 867,728                  |
| <b>Total Deferred Outflows of Resources</b>                               | <b>\$ 18,671,771</b>     |    | <b>\$ 1,734,536</b>  | <b>\$ 20,406,307</b>     |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

**A. Summary (Continued)**

**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 |            | Total Primary Government |
|----------------------------|-------------------------|--------------------------|------------|--------------------------|
|                            |                         | Water and                | Sewer Fund |                          |
|                            |                         |                          |            |                          |
| CalPERS Miscellaneous Plan | \$ 13,212,627           | \$ 1,227,402             |            | \$ 14,440,029            |
| PARS                       | 431,584                 | 40,092                   |            | 471,676                  |
| <b>Total</b>               | <b>\$ 13,644,211</b>    | <b>\$ 1,267,494</b>      |            | <b>\$ 14,911,705</b>     |

**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.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

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

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

|   | Miscellaneous               |                                |
|---|-----------------------------|--------------------------------|
|   | Prior to<br>January 1, 2013 | On or After<br>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              | 7.770%                      | 7.000%                         |
| Required Employer Contribution Rates:             |                             |                                |
| Normal Cost Rate                                  | 12.950%                     | 12.950%                        |
| Payment of Unfunded Liability                     | \$ 6,582,861                | \$ -                           |

**Employees Covered**

At the measurement date ended June 30, 2024, the following employees were covered by the benefit terms for each Plan:

|  | Miscellaneous |
|--|---------------|
| Active Employees   | 268           |
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 383           |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 273           |
| <b>Total</b>   | <b>924</b>    |

**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, 2025 of \$9,462,697.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

|                                  | Miscellaneous       |
|----------------------------------|---------------------|
| Valuation Date                   | June 30, 2023       |
| Measurement Date                 | June 30, 2024       |
| Actuarial Cost Method            | Entry Age<br>Normal |
| 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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:

| Asset Class (a)                  | Assumed<br>Asset<br>Allocation | Real Return<br>(a) (b) |
|----------------------------------|--------------------------------|------------------------|
| 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)                 |
| <b>Total</b>                     | <b><u>100.00 %</u></b>         |                        |

(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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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<br>Liability | Plan Fiduciary<br>Position | Net Pension<br>Liability / (Asset) |
| Balance at June 30, 2023 (Measurement<br>Date)                  | \$ 292,777,281             | \$ 211,682,343             | \$ 81,094,938                      |
| Changes in the Year:  |                            |                            |                                    |
| Service Cost  | 3,767,526                  | -                          | 3,767,526                          |
| Interest on the Total Pension Liability                         | 20,456,095                 | -                          | 20,456,095                         |
| Changes of Benefit Terms  | -                          | -                          | -                                  |
| Differences Between Expected and<br>Actual Experience           | 8,946,014                  | -                          | 8,946,014                          |
| Contributions from the Employer                                 | -                          | 8,063,903                  | (8,063,903)                        |
| Contributions from Employees                                    | -                          | 1,632,023                  | (1,632,023)                        |
| Net Investment Income   | -                          | 20,270,510                 | (20,270,510)                       |
| Benefit Payments Including Refunds<br>of Employee Contributions | (14,283,813)               | (14,283,813)               | -                                  |
| Administrative Expense  | -                          | (172,247)                  | 172,247                            |
| Net Changes   | <u>18,885,822</u>          | <u>15,510,376</u>          | <u>3,375,446</u>                   |
| Balance at June 30, 2024 (Measurement<br>Date)                  | <u>\$ 311,663,103</u>      | <u>\$ 227,192,719</u>      | <u>\$ 84,470,384</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%<br>(5.90%)         | Current Discount<br>Rate (6.90%) | Discount Rate +1%<br>(7.90%) |
| CalPERS Miscellaneous Plan | <u>\$ 126,653,322</u>                | <u>\$ 84,470,384</u>             | <u>\$ 49,716,562</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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025, the City recognized pension expense of \$14,440,029. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Contribution Made After the Measurement Date      | \$ 9,462,697                         | \$ -                                |
| Difference Between Expected and Actual Experience | 6,675,506                            | -                                   |
| Changes of Assumptions                            | -                                    | -                                   |
| Net Difference Between Projected and Actual       |                                      |                                     |
| Earning on Pension Plan Investments               | 3,174,183                            | -                                   |
| Total   | <u>\$ 19,312,386</u>                 | <u>\$ -</u>                         |

\$9,462,697 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2026                        | \$ 4,116,237  |
| 2027                        | 7,817,364     |
| 2028                        | (913,468)     |
| 2029                        | (1,170,444)   |
| 2030                        | -             |
| Thereafter                  | -             |

**Payable to the Pension Plan**

At June 30, 2025, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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 BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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, 2024, the following employees were covered by the benefit terms:

|  | PARS             |
|--|------------------|
| Active Employees   | 55               |
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 38               |
| Total  | <u><u>93</u></u> |

**Contributions**

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

For the year ended June 30, 2025, the contributions were:

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2024, the total pension liability was determined by the June 30, 2023 actuarial valuation rolled forward to June 30, 2024 using standard update procedures. The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions:

|                                 |   |
|---------------------------------|---|
| Valuation Date                  | June 30, 2023   |
| Measurement Date                | June 30, 2024   |
| Actuarial Cost Method           | Entry Age Normal  |
| Actuarial Assumptions:          |   |
| Discount Rate                   | 5.75%   |
| Inflation                       | 2.30%   |
| Salary Increases                | Graded rates based on years of service, 3.34%<br>after 30 years of service                    |
| Investment Rate of Return       | 5.75%   |
| Mortality Rate Table            | Consistent with Non-Industrial rates used to value<br>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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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                         | 2.00 %            | 0.83 %  | 0.80 %   |
| U.S. Corporate Bonds              | 63.00             | 2.91  | 2.65   |
| U.S. High Yield Bonds             | 5.00              | 4.03  | 3.48   |
| U.S. Large Cap Equity             | 17.10             | 5.39  | 3.78   |
| U.S. Small Cap Equity             | 0.90              | 6.80  | 4.22   |
| Foreign Developed Equity          | 6.75              | 6.61  | 4.79   |
| Emerging Markets Equity           | 2.25              | 8.78  | 5.73   |
| U.S. REITs                        | 1.50              | 6.71  | 4.46   |
| Infrastructure - Public           | 1.50              | 5.68  | 4.18   |
|                                   |                   |   |  |
| Portfolio Standard Deviation      |                   |   | 8.15   |
| 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%<br>(4.75%)         | Current Discount<br>Rate (5.75%) | Discount Rate +1%<br>(6.75%) |
| \$ 531,039                           | \$ (1,201,432)                   | \$ (2,600,630)               |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability (Asset) |
| Balance at June 30, 2023 (Measurement Date)                  | \$ 11,769,980              | \$ 12,818,165                  | \$ (1,048,185)                   |
| Changes Recognized for the Measurement Period:               |                            |                                |                                  |
| Service Cost   | 220,032                    | -                              | 220,032                          |
| Interest on the Total Pension Liability                      | 672,463                    | -                              | 672,463                          |
| Differences Between Expected and Actual Experience           | -                          | -                              | -                                |
| Changes of Assumptions                                       | -                          | -                              | -                                |
| Contributions from the Employer                              | -                          | 226,193                        | (226,193)                        |
| Net Investment Income,                                       | -                          | 821,511                        | (821,511)                        |
| Benefit Payments Including Refunds of Employee Contributions | (598,363)                  | (598,363)                      | -                                |
| Administrative Expense                                       | -                          | (1,962)                        | 1,962                            |
| Net Changes  | <u>294,132</u>             | <u>447,379</u>                 | <u>(153,247)</u>                 |
| Balance at June 30, 2024 (Measurement Date)                  | <u>\$ 12,064,112</u>       | <u>\$ 13,265,544</u>           | <u>\$ (1,201,432)</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, 2024, the City recognized pension expense of \$471,676, for the PARS Plan.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025, the City reported deferred outflows resources and deferred inflows of resources related to PARS pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Benefits Paid Subsequent to Measurement Date      | \$ 226,193                           | \$ -                                |
| Difference Between Expected and Actual Experience | -                                    | -                                   |
| Changes of Assumptions                            | -                                    | -                                   |
| Net Difference Between Projected and Actual       |                                      |                                     |
| Earning on Pension Plan Investments               | 867,728                              | -                                   |
| Total   | <u><u>\$ 1,093,921</u></u>           | <u><u>\$ -</u></u>                  |

\$226,193 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ending June 30, 2026. 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> | Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-----------------------------|---|
| 2026                        | \$ 368,743  |
| 2027                        | 476,944   |
| 2028                        | 41,906  |
| 2029                        | (19,865)  |
| Thereafter                  | -   |
| Total                       | <u><u>\$ 867,728</u></u>                          |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2024, there were 179 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, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Active Employees                                     | 179               |
| Inactive Employees or Beneficiaries Currently        |                   |
| Receiving Benefits                                   | 170               |
| Inactive Employees Entitled to But not Yet Receiving |                   |
| Benefits   | -                 |
| Total  | <u><u>349</u></u> |

**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 2025, \$2,261,002 was contributed as insurance premiums, and an implicit subsidy \$402,455 totaling \$2,663,457.

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

The City's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using standard update procedures

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

**Actuarial Assumptions**

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

|  |   |
|--|---|
| Actuarial Valuation Date               | June 30, 2023                             |
| Actuarial Cost Method                  | Early Age Normal, Level Percentage of Pay |
| Amortization Method                    |   |
| Level Percent or Level Dollar          | Level Percent                             |
| Closed, Open, or Layered Periods       | Closed                                    |
| Amortization Period as of July 1, 2023 | 13 Years                                  |
| Amortization Growth Rate               | 2.50%                                     |
| Asset Valuation Method                 | Fair 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 |
|-----------------------------------|-------------------|---|--|
| U.S. Long Treasury Bonds          | 20.40 %           | 2.96 %  | 2.10 %   |
| U.S. Long Credit Bonds            | 16.32             | 3.57  | 3.02   |
| U.S. Securitized Securities       | 14.28             | 3.07  | 2.93   |
| U.S. Inflation-Indexed Bonds      | 9.00              | 2.00  | 1.83   |
| Global Equity                     | 23.00             | 6.18  | 4.53   |
| Global REITs                      | 0.14              | 6.88  | 4.84   |
| Commodities                       | 0.03              | 3.30  | 1.78   |
| Portfolio Nominal Mean Return     |                   | 6.59  | 6.27   |
| Portfolio Standard Deviation      |                   |   | 8.25   |
| Long-Term Expected Rate of Return |                   |   | 5.50   |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

**Discount Rate**

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

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

The following presents the net OPEB liability (asset) of the City, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate, for the measurement period ended June 30, 2024:

|                            | Plan's Net OPEB Liability (Asset) |                       |                   |
|----------------------------|-----------------------------------|-----------------------|-------------------|
|                            | Discount Rate -1%                 | Current Discount Rate | Discount Rate +1% |
|                            | (4.50%)                           | (5.50%)               | (6.50%)           |
| Net OPEB Liability (Asset) | \$ 6,595,965                      | \$ (1,409,390)        | \$ (8,009,138)    |

**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, 2024:

|                            | Plan's Net OPEB Liability (Asset) |                    |                |
|----------------------------|-----------------------------------|--------------------|----------------|
|                            | Healthcare Cost                   | Current Trend Rate | Trend Rate +1% |
|                            | Trend Rate -1%                    |                    |                |
| Net OPEB Liability (Asset) | \$ (9,147,990)                    | \$ (1,409,390)     | \$ 8,139,059   |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**C. Change in Net OPEB Liability**

|   | Total<br>OPEB<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>OPEB<br>Liability (Asset) |
|---|----------------------------|-----------------------------------|----------------------------------|
| Balance at June 30, 2023<br>(Measurement Date)        | \$ 57,247,498              | \$ 57,945,020                     | \$ (697,522)                     |
| Changes in the Year:                                  |                            |                                   |                                  |
| Service Cost  | 2,119,563                  | -                                 | 2,119,563                        |
| Interest on the Total OPEB<br>Liability               | 3,199,426                  | -                                 | 3,199,426                        |
| Differences Between Actual and<br>Expected Experience | -                          | -                                 | -                                |
| Changes In Assumptions                                | -                          | -                                 | -                                |
| Contribution - Employer                               | -                          | 2,423,770                         | (2,423,770)                      |
| Net Investment Income                                 | -                          | 3,635,924                         | (3,635,924)                      |
| Administrative Expenses                               | -                          | (28,837)                          | 28,837                           |
| Benefit Payments                                      | (2,423,770)                | (2,423,770)                       | -                                |
| Net Changes   | <u>2,895,219</u>           | <u>3,607,087</u>                  | <u>(711,868)</u>                 |
| Balance at June 30, 2024<br>(Measurement Date)        | <u>\$ 60,142,717</u>       | <u>\$ 61,552,107</u>              | <u>\$ (1,409,390)</u>            |

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

For the year ended June 30, 2025, OPEB expense in the amount of \$3,985,738 is included in the accompanying statement of activities.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Payments of Benefits Made After Measurement Date | \$ 2,663,457                         | \$ -                                |
| Differences Between Expected and Actual          |                                      |                                     |
| Experience                                       | 477,078                              | (119,978)                           |
| Changes of Assumptions                           | 2,319,638                            | (664,011)                           |
| Net Difference Between Projected and Actual      |                                      |                                     |
| Earnings of OPEB Plan Investments                | 4,421,478                            | -                                   |
| Total  | <u>\$ 9,881,651</u>                  | <u>\$ (783,989)</u>                 |

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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 \$2,663,457 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>              |
|-----------------------------|----------------------------|
| 2026                        | \$ 2,406,157               |
| 2027                        | 3,260,119                  |
| 2028                        | 857,875                    |
| 2029                        | (89,946)                   |
| 2030                        | -                          |
| Thereafter                  | -                          |
| Total                       | <u><u>\$ 6,434,205</u></u> |

**NOTE 13 LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION**

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

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

**B. Self-Insurance Programs of the CJPIA**

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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://cjpi.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 2024-25 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 BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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 \$166,387,164. 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 2024-25.

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 14 OTHER REQUIRED DISCLOSURES**

**A. Deficit Net Position**

At June 30, 2025, the following funds had a (deficit) fund balance/net position:

|   | Fund | Deficit      |
|---|------|--------------|
| Governmental Funds:                                   |      |              |
| Los Coyotes Lighting District                         |      | \$ (3,777)   |
| Measure W   |      | (2,015,322)  |
| Enterprise Funds:                                     |      |              |
| Electric Utility Fund                                 |      | (30,126,410) |
| Fiduciary Fund:                                       |      |              |
| Successor Agency to the Cerritos Redevelopment Agency |      | (16,315,136) |

**Los Coyotes Lighting District Special Revenue Fund** – the deficit will be eliminated through receipt of revenue in fiscal year 2026. 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, 2025.

**Measure W Special Revenue Fund** – the deficit will be eliminated through receipt of revenue in fiscal year 2026.

**Electric Utility Enterprise Fund** – The Electric Utility Fund has a deficit net position of (\$30,126,410) 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 (\$3,303,333), which is included in the total deficit of (\$30,126,410), 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 \$28,114,957 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 (\$16,315,136) 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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, 2025 as follows:

| Fund                                | Expenditures | Appropriations | Excess<br>Expenditures<br>Over<br>Appropriations |
|-------------------------------------|--------------|----------------|--|
| Housing Assets Special Revenue Fund | \$ 112,993   | \$ 110,570     | \$ (2,423)                                       |
| Special Revenue Fund:               |              |                |  |
| Drainage                            | \$ 54,531    | \$ 54,231      | \$ (300)   |
| Proposition "A"                     | \$ 1,359,857 | \$ 1,250,000   | \$ (109,857)                                     |
| Proposition "C"                     | \$ 1,063,440 | \$ 1,000,000   | \$ (63,440)                                      |

The Housing Assets Special Revenue fund, Drainage, Proposition "A" and the Proposition "C" Special Revenue Funds have actual expenditures exceeding budgeted expenditures.

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

**A. Lawsuits**

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

**B. Contract with Los Angeles County Sheriff's Department**

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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 \$2,838,257.

**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, 2025, settlement payable reflected in the general fund is \$21 and statement of net position is \$95,419.

**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 2025, approximately \$8.1 million in encumbrances were rolled over to fiscal year 2026. The total included Municipal Improvement Fund and General Fund commitments as follows:

|                            |                            |
|----------------------------|----------------------------|
| General Fund               | \$ 928,981                 |
| Municipal Improvement Fund | <u>7,206,062</u>           |
|                            | <u><u>\$ 8,135,043</u></u> |

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

| Fiscal Year Ended   | June 30, 2025         | June 30, 2024         | June 30, 2023         | June 30, 2022         | June 30, 2021         |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement Period Ended  | June 30, 2024         | June 30, 2023         | June 30, 2022         | June 30, 2021         | June 30, 2020         |
| <b>Total Pension Liability:</b>   |                       |                       |                       |                       |                       |
| Service Cost  | \$ 3,767,526          | \$ 3,351,658          | \$ 3,226,445          | \$ 3,210,638          | \$ 3,237,307          |
| Interest on Total Pension Liability   | 20,456,095            | 19,217,756            | 18,277,233            | 18,077,253            | 17,554,548            |
| Differences Between Expected and Actual Experience                                | 8,946,014             | 4,518,935             | (5,216,970)           | (2,103,860)           | 1,810,807             |
| Changes in Assumptions  | -                     | -                     | 7,891,966             | -                     | -                     |
| Changes in Benefits   | -                     | 287,067               | -                     | -                     | -                     |
| Benefit Payments, Including   |                       |                       |                       |                       |                       |
| Refunds of Employee Contributions   | (14,283,813)          | (13,268,983)          | (12,214,072)          | (11,610,098)          | (11,118,075)          |
| Net Change in Total Pension Liability   | 18,885,822            | 14,106,433            | 11,964,602            | 7,573,933             | 11,484,587            |
| Total Pension Liability - Beginning of Year                                       | 292,777,281           | 278,670,848           | 266,706,246           | 259,132,313           | 247,647,726           |
| Total Pension Liability - End of Year (a)   | <u>\$ 311,663,103</u> | <u>\$ 292,777,281</u> | <u>\$ 278,670,848</u> | <u>\$ 266,706,246</u> | <u>\$ 259,132,313</u> |
| <b>Plan Fiduciary Net Position:</b>   |                       |                       |                       |                       |                       |
| Contributions - Employer  | \$ 8,063,903          | \$ 8,340,496          | \$ 7,746,132          | \$ 6,985,567          | \$ 6,413,343          |
| Contributions - Employee  | 1,632,023             | 1,485,401             | 1,380,167             | 1,281,337             | 1,375,002             |
| Net Investment Income   | 20,270,510            | 12,550,498            | (16,828,753)          | 41,725,831            | 8,907,017             |
| Benefit Payments  | (14,283,813)          | (13,268,983)          | (12,214,072)          | (11,610,098)          | (11,118,075)          |
| Net Plan to Plan Resource Movement  | -                     | -                     | -                     | -                     | -                     |
| Other Miscellaneous Income (Expense)  | (172,247)             | (149,074)             | (138,778)             | (184,385)             | (252,708)             |
| Net Change in Plan Fiduciary Net Position   | 15,510,376            | 8,958,338             | (20,055,304)          | 38,198,252            | 5,324,579             |
| Plan Fiduciary Net Position - Beginning of Year                                   | 211,682,343           | 202,724,005           | 222,779,309           | 184,581,057           | 179,256,478           |
| Plan Fiduciary Net Position - End of Year (b)                                     | <u>\$ 227,192,719</u> | <u>\$ 211,682,343</u> | <u>\$ 202,724,005</u> | <u>\$ 222,779,309</u> | <u>\$ 184,581,057</u> |
| Net Pension Liability - Ending (A)-(B)  | <u>\$ 84,470,384</u>  | <u>\$ 81,094,938</u>  | <u>\$ 75,946,843</u>  | <u>\$ 43,926,937</u>  | <u>\$ 74,551,256</u>  |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 72.90%                | 72.30%                | 72.75%                | 83.53%                | 71.23%                |
| Covered Payroll   | \$ 18,821,112         | \$ 17,683,109         | \$ 15,446,979         | \$ 14,580,361         | \$ 16,025,922         |
| Net Pension Liability as Percentage of Covered Payroll                            | 448.81%               | 458.60%               | 491.66%               | 301.27%               | 465.19%               |

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%.

From fiscal years June 30, 2023 to June 30, 2025:

There were no changes in assumptions.

See accompanying Note 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, 2020         | June 30, 2019         | June 30, 2018         | June 30, 2017         | June 30, 2016         |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement Period Ended  | June 30, 2019         | June 30, 2018         | June 30, 2017         | June 30, 2016         | June 30, 2015         |
| <b>Total Pension Liability:</b>   |                       |                       |                       |                       |                       |
| Service Cost  | \$ 3,310,335          | \$ 3,211,358          | \$ 3,170,426          | \$ 2,965,498          | \$ 3,020,515          |
| Interest on Total Pension Liability   | 16,751,452            | 15,850,378            | 15,418,751            | 15,062,482            | 14,487,605            |
| Differences Between Expected and Actual Experience                                | 3,321,923             | (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   | (10,089,894)          | (9,571,522)           | (8,632,827)           | (8,474,088)           | (7,917,777)           |
| Net Change in Total Pension Liability   | 13,293,816            | 6,019,476             | 19,131,057            | 7,783,932             | 3,522,132             |
| Total Pension Liability - Beginning of Year                                       | 234,353,910           | 228,334,434           | 209,203,377           | 201,419,445           | 197,897,313           |
| Total Pension Liability - End of Year (a)   | <u>\$ 247,647,726</u> | <u>\$ 234,353,910</u> | <u>\$ 228,334,434</u> | <u>\$ 209,203,377</u> | <u>\$ 201,419,445</u> |
| <b>Plan Fiduciary Net Position:</b>   |                       |                       |                       |                       |                       |
| Contributions - Employer  | \$ 5,624,680          | \$ 4,966,169          | \$ 5,465,459          | \$ 4,472,467          | \$ 3,524,782          |
| Contributions - Employee  | 1,837,226             | 1,438,480             | 1,361,130             | 1,521,739             | 1,430,858             |
| Net Investment Income   | 11,219,405            | 13,482,704            | 16,331,253            | 744,239               | 3,275,852             |
| Benefit Payments  | (10,089,894)          | (9,571,522)           | (8,632,827)           | (8,474,088)           | (7,917,777)           |
| Net Plan to Plan Resource Movement  | -                     | (395)                 | -                     | -                     | -                     |
| Other Miscellaneous Income (Expense)  | (121,482)             | (728,213)             | (216,875)             | (90,636)              | (167,515)             |
| Net Change in Plan Fiduciary Net Position   | 8,469,935             | 9,587,223             | 14,308,140            | (1,826,279)           | 146,200               |
| Plan Fiduciary Net Position - Beginning of Year                                   | 170,786,543           | 161,199,320           | 146,891,180           | 148,717,459           | 148,571,259           |
| Plan Fiduciary Net Position - End of Year (b)                                     | <u>\$ 179,256,478</u> | <u>\$ 170,786,543</u> | <u>\$ 161,199,320</u> | <u>\$ 146,891,180</u> | <u>\$ 148,717,459</u> |
| Net Pension Liability - Ending (A)-(B)  | <u>\$ 68,391,248</u>  | <u>\$ 63,567,367</u>  | <u>\$ 67,135,114</u>  | <u>\$ 62,312,197</u>  | <u>\$ 52,701,986</u>  |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 72.38%                | 72.88%                | 70.60%                | 70.21%                | 73.83%                |
| Covered Payroll   | \$ 17,871,364         | \$ 16,892,992         | \$ 16,925,189         | \$ 17,606,708         | \$ 17,978,187         |
| Net Pension Liability as Percentage of Covered Payroll                            | 382.69%               | 376.29%               | 396.66%               | 353.91%               | 293.14%               |

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%.

From fiscal years June 30, 2023 to June 30, 2025:

There were no changes in assumptions.

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

| Fiscal Year Ended  | June 30, 2025      | June 30, 2024      | June 30, 2023      | June 30, 2022      | June 30, 2021      |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution                                      | \$ 9,462,697       | \$ 8,063,903       | \$ 8,340,496       | \$ 7,746,132       | \$ 6,985,567       |
| Contributions In Relation to the<br>Actuarially Determined Contributions | <u>(9,462,697)</u> | <u>(8,063,903)</u> | <u>(8,340,496)</u> | <u>(7,746,132)</u> | <u>(6,985,567)</u> |
| Contribution Deficiency (Excess)   | <u>\$ -</u>        |
| Covered Payroll  | \$ 21,379,856      | \$ 18,821,112      | \$ 17,683,109      | \$ 15,446,979      | \$ 14,580,361      |
| Contributions as a Percentage of Covered<br>Payroll                      | 44.26%             | 42.84%             | 47.17%             | 50.15%             | 47.91%             |

Notes to Schedule:

| Valuation Date   | 6/30/2022        | 6/30/2021        | 6/30/2020        | 6/30/2019        | 6/30/2018        |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Methods and Assumptions used to Determine Contribution Rates:</b> |                  |                  |                  |                  |                  |
| Actuarial Cost Method  | Entry Age<br>(1) |
| Amortization Method  | Fair Value       |
| Asset Valuation Method   |                  |                  |                  |                  |                  |
| Inflation  | 2.300%           | 2.300%           | 2.500%           | 2.500%           | 2.625%           |
| Salary Increases   | (2)              | (2)              | (2)              | (2)              | (2)              |
| Investment Rate of Return  | 6.90% (3)        | 6.90% (3)        | 7.00% (3)        | 7.00% (3)        | 7.25% (3)        |
| Retirement Age   | (4)              | (4)              | (4)              | (4)              | (4)              |
| Mortality  | (5)              | (5)              | (5)              | (5)              | (5)              |

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

See accompanying Note to Required Supplementary Information.

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

| Fiscal Year Ended  | June 30, 2020      | June 30, 2019      | June 30, 2018      | June 30, 2017      | June 30, 2016      |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution                                      | \$ 6,413,343       | \$ 5,624,680       | \$ 4,966,169       | \$ 5,465,459       | \$ 4,472,467       |
| Contributions In Relation to the<br>Actuarially Determined Contributions | <u>(6,413,343)</u> | <u>(5,624,680)</u> | <u>(4,966,169)</u> | <u>(5,465,459)</u> | <u>(4,472,467)</u> |
| Contribution Deficiency (Excess)   | <u>\$ -</u>        |
| Covered Payroll  | \$ 16,025,922      | \$ 17,871,364      | \$ 16,892,992      | \$ 16,925,184      | \$ 17,606,708      |
| Contributions as a Percentage of Covered<br>Payroll                      | 40.02%             | 31.47%             | 29.40%             | 32.29%             | 25.40%             |

Notes to Schedule:

|                |           |           |           |           |           |
|----------------|-----------|-----------|-----------|-----------|-----------|
| Valuation Date | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2015 | 6/30/2014 |
|----------------|-----------|-----------|-----------|-----------|-----------|

Methods and Assumptions used to Determine Contribution Rates:

|                           | Entry Age<br>(1)<br>Fair Value |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 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.

**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   | June 30, 2025         | June 30, 2024         | June 30, 2023         | June 30, 2022         | June 30, 2021        |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Measurement Period Ended  | June 30, 2024         | June 30, 2023         | June 30, 2022         | June 30, 2021         | June 30, 2020        |
| <b>Total Pension Liability:</b>   |                       |                       |                       |                       |                      |
| Service Cost  | \$ 220,032            | \$ 208,146            | \$ 214,855            | \$ 209,105            | \$ 280,802           |
| Interest on Total Pension Liability   | 672,463               | 643,431               | 627,789               | 680,090               | 676,957              |
| Differences Between Expected and Actual Experience                                | -                     | 74,045                | -                     | (1,047,915)           | -                    |
| Changes in Assumptions  | -                     | 144,016               | -                     | -                     | -                    |
| Changes in Benefits   | -                     | -                     | -                     | -                     | -                    |
| Benefit Payments  | (598,363)             | (555,486)             | (572,066)             | (936,048)             | (730,021)            |
| Net Change in Total Pension Liability   | 294,132               | 514,152               | 270,578               | (1,094,768)           | 227,738              |
| Total Pension Liability - Beginning of Year                                       | 11,769,980            | 11,255,828            | 10,985,250            | 12,080,018            | 11,852,280           |
| <b>Total Pension Liability - End of Year (a)</b>                                  | <b>\$ 12,064,112</b>  | <b>\$ 11,769,980</b>  | <b>\$ 11,255,828</b>  | <b>\$ 10,985,250</b>  | <b>\$ 12,080,018</b> |
| <b>Plan Fiduciary Net Position:</b>   |                       |                       |                       |                       |                      |
| Contributions - Employer  | \$ 226,193            | \$ 220,763            | \$ 1,795,693          | \$ 1,795,693          | \$ 1,727,805         |
| Contributions - Employee  | -                     | -                     | -                     | -                     | -                    |
| Net Investment Income   | 821,511               | 411,213               | (1,429,836)           | 1,160,124             | 542,109              |
| Benefit Payments  | (598,363)             | (555,486)             | (572,066)             | (936,048)             | (730,021)            |
| Administrative Expense  | (1,962)               | (2,124)               | (3,747)               | (3,418)               | (3,027)              |
| Net Change in Plan Fiduciary Net Position   | 447,379               | 74,366                | (209,956)             | 2,016,351             | 1,536,866            |
| Plan Fiduciary Net Position - Beginning of Year                                   | 12,818,165            | 12,743,799            | 12,953,755            | 10,937,404            | 9,400,538            |
| <b>Plan Fiduciary Net Position - End of Year (b)</b>                              | <b>\$ 13,265,544</b>  | <b>\$ 12,818,165</b>  | <b>\$ 12,743,799</b>  | <b>\$ 12,953,755</b>  | <b>\$ 10,937,404</b> |
| <b>Net Pension Liability (Asset) - Ending (a)-(b)</b>                             | <b>\$ (1,201,432)</b> | <b>\$ (1,048,185)</b> | <b>\$ (1,487,971)</b> | <b>\$ (1,968,505)</b> | <b>\$ 1,142,614</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> |                       |                       |                       |                       |                      |
|   | 109.96%               | 108.91%               | 113.22%               | 117.92%               | 90.54%               |
| Covered Payroll   | \$ 6,745,881          | \$ 7,325,932          | \$ 7,057,327          | \$ 6,663,380          | \$ 6,519,659         |
| Net pension liability as percentage of Covered Payroll                            | -17.81%               | -14.31%               | -21.08%               | -29.54%               | 17.53%               |

See accompanying Note 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, 2020        | June 30, 2019        | June 30, 2018        | June 30, 2017        | June 30, 2016       |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| Measurement Period Ended  | June 30, 2019        | June 30, 2018        | June 30, 2017        | June 30, 2016        | June 30, 2015       |
| <b>Total Pension Liability:</b>   |                      |                      |                      |                      |                     |
| Service Cost  | \$ 290,763           | \$ 282,294           | \$ 284,923           | \$ 276,624           | \$ 212,170          |
| Interest on Total Pension Liability   | 695,382              | 693,839              | 688,464              | 586,984              | 653,773             |
| <b>Differences Between Expected and Actual</b>                                    |                      |                      |                      |                      |                     |
| Experience  | (499,084)            | -                    | -                    | (603,157)            | -                   |
| Changes in Assumptions  | (67,132)             | (217,374)            | 765,852              | 1,959,820            | -                   |
| Changes in Benefits   | -                    | -                    | -                    | -                    | -                   |
| Benefit Payments  | (730,762)            | (749,742)            | (621,846)            | (588,456)            | (523,749)           |
| Net Change in Total Pension Liability   | (310,833)            | 9,017                | 1,117,393            | 1,631,815            | 342,194             |
| Total Pension Liability - Beginning of Year                                       | 12,163,113           | 12,154,096           | 11,036,703           | 9,404,888            | 9,062,694           |
| <b>Total Pension Liability - End of Year (a)</b>                                  | <b>\$ 11,852,280</b> | <b>\$ 12,163,113</b> | <b>\$ 12,154,096</b> | <b>\$ 11,036,703</b> | <b>\$ 9,404,888</b> |
| <b>Plan Fiduciary Net Position:</b>   |                      |                      |                      |                      |                     |
| Contributions - Employer  | \$ 1,727,805         | \$ 1,331,501         | \$ 1,450,583         | \$ 847,840           | \$ 868,240          |
| Contributions - Employee  | -                    | -                    | -                    | -                    | -                   |
| Net Investment Income   | 494,848              | 184,573              | 267,203              | (588,456)            | 14,398              |
| Benefit Payments  | (730,762)            | (749,742)            | (621,846)            | 151,244              | (523,749)           |
| Administrative Expense  | (2,953)              | (2,420)              | (3,174)              | (1,427)              | (2,289)             |
| Net Change in Plan Fiduciary Net Position   | 1,488,938            | 763,912              | 1,092,766            | 409,201              | 356,600             |
| Plan Fiduciary Net Position - Beginning of Year                                   | 7,911,600            | 7,147,688            | 6,054,922            | 5,645,721            | 5,289,121           |
| <b>Plan Fiduciary Net Position - End of Year (b)</b>                              | <b>\$ 9,400,538</b>  | <b>\$ 7,911,600</b>  | <b>\$ 7,147,688</b>  | <b>\$ 6,054,922</b>  | <b>\$ 5,645,721</b> |
| <b>Net Pension Liability (Asset) - Ending (a)-(b)</b>                             | <b>\$ 2,451,742</b>  | <b>\$ 4,251,513</b>  | <b>\$ 5,006,408</b>  | <b>\$ 4,981,781</b>  | <b>\$ 3,759,167</b> |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 79.31%               | 65.05%               | 58.81%               | 54.86%               | 60.03%              |
| <b>Covered Payroll</b>  | <b>\$ 8,076,033</b>  | <b>\$ 8,797,761</b>  | <b>\$ 9,905,146</b>  | <b>\$ 9,616,647</b>  | <b>\$ 9,336,558</b> |
| <b>Net pension liability as percentage of Covered Payroll</b>                     | 30.36%               | 48.32%               | 50.54%               | 51.80%               | 40.26%              |

See accompanying Note to Required Supplementary Information.

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

| Fiscal Year Ended  | June 30, 2025    | June 30, 2024    | June 30, 2023    | June 30, 2022      | June 30, 2021      |
|--|------------------|------------------|------------------|--------------------|--------------------|
| Actuarially Determined Contribution                                      | \$ 226,193       | \$ 226,193       | \$ 220,763       | \$ 1,795,693       | \$ 1,795,693       |
| Contributions in Relation to the<br>Actuarially Determined Contributions | <u>(226,193)</u> | <u>(226,193)</u> | <u>(220,763)</u> | <u>(1,795,693)</u> | <u>(1,795,693)</u> |
| Contribution Deficiency (Excess)   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ -</u>        |
| Covered Payroll  | \$ 6,256,061     | \$ 6,745,881     | \$ 7,325,932     | \$ 7,057,327       | \$ 6,663,380       |
| Contributions as a Percentage of Covered Payroll                         | 3.62%            | 3.35%            | 3.01%            | 25.44%             | 26.95%             |

Notes to Schedule:

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

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

See accompanying Note to Required Supplementary Information.

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

| Fiscal Year Ended  | June 30, 2020      | June 30, 2019      | June 30, 2018      | June 30, 2017      | June 30, 2016    |
|--|--------------------|--------------------|--------------------|--------------------|------------------|
| Actuarially Determined Contribution                                      | \$ 1,727,805       | \$ 1,727,805       | \$ 1,331,501       | \$ 1,450,583       | \$ 847,840       |
| Contributions in Relation to the<br>Actuarially Determined Contributions | <u>(1,727,805)</u> | <u>(1,727,805)</u> | <u>(1,331,501)</u> | <u>(1,450,583)</u> | <u>(847,840)</u> |
| Contribution Deficiency (Excess)   | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>      |
| Covered Payroll  | \$ 6,519,659       | \$ 8,076,033       | \$ 8,797,761       | \$ 9,905,146       | \$ 9,616,647     |
| Contributions as a Percentage of Covered Payroll                         | 26.50%             | 21.39%             | 15.13%             | 14.64%             | 8.82%            |

Notes to Schedule:

|                |           |           |           |           |           |
|----------------|-----------|-----------|-----------|-----------|-----------|
| Valuation Date | 6/30/2019 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
|----------------|-----------|-----------|-----------|-----------|-----------|

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 |
|                           |            |            |            |            |            |
| Inflation                 | 2.625%     | 2.75%      | 2.75%      | 2.75%      | 2.75%      |
| Salary Increases          | (2)        | (2)        | (2)        | (2)        | (2)        |
| Investment Rate of Return | 5.75% (3)  | 5.75% (3)  | 5.75% (3)  | 5.75% (3)  | 5.75% (3)  |
| Retirement Age            | (4)        | (4)        | (4)        | (4)        | (4)        |
| Mortality                 | (5)        | (5)        | (5)        | (5)        | (5)        |

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

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

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

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

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

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

**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<br>Measurement Period Ended                                   | June 30, 2025         | June 30, 2024        | June 30, 2023         | June 30, 2022          | June 30, 2021         | June 30, 2020         | June 30, 2019        | June 30, 2018 | June 30, 2017 |
|---|-----------------------|----------------------|-----------------------|------------------------|-----------------------|-----------------------|----------------------|---------------|---------------|
|   | June 30, 2024         | June 30, 2023        | June 30, 2022         | June 30, 2021          | June 30, 2020         | June 30, 2019         | June 30, 2018        | June 30, 2017 |               |
| <b>Total OPEB Liability:</b>  |                       |                      |                       |                        |                       |                       |                      |               |               |
| Service Cost  | \$ 2,119,563          | \$ 1,861,165         | \$ 1,524,472          | \$ 1,676,749           | \$ 1,611,055          | \$ 1,240,483          | \$ 1,152,240         | Not Available |               |
| Interest on Total OPEB Liability  | 3,199,426             | 2,999,797            | 2,650,392             | 2,862,998              | 2,725,171             | 2,768,729             | 2,662,314            |               |               |
| Differences Between Expected and Actual Experience                              | -                     | 830,468              | -                     | (919,818)              | -                     | (373,403)             | -                    |               |               |
| Changes in Assumptions  | -                     | 2,336,368            | 3,643,300             | (5,090,743)            | -                     | (1,263,816)           | -                    |               |               |
| Changes in Benefits   | -                     | -                    | -                     | -                      | -                     | -                     | -                    |               |               |
| Benefit Payments  | (2,423,770)           | (2,149,001)          | (2,009,468)           | (2,137,548)            | (1,875,955)           | (1,857,533)           | (1,657,007)          |               |               |
| Net Change in Total OPEB Liability  | 2,895,219             | 5,878,797            | 5,808,696             | (3,608,362)            | 2,460,271             | 514,460               | 2,157,547            |               |               |
| Total OPEB Liability - Beginning of Year  | 57,247,498            | 51,368,701           | 45,560,005            | 49,168,367             | 46,708,096            | 46,193,636            | 44,036,089           |               |               |
| Total OPEB Liability - End of Year (a)  | <u>\$ 60,142,717</u>  | <u>\$ 57,247,498</u> | <u>\$ 51,368,701</u>  | <u>\$ 45,560,005</u>   | <u>\$ 49,168,367</u>  | <u>\$ 46,708,096</u>  | <u>\$ 46,193,636</u> |               |               |
| <b>Plan Fiduciary Net Position:</b>   |                       |                      |                       |                        |                       |                       |                      |               |               |
| Contributions - Employer  | \$ 2,423,770          | \$ 2,149,001         | \$ 2,009,468          | \$ 3,569,055           | \$ 3,239,740          | \$ 3,188,056          | \$ 4,115,834         | Not Available |               |
| Contributions - Employee  | -                     | -                    | -                     | -                      | -                     | -                     | -                    |               |               |
| Net Investment Income   | 3,635,924             | 900,079              | (6,878,155)           | 7,581,756              | 3,271,714             | 3,378,685             | 1,964,761            |               |               |
| Benefit Payments  | (2,423,770)           | (2,149,001)          | (2,009,468)           | (2,137,548)            | (1,875,955)           | (1,857,533)           | (1,657,007)          |               |               |
| Other Miscellaneous Income (Expense)  | (28,837)              | (27,848)             | (31,161)              | (29,463)               | (26,112)              | (23,252)              | (21,346)             |               |               |
| Net Change in Fiduciary Net Position  | 3,607,087             | 872,231              | (6,909,316)           | 8,983,800              | 4,609,387             | 4,685,956             | 4,402,242            |               |               |
| Plan Fiduciary Net Position - Beginning of Year                                 | 57,945,020            | 57,072,789           | 63,982,105            | 54,998,305             | 50,388,918            | 45,702,962            | 41,300,720           |               |               |
| Plan Fiduciary Net Position - End of Year (a)                                   | <u>\$ 61,552,107</u>  | <u>\$ 57,945,020</u> | <u>\$ 57,072,789</u>  | <u>\$ 63,982,105</u>   | <u>\$ 54,998,305</u>  | <u>\$ 50,388,918</u>  | <u>\$ 45,702,962</u> |               |               |
| Net OPEB Liability (Asset)  | <u>\$ (1,409,390)</u> | <u>\$ (697,522)</u>  | <u>\$ (5,704,088)</u> | <u>\$ (18,422,100)</u> | <u>\$ (5,829,938)</u> | <u>\$ (3,680,822)</u> | <u>\$ 490,674</u>    |               |               |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 97.71%                | 98.80%               | 90.01%                | 71.21%                 | 89.40%                | 92.70%                | 101.07%              |               |               |
| Covered Payroll   | \$ 18,821,112         | \$ 17,683,109        | \$ 16,809,588         | \$ 16,410,399          | \$ 16,482,064         | \$ 17,871,364         | \$ 16,096,388        |               |               |
| Net OPEB Liability (Asset) as Percentage of Covered Payroll                     | -7.49%                | -3.94%               | -33.93%               | -112.26%               | -35.37%               | -20.60%               | 3.05%                |               |               |

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

Discount rate was changed from 6.00% to 5.75%.

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

There were no changes in assumptions.

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

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

\* Fiscal year 2018 was the first year of implementation and therefore only eight 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  | June 30, 2025         | June 30, 2024         | June 30, 2023         | June 30, 2022         | June 30, 2021         | June 30, 2020         | June 30, 2019         | June 30, 2018         |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially Determined Contribution                                      | \$ -                  | \$ -                  | \$ 1,470,873          | \$ 1,431,507          | \$ 1,363,785          | \$ 1,330,523          | \$ 2,458,827          |                       |
| Contributions in Relation to the<br>Actuarially Determined Contributions | <u>\$ (2,663,457)</u> | <u>\$ (2,423,770)</u> | <u>\$ (2,149,001)</u> | <u>\$ (2,009,468)</u> | <u>\$ (3,569,055)</u> | <u>\$ (3,239,740)</u> | <u>\$ (3,188,056)</u> | <u>\$ (4,115,834)</u> |
| Contribution Deficiency (Excess)   | <u>\$ (2,663,457)</u> | <u>\$ (2,423,770)</u> | <u>\$ (2,149,001)</u> | <u>\$ (538,595)</u>   | <u>\$ (2,137,548)</u> | <u>\$ (1,875,955)</u> | <u>\$ (1,857,533)</u> | <u>\$ (1,657,007)</u> |
| Covered-Employee Payroll   | \$ 21,379,856         | \$ 18,821,112         | \$ 17,683,109         | \$ 16,809,588         | \$ 16,410,399         | \$ 16,482,064         | \$ 16,096,388         | \$ 16,096,388         |
| Contributions as a Percentage of Covered-Employee<br>Payroll             | 12.46%                | 12.88%                | 12.15%                | 11.95%                | 21.75%                | 19.66%                | 19.81%                | 25.57%                |

Notes to Schedule:

| Valuation Date | 6/30/2023 | 6/30/2023 | 6/30/2021 | 6/30/2021 | 6/30/2019 | 6/30/2019 | 6/30/2017 | 6/30/2017 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                |           |           |           |           |           |           |           |           |

\*

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

**CITY OF CERRITOS, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2025**

|  | Budgeted Amounts      |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |  |
|--|-----------------------|-----------------------|-----------------------|---|--|
|  |                       |                       | Actual                |   |  |
|  | Original              | Final                 |                       |   |  |
| <b>REVENUES</b>                          |                       |                       |                       |   |  |
| Property, Sales, and Other Taxes         | \$ 62,861,112         | \$ 62,050,049         | \$ 62,462,357         | \$ 412,308  |  |
| Franchise                                | 3,352,815             | 3,435,000             | 3,583,765             | 148,765   |  |
| Licenses and Permits                     | 3,204,450             | 3,484,450             | 3,397,619             | (86,831)  |  |
| Fines and Forfeitures                    | 755,600               | 756,000               | 540,525               | (215,475)   |  |
| Investment and Rental Income             | 14,881,480            | 15,205,230            | 25,492,612            | 10,287,382  |  |
| Revenues from Other Agencies             | 264,000               | 292,000               | 192,914               | (99,086)  |  |
| Current Fees and Services                | 9,986,610             | 8,905,160             | 8,218,683             | (686,477)   |  |
| Other Revenues                           | 679,693               | 713,513               | 591,717               | (121,796)   |  |
| Total Revenues                           | <u>95,985,760</u>     | <u>94,841,402</u>     | <u>104,480,192</u>    | <u>9,638,790</u>  |  |
| <b>EXPENDITURES</b>                      |                       |                       |                       |   |  |
| Current:                                 |                       |                       |                       |   |  |
| Legislative And Administration           | 3,304,666             | 3,118,431             | 2,242,721             | 875,710   |  |
| Community Development                    | 4,171,316             | 4,972,537             | 4,786,375             | 186,162   |  |
| Public Works                             | 17,490,834            | 17,372,555            | 18,591,664            | (1,219,109)   |  |
| Community And Safety Services            | 34,705,245            | 32,579,364            | 31,553,095            | 1,026,269   |  |
| Administrative Services                  | 17,052,510            | 15,980,452            | 15,368,010            | 612,442   |  |
| Cerritos Center for the Performing Arts  | 11,799,251            | 11,524,751            | 11,610,645            | (85,894)  |  |
| Debt Service:                            |                       |                       |                       |   |  |
| Principal                                | -                     | -                     | 56,441                | (56,441)  |  |
| Interest                                 | -                     | -                     | 2,887                 | (2,887)   |  |
| Total Expenditures                       | <u>88,523,822</u>     | <u>85,548,090</u>     | <u>84,211,838</u>     | <u>1,336,252</u>  |  |
| <b>EXCESS REVENUES OVER EXPENDITURES</b> |                       |                       |                       |   |  |
|  | 7,461,938             | 9,293,312             | 20,268,354            | 10,975,042  |  |
| <b>OTHER FINANCING SOURCES (USES)</b>    |                       |                       |                       |   |  |
| Subscriptions Proceeds                   | -                     | -                     | 274,783               | (274,783)   |  |
| Transfers In                             | 302,890               | 307,331               | 339,183               | (31,852)  |  |
| Transfers Out                            | (37,122,313)          | (51,442,249)          | (43,607,978)          | 7,834,271   |  |
| Total Other Financing Sources (Uses)     | <u>(36,819,423)</u>   | <u>(51,134,918)</u>   | <u>(42,994,012)</u>   | <u>7,527,636</u>  |  |
| <b>NET CHANGE IN FUND BALANCE</b>        |                       |                       |                       |   |  |
| Fund Balance - Beginning of Year         | <u>185,909,243</u>    | <u>185,909,243</u>    | <u>185,909,243</u>    | <u>-</u>  |  |
| <b>FUND BALANCE - END OF YEAR</b>        | <b>\$ 156,551,758</b> | <b>\$ 144,067,637</b> | <b>\$ 163,183,585</b> | <b>\$ 18,502,678</b>                                    |  |

See accompanying Note to Required Supplementary Information.

**CITY OF CERRITOS, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HOUSING ASSETS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2025**

|  | Budgeted Amounts     |                      |                      | Variance with<br>Final Budget |                        |
|--|----------------------|----------------------|----------------------|-------------------------------|------------------------|
|  | Original             |                      | Final                | Actual                        | Positive<br>(Negative) |
|  |                      |                      |                      |                               |                        |
| <b>REVENUES</b>                              |                      |                      |                      |                               |                        |
| Investment and Rental Income                 | \$ 385,000           | \$ 300,000           | \$ 434,744           | \$ 134,744                    |                        |
| Other Revenues                               | 240,000              | 313,000              | 32,732               | (280,268)                     |                        |
| Total Revenues                               | <u>625,000</u>       | <u>613,000</u>       | <u>467,476</u>       | <u>(145,524)</u>              |                        |
| <b>EXPENDITURES</b>                          |                      |                      |                      |                               |                        |
| Current:                                     |                      |                      |                      |                               |                        |
| Community Development                        | 125,000              | 110,570              | 112,993              | (2,423)                       |                        |
| Total Expenditures                           | <u>125,000</u>       | <u>110,570</u>       | <u>112,993</u>       | <u>(2,423)</u>                |                        |
| <b>EXCESS REVENUES OVER<br/>EXPENDITURES</b> | 500,000              | 502,430              | 354,483              | (147,947)                     |                        |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                      |                      |                      |                               |                        |
| Transfers Out                                | (1,410,000)          | (3,400,000)          | -                    | 3,400,000                     |                        |
| Total Other Financing Sources<br>(Uses)      | <u>(1,410,000)</u>   | <u>(3,400,000)</u>   | <u>-</u>             | <u>3,400,000</u>              |                        |
| <b>NET CHANGE IN FUND BALANCE</b>            | (910,000)            | (2,897,570)          | 354,483              | 3,252,053                     |                        |
| Fund Balance - Beginning of Year             | <u>23,969,850</u>    | <u>23,969,850</u>    | <u>23,969,850</u>    | <u>-</u>                      |                        |
| <b>FUND BALANCE - END OF YEAR</b>            | <u>\$ 23,059,850</u> | <u>\$ 21,072,280</u> | <u>\$ 24,324,333</u> | <u>\$ 3,252,053</u>           |                        |

See accompanying Note to Required Supplementary Information.

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**CITY OF CERRITOS, CALIFORNIA**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2025**

**NOTE 1 BUDGET AND BUDGETARY ACCOUNTING**

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

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

There were no significant nonbudgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. However, the City Manager is authorized to transfer budgeted amounts between departments within a fund. There were no significant supplementary budget appropriations during the year ended June 30, 2025.

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 XIIIIB 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, 2025 based on calculations by City Management, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIIIIB allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

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## **SUPPLEMENTARY INFORMATION**

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**CITY OF CERRITOS, CALIFORNIA**  
**DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

**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, 2025**

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

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

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

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

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

| Special Revenue Funds  |                     |                     |                 |                     |                     |                   |         |
|--|---------------------|---------------------|-----------------|---------------------|---------------------|-------------------|---------|
|  | Street              |                     |                 | Proposition         |                     |                   | Measure |
|  | Improvements        | RMRA                | Drainage        | "A"                 | "C"                 | "M"               |         |
| <b>ASSETS</b>  |                     |                     |                 |                     |                     |                   |         |
| Cash and Investments   | \$ 42,011           | \$ 1,583,027        | \$ 1,186        | \$ 2,226,746        | \$ 1,480,367        | \$ 874,141        |         |
| Accounts Receivable  | 2,329,973           | 237,372             | -               | -                   | 460                 | -                 |         |
| Prepaid Items  | 12,029              | -                   | 145             | -                   | -                   | -                 |         |
| <b>Total Assets</b>  | <b>\$ 2,384,013</b> | <b>\$ 1,820,399</b> | <b>\$ 1,331</b> | <b>\$ 2,226,746</b> | <b>\$ 1,480,827</b> | <b>\$ 874,141</b> |         |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                     |                     |                 |                     |                     |                   |         |
| <b>LIABILITIES</b>   |                     |                     |                 |                     |                     |                   |         |
| Accounts Payable and Accrued Liabilities                                   | \$ 668,716          | \$ -                | \$ 363          | \$ 91,475           | \$ -                | \$ -              |         |
| Accrued Salaries and Benefits  | 82,075              | -                   | 968             | -                   | -                   | -                 |         |
| Due to Other Funds   | 1,591,210           | -                   | -               | -                   | -                   | -                 |         |
| Unearned Revenues  | -                   | -                   | -               | -                   | -                   | -                 |         |
| <b>Total Liabilities</b>   | <b>2,342,001</b>    | <b>-</b>            | <b>1,331</b>    | <b>91,475</b>       | <b>-</b>            | <b>-</b>          |         |
| <b>FUND BALANCES</b>   |                     |                     |                 |                     |                     |                   |         |
| Nonspendable   | 12,029              | -                   | 145             | -                   | -                   | -                 |         |
| Restricted   | 29,983              | 1,820,399           | -               | 2,135,271           | 1,480,827           | 874,141           |         |
| Unassigned (Deficit)   | -                   | -                   | (145)           | -                   | -                   | -                 |         |
| <b>Total Fund Balances</b>   | <b>42,012</b>       | <b>1,820,399</b>    | <b>-</b>        | <b>2,135,271</b>    | <b>1,480,827</b>    | <b>874,141</b>    |         |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 2,384,013</b> | <b>\$ 1,820,399</b> | <b>\$ 1,331</b> | <b>\$ 2,226,746</b> | <b>\$ 1,480,827</b> | <b>\$ 874,141</b> |         |

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

|   | Special Revenue Funds |                  |               |                  |                   |                  |  |         |
|---|-----------------------|------------------|---------------|------------------|-------------------|------------------|--|---------|
|   |                       |                  | Public Safety |                  |                   |                  |  |         |
|   |                       |                  | Grant Fund    |                  |                   |                  |  |         |
|   | Assessment            | Los Coyotes      | COPS          | Environmental    |                   |                  |  | Measure |
| <b>ASSETS</b>   |                       |                  | Grant         | Grants           | AQMD              |                  |  | "R"     |
| Cash and Investments  |                       |                  |               |                  |                   |                  |  |         |
| Cash and Investments  | \$ 373,391            | \$ 27,962        | \$ -          | \$ 29,587        | \$ 790,472        | \$ 38,793        |  |         |
| Accounts Receivable   | 4,304                 | -                | -             | -                | -                 | 16,640           |  | -       |
| Prepaid Items   | -                     | 5,222            | -             | -                | -                 | -                |  | -       |
| <b>Total Assets</b>   | <b>\$ 377,695</b>     | <b>\$ 33,184</b> | <b>\$ -</b>   | <b>\$ 29,587</b> | <b>\$ 807,112</b> | <b>\$ 38,793</b> |  |         |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>        |                       |                  |               |                  |                   |                  |  |         |
| <b>LIABILITIES</b>  |                       |                  |               |                  |                   |                  |  |         |
| Accounts Payable and Accrued Liabilities                                    | \$ -                  | \$ 28,205        | \$ -          | \$ -             | \$ -              | \$ -             |  | -       |
| Accrued Salaries and Benefits   | -                     | 8,756            | -             | -                | -                 | -                |  | -       |
| Due to Other Funds  | -                     | -                | -             | -                | -                 | -                |  | -       |
| Unearned Revenues   | -                     | -                | -             | 23,030           | -                 | -                |  | -       |
| <b>Total Liabilities</b>  | <b>-</b>              | <b>36,961</b>    | <b>-</b>      | <b>23,030</b>    | <b>-</b>          | <b>-</b>         |  |         |
| <b>FUND BALANCES</b>  |                       |                  |               |                  |                   |                  |  |         |
| Nonspendable  | -                     | 5,222            | -             | -                | -                 | -                |  | -       |
| Restricted  | 377,695               | -                | -             | 6,557            | 807,112           | 38,793           |  |         |
| Unassigned (Deficit)  | -                     | (8,999)          | -             | -                | -                 | -                |  | -       |
| <b>Total Fund Balances</b>  | <b>377,695</b>        | <b>(3,777)</b>   | <b>-</b>      | <b>6,557</b>     | <b>807,112</b>    | <b>38,793</b>    |  |         |
| <b>Total Liabilities, Deferred Infloows of Resources, and Fund Balances</b> | <b>\$ 377,695</b>     | <b>\$ 33,184</b> | <b>\$ -</b>   | <b>\$ 29,587</b> | <b>\$ 807,112</b> | <b>\$ 38,793</b> |  |         |

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

|  | Special Revenue Funds |   |                     |                   |                      | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------|---|---------------------|-------------------|----------------------|--|
|  | SB 821                | Community<br>Development<br>Block Grant |                     | Measure<br>"W"    | Measure<br>"A"       |  |
|  |                       |   |                     |                   |                      |  |
| <b>ASSETS</b>  |                       |   |                     |                   |                      |  |
| Cash and Investments   | \$ -                  | \$ -                                    | \$ 2,402,987        | \$ -              | \$ 9,870,670         |  |
| Accounts Receivable  | -                     | 186,663                                 | -                   | 235,000           | 3,010,412            |  |
| Prepaid Items  | -                     | -                                       | -                   | -                 | 17,396               |  |
| <b>Total Assets</b>  | <b>\$ -</b>           | <b>\$ 186,663</b>                       | <b>\$ 2,402,987</b> | <b>\$ 235,000</b> | <b>\$ 12,898,478</b> |  |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                       |   |                     |                   |                      |  |
| <b>LIABILITIES</b>   |                       |   |                     |                   |                      |  |
| Accounts Payable and Accrued<br>Liabilities                                    | \$ -                  | \$ -                                    | \$ -                | \$ -              | \$ 788,759           |  |
| Accrued Salaries and Benefits  | -                     | -                                       | -                   | -                 | 91,799               |  |
| Due to Other Funds   | -                     | 186,663                                 | 2,010,309           | 235,000           | 4,023,182            |  |
| Unearned Revenues  | -                     | -                                       | 2,408,000           | -                 | 2,431,030            |  |
| <b>Total Liabilities</b>   | <b>-</b>              | <b>186,663</b>                          | <b>4,418,309</b>    | <b>235,000</b>    | <b>7,334,770</b>     |  |
| <b>FUND BALANCES</b>   |                       |   |                     |                   |                      |  |
| Nonspendable   | -                     | -                                       | -                   | -                 | 17,396               |  |
| Restricted   | -                     | -                                       | -                   | -                 | 7,570,778            |  |
| Unassigned (Deficit)   | -                     | -                                       | (2,015,322)         | -                 | (2,024,466)          |  |
| <b>Total Fund Balances</b>   | <b>-</b>              | <b>-</b>                                | <b>(2,015,322)</b>  | <b>-</b>          | <b>5,563,708</b>     |  |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ -</b>           | <b>\$ 186,663</b>                       | <b>\$ 2,402,987</b> | <b>\$ 235,000</b> | <b>\$ 12,898,478</b> |  |

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

| Special Revenue Funds                        |                        |                     |                 |                     |                     |                   |
|--|------------------------|---------------------|-----------------|---------------------|---------------------|-------------------|
|  | Street<br>Improvements | RMRA                | Drainage        | Proposition<br>"A"  | Proposition<br>"C"  | Measure<br>"M"    |
| <b>REVENUES</b>                              |                        |                     |                 |                     |                     |                   |
| Investment and Rental Income                 | \$ -                   | \$ 49,382           | \$ -            | \$ 51,394           | \$ 33,669           | \$ 30,407         |
| Intergovernmental                            | 4,608,471              | 1,347,016           | -               | 1,353,852           | 1,053,869           | 885,445           |
| Charges for Services                         | -                      | -                   | 1,098           | 900                 | -                   | -                 |
| Contributions from Property Owners           | -                      | -                   | -               | -                   | -                   | -                 |
| <b>Total Revenues</b>                        | <b>4,608,471</b>       | <b>1,396,398</b>    | <b>1,098</b>    | <b>1,406,146</b>    | <b>1,087,538</b>    | <b>915,852</b>    |
| <b>EXPENDITURES</b>                          |                        |                     |                 |                     |                     |                   |
| Legislative and Administration               | 177,579                | -                   | 2,137           | -                   | -                   | -                 |
| Community Development                        | -                      | -                   | -               | 1,359,857           | 1,063,440           | -                 |
| Public Works                                 | 3,612,348              | -                   | 46,172          | -                   | -                   | -                 |
| Administrative Services                      | 516,760                | -                   | 6,222           | -                   | -                   | -                 |
| <b>Total Expenditures</b>                    | <b>4,306,687</b>       | <b>-</b>            | <b>54,531</b>   | <b>1,359,857</b>    | <b>1,063,440</b>    | <b>-</b>          |
| <b>EXCESS REVENUES OVER (UNDER)</b>          |                        |                     |                 |                     |                     |                   |
| <b>EXPENDITURES</b>                          | <b>301,784</b>         | <b>1,396,398</b>    | <b>(53,433)</b> | <b>46,289</b>       | <b>24,098</b>       | <b>915,852</b>    |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                        |                     |                 |                     |                     |                   |
| Transfers In                                 | 7,641,307              | -                   | 53,433          | -                   | -                   | -                 |
| Transfers Out                                | (7,901,079)            | (1,242,053)         | -               | -                   | -                   | (949,636)         |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(259,772)</b>       | <b>(1,242,053)</b>  | <b>53,433</b>   | <b>-</b>            | <b>-</b>            | <b>(949,636)</b>  |
| <b>NET CHANGE IN FUND BALANCES</b>           | <b>42,012</b>          | <b>154,345</b>      | <b>-</b>        | <b>46,289</b>       | <b>24,098</b>       | <b>(33,784)</b>   |
| Fund Balances (Deficit) - Beginning of Year  | -                      | 1,666,054           | -               | 2,088,982           | 1,456,729           | 907,925           |
| <b>FUND BALANCES (DEFICIT) - END OF YEAR</b> | <b>\$ 42,012</b>       | <b>\$ 1,820,399</b> | <b>\$ -</b>     | <b>\$ 2,135,271</b> | <b>\$ 1,480,827</b> | <b>\$ 874,141</b> |

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|  | Special Revenue Funds |                   |                             |                 |                   |                  |         |  |
|--|-----------------------|-------------------|-----------------------------|-----------------|-------------------|------------------|---------|--|
|  | Los Coyotes           |                   | Public Safety<br>Grant Fund |                 | Environmental     |                  | Measure |  |
|  | Assessment            | Lighting          | COPS                        | Grant           | Grants            | AQMD             | "R"     |  |
| <b>REVENUES</b>                              |                       |                   |                             |                 |                   |                  |         |  |
| Investment and Rental Income                 | \$ 6,318              | \$ -              | \$ -                        | \$ 2,116        | \$ 17,413         | \$ 2,842         |         |  |
| Intergovernmental                            | -                     | 111,262           | 194,663                     | 27,785          | 63,733            | 781,527          |         |  |
| Charges for Services                         | -                     | -                 | -                           | -               | -                 | -                |         |  |
| Contributions from Property Owners           | 215,527               | -                 | -                           | -               | -                 | -                |         |  |
| Total Revenues                               | 221,845               | 111,262           | 194,663                     | 29,901          | 81,146            | 784,369          |         |  |
| <b>EXPENDITURES</b>                          |                       |                   |                             |                 |                   |                  |         |  |
| Legislative and Administration               | -                     | 77,090            | -                           | -               | -                 | -                |         |  |
| Community Development                        | -                     | -                 | -                           | -               | -                 | 23,665           |         |  |
| Public Works                                 | 100,000               | 1,362,237         | -                           | -               | -                 | -                | 808,962 |  |
| Administrative Services                      | -                     | 224,334           | -                           | -               | -                 | -                |         |  |
| Total Expenditures                           | 100,000               | 1,663,661         | -                           | -               | -                 | 23,665           | 808,962 |  |
| <b>EXCESS REVENUES OVER (UNDER)</b>          |                       |                   |                             |                 |                   |                  |         |  |
| <b>EXPENDITURES</b>                          | 121,845               | (1,552,399)       | 194,663                     | 29,901          | 57,481            | (24,593)         |         |  |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                       |                   |                             |                 |                   |                  |         |  |
| Transfers In                                 | -                     | 1,548,622         | -                           | -               | -                 | -                |         |  |
| Transfers Out                                | -                     | -                 | (194,663)                   | (27,785)        | -                 | -                |         |  |
| Total Other Financing Sources (Uses)         | -                     | 1,548,622         | (194,663)                   | (27,785)        | -                 | -                |         |  |
| <b>NET CHANGE IN FUND BALANCES</b>           |                       |                   |                             |                 |                   |                  |         |  |
| Fund Balances (Deficit) - Beginning of Year  | 255,850               | -                 | -                           | 4,441           | 749,631           | 63,386           |         |  |
| <b>FUND BALANCES (DEFICIT) - END OF YEAR</b> | <b>\$ 377,695</b>     | <b>\$ (3,777)</b> | <b>\$ -</b>                 | <b>\$ 6,557</b> | <b>\$ 807,112</b> | <b>\$ 38,793</b> |         |  |

**CITY OF CERRITOS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|  | Special Revenue Funds    |             |                |                |              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------|-------------|----------------|----------------|--------------|--|
|  | Community<br>Development |             | Measure<br>"W" | Measure<br>"A" |              |  |
|  | SB 821                   | Block Grant |                |                |              |  |
| <b>REVENUES</b>                              |                          |             |                |                |              |  |
| Investment and Rental Income                 | \$ -                     | \$ -        | \$ 55,018      | \$ -           | \$ 248,559   |  |
| Intergovernmental                            | -                        | 186,663     | 1,888,015      | 310,000        | 12,812,301   |  |
| Charges for Services                         | -                        | -           | -              | -              | 1,998        |  |
| Contributions from Property Owners           | -                        | -           | -              | -              | 215,527      |  |
| Total Revenues                               | -                        | 186,663     | 1,943,033      | 310,000        | 13,278,385   |  |
| <b>EXPENDITURES</b>                          |                          |             |                |                |              |  |
| Legislative and Administration               | -                        | -           | -              | -              | 256,806      |  |
| Community Development                        | -                        | -           | -              | -              | 2,446,962    |  |
| Public Works                                 | -                        | -           | -              | -              | 5,929,719    |  |
| Administrative Services                      | -                        | -           | -              | -              | 747,316      |  |
| Total Expenditures                           | -                        | -           | -              | -              | 9,380,803    |  |
| <b>EXCESS REVENUES OVER (UNDER)</b>          |                          |             |                |                |              |  |
| <b>EXPENDITURES</b>                          | -                        | 186,663     | 1,943,033      | 310,000        | 3,897,582    |  |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                          |             |                |                |              |  |
| Transfers In                                 | -                        | -           | -              | -              | 9,243,362    |  |
| Transfers Out                                | (73,362)                 | (186,663)   | (985,267)      | -              | (11,560,508) |  |
| Total Other Financing Sources (Uses)         | (73,362)                 | (186,663)   | (985,267)      | -              | (2,317,146)  |  |
| <b>NET CHANGE IN FUND BALANCES</b>           | (73,362)                 | -           | 957,766        | 310,000        | 1,580,436    |  |
| Fund Balances (Deficit) - Beginning of Year  | 73,362                   | -           | (2,973,088)    | (310,000)      | 3,983,272    |  |
| <b>FUND BALANCES (DEFICIT) - END OF YEAR</b> | \$ -                     | \$ -        | \$ (2,015,322) | \$ -           | \$ 5,563,708 |  |

**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, 2025**

|  | Original<br>Budget | Final<br>Budget     | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|---------------------|--------------------|---|
| <b>REVENUES</b>                                      |                    |                     |                    |   |
| Revenues from Other Agencies                         | \$ 4,340,257       | \$ 6,888,682        | \$ 4,608,471       | \$ (2,280,211)  |
| Total Revenues                                       | <u>4,340,257</u>   | <u>6,888,682</u>    | <u>4,608,471</u>   | <u>(2,280,211)</u>                                      |
| <b>EXPENDITURES</b>                                  |                    |                     |                    |   |
| Current:   |                    |                     |                    |   |
| Legislative and Administrative                       | 183,622            | 172,018             | 177,579            | (5,561)   |
| Public Works   | 4,227,153          | 3,899,411           | 3,612,348          | 287,063   |
| Administrative Services                              | 553,809            | 558,780             | 516,760            | 42,020  |
| Total Expenditures                                   | <u>4,964,584</u>   | <u>4,630,209</u>    | <u>4,306,687</u>   | <u>323,522</u>  |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (624,327)          | 2,258,473           | 301,784            | (1,956,689)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                    |                     |                    |   |
| Transfers In   | 10,465,690         | 7,789,118           | 7,641,307          | (147,811)   |
| Transfers Out  | <u>(9,841,363)</u> | <u>(10,047,591)</u> | <u>(7,901,079)</u> | <u>2,146,512</u>  |
| Total Other Financing<br>Sources (Uses)              | <u>624,327</u>     | <u>(2,258,473)</u>  | <u>(259,772)</u>   | <u>1,998,701</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                    | -                  | -                   | 42,012             | 42,012  |
| Fund Balance - Beginning of Year                     | -                  | -                   | -                  | -   |
| <b>FUND BALANCE - END OF YEAR</b>                    | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ 42,012</u>   | <u>\$ 42,012</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, 2025**

|                                   | Original<br>Budget         | Final<br>Budget            | Actual                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| <b>REVENUES</b>                   |                            |                            |                            |   |
| Investment and Rental Income      | \$ 24,000                  | \$ 24,000                  | \$ 49,382                  | \$ 25,382   |
| Revenues from Other Agencies      | <u>1,278,816</u>           | <u>1,246,328</u>           | <u>1,347,016</u>           | <u>100,688</u>  |
| Total Revenues                    | <u>1,302,816</u>           | <u>1,270,328</u>           | <u>1,396,398</u>           | <u>126,070</u>  |
| <b>OTHER FINANCING USES</b>       |                            |                            |                            |   |
| Transfers Out                     | (1,278,816)                | (1,278,816)                | (1,242,053)                | 36,763  |
| Total Other Financing Uses        | <u>(1,278,816)</u>         | <u>(1,278,816)</u>         | <u>(1,242,053)</u>         | <u>36,763</u>   |
| <b>NET CHANGE IN FUND BALANCE</b> |                            |                            |                            |   |
|                                   | 24,000                     | (8,488)                    | 154,345                    | 162,833   |
| Fund Balance - Beginning of Year  | <u>1,666,054</u>           | <u>1,666,054</u>           | <u>1,666,054</u>           | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <b><u>\$ 1,690,054</u></b> | <b><u>\$ 1,657,566</u></b> | <b><u>\$ 1,820,399</u></b> | <b><u>\$ 162,833</u></b>                                |

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DRAINAGE SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2025**

|  | Original<br>Budget | Final<br>Budget | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|---------------|---|
| <b>REVENUES</b>                                      |                    |                 |               |   |
| Current Fees and Services                            | \$ 2,500           | \$ 2,500        | \$ 1,098      | \$ (1,402)  |
| Total Revenues                                       | <u>2,500</u>       | <u>2,500</u>    | <u>1,098</u>  | <u>(1,402)</u>  |
| <b>EXPENDITURES</b>                                  |                    |                 |               |   |
| Current:   |                    |                 |               |   |
| Legislative and Administrative                       | 1,877              | 2,071           | 2,137         | (66)  |
| Public Works   | 46,643             | 45,433          | 46,172        | (739)   |
| Administrative Services                              | 5,663              | 6,727           | 6,222         | 505   |
| Total Expenditures                                   | <u>54,183</u>      | <u>54,231</u>   | <u>54,531</u> | <u>(300)</u>  |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (51,683)           | (51,731)        | (53,433)      | (1,702)   |
| <b>OTHER FINANCING SOURCES</b>                       |                    |                 |               |   |
| Transfers In   | 51,683             | 51,731          | 53,433        | 1,702   |
| Total Other Financing<br>Sources                     | <u>51,683</u>      | <u>51,731</u>   | <u>53,433</u> | <u>1,702</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                    | -                  | -               | -             | -   |
| Fund Balance - Beginning of Year                     | -                  | -               | -             | -   |
| <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, 2025**

|                                   | Original<br>Budget         | Final<br>Budget            | Actual                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| <b>REVENUES</b>                   |                            |                            |                            |   |
| Investment and Rental Income      | \$ 45,000                  | \$ 45,000                  | \$ 51,394                  | \$ 6,394  |
| Revenues from Other Agencies      | 1,496,900                  | 1,446,900                  | 1,353,852                  | (93,048)  |
| Current Fees and Services         | 1,000                      | 1,000                      | 900                        | (100)   |
| Total Revenues                    | <u>1,542,900</u>           | <u>1,492,900</u>           | <u>1,406,146</u>           | <u>(86,754)</u>   |
| <b>EXPENDITURES</b>               |                            |                            |                            |   |
| Current:                          |                            |                            |                            |   |
| Community Development             | 1,250,000                  | 1,250,000                  | 1,359,857                  | (109,857)   |
| Total Expenditures                | <u>1,250,000</u>           | <u>1,250,000</u>           | <u>1,359,857</u>           | <u>(109,857)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | 292,900                    | 242,900                    | 46,289                     | (196,611)   |
| Fund Balance - Beginning of Year  | <u>2,088,982</u>           | <u>2,088,982</u>           | <u>2,088,982</u>           | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <u><b>\$ 2,381,882</b></u> | <u><b>\$ 2,331,882</b></u> | <u><b>\$ 2,135,271</b></u> | <u><b>\$ (196,611)</b></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, 2025**

|                                   | Original<br>Budget         | Final<br>Budget            | Actual                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| <b>REVENUES</b>                   |                            |                            |                            |   |
| Investment and Rental Income      | \$ 19,000                  | \$ 25,000                  | \$ 33,669                  | \$ 8,669  |
| Revenues from Other Agencies      | 1,117,218                  | 1,117,218                  | 1,053,869                  | (63,349)  |
| Current Fees and Services         | 10,000                     | 10,000                     | -                          | (10,000)  |
| Total Revenues                    | <u>1,146,218</u>           | <u>1,152,218</u>           | <u>1,087,538</u>           | <u>(64,680)</u>   |
| <b>EXPENDITURES</b>               |                            |                            |                            |   |
| Current:                          |                            |                            |                            |   |
| Community Development             | 1,000,000                  | 1,000,000                  | 1,063,440                  | (63,440)  |
| Total Expenditures                | <u>1,000,000</u>           | <u>1,000,000</u>           | <u>1,063,440</u>           | <u>(63,440)</u>   |
| <b>NET CHANGE IN FUND BALANCE</b> | <b>146,218</b>             | <b>152,218</b>             | <b>24,098</b>              | <b>(128,120)</b>  |
| Fund Balance - Beginning of Year  | 1,456,729                  | 1,456,729                  | 1,456,729                  | -   |
| <b>FUND BALANCE - END OF YEAR</b> | <b><u>\$ 1,602,947</u></b> | <b><u>\$ 1,608,947</u></b> | <b><u>\$ 1,480,827</u></b> | <b><u>\$ (128,120)</u></b>                              |

**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, 2025**

|  | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|-------------------|---|
| <b>REVENUES</b>                                      |                    |                   |                   |   |
| Investment and Rental Income                         | \$ 8,000           | \$ 28,000         | \$ 30,407         | \$ 2,407  |
| Revenues from Other Agencies                         | 949,636            | 949,636           | 885,445           | (64,191)  |
| Total Revenues                                       | <u>957,636</u>     | <u>977,636</u>    | <u>915,852</u>    | <u>(61,784)</u>   |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>957,636</u>     | <u>977,636</u>    | <u>915,852</u>    | <u>(61,784)</u>   |
| <b>OTHER FINANCING USES</b>                          |                    |                   |                   |   |
| Transfers Out  | (949,636)          | (949,636)         | (949,636)         | -   |
| Total Other Financing Uses                           | <u>(949,636)</u>   | <u>(949,636)</u>  | <u>(949,636)</u>  | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                    | 8,000              | 28,000            | (33,784)          | (61,784)  |
| Fund Balance - Beginning of Year                     | <u>907,925</u>     | <u>907,925</u>    | <u>907,925</u>    | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>                    | <u>\$ 915,925</u>  | <u>\$ 935,925</u> | <u>\$ 874,141</u> | <u>\$ (61,784)</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, 2025**

|                                    | Original<br>Budget | Final<br>Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-----------------|------------|---|
| <b>REVENUES</b>                    |                    |                 |            |   |
| Investment and Rental Income       | \$ 2,400           | \$ 4,000        | \$ 6,318   | \$ 2,318  |
| Contributions from Property Owners | 140,000            | 155,000         | 215,527    | 60,527  |
| Total Revenues                     | 142,400            | 159,000         | 221,845    | 62,845  |
| <b>EXPENDITURES</b>                |                    |                 |            |   |
| Current:                           |                    |                 |            |   |
| Public Works                       | 100,000            | 100,000         | 100,000    | -   |
| Total Expenditures                 | 100,000            | 100,000         | 100,000    | -   |
| <b>NET CHANGE IN FUND BALANCE</b>  |                    |                 |            |   |
|                                    | 42,400             | 59,000          | 121,845    | 62,845  |
| Fund Balance - Beginning of Year   | 255,850            | 255,850         | 255,850    | -   |
| <b>FUND BALANCE - END OF YEAR</b>  |                    |                 |            |   |
|                                    | \$ 298,250         | \$ 314,850      | \$ 377,695 | \$ 62,845   |

**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, 2025**

|  | Original<br>Budget | Final<br>Budget    | Actual                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------------|---|
| <b>REVENUES</b>                                      |                    |                    |                          |   |
| Revenues from Other Agencies                         | \$ 108,600         | \$ 111,000         | \$ 111,262               | \$ 262  |
| Total Revenues                                       | <u>108,600</u>     | <u>111,000</u>     | <u>111,262</u>           | <u>262</u>  |
| <b>EXPENDITURES</b>                                  |                    |                    |                          |   |
| Current:   |                    |                    |                          |   |
| Legislative and Administration                       | 86,261             | 74,676             | 77,090                   | (2,414)   |
| Public Works   | 1,499,709          | 1,516,918          | 1,362,237                | 154,681   |
| Administrative Services                              | <u>260,166</u>     | <u>242,574</u>     | <u>224,334</u>           | <u>18,240</u>   |
| Total Expenditures                                   | <u>1,846,136</u>   | <u>1,834,168</u>   | <u>1,663,661</u>         | <u>170,507</u>  |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (1,737,536)        | (1,723,168)        | (1,552,399)              | 170,769   |
| <b>OTHER FINANCING SOURCES</b>                       |                    |                    |                          |   |
| Transfers In   | <u>1,737,536</u>   | <u>1,723,168</u>   | <u>1,548,622</u>         | <u>(174,546)</u>  |
| Total Other Financing<br>Sources                     | <u>1,737,536</u>   | <u>1,723,168</u>   | <u>1,548,622</u>         | <u>(174,546)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                    | -                  | -                  | (3,777)                  | (3,777)   |
| Fund Balance - Beginning of Year                     | -                  | -                  | -                        | -   |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b>          | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (3,777)</u></u> | <u><u>\$ (3,777)</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, 2025**

|                                   | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|--------------------|--------------------|---|
| <b>REVENUES</b>                   |                    |                    |                    |   |
| Revenues from Other Agencies      | \$ 165,000         | \$ 165,000         | \$ 194,663         | \$ 29,663   |
| Total Revenues                    | <u>165,000</u>     | <u>165,000</u>     | <u>194,663</u>     | <u>29,663</u>   |
| <b>OTHER FINANCING USES</b>       |                    |                    |                    |   |
| Transfers Out                     | (165,000)          | (165,000)          | (194,663)          | (29,663)  |
| Total Other Financing Uses        | <u>(165,000)</u>   | <u>(165,000)</u>   | <u>(194,663)</u>   | <u>(29,663)</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> | <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, 2025**

|                                   | Original<br>Budget     | Final<br>Budget    | Actual                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------------|--------------------|------------------------|---|
| <b>REVENUES</b>                   |                        |                    |                        |   |
| Investment and Rental Income      | \$ 2,600               | \$ 2,600           | \$ 2,116               | \$ (484)  |
| Revenues from Other Agencies      | <u>19,370</u>          | <u>19,370</u>      | <u>27,785</u>          | <u>8,415</u>  |
| Total Revenues                    | <u>21,970</u>          | <u>21,970</u>      | <u>29,901</u>          | <u>7,931</u>  |
| <b>OTHER FINANCING USES</b>       |                        |                    |                        |   |
| Transfers Out                     | (21,970)               | (26,411)           | (27,785)               | (1,374)   |
| Total Other Financing Uses        | <u>(21,970)</u>        | <u>(26,411)</u>    | <u>(27,785)</u>        | <u>(1,374)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | -                      | (4,441)            | 2,116                  | 6,557   |
| Fund Balance - Beginning of Year  | <u>4,441</u>           | <u>4,441</u>       | <u>4,441</u>           | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <u><b>\$ 4,441</b></u> | <u><b>\$ -</b></u> | <u><b>\$ 6,557</b></u> | <u><b>\$ 6,557</b></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, 2025**

|                                   | Original<br>Budget       | Final<br>Budget          | Actual                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|--------------------------|--------------------------|--------------------------|---|
| <b>REVENUES</b>                   |                          |                          |                          |   |
| Investment and Rental Income      | \$ 13,500                | \$ 14,500                | \$ 17,413                | \$ 2,913  |
| Revenues from Other Agencies      | 55,000                   | 55,000                   | 63,733                   | 8,733   |
| Total Revenues                    | <u>68,500</u>            | <u>69,500</u>            | <u>81,146</u>            | <u>11,646</u>   |
| <b>EXPENDITURES</b>               |                          |                          |                          |   |
| Current:                          |                          |                          |                          |   |
| Community Development             | 58,438                   | 58,438                   | 23,665                   | 34,773  |
| Total Expenditures                | <u>58,438</u>            | <u>58,438</u>            | <u>23,665</u>            | <u>34,773</u>   |
| <b>NET CHANGE IN FUND BALANCE</b> | 10,062                   | 11,062                   | 57,481                   | 46,419  |
| Fund Balance - Beginning of Year  | <u>749,631</u>           | <u>749,631</u>           | <u>749,631</u>           | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <u><b>\$ 759,693</b></u> | <u><b>\$ 760,693</b></u> | <u><b>\$ 807,112</b></u> | <u><b>\$ 46,419</b></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, 2025**

|                                   | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|------------------|------------------|---|
| <b>REVENUES</b>                   |                    |                  |                  |   |
| Investment and Rental Income      | \$ 1,220           | \$ 3,000         | \$ 2,842         | \$ (158)  |
| Revenues from Other Agencies      | <u>837,914</u>     | <u>837,914</u>   | <u>781,527</u>   | <u>(56,387)</u>   |
| Total Revenues                    | <u>839,134</u>     | <u>840,914</u>   | <u>784,369</u>   | <u>(56,545)</u>   |
| <b>EXPENDITURES</b>               |                    |                  |                  |   |
| Current:                          |                    |                  |                  |   |
| Public Works                      | 837,914            | 837,914          | 808,962          | 28,952  |
| Total Expenditures                | <u>837,914</u>     | <u>837,914</u>   | <u>808,962</u>   | <u>28,952</u>   |
| <b>NET CHANGE IN FUND BALANCE</b> | 1,220              | 3,000            | (24,593)         | (27,593)  |
| Fund Balance - Beginning of Year  | <u>63,386</u>      | <u>63,386</u>    | <u>63,386</u>    | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ 64,606</u>   | <u>\$ 66,386</u> | <u>\$ 38,793</u> | <u>\$ (27,593)</u>                                      |

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SB 821 SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2025**

|                                       | Original<br>Budget | Final<br>Budget | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|--------------------|-----------------|-----------------|---|
| <b>REVENUES</b>                       |                    |                 |                 |   |
| Intergovernmental                     | \$ 30,000          | \$ -            | \$ -            | \$ -  |
| Total Revenues                        | <u>30,000</u>      | <u>-</u>        | <u>-</u>        | <u>-</u>  |
| Revenues Over (Under)<br>Expenditures | 30,000             | -               | -               | -   |
| <b>OTHER FINANCING SOURCES</b>        |                    |                 |                 |   |
| Transfers Out                         | (25,000)           | (73,362)        | (73,362)        | -   |
| Total Other Financing<br>Sources      | <u>(25,000)</u>    | <u>(73,362)</u> | <u>(73,362)</u> | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>     | 5,000              | (73,362)        | (73,362)        | -   |
| Fund Balance - Beginning of Year      | 73,362             | 73,362          | 73,362          | -   |
| <b>FUND BALANCE - END OF YEAR</b>     | <u>\$ 78,362</u>   | <u>\$ -</u>     | <u>\$ -</u>     | <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, 2025**

|  | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
| <b>REVENUES</b>                            |                    |                    |                    |   |
| Revenues from Other Agencies               | \$ 200,000         | \$ 186,663         | \$ 186,663         | \$ -  |
| Total Revenues                             | <u>200,000</u>     | <u>186,663</u>     | <u>186,663</u>     | <u>-</u>  |
| <b>OTHER FINANCING SOURCES</b>             |                    |                    |                    |   |
| Transfers Out                              | (200,000)          | (186,663)          | (186,663)          | -   |
| Total Other Financing<br>Sources           | <u>(200,000)</u>   | <u>(186,663)</u>   | <u>(186,663)</u>   | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>          | -                  | -                  | -                  | -   |
| Fund Balance (Deficit) - Beginning of Year | -                  | -                  | -                  | -   |
| <b>FUND BALANCE - END OF YEAR</b>          | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>                                      |

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEASURE W SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2025**

|   | Original<br>Budget           | Final<br>Budget              | Actual                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|------------------------------|------------------------------|---|
| <b>REVENUES</b>                             |                              |                              |                              |   |
| Investment and Rental Income (Loss)         | \$ 26,500                    | \$ 35,000                    | \$ 55,018                    | \$ 20,018   |
| Revenues from Other Agencies                | <u>3,368,000</u>             | <u>1,880,000</u>             | <u>1,888,015</u>             | <u>8,015</u>  |
| Total Revenues                              | <u>3,394,500</u>             | <u>1,915,000</u>             | <u>1,943,033</u>             | <u>28,033</u>   |
| <b>OTHER FINANCING SOURCES</b>              |                              |                              |                              |   |
| Transfers Out                               | <u>(3,394,500)</u>           | <u>(1,915,000)</u>           | <u>(985,267)</u>             | <u>929,733</u>  |
| Total Other Financing<br>Sources            | <u>(3,394,500)</u>           | <u>(1,915,000)</u>           | <u>(985,267)</u>             | <u>929,733</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>           | -                            | -                            | 957,766                      | 957,766   |
| Fund Balance (Deficit) - Beginning of Year  | <u>(2,973,088)</u>           | <u>(2,973,088)</u>           | <u>(2,973,088)</u>           | -   |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b> | <u><u>\$ (2,973,088)</u></u> | <u><u>\$ (2,973,088)</u></u> | <u><u>\$ (2,015,322)</u></u> | <u><u>\$ 957,766</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, 2025**

|   | Original<br>Budget         | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|--------------------|--------------------|---|
| <b>REVENUES</b>                             |                            |                    |                    |   |
| Revenues from Other Agencies                | \$ 300,000                 | \$ 610,000         | \$ 310,000         | \$ (300,000)  |
| Total Revenues                              | <u>300,000</u>             | <u>610,000</u>     | <u>310,000</u>     | <u>(300,000)</u>  |
| <b>OTHER FINANCING SOURCES</b>              |                            |                    |                    |   |
| Transfers Out                               | (300,000)                  | (300,000)          | -                  | 300,000   |
| Total Other Financing Sources               | <u>(300,000)</u>           | <u>(300,000)</u>   | <u>-</u>           | <u>300,000</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>           | -                          | 310,000            | 310,000            | -   |
| Fund Balance (Deficit) - Beginning of Year  | (310,000)                  | (310,000)          | (310,000)          | -   |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR</b> | <u><b>\$ (310,000)</b></u> | <u><b>\$ -</b></u> | <u><b>\$ -</b></u> | <u><b>\$ -</b></u>                                      |

## **STATISTICAL SECTION**

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**CITY OF CERRITOS, CALIFORNIA, CALIFORNIA  
DESCRIPTION OF STATISTICAL SECTION CONTENTS  
JUNE 30, 2025**

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

| <u>Contents</u>   | <u>Pages</u> |
|---|--------------|
| <b>Financial Trends</b><br>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   | 118 – 129    |
| <b>Revenue Capacity</b><br>These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.   | 130 – 134    |
| <b>Debt Capacity</b><br>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.                            | 135 – 139    |
| <b>Demographic and Economic Information</b><br>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 140          |
| <b>Operating Information</b><br>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. | 141 – 145    |

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

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

|                                       | Fiscal Year           |                       |                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                       | 2015-16               | 2016-17               | 2017-18               | 2018-19               | 2019-20               |
| <b>GOVERNMENTAL ACTIVITIES</b>        |                       |                       |                       |                       |                       |
| Net Investment in Capital Assets      | \$ 257,355,170        | \$ 253,017,104        | \$ 246,518,511        | \$ 241,233,174        | \$ 237,632,283        |
| Restricted for:                       |                       |                       |                       |                       |                       |
| Street and Sewer Related Purposes     | 105,332               | 190,120               | 202,392               | 87,816                | 827,933               |
| Transportation Related Purposes       | 1,703,058             | 1,733,016             | 1,511,593             | 1,063,684             | 1,735,175             |
| Assessment Districts                  | 84,023                | 19,625                | -                     | -                     | -                     |
| Miscellaneous Grants                  | 1,210                 | 1,396                 | 677,241               | 816,046               | -                     |
| Asset Replacement                     | -                     | -                     | -                     | -                     | -                     |
| Other Post Employment Benefits        | -                     | -                     | -                     | -                     | -                     |
| Pension                               | -                     | -                     | -                     | -                     | -                     |
| Debt Service                          | -                     | -                     | -                     | -                     | -                     |
| Housing Assets Special Revenue Fund   | 9,462,617             | 20,447,575            | 22,359,381            | 22,765,009            | 23,154,191            |
| Municipal Improvements                | -                     | -                     | 623,506               | 589,480               | 3,681,441             |
| Unrestricted                          | <u>97,927,171</u>     | <u>131,068,266</u>    | <u>115,756,640</u>    | <u>127,204,497</u>    | <u>125,486,394</u>    |
| Total Governmental Activities         |                       |                       |                       |                       |                       |
| Net Position                          | 366,638,581           | 406,477,102           | 387,649,264           | 393,759,706           | 392,517,417           |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                       |                       |                       |                       |                       |
| Net Investment in Capital Assets      | 30,140,590            | 29,586,939            | 28,179,466            | 26,841,009            | 25,722,500            |
| OPEB                                  | -                     | -                     | -                     | -                     | -                     |
| Pension                               | -                     | -                     | -                     | -                     | -                     |
| Unrestricted                          | <u>(35,033,489)</u>   | <u>(40,994,526)</u>   | <u>(44,018,815)</u>   | <u>(45,440,520)</u>   | <u>(45,936,520)</u>   |
| Total Business-Type Activities        |                       |                       |                       |                       |                       |
| Net Position                          | (4,892,899)           | (11,407,587)          | (15,839,349)          | (18,599,511)          | (20,214,020)          |
| <b>PRIMARY GOVERNMENT</b>             |                       |                       |                       |                       |                       |
| Net Investment In Capital Assets      | 287,495,760           | 282,604,043           | 274,697,977           | 268,074,183           | 263,354,783           |
| Restricted for:                       |                       |                       |                       |                       |                       |
| Special Revenue                       | -                     | -                     | -                     | -                     | -                     |
| Street and Sewer Related Purposes     | 105,332               | 190,120               | 202,392               | 87,816                | 827,933               |
| Transportation Related Purposes       | 1,703,058             | 1,733,016             | 1,511,593             | 1,063,684             | 1,735,175             |
| Assessment Districts                  | 84,023                | 19,625                | -                     | -                     | -                     |
| Miscellaneous Grants                  | 1,210                 | 1,396                 | 677,241               | 816,046               | -                     |
| Asset Replacement                     | -                     | -                     | -                     | -                     | -                     |
| Other Post Employment Benefits        | -                     | -                     | -                     | -                     | -                     |
| Pension                               | -                     | -                     | -                     | -                     | -                     |
| Debt Service                          | -                     | -                     | -                     | -                     | -                     |
| Housing Assets Special Revenue Fund   | 9,462,617             | 20,447,575            | 22,359,381            | 22,765,009            | 23,154,191            |
| Municipal Improvements                | -                     | -                     | 623,506               | 589,480               | 3,681,441             |
| Unrestricted                          | <u>62,893,682</u>     | <u>90,073,740</u>     | <u>71,737,825</u>     | <u>81,763,977</u>     | <u>79,549,874</u>     |
| Total Primary Government Net Position | <u>\$ 361,745,682</u> | <u>\$ 395,069,515</u> | <u>\$ 371,809,915</u> | <u>\$ 375,160,195</u> | <u>\$ 372,303,397</u> |

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

|                                       | Fiscal Year           |                       |                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                       | 2020-21               | 2021-22               | 2022-23               | 2023-24               | 2024-25               |
| <b>GOVERNMENTAL ACTIVITIES</b>        |                       |                       |                       |                       |                       |
| Net Investment in Capital Assets      | \$ 236,167,050        | \$ 239,378,963        | \$ 238,504,181        | \$ 244,376,743        | \$ 247,189,700        |
| Restricted for:                       |                       |                       |                       |                       |                       |
| Street and Sewer Related Purposes     | 1,365,023             | 6,957                 | -                     | -                     | 29,983                |
| Transportation Related Purposes       | 2,690,006             | 5,047,612             | 5,376,591             | 7,006,069             | 7,156,543             |
| Assessment Districts                  | -                     | -                     | -                     | -                     | -                     |
| Miscellaneous Grants                  | 469,360               | 579,577               | 712,792               | 4,441                 | 6,557                 |
| Asset Replacement                     | -                     | -                     | -                     | -                     | -                     |
| Other Post Employment Benefits        | 5,334,393             | 16,856,221            | 5,219,241             | 638,233               | 1,289,593             |
| Pension                               | -                     | 1,801,182             | 1,361,493             | 959,089               | 1,099,310             |
| Debt Service                          | -                     | -                     | -                     | -                     | -                     |
| Housing Assets Special Revenue Fund   | 23,095,853            | 23,160,416            | 23,312,850            | 23,737,033            | 24,324,333            |
| Municipal Improvements                | 79,319                | 120,713               | 183,836               | 255,850               | 377,695               |
| Unrestricted                          | <u>129,097,671</u>    | <u>144,602,812</u>    | <u>169,837,783</u>    | <u>145,796,629</u>    | <u>134,984,937</u>    |
| Total Governmental Activities         |                       |                       |                       |                       |                       |
| Net Position                          | 398,298,675           | 431,554,453           | 444,508,767           | 422,774,087           | 416,458,651           |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                       |                       |                       |                       |                       |
| Net Investment in Capital Assets      | 24,887,048            | 24,064,150            | 25,918,966            | 27,344,766            | 27,842,052            |
| OPEB                                  | 495,545               | 167,323               | 126,478               | 89,096                | 102,122               |
| Pension                               | -                     | 1,565,879             | 484,847               | 59,289                | 119,797               |
| Unrestricted                          | <u>(46,655,309)</u>   | <u>(49,387,146)</u>   | <u>(52,589,838)</u>   | <u>(28,421,066)</u>   | <u>(30,649,144)</u>   |
| Total Business-Type Activities        |                       |                       |                       |                       |                       |
| Net Position                          | (21,272,716)          | (23,589,794)          | (26,059,547)          | (927,915)             | (2,585,173)           |
| <b>PRIMARY GOVERNMENT</b>             |                       |                       |                       |                       |                       |
| Net Investment In Capital Assets      | 261,054,098           | 263,443,113           | 264,423,147           | 271,721,509           | 275,031,752           |
| Restricted for:                       |                       |                       |                       |                       |                       |
| Special Revenue                       | -                     | -                     | -                     | -                     | -                     |
| Street and Sewer Related Purposes     | 1,365,023             | 6,957                 | -                     | -                     | 29,983                |
| Transportation Related Purposes       | 2,690,006             | 5,047,612             | 5,376,591             | 7,006,069             | 7,156,543             |
| Assessment Districts                  | -                     | -                     | -                     | -                     | -                     |
| Miscellaneous Grants                  | 469,360               | 579,577               | 712,792               | 4,441                 | 6,557                 |
| Asset Replacement                     | -                     | -                     | -                     | -                     | -                     |
| Other Post Employment Benefits        | 5,829,938             | 18,422,100            | 5,704,088             | 697,522               | 1,201,432             |
| Pension                               | -                     | 1,968,505             | 1,487,971             | 1,048,185             | 1,409,390             |
| Debt Service                          | -                     | -                     | -                     | -                     | -                     |
| Housing Assets Special Revenue Fund   | 23,095,853            | 23,160,416            | 23,312,850            | 23,737,033            | 24,324,333            |
| Municipal Improvements                | 79,319                | 120,713               | 183,836               | 255,850               | 377,695               |
| Unrestricted                          | <u>82,442,362</u>     | <u>95,215,666</u>     | <u>117,247,945</u>    | <u>117,375,563</u>    | <u>104,335,793</u>    |
| Total Primary Government Net Position | <u>\$ 377,025,959</u> | <u>\$ 407,964,659</u> | <u>\$ 418,449,220</u> | <u>\$ 421,846,172</u> | <u>\$ 413,873,478</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            |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2015-16                | 2016-17                | 2017-18                | 2018-19                | 2019-20                |
| <b>EXPENSES</b>                           |                        |                        |                        |                        |                        |
| Legislative and Administration            | \$ 2,465,291           | \$ 2,378,754           | \$ 2,518,689           | \$ 2,713,829           | \$ 2,509,888           |
| Community Development                     | 7,917,327              | 6,622,743              | 5,917,823              | 6,097,709              | 6,040,084              |
| Public Works                              | 17,268,089             | 15,966,555             | 21,639,916             | 19,110,998             | 20,534,788             |
| Water and Power                           | 142,503                | 196,486                | 14,177                 | 19,465                 | -                      |
| Community and Safety Services             | 23,633,551             | 22,361,018             | 26,170,530             | 26,799,680             | 28,017,979             |
| Administrative Services                   | 12,390,186             | 11,933,909             | 13,636,432             | 14,048,665             | 14,580,868             |
| Cerritos Center for the Performing Arts   | 6,821,863              | 6,928,938              | 9,142,656              | 9,041,953              | 8,918,564              |
| Unallocated Infrastructure Depreciation   | 934,773                | 932,215                | 851,011                | 861,392                | 921,562                |
| Land Transferred to Developer             | -                      | -                      | -                      | -                      | -                      |
| Interest Expense                          | -                      | -                      | -                      | -                      | -                      |
| Total Governmental Activities Expenses    | <u>71,573,583</u>      | <u>67,320,618</u>      | <u>79,891,234</u>      | <u>78,693,691</u>      | <u>81,523,733</u>      |
| Water and Sewer                           | 12,318,355             | 14,418,126             | 12,685,248             | 12,778,281             | 13,392,782             |
| Reclaimed Water                           | 1,222,306              | 1,182,692              | 1,265,363              | 1,178,977              | 6,892,482              |
| Electric Utility                          | 6,573,374              | 5,785,529              | 6,685,111              | 5,857,811              | 1,205,028              |
| Total Business-Type Activities Expenses   | <u>20,114,035</u>      | <u>21,386,347</u>      | <u>20,635,722</u>      | <u>19,815,069</u>      | <u>21,490,292</u>      |
| Total Primary Government Expenses         | 91,687,618             | 88,706,965             | 100,526,956            | 98,508,760             | 103,014,025            |
| <b>PROGRAM REVENUES</b>                   |                        |                        |                        |                        |                        |
| Governmental Activities:                  |                        |                        |                        |                        |                        |
| Charges for Services:                     |                        |                        |                        |                        |                        |
| Legislative and Administration            | 9,582                  | 10,691                 | 5,451                  | 4,207                  | 12,245                 |
| Community Development                     | 1,982,017              | 1,464,701              | 2,456,567              | 2,742,819              | 2,749,521              |
| Public Works                              | 199,911                | 212,402                | 605,302                | 269,137                | 287,193                |
| Community and Safety Services             | 3,192,486              | 2,646,060              | 2,553,410              | 2,358,219              | 1,878,902              |
| Administrative Services                   | 318,424                | 305,357                | 283,063                | 270,528                | 272,745                |
| Cerritos Center for the Performing Arts   | 3,407,864              | 4,320,222              | 5,739,821              | 6,088,635              | 4,566,056              |
| Operating Grants and Contributions        | 5,085,014              | 6,211,435              | 6,124,018              | 5,983,320              | 5,925,205              |
| Capital Grants and Contributions          | 2,730,681              | 66,852                 | 237,883                | 187,606                | -                      |
| Total Governmental Activities             | <u>16,925,979</u>      | <u>15,237,720</u>      | <u>18,005,515</u>      | <u>17,904,471</u>      | <u>15,691,867</u>      |
| Program Revenues                          | 16,925,979             | 15,237,720             | 18,005,515             | 17,904,471             | 15,691,867             |
| Business-Type Activities                  |                        |                        |                        |                        |                        |
| Charges for Services:                     |                        |                        |                        |                        |                        |
| Water and Sewer                           | 7,652,183              | 8,750,301              | 9,820,648              | 10,190,126             | 12,402,631             |
| Reclaimed Water                           | 3,282,140              | 1,087,403              | 1,173,266              | 945,186                | 5,077,817              |
| Electric Utility                          | 5,262,263              | 4,357,671              | 5,347,675              | 4,627,162              | 1,020,833              |
| Capital Grants and Contributions          | 320,264                | 662,073                | 55,658                 | 139,161                | 252,710                |
| Total Business-Type Activities            | <u>16,516,850</u>      | <u>14,857,448</u>      | <u>16,397,247</u>      | <u>15,901,635</u>      | <u>18,753,991</u>      |
| Program Revenues                          | 16,516,850             | 14,857,448             | 16,397,247             | 15,901,635             | 18,753,991             |
| Total Primary Government Program Revenues | 33,442,829             | 30,095,168             | 34,402,762             | 33,806,106             | 34,445,858             |
| <b>NET REVENUE (EXPENSE)</b>              |                        |                        |                        |                        |                        |
| Governmental Activities                   | (54,647,604)           | (52,082,898)           | (61,885,719)           | (60,789,220)           | (65,831,866)           |
| Business-Type Activities                  | (3,597,185)            | (6,528,899)            | (4,238,475)            | (3,913,434)            | (2,736,301)            |
| Total Primary Government Net Expense      | <u>\$ (58,244,789)</u> | <u>\$ (58,611,797)</u> | <u>\$ (66,124,194)</u> | <u>\$ (64,702,654)</u> | <u>\$ (68,568,167)</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                   |                               |                               |                               |                                |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
|   | 2020-21                       | 2021-22                       | 2022-23                       | 2023-24                       | 2024-25                        |
| <b>EXPENSES</b>                           |                               |                               |                               |                               |                                |
| Legislative and Administration            | \$ 3,769,309                  | \$ 3,256,536                  | \$ 2,969,073                  | \$ 3,275,544                  | \$ 3,404,351                   |
| Community Development                     | 6,450,142                     | 5,490,556                     | 5,939,511                     | 7,786,406                     | 7,877,639                      |
| Public Works                              | 20,608,456                    | 18,520,020                    | 28,453,358                    | 32,062,208                    | 35,841,978                     |
| Water and Power                           | -                             | -                             | -                             | -                             | -                              |
| Community and Safety Services             | 24,915,839                    | 22,905,061                    | 26,482,421                    | 31,320,201                    | 36,330,021                     |
| Administrative Services                   | 12,112,328                    | 12,074,686                    | 14,348,436                    | 16,829,565                    | 18,536,304                     |
| Cerritos Center for the Performing Arts   | 3,563,911                     | 4,685,173                     | 7,764,745                     | 10,935,670                    | 13,989,758                     |
| Unallocated Infrastructure Depreciation   | 1,140,880                     | 931,866                       | 866,535                       | 938,375                       | 1,248,019                      |
| Land Transferred to Developer             | -                             | -                             | -                             | -                             | -                              |
| Interest Expense                          | -                             | -                             | -                             | -                             | 2,887                          |
| Total Governmental Activities Expenses    | <u>72,560,865</u>             | <u>67,863,898</u>             | <u>86,824,079</u>             | <u>103,147,969</u>            | <u>117,230,957</u>             |
| Water and Sewer                           | 13,634,515                    | 14,194,130                    | 15,007,451                    | 15,571,399                    | 17,249,323                     |
| Reclaimed Water                           | 1,117,592                     | 1,446,991                     | 1,333,927                     | 1,499,269                     | 1,556,678                      |
| Electric Utility                          | 6,164,539                     | 6,860,821                     | 8,535,180                     | 8,494,618                     | 7,967,570                      |
| Total Business-Type Activities Expenses   | <u>20,916,646</u>             | <u>22,501,942</u>             | <u>24,876,558</u>             | <u>25,565,286</u>             | <u>26,773,571</u>              |
| Total Primary Government Expenses         | <u>93,477,511</u>             | <u>90,365,840</u>             | <u>111,700,637</u>            | <u>128,713,255</u>            | <u>144,004,528</u>             |
| <b>PROGRAM REVENUES</b>                   |                               |                               |                               |                               |                                |
| Governmental Activities:                  |                               |                               |                               |                               |                                |
| Charges for Services:                     |                               |                               |                               |                               |                                |
| Legislative and Administration            | 3,894                         | 3,580                         | 5,484                         | 6,386                         | 9,900                          |
| Community Development                     | 2,279,109                     | 2,753,608                     | 2,625,789                     | 2,735,611                     | 2,190,259                      |
| Public Works                              | 279,223                       | 3,884,530                     | 270,351                       | 258,098                       | 217,191                        |
| Community and Safety Services             | 761,581                       | 1,657,804                     | 1,786,332                     | 1,949,090                     | 2,739,680                      |
| Administrative Services                   | 263,318                       | 398,386                       | 357,068                       | 464,184                       | 531,013                        |
| Cerritos Center for the Performing Arts   | 595                           | 2,346,135                     | 4,093,655                     | 5,281,219                     | 6,518,335                      |
| Operating Grants and Contributions        | 8,309,776                     | 17,361,949                    | 8,751,626                     | 12,191,175                    | 9,395,472                      |
| Capital Grants and Contributions          | 163,431                       | 464,379                       | 951,904                       | 264,304                       | 186,663                        |
| Total Governmental Activities             | <u>12,060,927</u>             | <u>28,870,371</u>             | <u>18,842,209</u>             | <u>23,150,067</u>             | <u>21,788,513</u>              |
| Program Revenues                          | <u>12,060,927</u>             | <u>28,870,371</u>             | <u>18,842,209</u>             | <u>23,150,067</u>             | <u>21,788,513</u>              |
| Business-Type Activities                  |                               |                               |                               |                               |                                |
| Charges for Services:                     |                               |                               |                               |                               |                                |
| Water and Sewer                           | 12,269,460                    | 11,788,831                    | 11,349,873                    | 11,040,252                    | 11,599,284                     |
| Reclaimed Water                           | 1,200,034                     | 1,218,300                     | 830,551                       | 794,596                       | 1,217,856                      |
| Electric Utility                          | 4,774,286                     | 5,471,484                     | 6,978,100                     | 7,557,246                     | 6,011,037                      |
| Capital Grants and Contributions          | 35,691                        | 26,324                        | 16,086                        | 83,083                        | 22,096                         |
| Total Business-Type Activities            | <u>18,279,471</u>             | <u>18,504,939</u>             | <u>19,174,610</u>             | <u>19,475,177</u>             | <u>18,850,273</u>              |
| Program Revenues                          | <u>18,279,471</u>             | <u>18,504,939</u>             | <u>19,174,610</u>             | <u>19,475,177</u>             | <u>18,850,273</u>              |
| Total Primary Government Program Revenues | <u>30,340,398</u>             | <u>47,375,310</u>             | <u>38,016,819</u>             | <u>42,625,244</u>             | <u>40,638,786</u>              |
| <b>NET REVENUE (EXPENSE)</b>              |                               |                               |                               |                               |                                |
| Governmental Activities                   | (60,499,938)                  | (38,993,527)                  | (67,981,870)                  | (79,997,902)                  | (95,442,444)                   |
| Business-Type Activities                  | (2,637,175)                   | (3,997,003)                   | (5,701,948)                   | (6,090,109)                   | (7,923,298)                    |
| Total Primary Government Net Expense      | <u><u>\$ (63,137,113)</u></u> | <u><u>\$ (42,990,530)</u></u> | <u><u>\$ (73,683,818)</u></u> | <u><u>\$ (86,088,011)</u></u> | <u><u>\$ (103,365,742)</u></u> |

Source: Finance Division, City of Cerritos.

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

|   | Fiscal Year                   |                             |                          |                          |                              |
|---|-------------------------------|-----------------------------|--------------------------|--------------------------|------------------------------|
|   | 2015-16                       | 2016-17                     | 2017-18                  | 2018-19                  | 2019-20                      |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>                                     |                               |                             |                          |                          |                              |
| Governmental Activities:  |                               |                             |                          |                          |                              |
| Taxes:  |                               |                             |                          |                          |                              |
| Sales Taxes   | \$ 32,846,913                 | \$ 33,689,474               | \$ 33,607,144            | \$ 34,780,357            | \$ 33,382,067                |
| Property Taxes  | 11,278,384                    | 11,986,780                  | 11,894,249               | 12,419,886               | 13,040,649                   |
| Motor Vehicle Taxes   | -                             | -                           | -                        | -                        | -                            |
| Franchise Taxes   | 1,717,909                     | 2,570,777                   | 2,565,011                | 2,410,064                | 2,390,426                    |
| Transient Occupancy Taxes   | 1,129,526                     | 1,187,002                   | 1,214,387                | 1,045,417                | 1,023,825                    |
| Other Taxes   | 1,392,520                     | 1,310,269                   | 1,481,476                | 1,566,031                | 1,319,269                    |
| Gain (Loss) on Disposal of Capital Assets   | -                             | -                           | (1,741,736)              | -                        | -                            |
| Investment and Rental Income  | 10,020,263                    | 9,482,419                   | 10,151,736               | 13,120,657               | 12,543,010                   |
| Miscellaneous   | 1,668,528                     | 234,179                     | 60,031                   | 108,425                  | 49,818                       |
| Gain on Dissolution of the Former Cerritos Redevelopment Agency                               | -                             | -                           | -                        | -                        | -                            |
| Settlement Disbursement from the City due to the Dissolution of Cerritos Redevelopment Agency | -                             | -                           | -                        | -                        | -                            |
| Adjustment to Amount due from Successor Agency  | (45,904,165)                  | 7,425,305                   | 7,685,002                | -                        | -                            |
| Gain due to Payment of Long Range Property Management Plan                                    | -                             | 28,734,470                  | -                        | -                        | -                            |
| Loss due to Elimination of Pension Obligation due from Successor Agency                       | -                             | (4,699,256)                 | -                        | -                        | -                            |
| Transfers   | -                             | -                           | (19,201)                 | (858,370)                | (859,130)                    |
| Total Governmental Activities   | <u>14,149,878</u>             | <u>91,921,419</u>           | <u>66,898,099</u>        | <u>64,592,467</u>        | <u>62,889,934</u>            |
| Business-Type Activities:   |                               |                             |                          |                          |                              |
| Investment and Rental Income  | (2,830)                       | 14,211                      | 20,018                   | 80,570                   | 104,771                      |
| Gain (Loss) on Sale of Assets   | -                             | -                           | -                        | -                        | -                            |
| Miscellaneous   | -                             | -                           | -                        | -                        | -                            |
| Transfers   | -                             | -                           | 19,201                   | 858,370                  | 859,130                      |
| Special Item and Extraordinary Item:  |                               |                             |                          |                          |                              |
| Special Item - Water Assessment Payment   | -                             | -                           | -                        | -                        | -                            |
| Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City              | -                             | -                           | -                        | -                        | -                            |
| Total Business-Type Activities  | <u>(2,830)</u>                | <u>14,211</u>               | <u>39,219</u>            | <u>938,940</u>           | <u>963,901</u>               |
| Total Primary Government  | <u>14,147,048</u>             | <u>91,935,630</u>           | <u>66,937,318</u>        | <u>65,531,407</u>        | <u>63,853,835</u>            |
| <b>CHANGES IN NET POSITION</b>  |                               |                             |                          |                          |                              |
| Governmental Activities   | (40,497,726)                  | 39,838,521                  | 5,012,380                | 3,803,247                | (2,941,932)                  |
| Business-Type Activities  | <u>(3,600,015)</u>            | <u>(6,514,688)</u>          | <u>(4,199,256)</u>       | <u>(2,974,494)</u>       | <u>(1,772,400)</u>           |
| Total Primary Government  | <u><u>\$ (44,097,741)</u></u> | <u><u>\$ 33,323,833</u></u> | <u><u>\$ 813,124</u></u> | <u><u>\$ 828,753</u></u> | <u><u>\$ (4,714,332)</u></u> |

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

|   | Fiscal Year                |                             |                             |                            |                              |
|---|----------------------------|-----------------------------|-----------------------------|----------------------------|------------------------------|
|   | 2020-21                    | 2021-22                     | 2022-23                     | 2023-24                    | 2024-25                      |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>                                     |                            |                             |                             |                            |                              |
| Governmental Activities:  |                            |                             |                             |                            |                              |
| Taxes:  |                            |                             |                             |                            |                              |
| Sales Taxes   | \$ 38,748,343              | \$ 45,357,612               | \$ 46,712,812               | \$ 43,466,843              | \$ 43,166,330                |
| Property Taxes  | 13,513,141                 | 14,511,290                  | 15,202,895                  | 16,610,075                 | 17,626,701                   |
| Motor Vehicle Taxes   | -                          | -                           | -                           | -                          | -                            |
| Franchise Taxes   | 2,621,979                  | 2,953,692                   | 3,102,921                   | 3,427,300                  | 3,583,765                    |
| Transient Occupancy Taxes   | 924,051                    | 1,235,045                   | 1,427,146                   | 1,418,810                  | 1,400,914                    |
| Other Taxes   | 2,384,987                  | 2,607,835                   | 2,502,895                   | 1,689,271                  | 3,886,588                    |
| Gain (Loss) on Disposal of Capital Assets   | -                          | -                           | -                           | -                          | -                            |
| Investment and Rental Income  | 9,550,944                  | 7,161,700                   | 13,437,534                  | 22,683,990                 | 25,463,013                   |
| Miscellaneous   | 56,185                     | 63,999                      | 1,722,371                   | 120,187                    | 231,437                      |
| 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   | (1,518,434)                | (1,641,868)                 | (3,172,390)                 | (6,816,555)                | (6,231,740)                  |
| Total Governmental Activities   | <u>66,281,196</u>          | <u>72,249,305</u>           | <u>80,936,184</u>           | <u>82,599,921</u>          | <u>89,127,008</u>            |
| Business-Type Activities:   |                            |                             |                             |                            |                              |
| Investment and Rental Income  | 60,045                     | 38,057                      | 59,805                      | 68,487                     | 34,300                       |
| Gain (Loss) on Sale of Assets   | -                          | -                           | -                           | -                          | -                            |
| Miscellaneous   | -                          | -                           | -                           | -                          | -                            |
| Transfers   | 1,518,434                  | 1,641,868                   | 3,172,390                   | 6,816,555                  | 6,231,740                    |
| Special Item and Extraordinary Item:  |                            |                             |                             |                            |                              |
| Special Item - Water Assessment Payment   | -                          | -                           | -                           | -                          | -                            |
| Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City              | -                          | -                           | -                           | -                          | -                            |
| Total Business-Type Activities  | <u>1,578,479</u>           | <u>1,679,925</u>            | <u>3,232,195</u>            | <u>6,885,042</u>           | <u>6,266,040</u>             |
| Total Primary Government  | <u>67,859,675</u>          | <u>73,929,230</u>           | <u>84,168,379</u>           | <u>89,484,963</u>          | <u>95,393,048</u>            |
| <b>CHANGES IN NET POSITION</b>  |                            |                             |                             |                            |                              |
| Governmental Activities   | 5,781,258                  | 33,255,778                  | 12,954,314                  | 2,602,019                  | (6,315,436)                  |
| Business-Type Activities  | <u>(1,058,696)</u>         | <u>(2,317,078)</u>          | <u>(2,469,753)</u>          | <u>794,933</u>             | <u>(1,657,258)</u>           |
| Total Primary Government  | <u><u>\$ 4,722,562</u></u> | <u><u>\$ 30,938,700</u></u> | <u><u>\$ 10,484,561</u></u> | <u><u>\$ 3,396,952</u></u> | <u><u>\$ (7,972,694)</u></u> |

Source: Finance Division, City of Cerritos.

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

|                                     | Fiscal Year           |                       |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2015-16               | 2016-17               | 2017-18               | 2018-19               | 2019-20               |
| <b>GENERAL FUND</b>                 |                       |                       |                       |                       |                       |
| Nonspendable                        | \$ 80,996,354         | \$ 85,283,586         | \$ 92,244,370         | \$ 93,926,824         | \$ 93,251,380         |
| Restricted                          | -                     | -                     | 145,795               | 249,694               | 363,533               |
| Assigned                            | 21,416,153            | 23,113,474            | 16,804,229            | 17,378,130            | 17,973,511            |
| Unassigned                          | 57,367,241            | 42,477,041            | 50,739,188            | 58,080,616            | 60,073,186            |
| Total General Fund                  | <u>\$ 159,779,748</u> | <u>\$ 150,874,101</u> | <u>\$ 159,933,582</u> | <u>\$ 169,635,264</u> | <u>\$ 171,661,610</u> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b> |                       |                       |                       |                       |                       |
| Unreserved, Reported in:            |                       |                       |                       |                       |                       |
| Nonspendable                        | \$ -                  | \$ -                  | \$ -                  | \$ 167,794            | \$ 409,215            |
| Restricted                          | 11,356,240            | 22,391,732            | 25,228,318            | 25,874,777            | 28,805,603            |
| Assigned                            | -                     | -                     | 1,549,968             | 1,549,967             | -                     |
| Unassigned                          | -                     | -                     | -                     | (37,784)              | (31,277)              |
| Total All Other Governmental Funds  | <u>\$ 11,356,240</u>  | <u>\$ 22,391,732</u>  | <u>\$ 26,778,286</u>  | <u>\$ 27,554,754</u>  | <u>\$ 29,183,541</u>  |

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

|                                     | Fiscal Year           |                       |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2020-21               | 2021-22               | 2022-23               | 2023-24               | 2024-25               |
| <b>GENERAL FUND</b>                 |                       |                       |                       |                       |                       |
| Nonspendable                        | \$ 90,378,803         | \$ 89,641,650         | \$ 89,863,194         | \$ 61,353,717         | \$ 56,632,629         |
| Restricted                          | 468,963               | 578,858               | -                     | -                     | -                     |
| Assigned                            | 17,973,511            | 16,995,748            | 21,896,476            | 21,901,003            | 22,181,943            |
| Unassigned                          | 70,723,775            | 90,788,137            | 98,120,101            | 102,654,523           | 84,369,013            |
| Total General Fund                  | <u>\$ 179,545,052</u> | <u>\$ 198,004,393</u> | <u>\$ 209,879,771</u> | <u>\$ 185,909,243</u> | <u>\$ 163,183,585</u> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b> |                       |                       |                       |                       |                       |
| Unreserved, Reported in:            |                       |                       |                       |                       |                       |
| Nonspendable                        | \$ 253,470            | \$ 242,330            | \$ 521,816            | \$ 298,413            | \$ 17,396             |
| Restricted                          | 27,230,598            | 28,336,417            | 28,875,606            | 31,003,393            | 31,895,111            |
| Assigned                            | -                     | -                     | -                     | -                     | 20,866,351            |
| Unassigned                          | (1,161,067)           | (24,592)              | (1,246,284)           | (3,348,684)           | (2,024,466)           |
| Total All Other Governmental Funds  | <u>\$ 26,323,001</u>  | <u>\$ 28,554,155</u>  | <u>\$ 28,151,138</u>  | <u>\$ 27,953,122</u>  | <u>\$ 50,754,392</u>  |

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

|  | Fiscal Year         |                     |                      |                      |                     |
|--|---------------------|---------------------|----------------------|----------------------|---------------------|
|  | 2015-16             | 2016-17             | 2017-18              | 2018-19              | 2019-20             |
| <b>REVENUES</b>  |                     |                     |                      |                      |                     |
| Property, Sales, and Other Taxes                               | \$ 45,498,217       | \$ 47,087,509       | \$ 47,005,564        | \$ 48,597,758        | \$ 47,605,084       |
| Licenses and Permits   | 3,118,986           | 2,497,839           | 3,560,686            | 2,934,132            | 3,072,377           |
| Fines and Forfeitures  | 845,664             | 591,148             | 571,017              | 530,924              | 399,420             |
| Investment and Rental Income                                   | 10,659,119          | 10,272,458          | 11,288,748           | 15,003,339           | 13,643,216          |
| Revenues from Other Agencies                                   | 4,621,525           | 5,989,277           | 5,925,146            | 5,977,632            | 5,727,943           |
| Current Fees and Services                                      | 5,313,010           | 5,897,715           | 6,858,320            | 7,187,142            | 5,830,144           |
| Franchise  | 1,811,958           | 2,666,159           | 2,649,011            | 2,494,064            | 2,474,426           |
| Contributions from Property Owners                             | -                   | -                   | -                    | -                    | -                   |
| Other Revenues   | 2,540,878           | 653,766             | 814,690              | 621,282              | 521,232             |
| Total Revenues   | <u>74,409,357</u>   | <u>75,655,871</u>   | <u>78,673,182</u>    | <u>83,346,273</u>    | <u>79,273,842</u>   |
| <b>EXPENDITURES</b>  |                     |                     |                      |                      |                     |
| Current:   |                     |                     |                      |                      |                     |
| Legislative and Administration                                 | 1,899,115           | 2,054,772           | 1,956,223            | 1,902,399            | 2,001,819           |
| Community Development  | 6,274,695           | 7,261,751           | 5,796,124            | 5,937,964            | 5,770,190           |
| Public Works   | 17,953,430          | 18,980,316          | 20,983,741           | 18,679,980           | 19,408,995          |
| Water and Power  | -                   | -                   | -                    | -                    | -                   |
| Community and Safety Services                                  | 22,494,774          | 23,276,405          | 24,343,700           | 24,790,812           | 25,233,008          |
| Administrative Services  | 10,608,147          | 11,281,082          | 12,140,106           | 12,321,143           | 12,656,658          |
| Cerritos Center for the Performing Arts                        | 5,321,948           | 6,062,322           | 7,448,010            | 7,316,611            | 6,932,283           |
| Capital Outlay   | 2,113,290           | 1,034,683           | 2,787,119            | 1,060,844            | 2,756,626           |
| Debt Service:  |                     |                     |                      |                      |                     |
| Interest   | -                   | -                   | -                    | -                    | -                   |
| Bond Issuance Costs  | -                   | -                   | -                    | -                    | -                   |
| Total Expenditures   | <u>66,665,399</u>   | <u>69,951,331</u>   | <u>75,455,023</u>    | <u>72,009,753</u>    | <u>74,759,579</u>   |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>            |                     |                     |                      |                      |                     |
|  | 7,743,958           | 5,704,540           | 3,218,159            | 11,336,520           | 4,514,263           |
| <b>OTHER FINANCING SOURCES (USES)</b>                          |                     |                     |                      |                      |                     |
| Insurance Reimbursement  | -                   | -                   | -                    | -                    | -                   |
| Transfers In   | 6,693,682           | 5,759,097           | 10,632,340           | 5,116,101            | 7,699,996           |
| Transfers Out  | (6,693,682)         | (5,759,097)         | (9,187,181)          | (5,974,471)          | (8,559,126)         |
| Subscription Proceeds  | -                   | -                   | -                    | -                    | -                   |
| Total Other Financing Sources (Uses)                           | <u>3,390,836</u>    | <u>-</u>            | <u>2,542,874</u>     | <u>(858,370)</u>     | <u>(859,130)</u>    |
| Net Change In Fund Balances Before Extraordinary Item          | 11,134,794          | 5,704,540           | 5,761,033            | 10,478,150           | 3,655,133           |
| <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)        | -                    | -                    | -                   |
| Forgiveness of Advance   | -                   | -                   | -                    | -                    | -                   |
| <b>NET CHANGE IN FUND BALANCES</b>                             |                     |                     |                      |                      |                     |
|  | <u>\$ 4,965,099</u> | <u>\$ 2,129,845</u> | <u>\$ 13,446,035</u> | <u>\$ 10,478,150</u> | <u>\$ 3,655,133</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**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|  | Fiscal Year         |                      |                      |                        |                    |
|--|---------------------|----------------------|----------------------|------------------------|--------------------|
|  | 2020-21             | 2021-22              | 2022-23              | 2023-24                | 2024-25            |
| <b>REVENUES</b>  |                     |                      |                      |                        |                    |
| Property, Sales, and Other Taxes                               | \$ 53,427,519       | \$ 61,512,663        | \$ 63,565,598        | \$ 61,819,221          | \$ 62,462,357      |
| Licenses and Permits   | 2,764,442           | 3,347,206            | 3,460,564            | 3,808,587              | 3,397,619          |
| Fines and Forfeitures  | 254,506             | 383,335              | 411,983              | 483,159                | 540,525            |
| Investment and Rental Income                                   | 10,058,395          | 7,986,015            | 14,429,841           | 23,117,028             | 26,175,915         |
| Revenues from Other Agencies                                   | 8,392,910           | 19,751,667           | 10,546,801           | 9,005,789              | 13,005,215         |
| Current Fees and Services                                      | 829,351             | 3,601,159            | 5,106,860            | 6,685,807              | 8,221,055          |
| Franchise  | 2,705,979           | 3,037,692            | 3,102,921            | 3,427,300              | 3,583,765          |
| Contributions from Property Owners                             | -                   | -                    | 161,214              | 168,091                | 215,527            |
| Other Revenues   | 311,658             | 512,270              | 1,761,465            | 593,675                | 624,449            |
| Total Revenues   | 78,744,760          | 100,132,007          | 102,547,247          | 109,108,657            | 118,226,427        |
| <b>EXPENDITURES</b>  |                     |                      |                      |                        |                    |
| Current:   |                     |                      |                      |                        |                    |
| Legislative and Administration                                 | 3,366,736           | 3,018,296            | 2,349,068            | 2,462,777              | 2,499,527          |
| Community Development  | 6,427,034           | 6,107,032            | 6,080,042            | 7,475,964              | 7,346,330          |
| Public Works   | 20,746,765          | 20,697,789           | 28,911,025           | 30,979,339             | 33,831,381         |
| Water and Power  | -                   | -                    | -                    | -                      | -                  |
| Community and Safety Services                                  | 23,598,336          | 24,468,634           | 25,841,535           | 27,800,344             | 31,553,095         |
| Administrative Services  | 10,866,366          | 12,431,309           | 13,341,157           | 14,578,964             | 16,115,326         |
| Cerritos Center for the Performing Arts                        | 2,019,584           | 4,186,181            | 6,380,379            | 8,744,578              | 11,610,545         |
| Capital Outlay   | 5,178,603           | 9,890,403            | 4,999,290            | 12,034,981             | 8,178,226          |
| Debt Service:  |                     |                      |                      |                        |                    |
| Interest   | -                   | -                    | -                    | -                      | 56,441             |
| Bond Issuance Costs  | -                   | -                    | -                    | -                      | 2,887              |
| Total Expenditures   | <u>72,203,424</u>   | <u>80,799,644</u>    | <u>87,902,496</u>    | <u>104,076,947</u>     | <u>111,193,758</u> |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>            |                     |                      |                      |                        |                    |
|  | 6,541,336           | 19,332,363           | 14,644,751           | 5,031,710              | 7,032,669          |
| <b>OTHER FINANCING SOURCES (USES)</b>                          |                     |                      |                      |                        |                    |
| Insurance Reimbursement  | -                   | 3,600,000            | -                    | 2,353,000              | -                  |
| Transfers In   | 9,187,413           | 13,254,533           | 23,633,555           | 28,341,252             | 47,936,746         |
| Transfers Out  | (10,705,847)        | (15,496,401)         | (26,805,945)         | (35,557,807)           | (55,168,486)       |
| Subscription Proceeds  | -                   | -                    | -                    | -                      | 274,783            |
| Total Other Financing Sources (Uses)                           | <u>(1,518,434)</u>  | <u>1,358,132</u>     | <u>(3,172,390)</u>   | <u>(4,863,555)</u>     | <u>(6,956,957)</u> |
| Net Change In Fund Balances Before Extraordinary Item          | 5,022,902           | 20,690,495           | 11,472,361           | 168,155                | 75,712             |
| <b>SPECIAL ITEM</b>  |                     |                      |                      |                        |                    |
| Adjustment to Amount Due from Successor Agency                 | -                   | -                    | -                    | -                      | -                  |
| Payments to Successor Agency                                   | -                   | -                    | -                    | -                      | -                  |
| Forgiveness of Advance   | -                   | -                    | -                    | (24,336,699)           | -                  |
| <b>NET CHANGE IN FUND BALANCES</b>                             |                     |                      |                      |                        |                    |
|  | <u>\$ 5,022,902</u> | <u>\$ 20,690,495</u> | <u>\$ 11,472,361</u> | <u>\$ (24,168,544)</u> | <u>\$ 75,712</u>   |
| <b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b> |                     |                      |                      |                        |                    |
|  | 0.00%               | 0.00%                | 0.00%                | 0.00%                  | 0.05%              |

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 |
|-------------|---------------|--------------|---------------|-------------------|------------------|----------------------------|-----------------------|
| 2015-16     | \$ 32,846,913 | \$ 1,811,958 | \$ 12,651,304 | \$ 1,128,964      | \$ 1,948,542     | \$ 41,480                  | \$ 845,664            |
| 2016-17     | 33,689,474    | 2,666,159    | 13,398,035    | 1,063,850         | 1,397,633        | 36,356                     | 591,148               |
| 2017-18     | 33,607,144    | 2,565,011    | 13,375,725    | 1,165,354         | 2,085,196        | 310,136                    | 571,017               |
| 2018-19     | 34,780,357    | 2,494,064    | 13,817,401    | 1,190,631         | 1,673,590        | 69,911                     | 530,924               |
| 2019-20     | 33,382,067    | 2,474,426    | 14,223,017    | 1,113,565         | 1,625,994        | 332,818                    | 399,420               |
| 2020-21     | 38,748,343    | 3,705,979    | 14,679,176    | 1,142,379         | 1,322,899        | 299,164                    | 254,506               |
| 2021-22     | 45,357,612    | 3,037,692    | 16,155,051    | 1,171,649         | 1,860,063        | 315,494                    | 383,335               |
| 2022-23     | 46,712,812    | 3,102,921    | 16,852,786    | 1,255,933         | 1,890,912        | 313,719                    | 411,983               |
| 2023-24     | 43,466,843    | 3,427,300    | 18,352,378    | 1,270,638         | 2,276,408        | 261,541                    | 483,159               |
| 2024-25     | 43,166,330    | 3,583,765    | 19,296,027    | 1,307,886         | 1,918,192        | 171,541                    | 540,525               |

(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        |
|-------------|------------------------------|-------------------------------|----------------------|---------------------|--------------|--------------------------------|---------------|
| 2015-16     | \$ 10,659,119                | \$ 5,912,671                  | \$ 5,313,010         | \$ 4,621,525        | \$ 2,540,878 | \$ 64,840,682                  | \$ 74,409,357 |
| 2016-17     | 10,272,458                   | 5,912,671                     | 5,897,715            | 5,989,277           | 653,766      | 64,840,682                     | 75,655,871    |
| 2017-18     | 11,288,748                   | 5,912,671                     | 6,858,320            | 5,925,146           | 921,385      | 64,840,682                     | 78,673,182    |
| 2018-19     | 15,003,339                   | -                             | 7,187,142            | 5,977,632           | 621,282      | -                              | 83,346,273    |
| 2019-20     | 13,643,216                   | -                             | 5,830,144            | 5,727,943           | 521,232      | -                              | 79,273,842    |
| 2020-21     | 10,058,395                   | -                             | 829,351              | 8,392,910           | 311,658      | -                              | 79,744,760    |
| 2021-22     | 7,986,015                    | -                             | 3,601,159            | 19,751,667          | 512,270      | -                              | 100,132,007   |
| 2022-23     | 14,429,841                   | -                             | 5,106,860            | 10,708,015          | 1,761,465    | -                              | 102,547,247   |
| 2023-24     | 23,117,028                   | -                             | 6,685,807            | 9,005,789           | 761,766      | -                              | 109,108,657   |
| 2024-25     | 26,129,824                   | -                             | 8,221,055            | 13,005,215          | 886,067      | -                              | 118,226,427   |

(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          |                      |                      |                      |                       |
|------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                        | 2015-2016            | 2016-2017            | 2017-2018            | 2018-2019            | 2019-2020             |
| Residential            | \$ 5,452,662,517     | \$ 5,664,862,220     | \$ 5,985,120,470     | \$ 6,262,589,166     | \$ 6,558,161,474      |
| Commercial             | 1,461,715,583        | 1,564,664,100        | 1,608,072,241        | 1,653,321,928        | 1,723,699,070         |
| Industrial             | 1,064,647,720        | 1,136,434,293        | 1,204,290,890        | 1,250,629,963        | 1,299,456,065         |
| Government             | -                    | -                    | -                    | -                    | -                     |
| Institutional          | 24,598,861           | 38,647,793           | 29,800,634           | 45,245,961           | 49,914,765            |
| Irrigated              | 358                  | 362                  | 368                  | 374                  | 380                   |
| Miscellaneous          | -                    | -                    | -                    | -                    | -                     |
| Recreational           | 7,272,107            | 9,778,502            | 9,974,070            | 10,173,550           | 10,377,019            |
| Vacant land            | 7,847,824            | 7,874,148            | 8,866,218            | 10,498,383           | 24,759,544            |
| SBE nonunitary         | 2,597,624            | 2,597,624            | 1,090,020            | 1,090,020            | 1,090,020             |
| Possessory<br>interest | 41,108,313           | 41,346,564           | 42,421,550           | 44,897,673           | 49,889,122            |
| Unsecured              | 304,132,822          | 328,708,158          | 348,141,264          | 358,754,897          | 378,475,475           |
| Exempt                 | (44,654,722)         | (41,020,226)         | (38,894,002)         | (38,740,873)         | (38,740,873)          |
| Unknown                | -                    | 44                   | -                    | -                    | -                     |
| <br>Subtotal           | <br>8,321,929,007    | <br>8,753,893,582    | <br>9,198,883,723    | <br>9,598,461,042    | <br>10,057,082,061    |
| <br>Add Back           |                      |                      |                      |                      |                       |
| Exempt                 | 44,654,722           | 41,020,226           | 38,894,002           | 38,740,873           | 38,740,873            |
| <br>Grand Total        | <br>\$ 8,366,583,729 | <br>\$ 8,794,913,808 | <br>\$ 9,237,777,725 | <br>\$ 9,637,201,915 | <br>\$ 10,095,822,934 |
| Total Direct<br>Rate   | 0.08565%             | 0.08572%             | 0.08572%             | 0.08575%             | 0.08613%              |

Source: Finance Division, City of Cerritos.

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

| Category               | Fiscal Year          |                       |                       |                       |                       |
|------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                        | 2020-2021            | 2021-2022             | 2022-2023             | 2023-2024             | 2024-2025             |
| Residential            | \$ 6,801,438,135     | \$ 7,025,711,124      | \$ 7,367,367,927      | \$ 7,704,904,938      | \$ 8,015,442,604      |
| Commercial             | 1,251,559,583        | 1,370,791,505         | 1,322,078,495         | 1,341,973,515         | 1,385,778,244         |
| Industrial             | 1,389,502,499        | 1,451,469,413         | 1,567,893,338         | 1,775,532,538         | 1,998,239,028         |
| Government             | -                    |                       |                       |                       |                       |
| Institutional          | 68,225,677           | 54,439,965            | 60,339,871            | 56,639,327            | 49,312,248            |
| Irrigated              | 386                  | 388                   | 394                   | 400                   | 408                   |
| Miscellaneous          | -                    | -                     | 22                    | 23                    | 23                    |
| Recreational           | 10,584,577           | 10,694,212            | 11,417,896            | 11,126,254            | 11,348,777            |
| Vacant land            | 9,765,688            | 8,500,827             | 8,876,748             | 7,833,631             | 8,395,548             |
| SBE nonunitary         | 1,090,020            | 3,724,019             | 3,724,019             | 3,724,019             | 3,724,019             |
| Possessory<br>interest | 50,349,296           | 562,318,705           | 563,164,896           | 585,555,800           | 580,711,190           |
| Unsecured              | 384,709,705          | 393,355,756           | 415,259,472           | 448,947,445           | 463,387,075           |
| Exempt                 | (549,160,853)        | (214,001,681)         | (213,663,546)         | (213,663,546)         | (213,448,324)         |
| Unknown                | -                    | 44                    | 441,717               | -                     | -                     |
| <br>Subtotal           | <br>9,418,064,713    | <br>10,667,004,277    | <br>11,106,901,249    | <br>11,722,574,344    | <br>12,302,890,840    |
| <br>Add Back           |                      |                       |                       |                       |                       |
| Exempt                 | 549,160,853          | 214,001,681           | 213,663,546           | 213,663,546           | 213,448,324           |
| <br>Grand Total        | <br>\$ 9,967,225,566 | <br>\$ 10,881,005,958 | <br>\$ 11,320,564,795 | <br>\$ 11,936,237,890 | <br>\$ 12,516,339,164 |
| Total Direct<br>Rate   | 0.08628%             | 0.08629%              | 0.08634%              | 0.08638%              | 0.08643%              |

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/<br>Flood Control | Water District | Totals | Total Direct Rate (a) |
|-------------|----------------|--------------------|-----------------|------------------------------|----------------|--------|-----------------------|
| 2015        | 1.0000         | 0.0000             | 0.1236          | 0.0000                       | 0.0035         | 1.1271 | 0.08558               |
| 2016        | 1.0000         | 0.0000             | 0.1232          | 0.0000                       | 0.0035         | 1.1267 | 0.08730               |
| 2017        | 1.0000         | 0.0000             | 0.1293          | 0.0000                       | 0.0035         | 1.1328 | 0.08572               |
| 2018        | 1.0000         | 0.0000             | 0.1253          | 0.0000                       | 0.0035         | 1.1288 | 0.08572               |
| 2019        | 1.0000         | 0.0000             | 0.1252          | 0.0000                       | 0.0035         | 1.1287 | 0.08609               |
| 2020        | 1.0000         | 0.0000             | 0.1768          | 0.0000                       | 0.0035         | 1.1803 | 0.08613               |
| 2021        | 1.0000         | 0.0000             | 0.1712          | 0.0000                       | 0.0035         | 1.1747 | 0.08628               |
| 2022        | 1.0000         | 0.0000             | 0.1685          | 0.0000                       | 0.0035         | 1.1720 | 0.08629               |
| 2023        | 1.0000         | 0.0000             | 0.1713          | 0.0000                       | 0.0035         | 1.1748 | 0.08634               |
| 2024        | 1.0000         | 0.0000             | 0.1652          | 0.0000                       | 0.0035         | 1.1687 | 0.08638               |
| 2025        | 1.0000         | 0.0000             | 0.1802          | 0.0000                       | 0.0070         | 1.1872 | 0.08643               |

(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 | 2024-25                  |                         | 2015-16                 |                         |
|---|----------------------|--------------------------|-------------------------|-------------------------|-------------------------|
|   |                      | Assessed Valuations      | Percentage of Total (1) | Assessed Valuations     | Percentage of Total (1) |
| Macerich Cerritos LLC   | Commercial           | \$ 396,087,269           | 3.29%                   | \$ -                    | 0.00%                   |
| Commerce Way California LLC                                     | Industrial           | 238,270,000              | 1.98%                   | -                       | 0.00%                   |
| Cerritos TC Property LLC  | Cross Reference      | 160,922,661              | 1.34%                   | -                       | 0.00%                   |
| Rexford Industrial Realty Inc                                   | Industrial           | 134,754,351              | 1.12%                   | -                       | 0.00%                   |
| CTC Office LP   | Cross Reference      | 115,718,681              | 0.96%                   | -                       | 0.00%                   |
| Teachers Insurance and Annuity Association                      | Industrial           | 100,964,835              | 0.84%                   | -                       | 0.00%                   |
| Cerritos Corporate Center Property                              | Cross Reference      | 95,869,017               | 0.80%                   | -                       | 0.00%                   |
| Scind Carmenita Point LLC                                       | Industrial           | 89,760,000               | 0.74%                   | -                       | 0.00%                   |
| TPG Cerritos Acquisition LLC                                    | Industrial           | 87,943,563               | 0.73%                   | -                       | 0.00%                   |
| Cerritos Retail Centeral LLC                                    | Commercial           | 83,335,937               | 0.69%                   | -                       | 0.00%                   |
| Cerritos City Lessor  | Commercial           | -                        | 0.00%                   | 403,617,341             | 5.01%                   |
| Macerich Cerritos LLC   | Commercial           | -                        | 0.00%                   | 309,491,203             | 3.84%                   |
| Icon Owner Pool 1 NA Non-Bus                                    | Industrial           | -                        | 0.00%                   | 125,307,814             | 1.55%                   |
| Teachers Insurance and Annuity Assoc                            | Industrial           | -                        | 0.00%                   | 85,563,136              | 1.06%                   |
| Cerritos Retail Centeral LLC                                    | Commercial           | -                        | 0.00%                   | 63,034,759              | 0.78%                   |
| AG-Crownest Cerritos Owner LLC                                  | Industrial           | -                        | 0.00%                   | 43,349,150              | 0.54%                   |
| JCC California Properties LLC                                   | Industrial           | -                        | 0.00%                   | 41,856,371              | 0.52%                   |
| Cerritos Promenade LLC  | Commercial           | -                        | 0.00%                   | 39,337,000              | 0.49%                   |
| RREF II Cerritos LLC  | Commercial           | -                        | 0.00%                   | 33,300,000              | 0.41%                   |
| Target Corporation  | Commercial           | -                        | 0.00%                   | 29,831,288              | 0.37%                   |
| <br>Total   |                      | <u>\$ 1,503,626,314</u>  | <u>12.48%</u>           | <u>\$ 1,174,688,062</u> | <u>14.57%</u>           |
| (1) 2024-25 and 2015-16 Total Secured<br>Assessed Valuation is: |                      | <u>\$ 12,052,952,089</u> |                         | <u>\$ 8,062,450,907</u> |                         |

Source: Finance Division, City of Cerritos.

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

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

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

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

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

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

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

| <u>Business-Type Activities</u> |   |  |                          |            |                       |                      |  |  |
|---------------------------------|---|--|--------------------------|------------|-----------------------|----------------------|--|--|
| Fiscal Year                     | SCPPA - Los Cerritos Project 2003 Issue, Series B Revenue Bonds | SCPPA - Los Coyotes Project 2003 Issue, Series B Revenue Bonds | Total Primary Government | Population | Total Debt per Capita | % of Personal Income |  |  |
| 2015-16                         | \$ 2,828,750 (c)  | \$ 8,486,250 (c)   | \$ 11,315,000            | 49,412     | \$ 229                | (a)                  |  |  |
| 2016-17                         | 2,751,250 (c)   | 8,253,750 (c)  | 11,005,000               | 50,039     | 220                   | (a)                  |  |  |
| 2017-18                         | 2,671,250 (c)   | 8,013,750 (c)  | 10,685,000               | 50,058     | 213                   | (a)                  |  |  |
| 2018-19                         | 2,587,500 (c)   | 7,762,500 (c)  | 10,350,000               | 50,711     | 204                   | (a)                  |  |  |
| 2019-20                         | 2,500,000 (c)   | 7,500,000 (c)  | 10,000,000               | 49,994     | 200                   | (a)                  |  |  |
| 2020-21                         | 2,408,750 (c)   | 7,226,250 (c)  | 9,635,000                | 50,143     | 192                   | (a)                  |  |  |
| 2021-22                         | 2,313,750 (c)   | 6,941,250 (c)  | 9,255,000                | 49,578     | 187                   | (a)                  |  |  |
| 2022-23                         | 2,213,750 (c)   | 6,641,250 (c)  | 8,855,000                | 47,475     | 187                   | (a)                  |  |  |
| 2023-24                         | 2,110,000 (c)   | 6,330,000 (c)  | 8,440,000                | 49,578     | 170                   | (a)                  |  |  |
| 2024-25                         | 2,001,250 (c)   | 6,003,750 (c)  | 8,005,000                | 47,871     | 167                   | (a)                  |  |  |

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

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

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

2024-25 Assessed Valuation: \$ 12,516,339,164

| <b>OVERLAPPING TAX AND ASSESSMENT DEBT</b> | Total Debt (3)<br>6/30/2025 | % Applicable<br>(1) | City's Share of<br>Debt 6/30/25 |
|--|-----------------------------|---------------------|---------------------------------|
| Metropolitan Water District                | \$ 17,155,000               | 0.308%              | \$ 52,666                       |
| Cerritos Community College District        | 510,110,300                 | 19.408              | 99,002,207                      |
| ABC Unified School District                | 175,060,042                 | 59,314              | 103,835,113                     |
| Bellflower Unified School District         | 68,220,000                  | 3,885.000           | 2,650,347                       |
| Total Overlapping Tax and Assessment Debt  |                             |                     | <u><u>\$ 205,540,333</u></u>    |

**DIRECT AND OVERLAPPING GENERAL FUND DEBT**

|  |                  |        |                             |
|--|------------------|--------|-----------------------------|
| Los Angeles County General Fund Obligations                      | \$ 3,036,637,390 | 0.595% | \$ 18,067,992               |
| Los Angeles County Superintendent of Schools                     |                  |        |                             |
| Certificates of Participation                                    | 2,331,775        | 0.595  | 13,874                      |
| Bellflower Unified School District Certificates of Participation |                  |        |                             |
| City of Cerritos General Fund Obligations                        | -                | 100    | -                           |
| Total Direct and Overlapping General Fund Debt                   |                  |        | <u><u>\$ 18,081,866</u></u> |

**TOTAL DIRECT DEBT**

**TOTAL OVERLAPPING DEBT** \$ 223,622,199

**COMBINED TOTAL DEBT**

\$ 223,622,199 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**RATIOS TO 2024-25 ASSESSED VALUATION**

|                                     |       |
|-------------------------------------|-------|
| Overlapping Tax and Assessment Debt | 1.64% |
| Total Direct Debt                   | 0.00% |
| Combined Total Debt                 | 1.79% |

Source: California Municipal Statistics, Inc.

Source: California Municipal Statistics, Inc.

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

|  | Fiscal Year             |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2015-16                 | 2016-17                 | 2017-18                 | 2018-19                 | 2019-20                 |
| Debt Limit   | \$ 1,263,255,833        | \$ 1,326,564,282        | \$ 1,394,812,766        | \$ 1,523,688,647        | \$ 1,523,688,647        |
| Total Net Debt Applicable to Limit                                   | -                       | -                       | -                       | -                       | -                       |
| Legal Debt Margin  | <u>\$ 1,263,255,833</u> | <u>\$ 1,326,564,282</u> | <u>\$ 1,394,812,766</u> | <u>\$ 1,523,688,647</u> | <u>\$ 1,523,688,647</u> |
| Total Net Debt Applicable to the Limit as a<br>Percent of Debt Limit | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   |
| Legal Debt Margin Calculation for Fiscal<br>Year 2024-25:            |                         |                         |                         |                         |                         |
| 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             |                         |                         |                          |                         |
|---|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
|   | 2020-21                 | 2021-22                 | 2022-23                 | 2023-24                  | 2024-25                 |
| Debt Limit  | \$ 1,495,083,832        | \$ 1,632,150,898        | \$ 1,698,084,719        | \$ 1,790,435,684         | \$ 1,877,450,875        |
| Total Net Debt Applicable to Limit                                | -                       | -                       | -                       | -                        | -                       |
| Legal Debt Margin   | <u>\$ 1,495,083,832</u> | <u>\$ 1,632,150,898</u> | <u>\$ 1,698,084,719</u> | <u>\$ 1,790,435,684</u>  | <u>\$ 1,877,450,875</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 2024-25:            |                         |                         |                         |                          |                         |
| Assessed Value  |                         |                         |                         | \$ 12,302,890,840        |                         |
| Add Back: Exempt Real Property                                    |                         |                         |                         | 213,448,324              |                         |
| Total Assessed Value  |                         |                         |                         | <u>\$ 12,516,339,164</u> |                         |
| Debt Limit (15% of Total Assessed Value)                          |                         |                         |                         | \$ 1,877,450,875         |                         |
| Debt Applicable to Limit  |                         |                         |                         | -                        |                         |
| Legal Debt Margin   |                         |                         |                         | <u>\$ 1,877,450,875</u>  |                         |

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

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

| Fiscal<br>Year | Population (1) | Per Capita<br>Personal<br>Income<br>(in thousands) | Personal<br>Income (2) * | City<br>Unemployment<br>Rate (3) |
|----------------|----------------|--|--------------------------|----------------------------------|
| 2015-16        | 49,412         | \$ 57,160  | \$ 2,824,390             | 3.90%                            |
| 2016-17        | 50,039         | (a)  | (a)                      | 3.60%                            |
| 2017-18        | 50,058         | (a)  | (a)                      | 4.50%                            |
| 2018-19        | 50,711         | (a)  | (a)                      | 3.90%                            |
| 2019-20        | 49,994         | (a)  | (a)                      | 3.60%                            |
| 2020-21        | 50,143         | (a)  | (a)                      | 8.50%                            |
| 2021-22        | 49,578         | (a)  | (a)                      | 3.80%                            |
| 2022-23        | 47,475         | (a)  | (a)                      | 4.20%                            |
| 2023-24        | 49,578         | (a)  | (a)                      | 5.40%                            |
| 2024-25        | 47,871         | (a)  | (a)                      | 5.60%                            |

\* 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  
 (140)

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

| Department                              | 2015-16    | 2016-17    | 2017-18    | 2018-19    | 2019-20    | 2020-21    | 2021-22    | 2022-23    | 2023-24    | 2024-25    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Legislative and Administration          | 7          | 6          | 7          | 6          | 7          | 11         | 11         | 7          | 8          | 8          |
| Community Development                   | 18         | 17         | 19         | 17         | 16         | 16         | 18         | 15         | 13         | 12         |
| Public Works                            | 67         | 68         | 72         | 65         | 65         | 60         | 71         | 59         | 66         | 70         |
| Water and Power                         | 15         | 13         | 16         | 14         | 12         | 12         | 13         | 15         | 16         | 15         |
| Community and Safety Services           | 253        | 234        | 307        | 248        | 235        | 177        | 238        | 228        | 254        | 240        |
| Administrative Services                 | 118        | 119        | 132        | 116        | 123        | 103        | 118        | 102        | 107        | 117        |
| Cerritos Center for the Performing Arts | 87         | 84         | 92         | 78         | 76         | 57         | 74         | 80         | 76         | 79         |
| <b>Total</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> | <b>540</b> | <b>541</b> |
| Full-Time Employees                     | 181        | 186        | 175        | 174        | 174        | 180        | 187        | 177        | 189        | 195        |
| Part-Time Employees                     | 359        | 379        | 366        | 370        | 360        | 256        | 356        | 329        | 351        | 346        |
| <b>Total</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> | <b>540</b> | <b>541</b> |

Source: Finance Division, City of Cerritos.

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

| Function  | Fiscal Year |           |           |          |          |
|---|-------------|-----------|-----------|----------|----------|
|   | 2015-16     | 2016-17   | 2017-18   | 2018-19  | 2019-20  |
| <b>PUBLIC WORKS</b>                             |             |           |           |          |          |
| Maintenance:                                    |             |           |           |          |          |
| Graffiti Removal (Average Incidence)            | \$ 4,750    | \$ 6,270  | \$ 4,600  | \$ 2,100 | \$ 2,622 |
| Streetsweeping Miles                            | 7,100       | 7,100     | 7,100     | 7,100    | 7,100    |
| Trees Maintained                                | 28,000      | 28,000    | 28,000    | 28,400   | 28,500   |
| Trees Trimmed                                   | 5,255       | 5,284     | 7,900     | 8,000    | 6,500    |
| <b>WATER AND POWER</b>                          |             |           |           |          |          |
| Water:  |             |           |           |          |          |
| Number of Customer Accounts                     | 15,752      | 15,714    | 15,567    | 15,403   | 15,809   |
| Average Daily Consumption (Millions of Gallons) | 6           | 8         | 6         | 6        | 7        |
| Water Samples Taken (Annual)                    | 2,086       | 2,111     | 2,088     | 2,151    | 2,107    |
| <b>COMMUNITY AND SAFETY SERVICES</b>            |             |           |           |          |          |
| Police (1):                                     |             |           |           |          |          |
| Number of Sworn Officers                        | 63          | 66        | 66        | 65       | 65       |
| Community Service Officers (Non-Sworn)          | 3           | 3         | 3         | 3        | 3        |
| Calls Dispatched                                | 11,608      | 20,067    | 18,378    | 17,696   | 15,787   |
| Crime Reports                                   | 3,467       | 6,145     | 5,457     | 5,487    | 4,699    |
| Moving Citations                                | 2,857       | 3,941     | 6,031     | 6,397    | 4,821    |
| Parking Citations                               | 412         | 645       | 856       | 1,316    | 7,723    |
| Culture and Recreation:                         |             |           |           |          |          |
| Leisure Classes Attendance                      | 40,613      | 38,262    | 36,228    | 31,856   | 17,894   |
| Indoor Park Reservation Attendance              | 71,224      | 65,618    | 64,723    | 66,585   | 39,846   |
| Picnic Shelter Attendance                       | 60,013      | 73,409    | 70,988    | 59,416   | 32,444   |
| Swim Lessons Attendance                         | 218,618     | 202,077   | 157,908   | 140,147  | 103,577  |
| Recreational Swim Attendance                    | 42,294      | 44,842    | 42,000    | 42,810   | 10,439   |
| Volunteer Hours                                 | 13,902      | 12,027    | 10,021    | 10,566   | 7,330    |
| <b>ADMINISTRATIVE SERVICES</b>                  |             |           |           |          |          |
| Library:  |             |           |           |          |          |
| Number of Patrons                               | 1,955,332   | 2,652,290 | 2,781,673 | 552,212  | 376,010  |

(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 |          |          |          |          |
|---|-------------|----------|----------|----------|----------|
|   | 2020-21     | 2021-22  | 2022-23  | 2023-24  | 2024-25  |
| <b>PUBLIC WORKS</b>                             |             |          |          |          |          |
| Maintenance:                                    |             |          |          |          |          |
| Graffiti Removal (Average Incidence)            | \$ 5,408    | \$ 5,211 | \$ 4,941 | \$ 5,779 | \$ 5,335 |
| Streetsweeping Miles                            | 7,100       | 7,100    | 7,100    | 7,100    | 7,100    |
| Trees Maintained                                | 28,500      | 28,000   | 28,000   | 27,500   | 27,968   |
| Trees Trimmed                                   | 7,000       | 6,120    | 6,500    | 4,483    | 9,267    |
| <b>WATER AND POWER</b>                          |             |          |          |          |          |
| Water:  |             |          |          |          |          |
| Number of Customer Accounts                     | 15,757      | 15,749   | 15,664   | 15,676   | 15,612   |
| Average Daily Consumption (Millions of Gallons) | 6           | 7        | 5        | 6.5      | 5.4      |
| Water Samples Taken (Annual)                    | 2,000       | 1,788    | 2,148    | 1,760    | 1,593    |
| <b>COMMUNITY AND SAFETY SERVICES</b>            |             |          |          |          |          |
| Police (1):                                     |             |          |          |          |          |
| Number of Sworn Officers                        | 65          | 65       | 65       | 65       | 64       |
| Community Service Officers (Non-Sworn)          | 19          | 3        | 19       | 19       | 2        |
| Calls Dispatched                                | 14,646      | 16,725   | 17,104   | 17,241   | 14,964   |
| Crime Reports                                   | 4,191       | 4,735    | 4,736    | 2,915    | 4,391    |
| Moving Citations                                | 3,220       | 3,081    | 3,022    | 3,377    | 3,922    |
| Parking Citations                               | 3,399       | 12,618   | 16,886   | 18,193   | 14,592   |
| Culture and Recreation:                         |             |          |          |          |          |
| Leisure Classes Attendance                      | 0*          | 5,940    | 14,765   | 19,922   | 21,411   |
| Indoor Park Reservation Attendance              | 0*          | 16,644   | 17,471   | 21,578   | 24,992   |
| Picnic Shelter Attendance                       | 0*          | 51,932   | 55,782   | 53,987   | 58,717   |
| Swim Lessons Attendance                         | 0*          | 28,724   | 129,469  | 125,622  | 105,568  |
| Recreational Swim Attendance                    | 0*          | 8,159    | 31,060   | 29,672   | 28,159   |
| Volunteer Hours                                 | 0*          | 0*       | 5,017    | 4,493    | 4,420    |
| <b>ADMINISTRATIVE SERVICES</b>                  |             |          |          |          |          |
| Library:  |             |          |          |          |          |
| Number of Patrons                               | 0*          | 324,174  | 368,900  | 396,216  | 369,779  |

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

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

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

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

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

| Function                             | Fiscal Year |         |         |         |         |
|--------------------------------------|-------------|---------|---------|---------|---------|
|                                      | 2015-16     | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| <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                    | 264,316     | 265,507 | 268,772 | 247,091 | 284,849 |

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

| Function                             | Fiscal Year |         |         |         |         |
|--------------------------------------|-------------|---------|---------|---------|---------|
|                                      | 2020-21     | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| <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                    | 317,218     | 238,850 | 238,012 | 241,275 | 228,372 |

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