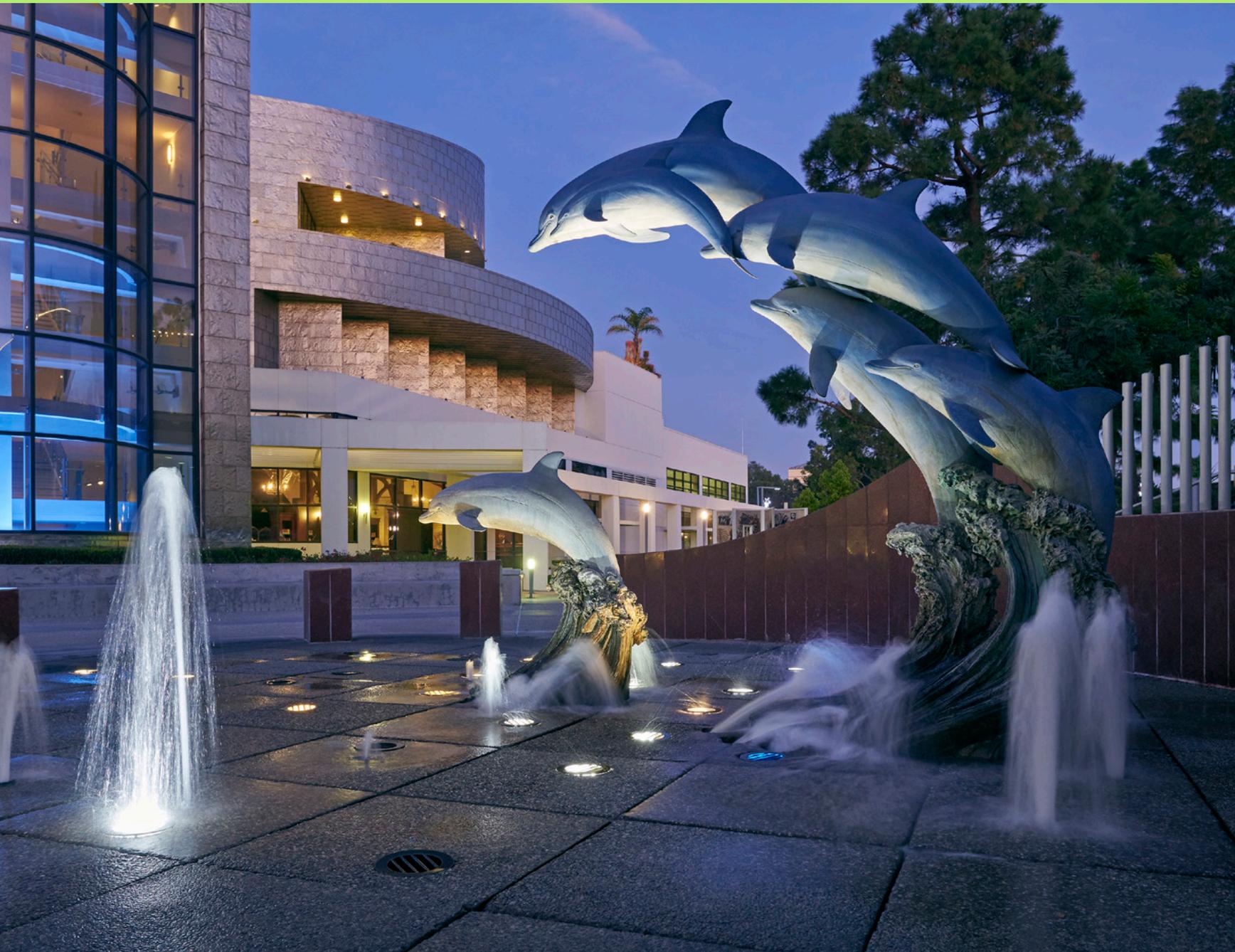




# City of Cerritos, California

## Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022



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## **INTRODUCTORY SECTION**

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

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



December 19, 2022

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

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Cerritos (the City) for the fiscal year ended June 30, 2022.

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

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

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

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

If over \$750,000 is expended on Federal financial grant programs, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. For the year ended June 30, 2022, the City received federal funding of approximately \$10 million, which exceeds the \$750,000 threshold and therefore makes the City subject to a single audit. The City was fortunate to receive approximately \$6 million in American Rescue Plan Act funds that were utilized to offset first responder expenses at the Cerritos Sheriff's Station. In addition, the City also

received approximately \$4 million in Shuttered Venue Operator Grant funds that were utilized to offset losses that the City incurred as the result of the closure of the Cerritos Center for the Performing Arts during the Covid-19 pandemic. The City will continue to be aggressive as it relates to its pursuit of grant and outside funding in order to offset expenditures and maximize the use of City financial resources. As statutorily required, the single audit will be completed in accordance with Federal submission standards (no later than 9-months following the completion of the fiscal year).

### **Profile of the City of Cerritos**

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

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

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

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

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

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

Continuing allocations are justified by measurable outputs and the ongoing need for the services provided.

### **Economic Outlook and Major Initiatives**

The City continued to face the challenges brought about by the COVID-19 pandemic in the 2021-22 fiscal year, even as we collectively began to emerge from the pandemic's impact. As it relates to economic impacts, the City stood with its business community in working to support the preservation of jobs and the restoration of important revenue streams across all business sectors. From an operational standpoint, the first half of the fiscal year placed the City in a position where it was again forced to negotiate impacts associated with facility closures and programming suspensions – issues which significantly impacted the City's internal revenue generation capacity. As calendar year 2021 drew to a close, the City began to transition from a period of shutdowns and closures, to a period of re-opening and recuperation. Businesses throughout the City have largely been able to resume operations and the City's own programs and facilities have returned to pre-pandemic levels of operations. Within this transition, the City has seen restoration of employment throughout the community. From the City's perspective a return to "normal" brings patrons to our parks and community centers, enrollment in programming and classes and the rental of City facilities. Correspondingly, the City looks forward to the return of the important streams of revenue that are generated by facilities such as the Cerritos Center for the Performing Arts, the Cerritos Library and the City's myriad of Parks and Recreation services and programs. While a complete recovery from the impact of the COVID-19 pandemic is likely to take time, the City is ready to take on the challenges that lie ahead with the same optimistic and innovative outlook that has been the hallmark of the City of Cerritos since its inception.

Despite the difficult challenges brought forth by the COVID-19 pandemic, continued investment by private property owners in the City of Cerritos is a reminder of the City's status as one of the premier communities in Southern California to do business. This investment is the foundation for the City's long-term economic stability and provides the potential creation of new jobs and increases in sales tax generation capacity. The list that follows highlights some of the projects that have been recently completed or that are currently in process:

- **New Industrial Building: 15912 Piuma Avenue:** In July 2021, the Cerritos City Council approved a Precise Plan for the construction of a new two-story light industrial building at 15912 Piuma Avenue. Building permits were issued in August 2022, and on-site grading has been completed as work is expected to continue on the project through 2023.
- **Revolve Clothing Building Interior and Exterior Improvements:** Construction was completed on the City-owned building located at the southeast corner of Bloomfield Avenue and 183<sup>rd</sup> Street in early 2022. This project rehabilitated a vacant and blighted property that had been unoccupied for over 10 years. The rehabilitation has re-furnished the referenced corner at a major intersection of the City and will provide the City with a significant source of ground rent from the tenant, Revolve Clothing, moving into the future. This is an important project for the City as it continues to seek to diversify its revenue streams, while also facilitating the growth and expansion of the Cerritos business community. The tenant took occupancy of the property in the spring of 2022.

- Norm Reeves Genesis of Cerritos: In November, 2021, a new dealership franchise, Genesis of Cerritos, took occupancy of an existing dealership showroom at the Norm Reeves Cerritos Hyundai dealership. Genesis of Cerritos offers new and pre-owned vehicles, in addition to service and parts operations.
- Kia Automotive Repair Building: In January, 2022, the Kia of Cerritos automobile dealership completed interior, exterior and landscaping improvements to the automotive repair building located at 10754 Artesia Boulevard.
- Gold's Gym: The City has issued permits, and tenant improvement construction is currently underway for a new Gold's Gym. The new facility will take the place of the vacant former Orchard Supply Hardware store at 13233 South Street. Construction is complete and the facility opened in late 2022.

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

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

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

As has been a hallmark of the City's fiscal strategy, the City continues to take a very conservative approach to the allocation of its resources in order to ensure its continued capacity to meet rising service level demands. The City is committed to the adoption of a balanced budget and the maintenance of a robust reserve to provide funding for future capital projects and developments. Management remains concerned that the cyclical nature of a sales tax based revenue budget, combined with potential future uncertainties brought about by the COVID-19 pandemic and economic forecasts that forecast the potential for a recession in the near term, can leave the City exposed to potential revenue fluctuations that could place the City in a position where the use of reserve funds is required in order to offset budgetary revenue shortfalls. In an effort to mitigate this concern, the City remains committed to maintaining an austere approach to expenditures and to the identification of alternative revenue sources.

The City remains committed to the efficient allocation of public fiscal resources to ensure that the City is able to meet the needs and demands of the community through the provision of the highest caliber programs, services and facilities. As part of that effort the City has focused even more critically on the evaluation of the budget in real-time in order to identify opportunities for cost savings through a streamlining of operations, comprehensive assessment of non-essential services and increases in organizational efficiency. These efforts have significantly reduced discretionary spending and have helped the City realize significant cost savings across all budget cost centers. While the City does enjoy a balanced

budget for the 2022-23 fiscal year that should not require the use of reserve funds, it remains imperative that the City continue to seek to diversify and expand its revenue streams while continuing to identify ways to further reduce costs and minimize expenditures.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cerritos for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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 2021-22 ACFR continues to conform to the Certificate of Achievement program requirements, and it will be submitted to GFOA for award consideration.

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

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

Respectfully submitted,



Art Gallucci  
CITY MANAGER

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# CITY OF CERRITOS

## DIRECTORY OF ELECTED AND APPOINTED OFFICIALS

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

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

### **Fine Arts and Historical Commission**

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

### **Parks and Recreation Commission**

Sandra E. Gonzalez  
Richard James Martinez  
Pino Pathak  
Ashok "Pat" Patnaik  
Ileana Prado

### **Planning Commission**

Bhavin Gandhi  
Carla Gilhuys  
Deepak "DJ" Jhaveri  
Gloria Perlas Pulido  
Milo "Larry" Sagert

### **Property Preservation Commission**

Jignesh Chokshi  
Jeannie Joung  
Chan Yong Kim  
Celia Spitzer  
Latha Vasani

### **Appointed Officials**

Art Gallucci, City Manager / Agency Executive Director\* / Authority Executive Director\*\*  
Bill H. Ihrke, City Attorney / Agency Counsel\* / Authority Counsel\*\*  
Vida Barone, City Clerk / City Treasurer / Agency Secretary\* / Authority Secretary\*\*

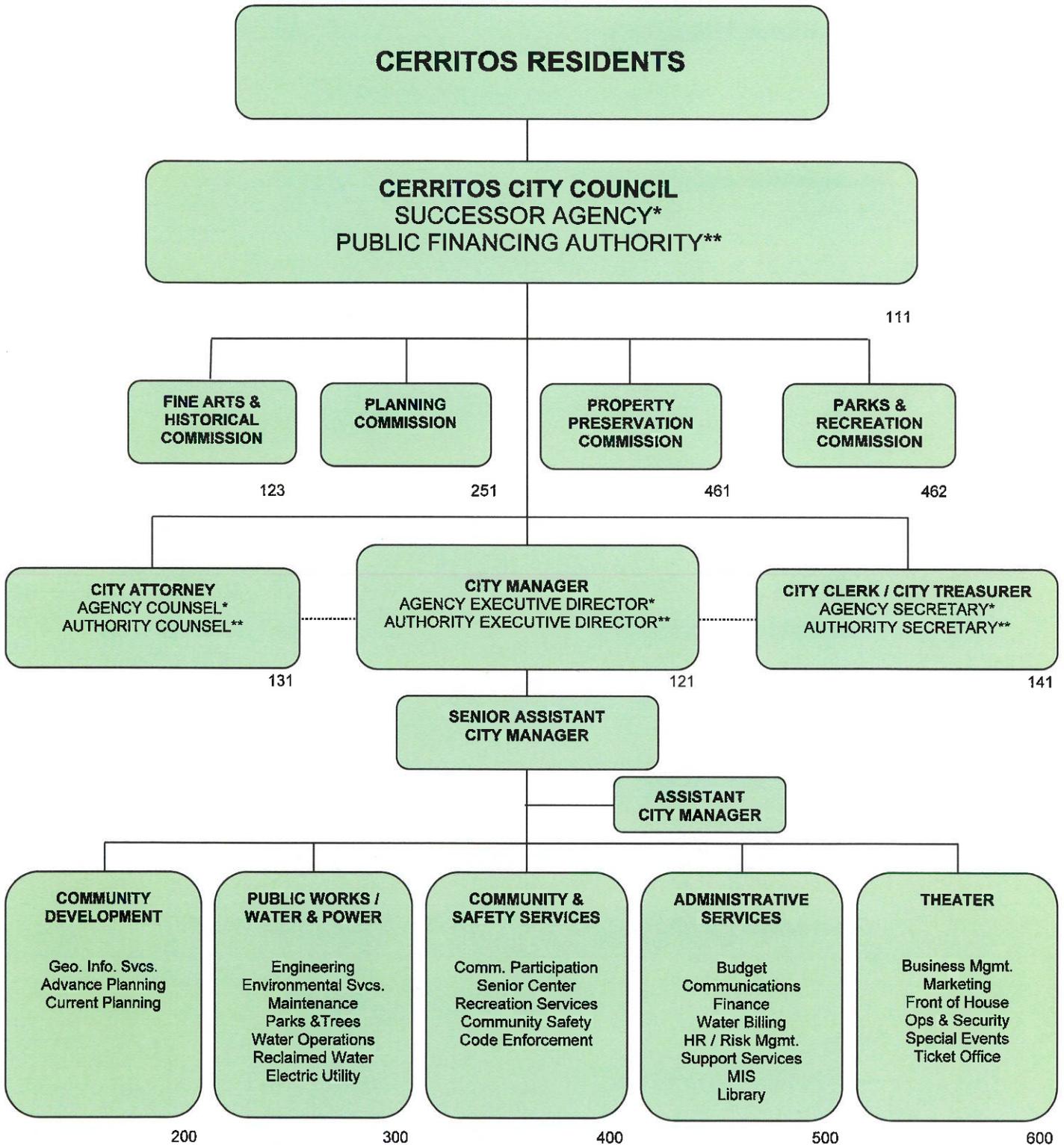
(Updated as of July 28, 2022)

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

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

# CITY OF CERRITOS ORGANIZATIONAL CHART



\*Denotes Titles of the Successor Agency to the Cerritos Redevelopment Agency

\*\*Denotes Titles of the Cerritos Public Financing Authority

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



Government Finance Officers Association

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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, 2021

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable City Council  
of the City of Cerritos  
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, 2022, 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, 2022, 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 *Auditor's 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.

#### **Emphasis of Matter**

##### *Change in Accounting Principle*

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these 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.

***Auditor's 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 *Governmental Auditing Standards*, we:

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

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

***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***

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

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

Honorable City Council  
of the City of Cerritos

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Irvine, California  
December 19, 2022

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**City of Cerritos, California**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2022**

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As Management of the City of Cerritos, California ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. 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, 2022 by \$408.0 million, which is referred to as the net position of the City. Of this amount, \$263.4 million is net investment in capital assets, \$49.3 million is restricted, and \$95.2 million is unrestricted. The unrestricted amount may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased \$30.9 million.
- Governmental funds for the City reported combined fund balances of \$226.6 million. Of this amount, \$89.9 million is non-spendable, \$28.9 million is restricted by external parties, \$17.0 million has been assigned by City management, and \$90.8 million is unassigned fund balance which is available for future appropriation.
- For the year ended June 30, 2022, General Fund expenditures were \$54.5 million, which represent 60% of the unassigned General Fund balance.
- As of June 30, 2022, the cash and investments of the General Fund were \$106.0 million, which represents 53.5% of the total fund balance for the General Fund.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

##### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

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

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

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

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

**Fund Financial Statements**

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

- **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Cerritos maintains nineteen 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 sixteen 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 other than American Rescue Plan Act (ARPA) funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

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

**Fund Financial Statements (Continued)**

- **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. Of significance, Note 1, Item R describes the application of new accounting pronouncements. The 21/22 fiscal year commenced the City's first year implementing Government Accounting Standards Board Statement (GASB) No. 87. GASB 87 requires the recognition of lease assets and liabilities that previously were classified as inflows of resources and outflows of resources based on the payment terms of the contract. Under this new standard of reporting, lessees are required to recognize a lease liability and an intangible right-to-use asset, and a lessor is now required to recognize a lease receivable and a deferred inflow of resources. Accordingly, the City has implemented this requirement within the financial statements with the recordation of the City's lease assets and liabilities recognized therein.

**Other Information**

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

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table summarizes the Statement of Net Position for fiscal years ending June 30, 2022 and June 30, 2021.

City of Cerritos Net Position  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Cash and investments	\$ 134.5	\$ 117.8	\$ 7.0	\$ 6.7	\$ 141.5	\$ 124.5
Other Assets	386.7	119.4	(44.0)	(43.1)	342.7	76.3
Capital Assets	239.5	236.3	33.3	34.5	272.8	270.8
Total Assets	<u>760.7</u>	<u>473.5</u>	<u>(3.7)</u>	<u>(1.9)</u>	<u>757.0</u>	<u>471.6</u>
Deferred Outflows	11.0	14.9	1.0	1.4	12.0	16.3
Other Liabilities	10.9	16.8	5.5	4.8	16.4	21.6
Long term liabilities outstanding	42.6	71.6	12.7	15.8	55.3	87.4
Total Liabilities	<u>53.5</u>	<u>88.4</u>	<u>18.2</u>	<u>20.6</u>	<u>71.7</u>	<u>109.0</u>
Deferred Inflows	286.7	1.6	2.8	0.1	289.5	1.7
Net Position						
Net investment in capital assets	239.4	236.2	24.0	24.9	263.4	261.1
Restricted	47.6	33.0	1.7	0.5	49.3	33.5
Unrestricted	144.6	129.1	(49.3)	(46.7)	95.3	82.4
Total Net Position	<u>\$ 431.6</u>	<u>\$ 398.3</u>	<u>\$ (23.6)</u>	<u>\$ (21.3)</u>	<u>\$ 408.0</u>	<u>\$ 377.1</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 \$408.0 million as of June 30, 2022. The net position increased \$31 million, or 8.2%, during fiscal year 2021-22.

The largest portion of the City's net position at June 30, 2022 (\$263.4 million, or 64.6% of total net position) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

While it is typical to anticipate an annual decrease in governmental activities and enterprise investment in capital assets that is attributable to normal depreciation of existing capital assets, the City saw that anticipated decrease offset by a year-over-year increase in capital asset position of \$1.8 million due to the completion of the renovation of the City-owned property at 12616 183<sup>rd</sup> Street. The restricted portion of the City's net position of \$49.3 million or 12.1% 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 \$95.2 million (or 23.3% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

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

City of Cerritos Change in Net Position  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 11.0	\$ 3.6	\$ 18.5	\$ 18.2	\$ 29.5	\$ 21.8
Operating grants and contributions	17.4	8.3	-	-	17.4	8.3
Capital grants and contributions	0.5	0.2	-	0.0	0.5	0.2
General revenues:						
Taxes	66.7	58.2	-	-	66.7	58.2
Investment income	7.2	9.6	-	0.1	7.2	9.7
Miscellaneous	0.1	0.1	-	-	0.1	0.1
Total revenues	<u>102.9</u>	<u>79.9</u>	<u>18.5</u>	<u>18.3</u>	<u>121.4</u>	<u>98.2</u>
Expenses:						
Legislative and administration	3.4	3.8	-	-	3.4	3.8
Community development	5.5	6.5	-	-	5.5	6.5
Public works	18.5	20.6	-	-	18.5	20.6
Water and power	-	-	-	-	-	-
Community and safety services	22.9	24.9	-	-	22.9	24.9
Administrative services	12.1	12.1	-	-	12.1	12.1
Cerritos Center for the Performing Arts	4.7	3.6	-	-	4.7	3.6
Unallocated infrastructure depreciation	1.0	1.1	-	-	1.0	1.1
Interest expense	-	-	-	-	-	-
Water and Sewer	-	-	14.1	13.6	14.1	13.6
Reclaimed water	-	-	1.4	1.1	1.4	1.1
Electric Utility	-	-	6.9	6.2	6.9	6.2
Total expenses	<u>68.1</u>	<u>72.6</u>	<u>22.4</u>	<u>20.9</u>	<u>90.5</u>	<u>93.5</u>
Change in net position	34.8	7.3	(3.9)	(2.6)	30.9	4.7
Transfers	(1.6)	(1.5)	1.6	1.5	-	-
Change in net position	33.2	5.8	(2.3)	(1.1)	30.9	4.7
Net position, beginning of year	<u>398.4</u>	<u>392.5</u>	<u>(21.3)</u>	<u>(20.2)</u>	<u>377.1</u>	<u>372.3</u>
Net position, end of year	<u>\$ 431.6</u>	<u>\$ 398.4</u>	<u>\$ (23.6)</u>	<u>\$ (21.3)</u>	<u>\$ 408.0</u>	<u>\$ 377.1</u>

**City of Cerritos, California**  
**Management’s Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

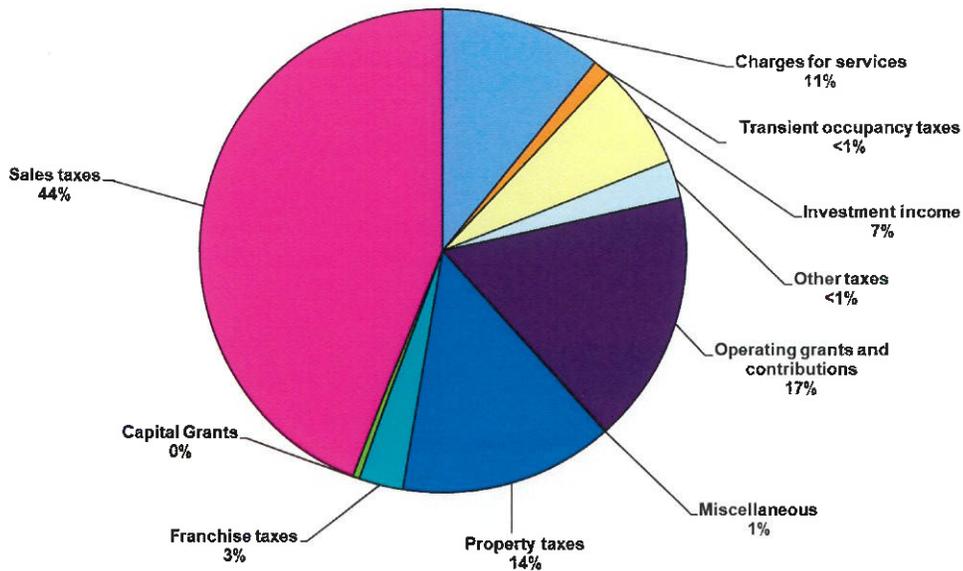
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The City’s total revenues were \$121.3 million in fiscal year 2021-2022, while the total cost of all programs and services was \$90.4 million. Revenues year-over-year increased by \$23.1 million as the result of the City securing approximately \$10 million in COVID-19 relief related grant proceeds, an increase of \$8.1 million in sales and other tax revenue, as well as an overall increase in Citywide program revenues. The City began re-opening City facilities and programs in late 2021 as the COVID-19 pandemic began to recede. That re-opening had a significant impact on the City’s revenue stream, providing a year-over-year increase in revenue of \$7.4 million – which is largely attributed to ticket sales at the Cerritos Center for the Performing Arts, facility rentals and program registrations. Additionally, the City continues to benefit from unprecedented sales tax revenue that continues to provide the City’s single largest source of General Fund revenue.

Expenses decreased \$3.1 million, when compared to fiscal year 2020-21. While the City cautiously began to return to pre-pandemic levels of operation beginning in December, 2021, the first half of the fiscal year saw continued COVID-19-related facility closures at many City facilities, including the Cerritos Center for the Performing Arts, Library, Senior Center and Recreation facilities. These closures resulted in staff time expense reductions incurred through the furlough of staff and an associated reduction in program expenses that were realized through the temporary suspension of a majority of many non-essential City services. Upon the slow return to traditional operations, the City continued to remain austere in its approach to limiting expenditures where possible. The combination of COVID-19 facility and program closures, coupled with a highly conservative approach to expenditures in the second half of the 21-22 fiscal year contributed to the overall expenditures savings.

As noted previously, the City’s net position increased by \$31.0 million during the current fiscal year.

**Governmental Revenue Sources**  
 Fiscal Year Ended June 30, 2022

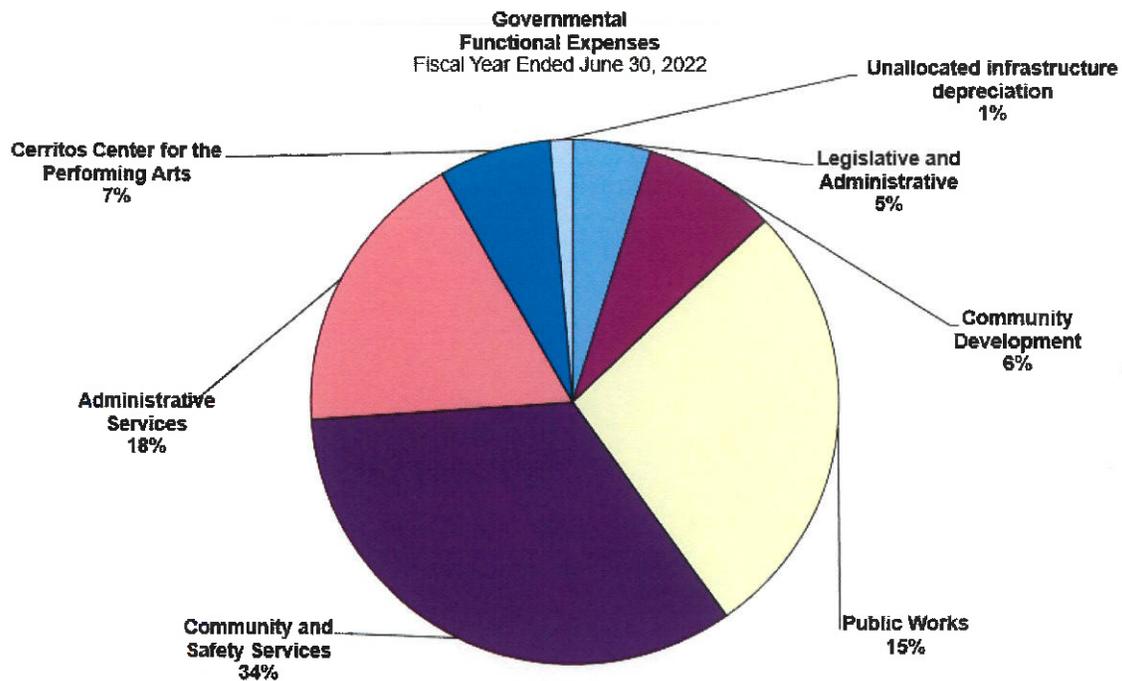


**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

**Governmental Activities**

Revenues associated with governmental activities for fiscal year 2021-22 increased \$23.0 million from the preceding 2020-21 fiscal year, generating a total of \$102.9 million. Charges for services revenues were \$7.5 million higher due to the re-opening of City facilities and programs beginning in December, 2021. That re-opening resulted in increases in revenue for Cerritos Center for the Performing Arts ticket sales, Citywide facility rentals and increases in enrollment in a wide variety of City programs and services. Sales tax, which represents 44% of the City's governmental activity revenue stream, increased \$6.6 from the prior fiscal year. The increase is a testament to the City's continued investment and support for the business community, as patrons continue to flock to the City's regional commercial shopping centers – including the Cerritos Auto Square and Los Cerritos Center. As mentioned previously, the City was also the recipient of approximately \$10 million in COVID-19 relief grant funding that was used to offset expenses of the City's first responders at the Cerritos Sheriff's Station and to offset operating shortfalls at the Cerritos Center for the Performing Arts as a result of the facilities temporary closure due to COVID-19. Investment income decreased by \$2.4 million as the result of a reduction in interest rates throughout the City's investment portfolio.

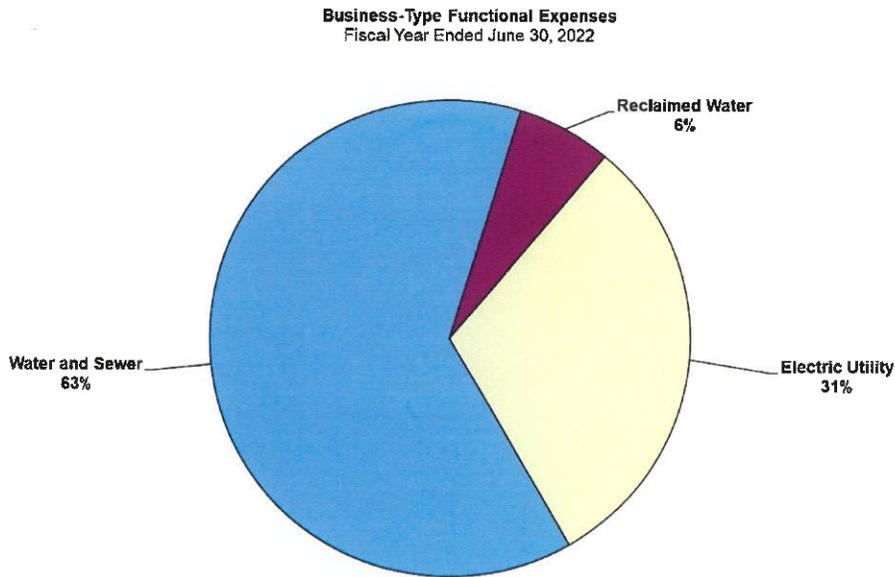
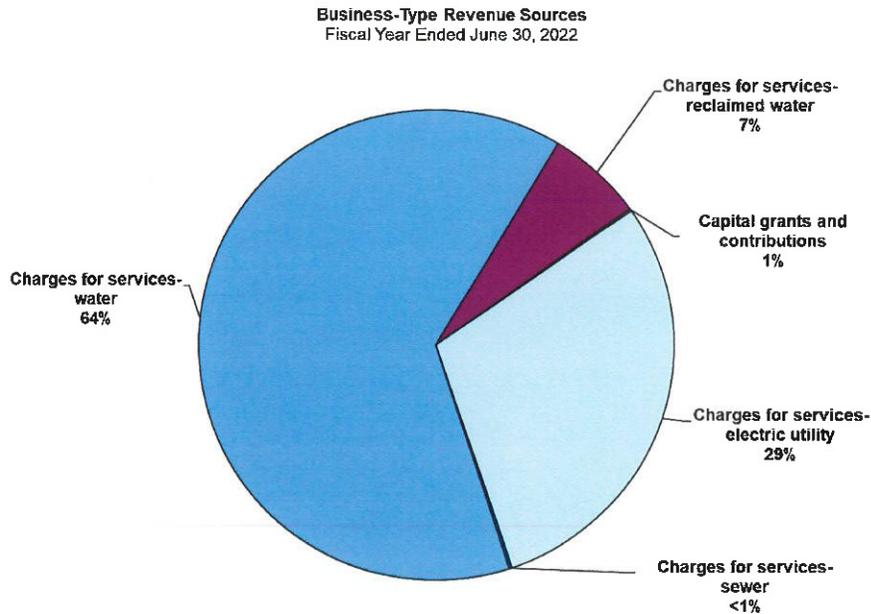
Expenses associated with governmental activities decreased by \$4.5 million when compared to the previous year. The decreases in expenditures are directly related to facility closures and programming suspensions in response to the COVID-19 pandemic over the first half of the fiscal year, as well as a very conservative approach to managing expenditures as the City began the re-opening process in December, 2021.



**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

**Business-Type Activities**

Business-type activities decreased the City's net position by \$2.3 million when compared to fiscal year 2020-21. The decrease is attributable to continuing operating deficits in the Water, Sewer and Electric Utility funds that are associated with user rates that do not provide for full program cost recovery to cover program operating expenses.



**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

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 \$226.6 million, representing an increase of \$20.7 million from the prior fiscal year. Non-spendable fund balances total \$89.9 million, most of which is for long-term receivables (\$89.2 million) from the Successor Agency, Electric Utility, and Water and Sewer Funds. Restricted fund balances, legally restricted by external parties, total \$28.9 million. An additional \$17.0 million in fund balances have been assigned by City management for such items as art center programs, asset replacement, self-insurance, and advance loan repayment. The remaining fund balance of \$90.8 million is categorized as unassigned.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$90.8 million, which represents 45.9% of the total fund balance. The remaining fund balance for the General Fund includes \$89.6 million in non-spendable funds, \$579,000 of restricted funds, and \$17.0 million in assigned funds.

The City's General Fund balance increased \$18.5 million. Revenues were higher by \$13.6 million in comparison to the 2020-21 fiscal year. Increases in revenue included an increase of \$2.8 million in current fees and service revenues and a \$3.6 million increase in revenue from other agencies, as well as a \$8.1 million increase in property, sales and other taxes. These increases were partially offset by a reduction in investment and rental income of \$2.0 million which is attributed to an overall decrease in interest rates in the City's investment portfolio. As noted previously herein, the revenue increases can be attributed to the re-opening of City facilities and programs half way through the 21-22 fiscal year, as well as the continuation of a robust sales tax environment that is largely supported by the City's commitment to its business community. Expenditures were lower by \$1.9 million, with a notable increase of \$2.2 million at the Cerritos Center for the Performing Arts, \$1.6 million in Administrative Services and a decrease of \$5.3 million in Community and Safety Services. The expenditure increases are a result of the re-opening of the Cerritos Center for the Performing Arts, the Cerritos Library and the reinstatement of Parks and Recreation programming and facility staffing as the City began to re-open as the COVID-19 pandemic began to recede. The decrease related to grant funding in the American Rescue Plan Fund utilized for Community and Safety Services.

As a result of the passage of the State of California Assembly Bill 1484 in June 2012, the Housing Assets Special Revenue Fund is considered a governmental fund of the City. The fund consists of advances made to the Successor Agency along with cash and investments that are restricted for the purpose of low and moderate income housing projects. The Housing Asset Fund increased by \$64,600, the majority of which relates to interest income. The increase in fund balance is consistent with increases that the fund has experienced over the past several years.

The Municipal Improvement Capital Project Fund is utilized to support non-enterprise related capital improvement projects. It receives revenue from a variety of sources, including transfers from the General Fund

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

and other Special Revenue Funds. The Municipal Improvement Capital Project Fund balance increased by \$193,000 in the 2021/2022 fiscal year.

**Proprietary Funds**

The City's major proprietary funds are the Water, Sewer, Electric Utility and Reclaimed Water funds. Net position of these funds at the end of the fiscal year totaled (\$23.6) million. The total change in net position for these funds was a decrease of \$2.3 million. The Electric Utility fund had an operating deficit of \$275,000, while the Water and Sewer Utility fund had an operating deficit of \$1.9 million, while the Reclaimed Water operation had a deficit of \$229,000. The deficit positions of the referenced utility funds are a result of user fees that are not sufficient to facilitate full cost recovery for the operation of the utilities.

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

**Fiduciary Funds**

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

The City presents one fiduciary fund which is the Private Purpose Trust Fund. At June 30, 2022, the net position maintained a deficit balance in the amount of (\$50.6) million.

Operating additions exceeded deductions which resulted in an increase of net position of \$13.8 million. The major components of the additions were the Successor Agency's share of property taxes from the Redevelopment Property Tax Trust Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues during the 21/22 fiscal year exceeded the final budget projection by \$224,000. The largest increase in revenue came from a \$3.8 million increases in Property, Sales and Other Taxes, where actual revenue totaled \$61.5 million, which exceeded the final budgeted projection of \$57.7 million. Revenue from Investment and Rental Income was lower than the final budget projection of \$11.5 million by \$3.8 million, with a year-end actual total of \$7.8 million. Actual General Fund expenditures were lower than the final budget allocation at \$67 million by \$12.4 million. The difference in budgeted expenditures can be attributed to expenditures coming in below anticipated budget levels across a majority of City departments, including a \$8.5 million difference within the Community and Safety Services cost center, \$1.8 million difference in Public Works and \$1.3 million difference in Administrative Services. These differences illustrate the challenges that the COVID-19 pandemic presented in projecting staffing levels and programming needs and capacity in the ever evolving environment that the pandemic presented. In total actual revenues of \$84.3 million, outpaced actual expenditures of \$60.8 million by \$23.5 million.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

**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, 2022, amounts to \$272.8 million (net of accumulated depreciation) which is an increase of \$6.0 million from the prior fiscal year. The increase offsets typically anticipated decreases due to depreciation and is the result of the completion of a significant renovation of a City-owned property at 12616 183<sup>rd</sup> Street. This investment in capital assets includes land, streets, water, sewer and storm drain systems, buildings and improvements, machinery and equipment, vehicles, public works of art, parking structures, water rights and electric rights.

The following table presents the capital assets of the City of Cerritos at June 30, 2022

City of Cerritos Capital Assets  
(in millions)

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
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	4.9	4.9	-	-	4.9	4.9
Trees	1.4	1.4	-	-	1.4	1.4
Construction in progress	1.6	2.9	0.5	-	2.1	2.9
Buildings and structures	78.8	73.3	2.4	2.6	81.2	75.9
Improvements other than buildings	5.4	5.9	-	-	5.4	5.9
Infrastructure/water mains and lines/sewer mains	14.9	15.4	22.1	23.0	37.0	38.4
Water rights	0.0	0.0	1.1	1.2	1.1	1.2
Electric Rights	0.0	0.0	6.1	6.6	6.1	6.6
Furniture and equipment	1.6	1.6	1.0	1.2	2.6	2.8
Total	<u>239.6</u>	<u>\$ 236.4</u>	<u>\$ 33.2</u>	<u>\$ 34.6</u>	<u>\$ 272.8</u>	<u>\$ 271.0</u>

The capital assets increased because of \$12.9 million of capital additions, a majority of which was a result of the completion of the above-mentioned building renovation project. That capital increase was partially offset by \$8.2 million of annual depreciation. Detailed information relating to capital assets can be found in Note 6 to the basic financial statements.

**City of Cerritos, California**  
**Management’s Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

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

**Long-term debt**

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

At the end of the 2022 fiscal year, the Successor Agency had total debt outstanding of \$33 million.

Successor Agency Long-Term Debt  
(in millions)

	2022	2021
Los Coyotes Revenue Bonds	\$ 32.5	\$ 42.3
Add Deferred Amounts	0.5	0.7
Total Long-Term Debt	\$ 33.0	\$ 43.0

At the end of the 2022 fiscal year, the City had total debt outstanding of \$9.3 million which consisted of bonds issued for the development of the Magnolia Power Project. Detailed information relating to long-term debt can be found in Note 8 to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The City is beginning to emerge from the shadow of the COVID-19 pandemic with optimism for what the coming year will hold in terms of a continued return to “normal”, not just from the City’s perspective but from the perspective of our residents, businesses and stakeholders. The City is hopeful that a return to pre-pandemic life will have a profoundly positive impact on our community, as we collectively try to recover from the impacts the COVID-19 pandemic had on our community both from a financial level, but more importantly from a personal level, as the community continues to heal from the losses wrought by the pandemic. While the 21/22 fiscal year was a year of transition, marked by a slow return to normal business operations beginning in December, 2021, the beginning of the 2022/23 fiscal year has seen the complete re-opening of City facilities, programs and services.

Despite the challenges that the City has faced over the past two years, the City of Cerritos remains well-positioned to continue to provide the high level of services and programming that have been a hallmark of the City. This fiscal outlook is a testament to the City’s shrewd foresight, austere approach to the allocation of community assets and the tremendous care it places in the stewardship of the community’s financial resources. As the City continues to recover from the impacts of the COVID-19 pandemic, the City will continue to aggressively foster economic development and growth through investment in the community and the continued pursuit of a diversified pool of revenue sources. A clear emphasis will be placed on providing support for the City’s commercial sector and ultimately in growing critical sales tax revenue and supporting the growth of property values.

The City’s past success has been defined by innovative and impactful economic development. As the City moves into the 2022-23 fiscal year, it will again rely on the foresight and guidance of the City Council to define the City’s priorities and maintain the economic development efforts that will help to facilitate the City’s continued growth and success.

**City of Cerritos, California**  
**Management's Discussion and Analysis (Continued)**  
**Year Ended June 30, 2022**

Over the past several years the City has experienced remarkable growth throughout both its residential and commercial communities. That growth has been instrumental in providing the City with the benefit of new high-quality commercial tenants, increased employment opportunities and a means for generating additional sales tax revenue. Even through the challenges of the 2021-22 fiscal year, the City continued to attract significant investments from the private business community – as evidenced by the completion and/or commencement of over 15 large scale commercial and industrial improvement projects throughout the City in the 21/22 fiscal year. That investment by the private development community serves, even in a challenging economic environment, to affirm that Cerritos continues to remain a highly desirable commercial business location within the extremely competitive Southern California retail market.

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

The 2022-23 budget and economic outlook for Cerritos remains focused on the City's tradition of careful stewardship of the community's finances with an emphasis on a return to pre-pandemic levels of service and programming. The overriding and continuing focus of the City's budget program is on maintaining the City's commitment to its residents, both in terms of providing outstanding programming and events, and in maintaining a high-caliber community infrastructure through the prudent investment of finite economic resources.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Cerritos citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the fiscal resources it receives. If you have questions about this report or need additional financial information, contact the City's Finance Division at the City of Cerritos, 18125 Bloomfield Avenue, Cerritos, CA 90703, call (562) 860-0311 or visit our website at [www.cerritos.us](http://www.cerritos.us).

**BASIC FINANCIAL STATEMENTS**

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**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Pooled Cash and Investments	\$ 134,511,642	\$ 7,012,182	\$ 141,523,824
Accounts Receivable	9,538,046	2,787,818	12,325,864
Interest Receivable	151,628	-	151,628
Lease Receivable - net of long-term portion	3,934,529	-	3,934,529
Prepaid Items	400,761	49,238	449,999
Inventories	316,693	-	316,693
Internal Balances	48,558,499	(48,558,499)	-
Total Current Assets	<u>197,411,798</u>	<u>(38,709,261)</u>	<u>158,702,537</u>
Noncurrent Assets:			
Net Pension Asset	1,801,182	167,323	1,968,505
Net OPEB Asset	16,856,221	1,565,879	18,422,100
Lease Receivable	254,404,195	-	254,404,195
Advances to Fiduciary Funds	50,760,034	-	50,760,034
Capital Assets:			
Not Being Depreciated	138,802,455	547,078	139,349,533
Being Depreciated, Net	100,681,300	32,772,072	133,453,372
Total Noncurrent Assets	<u>563,305,387</u>	<u>35,052,352</u>	<u>598,357,739</u>
Total Assets	<u>760,717,185</u>	<u>(3,656,909)</u>	<u>757,060,276</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-Related Items	9,183,221	853,087	10,036,308
OPEB-Related Items	1,838,663	170,805	2,009,468
Total Deferred Outflows of Resources	<u>11,021,884</u>	<u>1,023,892</u>	<u>12,045,776</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	6,595,575	2,526,590	9,122,165
Accrued Salaries and Benefits	1,697,683	249,014	1,946,697
Unearned Revenue	662,847	2,184,842	2,847,689
Deposits Payable	1,015,324	42,555	1,057,879
Settlement Payable	116,030	-	116,030
Compensated Absences	796,962	48,545	845,507
Long-Term Debt	-	400,000	400,000
Total Current Liabilities	<u>10,884,421</u>	<u>5,451,546</u>	<u>16,335,967</u>
Noncurrent Liabilities:			
Net Pension Liability	40,193,147	3,733,790	43,926,937
Compensated Absences	2,390,884	145,636	2,536,520
Long-Term Debt	-	8,855,000	8,855,000
Total Noncurrent Liabilities	<u>42,584,031</u>	<u>12,734,426</u>	<u>55,318,457</u>
Total Liabilities	<u>53,468,452</u>	<u>18,185,972</u>	<u>71,654,424</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease Related	256,889,269	-	256,889,269
Pension Related	21,483,998	1,995,782	23,479,780
OPEB Related	8,342,897	775,023	9,117,920
Total Deferred Inflows of Resources	<u>286,716,164</u>	<u>2,770,805</u>	<u>289,486,969</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	239,378,963	24,064,150	263,443,113
Restricted for:			
Pension	1,801,182	167,323	1,968,505
OPEB	16,856,221	1,565,879	18,422,100
Housing Assets	23,160,416	-	23,160,416
Street Improvements	6,957	-	6,957
Transportation	5,047,612	-	5,047,612
Municipal Improvements	120,713	-	120,713
Miscellaneous Grants	579,577	-	579,577
Unrestricted (Deficit)	144,602,812	(49,387,146)	95,215,666
Total Net Position	<u>\$ 431,554,453</u>	<u>\$ (23,589,794)</u>	<u>\$ 407,964,659</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Legislative and Administration	\$ 3,256,536	\$ 3,580	\$ 164,064	\$ -
Community Development	5,490,556	2,753,608	2,135,900	464,379
Public Works	18,520,020	3,884,530	8,523,437	-
Community and Safety Services	22,905,061	1,657,804	6,447,704	-
Administrative Services	12,074,686	398,386	-	-
Cerritos Center for the Performing Arts	4,685,173	2,346,135	90,844	-
Unallocated Infrastructure Depreciation	931,866	-	-	-
<b>Total Governmental Activities</b>	<b>67,863,898</b>	<b>11,044,043</b>	<b>17,361,949</b>	<b>464,379</b>
<b>Business-Type Activities:</b>				
Water and Sewer	14,194,130	11,788,831	-	26,324
Electric Utility	6,860,821	5,471,484	-	-
Reclaimed Water	1,446,991	1,218,300	-	-
<b>Total Business-Type Activities</b>	<b>22,501,942</b>	<b>18,478,615</b>	<b>-</b>	<b>26,324</b>
<b>Total</b>	<b>\$ 90,365,840</b>	<b>\$ 29,522,658</b>	<b>\$ 17,361,949</b>	<b>\$ 490,703</b>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>			
Legislative and Administration	\$ (3,088,892)	\$ -	\$ (3,088,892)
Community Development	(136,669)	-	(136,669)
Public Works	(6,112,053)	-	(6,112,053)
Community and Safety Services	(14,799,553)	-	(14,799,553)
Administrative Services	(11,676,300)	-	(11,676,300)
Cerritos Center for the Performing Arts	(2,248,194)	-	(2,248,194)
Unallocated Infrastructure Depreciation	(931,866)	-	(931,866)
Total Governmental Activities	<u>(38,993,527)</u>	<u>-</u>	<u>(38,993,527)</u>
<b>Business-Type Activities:</b>			
Water and Sewer	-	(2,378,975)	(2,378,975)
Electric Utility	-	(1,389,337)	(1,389,337)
Reclaimed Water	-	(228,691)	(228,691)
Total Business-Type Activities	<u>-</u>	<u>(3,997,003)</u>	<u>(3,997,003)</u>
Total	<u>(38,993,527)</u>	<u>(3,997,003)</u>	<u>(42,990,530)</u>
<b>General Revenues:</b>			
Taxes:			
Sales Taxes	45,357,612	-	45,357,612
Property Taxes	14,511,290	-	14,511,290
Franchise Taxes	2,953,692	-	2,953,692
Transient Occupancy Taxes	1,235,045	-	1,235,045
Other Taxes	2,607,835	-	2,607,835
Investment Income	7,161,700	38,057	7,199,757
Miscellaneous	63,999	-	63,999
Transfers	(1,641,868)	1,641,868	-
Total General Revenues and Transfers	<u>72,249,305</u>	<u>1,679,925</u>	<u>73,929,230</u>
<b>CHANGE IN NET POSITION</b>	33,255,778	(2,317,078)	30,938,700
Net Position - Beginning of Year	<u>398,298,675</u>	<u>(21,272,716)</u>	<u>377,025,959</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 431,554,453</u>	<u>\$ (23,589,794)</u>	<u>\$ 407,964,659</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Major Funds				
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 105,965,512	\$ 13,008,409	\$ 655,448	\$ 5,667,806	\$ 125,297,175
Receivables:					
Accounts	8,839,677	-	365,441	332,928	9,538,046
Interest	151,628	-	-	-	151,628
Lease	258,338,724	-	-	-	258,338,724
Prepaid Items	388,035	-	-	12,726	400,761
Inventories	87,089	229,604	-	-	316,693
Due from Other Funds	20,909	-	-	-	20,909
Advances to Other Funds	48,558,499	-	-	-	48,558,499
Advances to Fiduciary Funds	40,608,027	10,152,007	-	-	50,760,034
	<u>462,958,100</u>	<u>23,390,020</u>	<u>1,020,889</u>	<u>6,013,460</u>	<u>493,382,469</u>
<b>Total Assets</b>	<b>\$ 462,958,100</b>	<b>\$ 23,390,020</b>	<b>\$ 1,020,889</b>	<b>\$ 6,013,460</b>	<b>\$ 493,382,469</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 4,901,110	\$ -	\$ 1,020,889	\$ 591,703	\$ 6,513,702
Accrued Salaries and Benefits	1,591,861	-	-	105,822	1,697,683
Deposits Payable	1,015,324	-	-	-	1,015,324
Settlement Payable - Current Portion	3,278	-	-	-	3,278
Unearned Revenue	552,865	-	-	109,982	662,847
Due to Other Funds	-	-	-	20,909	20,909
	<u>8,064,438</u>	<u>-</u>	<u>1,020,889</u>	<u>828,416</u>	<u>9,913,743</u>
<b>Total Liabilities</b>	<b>8,064,438</b>	<b>-</b>	<b>1,020,889</b>	<b>828,416</b>	<b>9,913,743</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable Revenue - Leases	256,889,269	-	-	-	256,889,269
Unavailable Revenue	-	-	-	20,909	20,909
	<u>256,889,269</u>	<u>-</u>	<u>-</u>	<u>20,909</u>	<u>256,910,178</u>
<b>Total Deferred Inflows of Resources</b>	<b>256,889,269</b>	<b>-</b>	<b>-</b>	<b>20,909</b>	<b>256,910,178</b>
<b>FUND BALANCES</b>					
Nonspendable	89,641,650	229,604	-	12,726	89,883,980
Restricted	578,858	23,160,416	-	5,176,001	28,915,275
Assigned	16,995,748	-	-	-	16,995,748
Unassigned (Deficit)	90,788,137	-	-	(24,592)	90,763,545
	<u>198,004,393</u>	<u>23,390,020</u>	<u>-</u>	<u>5,164,135</u>	<u>226,558,548</u>
<b>Total Fund Balances</b>	<b>198,004,393</b>	<b>23,390,020</b>	<b>-</b>	<b>5,164,135</b>	<b>226,558,548</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 206,068,831</b>	<b>\$ 23,390,020</b>	<b>\$ 1,020,889</b>	<b>\$ 6,013,460</b>	<b>\$ 236,493,200</b>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Fund Balances - Total Governmental Funds		\$ 226,558,548
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets net of depreciation have not been included as financial resources in governmental funds. This does not include internal service fund capital assets of \$2,954,558 and accumulated depreciation of \$1,486,556.</p>		
Capital assets	\$ 414,132,835	
Accumulated depreciation	<u>(176,117,082)</u>	238,015,753
<p>Long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources, unavailable revenues, in the fund financial statements.</p>		
		20,909
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
<p>Long-term liabilities consists of the following:</p>		
Compensated absences		(3,187,846)
Settlement payable (net of \$3,278 reported in the General Fund)		(112,752)
<p>Net pension liability/asset applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.</p>		
Deferred outflows of resources related to pension	9,183,221	
Deferred inflows of resources related to pension	(21,483,998)	
Net pension asset	1,801,182	
Net pension liability	<u>(40,193,147)</u>	(50,692,742)
<p>Net OPEB liability/asset applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflow of resources related to OPEB are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.</p>		
Deferred outflows of resources related to OPEB	1,838,663	
Deferred inflows of resources related to OPEB	(8,342,897)	
Net OPEB asset	<u>16,856,221</u>	10,351,987
<p>Internal service funds are used by management to charge the costs of vehicle replacement to individual funds. The assets and liabilities of the internal service fund are included in the statement of net position.</p>		
		<u>10,600,596</u>
Net Position of Governmental Activities		<u>\$ 431,554,453</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 61,512,663	\$ -	\$ -	\$ -	\$ 61,512,663
Franchise	2,953,692	-	-	84,000	3,037,692
Licenses and Permits	3,347,206	-	-	-	3,347,206
Fines and Forfeitures	383,335	-	-	-	383,335
Investment and Rental Income	7,756,356	194,798	-	34,861	7,986,015
Revenues from Other Agencies	4,252,533	-	-	15,499,134	19,751,667
Current Fees and Services	3,587,590	-	1,137	12,432	3,601,159
Other Revenues	484,305	27,965	-	-	512,270
<b>Total Revenues</b>	<b>84,277,680</b>	<b>222,763</b>	<b>1,137</b>	<b>15,630,427</b>	<b>100,132,007</b>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	2,800,256	-	-	218,040	3,018,296
Community Development	4,299,090	158,200	-	1,649,742	6,107,032
Public Works	12,998,987	-	2,953,768	4,745,034	20,697,789
Community and Safety Services	18,197,034	-	-	6,271,600	24,468,634
Administrative Services	11,824,982	-	-	606,327	12,431,309
Cerritos Center for The Performing Arts	4,186,181	-	-	-	4,186,181
Capital Outlay	239,084	-	9,651,319	-	9,890,403
<b>Total Expenditures</b>	<b>54,545,614</b>	<b>158,200</b>	<b>12,605,087</b>	<b>13,490,743</b>	<b>80,799,644</b>
Revenues Over (Under)					
Expenditures	29,732,066	64,563	(12,603,950)	2,139,684	19,332,363
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance Reimbursement	-	-	3,600,000	-	3,600,000
Transfers In	188,840	-	9,196,798	3,868,895	13,254,533
Transfers Out	(11,461,565)	-	-	(4,034,836)	(15,496,401)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,272,725)</b>	<b>-</b>	<b>12,796,798</b>	<b>(165,941)</b>	<b>1,358,132</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>18,459,341</b>	<b>64,563</b>	<b>192,848</b>	<b>1,973,743</b>	<b>20,690,495</b>
Fund Balances - Beginning of Year	179,545,052	23,325,457	(192,848)	3,190,392	205,868,053
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 198,004,393</b>	<b>\$ 23,390,020</b>	<b>\$ -</b>	<b>\$ 5,164,135</b>	<b>\$ 226,558,548</b>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO  
THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 20,690,495

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 \$199,022)	\$ (6,186,494)	
Disposals	282,654	
Capital outlay	9,086,008	3,182,168

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.

(1,019,500)

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

55,868

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.

(34,518)

Pension expense 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.

7,356,970

OPEB expense 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.

2,969,900

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.

54,395

Change in Net Position of Governmental Activities

\$ 33,255,778

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Funds
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 4,357,550	\$ 623,049	\$ 2,031,583	\$ 7,012,182	\$ 9,214,467
Accounts Receivable	1,581,477	805,970	400,371	2,787,818	-
Prepaid Items	45,074	-	4,164	49,238	-
Total Current Assets	<u>5,984,101</u>	<u>1,429,019</u>	<u>2,436,118</u>	<u>9,849,238</u>	<u>9,214,467</u>
Noncurrent Assets:					
Net Pension Asset	167,323	-	-	167,323	-
Net OPEB Asset	1,565,879	-	-	1,565,879	-
Capital Assets:					
Construction in Progress	547,078	-	-	547,078	-
Building and Structures	5,444,587	-	1,315,000	6,759,587	-
Water Mains and Lines	29,984,645	-	15,915,712	45,900,357	-
Equipment	6,117,458	-	120,278	6,237,736	2,954,558
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	(35,621,878)	(7,992,833)	(10,635,480)	(54,250,191)	(1,486,556)
Total Noncurrent Assets	<u>22,224,675</u>	<u>6,112,167</u>	<u>6,715,510</u>	<u>35,052,352</u>	<u>1,468,002</u>
Total Assets	<u>28,208,776</u>	<u>7,541,186</u>	<u>9,151,628</u>	<u>44,901,590</u>	<u>10,682,469</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows of Resources	853,087	-	-	853,087	-
OPEB Related Deferred Outflows of Resources	170,805	-	-	170,805	-
Total Deferred Outflows of Resources	<u>1,023,892</u>	<u>-</u>	<u>-</u>	<u>1,023,892</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,528,657	516,648	481,285	2,526,590	81,873
Accrued Salaries And Benefits	222,231	11,675	15,108	249,014	-
Deposits Payable	42,555	-	-	42,555	-
Unearned Revenue	2,184,842	-	-	2,184,842	-
Long-Term Debt - Due Within One Year	-	400,000	-	400,000	-
Compensated Absences - Due Within One Year	48,545	-	-	48,545	-
Total Current Liabilities	<u>4,026,830</u>	<u>928,323</u>	<u>496,393</u>	<u>5,451,546</u>	<u>81,873</u>
Noncurrent Liabilities:					
Advances from Other Funds	22,450,966	26,107,533	-	48,558,499	-
Net Pension Liabilities	3,733,790	-	-	3,733,790	-
Long-Term Debt - Due in More than One Year	-	8,855,000	-	8,855,000	-
Compensated Absences - Due in More than One Year	145,636	-	-	145,636	-
Total Noncurrent Liabilities	<u>26,330,392</u>	<u>34,962,533</u>	<u>-</u>	<u>61,292,925</u>	<u>-</u>
Total Liabilities	<u>30,357,222</u>	<u>35,890,856</u>	<u>496,393</u>	<u>66,744,471</u>	<u>81,873</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Deferred Inflows of Resources	1,995,782	-	-	1,995,782	-
OPEB Related Deferred Outflows of Resources	775,023	-	-	775,023	-
Total Deferred Inflows of Resources	<u>2,770,805</u>	<u>-</u>	<u>-</u>	<u>2,770,805</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment In Capital Assets	20,491,473	(3,142,833)	6,715,510	24,064,150	1,468,002
Restricted for Pension	167,323	-	-	167,323	-
Restricted for OPEB	1,565,879	-	-	1,565,879	-
Unrestricted (Deficit)	(26,120,034)	(25,206,837)	1,939,725	(49,387,146)	9,132,594
Total Net Position (Deficit)	<u>\$ (3,895,359)</u>	<u>\$ (28,349,670)</u>	<u>\$ 8,655,235</u>	<u>\$ (23,589,794)</u>	<u>\$ 10,600,596</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	Business-Type Activities				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor Reclaimed Water	Total Enterprise Funds	
	Water and Sewer	Electric Utility			
<b>OPERATING REVENUES</b>					
Sales of Water:					
Regular	\$ 10,101,494	\$ -	\$ 1,218,300	\$ 11,319,794	\$ -
Wholesale	1,023,342	-	-	1,023,342	-
Sales of Electricity:					
Regular	-	5,470,505	-	5,470,505	-
Fire Lines	500,649	-	-	500,649	-
Charges for Services	100,939	-	-	100,939	-
Other Agency Contribution	42,288	-	-	42,288	-
Other Revenues	20,119	979	-	21,098	-
Total Operating Revenues	<u>11,788,831</u>	<u>5,471,484</u>	<u>1,218,300</u>	<u>18,478,615</u>	<u>-</u>
<b>OPERATING EXPENSES</b>					
Management	5,429,924	56,507	434,043	5,920,474	-
Production and Distribution	5,787,855	-	58,967	5,846,822	-
Operations	654,111	5,219,528	606,093	6,479,732	395,620
Inspections	369,969	-	41,108	411,077	-
Billings and Collection	398,556	-	-	398,556	-
Depreciation	1,028,397	470,167	306,780	1,805,344	199,022
Total Operating Expenses	<u>13,668,812</u>	<u>5,746,202</u>	<u>1,446,991</u>	<u>20,862,005</u>	<u>594,642</u>
<b>OPERATING LOSS</b>	(1,879,981)	(274,718)	(228,691)	(2,383,390)	(594,642)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	20,593	6,340	11,124	38,057	49,037
Interest Expense - Debt Service	-	(477,850)	-	(477,850)	-
Interest Expense - Advances	(525,318)	(636,769)	-	(1,162,087)	-
Total Nonoperating Revenues (Expenses)	<u>(504,725)</u>	<u>(1,108,279)</u>	<u>11,124</u>	<u>(1,601,880)</u>	<u>49,037</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(2,384,706)	(1,382,997)	(217,567)	(3,985,270)	(545,605)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Contributions	26,324	-	-	26,324	-
Transfers In	784,018	857,850	-	1,641,868	600,000
<b>CHANGE IN NET POSITION</b>	(1,574,364)	(525,147)	(217,567)	(2,317,078)	54,395
Net Position - Beginning of Year	<u>(2,320,995)</u>	<u>(27,824,523)</u>	<u>8,872,802</u>	<u>(21,272,716)</u>	<u>10,546,201</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (3,895,359)</u>	<u>\$ (28,349,670)</u>	<u>\$ 8,655,235</u>	<u>\$ (23,589,794)</u>	<u>\$ 10,600,596</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 11,995,274	\$ 5,366,057	\$ 1,026,873	\$ 18,388,204	\$ -
Cash Paid to Suppliers Of Goods Or Services	(6,887,812)	(4,921,181)	(599,171)	(12,408,164)	(313,889)
Cash Paid to Employers	(6,325,584)	(55,759)	(430,280)	(6,811,623)	-
Net Cash Provided (Used) by Operating Activities	<u>(1,218,122)</u>	<u>389,117</u>	<u>(2,578)</u>	<u>(831,583)</u>	<u>(313,889)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Advances from Other Funds	912,924	-	-	912,924	-
Transfers In	784,018	857,850	-	1,641,868	600,000
Net Cash Provided by Noncapital Financing Activities	<u>1,696,942</u>	<u>857,850</u>	<u>-</u>	<u>2,554,792</u>	<u>600,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(621,168)	-	-	(621,168)	(239,085)
Cash Received for Capital	26,324	-	-	26,324	-
Proceeds on Sale of Capital Assets	18,722	-	-	18,722	-
Principal Paid on Debt	-	(380,000)	-	(380,000)	-
Interest Paid on Debt	-	(477,850)	-	(477,850)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(576,122)</u>	<u>(857,850)</u>	<u>-</u>	<u>(1,433,972)</u>	<u>(239,085)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Income Received	20,593	6,340	11,124	38,057	49,037
Net Cash Provided by Investing Activities	<u>20,593</u>	<u>6,340</u>	<u>11,124</u>	<u>38,057</u>	<u>49,037</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(76,709)	395,457	8,546	327,294	96,063
Cash and Cash Equivalents - Beginning of Year	4,434,259	227,592	2,023,037	6,684,888	9,118,404
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,357,550</u>	<u>\$ 623,049</u>	<u>\$ 2,031,583</u>	<u>\$ 7,012,182</u>	<u>\$ 9,214,467</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Equipment Replacement Internal Service Fund
	Major Funds		Nonmajor		
	Water and Sewer	Electric Utility	Reclaimed Water	Total Enterprise Funds	
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Loss	\$ (1,879,981)	\$ (274,718)	\$ (228,691)	\$ (2,383,390)	\$ (594,642)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,028,397	470,167	306,780	1,805,344	199,022
Changes in Assets and Deferred Outflows of Resources:					
(Increase) Decrease in Accounts Receivable	248,730	(105,427)	(191,427)	(48,124)	-
(Increase) Decrease in Prepaid Items	35,327	3,806	31,989	71,122	10,312
(Increase) Decrease in Net Pension Asset	(167,323)	-	-	(167,323)	-
(Increase) Decrease in Net OPEB Asset	(1,070,334)	-	-	(1,070,334)	-
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	224,415	-	-	224,415	-
(Increase) Decrease in Deferred Outflows of Resources related to OPEB	132,565	-	-	132,565	-
Changes in Liabilities and Deferred Inflows of Resources:					
Increase (Decrease) in Accounts Payable	286,829	294,541	75,008	656,378	71,419
Increase (Decrease) in Accrued Salaries and Benefits	40,093	748	3,763	44,604	-
Increase (Decrease) in Deposits Payable	523	-	-	523	-
Increase (Decrease) in Unearned Revenue	(42,288)	-	-	(42,288)	-
Increase (Decrease) in Net Pension Liability	(2,700,191)	-	-	(2,700,191)	-
Increase (Decrease) in Deferred Inflows of Resources Related to Pensions	1,959,662	-	-	1,959,662	-
Increase (Decrease) in Deferred Inflows of Resources related to OPEB	661,876	-	-	661,876	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,218,122)</u>	<u>\$ 389,117</u>	<u>\$ (2,578)</u>	<u>\$ (831,583)</u>	<u>\$ (313,889)</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	<u>Successor Agency to the Cerritos Redevelopment Agency</u>
<b>ASSETS</b>	
Cash and Investments	\$ 18,111,387
Cash and Investments with Fiscal Agents	15,181,939
Interest Receivable	24,594
Total Assets	<u>33,317,920</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding of Debt, Net	141,776
Total Deferred Outflow of Resources	<u>141,776</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	4,830
Interest Payable	247,080
Long-Term Debt - Due Within One Year	10,275,000
Total Current Liabilities	<u>10,526,910</u>
Noncurrent Liabilities:	
Advances from City of Cerritos (Note 5)	50,760,034
Long-Term Debt - Due In More than One Year	22,730,115
Total Long-Term Liabilities	<u>73,490,149</u>
Total Liabilities	<u>84,017,059</u>
<b>NET POSITION (DEFICIT)</b>	
Held In Trust:	
Held for Dissolution of Community Redevelopment Agency	<u>(50,557,363)</u>
Total Net Position (Deficit)	<u>\$ (50,557,363)</u>

See accompanying Notes to Financial Statements.

**CITY OF CERRITOS, CALIFORNIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2022**

	<u>Successor Agency to the Cerritos Redevelopment Agency</u>
<b>ADDITIONS</b>	
Redevelopment Property Tax Trust Fund	\$ 16,211,386
Investment Income	5,112
Total Additions	<u>16,216,498</u>
<b>DEDUCTIONS</b>	
Administrative Expenses	35,000
Interest on Long-Term Debt	2,409,804
Fiscal Charges	7,692
Total Deductions	<u>2,452,496</u>
<b>CHANGE IN NET POSITION</b>	13,764,002
Net Position (Deficit) - Beginning Of Year	<u>(64,321,365)</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u><u>\$ (50,557,363)</u></u>

See accompanying Notes to Financial Statements.

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**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Description of the Financial Reporting Entity**

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

City of Cerritos

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

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

The following are the major governmental funds of the City:

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

The **Housing Assets Special Revenue Fund** is used to account for activities of the former Redevelopment Agency Low and Moderate Income Housing Fund. These funds are restricted for administrative costs and projects related to low and moderate income housing.

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

The following are the major proprietary funds of the City:

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

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

Proprietary Funds

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

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

Fiduciary Fund

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

**C. Measurement Focus and Basis of Accounting**

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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. Grant funds earned but not received by the end of the fiscal period are recorded as a receivable, and revenue is recognized if collected within 60 days of the end of the current fiscal period. Property and sales taxes, utility users' taxes, transient occupancy taxes, franchise taxes, licenses and other charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**D. Cash and Cash Equivalents**

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

The City's proprietary fund participates in the pooling of City-wide cash and investments. Amounts held in the City pool are available to the fund on demand and are considered to be cash and cash equivalents for statement of cash flow purposes. Investments not held in the City pool that are short-term investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents.

**E. Investments**

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**F. Inventories**

Inventories are valued at weighted average cost. Inventories in the Governmental Funds are recorded based on the consumption (capitalization) method and are offset by a nonspendable fund balance.

**G. Prepaids**

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

**H. Capital Assets**

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

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

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

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

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

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

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 position 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 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 through the plans.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

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

**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**J. Leases**

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

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

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

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

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

**K. Compensated Absences**

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

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

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**L. Claims and Judgments**

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

**M. Pensions**

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

**N. Other Postemployment Benefits (OPEB)**

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

**O. Property Taxes**

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

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

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**P. Fund Balances and Net Position**

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

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

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

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

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

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

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

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

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**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.

**R. New Accounting Pronouncements**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and Investments	\$ 134,511,642	\$ 7,012,182	\$ 141,523,824	\$ 18,111,387	\$ 159,635,211
Restricted Cash and Investments:					
Investments with Fiscal Agents	-	-	-	15,181,939	15,181,939
Total Cash and Investments	\$ 134,511,642	\$ 7,012,182	\$ 141,523,824	\$ 33,293,326	\$ 174,817,150

The City's cash and investments at June 30, 2022 in more detail:

Cash and Cash Equivalents:

Petty Cash	\$ 9,120
Demand Deposits	<u>15,415,954</u>
Total Cash and Cash Equivalents	<u>15,425,074</u>

Investments:

Local Agency Investment Fund	57,044,122
U.S. Government Sponsored Enterprise Securities	42,436,940
U.S. Treasury Notes	21,425,070
Certificates of Deposit	23,304,005
Investment Contracts	3,206,533
Money Market Mutual Funds	<u>11,975,406</u>
Total Investments	<u>159,392,076</u>

Total Cash and Investments	<u>\$ 174,817,150</u>
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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, 2022, the City maintains cash deposits that are partially insured by FDIC insurance. All uninsured cash deposited are fully collateralized.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by 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.

<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.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Disclosures Relating to Interest Rate Risk**

The City's investment policy manages exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The policy limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuating interest rates. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments at maturity:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 60 Months	Greater Than 60 Months	
Local Agency Investment Fund (LAIF)	\$ 57,044,122	\$ -	\$ -	\$ 57,044,122
Federal Home Loan Bank (FHLB)	-	14,462,720	-	14,462,720
Federal National Mortgage Association (FNMA) Federal Home Loan Mortgage Corporation (FHLMC)	-	6,477,390	-	6,477,390
Federal Farm Credit Bank (FFCB)	-	5,675,750	-	5,675,750
U.S. Treasury Notes	-	15,821,080	-	15,821,080
Certificates of Deposit	21,425,070	-	-	21,425,070
Investment Contracts	3,656,808	19,647,197	-	23,304,005
Money Market Mutual Funds	-	3,206,533	-	3,206,533
Total	11,975,406	-	-	11,975,406
	<u>\$ 72,676,336</u>	<u>\$ 86,715,740</u>	<u>\$ -</u>	<u>\$ 159,392,076</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, 2022	Minimum Legal Rating	Aaa	Unrated	Not Required to be Rated
LAIF	\$ 57,044,122	N/A	\$ -	\$ 57,044,122	\$ -
FHLB	14,462,720	N/A	14,462,720	-	-
FNMA	6,477,390	N/A	6,477,390	-	-
FHLMC	5,675,750	N/A	5,675,750	-	-
FFCB	15,821,080	N/A	15,821,080	-	-
U.S. Treasury Notes	21,425,070	N/A	-	-	21,425,070
Certificates of Deposits	23,304,005	Aaa	-	23,304,005	-
Investment Contracts	3,206,533	N/A	3,206,533	-	-
Money Market Mutual Funds	11,975,406	A	-	11,975,406	-
Total	<u>\$ 159,392,076</u>		<u>\$ 45,643,473</u>	<u>\$ 92,323,533</u>	<u>\$ 21,425,070</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Fair Value Measurements**

The City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, as of July 1, 2015. GASB Statement No. 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

**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, 2022	Level		
		1	2	3
FHLB	\$ 14,462,720	\$ -	\$ 14,462,720	\$ -
FNMA	6,477,390	-	6,477,390	-
FHLMC	5,675,750	-	5,675,750	-
FFCB	15,821,080	-	15,821,080	-
U.S. Treasury Notes	21,425,070	-	21,425,070	-
Certificates of Deposit	23,304,005	-	23,304,005	-
Held by Trustees/Fiscal Agents:				
Investment Contracts	3,206,533	-	3,206,533	-
Total Investments at Fair Value	<u>90,372,548</u>	<u>\$ -</u>	<u>\$ 90,372,548</u>	<u>\$ -</u>
Investments not Subject to Hierarchy				
State Investment Pool (LAIF)	57,044,122			
Held by Trustees/Fiscal Agents:				
Money Market Funds	11,975,406			
Total	<u>69,019,528</u>			
Total Investments	<u>\$ 159,392,076</u>			

**Disclosure Risk Relating to Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Disclosure Risk Relating to Custodial Credit Risk (Continued)**

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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, 2022, the deposits were collateralized in accordance with Section 53652 of the California Government Code by the pledging financial institution in the City's name.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). The fund is not registered with the SEC but is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 3 LOANS AND NOTES RECEIVABLE**

**Residential Assistance and Loan Program**

At June 30, 2022, the outstanding balances of the Residential Assistance and Loan Programs are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Residential Assistance Program	\$ 2,040,000	\$ -	\$ -	\$ 2,040,000
Residential Loan Program	139,237	-	-	139,237
Subtotal	2,179,237	-	-	2,179,237
Less: Allowance for Uncollectible	(2,179,237)	-	-	(2,179,237)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 INTERFUND TRANSACTIONS**

**Advances To/From Other Funds**

At June 30, 2022, the City had the following advances to/from other funds:

Advances to Other Funds		Amount
Receivable Fund	Payable Fund	
Governmental Funds:	Enterprise Funds:	
	Water and Sewer Fund:	
General Fund	Sewer Operations	\$ 12,018,281
General Fund	Water Operations	10,432,685
	Subtotal	22,450,966
	Electric Utility Enterprise Fund:	
General Fund	Operations	23,475,492
General Fund	Debt Service	2,632,041
	Subtotal	26,107,533
	Total	\$ 48,558,499

Advances were made to the Water and Sewer Enterprise Fund from the General Fund during fiscal years 2016- 2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, and 2021-2022. The advances were used for water and sewer operations. Interest on the outstanding balance on advances payable is charged at an annual rate of 2.50% to the Water and Sewer Enterprise Fund. For the year ended June 30, 2022, interest of \$525,318 was incurred and added to the outstanding loan balance while an additional \$912,924 was borrowed. At June 30, 2022, the outstanding balance was \$22,450,966.

Advances were made to the Electric Utility Enterprise Fund from the General Fund were used for initial working capital. Prior to July 1, 2012, interest on the outstanding balance on advances payable was charged at an annual rate of 12% to the Electric Utility Enterprise Fund. On June 28, 2012, the City adopted Resolution No. 2012-17 authorizing the interest rate to be reduced from 12% to 2.5% after June 30, 2012. For the year ended June 30, 2022, interest of \$636,769 was incurred and added to the outstanding loan balance. At June 30, 2022, the outstanding balance was \$26,107,533.

**Due To/From Other Funds**

The City reclassified negative cash balances of \$20,909 in the City-wide cash pool from the General Fund to the Nonmajor Governmental Funds.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

At June 30, 2022, the City had the following transfers in/out:

Transfers Out	Transfers In						Total
	Governmental Funds			Proprietary Funds			
	General Fund	Municipal Improvement Capital Project Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Utility Fund	Internal Service Fund	
Governmental Funds:							
General Fund	\$ -	\$ 6,134,820	\$ 3,868,895	\$ -	\$ 857,850	\$ 600,000	\$ 11,461,565
Nonmajor Governmental Funds	188,840	3,061,978	-	784,018	-	-	4,034,836
Total	<u>\$ 188,840</u>	<u>\$ 9,196,798</u>	<u>\$ 3,868,895</u>	<u>\$ 784,018</u>	<u>\$ 857,850</u>	<u>\$ 600,000</u>	<u>\$ 15,496,401</u>

The transfers of \$10,003,715 from the General Fund relate to capital projects costs and administrative costs of the Municipal Improvement Capital Project Fund and the Nonmajor Governmental Funds within the Street Improvement, Drainage, AQMD, and Los Coyotes Lighting District Fund.

The transfers of \$188,840 from the Nonmajor Governmental Funds to the General Fund relate to the repayment to the General Fund for grant expenditures which had been covered by the General Fund until reimbursements were received by the Nonmajor funds.

The transfers of \$784,018 from the Nonmajor Governmental Funds to the Water and Sewer Fund relate to the funding of capital projects.

The transfers of \$3,061,978 from the Nonmajor Governmental Funds to the Municipal Improvement Capital Project Fund relates to the funding of capital projects.

The transfers of \$857,850 from the General Fund to the Electric Utility Fund relate to debt service expenditures.

The transfers of \$600,000 from the General Fund to the Internal Service Fund relates to reimbursement of expenses.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 ADVANCES TO FIDUCIARY FUNDS**

The balance of Advances to Fiduciary Funds at June 30, 2022 is \$50,760,034. 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 \$40,608,027 at June 30, 2022. The loan balance of the Housing Assets Fund, including accrued interest, is \$10,152,007 at June 30, 2022.

**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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
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	4,910,417	13,500	-	4,923,917
Trees	1,355,909	-	-	1,355,909
Construction in Progress	2,942,890	1,172,214	(2,499,680)	1,615,424
Total Capital Assets, not Being Depreciated	<u>140,116,421</u>	<u>1,185,714</u>	<u>(2,499,680)</u>	<u>138,802,455</u>
Capital Assets, Being Depreciated:				
Buildings	190,114,028	10,218,494	-	200,332,522
Improvements Other than Buildings	9,905,931	-	(7,500)	9,898,431
Furniture and Equipment	25,739,364	239,083	(46,576)	25,931,871
Infrastructure	41,905,239	746,789	(529,914)	42,122,114
Total Capital Assets, Being Depreciated	<u>267,664,562</u>	<u>11,204,366</u>	<u>(583,990)</u>	<u>278,284,938</u>
Less Accumulated Depreciation For:				
Buildings	(116,844,586)	(4,720,405)	-	(121,564,991)
Improvements Other Than Buildings	(3,977,840)	(478,556)	4,937	(4,451,459)
Furniture And Equipment	(24,154,524)	(254,689)	46,576	(24,362,637)
Infrastructure	(26,542,508)	(931,866)	249,823	(27,224,551)
Total Accumulated Depreciation	<u>(171,519,458)</u>	<u>(6,385,516)</u>	<u>301,336</u>	<u>(177,603,638)</u>
Total Capital Assets, Being Depreciated, Net	<u>96,145,104</u>	<u>4,818,850</u>	<u>(282,654)</u>	<u>100,681,300</u>
Governmental Activities Capital Assets, Net	<u>\$ 236,261,525</u>	<u>\$ 6,004,564</u>	<u>\$ (2,782,334)</u>	<u>\$ 239,483,755</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Governmental Activities (Continued)**

Depreciation expense was charged to the functions/programs of governmental activities for the year ended June 30, 2022 as follows:

Legislative and Administrative	\$ 509,775
Community Development	18,671
Public Works	62,024
Community and Safety Services	1,632,842
Administrative Services	1,394,784
Cerritos Center for the Performing Arts	1,636,532
Equipment Replacement Internal Service Fund	199,022
Unallocated Infrastructure Depreciation	931,866
Total Depreciation Expense	<u>\$ 6,385,516</u>

**Business-Type Activities**

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets, not Being Depreciated:				
Construction in Progress	\$ -	\$ 547,078	\$ -	\$ 547,078
Total Capital Assets, not Being Depreciated	<u>-</u>	<u>547,078</u>	<u>-</u>	<u>547,078</u>
Capital Assets, Being Depreciated:				
Buildings and Structures	\$ 6,759,587	\$ -	\$ -	\$ 6,759,587
Water Mains and Lines	45,856,508	74,090	(30,241)	45,900,357
Equipment	6,237,736	-	-	6,237,736
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	<u>86,978,414</u>	<u>74,090</u>	<u>(30,241)</u>	<u>87,022,263</u>
Less Accumulated Depreciation for:				
Buildings and Structures	(4,203,194)	(119,264)	-	(4,322,458)
Water Mains and Lines	(26,979,279)	(804,282)	-	(27,783,561)
Equipment	(5,073,080)	(198,388)	-	(5,271,468)
Water Rights Acquired	(1,073,202)	(56,484)	-	(1,129,686)
Electric Utility Rights Acquired	(7,522,667)	(470,167)	-	(7,992,834)
Sewer Mains	(7,604,944)	(156,759)	11,519	(7,750,184)
Total Accumulated Depreciation	<u>(52,456,366)</u>	<u>(1,805,344)</u>	<u>11,519</u>	<u>(54,250,191)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,522,048</u>	<u>(1,731,254)</u>	<u>(18,722)</u>	<u>32,772,072</u>
Business-Type Activities Capital Assets, Net	<u>\$ 34,522,048</u>	<u>\$ (1,184,176)</u>	<u>\$ (18,722)</u>	<u>\$ 33,319,150</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities (Continued)**

Depreciation expense for business-type activities for the year June 30, 2022 was charged as follows:

Water and Sewer	\$ 1,028,397
Electric Utility	470,167
Reclaimed Water	306,780
Total Depreciation Expense	<u>\$ 1,805,344</u>

**NOTE 7 COMPENSATED ABSENCES**

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

**Governmental Activities**

A summary of changes in compensated absences for governmental activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Compensated Absences	<u>\$ 3,153,328</u>	<u>\$ 1,920,628</u>	<u>\$ (1,886,110)</u>	<u>\$ 3,187,846</u>	<u>\$ 796,962</u>	<u>\$ 2,390,884</u>

**Business-Type Activities**

A summary of changes in compensated absences for business-type activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Compensated Absences - Water and Sewer Fund	<u>\$ 170,603</u>	<u>\$ 145,848</u>	<u>\$ (122,270)</u>	<u>\$ 194,181</u>	<u>\$ 48,545</u>	<u>\$ 145,636</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8 LONG-TERM DEBT**

**Business-Type Activities (Continued)**

A summary of changes in long-term debt for the business-type activities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	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	\$ 2,408,750	\$ -	\$ (95,000)	\$ 2,313,750	\$ 100,000	\$ 2,213,750
Southern California Public Power Authority, Magnolia Project Los Coyotes Revenue Bonds: 2003 Issue, Series B, \$10,578,750	7,226,250	-	(285,000)	6,941,250	300,000	6,641,250
Total Revenue Bonds	9,635,000	-	(380,000)	9,255,000	400,000	8,855,000
Total Long-Term Liabilities	<u>\$ 9,635,000</u>	<u>\$ -</u>	<u>\$ (380,000)</u>	<u>\$ 9,255,000</u>	<u>\$ 400,000</u>	<u>\$ 8,855,000</u>

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

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

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

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

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 \$857,851.

Bonds outstanding at June 30, 2022 amounted to \$2,313,750 for Los Cerritos and \$6,941,250 for Los Coyotes, respectively. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Los Cerritos			Los Coyotes		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 100,000	\$ 115,188	\$ 215,188	\$ 300,000	\$ 345,563	\$ 645,563
2024	103,750	110,688	214,438	311,250	332,063	643,313
2025	108,750	105,500	214,250	326,250	316,500	642,750
2026	115,000	100,063	215,063	345,000	300,188	645,188
2027	120,000	94,313	214,313	360,000	282,938	642,938
2028-2032	698,750	375,125	1,073,875	2,096,250	1,125,375	3,221,625
2033-2036	1,067,500	163,563	1,231,063	3,202,500	490,688	3,693,188
Total	<u>\$ 2,313,750</u>	<u>\$ 1,064,440</u>	<u>\$ 3,378,190</u>	<u>\$ 6,941,250</u>	<u>\$ 3,193,315</u>	<u>\$ 10,134,565</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, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Los Coyotes Redevelopment Project Revenue Bonds:						
1993 Issue, Series A, \$42,155,000	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ 465,000	\$ 7,535,000
2002 Issue, Series A, \$64,710,000	29,580,000	-	(8,895,000)	20,885,000	8,660,000	12,225,000
2002 Issue, Series B, \$12,225,000	4,720,000	-	(1,090,000)	3,630,000	1,150,000	2,480,000
Subtotal	42,300,000	-	(9,785,000)	32,515,000	10,275,000	22,240,000
Add (Less) Deferred Amounts:						
Bond Premium	920,084	-	(306,699)	613,385	-	613,385
Bond Discount	(184,905)	-	61,635	(123,270)	-	(123,270)
Total Revenue Bonds	43,035,179	-	(10,030,064)	33,005,115	10,275,000	22,730,115
Total Long-Term Liabilities	<u>\$ 43,035,179</u>	<u>\$ -</u>	<u>\$ (10,030,064)</u>	<u>\$ 33,005,115</u>	<u>\$ 10,275,000</u>	<u>\$ 22,730,115</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 except for the years 2002 through 2018 in which no principal payments mature.

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

The 1993 Los Coyotes Redevelopment Project Revenue Bonds, Series A, are payable solely from and secured by RPTTF revenues received from the Successor Agency. Annual principal and interest payments on the bonds are expected to require less than 10% of net property tax increment revenues. Interest paid for the current year was \$520,000 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,235,365.

Bonds outstanding at June 30, 2022 amounted to \$8,000,000. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 1993 Issue, Series A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 465,000	\$ 504,888	\$ 969,888
2024	7,535,000	244,887	7,779,887
Total	<u>\$ 8,000,000</u>	<u>\$ 749,775</u>	<u>\$ 8,749,775</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Fiduciary Fund (Continued)**

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

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

The bonds were broken into two segments:

Term Bonds – \$53,675,000

The Term Bonds are payable in annual installments ranging from \$775,000 to \$9,345,000 until maturity on November 1, 2024. Interest is payable semiannually on May 1 and November 1, with rates ranging from 2.00% to 5.00%. Bonds outstanding at June 30, 2022 were \$18,500,000.

Special Escrow Bonds – \$11,035,000

The Special Escrow bonds are payable in annual installments ranging from \$435,000 to \$830,000 until maturity on November 1, 2024. Interest is payable semiannually on May 1 and November 1, with rates ranging from 3.40% to 4.55%. Bonds outstanding at June 30, 2022 were \$2,385,000.

The 2002 Los Coyotes Redevelopment Project Tax Allocation Revenue Bonds, Series A, are payable solely from and secured by RPTTF revenues received by the Successor Agency. Annual principal and interest payments on the bonds are expected to require less than 25% of net property tax increment revenues. Principal and interest paid for the current year was \$9,944,261 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,235,365.

Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 2002 Issue, Series A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,660,000	\$ 818,728	\$ 9,478,728
2024	2,050,000	554,476	2,604,476
2025	10,175,000	252,508	10,427,508
Total	<u>\$ 20,885,000</u>	<u>\$ 1,625,712</u>	<u>\$ 22,510,712</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Fiduciary Fund (Continued)**

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

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

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

The 2002 Los Coyotes Redevelopment Project Tax Allocation Revenue Bonds, Series B, are payable solely from and secured by RPTTF revenues received from the Successor Agency. Annual principal and interest payments on the bonds are expected to require less than 10% of net property tax increment revenues. Principal and interest paid for the current year was \$1,307,100 and total tax revenue (total deposits less total administrative distributions) for the Los Coyotes Project Area was \$11,235,365.

Bonds outstanding at June 30, 2022 were \$3,630,000. Future debt service requirements on the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Los Coyotes 2002 Issue, Series B</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,150,000	\$ 158,860	\$ 1,308,860
2024	1,210,000	97,500	1,307,500
2025	1,270,000	33,020	1,303,020
Total	<u>\$ 3,630,000</u>	<u>\$ 289,380</u>	<u>\$ 3,919,380</u>

**NOTE 9 LEASES**

The City, acting as lessor, leases for the use of land under long-term, noncancelable lease agreements, which expire at various dates through 2088 with an interest rates ranging from .2% of 1.5% depending on the length of the lease agreement. During the fiscal year ended June 30, 2022, the City recognized \$6,933,987 and \$3,831,294 in lease revenue and interest revenue, respectively, pursuant to these agreements.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 10 FUND BALANCE CLASSIFICATIONS**

The City's fund balances at June 30, 2022 are tabulated below:

	Major Funds				Total Governmental Funds
	General	Housing Assets Special Revenue	Municipal Improvement Corporation Capital Projects Fund	Nonmajor Governmental Funds	
<b>Nonspendable:</b>					
Prepaid Items	\$ 388,035	\$ -	\$ -	\$ 12,726	\$ 400,761
Inventories	87,089	229,604	-	-	316,693
Advances to Other Funds	48,558,499	-	-	-	48,558,499
Advances to Fiduciary Funds	40,608,027	-	-	-	40,608,027
Total Nonspendable	<u>89,641,650</u>	<u>229,604</u>	<u>-</u>	<u>12,726</u>	<u>89,883,980</u>
<b>Restricted:</b>					
Business License Software	176,054	-	-	-	176,054
General Plan Update	402,804	-	-	-	402,804
Housing Assets Special Revenue	-	23,160,416	-	-	23,160,416
Street Improvements - Street and Sewer Related Purposes	-	-	-	6,957	6,957
SB 821 - Bicycles/Pedestrians - Transportation Related Purposes	-	-	-	1,316,081	1,316,081
Proposition "A" Transportation Related Purposes	-	-	-	1,755,802	1,755,802
Proposition "C" Transportation Related Purposes	-	-	-	735,545	735,545
Assessment District #6 - Assessment Districts	-	-	-	120,713	120,713
Environmental Grants - Miscellaneous Grants	-	-	-	719	719
Air Quality Management District - Transportation Related Purposes	-	-	-	649,300	649,300
Measure "M" Transportation Related Purposes	-	-	-	71,047	71,047
Measure "R" Transportation Related Purposes	-	-	-	59,134	59,134
Measure "W" Transportation Related Purposes	-	-	-	460,703	460,703
Total Restricted	<u>578,858</u>	<u>23,160,416</u>	<u>-</u>	<u>5,176,001</u>	<u>28,915,275</u>
<b>Assigned:</b>					
Asset Replacement	700,000	-	-	-	700,000
Art Center Programs	8,690,411	-	-	-	8,690,411
Earthquake Preparedness	3,416,254	-	-	-	3,416,254
Art In Public Places	1,189,083	-	-	-	1,189,083
Self Insurance	3,000,000	-	-	-	3,000,000
Total Assigned	<u>16,995,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,995,748</u>
<b>Unassigned:</b>					
General Fund	90,788,137	-	-	-	90,788,137
Nonmajor Governmental Funds	-	-	-	(24,592)	(24,592)
Total Unassigned	<u>90,788,137</u>	<u>-</u>	<u>-</u>	<u>(24,592)</u>	<u>90,763,545</u>
Total	<u>\$ 198,004,393</u>	<u>\$ 23,390,020</u>	<u>\$ -</u>	<u>\$ 5,164,135</u>	<u>\$ 226,558,548</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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	\$ 40,193,147	\$ 3,733,790	\$ 43,926,937
PARS (Asset)	(1,801,182)	(167,323)	(1,968,505)
Total	<u>\$ 38,391,965</u>	<u>\$ 3,566,467</u>	<u>\$ 41,958,432</u>

Deferred Outflows of Resources

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

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
Deferred Outflows of Resources:			
Pension Contribution Made After Measurement Date:			
CalPERS Miscellaneous Plan	\$ 7,066,766	\$ 656,476	\$ 7,723,242
PARS	1,643,059	152,634	1,795,693
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous Plan	<u>473,396</u>	<u>43,977</u>	<u>517,373</u>
Total Deferred Outflows of Resources	<u>\$ 9,183,221</u>	<u>\$ 853,087</u>	<u>\$ 10,036,308</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

**A. Summary (Continued)**

Deferred Inflows of Resources

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

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total Primary Government
Deferred Inflows of Resources:			
Difference Between Projected and and Actual Earnings on Pension Plan Investments:			
CalPERS Miscellaneous Plan	\$ 19,031,328	\$ 1,767,938	\$ 20,799,266
PARS	375,421	34,875	410,296
 Changes of Assumptions:			
PARS	20,476	1,902	22,378
 Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous Plan	1,212,057	112,596	1,324,653
PARS	844,716	78,471	923,187
 Total Deferred Inflows of Resources	\$ 21,483,998	\$ 1,995,782	\$ 23,479,780

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	\$ 1,398,548	\$ 129,920	\$ 1,528,468
PARS	(5,232)	(486)	(5,718)
Total	\$ 1,393,316	\$ 129,434	\$ 1,522,750

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**General Information about the Pension Plan**

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.5%@55	2%@60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55 to 60	55 to 60
Monthly Benefits, as a % of Eligible Compensation	2% to 3%	2% to 3%
Required Employee Contribution Rates	7.820%	7.820%
Required Employer Contribution Rates:		
Normal Cost Rate	11.870%	11.870%
Payment of Unfunded Liability	\$ 5,782,959	\$ -

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

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

Employees Covered

At the measurement date ended June 30, 2021, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Active Employees	215
Inactive Employees or Beneficiaries Currently Receiving Benefits	346
Inactive Employees Entitled to But Not Yet Receiving Benefits	283
Total	844

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, 2022 of \$7,723,242.

**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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**Net Pension Liability (Continued)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	7.15%
Inflation	2.50%
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 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**Net Pension Liability (Continued)**

Long-Term Expected Rate of Return (Continued)

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

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

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00 %	4.80%	5.98%
Global Fixed Income	28.00	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Estate	13.00	3.75%	4.93%
Liquidity	1.00	0.00%	-0.92%
Total	<u>100.00 %</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**Net Pension Liability (Continued)**

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2019 (Measurement Date)	\$ 259,132,313	\$ 184,581,057	\$ 74,551,256
Changes in the Year:			
Service Cost	3,210,638	-	3,210,638
Interest on the Total Pension Liability	18,077,253	-	18,077,253
Differences Between Expected and Actual Experience	(2,103,860)	-	(2,103,860)
Contributions from the Employer	-	6,985,567	(6,985,567)
Contributions from Employees	-	1,281,337	(1,281,337)
Net Investment Income	-	41,725,831	(41,725,831)
Benefit Payments Including Refunds of Employee Contributions	(11,610,098)	(11,610,098)	-
Administrative Expense	-	(184,385)	184,385
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>7,573,933</u>	<u>38,198,252</u>	<u>(30,624,319)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 266,706,246</u>	<u>\$ 222,779,309</u>	<u>\$ 43,926,937</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 7.15%, 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 (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	Plan's Net Pension Liability (Asset)		
	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
CalPERS Miscellaneous Plan	<u>\$ 79,935,585</u>	<u>\$ 43,926,937</u>	<u>\$ 14,211,821</u>

**Pension Plan Fiduciary Net Position**

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022, the City recognized pension expense of \$1,528,469. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 7,723,242	\$ -
Difference Between Expected and Actual Experience	517,373	(1,324,653)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(20,799,266)
Total	<u>\$ 8,240,615</u>	<u>\$ (22,123,919)</u>

\$7,723,242 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, 2023. 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>
2023	\$ (5,512,463)
2024	(5,366,181)
2025	(4,989,940)
2026	(5,737,962)
2027	-
Thereafter	-

**Payable to the Pension Plan**

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**General Information about the Pension Plan**

Plan Description

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

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

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

Benefits Provided

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

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2021, the following employees were covered by the benefit terms:

		<u>PARS</u>
Active Employees	74	74
Inactive Employees or Beneficiaries Currently Receiving Benefits	41	41
Total	115	<u>115</u>

Contributions

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

For the year ended June 30, 2022, the contributions were:

		<u>PARS</u>
Contributions - Employer	\$ 1,795,693	1,795,693
Contributions - Employee	-	-

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2021, the total pension liability was determined by the June 30, 2021 actuarial valuation. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.50%
Salary Increases	Graded rates based on years of service, 3.40% after 22 years of service
Investment Rate of Return	5.75%
Mortality Rate Table	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans
Postretirement Benefit Increase	Contract COLA of 2.00%

**Discount Rate**

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11 RETIREMENT PLAN (CONTINUED)**

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

**Net Pension Liability (Asset) (Continued)**

Discount Rate (Continued)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Cash	3.22%	0.21%	0.20%
U.S. Core Fixed Income	66.02%	1.95%	1.84%
U.S. Equity Market	22.74%	5.70%	4.10%
Foreign Developed Equity	4.28%	6.99%	5.25%
Emerging Markets Equity	2.72%	9.44%	5.97%
U.S. REITs	1.02%	6.27%	4.11%
Assumed Inflation - Mean		2.35%	2.35%
Assumed Inflation - Standard Deviation		1.25%	1.25%
Portfolio Real Mean Return		3.21%	2.99%
Portfolio Nominal Mean Return		5.56%	5.42%
Portfolio Standard Deviation			5.57%
Long-Term Expected Rate of Return			5.75%

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

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

Plan's Net Pension Liability (Asset)		
Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate +1% (6.75%)
\$ (411,226)	\$ (1,968,505)	\$ (3,228,615)

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2020 (Measurement Date)	\$ 12,080,018	\$ 10,937,404	\$ 1,142,614
Changes Recognized for the Measurement Period:			
Service Cost	209,105	-	209,105
Interest on the Total Pension Liability	680,090	-	680,090
Differences Between Expected and Actual Experience	(1,047,915)	-	(1,047,915)
Changes of Assumptions	-	-	-
Contributions from the Employer	-	1,795,693	(1,795,693)
Net Investment Income, Net of Administrative Expense	-	1,160,124	(1,160,124)
Benefit Payments Including Refunds of Employee Contributions	(936,048)	(936,048)	-
Administrative Expense	-	(3,418)	3,418
Net Changes	<u>(1,094,768)</u>	<u>2,016,351</u>	<u>(3,111,119)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 10,985,250</u>	<u>\$ 12,953,755</u>	<u>\$ (1,968,505)</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, 2021, the City recognized pension income of \$5,719, for the PARS Plan.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022, the City reported deferred outflows resources and deferred inflows of resources related to PARS pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 1,795,693	\$ -
Difference Between Expected and Actual Experience	-	(923,187)
Changes of Assumptions	-	(22,378)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(410,296)
Total	<u>\$ 1,795,693</u>	<u>\$ (1,355,861)</u>

\$1,795,693 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, 2023. Other amounts reported as deferred outflows of resources related to PARS pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (491,239)
2024	(472,335)
2025	(284,084)
2026	(108,203)
Thereafter	-
Total	<u>\$ (1,355,861)</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2021, there were 173 participants receiving these healthcare benefits.

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

Employees Covered

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

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

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The contribution required to be made is based on an Actuarially Determined Contributions (i.e., as medical insurance premiums become due). For fiscal year 2022, \$1,702,464 was contributed as insurance premiums, and an implicit subsidy \$307,004 totaling \$2,009,468.

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

The City's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2021.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2021, was determined using the following actuarial assumptions:

Actuarial Valuation Date	July 1, 2021
Actuarial Cost Method	Early Age Normal, Level Percentage of Pay
Amortization Method	
Level Percent or Level Dollar	Level Percent
Closed, Open, or Layered Periods	Closed
Amortization Period as of July 1, 2021	16 Years
Amortization Growth Rate	2.50%
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.75%
Discount Rate	5.75%

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

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

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability (asset) of the City, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2021:

	Plan's Net OPEB Liability (Asset)		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	(4.75%)	(5.75%)	(6.75%)
Net OPEB Liability (Asset)	\$ (12,276,387)	\$ (18,422,100)	\$ (23,490,675)

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, 2021:

	Plan's Net OPEB Liability (Asset)		
	Healthcare Cost Trend Rate -1%	Current Trend Rate	Trend Rate +1%
	(23.396,454)	(18,422,100)	(12,247,691)
Net OPEB Liability (Asset)	\$ (23,396,454)	\$ (18,422,100)	\$ (12,247,691)

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**C. Change in Net OPEB Liability**

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balance at June 30, 2020 (Measurement Date)	\$ 49,168,367	\$ 54,998,305	\$ (5,829,938)
Changes in the Year:			
Service Cost	1,676,749	-	1,676,749
Interest on the Total OPEB Liability	2,862,998	-	2,862,998
Differences Between Actual and Expected Experience	(919,818)	-	(919,818)
Changes In Assumptions	(5,090,743)	-	(5,090,743)
Contribution - Employer	-	3,569,055	(3,569,055)
Net Investment Income	-	7,581,756	(7,581,756)
Administrative Expenses	-	(29,463)	29,463
Benefit Payments	<u>(2,137,548)</u>	<u>(2,137,548)</u>	<u>-</u>
Net Changes	<u>(3,608,362)</u>	<u>8,983,800</u>	<u>(12,592,162)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 45,560,005</u>	<u>\$ 63,982,105</u>	<u>\$ (18,422,100)</u>

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

For the year ended June 30, 2022, OPEB income in the amount of (\$1,236,324) is included in the accompanying statement of activities.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Made After Measurement Date	\$ 2,009,468	\$ -
Differences Between Expected and Actual Experience	-	(864,646)
Changes of Assumptions	-	(4,474,110)
Net Difference Between Projected and Actual Earnings of OPEB Plan Investments	-	(3,779,164)
Total	<u>\$ 2,009,468</u>	<u>\$ (9,117,920)</u>

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 \$2,009,468 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>
2023	\$ (2,572,394)
2024	(2,656,049)
2025	(2,235,765)
2026	(1,653,712)
2027	-
Thereafter	-
Total	<u>\$ (9,117,920)</u>

Changes of Assumptions

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

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

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

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

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

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 2021-22 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 \$236,874,495. 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 2021-22.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 14 OTHER REQUIRED DISCLOSURES**

**A. Deficit Net Position**

At June 30, 2022, the following funds had a (deficit) fund balance/net position:

Fund	Deficit
<b>Governmental Funds:</b>	
Community Development Block Grant Special Revenue Fund	\$ (20,909)
<b>Enterprise Funds:</b>	
Water and Sewer	(3,895,359)
Electric Utility Fund	(28,349,670)
<b>Fiduciary Fund:</b>	
Successor Agency to the Cerritos Redevelopment Agency	(50,557,363)

**Community Development Block Grant Special Revenue Fund** – the deficit will be eliminated through receipt of revenue in fiscal year 2023. 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, 2022.

**Water and Sewer Fund** – The Water and Sewer Fund has a net position (deficit) of (\$3,895,359) as a result of operating expenses exceeding its operating revenues. The City is actively considering potential options to address the current operating deficit in the water and sewer funds and expects to have a comprehensive plan in place for the resolution of the deficit within the next two years.

**Electric Utility Enterprise Fund** – The Electric Utility Fund has a deficit net position of (\$28,349,670) 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 (\$3,142,833), which is included in the total deficit of (\$28,349,670), as the outstanding debt associated with the electric rights exceeds the net capital assets. The deficit is expected to be eliminated with the City entering into long-term contracts with vendors related to expenses incurred by the operations and through sale of the electric energy output. The General Fund has a nonspendable fund balance in the amount \$26,107,533 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 (\$50,557,363) as a result of its long-term debt exceeding its total assets. The deficit is expected to be eliminated with future repayments by the Successor Agency for its long-term debt from the receipt of future property tax revenues from the County of Los Angeles; with the final payment occurring in fiscal year 2029.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022 as follows:

Fund	Expenditures	Appropriations	Excess Expenditures Over Appropriations
Special Revenue Funds:			
Drainage	\$ 16,160	\$ 15,294	\$ (866)
Measure "R"	785,366	665,020	(120,346)

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

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

**A. Lawsuits**

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

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

The City contracts for policing services through the Los Angeles County Sheriff's Department. As part of the agreement for services, the City is required to pay an additional 9.5% premium over the contract price to the Sheriff's Department for liability insurance. This amount is held by the County in a Liability Trust Fund and provides for the payment of claims brought against the Sheriff's Department. During the fiscal year ended June 30, 2022, the results of an actuarial study of both existing open claims and claims not yet reported are not able to be estimated at this time. In order to fund these past obligations of the Liability Trust Fund, the premium paid by the City may increase in future periods. The precise amount and timing of any contingencies or commitments resulting from the shortfall in the County's Liability Trust Fund cannot be determined at this time.

**CITY OF CERRITOS, CALIFORNIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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 \$3,032,000.

**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, 2022, settlement payable reflected in the general fund is \$3,278 and statement of net position is \$116,030.

**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, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total Pension Liability:</b>				
Service Cost	\$ 3,210,638	\$ 3,237,307	\$ 3,310,335	\$ 3,211,358
Interest on Total Pension Liability	18,077,253	17,554,548	16,751,452	15,850,378
Differences Between Expected and Actual Experience	(2,103,860)	1,810,807	3,321,923	(2,581,182)
Changes in Assumptions	-	-	-	(889,556)
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,610,098)	(11,118,075)	(10,089,894)	(9,571,522)
Net Change in Total Pension Liability	7,573,933	11,484,587	13,293,816	6,019,476
Total Pension Liability - Beginning of Year	259,132,313	247,647,726	234,353,910	228,334,434
Total Pension Liability - End of Year (a)	<u>\$ 266,706,246</u>	<u>\$ 259,132,313</u>	<u>\$ 247,647,726</u>	<u>\$ 234,353,910</u>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 6,985,567	\$ 6,413,343	\$ 5,624,680	\$ 4,966,169
Contributions - Employee	1,281,337	1,375,002	1,837,226	1,438,480
Net Investment Income	41,725,831	8,907,017	11,219,405	13,482,704
Benefit Payments	(11,610,098)	(11,118,075)	(10,089,894)	(9,571,522)
Net Plan to Plan Resource Movement	-	-	-	(395)
Other Miscellaneous Income (Expense)	(184,385)	(252,708)	(121,482)	(728,213)
Net Change in Plan Fiduciary Net Position	38,198,252	5,324,579	8,469,935	9,587,223
Plan Fiduciary Net Position - Beginning of Year	184,581,057	179,256,478	170,786,543	161,199,320
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 222,779,309</u>	<u>\$ 184,581,057</u>	<u>\$ 179,256,478</u>	<u>\$ 170,786,543</u>
Net Pension Liability - Ending (A)-(B)	<u>\$ 43,926,937</u>	<u>\$ 74,551,256</u>	<u>\$ 68,391,248</u>	<u>\$ 63,567,367</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>				
	83.53%	71.23%	72.38%	72.88%
Covered Payroll	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364	\$ 16,892,992
Net Pension Liability as Percentage of Covered Payroll	301.27%	465.19%	382.69%	376.29%

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, 2019:

There were no significant changes in assumptions.

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

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

See accompanying Notes to Required Supplementary Information.

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

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

Notes to Schedule:

Benefit Changes:

There were no Changes in Benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

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

There were no changes in assumptions.

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

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

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

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially Determined Contribution	\$ 7,723,242	\$ 6,941,345	\$ 6,432,125	\$ 5,624,634
Contributions In Relation to the Actuarially Determined Contributions	<u>(7,723,242)</u>	<u>(6,941,345)</u>	<u>(6,432,125)</u>	<u>(5,624,634)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,446,979	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364
Contributions as a Percentage of Covered Payroll	50.00%	47.61%	40.14%	31.47%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Methods and Assumptions used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

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

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

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

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 4,966,169	\$ 4,129,819	\$ 3,803,155	\$ 4,472,467
Contributions In Relation to the Actuarially Determined Contributions	<u>(4,966,169)</u>	<u>(5,472,464)</u>	<u>(4,474,477)</u>	<u>(4,472,467)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (1,342,645)</u>	<u>\$ (671,322)</u>	<u>\$ -</u>
Covered Payroll	\$ 16,892,992	\$ 16,925,184	\$ 17,606,708	\$ 17,978,187
Contributions as a Percentage of Covered Payroll	29.40%	32.33%	25.41%	24.88%

Notes to Schedule:

Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
<b>Methods and Assumptions used to Determine Contribution Rates:</b>				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

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

Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

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

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total Pension Liability:</b>				
Service Cost	\$ 209,105	\$ 280,802	\$ 290,763	\$ 282,294
Interest on Total Pension Liability	680,090	676,957	695,382	693,839
Differences Between Expected and Actual Experience	(1,047,915)	-	(499,084)	-
Changes in Assumptions	-	-	(67,132)	(217,374)
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(936,048)	(730,021)	(730,762)	(749,742)
<b>Net Change in Total Pension Liability</b>	<b>(1,094,768)</b>	<b>227,738</b>	<b>(310,833)</b>	<b>9,017</b>
Total Pension Liability - Beginning of Year	12,080,018	11,852,280	12,163,113	12,154,096
<b>Total Pension Liability - End of Year (a)</b>	<b>\$ 10,985,250</b>	<b>\$ 12,080,018</b>	<b>\$ 11,852,280</b>	<b>\$ 12,163,113</b>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 1,795,693	\$ 1,727,805	\$ 1,727,805	\$ 1,331,501
Contributions - Employee	-	-	-	-
Net Investment Income	1,160,124	542,109	494,848	184,573
Benefit Payments	(936,048)	(730,021)	(730,762)	(749,742)
Administrative Expense	(3,418)	(3,027)	(2,953)	-
Other Miscellaneous Income (Expense)	-	-	-	(2,420)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,016,351</b>	<b>1,536,866</b>	<b>1,488,938</b>	<b>763,912</b>
Plan Fiduciary Net Position - Beginning of Year	10,937,404	9,400,538	7,911,600	7,147,688
<b>Plan Fiduciary Net Position - End of Year (b)</b>	<b>12,953,755</b>	<b>10,937,404</b>	<b>9,400,538</b>	<b>7,911,600</b>
<b>Net Pension Liability (Asset) - Ending (a)-(b)</b>	<b>\$ (1,968,505)</b>	<b>\$ 1,142,614</b>	<b>\$ 2,451,742</b>	<b>\$ 4,251,513</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>117.92%</b>	<b>90.54%</b>	<b>79.31%</b>	<b>65.05%</b>
<b>Covered Payroll</b>	<b>\$ 6,663,380</b>	<b>\$ 6,519,659</b>	<b>\$ 8,076,033</b>	<b>\$ 8,797,761</b>
<b>Net pension liability as percentage of Covered Payroll</b>	<b>-29.54%</b>	<b>17.53%</b>	<b>30.36%</b>	<b>48.32%</b>

Notes to Schedule:

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

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

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

Notes to Schedule:

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

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

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially Determined Contribution	\$ 1,795,693	\$ 1,795,693	\$ 1,727,805	\$ 1,727,805
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,795,693)</u>	<u>(1,795,693)</u>	<u>(1,727,805)</u>	<u>(1,727,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,057,327	\$ 6,663,380	\$ 6,519,659	\$ 8,076,033
Contributions as a Percentage of Covered Payroll	25.44%	26.95%	26.50%	21.39%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2019	6/30/2019	6/30/2017
Methods and Assumptions used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	5.75% (3)	5.75% (3)	5.75% (3)	5.75% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percent, closed for 7 years with 3.00% amortization growth rate.
- (2) Graded rates based on years of service, 3.50% after 30 years of service.
- (3) Net of pension plan investment and administrative expenses, including inflation
- (4) The probabilities of retirement are based on the 2010 CalPERS Experience Study report.
- (5) Pre-retirement: consistent with the non-industrial rates used to value the Miscellaneous CalPERS Pension Plans.  
Post-retirement - CalPERS 1997-2011 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

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

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

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 1,204,857	\$ 1,331,294	\$ 774,085	\$ 847,590
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,331,501)</u>	<u>(1,450,583)</u>	<u>(847,840)</u>	<u>(868,240)</u>
Contribution Deficiency (Excess)	<u>\$ (126,644)</u>	<u>\$ (119,289)</u>	<u>\$ (73,755)</u>	<u>\$ (20,650)</u>
Covered Payroll	\$ 8,797,761	\$ 9,905,146	\$ 9,616,647	\$ 9,336,558
Contributions as a Percentage of Covered Payroll	15.13%	14.64%	8.82%	9.30%

Notes to Schedule:

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

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

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

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

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

(5) Pre-retirement: consistent with the non-industrial rates used to value the Miscellaneous CalPERS Pension Plans.  
Post-retirement - CalPERS 1997-2011 Healthy Retiree Tables with an assumed base year of 2008 and full generational projection using Scale AA.

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

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended Measurement Period Ended	<u>June 30, 2022</u> June 30, 2021	<u>June 30, 2021</u> June 30, 2020	<u>June 30, 2020</u> June 30, 2019	<u>June 30, 2019</u> June 30, 2018	<u>June 30, 2018</u> June 30, 2017
<b>Total OPEB Liability:</b>					
Service Cost	\$ 1,676,749	\$ 1,611,055	\$ 1,240,483	\$ 1,152,240	Not Available
Interest on Total OPEB Liability	2,862,998	2,725,171	2,768,729	2,662,314	
Differences Between Expected and Actual Experience	(919,818)	-	(373,403)	-	
Changes in Assumptions	(5,090,743)	-	(1,263,816)	-	
Changes in Benefits	-	-	-	-	
Benefit Payments, Including Refunds of Employee Contributions	(2,137,548)	(1,875,955)	(1,857,533)	(1,657,007)	
Net Change in Total OPEB Liability	(3,608,362)	2,460,271	514,460	2,157,547	
Total OPEB Liability - Beginning of Year	49,168,367	46,708,096	46,193,636	44,036,089	
Total OPEB Liability - End of Year (a)	<u>\$ 45,560,005</u>	<u>\$ 49,168,367</u>	<u>\$ 46,708,096</u>	<u>\$ 46,193,636</u>	
<b>Plan Fiduciary Net Position:</b>					
Contributions - Employer	\$ 3,569,055	\$ 3,239,740	\$ 3,188,056	\$ 4,115,834	Not Available
Contributions - Employee	-	-	-	-	
Net Investment Income	7,581,756	3,271,714	3,378,685	1,964,761	
Benefit Payments	(2,137,548)	(1,875,955)	(1,857,533)	(1,657,007)	
Other Miscellaneous Income (Expense)	(29,463)	(26,112)	(23,252)	(21,346)	
Net Change in Fiduciary Net Position	8,983,800	4,609,387	4,685,956	4,402,242	
Plan Fiduciary Net Position - Beginning of Year	54,998,305	50,388,918	45,702,962	41,300,720	
Plan Fiduciary Net Position - End of Year (a)	<u>\$ 63,982,105</u>	<u>\$ 54,998,305</u>	<u>\$ 50,388,918</u>	<u>\$ 45,702,962</u>	
<b>Net OPEB Liability (Asset)</b>	<u>\$ (18,422,100)</u>	<u>\$ (5,829,938)</u>	<u>\$ (3,680,822)</u>	<u>\$ 490,674</u>	
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</b>	71.21%	89.40%	92.70%	101.07%	
<b>Covered Payroll</b>	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364	\$ 16,096,388	
<b>Net OPEB Liability (Asset) as Percentage of Covered Payroll</b>	-126.35%	-36.38%	-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 five 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.

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution	\$ 1,470,873	\$ 1,431,507	\$ 1,363,785	\$ 1,330,523	\$ 2,458,827
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,009,468)</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>\$ (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	\$ 16,482,064	\$ 14,580,361	\$ 16,025,922	\$ 17,871,364	\$ 16,096,388
Contributions as a Percentage of Covered-Employee Payroll	12.19%	24.48%	20.22%	17.84%	25.57%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
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\* Fiscal year 2018 was the first year of implementation and therefore only five years are shown. During fiscal year 2018-2019 the City had a restatement for a change in measurement date of the OPEB plan, therefore the balances related to fiscal 2017-2018 and 2018-2019 include the same information, additional information not available prior to fiscal year 2018-2019 after the restatement.

**CITY OF CERRITOS, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property, Sales, and Other Taxes	\$ 50,832,962	\$ 57,689,627	\$ 61,512,663	\$ 3,823,036
Franchise	2,622,000	2,864,320	2,953,692	89,372
Licenses and Permits	2,904,450	2,904,950	3,347,206	442,256
Fines and Forfeitures	377,000	377,000	383,335	6,335
Investment and Rental Income	11,326,407	11,534,778	7,756,356	(3,778,422)
Revenues from Other Agencies	6,487,160	4,335,000	4,252,533	(82,467)
Current Fees and Services	3,715,110	3,712,930	3,587,590	(125,340)
Other Revenues	351,475	634,960	484,305	(150,655)
Total Revenues	<u>78,616,564</u>	<u>84,053,565</u>	<u>84,277,680</u>	<u>224,115</u>
<b>EXPENDITURES</b>				
Current:				
Legislative And Administration	2,446,576	2,635,802	2,800,256	(164,454)
Community Development	4,778,460	4,882,306	4,299,090	583,216
Public Works	13,850,310	14,812,320	12,998,987	1,813,333
Community And Safety Services	26,065,622	26,731,013	18,197,034	8,533,979
Administrative Services	13,035,529	13,143,799	11,824,982	1,318,817
Cerritos Center for the Performing Arts	4,869,450	4,789,272	4,186,181	603,091
Capital Outlay	-	-	239,084	(239,084)
Total Expenditures	<u>65,045,947</u>	<u>66,994,512</u>	<u>54,545,614</u>	<u>12,448,898</u>
Excess of Revenues Over Expenditures	<u>13,570,617</u>	<u>17,059,053</u>	<u>29,732,066</u>	<u>12,673,013</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	126,100	6,398,597	188,840	6,209,757
Transfers Out	(12,587,513)	(18,332,667)	(11,461,565)	6,871,102
Total Other Financing Sources (Uses)	<u>(12,461,413)</u>	<u>(11,934,070)</u>	<u>(11,272,725)</u>	<u>13,080,859</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,109,204	5,124,983	18,459,341	25,753,872
Fund Balance - Beginning of Year	<u>179,545,052</u>	<u>179,545,052</u>	<u>179,545,052</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 180,654,256</u>	<u>\$ 184,670,035</u>	<u>\$ 198,004,393</u>	<u>\$ 25,753,872</u>

**CITY OF CERRITOS, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING ASSETS SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment and Rental Income	\$ 307,140	\$ 287,140	\$ 194,798	\$ (92,342)
Other Revenues	180,000	28,000	27,965	(35)
Total Revenues	<u>487,140</u>	<u>315,140</u>	<u>222,763</u>	<u>(92,377)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	105,000	177,000	158,200	18,800
Total Expenditures	<u>105,000</u>	<u>177,000</u>	<u>158,200</u>	<u>18,800</u>
Excess of Revenues Over Expenditures	<u>382,140</u>	<u>138,140</u>	<u>64,563</u>	<u>(73,577)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,000,000)	(4,000,000)	-	4,000,000
Total Other Financing Sources (Uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>	<u>4,000,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,617,860)	(3,861,860)	64,563	3,926,423
Fund Balance - Beginning of Year	<u>23,325,457</u>	<u>23,325,457</u>	<u>23,325,457</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,707,597</u>	<u>\$ 19,463,597</u>	<u>\$ 23,390,020</u>	<u>\$ 3,926,423</u>

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**CITY OF CERRITOS, CALIFORNIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2022**

**NOTE 1 BUDGET AND BUDGETARY ACCOUNTING**

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

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

There were no significant nonbudgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. However, the City Manager is authorized to transfer budgeted amounts between funds. There were no significant supplementary budget appropriations during the year ended June 30, 2022.

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 American Rescue Plan Fund 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, 2022 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, 2022**

**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, 2022**

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.

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

American Rescue Plan Fund – To account for funds that are received as part of the American Rescue Plan Act and that are reserved to offset COVID-19 pandemic-related revenue losses and negative impacts.

**CITY OF CERRITOS, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds					
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
<b>ASSETS</b>						
Cash and Investments	\$ 553,170	\$ 1,144,252	\$ 416	\$ 1,755,802	\$ 733,622	\$ 71,047
Accounts Receivable	120,279	171,829	-	-	1,923	-
Prepaid Items	9,043	-	46	-	-	-
<b>Total Assets</b>	<b>\$ 682,492</b>	<b>\$ 1,316,081</b>	<b>\$ 462</b>	<b>\$ 1,755,802</b>	<b>\$ 735,545</b>	<b>\$ 71,047</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 571,765	\$ -	\$ 84	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	94,727	-	378	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>666,492</b>	<b>-</b>	<b>462</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	-
<b>FUND BALANCES</b>						
Nonspendable	9,043	-	46	-	-	-
Restricted	6,957	1,316,081	-	1,755,802	735,545	71,047
Unassigned (Deficit)	-	-	(46)	-	-	-
<b>Total Fund Balances</b>	<b>16,000</b>	<b>1,316,081</b>	<b>-</b>	<b>1,755,802</b>	<b>735,545</b>	<b>71,047</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 682,492</b>	<b>\$ 1,316,081</b>	<b>\$ 462</b>	<b>\$ 1,755,802</b>	<b>\$ 735,545</b>	<b>\$ 71,047</b>

**CITY OF CERRITOS, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds						
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund		Environmental Grants	AQMD	Measure "R"
			COPS Grant				
<b>ASSETS</b>							
Cash and Investments	\$ 127,601	\$ 19,898	\$ -	\$ 110,701	\$ 631,460	\$ 59,134	
Accounts Receivable	148	-	-	-	17,840	-	
Prepaid Items	-	3,637	-	-	-	-	
<b>Total Assets</b>	<b>\$ 127,749</b>	<b>\$ 23,535</b>	<b>\$ -</b>	<b>\$ 110,701</b>	<b>\$ 649,300</b>	<b>\$ 59,134</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable and Accrued Liabilities	\$ 7,036	\$ 12,818	\$ -	\$ -	\$ -	\$ -	
Accrued Salaries and Benefits	-	10,717	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	
Unearned Revenues	-	-	-	109,982	-	-	
<b>Total Liabilities</b>	<b>7,036</b>	<b>23,535</b>	<b>-</b>	<b>109,982</b>	<b>-</b>	<b>-</b>	
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unavailable Revenue	-	-	-	-	-	-	
<b>FUND BALANCES</b>							
Nonspendable	-	3,637	-	-	-	-	
Restricted	120,713	-	-	719	649,300	59,134	
Unassigned (Deficit)	-	(3,637)	-	-	-	-	
<b>Total Fund Balances</b>	<b>120,713</b>	<b>-</b>	<b>-</b>	<b>719</b>	<b>649,300</b>	<b>59,134</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 127,749</b>	<b>\$ 23,535</b>	<b>\$ -</b>	<b>\$ 110,701</b>	<b>\$ 649,300</b>	<b>\$ 59,134</b>	

**CITY OF CERRITOS, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds				Total Other Governmental Funds
	Community Development Block Grant	Measure "W"	SB 821	American Rescue Plan Fund	
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 460,703	\$ -	\$ -	\$ 5,667,806
Accounts Receivable	20,909	-	-	-	332,928
Prepaid Items	-	-	-	-	12,726
<b>Total Assets</b>	<b>\$ 20,909</b>	<b>\$ 460,703</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,013,460</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 591,703
Accrued Salaries and Benefits	-	-	-	-	105,822
Due to Other Funds	20,909	-	-	-	20,909
Unearned Revenues	-	-	-	-	109,982
<b>Total Liabilities</b>	<b>20,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>828,416</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable Revenue	20,909	-	-	-	20,909
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	12,726
Restricted	-	460,703	-	-	5,176,001
Unassigned (Deficit)	(20,909)	-	-	-	(24,592)
<b>Total Fund Balances</b>	<b>(20,909)</b>	<b>460,703</b>	<b>-</b>	<b>-</b>	<b>5,164,135</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 20,909</b>	<b>\$ 460,703</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,013,460</b>

**CITY OF CERRITOS, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds					
	Street Improvements	RMRA	Drainage	Proposition "A"	Proposition "C"	Measure "M"
<b>REVENUES</b>						
Investment and Rental Income (Loss)	\$ -	\$ 7,992	\$ -	\$ 9,888	\$ 3,256	\$ 4,457
Revenues from Other Agencies	2,155,521	1,004,571	-	1,414,544	1,061,269	888,642
Current Fees and Services	-	-	3,540	8,892	-	-
Franchise	84,000	-	-	-	-	-
Total Revenues	<u>2,239,521</u>	<u>1,012,563</u>	<u>3,540</u>	<u>1,433,324</u>	<u>1,064,525</u>	<u>893,099</u>
<b>EXPENDITURES</b>						
Current:						
Legislative and Administration	154,934	-	799	-	-	-
Community Development	-	-	-	884,035	743,243	-
Public Works	2,456,785	-	13,140	-	-	130,335
Community and Safety Services	-	-	-	-	-	-
Administrative Services	430,842	-	2,221	-	-	-
Total Expenditures	<u>3,042,561</u>	<u>-</u>	<u>16,160</u>	<u>884,035</u>	<u>743,243</u>	<u>130,335</u>
Excess of Revenues Over (Under) Expenditures	<u>(803,040)</u>	<u>1,012,563</u>	<u>(12,620)</u>	<u>549,289</u>	<u>321,282</u>	<u>762,764</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	2,459,820	-	12,620	-	-	-
Transfers Out	(1,170,191)	(755,262)	-	-	-	(1,100,000)
Total Other Financing Sources (Uses)	<u>1,289,629</u>	<u>(755,262)</u>	<u>12,620</u>	<u>-</u>	<u>-</u>	<u>(1,100,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	486,589	257,301	-	549,289	321,282	(337,236)
Fund Balances - Beginning of Year	(470,589)	1,058,780	-	1,206,513	414,263	408,283
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 16,000</u>	<u>\$ 1,316,081</u>	<u>\$ -</u>	<u>\$ 1,755,802</u>	<u>\$ 735,545</u>	<u>\$ 71,047</u>

**CITY OF CERRITOS, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds					
	Assessment District #6	Los Coyotes Lighting District	Public Safety Grant Fund			Measure "R"
			COPS Grant	Environmental Grants	AQMD	
<b>REVENUES</b>						
Investment and Rental Income (Loss)	\$ 491	\$ -	\$ -	\$ 322	\$ 3,403	\$ 781
Revenues from Other Agencies	140,903	98,612	169,888	18,954	65,759	785,286
Current Fees and Services	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
<b>Total Revenues</b>	<b>141,394</b>	<b>98,612</b>	<b>169,888</b>	<b>19,276</b>	<b>69,162</b>	<b>786,067</b>
<b>EXPENDITURES</b>						
Current:						
Legislative and Administration	-	62,307	-	-	-	-
Community Development	-	-	-	-	22,464	-
Public Works	100,000	1,259,408	-	-	-	785,366
Community and Safety Services	-	-	-	-	-	-
Administrative Services	-	173,264	-	-	-	-
<b>Total Expenditures</b>	<b>100,000</b>	<b>1,494,979</b>	<b>-</b>	<b>-</b>	<b>22,464</b>	<b>785,366</b>
Excess of Revenues Over (Under) Expenditures	41,394	(1,396,367)	169,888	19,276	46,698	701
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	1,396,367	-	-	88	-
Transfers Out	-	-	(169,888)	(18,954)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,396,367</b>	<b>(169,888)</b>	<b>(18,954)</b>	<b>88</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>41,394</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>46,786</b>	<b>701</b>
Fund Balances - Beginning of Year	79,319	-	-	397	602,514	58,433
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 120,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719</b>	<b>\$ 649,300</b>	<b>\$ 59,134</b>

**CITY OF CERRITOS, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds				Total Other Governmental Funds
	Community Development Block Grant	Measure "W"	SB 821	American Rescue Plan Fund	
<b>REVENUES</b>					
Investment and Rental Income (Loss)	\$ -	\$ 4,271	\$ -	\$ -	\$ 34,861
Revenues from Other Agencies	464,378	934,207	25,000	6,271,600	15,499,134
Current Fees and Services	-	-	-	-	12,432
Franchise	-	-	-	-	84,000
Total Revenues	<u>464,378</u>	<u>938,478</u>	<u>25,000</u>	<u>6,271,600</u>	<u>15,630,427</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	-	-	-	-	218,040
Community Development	-	-	-	-	1,649,742
Public Works	-	-	-	-	4,745,034
Community and Safety Services	-	-	-	6,271,600	6,271,600
Administrative Services	-	-	-	-	606,327
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,271,600</u>	<u>13,490,743</u>
Excess of Revenues Over (Under) Expenditures	<u>464,378</u>	<u>938,478</u>	<u>25,000</u>	<u>-</u>	<u>2,139,684</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	3,868,895
Transfers Out	<u>(36,523)</u>	<u>(784,018)</u>	<u>-</u>	<u>-</u>	<u>(4,034,836)</u>
Total Other Financing Sources (Uses)	<u>(36,523)</u>	<u>(784,018)</u>	<u>-</u>	<u>-</u>	<u>(165,941)</u>
<b>NET CHANGE IN FUND BALANCES</b>	427,855	154,460	25,000	-	1,973,743
Fund Balances - Beginning of Year	<u>(448,764)</u>	<u>306,243</u>	<u>(25,000)</u>	<u>-</u>	<u>3,190,392</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (20,909)</u>	<u>\$ 460,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,164,135</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 2,991,360	\$ 2,753,880	\$ 2,155,521	\$ (598,359)
Franchise	84,000	84,000	84,000	-
Total Revenues	<u>3,075,360</u>	<u>2,837,880</u>	<u>2,239,521</u>	<u>(598,359)</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administrative	177,734	191,957	154,934	37,023
Public Works	2,915,796	3,345,634	2,456,785	888,849
Administrative Services	566,424	540,079	430,842	109,237
Total Expenditures	<u>3,659,954</u>	<u>4,077,670</u>	<u>3,042,561</u>	<u>1,035,109</u>
Revenues Over (Under) Expenditures	<u>(584,594)</u>	<u>(1,239,790)</u>	<u>(803,040)</u>	<u>436,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,784,074	3,943,436	2,459,820	(1,483,616)
Transfers Out	(2,193,480)	(2,101,000)	(1,170,191)	930,809
Total Other Financing Sources (Uses)	<u>590,594</u>	<u>1,842,436</u>	<u>1,289,629</u>	<u>(552,807)</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,000	602,646	486,589	(116,057)
Fund Balance - Beginning of Year	<u>(470,589)</u>	<u>(470,589)</u>	<u>(470,589)</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (464,589)</u>	<u>\$ 132,057</u>	<u>\$ 16,000</u>	<u>\$ (116,057)</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ -	\$ 7,000	\$ 7,992	\$ 992
Revenues from Other Agencies	991,131	991,131	1,004,571	13,440
Total Revenues	<u>991,131</u>	<u>998,131</u>	<u>1,012,563</u>	<u>14,432</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(1,000,000)	(1,600,000)	(755,262)	844,738
Total Other Financing Uses	<u>(1,000,000)</u>	<u>(1,600,000)</u>	<u>(755,262)</u>	<u>844,738</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,869)	(601,869)	257,301	859,170
Fund Balance - Beginning of Year	<u>1,058,780</u>	<u>1,058,780</u>	<u>1,058,780</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,049,911</u>	<u>\$ 456,911</u>	<u>\$ 1,316,081</u>	<u>\$ 859,170</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Current Fees and Services	\$ 6,000	\$ 1,300	\$ 3,540	\$ 2,240
Total Revenues	<u>6,000</u>	<u>1,300</u>	<u>3,540</u>	<u>2,240</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administrative	568	614	799	(185)
Public Works	13,002	12,953	13,140	(187)
Administrative Services	1,811	1,727	2,221	(494)
Total Expenditures	<u>15,381</u>	<u>15,294</u>	<u>16,160</u>	<u>(866)</u>
Revenues Over (Under) Expenditures	<u>(9,381)</u>	<u>(13,994)</u>	<u>(12,620)</u>	<u>1,374</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	9,381	13,994	12,620	(1,374)
Total Other Financing Sources	<u>9,381</u>	<u>13,994</u>	<u>12,620</u>	<u>(1,374)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PROPOSITION "A" SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 10,000	\$ 10,000	\$ 9,888	\$ (112)
Revenues from Other Agencies	1,090,000	1,152,045	1,414,544	262,499
Current Fees and Services	-	7,500	8,892	1,392
<b>Total Revenues</b>	<u>1,100,000</u>	<u>1,169,545</u>	<u>1,433,324</u>	<u>263,779</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,000,000	1,000,000	884,035	115,965
<b>Total Expenditures</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>884,035</u>	<u>115,965</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>100,000</u>	<u>169,545</u>	<u>549,289</u>	<u>379,744</u>
Fund Balance - Beginning of Year	<u>1,206,513</u>	<u>1,206,513</u>	<u>1,206,513</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,306,513</u>	<u>\$ 1,376,058</u>	<u>\$ 1,755,802</u>	<u>\$ 379,744</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 3,000	\$ 3,000	\$ 3,256	\$ 256
Revenues from Other Agencies	800,000	800,000	1,061,269	261,269
Current Fees and Services	35,000	7,500	-	(7,500)
<b>Total Revenues</b>	<u>838,000</u>	<u>810,500</u>	<u>1,064,525</u>	<u>254,025</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	800,000	800,000	743,243	56,757
<b>Total Expenditures</b>	<u>800,000</u>	<u>800,000</u>	<u>743,243</u>	<u>56,757</u>
<b>NET CHANGE IN FUND BALANCE</b>	38,000	10,500	321,282	310,782
Fund Balance - Beginning of Year	<u>414,263</u>	<u>414,263</u>	<u>414,263</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 452,263</u>	<u>\$ 424,763</u>	<u>\$ 735,545</u>	<u>\$ 310,782</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ -	\$ 6,000	\$ 4,457	\$ (1,543)
Revenues from Other Agencies	753,611	753,611	888,642	135,031
<b>Total Revenues</b>	<u>753,611</u>	<u>759,611</u>	<u>893,099</u>	<u>133,488</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administration	100,000	150,000	-	150,000
Public Works	-	-	130,335	(130,335)
<b>Total Expenditures</b>	<u>-</u>	<u>150,000</u>	<u>130,335</u>	<u>19,665</u>
 Revenues Over (Under) Expenditures	 <u>753,611</u>	 <u>609,611</u>	 <u>762,764</u>	 <u>153,153</u>
<b>OTHER FINANCING USES</b>				
Transfers In	82,106	32,630	-	(32,630)
Transfers Out	(1,100,000)	(750,000)	(1,100,000)	(350,000)
<b>Total Other Financing Uses</b>	<u>(1,017,894)</u>	<u>(717,370)</u>	<u>(1,100,000)</u>	<u>(382,630)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(264,283)	(107,759)	(337,236)	(229,477)
Fund Balance - Beginning of Year	<u>408,283</u>	<u>408,283</u>	<u>408,283</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 144,000</u>	<u>\$ 300,524</u>	<u>\$ 71,047</u>	<u>\$ (229,477)</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 150	\$ 150	\$ 491	\$ 341
Revenues from Other Agencies	100,000	125,000	140,903	15,903
Total Revenues	<u>100,150</u>	<u>125,150</u>	<u>141,394</u>	<u>16,244</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>150</u>	<u>25,150</u>	<u>41,394</u>	<u>16,244</u>
Fund Balance - Beginning of Year	<u>79,319</u>	<u>79,319</u>	<u>79,319</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 79,469</u>	<u>\$ 104,469</u>	<u>\$ 120,713</u>	<u>\$ 16,244</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 98,600	\$ 98,600	\$ 98,612	\$ 12
Total Revenues	<u>98,600</u>	<u>98,600</u>	<u>98,612</u>	<u>12</u>
<b>EXPENDITURES</b>				
Current:				
Legislative and Administration	54,125	58,456	62,307	(3,851)
Public Works	1,116,022	1,368,605	1,259,408	109,197
Administrative Services	172,491	164,469	173,264	(8,795)
Total Expenditures	<u>1,342,638</u>	<u>1,591,530</u>	<u>1,494,979</u>	<u>96,551</u>
Revenues Over (Under) Expenditures	<u>(1,244,038)</u>	<u>(1,492,930)</u>	<u>(1,396,367)</u>	<u>96,563</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>1,244,038</u>	<u>1,492,930</u>	<u>1,396,367</u>	<u>(96,563)</u>
Total Other Financing Sources	<u>1,244,038</u>	<u>1,492,930</u>	<u>1,396,367</u>	<u>(96,563)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COPS GRANT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 100,000	\$ 100,000	\$ 169,888	\$ 69,888
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>169,888</u>	<u>69,888</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(100,000)	(100,000)	(169,888)	(69,888)
Total Other Financing Uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(169,888)</u>	<u>(69,888)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ENVIRONMENTAL GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 100	\$ 600	\$ 322	\$ (278)
Revenues from Other Agencies	26,000	26,000	18,954	(7,046)
Total Revenues	<u>26,100</u>	<u>26,600</u>	<u>19,276</u>	<u>(7,324)</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(26,100)	(26,997)	(18,954)	8,043
Total Other Financing Uses	<u>(26,100)</u>	<u>(26,997)</u>	<u>(18,954)</u>	<u>8,043</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(397)	322	719
Fund Balance - Beginning of Year	<u>397</u>	<u>397</u>	<u>397</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 397</u>	<u>\$ -</u>	<u>\$ 719</u>	<u>\$ 719</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ 8,000	\$ 8,000	\$ 3,403	\$ (4,597)
Revenues from Other Agencies	55,000	55,000	65,759	10,759
Total Revenues	<u>63,000</u>	<u>63,000</u>	<u>69,162</u>	<u>6,162</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	58,938	58,938	22,464	36,474
Total Expenditures	<u>58,938</u>	<u>58,938</u>	<u>22,464</u>	<u>36,474</u>
Revenues Over (Under) Expenditures	<u>4,062</u>	<u>4,062</u>	<u>46,698</u>	<u>42,636</u>
<b>OTHER FINANCING USES</b>				
Transfers In	-	-	88	88
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>88</u>	<u>88</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,062	4,062	46,786	42,724
Fund Balance - Beginning of Year	<u>602,514</u>	<u>602,514</u>	<u>602,514</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 606,576</u>	<u>\$ 606,576</u>	<u>\$ 649,300</u>	<u>\$ 42,724</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ -	\$ 1,000	\$ 781	\$ (219)
Revenues from Other Agencies	665,020	665,020	785,286	120,266
Total Revenues	<u>665,020</u>	<u>666,020</u>	<u>786,067</u>	<u>120,047</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	665,020	665,020	785,366	(120,346)
Total Expenditures	<u>665,020</u>	<u>665,020</u>	<u>785,366</u>	<u>(120,346)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	1,000	701	(299)
Fund Balance - Beginning of Year	<u>58,433</u>	<u>58,433</u>	<u>58,433</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 58,433</u>	<u>\$ 59,433</u>	<u>\$ 59,134</u>	<u>\$ (299)</u>

**CITY OF CERRITOS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CDBG SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 187,000	\$ 222,790	\$ 464,378	\$ 241,588
Total Revenues	<u>187,000</u>	<u>222,790</u>	<u>464,378</u>	<u>241,588</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	448,764	-	(448,764)
Transfers Out	<u>(187,000)</u>	<u>(222,790)</u>	<u>-</u>	<u>222,790</u>
Total Other Financing Sources (Uses)	<u>(187,000)</u>	<u>225,974</u>	<u>-</u>	<u>(225,974)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(130,000)	318,764	464,378	145,614
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (130,000)</u>	<u>\$ 318,764</u>	<u>\$ 464,378</u>	<u>\$ 145,614</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment and Rental Income (Loss)	\$ -	\$ 1,500	\$ 4,271	\$ 2,771
Revenues from Other Agencies	<u>2,880,800</u>	<u>1,140,000</u>	<u>934,207</u>	<u>(205,793)</u>
Total Revenues	<u>2,880,800</u>	<u>1,141,500</u>	<u>938,478</u>	<u>(203,022)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	65,000	-	-	-
Transfers Out	<u>(3,030,800)</u>	<u>(1,125,000)</u>	<u>(784,018)</u>	<u>340,982</u>
Total Other Financing Sources	<u>(2,965,800)</u>	<u>(1,125,000)</u>	<u>(784,018)</u>	<u>340,982</u>
<b>NET CHANGE IN FUND BALANCE</b>	(215,000)	(113,500)	154,460	267,960
Fund Balance - Beginning of Year	<u>306,243</u>	<u>306,243</u>	<u>306,243</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 91,243</u>	<u>\$ 192,743</u>	<u>\$ 460,703</u>	<u>\$ 267,960</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from Other Agencies	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	25,000	-	(25,000)
Transfers Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total Other Financing Sources	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(130,000)	(105,000)	25,000	130,000
Fund Balance - Beginning of Year	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (155,000)</u>	<u>\$ (130,000)</u>	<u>\$ -</u>	<u>\$ 130,000</u>

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## STATISTICAL SECTION



**CITY OF CERRITOS, CALIFORNIA, CALIFORNIA  
DESCRIPTION OF STATISTICAL SECTION CONTENTS  
JUNE 30, 2022**

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

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	128 – 139
<b>Revenue Capacity</b> These tables contain information to help the reader assess the City’s most significant local revenue source, the property tax.	140 – 145
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	146 – 151
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	152
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	153 – 158

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

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 278,297,578	\$ 272,713,095	\$ 262,647,222	\$ 257,355,170	\$ 253,017,104
Restricted for:					
Special Revenue	1,312,017	-	-	-	-
Street and Sewer Related Purposes	103,610	164,676	107,002	105,332	190,120
Transportation Related Purposes	-	1,081,590	1,477,308	1,703,058	1,733,016
Assessment Districts	-	134,111	127,306	84,023	19,625
Miscellaneous Grants	-	10,165	10,458	1,210	1,396
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	1,452,108	1,489,009	4,406,831	9,462,617	20,447,575
Municipal Improvements	-	-	-	-	-
Unrestricted	183,279,880	184,788,078	138,360,180	97,927,171	131,068,266
Total Governmental Activities					
Net Position	464,445,193	460,380,724	407,136,307	366,638,581	406,477,102
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	42,472,279	31,238,684	28,383,010	30,140,590	29,586,939
OPEB	-	-	-	-	-
Pension	-	-	-	-	-
Unrestricted	(13,401,066)	(23,655,581)	(29,675,894)	(35,033,489)	(40,994,526)
Total Business-Type Activities					
Net Position	29,071,213	7,583,103	(1,292,884)	(4,892,899)	(11,407,587)
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	320,769,857	303,951,779	291,030,232	287,495,760	282,604,043
Restricted for:					
Special Revenue	1,312,017	-	-	-	-
Street and Sewer Related Purposes	103,610	164,676	107,002	105,332	190,120
Transportation Related Purposes	-	1,081,590	1,477,308	1,703,058	1,733,016
Assessment Districts	-	134,111	127,306	84,023	19,625
Miscellaneous Grants	-	10,165	10,458	1,210	1,396
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-
Pension	-	-	-	-	-
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	1,452,108	1,489,009	4,406,831	9,462,617	20,447,575
Municipal Improvements	-	-	-	-	-
Unrestricted	169,878,814	161,132,497	108,684,286	62,893,682	90,073,740
Total Primary Government Net Position	<u>\$ 493,516,406</u>	<u>\$ 467,963,827</u>	<u>\$ 405,843,423</u>	<u>\$ 361,745,682</u>	<u>\$ 395,069,515</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				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>GOVERNMENTAL ACTIVITIES</b>					
Net Investment in Capital Assets	\$ 246,518,511	\$ 241,233,174	\$ 237,632,283	\$ 236,167,050	\$ 239,378,963
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	202,392	87,816	827,933	1,365,023	6,957
Transportation Related Purposes	1,511,593	1,063,684	1,735,175	2,690,006	5,047,612
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	677,241	816,046	-	469,360	579,577
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	5,334,393	16,856,221
Pension	-	-	-	-	1,801,182
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	22,359,381	22,765,009	23,154,191	23,095,853	23,160,416
Municipal Improvements	623,506	589,480	3,681,441	79,319	120,713
Unrestricted	115,756,640	127,204,497	125,486,394	129,097,671	144,602,812
Total Governmental Activities					
Net Position	387,649,264	393,759,706	392,517,417	398,298,675	431,554,453
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net Investment in Capital Assets	28,179,466	26,841,009	25,722,500	24,887,048	24,064,150
OPEB	-	-	-	495,545	167,323
Pension	-	-	-	-	1,565,879
Unrestricted	(44,018,815)	(45,440,520)	(45,936,520)	(46,655,309)	(49,387,146)
Total Business-Type Activities					
Net Position	(15,839,349)	(18,599,511)	(20,214,020)	(21,272,716)	(23,589,794)
<b>PRIMARY GOVERNMENT</b>					
Net Investment in Capital Assets	274,697,977	268,074,183	263,354,783	261,054,098	263,443,113
Restricted for:					
Special Revenue	-	-	-	-	-
Street and Sewer Related Purposes	202,392	87,816	827,933	1,365,023	6,957
Transportation Related Purposes	1,511,593	1,063,684	1,735,175	2,690,006	5,047,612
Assessment Districts	-	-	-	-	-
Miscellaneous Grants	677,241	816,046	-	469,360	579,577
Asset Replacement	-	-	-	-	-
Other Post Employment Benefits	-	-	-	5,829,938	18,422,100
Pension	-	-	-	-	1,968,505
Debt Service	-	-	-	-	-
Housing Assets Special Revenue Fund	22,359,381	22,765,009	23,154,191	23,095,853	23,160,416
Municipal Improvements	623,506	589,480	3,681,441	79,319	120,713
Unrestricted	71,737,825	81,763,977	79,549,874	82,442,362	95,215,666
Total Primary Government Net Position	<u>\$ 371,809,915</u>	<u>\$ 375,160,195</u>	<u>\$ 372,303,397</u>	<u>\$ 377,025,959</u>	<u>\$ 407,964,659</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				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>EXPENSES</b>					
Legislative and Administration	\$ 2,529,809	\$ 4,264,280	\$ 4,883,485	\$ 2,465,291	\$ 2,378,754
Community Development	5,203,327	4,991,092	7,085,991	7,917,327	6,622,743
Public Works	14,303,051	18,261,026	16,714,186	17,268,089	15,966,555
Water and Power	22,232	3,431	2,180	142,503	196,486
Community and Safety Services	22,299,612	22,432,108	24,290,009	23,633,551	22,361,018
Administrative Services	12,112,586	11,123,229	11,173,285	12,390,186	11,933,909
Cerritos Center for the Performing Arts	7,420,483	6,934,822	6,891,247	6,821,863	6,928,938
Unallocated Infrastructure Depreciation	938,514	895,164	917,259	934,773	932,215
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>64,829,614</u>	<u>68,905,152</u>	<u>71,957,642</u>	<u>71,573,583</u>	<u>67,320,618</u>
Water and Sewer	7,886,861	10,764,211	12,015,738	12,318,355	14,418,126
Reclaimed Water	1,001,303	976,476	1,361,003	1,222,306	1,182,692
Electric Utility	6,966,208	6,872,487	7,264,654	6,573,374	5,785,529
Total Business-Type Activities Expenses	<u>15,854,372</u>	<u>18,613,174</u>	<u>20,641,395</u>	<u>20,114,035</u>	<u>21,386,347</u>
Total Primary Government Expenses	80,683,986	87,518,326	92,599,037	91,687,618	88,706,965
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	18,057	4,682	12,817	9,582	10,691
Community Development	935,105	2,756,838	2,350,352	1,982,017	1,464,701
Public Works	139,144	175,944	146,802	199,911	212,402
Community and Safety Services	3,857,319	3,587,773	3,416,288	3,192,486	2,646,060
Administrative Services	1,237,470	191,295	268,741	318,424	305,357
Cerritos Center for the Performing Arts	3,473,035	3,707,910	3,705,534	3,407,864	4,320,222
Operating Grants and Contributions	6,120,017	4,931,724	5,390,206	5,085,014	6,211,435
Capital Grants and Contributions	-	155,321	163,464	2,730,681	66,852
Total Governmental Activities Program Revenues	<u>15,780,147</u>	<u>15,511,487</u>	<u>15,454,204</u>	<u>16,925,979</u>	<u>15,237,720</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	7,548,709	7,639,804	9,039,367	7,652,183	8,750,301
Reclaimed Water	885,922	1,177,437	1,213,014	3,282,140	1,087,403
Electric Utility	4,260,721	5,343,831	6,274,036	5,262,263	4,357,671
Capital Grants and Contributions	78,771	113,913	282,624	320,264	662,073
Total Business-Type Activities Program Revenues	<u>12,774,123</u>	<u>14,274,985</u>	<u>16,809,041</u>	<u>16,516,850</u>	<u>14,857,448</u>
Total Primary Government Program Revenues	28,554,270	29,786,472	32,263,245	33,442,829	30,095,168
<b>NET REVENUE (EXPENSE)</b>					
Governmental Activities	(49,049,467)	(53,393,665)	(56,503,438)	(54,647,604)	(52,082,898)
Business-Type Activities	<u>(3,080,249)</u>	<u>(4,338,189)</u>	<u>(3,832,354)</u>	<u>(3,597,185)</u>	<u>(6,528,899)</u>
Total Primary Government Net Expense	<u>\$ (52,129,716)</u>	<u>\$ (57,731,854)</u>	<u>\$ (60,335,792)</u>	<u>\$ (58,244,789)</u>	<u>\$ (58,611,797)</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				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>EXPENSES</b>					
Legislative and Administration	\$ 2,518,689	\$ 2,713,829	\$ 2,509,888	\$ 3,769,309	\$ 3,256,536
Community Development	5,917,823	6,097,709	6,040,084	6,450,142	5,490,556
Public Works	21,639,916	19,110,998	20,534,788	20,608,456	18,520,020
Water and Power	14,177	19,465	-	-	-
Community and Safety Services	26,170,530	26,799,680	28,017,979	24,915,839	22,905,061
Administrative Services	13,636,432	14,048,665	14,580,868	12,112,328	12,074,686
Cerritos Center for the Performing Arts	9,142,656	9,041,953	8,918,564	3,563,911	4,685,173
Unallocated Infrastructure Depreciation	851,011	861,392	921,562	1,140,880	931,866
Land Transferred to Developer	-	-	-	-	-
Interest Expense	-	-	-	-	-
Total Governmental Activities Expenses	<u>79,891,234</u>	<u>78,693,691</u>	<u>81,523,733</u>	<u>72,560,865</u>	<u>67,863,898</u>
Water and Sewer	12,685,248	12,778,281	13,392,782	13,634,515	14,194,130
Reclaimed Water	1,265,363	1,178,977	6,892,482	1,117,592	1,446,991
Electric Utility	6,685,111	5,857,811	1,205,028	6,164,539	6,860,821
Total Business-Type Activities Expenses	<u>20,635,722</u>	<u>19,815,069</u>	<u>21,490,292</u>	<u>20,916,646</u>	<u>22,501,942</u>
Total Primary Government Expenses	100,526,956	98,508,760	103,014,025	93,477,511	90,365,840
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Legislative and Administration	5,451	4,207	12,245	3,894	3,580
Community Development	2,456,567	2,742,819	2,749,521	2,279,109	2,753,608
Public Works	605,302	269,137	287,193	279,223	3,884,530
Community and Safety Services	2,553,410	2,358,219	1,878,902	761,581	1,657,804
Administrative Services	283,063	270,528	272,745	263,318	398,386
Cerritos Center for the Performing Arts	5,739,821	6,088,635	4,566,056	595	2,346,135
Operating Grants and Contributions	6,124,018	5,983,320	5,925,205	8,309,776	17,361,949
Capital Grants and Contributions	237,883	187,606	-	163,431	464,379
Total Governmental Activities Program Revenues	<u>18,005,515</u>	<u>17,904,471</u>	<u>15,691,867</u>	<u>12,060,927</u>	<u>28,870,371</u>
Business-Type Activities					
Charges for Services:					
Water and Sewer	9,820,648	10,190,126	12,402,631	12,269,460	11,788,831
Reclaimed Water	1,173,266	945,186	5,077,817	1,200,034	1,218,300
Electric Utility	5,347,675	4,627,162	1,020,833	4,774,286	5,471,484
Capital Grants and Contributions	55,658	139,161	252,710	35,691	26,324
Total Business-Type Activities Program Revenues	<u>16,397,247</u>	<u>15,901,635</u>	<u>18,753,991</u>	<u>18,279,471</u>	<u>18,504,939</u>
Total Primary Government Program Revenues	34,402,762	33,806,106	34,445,858	30,340,398	47,375,310
<b>NET REVENUE (EXPENSE)</b>					
Governmental Activities	(61,885,719)	(60,789,220)	(65,831,866)	(60,499,938)	(38,993,527)
Business-Type Activities	(4,238,475)	(3,913,434)	(2,736,301)	(2,637,175)	(3,997,003)
Total Primary Government Net Expense	<u>\$ (66,124,194)</u>	<u>\$ (64,702,654)</u>	<u>\$ (68,568,167)</u>	<u>\$ (63,137,113)</u>	<u>\$ (42,990,530)</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				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 26,306,965	\$ 26,719,271	\$ 27,071,289	\$ 32,846,913	\$ 33,689,474
Property Taxes	6,756,462	5,179,470	10,279,496	11,278,384	11,986,780
Motor Vehicle Taxes	4,451,795	4,585,486	-	-	-
Franchise Taxes	1,531,153	1,642,819	1,711,848	1,717,909	2,570,777
Transient Occupancy Taxes	460,809	504,289	697,835	1,129,526	1,187,002
Other Taxes	473,120	326,668	1,336,488	1,392,520	1,310,269
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Investment and Rental Income	7,767,576	10,327,623	9,596,362	10,020,263	9,482,419
Miscellaneous	54,991	43,570	321,260	1,668,528	234,179
Gain on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Settlement Disbursement from the City due to the Dissolution of Cerritos Redevelopment Agency	(10,109,094)	-	-	-	-
Adjustment to Amount due from Successor Agency	-	-	-	(45,904,165)	7,425,305
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	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>37,693,777</b>	<b>49,329,196</b>	<b>51,014,578</b>	<b>14,149,878</b>	<b>91,921,419</b>
Business-Type Activities:					
Investment and Rental Income	28,585	14,366	16,312	(2,830)	14,211
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	-
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	-	(4,908,733)	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	-	(12,255,554)	-	-	-
<b>Total Business-Type Activities</b>	<b>28,585</b>	<b>(17,149,921)</b>	<b>16,312</b>	<b>(2,830)</b>	<b>14,211</b>
<b>Total Primary Government</b>	<b>37,722,362</b>	<b>32,179,275</b>	<b>51,030,890</b>	<b>14,147,048</b>	<b>91,935,630</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	(11,355,690)	(4,064,469)	(5,488,860)	(40,497,726)	39,838,521
Business-Type Activities	(3,051,664)	(21,488,110)	(3,816,042)	(3,600,015)	(6,514,888)
<b>Total Primary Government</b>	<b>\$ (14,407,354)</b>	<b>\$ (25,552,579)</b>	<b>\$ (9,304,902)</b>	<b>\$ (44,097,741)</b>	<b>\$ 33,323,833</b>

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Sales Taxes	\$ 33,607,144	\$ 34,780,357	\$ 33,382,067	\$ 38,748,343	\$ 45,357,612
Property Taxes	11,894,249	12,419,886	13,040,649	13,513,141	14,511,290
Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	2,565,011	2,410,064	2,390,426	2,621,979	2,953,692
Transient Occupancy Taxes	1,214,387	1,045,417	1,023,825	924,051	1,235,045
Other Taxes	1,481,476	1,566,031	1,319,269	2,384,987	2,607,835
Gain (Loss) on Disposal of Capital Assets	(1,741,736)	-	-	-	-
Investment and Rental Income	10,151,736	13,120,657	12,543,010	9,550,944	7,161,700
Miscellaneous	60,031	108,425	49,818	56,185	63,999
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	7,685,002	-	-	-	-
Gain due to Payment of Long Range Property Management Plan	-	-	-	-	-
Loss due to Elimination of Pension Obligation due from Successor Agency	-	-	-	-	-
Transfers	(19,201)	(858,370)	(859,130)	(1,518,434)	(1,641,868)
<b>Total Governmental Activities</b>	<b>66,898,099</b>	<b>64,592,467</b>	<b>62,889,934</b>	<b>66,281,196</b>	<b>72,249,305</b>
Business-Type Activities:					
Investment and Rental Income	20,018	80,570	104,771	60,045	38,057
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	19,201	858,370	859,130	1,518,434	1,641,868
Special Item and Extraordinary Item:					
Special Item - Water Assessment Payment	-	-	-	-	-
Extraordinary Item - Transfer of Magnolia Debt from Successor Agency to the City	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>39,219</b>	<b>938,940</b>	<b>963,901</b>	<b>1,578,479</b>	<b>1,679,925</b>
<b>Total Primary Government</b>	<b>66,937,318</b>	<b>65,531,407</b>	<b>63,853,835</b>	<b>67,859,675</b>	<b>73,929,230</b>
<b>CHANGES IN NET POSITION</b>					
Governmental Activities	5,012,380	3,803,247	(2,941,932)	5,781,258	33,255,778
Business-Type Activities	(4,199,258)	(2,974,494)	(1,772,400)	(1,058,696)	(2,317,078)
<b>Total Primary Government</b>	<b>\$ 813,124</b>	<b>\$ 828,753</b>	<b>\$ (4,714,332)</b>	<b>\$ 4,722,562</b>	<b>\$ 30,938,700</b>

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>GENERAL FUND</b>					
Nonspendable	\$ 60,663,598	\$ 65,838,456	\$ 68,888,425	\$ 80,996,354	\$ 85,283,586
Restricted	-	-	-	-	-
Assigned	22,203,228	24,017,566	24,372,415	21,416,153	23,113,474
Unassigned	63,903,057	57,595,524	61,925,251	57,367,241	42,477,041
<b>Total General Fund</b>	<b>\$ 146,769,883</b>	<b>\$ 147,451,546</b>	<b>\$ 155,186,091</b>	<b>\$ 159,779,748</b>	<b>\$ 150,874,101</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Unreserved, Reported in:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,538,217	10,550,033	10,984,798	11,356,240	22,391,732
Assigned	-	-	-	-	-
Unassigned	-	(15,000)	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 10,538,217</b>	<b>\$ 10,535,033</b>	<b>\$ 10,984,798</b>	<b>\$ 11,356,240</b>	<b>\$ 22,391,732</b>

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>GENERAL FUND</b>					
Nonspendable	\$ 92,244,370	\$ 93,926,824	\$ 93,251,380	\$ 90,378,803	\$ 89,641,650
Restricted	145,795	249,694	363,533	468,963	578,858
Assigned	16,804,229	17,378,130	17,973,511	17,973,511	16,995,748
Unassigned	50,739,188	58,080,616	60,073,186	70,723,775	90,788,137
<b>Total General Fund</b>	<b>\$ 159,933,582</b>	<b>\$ 169,635,264</b>	<b>\$ 171,661,610</b>	<b>\$ 179,545,052</b>	<b>\$ 198,004,393</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Unreserved, Reported in:					
Nonspendable	\$ -	\$ 167,794	\$ 409,215	\$ 253,470	\$ 242,330
Restricted	25,228,318	25,874,777	28,805,603	27,230,598	28,336,417
Assigned	1,549,968	1,549,967	-	-	-
Unassigned	-	(37,784)	(31,277)	(1,161,067)	(24,592)
<b>Total All Other Governmental Funds</b>	<b>\$ 26,778,286</b>	<b>\$ 27,554,754</b>	<b>\$ 29,183,541</b>	<b>\$ 26,323,001</b>	<b>\$ 28,554,155</b>

Source: Finance Division, City of Cerritos.

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 32,956,476	\$ 32,729,379	\$ 38,334,188	\$ 45,498,217	\$ 47,087,509
Licenses and Permits	1,876,262	2,776,265	3,299,686	3,118,986	2,497,839
Fines and Forfeitures	1,161,194	1,032,869	947,802	845,664	591,148
Investment and Rental Income	7,759,099	10,678,378	10,295,743	10,659,119	10,272,458
Revenues from Other Agencies	10,184,713	9,494,456	5,590,887	4,621,525	5,989,277
Current Fees and Services	6,303,623	5,912,674	5,683,067	5,313,010	5,897,715
Franchise	1,601,601	1,724,318	1,792,320	1,811,958	2,666,159
Other Revenues	1,522,350	492,344	525,089	2,540,878	653,766
Total Revenues	<u>63,365,318</u>	<u>64,840,683</u>	<u>66,468,782</u>	<u>74,409,357</u>	<u>75,655,871</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	2,093,625	4,078,994	1,891,392	1,899,115	2,054,772
Community Development	5,233,924	5,128,714	5,217,726	6,274,695	7,261,751
Public Works	14,825,564	16,303,401	16,304,994	17,953,430	18,980,316
Water and Power	17,140	-	-	-	-
Community and Safety Services	22,150,378	22,265,436	22,266,516	22,494,774	23,276,405
Administrative Services	11,005,650	10,063,366	9,274,520	10,608,147	11,281,082
Cerritos Center for the Performing Arts	6,168,778	5,614,248	5,123,608	5,321,948	6,062,322
Capital Outlay	1,534,270	708,045	2,050,716	2,113,290	1,034,683
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>63,029,329</u>	<u>64,162,204</u>	<u>62,129,472</u>	<u>66,665,399</u>	<u>69,951,331</u>
Excess of Revenues Over (Under) Expenditures	335,989	678,479	4,339,310	7,743,958	5,704,540
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	3,495,893	2,538,165	4,011,926	6,693,682	5,759,097
Transfers Out	(3,495,893)	(2,538,165)	(4,011,926)	(6,693,682)	(5,759,097)
Transfers In (From) Fiduciary Funds	-	-	-	-	-
Settlement Payment from City of Cerritos for the Dissolution of the Former Cerritos Redevelopment Agency	(10,109,094)	-	-	-	-
Proceeds from Sale of Assets	-	-	3,845,000	3,390,836	-
Total Other Financing Sources (Uses)	<u>(10,109,094)</u>	<u>-</u>	<u>3,845,000</u>	<u>3,390,836</u>	<u>-</u>
Net Change In Fund Balances Before Extraordinary Item	(9,773,105)	678,479	8,184,310	11,134,794	5,704,540
<b>SPECIAL ITEM</b>					
Adjustment to Amount Due from Successor Agency					
	-	-	-	(6,169,695)	7,425,305
Payments to Successor Agency	-	-	-	-	(11,000,000)
Gain (Loss) on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (9,773,105)</u>	<u>\$ 678,479</u>	<u>\$ 8,184,310</u>	<u>\$ 4,965,099</u>	<u>\$ 2,129,845</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>					
	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>REVENUES</b>					
Property, Sales, and Other Taxes	\$ 47,005,564	\$ 48,597,758	\$ 47,605,084	\$ 53,427,519	\$ 61,512,663
Licenses and Permits	3,580,686	2,934,132	3,072,377	2,764,442	3,347,206
Fines and Forfeitures	571,017	530,924	399,420	254,506	383,335
Investment and Rental Income	11,288,748	15,003,339	13,643,216	10,058,395	7,756,356
Revenues from Other Agencies	5,925,146	5,977,632	5,727,943	8,392,910	4,252,533
Current Fees and Services	6,858,320	7,187,142	5,830,144	829,351	3,587,590
Franchise	2,649,011	2,494,064	2,474,426	2,705,979	2,953,692
Other Revenues	814,690	621,282	521,232	311,658	484,305
Total Revenues	<u>78,673,182</u>	<u>83,346,273</u>	<u>79,273,842</u>	<u>78,744,760</u>	<u>84,277,680</u>
<b>EXPENDITURES</b>					
Current:					
Legislative and Administration	1,956,223	1,902,399	2,001,819	3,366,736	2,800,256
Community Development	5,796,124	5,937,964	5,770,190	6,427,034	4,299,090
Public Works	20,983,741	18,679,980	19,408,995	20,746,765	12,998,987
Water and Power	-	-	-	-	-
Community and Safety Services	24,343,700	24,790,812	25,233,008	23,598,336	24,468,634
Administrative Services	12,140,106	12,321,143	12,656,658	10,866,366	11,824,982
Cerritos Center for the Performing Arts	7,448,010	7,316,611	6,932,283	2,019,584	4,186,181
Capital Outlay	2,787,119	1,060,844	2,756,626	5,178,603	239,084
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>75,455,023</u>	<u>72,009,753</u>	<u>74,759,579</u>	<u>72,203,424</u>	<u>60,817,214</u>
Excess of Revenues Over (Under) Expenditures	3,218,159	11,336,520	4,514,263	6,541,336	23,460,466
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	10,632,340	5,116,101	7,699,996	9,187,413	6,460,440
Transfers Out	(9,187,181)	(5,974,471)	(8,559,126)	(10,705,847)	(11,461,565)
Transfers In (From) Fiduciary Funds	-	-	-	-	-
Settlement Payment from City of Cerritos for the Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
Proceeds from Sale of Assets	1,097,715	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,542,874</u>	<u>(858,370)</u>	<u>(859,130)</u>	<u>(1,518,434)</u>	<u>(5,001,125)</u>
Net Change In Fund Balances Before Extraordinary Item	5,761,033	10,478,150	3,655,133	5,022,902	18,459,341
<b>SPECIAL ITEM</b>					
Adjustment to Amount Due from Successor Agency	7,685,002	-	-	-	-
Payments to Successor Agency	-	-	-	-	-
Gain (Loss) on Dissolution of the Former Cerritos Redevelopment Agency	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 13,446,035</u>	<u>\$ 10,478,150</u>	<u>\$ 3,655,133</u>	<u>\$ 5,022,902</u>	<u>\$ 18,459,341</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Finance Division, City of Cerritos.

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

<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>
2012-13	\$ 26,089,265	\$ 1,601,601	\$ 6,867,211	\$ 926,774	\$ 922,389	\$ 27,099	\$ 1,161,194
2013-14	26,719,271	1,724,318	6,010,108	1,019,504	1,723,137	33,624	1,032,869
2014-15	27,071,289	1,792,320	11,262,899	1,027,101	2,240,780	31,805	947,802
2015-16	32,846,913	1,811,958	12,651,304	1,128,964	1,948,542	41,480	845,664
2016-17	33,689,474	2,666,159	13,398,035	1,063,850	1,397,633	36,356	591,148
2017-18	33,607,144	2,565,011	13,375,725	1,165,354	2,085,196	310,136	571,017
2018-19	34,780,357	2,494,064	13,817,401	1,190,631	1,673,590	69,911	530,924
2019-20	33,382,067	2,474,426	14,223,017	1,113,565	1,625,994	332,818	399,420
2020-21	38,748,343	3,705,979	14,679,176	1,142,379	1,322,899	299,164	254,506
2021-22	45,357,612	3,037,692	16,155,051	1,171,649	1,860,063	315,494	383,335

(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**

<u>Fiscal Year</u>	<u>Investment and Rental Income</u>	<u>Investment Market Fluctuation</u>	<u>Charges For Services</u>	<u>From Other Agencies</u>	<u>Other</u>	<u>Expendable Trust Contributions</u>	<u>Totals</u>
2012-13	\$ 7,759,099	\$ -	\$ 6,303,623	\$ 10,184,713	\$ 1,522,350	\$ -	\$ 63,365,318
2013-14	10,678,378	5,912,671	5,912,674	9,494,456	492,344	64,840,682	64,840,683
2014-15	10,295,743	5,912,671	5,683,067	5,590,887	525,089	64,840,682	66,468,782
2015-16	10,659,119	5,912,671	5,313,010	4,621,525	2,540,878	64,840,682	74,409,357
2016-17	10,272,458	5,912,671	5,897,715	5,989,277	653,766	64,840,682	75,655,871
2017-18	11,288,748	5,912,671	6,858,320	5,925,146	921,385	64,840,682	78,673,182
2018-19	15,003,339	-	7,187,142	5,977,632	621,282	-	83,346,273
2019-20	13,643,216	-	5,830,144	5,727,943	521,232	-	79,273,842
2020-21	10,058,395	-	829,351	8,392,910	311,658	-	79,744,760
2021-22	7,986,015		3,601,159	19,751,667	512,270	-	100,132,007

(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				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Residential	\$ 4,853,973,263	\$ 4,977,340,010	\$ 5,198,430,172	\$ 5,452,662,517	\$ 5,664,862,220
Commercial	1,328,300,323	1,375,986,165	1,451,612,802	1,461,715,583	1,564,664,100
Industrial	998,702,972	1,059,593,438	1,039,888,633	1,064,647,720	1,136,434,293
Government	-	-	-	-	-
Institutional	22,968,422	33,259,181	24,120,806	24,598,861	38,647,793
Irrigated	346	352	352	358	362
Recreational	6,958,275	7,097,438	7,129,658	7,272,107	9,778,502
Vacant land	7,626,840	9,771,184	10,108,450	7,847,824	7,874,148
SBE nonunitary	2,597,624	2,597,624	2,597,624	2,597,624	2,597,624
Possessory interest	41,094,458	39,836,710	39,800,342	41,108,313	41,346,564
Unsecured	301,477,458	295,052,199	302,637,567	304,132,822	328,708,158
Exempt	(38,989,358)	(38,989,210)	(38,720,924)	(44,654,722)	(41,020,226)
Unknown	-	-	-	-	44
Subtotal	7,524,710,623	7,761,545,091	8,037,605,482	8,321,929,007	8,753,893,582
Add Back Exempt	38,989,358	38,989,210	38,720,924	44,654,722	41,020,226
Grand Total	<u>\$ 7,563,699,981</u>	<u>\$ 7,800,534,301</u>	<u>\$ 8,076,326,406</u>	<u>\$ 8,366,583,729</u>	<u>\$ 8,794,913,808</u>
Total Direct Rate	0.48023%	0.08552%	0.08558%	0.08565%	0.08572%

Source: Finance Division, City of Cerritos.

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

Category	Fiscal Year				
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Residential	\$ 5,985,120,470	\$ 6,262,589,166	\$ 6,558,161,474	\$ 6,801,438,135	\$ 7,025,711,124
Commercial	1,608,072,241	1,653,321,928	1,723,699,070	1,251,559,583	1,370,791,505
Industrial	1,204,290,890	1,250,629,963	1,299,456,065	1,389,502,499	1,451,469,413
Government	-	-	-	-	-
Institutional	29,800,634	45,245,961	49,914,765	68,225,677	54,439,965
Irrigated	368	374	380	386	388
Recreational	9,974,070	10,173,550	10,377,019	10,584,577	10,694,212
Vacant land	8,866,218	10,498,383	24,759,544	9,765,688	8,500,827
SBE nonunitary	1,090,020	1,090,020	1,090,020	1,090,020	3,724,019
Possessory interest	42,421,550	44,897,673	49,889,122	50,349,296	562,318,705
Unsecured	348,141,264	358,754,897	378,475,475	384,709,705	393,355,756
Exempt	(38,894,002)	(38,740,873)	(38,740,873)	(549,160,853)	(214,001,681)
Unknown	-	-	-	-	44
Subtotal	9,198,883,723	9,598,461,042	10,057,082,061	9,418,064,713	10,667,004,277
Add Back Exempt	38,894,002	38,740,873	38,740,873	549,160,853	214,001,681
Grand Total	<u>\$ 9,237,777,725</u>	<u>\$ 9,637,201,915</u>	<u>\$ 10,095,822,934</u>	<u>\$ 9,967,225,566</u>	<u>\$ 10,881,005,958</u>
Total Direct Rate	0.08572%	0.08575%	0.08613%	0.08628%	0.08629%

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)
2012	1.0000	0.0000	0.0464	0.0000	0.0037	1.0501	0.48243
2013	1.0000	0.0000	0.0505	0.0000	0.0035	1.0540	0.48023
2014	1.0000	0.0000	0.0875	0.0000	0.0035	1.0910	0.08552
2015	1.0000	0.0000	0.1236	0.0000	0.0035	1.1271	0.08558
2016	1.0000	0.0000	0.1232	0.0000	0.0035	1.1267	0.08730
2017	1.0000	0.0000	0.1293	0.0000	0.0035	1.1328	0.08572
2018	1.0000	0.0000	0.1253	0.0000	0.0035	1.1288	0.08572
2019	1.0000	0.0000	0.1252	0.0000	0.0035	1.1287	0.08609
2020	1.0000	0.0000	0.1768	0.0000	0.0035	1.1803	0.08613
2021	1.0000	0.0000	0.1712	0.0000	0.0035	1.1747	0.08628
2022	1.0000	0.0000	0.1685	0.0000	0.0035	1.1720	0.08629

(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	2021-22		2012-13	
		Assessed Valuations	Percentage of Total (1)	Assessed Valuations	Percentage of Total (1)
Macerich Cerritos, LLC	Commercial	\$ 379,442,716	3.49%	\$ -	0.00%
Cerritos Retail Centercal	Commercial	172,393,274	1.58%	-	0.00%
Icon Owner Pool	Industrial	161,664,885	1.49%	-	0.00%
Cerritos TC Property	Cross Reference	151,443,052	1.39%	-	0.00%
CTC Office	Cross Reference	121,679,065	1.12%	-	0.00%
Teachers Insurance and Annuity Association	Industrial	95,141,470	0.87%	-	0.00%
Cerritos Corpporate Center Property	Cross Reference	90,339,520	0.83%	-	0.00%
TPG Cerritos Acquisition	Residential	83,756,787	0.77%	-	0.00%
Avalon Cerritos	Residential	62,108,395	0.57%	-	0.00%
Crown Jewel of Pacific	Cross Reference	59,407,847	0.55%	-	0.00%
Cerritos City	Commercial	-	0.00%	\$ 366,440,779	4.84%
Macerich Cerritos	Commercial	-	0.00%	275,151,092	3.64%
Walton CWCA O'Donnell Cerritos	Industrial	-	0.00%	135,518,780	1.79%
Real Estate Account	Industrial	-	0.00%	61,740,253	0.82%
Cerritos Best Plaza	Commercial	-	0.00%	55,000,000	0.73%
JCC California Properties	Industrial	-	0.00%	40,050,000	0.53%
Cerritos Promenade	Commercial	-	0.00%	36,800,000	0.49%
Nordstrom	Commercial	-	0.00%	34,403,275	0.45%
Cerritos Corporate Tower	Commercial	-	0.00%	33,300,000	0.44%
Target Corporation	Commercial	-	0.00%	32,901,200	0.43%
<b>Total</b>		<b>\$ 1,377,377,011</b>	<b>12.66%</b>	<b>1,071,305,379</b>	<b>14.16%</b>
(1) 2021-22 and 2012-13 Total Secured Assessed Valuation is:		<b>\$ 10,881,005,958</b>		<b>\$ 7,563,699,981</b>	

Source: Finance Division, City of Cerritos.

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

Fiscal Year	Property Tax Collections
2012-13	\$ -
2013-14	-
2014-15	-
2015-16	-
2016-17	-
2017-18	-
2018-19	-
2019-20	-
2020-21	-
2021-22	-

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
2012-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013-14	-	-	-	-	-	-
2014-15	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22						

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				
2012-13	\$ -	\$ -	\$ - (b)	49,470	\$ -	(a)
2013-14	2,976,250 (c)	8,928,750 (c)	11,905,000	49,741	239	(a)
2014-15	2,903,750 (c)	8,711,250 (c)	11,615,000	49,968	232	(a)
2015-16	2,828,750 (c)	8,486,250 (c)	11,315,000	49,412	229	(a)
2016-17	2,751,250 (c)	8,253,750 (c)	11,005,000	50,039	220	(a)
2017-18	2,671,250 (c)	8,013,750 (c)	10,685,000	50,058	213	(a)
2018-19	2,587,500 (c)	7,762,500 (c)	10,350,000	50,711	204	(a)
2019-20	2,500,000 (c)	7,500,000 (c)	10,000,000	49,994	200	(a)
2020-21	2,408,750 (c)	7,226,250 (c)	9,635,000	50,143	192	(a)
2021-22	2,313,750 (c)	6,941,250 (c)	9,255,000	49,578	187	(a)

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**

2020-21 Assessed Valuation: \$ 10,881,005,958

	Total Debt (3) 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Los Angeles County Flood Control District	\$ 20,175,000	0.321%	\$ 64,762
Cerritos Community College District	454,876,885	19,884.000	90,447,720
ABC Unified School District	67,123,415	60,235.000	40,431,789
Bellflower Unified School District	75,185,000	3,971.000	2,985,596
Total Overlapping Tax and Assessment Debt			<u>\$ 133,929,867</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			
Los Angeles County General Fund Obligations	\$ 2,698,357,105	0.614%	\$ 16,567,913
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.614	24,389
Bellflower Unified School District Certificates of Participation	11,705,000	3.971	464,806
City of Cerritos General Fund Obligations	-	100	-
Los Angeles County Sanitation District No. 2 Authority	1,517,904	0.882	13,388
Los Angeles County Sanitation District No. 3 Authority	1,153,368	0.349	4,025
Los Angeles County Sanitation District No. 18 Authority	848,592	7.006	59,452
Los Angeles County Sanitation District No. 19 Authority	273,402	43.951	120,163
Total Direct and Overlapping General Fund Debt			<u>\$ 17,254,136</u>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</b>	<b>\$ 32,515,000</b>	<b>100%</b>	<b>\$ 32,515,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ -</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 183,699,003</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 183,699,003 (2)</b>

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

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

**RATIOS TO 2020-21 ASSESSED VALUATION**

Overlapping Tax and Assessment Debt	1.23%
Total Direct Debt	0.00%
Combined Total Debt	1.69%

**RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY**

<b>INCREMENTAL VALUATION (\$4,986,855,238)</b>	
Total Overlapping Tax Increment Debt	0.65%

Source: California Municipal Statistics, Inc.

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

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Debt Limit	\$ 1,142,098,479	\$ 1,176,293,833	\$ 1,219,571,424	\$ 1,263,255,833	\$ 1,326,564,282
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,142,098,479</u>	<u>\$ 1,176,293,833</u>	<u>\$ 1,219,571,424</u>	<u>\$ 1,263,255,833</u>	<u>\$ 1,326,564,282</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2021-22:					
Assessed Value					
Add Back: Exempt Real Property					
Total Assessed Value					
Debt Limit (15% of Total Assessed Value)					
Debt Applicable to Limit					
Legal Debt Margin					

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

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

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Debt Limit	\$ 1,394,812,766	\$ 1,523,688,647	\$ 1,523,688,647	\$ 1,495,083,832	\$ 1,632,150,898
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,394,812,766</u>	<u>\$ 1,523,688,647</u>	<u>\$ 1,523,688,647</u>	<u>\$ 1,495,083,832</u>	<u>\$ 1,632,150,898</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2021-22:					
Assessed Value					\$ 10,881,005,985
Add Back: Exempt Real Property					-
Total Assessed Value					<u>\$ 10,881,005,985</u>
Debt Limit (15% of Total Assessed Value)					\$ 1,632,150,898
Debt Applicable to Limit					-
Legal Debt Margin					<u>\$ 1,632,150,898</u>

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

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

Fiscal Year	Population (1)	Per Capita Personal Income (in thousands)	Personal Income (2) *	City Unemployment Rate (3)
2012-13	49,470	\$ 48,425	\$ 2,395,585	5.90%
2013-14	49,741	50,751	2,524,405	5.40%
2014-15	49,968	54,526	2,724,555	5.20%
2015-16	49,412	57,160	2,824,390	3.90%
2016-17	50,039	(a)	(a)	3.60%
2017-18	50,058	(a)	(a)	4.50%
2018-19	50,711	(a)	(a)	3.90%
2019-20	49,994	(a)	(a)	3.60%
2020-21	50,143	(a)	(a)	8.50%
2021-22	49,578	(a)	(a)	3.80%

\* 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	2012-13	2013-14 (a)	2014-15 (a)	2015-16 (a)	2016-17 (a)	2017-18 (a)	2018-19 (a)	2019-20(a)	2020-21(a)	2021-22(a)
Legislative and Administration	8	7	7	7	6	7	6	7	11	11
Community Development	18	17	17	18	17	19	17	16	16	18
Public Works	78	71	69	67	68	72	65	65	60	71
Water and Power	15	14	13	15	13	16	14	12	12	13
Community and Safety Services	294	246	248	253	234	307	248	235	177	238
Administrative Services	129	121	115	118	119	132	116	123	103	118
Cerritos Center for the Performing Arts	197	76	71	87	84	92	78	76	57	74
<b>Total</b>	<b>739</b>	<b>552</b>	<b>540</b>	<b>565</b>	<b>541</b>	<b>645</b>	<b>544</b>	<b>534</b>	<b>436</b>	<b>543</b>
Full-Time Employees	214	209	189	181	186	175	174	174	180	187
Part-Time Employees	544	530	363	359	379	366	370	360	256	356
<b>Total</b>	<b>758</b>	<b>739</b>	<b>552</b>	<b>540</b>	<b>565</b>	<b>541</b>	<b>544</b>	<b>534</b>	<b>436</b>	<b>543</b>

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

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

Function	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>PUBLIC WORKS</b>					
Maintenance:					
Graffiti Removal (Average Incidence)	5,500	6,000	5,500	4,750	6,270
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,700	28,900	28,000	28,000	28,000
Trees Trimmed	4,000	4,000	2,700	5,255	5,284
<b>WATER AND POWER</b>					
Water:					
Number of Customer Accounts	15,676	15,655	15,792	15,752	15,714
Average Daily Consumption (Millions of Gallons)	8	8	8	6	8
Water Samples Taken (Annual)	2,702	2,130	2,061	2,086	2,111
<b>COMMUNITY AND SAFETY SERVICES</b>					
Police (1):					
Number of Sworn Officers	67	68	65	63	66
Community Service Officers (Non-Sworn)	16	3	3	3	3
Calls Dispatched	15,110	15,798	16,469	11,608	20,067
Crime Reports	5,725	4,990	4,747	3,467	6,145
Moving Citations	7,372	7,336	6,351	2,857	3,941
Parking Citations	413	463	664	412	645
Culture and Recreation:					
Leisure Classes Attendance	49,957	47,583	43,636	40,613	38,262
Indoor Park Reservation Attendance	76,953	78,284	69,264	71,224	65,618
Picnic Shelter Attendance	76,376	65,953	48,869	60,013	73,409
Swim Lessons Attendance	250,341	237,457	213,559	218,618	202,077
Recreational Swim Attendance	55,330	55,656	48,162	42,294	44,842
Volunteer Hours	15,599	15,855	14,948	13,902	12,027
<b>ADMINISTRATIVE SERVICES</b>					
Library:					
Number of Patrons	964,412	935,480	912,852	1,955,332	2,652,290

(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				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>PUBLIC WORKS</b>					
Maintenance:					
Graffiti Removal (Average Incidence)	4,600	2,100	2,622	5,408	5,211
Streetsweeping Miles	7,100	7,100	7,100	7,100	7,100
Trees Maintained	28,000	28,400	28,500	28,500	28,000
Trees Trimmed	7,900	8,000	6,500	7,000	6,120
<b>WATER AND POWER</b>					
Water:					
Number of Customer Accounts	15,567	15,403	15,809	15,757	15,749
Average Daily Consumption (Millions of Gallons)	6	6	7	6	7
Water Samples Taken (Annual)	2,088	2,151	2,107	2,000	1,788
<b>COMMUNITY AND SAFETY SERVICES</b>					
Police (1):					
Number of Sworn Officers	66	65	65	65	65
Community Service Officers (Non-Sworn)	3	3	3	19	3
Calls Dispatched	18,378	17,696	15,787	14,646	16,725
Crime Reports	5,457	5,487	4,699	4,191	4,735
Moving Citations	6,031	6,397	4,821	3,220	3,081
Parking Citations	856	1,316	7,723	3,399	12,618
Culture and Recreation:					
Leisure Classes Attendance	36,228	31,856	17,894	0*	5,940
Indoor Park Reservation Attendance	64,723	66,585	39,846	0*	16,644
Picnic Shelter Attendance	70,988	59,416	32,444	0*	51,932
Swim Lessons Attendance	157,908	140,147	103,577	0*	28,724
Recreational Swim Attendance	42,000	42,810	10,439	0*	8,159
Volunteer Hours	10,021	10,566	7,330	0*	0*
<b>ADMINISTRATIVE SERVICES</b>					
Library:					
Number of Patrons	2,781,673	552,212	376,010	0*	324,174

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

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

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

Function	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>PUBLIC WORKS</b>					
Sewers:					
Miles of Sanitary Sewers	124	124	124	124	124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
<b>COMMUNITY AND SAFETY SERVICES</b>					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
<b>ADMINISTRATIVE SERVICES</b>					
Number of Libraries	1	1	1	1	1
Number of Volumes	265,789	252,108	266,647	264,316	265,507

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

Function	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>PUBLIC WORKS</b>					
Sewers:					
Miles of Sanitary Sewers	124	124	124	124	124
Sewer Lines (Miles)	109	109	109	109	109
Streets and Highways:					
Streets (Miles)	136	136	136	136	136
Sidewalks (Miles)	242	242	242	242	242
Curb and Gutter (Miles)	256	256	256	256	256
Traffic Signals (Intersections)	90	90	90	90	90
<b>COMMUNITY AND SAFETY SERVICES</b>					
Number of Sheriff Stations	1	1	1	1	1
Number of Parks	24	24	24	24	24
Number of Swimming Pool	2	2	2	2	2
<b>ADMINISTRATIVE SERVICES</b>					
Number of Libraries	1	1	1	1	1
Number of Volumes	268,772	247,091	284,849	317,218	238,850

Source: Finance Division, City of Cerritos.

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