



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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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

FRANK AURELIO YOKOYAMA
MAYOR

LYNDA P. JOHNSON
MAYOR PRO TEM

JENNIFER HONG
COUNCILMEMBER

MARK E. PULIDO
COUNCILMEMBER

SOPHIA M. TSE
COUNCILMEMBER

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,

A handwritten signature in black ink, appearing to read "R. A. Lopez", with a stylized, flowing script.

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	Robert A. Lopez
City Clerk	Cynthia Nava
City Attorney	Pam K. Lee
Assistant City Manager	Kathy Matsumoto
Deputy City Manager	Ryan Carey
Director of Administrative Services	Drew Schneider
Director of Community and Cultural Services	Annie Hylton
Director of Community Development	Kristin Aguila
Director of Public Works/City Engineer	Alvin Papa
Theater Executive Director	Jeff Thielke
Public Safety Manager	Daryl Evans



Advisory Boards

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

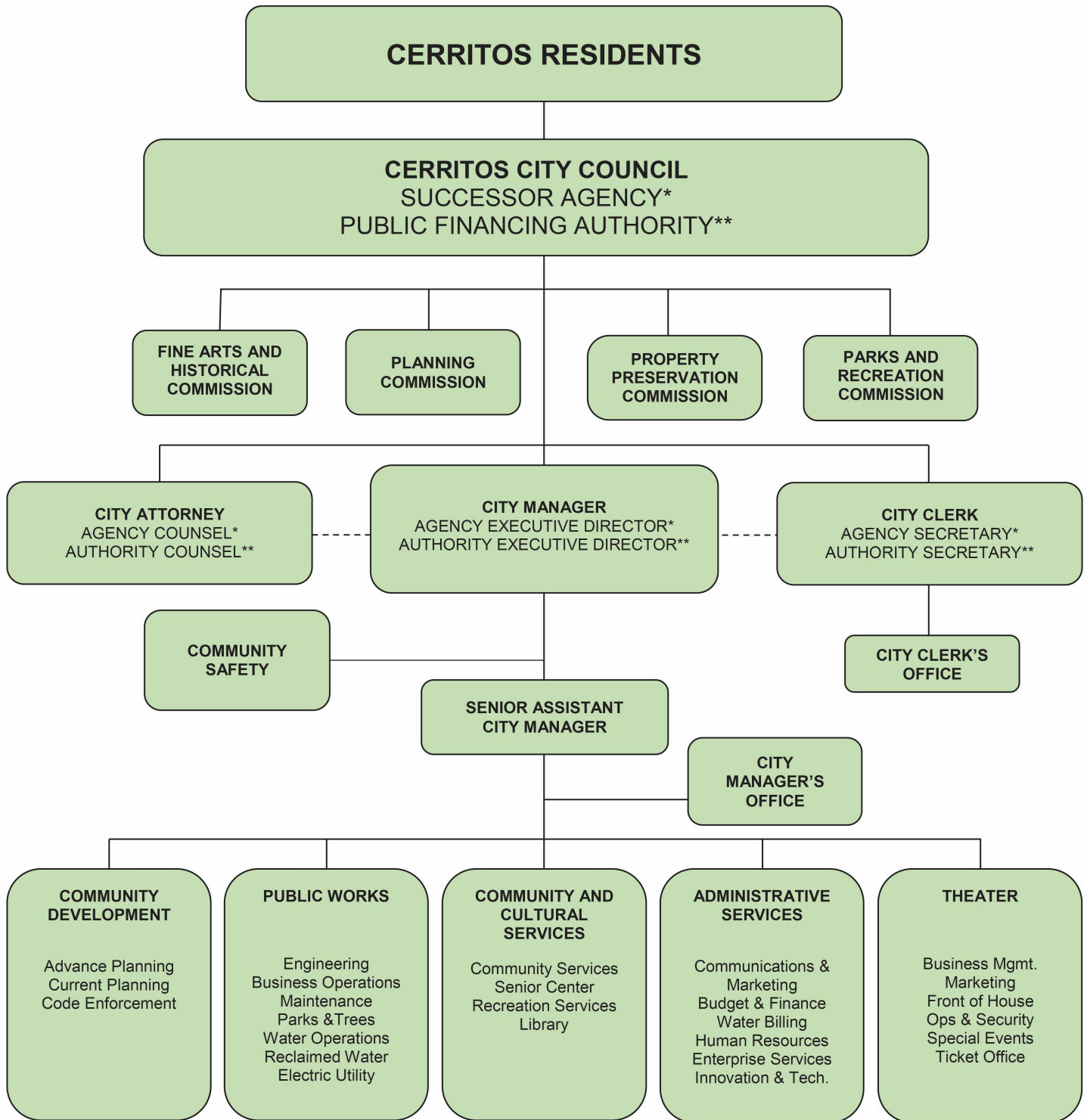
Jignesh Chokshi
Brian Ferrer
Frances Ann Robles
Celia Spitzer
Eric Westphal

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. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable City Council
City of Cerritos, California
Cerritos, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cerritos, California, (the City) as of and for the year ended June 30, 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 written in a cursive, flowing style.

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

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 (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 asse	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	134.9	145.8	(30.6)	(28.4)	104.3	117.4
Total Net Position	<u>\$ 416.4</u>	<u>\$ 422.8</u>	<u>\$ (2.6)</u>	<u>\$ (0.9)</u>	<u>\$ 413.8</u>	<u>\$ 421.8</u>

As noted earlier, the City's net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cerritos, net position was \$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
Revenues						
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>
Expenses:						
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	<u>-</u>	<u>(24.3)</u>	<u>-</u>	<u>24.3</u>	<u>-</u>	<u>-</u>
Change in net position	(6.3)	(21.7)	(1.7)	25.1	(8.0)	3.4
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>

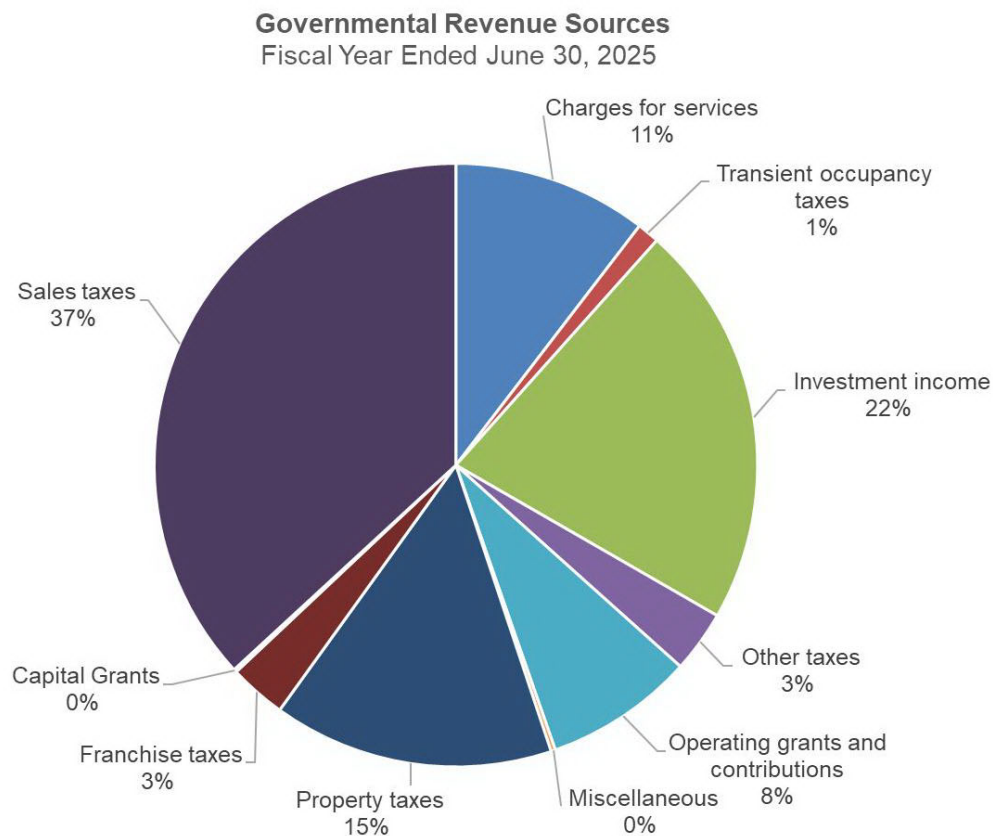
City of Cerritos, California
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2025

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.

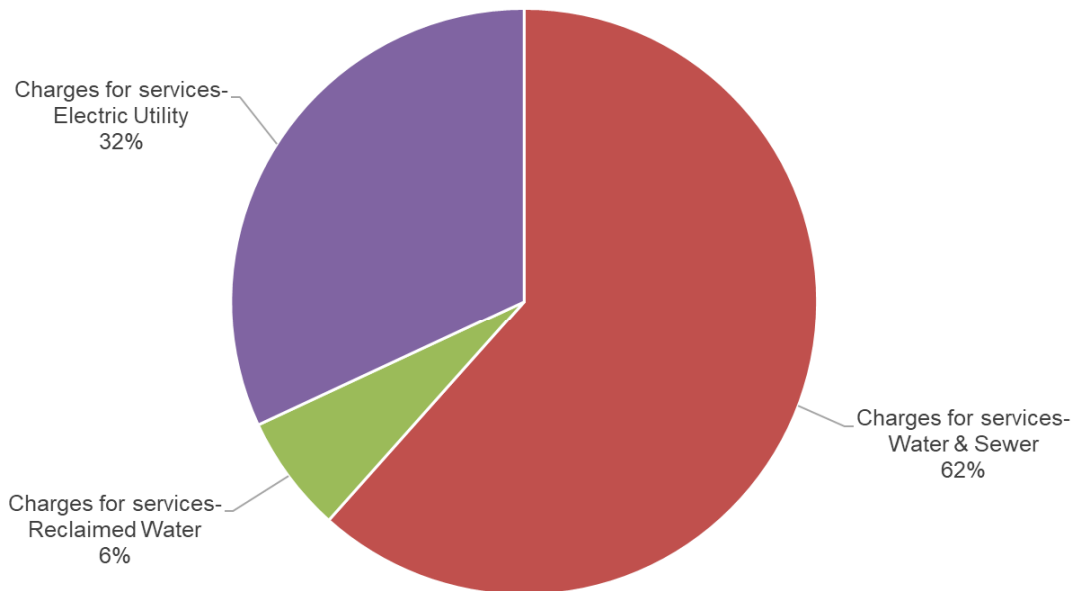
In contrast, investment income continued to increase in fiscal year 2024-25, reflecting the ongoing impact of higher interest rates on the City's investment portfolio. Many lower-yield investments originated during the post-pandemic low-interest-rate environment matured during the year and were reinvested 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.

Business-Type Revenue Sources
Fiscal Year Ended June 30, 2025



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.

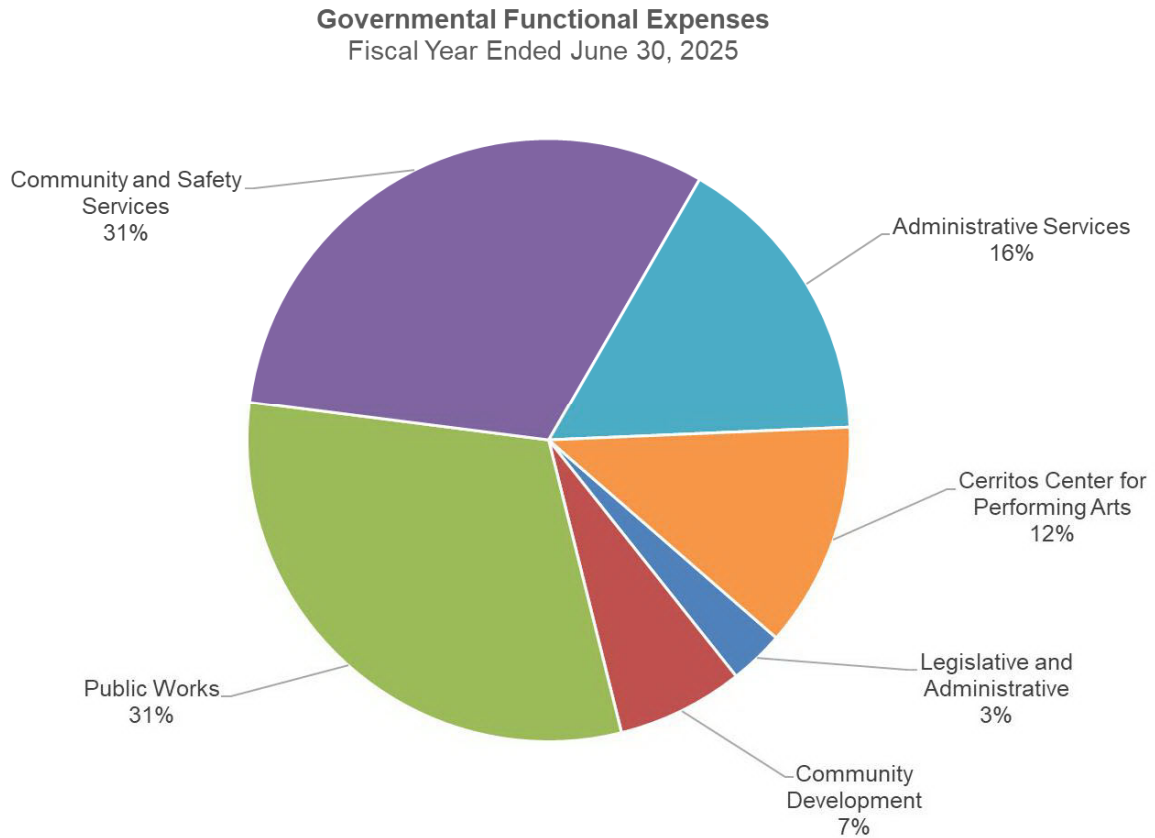
A significant portion of the increase was attributable to higher salaries and benefits. Personnel costs rose due to a cost-of-living adjustment and the addition of several new full-time positions, impacting departments Citywide.

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.

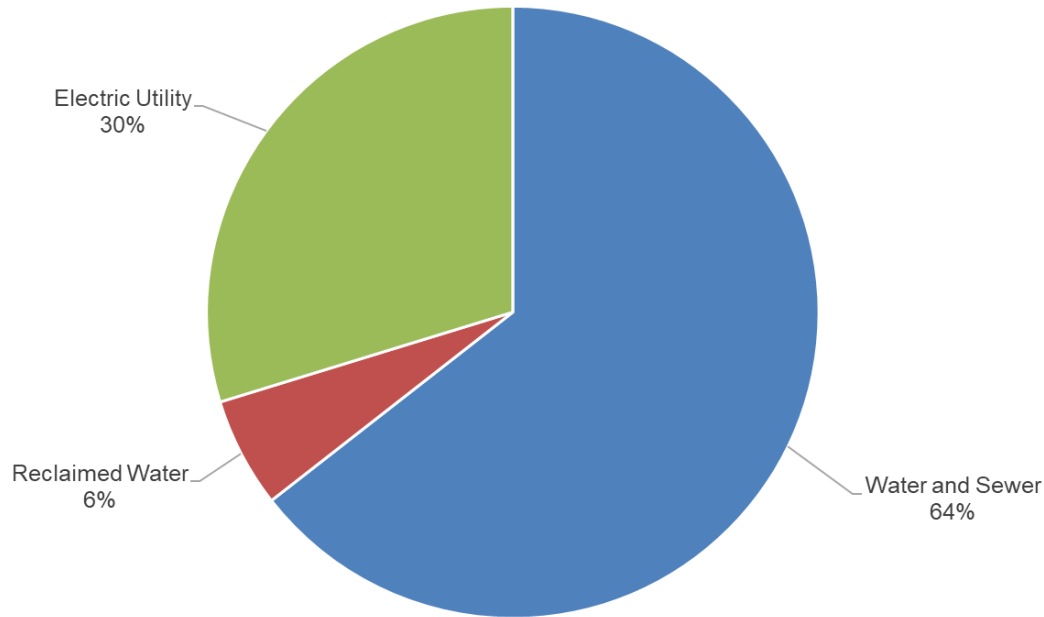


Expenses from business-type activities totaled \$26.8 million in fiscal year 2024-25, an increase of \$1.2 million compared to the prior year. The Water and Sewer Fund accounted for \$17.3 million in expenses, up \$1.7 million, reflecting higher operational and maintenance costs. The Reclaimed Water 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 (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 than buildings	7.1	7.3	0.0	-	7.1	7.3
Infrastructure/water mains 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
Total	\$ 247.7	\$ 244.9	\$ 36.0	\$ 36.0	\$ 283.7	\$ 280.9

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)

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

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.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
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	191,865,969	(21,763,251)	170,102,718
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	102,221,673	29,215,695	131,437,368
Total Noncurrent Assets	752,145,722	36,227,763	788,373,485
Total Assets	944,011,691	14,464,512	958,476,203
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Items	18,671,771	1,734,536	20,406,307
OPEB-Related Items	9,041,710	839,941	9,881,651
Total Deferred Outflows of Resources	27,713,481	2,574,477	30,287,958
LIABILITIES			
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	17,619,784	4,574,194	22,193,978
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	80,513,854	14,983,329	95,497,183
Total Liabilities	98,133,638	19,557,523	117,691,161
DEFERRED INFLOWS OF RESOURCES			
Lease Related	456,415,533	-	456,415,533
OPEB Related	717,350	66,639	783,989
Total Deferred Inflows of Resources	457,132,883	66,639	457,199,522
NET POSITION			
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)	134,984,937	(30,649,144)	104,335,793
Total Net Position	\$ 416,458,651	\$ (2,585,173)	\$ 413,873,478

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
Governmental Activities:				
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	117,230,957	12,206,378	9,395,472	186,663
Business-Type Activities:				
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	26,773,571	18,828,177	-	22,096
Total	<u>\$ 144,004,528</u>	<u>\$ 31,034,555</u>	<u>\$ 9,395,472</u>	<u>\$ 208,759</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 Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
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	(95,442,444)	-	(95,442,444)
Business-Type Activities:			
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	-	(7,923,298)	(7,923,298)
Total	(95,442,444)	(7,923,298)	(103,365,742)
General Revenues:			
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	(6,231,740)	6,231,740	-
Total General Revenues and Transfers	89,127,008	6,266,040	95,393,048
CHANGE IN NET POSITION	(6,315,436)	(1,657,258)	(7,972,694)
Net Position (Deficit) - Beginning of Year	422,774,087	(927,915)	421,846,172
NET POSITION (DEFICIT) - END OF YEAR	<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
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
ASSETS					
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
Total Assets	<u>\$ 630,602,291</u>	<u>\$ 24,324,333</u>	<u>\$ 22,234,326</u>	<u>\$ 12,898,478</u>	<u>\$ 690,059,428</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
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
Total Liabilities	<u>11,003,173</u>	<u>-</u>	<u>1,367,975</u>	<u>7,334,770</u>	<u>19,705,918</u>
DEFERRED INFLOW OF RESOURCES					
Leases Related	456,415,533	-	-	-	456,415,533
Total Deferred Inflows of Resources	<u>456,415,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,415,533</u>
FUND BALANCES					
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
Total Fund Balances	<u>163,183,585</u>	<u>24,324,333</u>	<u>20,866,351</u>	<u>5,563,708</u>	<u>213,937,977</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 630,602,291</u>	<u>\$ 24,324,333</u>	<u>\$ 22,234,326</u>	<u>\$ 12,898,478</u>	<u>\$ 690,059,428</u>

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	<u>(193,519,221)</u>	244,232,287

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	<u>(77,290,401)</u>	(57,519,320)

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	<u>1,289,593</u>	9,613,953

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.

		<u>10,656,964</u>
Net Position of Governmental Activities		<u><u>\$ 416,458,651</u></u>

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

	Major Funds				
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
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
EXPENDITURES					
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)					
Expenditures	20,268,354	354,483	(17,487,850)	3,897,582	7,032,569
OTHER FINANCING SOURCES (USES)					
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)
NET CHANGE IN FUND BALANCES	(22,725,658)	354,483	20,866,351	1,580,436	75,612
Fund Balances - Beginning of Year	185,909,243	23,969,850	-	3,983,272	213,862,365
FUND BALANCES - END OF YEAR	<u>\$ 163,183,585</u>	<u>\$ 24,324,333</u>	<u>\$ 20,866,351</u>	<u>\$ 5,563,708</u>	<u>\$ 213,937,977</u>

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		8,362,207	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	Total Enterprise	
	Water and Sewer	Electric Utility	Reclaimed Water	Funds	
ASSETS					
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	2,888,895	1,639,032	1,823,779	6,351,706	7,921,122
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	25,726,876	4,701,667	5,799,220	36,227,763	3,433,133
Total Assets	28,615,771	6,340,699	7,622,999	42,579,469	11,354,255
DEFERRED OUTFLOWS OF RESOURCES					
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	2,574,477	-	-	2,574,477	-
LIABILITIES					
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	3,342,067	807,152	424,975	4,574,194	697,291
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	7,438,329	35,659,957	-	43,098,286	-
Total Liabilities	10,780,396	36,467,109	424,975	47,672,480	697,291
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows of Resources	-	-	-	-	-
OPEB Related Deferred Outflows of Resources	66,639	-	-	66,639	-
Total Deferred Inflows of Resources	66,639	-	-	66,639	-
NET POSITION					
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)	\$ 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 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			
OPERATING REVENUES					
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	-
OPERATING EXPENSES					
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
OPERATING LOSS	(5,650,039)	(848,802)	(338,822)	(6,837,663)	(1,086,560)
NONOPERATING REVENUES (EXPENSES)					
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
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,687,517)	(1,916,509)	(307,068)	(7,911,094)	(915,726)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	22,096	-	-	22,096	-
Transfers In	5,374,740	857,000	-	6,231,740	1,000,000
CHANGE IN NET POSITION	(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
NET POSITION (DEFICIT) - END OF YEAR	\$ 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 Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 10,972,771	\$ 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
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
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
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
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)
CASH FLOWS FROM INVESTING ACTIVITIES					
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
NET CHANGE IN CASH AND CASH EQUIVALENTS	(699,829)	(662,307)	(327,583)	(1,689,719)	(283,058)
Cash and Cash Equivalents - Beginning of Year	1,584,472	1,261,303	1,614,276	4,460,051	8,169,939
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 884,643</u>	<u>\$ 598,996</u>	<u>\$ 1,286,693</u>	<u>\$ 2,770,332</u>	<u>\$ 7,886,881</u>

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 Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor	Total Enterprise	
	Water and Sewer	Electric Utility	Reclaimed Water	Funds	
RECONCILIATION OF OPERATING LOSS					
TO NET CASH USED BY					
OPERATING ACTIVITIES					
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 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 of Resources Related to Pensions	273,315	-	-	273,315	-
(Increase) Decrease in Deferred Outflows of Resources related to OPEB	283,967	-	-	283,967	-
Changes in Liabilities and Deferred Inflows 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 of Resources Related to Pensions	(103,533)	-	-	(103,533)	-
Increase (Decrease) in Deferred Inflows of Resources related to OPEB	(111,065)	-	-	(111,065)	-
Net Cash Provided (Used) by Operating 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 Agency to the Cerritos Redevelopment Agency
ASSETS	
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>
LIABILITIES	
Noncurrent Liabilities:	
Advances from City of Cerritos	<u>34,840,415</u>
Total Long-Term Liabilities	<u>34,840,415</u>
Total Liabilities	<u>34,840,415</u>
NET POSITION (DEFICIT)	
Restricted:	
Held for Dissolution of Community Redevelopment Agency	<u>(16,315,136)</u>
Total Net Position (Deficit)	<u><u>\$ (16,315,136)</u></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 Agency to the Cerritos Redevelopment Agency
ADDITIONS	
Redevelopment Property Tax Trust Fund	\$ 6,656,954
Investment Income	452,560
Total Additions	<u>7,109,514</u>
DEDUCTIONS	
Administrative Expenses	35,000
Interest on Long-Term Debt	237,940
Fiscal Charges	2,313
Total Deductions	<u>275,253</u>
CHANGE IN NET POSITION	6,834,261
Net Position (Deficit) - Beginning Of Year	<u>(23,149,397)</u>
NET POSITION (DEFICIT) - END OF YEAR	<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. Prepaids

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

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

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

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

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

K. Compensated Absences

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	
	Governmental Activities	Business-Type Activities	Total	Statement of 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	239,489
Total Investments	<u>141,897,806</u>
Total Cash and Investments	<u>\$ 168,367,914</u>

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

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

N/A Not Applicable

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

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

The City's investment policy manages exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The policy limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates.

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	Aaa	Unrated	Not Required to be Rated
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	\$ -	\$ 101,414,306	\$ -
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	\$ 141,897,806			

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 July 1, 2024	Additions	Deletions	Balance 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>\$ 28,114,957</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						Total
	Governmental Funds			Proprietary Funds			
	Municipal						
	General	Improvement	Nonmajor	Water		Internal	
	Fund	Capital Project	Governmental	and Sewer	Electric Utility	Service	
	Fund	Fund	Funds	Fund	Fund	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	\$ 339,183	\$ 38,354,201	\$ 9,243,362	\$ 5,374,740	\$ 857,000	\$ 1,000,000	\$ 55,168,486

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 July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets, not Being Depreciated:				
Land	\$ 77,962,622	\$ -	\$ -	\$ 77,962,622
Parking Structure Rights	3,760,000	-	-	3,760,000
Right-of-Way	49,184,583	-	-	49,184,583
Public Art	4,994,669	817,910	-	5,812,579
Trees	1,355,909	-	-	1,355,909
Construction in Progress	11,185,120	2,944,777	(6,761,843)	7,368,054
Total Capital Assets, not Being Depreciated	148,442,903	3,762,687	(6,761,843)	145,443,747
Capital Assets, Being Depreciated:				
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	-	274,783	-	274,783
Total Capital Assets, Being Depreciated	285,922,015	12,903,448	(662,758)	298,162,705
Less Accumulated Depreciation For:				
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	-	(36,638)	-	(36,638)
Total Accumulated Depreciation	(189,452,806)	(7,048,969)	560,743	(195,941,032)
Total Capital Assets, Being Depreciated, Net	96,469,209	5,854,479	(102,015)	102,221,673
Governmental Activities Capital Assets, Net	<u>\$ 244,912,112</u>	<u>\$ 9,617,166</u>	<u>\$ (6,863,858)</u>	<u>\$ 247,665,420</u>

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
Total Depreciation Expense	<u><u>\$ 7,048,969</u></u>

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 July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets, not Being Depreciated:				
Construction in Progress	\$ 5,326,848	\$ 1,463,301	\$ -	\$ 6,790,149
Total Capital Assets, not 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	11,760,205	-	-	11,760,205
Total Capital Assets, Being 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	(8,063,702)	(156,759)	-	(8,220,461)
Total Accumulated Depreciation	(57,915,937)	(1,855,686)	12,085	(59,759,538)
Total Capital Assets, Being Depreciated, Net	30,641,380	(1,418,751)	(6,934)	29,215,695
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 July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
Compensated Absences	<u>\$ 3,494,946</u>	<u>\$ 654,524</u>	<u>\$ 4,149,470</u>	<u>\$ 1,037,368</u>	<u>\$ 3,112,102</u>

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

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
Totals	<u>\$ 218,342</u>	<u>\$ 5,847</u>	<u>\$ 224,189</u>

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 July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
Direct Borrowings:						
Southern California Public Power Authority, Magnolia:						
Project Los Cerritos						
Revenue Bonds:						
2003 Issue, Series B, \$3,526,250	\$ 2,110,000	\$ -	\$ (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, \$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		
	Principal	Interest	Total	Principal	Interest	Total
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 July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in 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				
	General	Housing Assets Special Revenue	Municipal Improvement Corporation Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
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
Total Nonspendable	56,632,629	-	-	17,396	56,650,025
Restricted:					
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
Total Restricted	-	24,324,333	-	7,570,778	31,895,111
Assigned:					
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
Total Assigned	22,181,943	-	20,866,351	-	43,048,294
Unassigned:					
General Fund	84,369,013	-	-	-	84,369,013
Nonmajor Governmental Funds	-	-	-	(2,024,466)	(2,024,466)
Total Unassigned	84,369,013	-	-	(2,024,466)	82,344,547
Total	<u>\$ 163,183,585</u>	<u>\$ 24,324,333</u>	<u>\$ 20,866,351</u>	<u>\$ 5,563,708</u>	<u>\$ 213,937,977</u>

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:

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

Deferred Outflows of Resources

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

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
Deferred Outflows of Resources:			
Pension Contribution Made After Measurement Date:			
CalPERS Miscellaneous Plan	\$ 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
Total Deferred Outflows of Resources	<u>\$ 18,671,771</u>	<u>\$ 1,734,536</u>	<u>\$ 20,406,307</u>

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

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 January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.5%@55	2%@60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55 to 60	55 to 60
Monthly Benefits, as a % of Eligible Compensation	2% to 3%	2% to 3%
Required Employee Contribution Rates	7.770%	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
Total	<u>924</u>

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:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age 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 Asset Allocation	Real Return (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)
Total	100.00 %	

(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 Liability	Plan Fiduciary Position	Net Pension Liability / (Asset)
Balance at June 30, 2023 (Measurement 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 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 of Employee Contributions	(14,283,813)	(14,283,813)	-
Administrative Expense	-	(172,247)	172,247
Net Changes	18,885,822	15,510,376	3,375,446
Balance at June 30, 2024 (Measurement 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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (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 Outflows of Resources	Deferred Inflows 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:

	<u>PARS</u>
Active Employees	55
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>38</u>
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:

	<u>PARS</u>
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% after 30 years of service
Investment Rate of Return	5.75%
Mortality Rate Table	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans
Postretirement Benefit Increase	Contract COLA of 2.00%

Discount Rate

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

CITY OF CERRITOS, CALIFORNIA
NOTES TO 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% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (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 Liability	Plan Fiduciary Net Position	Net Pension 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	294,132	447,379	(153,247)
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 Outflows of Resources	Deferred Inflows 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>\$ 1,093,921</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 Outflows (Inflows) of Resources
2026	\$ 368,743
2027	476,944
2028	41,906
2029	(19,865)
Thereafter	-
Total	<u>\$ 867,728</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.

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>349</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		
	Trend Rate -1%	Current Trend Rate	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 OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023 (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 Liability	3,199,426	-	3,199,426
Differences Between Actual and 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	2,895,219	3,607,087	(711,868)
Balance at June 30, 2024 (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 Outflows of Resources	Deferred Inflows 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>\$ 6,434,205</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://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

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

For 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 Expenditures Over 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
Total Pension Liability:					
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>
Plan Fiduciary Net Position:					
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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
Total Pension Liability:					
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>
Plan Fiduciary Net Position:					
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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarially Determined Contribution	\$ 9,462,697	\$ 8,063,903	\$ 8,340,496	\$ 7,746,132	\$ 6,985,567
Contributions In Relation to the 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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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 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
Methods and Assumptions used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

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

See accompanying 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 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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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 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:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

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

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total Pension Liability:					
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
Total Pension Liability - End of Year (a)	<u>\$ 12,064,112</u>	<u>\$ 11,769,980</u>	<u>\$ 11,255,828</u>	<u>\$ 10,985,250</u>	<u>\$ 12,080,018</u>
Plan Fiduciary Net Position:					
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
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 13,265,544</u>	<u>\$ 12,818,165</u>	<u>\$ 12,743,799</u>	<u>\$ 12,953,755</u>	<u>\$ 10,937,404</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (1,201,432)</u>	<u>\$ (1,048,185)</u>	<u>\$ (1,487,971)</u>	<u>\$ (1,968,505)</u>	<u>\$ 1,142,614</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:					
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
Differences Between Expected and Actual Experience	(499,084)	-	-	(603,157)	-
Changes in Assumptions	(67,132)	(217,374)	765,852	1,959,820	-
Changes in Benefits	-	-	-	-	-
Benefit Payments	<u>(730,762)</u>	<u>(749,742)</u>	<u>(621,846)</u>	<u>(588,456)</u>	<u>(523,749)</u>
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
Total Pension Liability - End of Year (a)	<u>\$ 11,852,280</u>	<u>\$ 12,163,113</u>	<u>\$ 12,154,096</u>	<u>\$ 11,036,703</u>	<u>\$ 9,404,888</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 1,727,805	\$ 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	<u>(2,953)</u>	<u>(2,420)</u>	<u>(3,174)</u>	<u>(1,427)</u>	<u>(2,289)</u>
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
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 9,400,538</u>	<u>\$ 7,911,600</u>	<u>\$ 7,147,688</u>	<u>\$ 6,054,922</u>	<u>\$ 5,645,721</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 2,451,742</u>	<u>\$ 4,251,513</u>	<u>\$ 5,006,408</u>	<u>\$ 4,981,781</u>	<u>\$ 3,759,167</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.31%	65.05%	58.81%	54.86%	60.03%
Covered Payroll	\$ 8,076,033	\$ 8,797,761	\$ 9,905,146	\$ 9,616,647	\$ 9,336,558
Net pension liability as percentage of Covered Payroll	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 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	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.500%	2.500%	2.500%
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 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	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	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.

See accompanying Note to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:								
Service Cost	\$ 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>	
Plan Fiduciary Net Position:								
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 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 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.

See accompanying Note to Required Supplementary Information.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
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	95,985,760	94,841,402	104,480,192	9,638,790
EXPENDITURES				
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	88,523,822	85,548,090	84,211,838	1,336,252
EXCESS REVENUES OVER EXPENDITURES	7,461,938	9,293,312	20,268,354	10,975,042
OTHER FINANCING SOURCES (USES)				
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)	(36,819,423)	(51,134,918)	(42,994,012)	7,527,636
NET CHANGE IN FUND BALANCE	(29,357,485)	(41,841,606)	(22,725,658)	18,502,678
Fund Balance - Beginning of Year	185,909,243	185,909,243	185,909,243	-
FUND BALANCE - END OF YEAR	<u>\$ 156,551,758</u>	<u>\$ 144,067,637</u>	<u>\$ 163,183,585</u>	<u>\$ 18,502,678</u>

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 Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment and Rental Income	\$ 385,000	\$ 300,000	\$ 434,744	\$ 134,744
Other Revenues	240,000	313,000	32,732	(280,268)
Total Revenues	625,000	613,000	467,476	(145,524)
EXPENDITURES				
Current:				
Community Development	125,000	110,570	112,993	(2,423)
Total Expenditures	125,000	110,570	112,993	(2,423)
EXCESS REVENUES OVER EXPENDITURES	500,000	502,430	354,483	(147,947)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,410,000)	(3,400,000)	-	3,400,000
Total Other Financing Sources (Uses)	(1,410,000)	(3,400,000)	-	3,400,000
NET CHANGE IN FUND BALANCE	(910,000)	(2,897,570)	354,483	3,252,053
Fund Balance - Beginning of Year	23,969,850	23,969,850	23,969,850	-
FUND BALANCE - END OF YEAR	<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 XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2025 based on calculations by City Management, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used for any purpose.

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SUPPLEMENTARY INFORMATION

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CITY OF CERRITOS, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 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 Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
ASSETS						
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	-	-	-
Total Assets	<u>\$ 2,384,013</u>	<u>\$ 1,820,399</u>	<u>\$ 1,331</u>	<u>\$ 2,226,746</u>	<u>\$ 1,480,827</u>	<u>\$ 874,141</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
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	-	-	-	-	-	-
Total Liabilities	<u>2,342,001</u>	<u>-</u>	<u>1,331</u>	<u>91,475</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	12,029	-	145	-	-	-
Restricted	29,983	1,820,399	-	2,135,271	1,480,827	874,141
Unassigned (Deficit)	-	-	(145)	-	-	-
Total Fund Balances	<u>42,012</u>	<u>1,820,399</u>	<u>-</u>	<u>2,135,271</u>	<u>1,480,827</u>	<u>874,141</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,384,013</u>	<u>\$ 1,820,399</u>	<u>\$ 1,331</u>	<u>\$ 2,226,746</u>	<u>\$ 1,480,827</u>	<u>\$ 874,141</u>

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

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

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

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

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 Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
REVENUES						
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	-	-	-	-	-	-
Total Revenues	4,608,471	1,396,398	1,098	1,406,146	1,087,538	915,852
EXPENDITURES						
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	-	-	-
Total Expenditures	4,306,687	-	54,531	1,359,857	1,063,440	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	301,784	1,396,398	(53,433)	46,289	24,098	915,852
OTHER FINANCING SOURCES (USES)						
Transfers In	7,641,307	-	53,433	-	-	-
Transfers Out	(7,901,079)	(1,242,053)	-	-	-	(949,636)
Total Other Financing Sources (Uses)	(259,772)	(1,242,053)	53,433	-	-	(949,636)
NET CHANGE IN FUND BALANCES	42,012	154,345	-	46,289	24,098	(33,784)
Fund Balances (Deficit) - Beginning of Year	-	1,666,054	-	2,088,982	1,456,729	907,925
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 42,012</u>	<u>\$ 1,820,399</u>	<u>\$ -</u>	<u>\$ 2,135,271</u>	<u>\$ 1,480,827</u>	<u>\$ 874,141</u>

**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					
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund		Environmental Grants	Measure "R"
			COPS Grant			
REVENUES						
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
EXPENDITURES						
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
EXCESS REVENUES OVER (UNDER) EXPENDITURES	121,845	(1,552,399)	194,663	29,901	57,481	(24,593)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	1,548,622	-	-	-	-
Transfers Out	-	-	(194,663)	(27,785)	-	-
Total Other Financing Sources (Uses)	-	1,548,622	(194,663)	(27,785)	-	-
NET CHANGE IN FUND BALANCES	121,845	(3,777)	-	2,116	57,481	(24,593)
Fund Balances (Deficit) - Beginning of Year	255,850	-	-	4,441	749,631	63,386
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 377,695</u>	<u>\$ (3,777)</u>	<u>\$ -</u>	<u>\$ 6,557</u>	<u>\$ 807,112</u>	<u>\$ 38,793</u>

**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
	SB 821	Community Development Block Grant	Measure "W"	Measure "A"	Nonmajor Governmental Funds
REVENUES					
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
EXPENDITURES					
Legislative and Administration	-	-	-	-	256,806
Community Development	-	-	-	-	2,446,962
Public Works	-	-	-	-	5,929,719
Administrative Services	-	-	-	-	747,316
Total Expenditures	-	-	-	-	9,380,803
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	186,663	1,943,033	310,000	3,897,582
OTHER FINANCING SOURCES (USES)					
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)
NET CHANGE IN FUND BALANCES	(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
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,015,322)</u>	<u>\$ -</u>	<u>\$ 5,563,708</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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>
EXPENDITURES				
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	<u>553,809</u>	<u>558,780</u>	<u>516,760</u>	<u>42,020</u>
Total Expenditures	<u>4,964,584</u>	<u>4,630,209</u>	<u>4,306,687</u>	<u>323,522</u>
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	(624,327)	2,258,473	301,784	(1,956,689)
OTHER FINANCING SOURCES (USES)				
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 Sources (Uses)	<u>624,327</u>	<u>(2,258,473)</u>	<u>(259,772)</u>	<u>1,998,701</u>
NET CHANGE IN FUND BALANCE	-	-	42,012	42,012
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 24,000	\$ 24,000	\$ 49,382	\$ 25,382
Revenues from Other Agencies	1,278,816	1,246,328	1,347,016	100,688
Total Revenues	1,302,816	1,270,328	1,396,398	126,070
OTHER FINANCING USES				
Transfers Out	(1,278,816)	(1,278,816)	(1,242,053)	36,763
Total Other Financing Uses	(1,278,816)	(1,278,816)	(1,242,053)	36,763
NET CHANGE IN FUND BALANCE	24,000	(8,488)	154,345	162,833
Fund Balance - Beginning of Year	1,666,054	1,666,054	1,666,054	-
FUND BALANCE - END OF YEAR	<u>\$ 1,690,054</u>	<u>\$ 1,657,566</u>	<u>\$ 1,820,399</u>	<u>\$ 162,833</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Current Fees and Services	\$ 2,500	\$ 2,500	\$ 1,098	\$ (1,402)
Total Revenues	2,500	2,500	1,098	(1,402)
EXPENDITURES				
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	54,183	54,231	54,531	(300)
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(51,683)	(51,731)	(53,433)	(1,702)
OTHER FINANCING SOURCES				
Transfers In	51,683	51,731	53,433	1,702
Total Other Financing Sources	51,683	51,731	53,433	1,702
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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>
EXPENDITURES				
Current:				
Community Development	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,359,857</u>	<u>(109,857)</u>
Total Expenditures	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,359,857</u>	<u>(109,857)</u>
NET CHANGE IN FUND BALANCE	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>
FUND BALANCE - END OF YEAR	<u>\$ 2,381,882</u>	<u>\$ 2,331,882</u>	<u>\$ 2,135,271</u>	<u>\$ (196,611)</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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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>
EXPENDITURES				
Current:				
Community Development	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,063,440</u>	<u>(63,440)</u>
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,063,440</u>	<u>(63,440)</u>
NET CHANGE IN FUND BALANCE	146,218	152,218	24,098	(128,120)
Fund Balance - Beginning of Year	<u>1,456,729</u>	<u>1,456,729</u>	<u>1,456,729</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,602,947</u></u>	<u><u>\$ 1,608,947</u></u>	<u><u>\$ 1,480,827</u></u>	<u><u>\$ (128,120)</u></u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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	957,636	977,636	915,852	(61,784)
EXCESS REVENUES OVER (UNDER)				
EXPENDITURES	957,636	977,636	915,852	(61,784)
OTHER FINANCING USES				
Transfers Out	(949,636)	(949,636)	(949,636)	-
Total Other Financing Uses	(949,636)	(949,636)	(949,636)	-
NET CHANGE IN FUND BALANCE	8,000	28,000	(33,784)	(61,784)
Fund Balance - Beginning of Year	907,925	907,925	907,925	-
FUND BALANCE - END OF YEAR	<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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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	<u>142,400</u>	<u>159,000</u>	<u>221,845</u>	<u>62,845</u>
EXPENDITURES				
Current:				
Public Works	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	42,400	59,000	121,845	62,845
Fund Balance - Beginning of Year	<u>255,850</u>	<u>255,850</u>	<u>255,850</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 298,250</u></u>	<u><u>\$ 314,850</u></u>	<u><u>\$ 377,695</u></u>	<u><u>\$ 62,845</u></u>

CITY OF CERRITOS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOS COYOTES LIGHTING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 108,600	\$ 111,000	\$ 111,262	\$ 262
Total Revenues	108,600	111,000	111,262	262
EXPENDITURES				
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	260,166	242,574	224,334	18,240
Total Expenditures	1,846,136	1,834,168	1,663,661	170,507
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,737,536)	(1,723,168)	(1,552,399)	170,769
OTHER FINANCING SOURCES				
Transfers In	1,737,536	1,723,168	1,548,622	(174,546)
Total Other Financing Sources	1,737,536	1,723,168	1,548,622	(174,546)
NET CHANGE IN FUND BALANCE	-	-	(3,777)	(3,777)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ -	\$ (3,777)	\$ (3,777)

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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 165,000	\$ 165,000	\$ 194,663	\$ 29,663
Total Revenues	165,000	165,000	194,663	29,663
OTHER FINANCING USES				
Transfers Out	(165,000)	(165,000)	(194,663)	(29,663)
Total Other Financing Uses	(165,000)	(165,000)	(194,663)	(29,663)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
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>
EXPENDITURES				
Current:				
Community Development	<u>58,438</u>	<u>58,438</u>	<u>23,665</u>	<u>34,773</u>
Total Expenditures	<u>58,438</u>	<u>58,438</u>	<u>23,665</u>	<u>34,773</u>
NET CHANGE IN FUND BALANCE	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>
FUND BALANCE - END OF YEAR	<u><u>\$ 759,693</u></u>	<u><u>\$ 760,693</u></u>	<u><u>\$ 807,112</u></u>	<u><u>\$ 46,419</u></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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income	\$ 1,220	\$ 3,000	\$ 2,842	\$ (158)
Revenues from Other Agencies	837,914	837,914	781,527	(56,387)
Total Revenues	839,134	840,914	784,369	(56,545)
EXPENDITURES				
Current:				
Public Works	837,914	837,914	808,962	28,952
Total Expenditures	837,914	837,914	808,962	28,952
NET CHANGE IN FUND BALANCE	1,220	3,000	(24,593)	(27,593)
Fund Balance - Beginning of Year	63,386	63,386	63,386	-
FUND BALANCE - END OF YEAR	<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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 30,000	\$ -	\$ -	\$ -
Total Revenues	30,000	-	-	-
 Revenues Over (Under) Expenditures	 30,000	 -	 -	 -
OTHER FINANCING SOURCES				
Transfers Out	(25,000)	(73,362)	(73,362)	-
Total Other Financing Sources	(25,000)	(73,362)	(73,362)	-
NET CHANGE IN FUND BALANCE	5,000	(73,362)	(73,362)	-
 Fund Balance - Beginning of Year	 73,362	 73,362	 73,362	 -
FUND BALANCE - END OF YEAR	\$ 78,362	\$ -	\$ -	\$ -

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and Rental Income (Loss)	\$ 26,500	\$ 35,000	\$ 55,018	\$ 20,018
Revenues from Other Agencies	3,368,000	1,880,000	1,888,015	8,015
Total Revenues	<u>3,394,500</u>	<u>1,915,000</u>	<u>1,943,033</u>	<u>28,033</u>
OTHER FINANCING SOURCES				
Transfers Out	<u>(3,394,500)</u>	<u>(1,915,000)</u>	<u>(985,267)</u>	<u>929,733</u>
Total Other Financing Sources	<u>(3,394,500)</u>	<u>(1,915,000)</u>	<u>(985,267)</u>	<u>929,733</u>
NET CHANGE IN FUND BALANCE	-	-	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>	-
FUND BALANCE (DEFICIT) - END OF YEAR	<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 Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Other Agencies	\$ 300,000	\$ 610,000	\$ 310,000	\$ (300,000)
Total Revenues	300,000	610,000	310,000	(300,000)
OTHER FINANCING SOURCES				
Transfers Out	(300,000)	(300,000)	-	300,000
Total Other Financing Sources	(300,000)	(300,000)	-	300,000
NET CHANGE IN FUND BALANCE	-	310,000	310,000	-
Fund Balance (Deficit) - Beginning of Year	(310,000)	(310,000)	(310,000)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (310,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	118 – 129
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	130 – 134
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	135 – 139
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	140
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	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
GOVERNMENTAL ACTIVITIES					
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	97,927,171	131,068,266	115,756,640	127,204,497	125,486,394
Total Governmental Activities					
Net Position	366,638,581	406,477,102	387,649,264	393,759,706	392,517,417
BUSINESS-TYPE ACTIVITIES					
Net Investment in Capital Assets	30,140,590	29,586,939	28,179,466	26,841,009	25,722,500
OPEB	-	-	-	-	-
Pension	-	-	-	-	-
Unrestricted	(35,033,489)	(40,994,526)	(44,018,815)	(45,440,520)	(45,936,520)
Total Business-Type Activities					
Net Position	(4,892,899)	(11,407,587)	(15,839,349)	(18,599,511)	(20,214,020)
PRIMARY GOVERNMENT					
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	62,893,682	90,073,740	71,737,825	81,763,977	79,549,874
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>

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2020-21	2021-22	2022-23	2023-24	2024-25
GOVERNMENTAL ACTIVITIES					
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	129,097,671	144,602,812	169,837,783	145,796,629	134,984,937
Total Governmental Activities					
Net Position	398,298,675	431,554,453	444,508,767	422,774,087	416,458,651
BUSINESS-TYPE ACTIVITIES					
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	(46,655,309)	(49,387,146)	(52,589,838)	(28,421,066)	(30,649,144)
Total Business-Type Activities					
Net Position	(21,272,716)	(23,589,794)	(26,059,547)	(927,915)	(2,585,173)
PRIMARY GOVERNMENT					
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	82,442,362	95,215,666	117,247,945	117,375,563	104,335,793
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
EXPENSES					
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
PROGRAM REVENUES					
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					
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					
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
NET REVENUE (EXPENSE)					
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
EXPENSES					
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	72,560,865	67,863,898	86,824,079	103,147,969	117,230,957
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	20,916,646	22,501,942	24,876,558	25,565,286	26,773,571
Total Primary Government Expenses	93,477,511	90,365,840	111,700,637	128,713,255	144,004,528
PROGRAM REVENUES					
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 Program Revenues	12,060,927	28,870,371	18,842,209	23,150,067	21,788,513
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 Program Revenues	18,279,471	18,504,939	19,174,610	19,475,177	18,850,273
Total Primary Government Program Revenues	30,340,398	47,375,310	38,016,819	42,625,244	40,638,786
NET REVENUE (EXPENSE)					
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>\$ (63,137,113)</u>	<u>\$ (42,990,530)</u>	<u>\$ (73,683,818)</u>	<u>\$ (86,088,011)</u>	<u>\$ (103,365,742)</u>

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
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	14,149,878	91,921,419	66,898,099	64,592,467	62,889,934
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	(2,830)	14,211	39,219	938,940	963,901
Total Primary Government	14,147,048	91,935,630	66,937,318	65,531,407	63,853,835
CHANGES IN NET POSITION					
Governmental Activities	(40,497,726)	39,838,521	5,012,380	3,803,247	(2,941,932)
Business-Type Activities	(3,600,015)	(6,514,688)	(4,199,256)	(2,974,494)	(1,772,400)
Total Primary Government	\$ (44,097,741)	\$ 33,323,833	\$ 813,124	\$ 828,753	\$ (4,714,332)

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2020-21	2021-22	2022-23	2023-24	2024-25
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
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	66,281,196	72,249,305	80,936,184	82,599,921	89,127,008
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	1,578,479	1,679,925	3,232,195	6,885,042	6,266,040
Total Primary Government	67,859,675	73,929,230	84,168,379	89,484,963	95,393,048
CHANGES IN NET POSITION					
Governmental Activities	5,781,258	33,255,778	12,954,314	2,602,019	(6,315,436)
Business-Type Activities	(1,058,696)	(2,317,078)	(2,469,753)	794,933	(1,657,258)
Total Primary Government	\$ 4,722,562	\$ 30,938,700	\$ 10,484,561	\$ 3,396,952	\$ (7,972,694)

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
GENERAL FUND					
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>
ALL OTHER GOVERNMENTAL FUNDS					
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>

Source: Finance Division, City of Cerritos.

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
GENERAL FUND					
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>
ALL OTHER GOVERNMENTAL FUNDS					
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
REVENUES					
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	74,409,357	75,655,871	78,673,182	83,346,273	79,273,842
EXPENDITURES					
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	66,665,399	69,951,331	75,455,023	72,009,753	74,759,579
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,743,958	5,704,540	3,218,159	11,336,520	4,514,263
OTHER FINANCING SOURCES (USES)					
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)	3,390,836	-	2,542,874	(858,370)	(859,130)
Net Change In Fund Balances Before Extraordinary Item	11,134,794	5,704,540	5,761,033	10,478,150	3,655,133
SPECIAL ITEM					
Adjustment to Amount Due from Successor Agency	(6,169,695)	7,425,305	7,685,002	-	-
Payments to Successor Agency	-	(11,000,000)	-	-	-
Forgiveness of Advance	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 4,965,099</u>	<u>\$ 2,129,845</u>	<u>\$ 13,446,035</u>	<u>\$ 10,478,150</u>	<u>\$ 3,655,133</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Finance Division, City of Cerritos.

CITY OF CERRITOS, CALIFORNIA
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
REVENUES					
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
EXPENDITURES					
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	72,203,424	80,799,644	87,902,496	104,076,947	111,193,758
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,541,336	19,332,363	14,644,751	5,031,710	7,032,669
OTHER FINANCING SOURCES (USES)					
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)	(1,518,434)	1,358,132	(3,172,390)	(4,863,555)	(6,956,957)
Net Change In Fund Balances Before Extraordinary Item	5,022,902	20,690,495	11,472,361	168,155	75,712
SPECIAL ITEM					
Adjustment to Amount Due from Successor Agency	-	-	-	-	-
Payments to Successor Agency	-	-	-	-	-
Forgiveness of Advance	-	-	-	(24,336,699)	-
NET CHANGE IN FUND BALANCES	<u>\$ 5,022,902</u>	<u>\$ 20,690,495</u>	<u>\$ 11,472,361</u>	<u>\$ (24,168,544)</u>	<u>\$ 75,712</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	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**

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Franchise</u>	<u>Other Taxes</u>	<u>Business Licenses</u>	<u>Building Permits</u>	<u>Other Licenses and Permits</u>	<u>Fines and Forfeitures</u>
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 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	-	-	-
Subtotal	8,321,929,007	8,753,893,582	9,198,883,723	9,598,461,042	10,057,082,061
Add Back Exempt	44,654,722	41,020,226	38,894,002	38,740,873	38,740,873
Grand Total	<u>\$ 8,366,583,729</u>	<u>\$ 8,794,913,808</u>	<u>\$ 9,237,777,725</u>	<u>\$ 9,637,201,915</u>	<u>\$ 10,095,822,934</u>
Total Direct 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	-	-	-	-	-
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	-	-
Subtotal	9,418,064,713	10,667,004,277	11,106,901,249	11,722,574,344	12,302,890,840
Add Back	-	-	-	-	-
Exempt	549,160,853	214,001,681	213,663,546	213,663,546	213,448,324
Grand Total	<u>\$ 9,967,225,566</u>	<u>\$ 10,881,005,958</u>	<u>\$ 11,320,564,795</u>	<u>\$ 11,936,237,890</u>	<u>\$ 12,516,339,164</u>
Total Direct	-	-	-	-	-
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/ 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 Centercal 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 Centercal LLC	Commercial	-	0.00%	63,034,759	0.78%
AG-Crowsnest 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%
Total		<u>\$ 1,503,626,314</u>	12.48%	<u>1,174,688,062</u>	14.57%
(1) 2024-25 and 2015-16 Total Secured Assessed Valuation is:		<u>\$ 12,052,952,089</u>		<u>\$ 8,062,450,907</u>	

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

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

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

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

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

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

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

Fiscal Year	Business-Type Activities		Total Primary Government	Population	Total Debt per Capita	% of Personal Income
	SCPPA - Los Cerritos Project 2003 Issue, Series B Revenue Bonds	SCPPA - Los Coyotes Project 2003 Issue, Series B Revenue Bonds				
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

	Total Debt (3) 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/25
OVERLAPPING TAX AND ASSESSMENT DEBT			
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>\$ 205,540,333</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>\$ 18,081,866</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.

**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 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
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**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (in thousands)</u>	<u>Personal Income (2) *</u>	<u>City Unemployment Rate (3)</u>
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

**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
Total	<u>565</u>	<u>541</u>	<u>645</u>	<u>544</u>	<u>534</u>	<u>436</u>	<u>543</u>	<u>506</u>	<u>540</u>	<u>541</u>
Full-Time Employees	181	186	175	174	174	180	187	177	189	195
Part-Time Employees	<u>359</u>	<u>379</u>	<u>366</u>	<u>370</u>	<u>360</u>	<u>256</u>	<u>356</u>	<u>329</u>	<u>351</u>	<u>346</u>
Total	540	565	541	544	534	436	543	506	540	541

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
PUBLIC WORKS					
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
WATER AND POWER					
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
COMMUNITY AND SAFETY SERVICES					
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
ADMINISTRATIVE SERVICES					
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
PUBLIC WORKS					
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
WATER AND POWER					
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
COMMUNITY AND SAFETY SERVICES					
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
ADMINISTRATIVE SERVICES					
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

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**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
PUBLIC WORKS					
Sewers:					
Miles of Sanitary Sewers	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
COMMUNITY AND SAFETY SERVICES					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
ADMINISTRATIVE SERVICES					
Number of Libraries	1	1	1	1	1
Number of Volumes	264,316	265,507	268,772	247,091	284,849

Source: Finance Division, City of Cerritos.

**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
PUBLIC WORKS					
Sewers:					
Miles of Sanitary Sewers	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
COMMUNITY AND SAFETY SERVICES					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
ADMINISTRATIVE SERVICES					
Number of Libraries	1	1	1	1	1
Number of Volumes	317,218	238,850	238,012	241,275	228,372

Source: Finance Division, City of Cerritos.

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