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January 31, 2020

To the Citizens of the City of El Cerrito
and the Honorable Mayor and Members of
the City Council:

I hereby submit this Comprehensive Annual Financial Report (CAFR) of the City of El Cerrito for the fiscal year ended June 30, 2019. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. This transmittal letter is intended to be read in conjunction with the Management Discussion and Analysis (MD&A) and the Financial Statements.

REPORTING ENTITY
The City of El Cerrito provides a full range of services, including police and fire protection; building permits and inspections; parks and recreation facilities and services, planning and environmental services, construction and maintenance of streets, public buildings, and other infrastructure and operation of a state of the art Recycling Center. The activities of several legally separate entities are included in the City's financial statements. The City serves as the reporting body for these entities, including the City of El Cerrito Employees' Pension Plan, the Municipal Services Corporation and the El Cerrito Public Financing Authority. The City is financially accountable for these entities since the City Council serves as the separate Board of Directors for each entity and City staff has operational responsibility for the activities of each entity. All these entities are included in the City's financial statements as part of the reporting entity.

CITY PROFILE
The City of El Cerrito is located across the Bay from the City of San Francisco in an area locally referred to as the East Bay. The City consists of about 3.9 square miles and has approximately 25,000 residents. El Cerrito is part of the West Contra Costa Unified School District (WCCUSD), which also serves other West County Communities. In El Cerrito, WCCUSD operates one early intervention preschool, three public elementary schools, one public middle school, and one public high school. The City has a variety of green spaces for public enjoyment including 32 acres of developed park grounds, over 100 acres of open space in the hillside natural area, a 2.7-mile multi-use trail known as the Ohlone Greenway, school recreation facilities, the privately-owned Berkeley Country
Club (127 acres), and Boy Scouts of America's Camp Hermès (18 acres). A portion of the Sunset View Cemetery and the City's eastern boundary are contiguous with the East Bay Regional Park District's Wildcat Canyon Regional Park (about 2,600 acres). El Cerrito also has a regional office of the California Department of Motor Vehicles, two Bay Area Rapid Transit (BART) Stations, a major regional shopping center, 5 banks, 17 churches and some of the most spectacular views of four Bay Area bridges, San Francisco and the surrounding area.

ECONOMIC CONDITION AND OUTLOOK

The financial outlook for El Cerrito is challenging. The City continues to experience a modest growth in revenues. However, the City remains cautious, as the growth projected in the next few years isn't expected to continue indefinitely. The City remains focused on financial stability to ensure budgeted expenses can be supported by revenues. The City became a Charter City Recently, and the voters approved a Real Property Transfer Tax that is expected to generate revenue that could be used to restore general fund reserves, maintain: rapid 9-1-1 emergency response times, City parks, paths and playfields, library programs for children, adults and families and senior services.

The median sale price of a single-family home decreased by 0.5% with the most recent figures showing the current median home price at $895,000. The median price in the prior year was $900,000. Growth is projected to continue to moderate in the next fiscal year. Also projected in the next few years are new development projects already in process. These will generate both one-time permit and planning fees as well as ongoing property taxes once the projects are completed.

Employee costs continue to trend upwards. General Fund Employee costs are projected at nearly 76% of Total General Fund Expenditures for FY 2019-20. This proportion will increase with the increase in pension related costs in FY 2020-21 and beyond. Fire labor contracts was successfully renegotiated in 2019 and the remaining contracts are under review.

The City remains focused on financial stability and opportunities to strengthen our financial position. That includes aligning expenses with available revenue, eliminating fund deficits and restoring the General Fund reserve ratio to at least the policy goal minimum of 10% of expenditures in the medium term.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

The City remained committed to providing high quality services with a focus on long-term viability and was able to accomplish many noteworthy projects across departments. Significant selected accomplishments for the year include:

- Passage of Measure H, renewal of special parcel tax for parks and recreation
- Completion of Parks and Recreation Master Plan

10890 San Pablo Avenue  El Cerrito, CA 94530  (510) 215-4300  FAX (510) 215-4319  www.el-cerrito.org
• Oversight of Measure V Real Property Transfer Tax

• Increased oversight of Vegetation Management/Weed Abatement program in response to increased focus on wildfire safety

• Adopted Green Infrastructure Program

• Significant update of technology, security, and automation practices

• Processed numerous development applications:
  ▪ Under construction: 272 multifamily units, including 67 affordable
  ▪ Entitled: 742 units

• Created Tenant Protections Task Force to assist in implementation of element of Affordable Housing Strategy

• Implemented a Rent Registry program to collect data on residential rental properties

• Provided mutual aid responses around the State with significant operations in Napa and Sonoma counties

• Managed numerous capital improvement projects

FINANCIAL INFORMATION

Accounting System
The City’s accounting and budgeting records for general government operations are recorded on a modified accrual basis, with the revenues being recognized when available and measurable, and expenditures being recorded when the service or goods are received, and the liabilities are incurred. Accounting and budgeting for the City’s proprietary funds are maintained on the accrual basis.

Non-exchange transactions in which the City gives or receives value without directly receiving or giving equal value in exchange include taxes, grants entitlements and donations. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been met.

The City maintains an internal control structure designed to provide reasonable assurance that the City’s assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these
objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Budgeting Controls**
The City of El Cerrito maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, capital projects funds, debt service funds, and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level.

Only the City Council has the authority to create or modify total appropriations of any fund, subject to only the appropriations limits established by State law. The City Council approved various supplemental appropriations during the year. The statements and schedules included in the financial section of this report indicate that the City continued to meet its responsibility for sound financial management.

**OTHER INFORMATION**

**Independent Audit**
The City Council selects an independent certified public accounting firm to perform a required annual audit of the City's financial records and transactions. Such an audit is also required through covenants related to the City's bonded indebtedness. The City has contracted with Badawi & Associates, an independent auditor, to perform the audit and prepare the financial section of this report.

**Acknowledgments**
The preparation of this Comprehensive Annual Financial Report was made possible by the work of Citywide staff and our audit firm, Badawi & Associates. I wish to thank and acknowledge the work of Senior Accountant Lucy Xie and the Finance Department staff, who made every effort to bring this audit to a conclusion.

I would also like to thank our new City Manager, the Mayor and the City Council for their outstanding leadership and ongoing commitment to the El Cerrito community.

Respectfully submitted,

Mark R Rasiah  
Finance Director / City Treasurer

10890 San Pablo Avenue  El Cerrito, CA 94530  (510) 215-4300  FAX (510) 215-4319  
www.el-cerrito.org
CITY OF EL CERRITO

PRINCIPAL OFFICERS

JUNE 30, 2019

City Council

Mayor Rochelle Pardue-Okimoto
Mayor Pro Tern Greg Lyman
City Council Member Paul Fadelli
City Council Member Gabriel Quinto
City Council Member Janet Abelson

Department Directors

City Manager Karen Pinkos
City Attorney Sky Woodruff
Assistant City Manager Alexandra Orologas
Chief of Police Paul Keith
Fire Chief Michael Pigoni
Community Development Director Melanie Mintz
Finance Director/ City Treasurer Mark R Rasia
Public Works Director/ City Engineer Yvetteh Ortiz
Recreation Director Chris Jones
City Clerk Holly Charlety
City of El Cerrito Organization Chart

Residents of El Cerrito

City Council

Boards and Commissions

City Attorney

City Manager

City Management

Fire Department

Finance

Police Department

Community Development

Public Works

Recreation
INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and Members of the City Council
of the City of El Cerrito
El Cerrito, California

Report on the Financial Statements
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 the City of El Cerrito, California (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility 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; this includes 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.

Auditor’s Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
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, as of June 30, 2019, 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.
To the Honorable Mayor and Members of the City Council
of the City of El Cerrito
El Cerrito, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, pension required supplementary information, and other post-employment benefits information on pages 5–15 and 87–92 be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in Note 21 to the financial statements, the City’s General Fund has a very limited fund balance that indicates that the City may not be able to continue as a going concern. These conditions raise substantial doubt about its ability to continue as a going concern. Management’s plans regarding those matters also are described in Note 21. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.
To the Honorable Mayor and Members of the City Council
of the City of El Cerrito
El Cerrito, California
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2020, 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 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 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.

Badawi and Associates
Berkeley, California
January 31, 2020
This section of the City of El Cerrito’s annual financial report presents Management’s discussion and analysis of the financial performance of the City and its component units during the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- At the close of the fiscal year (FY19), City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.53 million in FY18. The City’s net position decreased by $9.56 million from $26.09 million to $16.53 million (Table A-1). Of the $16.53 million in net position, $57.2 million was invested in capital assets net of related debt.

- Program revenues for Governmental Activities increased by $3.73 million and program revenues for Business-type Activities increased by $0.06 million, contributing a total increase of $3.79 million to the FY19 City net position (Table A-2). General Revenues, mainly from property taxes, real property transfer taxes and sales taxes, contributed $2.3 million to the increase in the total City net position in FY19.

- Expenses in FY19 in general increased by about $3.28 million more than in the prior fiscal year. Public safety expenses increased by almost $1.96 million, which represents nearly 60% of the total increase in expenses in FY19. (Table A-2)

- Total General Fund revenues of $39.3 million exceeded budget by nearly $0.9 million. Revenues also exceeded prior year’s revenues of $35.8 million by nearly $3.6 million, due to increased property taxes, sales taxes, charges for services and revenue from a new real property transfer tax from the voter approved Measure V that was passed in November 2018 (Table A-3). The transfer tax came into effect in January of 2019 and for the six-month period from January to June 2019, the City received $1.1 million in property transfer taxes.

- Total General Fund expenditures were $40.2 million, an increase of nearly $4.0 million over the prior year. About $2.2 million of this increase was due to increases in public safety costs which increased from $21.3 million in FY18 to $23.5 million in FY19. This increase was partly due to an increase in public safety overtime costs, increased safety retirement plan costs and higher vehicle and equipment repair and maintenance costs. Public Safety overtime was $1.7 million, up nearly $0.3 million from the prior year; retirement contributions were $4.2 million, up nearly $0.5 million over FY18; and repairs and maintenance costs increased by almost $0.3 million over FY18.

- Despite the increase in revenues, the General fund ended the year with a negative total fund balance of $56,692. This represents a decrease of $144,262 over the ending total fund balance in the prior fiscal year of $87,570. This decrease was mainly due to fund expenditures and financing uses...
exceeding fund revenues by $945,017. The excess was largely offset by revenues from the City’s share of Redevelopment Agency (RDA) property sales proceeds resulting in a net change in fund balance of $144,262. It needs to be mentioned here that during FY19, the City wrote off $722,585 that was collectively owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. Additionally, the City recorded a portion of sales taxes from sales at the Home Depot store located on the border with the City of Richmond amounting to $116,319 as deferred revenue rather than current revenue, in accordance with accounting standards. The combined effect of these two items if added to the General Fund, would have yielded a positive total General Fund balance of $782,212. (See section on Financial Analysis of the City’s Major Funds for a fuller discussion of General Fund impacts.)

In FY19 the Unassigned General Fund balance reduced from a negative $2.2 million in FY18 to a negative $1.7 million, an improvement of $525,000. The non spendable fund balance consists of $317,967 owed to the General Fund from the City’s Integrated Waste Management Fund (IWM) and an advance of $1.3 million that was made to the RDA to settle with the California Department of Finance. The City has filed an appeal seeking redress. The IWM advance will be repaid in full in FY20 through the increased Recyclables and Waste Management fee revenue that went into effect in January 2020. It is expected that once both these non-spendable amounts are recovered, the negative unassigned General Fund balance will be substantially reduced.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition to the basic financial statements, this report includes a transmittal letter, management’s discussion and analysis and statistical information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. (pages 21-23) The government-wide financial statements are designed to provide readers with a broad overview of the City’s and component units’ finances, in a manner similar to statements of a private-sector business and include the Statement of Net Position and the Statement of Activities.

The statement of net position presents information on all 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 showing how the City’s net position changed during the most recent 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the City and component units 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 and component units include public safety
(police and fire), streets, recreation, parks, planning, community development, and general administrative support. The City also operates one business-type activity: recycling.

Component units are included in the basic financial statements and consist of legally separate entities for which the City is financially accountable or that have either the same governing board as the City or a governing board appointed by the City of El Cerrito City Council. The blended component units include the El Cerrito Municipal Services Corporation (MSC), the El Cerrito Employees’ Pension Plan, and the El Cerrito Public Financing Authority (PFA).

**FUND FINANCIAL STATEMENTS. (pages 28-39).** The fund financial statements provide more detailed information about the City’s most significant funds—not the City as a whole. Funds are accounting devices that the City uses to segregate sources of funding and spending restricted for a particular purpose. State law requires some funds, by bond covenants, administer the funds of component units with separate governing boards.

*Governmental funds. (pages 28-31)* Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Governmental funds can have unrestricted or restricted purposes or can be available for use only by a legally separate entity that is a component unit. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

*Proprietary funds. (pages 34-36)* Services for which the City charges customers fees are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City’s predominant proprietary fund is the Integrated Waste Management Fund, which accounts for the City’s recycling programs. The City also uses an internal service fund to report activities related to the replacement of vehicles and major equipment items.

*Fiduciary funds. (pages 38-39)* The City is the trustee, or fiduciary, for certain funds. The City is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

**Notes to the Basic Financial Statements. (pages 41-83)** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statement and accompanying notes, supplementary information on major and non-major funds is presented in this report.
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The statement of net position and statement of activities of the City’s governmental activities and business-type activities are presented below in Tables A-1 and A-2.

Statement of Net Position. The net position serves as an indicator of a government’s financial position. As noted earlier in the Financial Highlights, El Cerrito’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $16.53 million at June 30, 2019 representing a $9.56 million decrease over the prior year. This follows a decrease in total assets of $6.73 million, a decrease of deferred outflows of assets of $1.93 million, a decrease of total liabilities of $0.94 million and an increase in deferred inflows of $1.85 million, primarily related to the implementation of GASB 75 that requires the recognition of the City’s net OPEB liability and an increase in the City’s net pension liability. Total assets decreased mainly from the sale of City owned property that once belonged to the Redevelopment Agency.

Table A-1 Net Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>FY 18-19</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 17-18</th>
<th>Total</th>
<th>Total Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$23,427,864</td>
<td>$25,706,594</td>
<td>$(74,596)</td>
<td>59,985</td>
<td>$23,353,268</td>
<td>$(25,766,579)</td>
</tr>
<tr>
<td>Capital assets</td>
<td>123,030,191</td>
<td>124,093,462</td>
<td>5,093,295</td>
<td>5,093,295</td>
<td>128,123,486</td>
<td>129,186,757</td>
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<tr>
<td>Accumulated Depreciation</td>
<td>(49,249,564)</td>
<td>(46,248,512)</td>
<td>(1,493,521)</td>
<td>(1,237,647)</td>
<td>(50,743,085)</td>
<td>(47,486,159)</td>
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<tr>
<td>Total Assets</td>
<td>97,208,491</td>
<td>103,551,544</td>
<td>3,525,178</td>
<td>3,915,633</td>
<td>100,733,669</td>
<td>107,467,177</td>
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<td>Deferred Outflows of Resources</td>
<td>15,942,693</td>
<td>17,857,172</td>
<td>64,253</td>
<td>75,011</td>
<td>16,006,946</td>
<td>17,932,183</td>
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<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other liabilities</td>
<td>12,192,870</td>
<td>11,927,678</td>
<td>536,553</td>
<td>572,540</td>
<td>12,729,423</td>
<td>12,500,218</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>82,557,424</td>
<td>83,328,458</td>
<td>2,003,522</td>
<td>2,403,252</td>
<td>84,560,946</td>
<td>85,731,710</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>94,750,294</td>
<td>95,256,136</td>
<td>2,540,075</td>
<td>2,975,792</td>
<td>97,290,369</td>
<td>98,231,928</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>2,922,880</td>
<td>1,076,250</td>
<td>2,922,880</td>
<td>1,076,250</td>
<td>2,922,880</td>
<td>1,076,250</td>
</tr>
</tbody>
</table>

Net Position

<table>
<thead>
<tr>
<th></th>
<th>FY 18-19</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 17-18</th>
<th>Total</th>
<th>Total Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>55,950,869</td>
<td>58,942,988</td>
<td>1,287,089</td>
<td>1,106,285</td>
<td>57,237,958</td>
<td>60,049,273</td>
</tr>
<tr>
<td>Restricted</td>
<td>14,225,506</td>
<td>17,041,501</td>
<td>14,225,506</td>
<td>17,041,501</td>
<td>28,451,012</td>
<td>34,083,002</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(54,698,365)</td>
<td>(50,908,159)</td>
<td>(237,733)</td>
<td>(91,433)</td>
<td>(54,936,098)</td>
<td>(50,999,592)</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$15,478,010</td>
<td>$25,076,330</td>
<td>$1,049,356</td>
<td>$1,014,852</td>
<td>$16,527,366</td>
<td>$26,091,182</td>
</tr>
</tbody>
</table>

The largest portion of the City’s net position is its investment in capital assets such as streets, sidewalks, parks and City owned buildings less any outstanding debt used to acquire those assets. These investments amount to $57.23 million and are used to provide services to the public. 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 resources needed to repay this debt must be provided for from other sources (future revenues), since the capital assets themselves cannot be used to liquidate liabilities. An additional $14.26 million of the City’s net position represents resources that are subject to external restrictions on their use. Of the restricted net position, $1.0 million represents the value of properties owned by the Corporation or Housing Successor that may only be used for redevelopment purposes. Other restricted net positions include money available for appropriation by the City or Corporation for restricted purposes.

At the end of the fiscal year ended June 30, 2019, the City reported positive balances in net investment in capital assets and restricted net position. However, for the City as a whole, the unrestricted balance was a negative $54.94 million. The unrestricted net position for Governmental Activities was negative $50.9 million and the unrestricted net position for Business-type Activities was a negative $0.2 million.

**Statement of Activities.** The Statement of Activities provides information about all the City’s revenues and expenses, with an emphasis on measuring net revenues or expenses in each of the City’s programs and explains in detail the change in Net Position for the year.

<table>
<thead>
<tr>
<th>Table A-2 Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental</td>
</tr>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>FY 18-19</td>
</tr>
<tr>
<td><strong>Program revenues</strong></td>
</tr>
<tr>
<td>Charges for services</td>
</tr>
<tr>
<td>Operating contributions and grants</td>
</tr>
<tr>
<td>Capital contributions and grants</td>
</tr>
<tr>
<td><strong>General revenues</strong></td>
</tr>
<tr>
<td>Property tax</td>
</tr>
<tr>
<td>Sales and use tax</td>
</tr>
<tr>
<td>Utility users tax</td>
</tr>
<tr>
<td>Other taxes</td>
</tr>
<tr>
<td>Other general revenues</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
</tr>
<tr>
<td>Total Revenues</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
</tr>
<tr>
<td>General government</td>
</tr>
<tr>
<td>Public works</td>
</tr>
<tr>
<td>Recreation</td>
</tr>
<tr>
<td>Community development</td>
</tr>
<tr>
<td>Public safety</td>
</tr>
<tr>
<td>Interest on long term debt</td>
</tr>
<tr>
<td>Integrated waste management</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over expenses before transfers and Special Items</strong></td>
</tr>
<tr>
<td>Special Items</td>
</tr>
<tr>
<td>Transfers</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net position</strong></td>
</tr>
<tr>
<td><strong>Beginning Net Position</strong></td>
</tr>
<tr>
<td><strong>Ending Net Position</strong></td>
</tr>
</tbody>
</table>
The City’s total revenues were $51.97 million for the year ended June 30, 2019, an increase of $6.0 million from the previous year. Revenues from all taxes increased by $2.21 million and revenues from the use of money and property decreased by $0.04 million. Program revenues for both Governmental and Business-type activities increased by $3.79 million over the prior year.

The City’s total program expenses were $54.76 million, an increase of $3.28 million over the prior fiscal year. There were increases of $0.9 million in general government, a nearly $0.53 million increase in Recreation Services, and Public Safety Services saw the most increase in expenses of almost $1.96 million.

**Governmental Activities Revenues.** In FY19, the City received nearly 59.15% of its revenues from taxes: 28.88% from property taxes, 16.87% from sales taxes, 6.50% from utility user’s taxes, and 6.91% from other taxes. The City also received 22.66% from charges for services, 17.49% of its revenues from operating and capital contributions and grants and 0.69% from other sources.

**Governmental Activities Expenses.** In FY19, nearly 85.5% of program expenses were attributable to direct services such as Public Works, Recreation, Community Development and Public Safety. This was about the same percentage as in the prior year. Total expenditures were $44.59 million in FY19 which was $2.14 million higher than in the prior year.
**Business-type Activities.** The net position in FY19 improved by $34,000 but at a slower rate than in FY 18 due to expenses growing at a faster pace than revenues. (Table A-2). The ending Net Position for Business-type Activities was $1.0 million, which is slightly higher than in the previous year.

**FINANCIAL ANALYSIS OF THE CITY’S MAJOR FUNDS**

**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 financial requirements and stability of the City. 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 year-end the City’s governmental funds reported total fund balances of $12.75 million down from $14.80 million in the prior fiscal year, a decrease of $2 million which represents: a decrease in the assets of the Municipal Services Fund upon the sale of RDA land and a decrease in the amounts owed by the Capital Improvement Project Fund to the General Fund, due to advances owed to the General Fund being written off as mentioned previously under Financial Highlights.

**General Fund.** The General Fund is the City’s chief operating fund. At the end of the fiscal year, the total General Fund balance was a negative $56,692, a decrease of $144,262 from the FY18 balance of $87,570. As stated previously under the Financial Impacts section, during FY19 the City wrote off $722,585 that was collectively owed to the General Fund by the City Housing Trust Fund and Capital Improvement Project Fund. These legacy General Fund advances from prior fiscal years were made as far back as 2012 during the period of the RDA dissolution. Had the write-off not occurred, the total General Fund balance would have been higher by a corresponding amount.
In December 2019 the City received a portion of its share of Home Depot sales taxes from the City of Richmond. Unfortunately, the tax revenue was received long after the close of the fiscal year and though it is attributable to FY19, Governmental Accounting Standards require that $116,319 being treated as unavailable revenue. Had this amount been collected within 60 days after the end of the fiscal year, the total General Fund balance would have been a positive $59,627 instead of a negative $56,692. Nevertheless, the unavailable revenue will be recognized as revenue in FY20, with its beneficial effect on the General Fund Balance being delayed by a fiscal year. It is worth noting that had these two items been put back into the General Fund, their combined effect would have yielded a positive total General Fund balance of $782,212 and a correspondingly smaller Unassigned fund balance.

It is also worth noting that in FY18, the City had to unexpectedly relocate the Senior Center in order to continue to provide services to our seniors. This move cost the City, $425,000 of General Fund money. While most of the expenditures were in FY18, a portion of this cost was incurred in FY19. If not for this unexpected cost and the need for the City to make annual lease payment of $120,000, to lease the Mid-town Activity Center, the total General Fund Balance would have been over $1.5 million at the end of FY19.

Total revenue from property taxes, sales taxes and other revenue sources exceeded budget by nearly $0.9 million and was nearly $3.6 million over the prior year. Expenditures too increased by $2.9 million over budget and exceeded prior year expenditures by nearly $4 million. Of the $4 million increase, the main increases in costs over the prior year came from Public Safety Services ($2.2 million); Recreation Services ($0.6 million) and Public Works ($0.3 million). Public Safety Costs were in part driven by unpredictable Fire Department overtime costs. Part of the increase was also due to increased program offerings by the Recreation Department, requiring instructors. These programs often resulted in additional recreation program revenue. An increase in legal costs and terminal payments to long time employees who separated from service also contributed to increased expenditures in FY19.

In November 2018 El Cerrito voters approved a ballot measure that enabled the City to become a Charter City. Along with that, they also approved Measure V that permitted the City to begin collecting a Real Property Transfer Tax on sale of properties within the City limits. The transfer tax came into effect in January of 2019 and for the six-month period from January to June 2019, the City received $1.1 million in property transfer taxes.

**General Fund Budgetary Highlights.** Over the course of the year, the City and Corporation may revise the expenditure budgets to reflect the changes in the various programs and unanticipated activities, but usually do not change budget assumptions in revenues other than for one-time events. For example, when the City is awarded a grant, it appropriates the revenues and expenditures necessary to spend those funds, but does not necessarily adjust upward the property tax estimates when the amounts come in higher than expected or reduce other balances that report declines unless the changes are material. Tax estimates are based on trend information where the base amount rolls forward for cumulative increases in long term planning and the trends are reevaluated each year during the budget period.
Other Major Governmental Funds. In addition to the General Fund two other funds are also recognized as major funds this fiscal year. They are the Low/mod Income Housing Trust Fund and the City Housing Trust Fund. The Municipal Services Corporation Fund and the Capital Improvement Fund are classified as non-major governmental funds in FY19 as they did not meet the criteria to be presented as Major funds.

Low/Mod Income Housing Asset Fund. Pursuant to ABx1 26 and AB 1484, the City elected to serve as the Housing Successor to the Redevelopment Agency and established this fund to record housing-related

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### Table A-3. Summary Analysis of General Fund Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>(Budget Basis)</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property tax</td>
<td>$10,068,000</td>
<td>$10,068,000</td>
<td>$10,182,035</td>
</tr>
<tr>
<td>Other taxes</td>
<td>15,712,000</td>
<td>15,712,000</td>
<td>15,710,385</td>
</tr>
<tr>
<td>Real Property Transfer Tax</td>
<td>$200,000</td>
<td>$800,000</td>
<td>$1,102,563</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>3,651,000</td>
<td>3,801,000</td>
<td>4,091,055</td>
</tr>
<tr>
<td>Charges for services</td>
<td>6,709,700</td>
<td>6,709,700</td>
<td>6,933,840</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>1,370,000</td>
<td>1,370,000</td>
<td>1,333,854</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>37,710,700</td>
<td>38,460,700</td>
<td>39,353,732</td>
</tr>
</tbody>
</table>

| **Expenditures**             |          |           |               |                     |
| General government           | 5,443,816| 5,450,191 | 5,934,956    | (484,765) |
| Public Works                 | 1,840,883| 1,847,397 | 1,967,260    | (119,863) |
| Recreation                   | 5,399,359| 5,393,176 | 5,794,027    | (400,851) |
| Community Development        | 2,269,021| 2,284,615 | 2,522,098    | (237,483) |
| Public safety                | 21,848,252| 21,998,252| 23,379,219   | (1,380,967) |
| Capital Outlay               | 165,000  | 172,775   | 344,253      | (171,478) |
| Debt Service                 | 130,472  | 156,232   | 260,940      | (104,708) |
| **Total expenditures**       | 37,096,803| 37,302,638| 40,202,753   | (2,900,115) |

| **Total excess (deficiency) of revenues over expenditures** | 613,897 | 1,158,062 | (849,021) | (2,007,083) |

**Other Financing Sources (Uses)**

| Transfers in                 | 54,671   | 54,671    | 1,117,990   | 1,063,319 |
| Transfers out                | (607,522)| (1,289,473)| (1,330,107) | (40,634) |
| Capital lease financing      |          |           | 116,121     | 116,121   |
| **Total other financing sources (uses)** | (552,851)| (1,234,802)| (95,996)    | 1,138,806 |

Special items

| Proceeds of Sale of Land from CCC | 681,951 | 800,755 | 118,804 |
| **Total Special Items**          | 681,951 | 800,755 | 118,804 |

| Net Change in Fund Balance       | 61,046   | 605,211  | (144,262)  | (749,473) |

Ending Fund Balance (FY 17-18)        | 87,570   | 87,570   | 87,570    |
Ending Fund Balance (FY 18-19)         | $148,616 | $692,781 | $56,692   | $749,473 |

---
activity. The fund balance at the end of June 30, 2019 was $5.1 million, loans restricted for use on affordable housing related projects and programs.

**City Housing Trust Fund.** Established for providing pass through funds for Affordable Housing projects for which the City is a co-applicant. The fund balance at the end of June 30, 2019 was $2.8 million, loans restricted for use on Housing related projects and programs. In FY18, this fund owed the General Fund $250,352 which was written off as authorized by City Council as a part of the FY19 Mid-Year Budget Amendment.

**Propriety Funds.** At the end of fiscal year 2019, the unrestricted net position of the Integrated Waste Management Fund was negative $237,733 and negative $39,821 for the Vehicle and Equipment Replacement Internal Service Fund. The only expense out of the Vehicle and Equipment Replacement Internal Service Fund is for debt payments on a fire department vehicle. The funding for this is a transfer from General Fund and the negative position will be made whole when the General Fund makes the internal transfer payment in FY20.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** By the end of FY19, the City had invested $77.38 million in a broad range of capital assets, including land, buildings, equipment, infrastructure and vehicles. The City’s capital assets are summarized in Table 4, and a more detailed description is provided in Note 5 to the accompanying financial statements. The increase in construction in progress reflects uncompleted projects that will be reclassified as infrastructure such as streets repaving, bike path, and traffic lights. These also include a project that is funded by a federal grant.

### Table A-4. Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities (FY 18-19)</th>
<th>Governmental Activities (FY 17-18)</th>
<th>Business-type Activities (FY 18-19)</th>
<th>Business-type Activities (FY 17-18)</th>
<th>Total (FY 18-19)</th>
<th>Total (FY 17-18)</th>
<th>Total Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$4,888,926</td>
<td>$4,888,926</td>
<td>$4,888,926</td>
<td>$4,888,926</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>5,270,611</td>
<td>1,881,129</td>
<td>5,270,611</td>
<td>1,881,129</td>
<td>180.2%</td>
<td>180.2%</td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; improvements</td>
<td>27,408,552</td>
<td>32,923,796</td>
<td>3,495,683</td>
<td>3,495,683</td>
<td>15.1%</td>
<td>15.1%</td>
<td></td>
</tr>
<tr>
<td>Equipment &amp; Vehicles</td>
<td>6,248,620</td>
<td>5,939,358</td>
<td>1,597,612</td>
<td>1,597,612</td>
<td>15.1%</td>
<td>15.1%</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>79,213,482</td>
<td>78,460,253</td>
<td>79,213,482</td>
<td>78,460,253</td>
<td>1.0%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Total at historical cost</td>
<td>123,030,191</td>
<td>124,093,462</td>
<td>5,093,295</td>
<td>5,093,295</td>
<td>-0.8%</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(49,249,564)</td>
<td>(46,248,512)</td>
<td>(1,493,521)</td>
<td>(1,237,647)</td>
<td>(6.9%)</td>
<td>(6.9%)</td>
<td></td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$73,780,627</td>
<td>$77,844,950</td>
<td>$3,599,774</td>
<td>$3,855,648</td>
<td>$77,380,401</td>
<td>$81,700,598</td>
<td>-5.3%</td>
</tr>
</tbody>
</table>

**Long Term Debt.** At year-end FY19, the City had $20.0 million in bonds, notes, and other long-term debt, a decrease of $1.5 million from FY18. The City’s long-term debt is summarized in Table 5 and a more detailed description is provided in Note 7 to the accompanying financial statements.
ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Total revenue continues to improve with a moderate increase anticipated in FY20. Expenses too have been increasing at a faster pace driven by increasing employee costs. The City’s Real Property Transfer Tax revenue has helped pay for increased Public Safety overtime and will help the General Fund reserves get closer to the policy goal of 10% reserve ratio at the end of the next biennial budget cycle.

Employee costs continue to trend upwards as retirement contributions drive pension costs higher. General Fund Employee costs are projected at nearly 75% of Total General Fund Expenditures for FY19. This proportion will increase with the increase in pension related costs in FY20 and beyond.

The City remains focused on financial stability and opportunities to strengthen our financial position. On a macroeconomic scale, the US has not had a recession in the past 10 years. There is increasing concern in some business circles that a recession is long overdue but may not be as bad as the last one. The City is mindful of the risks of not having sufficient reserves in such an eventuality and is working to establish and maintain a General Fund balance that can sustain it so that it can continue to provide the quality of services residents have come to expect.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City’s Finance Department at (510) 215-4323 or by mail at 10890 San Pablo Avenue, El Cerrito, CA 94530.
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City of El Cerrito
Statement of Net Position
June 30, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td>$8,806,038</td>
<td>$180</td>
<td>$8,806,218</td>
</tr>
<tr>
<td>Cash and investments</td>
<td>8,806,038</td>
<td>-</td>
<td>8,806,038</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>705,797</td>
<td>450,000</td>
<td>1,155,797</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>909,996</td>
<td>-</td>
<td>909,996</td>
</tr>
<tr>
<td>Due from other government</td>
<td>2,643,695</td>
<td>36,644</td>
<td>2,680,339</td>
</tr>
<tr>
<td>Advance to El Cerrito Redevelopment Agency Successor Agency</td>
<td>1,321,189</td>
<td>-</td>
<td>1,321,189</td>
</tr>
<tr>
<td>Inventory</td>
<td>11,772</td>
<td>-</td>
<td>11,772</td>
</tr>
<tr>
<td>Total current assets</td>
<td>14,941,907</td>
<td>(74,596)</td>
<td>14,867,311</td>
</tr>
</tbody>
</table>

| Noncurrent assets: | | | |
| Restricted cash and investments with fiscal agents | 187,460 | - | 187,460 |
| Loans and notes receivable | 7,293,486 | - | 7,293,486 |
| Land held for resale or redevelopment | 1,005,011 | - | 1,005,011 |
| Capital assets: | | | |
| Non-depreciable | 10,159,537 | - | 10,159,537 |
| Depreciable, net | 63,621,090 | 3,599,774 | 67,220,864 |
| Total capital assets | 73,780,627 | 3,599,774 | 77,380,401 |
| Total noncurrent assets | 82,266,584 | 3,599,774 | 85,866,358 |
| Total assets | 97,208,491 | 3,525,178 | 100,733,669 |

| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows-OPEB related amounts | 123,492 | - | 123,492 |
| Deferred loss on refunding | 459,969 | 64,253 | 524,222 |
| Total deferred outflows of resources | 15,942,693 | 64,253 | 16,006,946 |

| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 1,226,382 | 5,660 | 1,232,042 |
| Accrued liabilities | 1,296,734 | 86,983 | 1,383,717 |
| Accrued interest payable | 201,946 | - | 201,946 |
| Deposits payable | 901,309 | - | 901,309 |
| Unearned revenue | 80,381 | - | 80,381 |
| Note payable due within one year | 6,000,000 | - | 6,000,000 |
| Claims payable - due within one year | 14,571 | - | 14,571 |
| Compensated absences - due within one year | 1,317,245 | 45,821 | 1,363,066 |
| Long-term debt - due within one year | 1,154,302 | 389,889 | 1,544,191 |
| Total current liabilities | 12,912,870 | 536,593 | 12,279,423 |

| Noncurrent liabilities: | | | |
| Claims payable- due in more than one year | 21,594 | - | 21,594 |
| Compensated absences - due in more than one year | 709,285 | 24,673 | 733,958 |
| Long-term debt - due in more than one year, net | 16,975,507 | 1,978,849 | 18,954,356 |
| Net OPEB Liability | 2,994,539 | - | 2,994,539 |
| Net pension liability | 61,856,499 | - | 61,856,499 |
| Total noncurrent liabilities | 82,557,424 | 2,003,522 | 84,560,946 |
| Total liabilities | 94,750,294 | 2,540,075 | 97,290,369 |

| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows - pension related amounts | 2,538,860 | - | 2,538,860 |
| Deferred inflows -OPEB related amounts | 224,102 | - | 224,102 |
| Deferred gain on refunding | 159,918 | - | 159,918 |
| Total deferred inflows of resources | 2,922,880 | - | 2,922,880 |

| NET POSITION | | | |
| Net investment in capital assets | 55,950,869 | 1,287,089 | 57,237,958 |
| Restricted for: | | | |
| Capital projects | 2,933,499 | - | 2,933,499 |
| Debt service | 195,642 | - | 195,642 |
| Community development projects | 11,096,365 | - | 11,096,365 |
| Total restricted | 14,225,056 | - | 14,225,056 |
| Unrestricted | (54,698,365) | (237,733) | (54,936,098) |
| Total net position | 15,478,010 | $1,049,356 | $16,527,366 |

See accompanying Notes to Basic Financial Statements
# City of El Cerrito
## Statement of Activities
### For the year ended June 30, 2019

### Operating Capital Charges for Grants and Contributions Total

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Operating Services</th>
<th>Grants and Contributions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$6,723,883</td>
<td>$983,618</td>
<td>$600</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>8,800,985</td>
<td>453,911</td>
<td>1,864,450</td>
<td>5,122,545</td>
</tr>
<tr>
<td>Recreation</td>
<td>6,852,784</td>
<td>4,385,622</td>
<td>26,934</td>
<td>4,591</td>
</tr>
<tr>
<td>Community development</td>
<td>2,683,918</td>
<td>1,917,141</td>
<td>62,679</td>
<td>(34,129)</td>
</tr>
<tr>
<td>Public safety</td>
<td>26,250,994</td>
<td>3,437,116</td>
<td>1,579,799</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>837,272</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>$52,149,836</td>
<td>$11,177,408</td>
<td>$3,597,356</td>
<td>$5,093,007</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Waste Management</td>
<td>2,606,192</td>
<td>2,581,473</td>
<td>62,894</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total business-type activities</strong></td>
<td>2,606,192</td>
<td>2,581,473</td>
<td>62,894</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>$54,756,028</td>
<td>$13,758,881</td>
<td>$3,597,356</td>
<td>$5,093,007</td>
</tr>
</tbody>
</table>

### General Revenues and Transfers:

- **Taxes:**
  - Secured and unsecured property taxes
  - Sales and use taxes
  - Transient lodging taxes
  - Franchise taxes
  - Business license taxes
  - Utility user taxes
  - Real Property County Transfer Tax
  - Other taxes
  - **Total taxes**

- **Use of money and property**
- **Other**
- **Transfers**

- **Special item:**
  - Loss on sale of capital assets
  - Land Sale Proceeds to the Contra Costa County
  - Land Sale Proceeds Transfers to Successor Agency Fund
  - Gain on sale of land held for resale
  - Proceeds of sale of land from Contra Costa County

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in net position</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net position - beginning of year</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net position - end of year</strong></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements
### Net (Expense) Revenue and Changes in Net Position

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (5,739,665)</td>
<td>-</td>
<td>$ (5,739,665)</td>
</tr>
<tr>
<td>(1,360,079)</td>
<td>-</td>
<td>(1,360,079)</td>
</tr>
<tr>
<td>(2,435,637)</td>
<td>-</td>
<td>(2,435,637)</td>
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<tr>
<td>(738,227)</td>
<td>-</td>
<td>(738,227)</td>
</tr>
<tr>
<td>(21,234,079)</td>
<td>-</td>
<td>(21,234,079)</td>
</tr>
<tr>
<td>(837,272)</td>
<td>-</td>
<td>(837,272)</td>
</tr>
<tr>
<td>(32,344,959)</td>
<td>-</td>
<td>(32,344,959)</td>
</tr>
<tr>
<td></td>
<td>38,175</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38,175</td>
<td></td>
</tr>
<tr>
<td>(32,344,959)</td>
<td>38,175</td>
<td>(32,306,784)</td>
</tr>
<tr>
<td>14,242,520</td>
<td>-</td>
<td>14,242,520</td>
</tr>
<tr>
<td>8,318,511</td>
<td>-</td>
<td>8,318,511</td>
</tr>
<tr>
<td>147,550</td>
<td>-</td>
<td>147,550</td>
</tr>
<tr>
<td>1,244,897</td>
<td>-</td>
<td>1,244,897</td>
</tr>
<tr>
<td>910,104</td>
<td>-</td>
<td>910,104</td>
</tr>
<tr>
<td>3,207,892</td>
<td>-</td>
<td>3,207,892</td>
</tr>
<tr>
<td>1,102,563</td>
<td>-</td>
<td>1,102,563</td>
</tr>
<tr>
<td>1,935</td>
<td>-</td>
<td>1,935</td>
</tr>
<tr>
<td>29,175,972</td>
<td>-</td>
<td>29,175,972</td>
</tr>
<tr>
<td>291,016</td>
<td>-</td>
<td>291,016</td>
</tr>
<tr>
<td>49,556</td>
<td>-</td>
<td>49,556</td>
</tr>
<tr>
<td>3,671</td>
<td>(3,671)</td>
<td>-</td>
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<tr>
<td></td>
<td>(4,334,678)</td>
<td>-</td>
</tr>
<tr>
<td>(3,457,547)</td>
<td>-</td>
<td>(3,457,547)</td>
</tr>
<tr>
<td>(1,202,453)</td>
<td>-</td>
<td>(1,202,453)</td>
</tr>
<tr>
<td>1,420,347</td>
<td>-</td>
<td>1,420,347</td>
</tr>
<tr>
<td>800,755</td>
<td>-</td>
<td>800,755</td>
</tr>
<tr>
<td>22,746,639</td>
<td>(3,671)</td>
<td>22,742,968</td>
</tr>
<tr>
<td>(9,598,320)</td>
<td>34,504</td>
<td>(9,563,816)</td>
</tr>
<tr>
<td>25,076,330</td>
<td>1,014,852</td>
<td>26,091,182</td>
</tr>
<tr>
<td>$ 15,478,010</td>
<td>$ 1,049,356</td>
<td>$ 16,527,366</td>
</tr>
</tbody>
</table>
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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements
**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

*General Fund* is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The major revenue sources for this Fund are property taxes, sales taxes, utility users tax, franchise fees, business licences, unrestricted revenues from the State, fines and forfeitures, and interest income. Expenditures are made for public safety, recreation, and the other services described above.

*Low and Moderate Income Housing Asset Special Revenue Fund* accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency and the collection of revenues from those restricted assets. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

*City Housing Special Revenue Fund* accounts for housing-related grants and special revenues, such as developer deposits, that are restricted for affordable housing purposes, but are not activities or assets of the Housing Successor.
# City of El Cerrito
## Balance Sheet
### Governmental Funds
### June 30, 2019

## ASSETS

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Low/Mod</th>
<th>General Fund</th>
<th>Income Housing Asset Special Revenue Fund</th>
<th>City Housing Special Revenue Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 4,349,089</td>
<td>$ 803,094</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,653,854</td>
<td>$ 8,806,037</td>
</tr>
<tr>
<td>Cash with fiscal agents</td>
<td>- 1,321,189</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>187,460</td>
<td>187,460</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>705,797</td>
<td>705,797</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>909,996</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>909,996</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>2,113,059</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>532,636</td>
<td>2,645,695</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>951,617</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>951,617</td>
<td>951,617</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>317,967</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>317,967</td>
</tr>
<tr>
<td>Advance to El Cerrito Redevelopment Agency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Successor Agency</td>
<td>1,321,189</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,321,189</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>- 4,433,486</td>
<td>-</td>
<td>2,860,000</td>
<td>-</td>
<td>7,293,486</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>11,772</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,772</td>
<td></td>
</tr>
<tr>
<td>Land held for resale or redevelopment</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1,005,010</td>
<td>1,005,010</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 9,064,693</strong></td>
<td><strong>$ 6,146,577</strong></td>
<td><strong>$ 2,860,000</strong></td>
<td><strong>$ 6,084,757</strong></td>
<td><strong>$ 24,156,027</strong></td>
<td></td>
</tr>
</tbody>
</table>

## LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

### Liabilities:
- Accounts payable: 888,579 99
- Accrued liabilities: 1,231,944
- Due to other funds: 804,162 25,000
- Deposits payable: 80,381
- Unearned revenue: 6,000,000

**Total liabilities: 9,005,066 99 25,000 1,162,984 10,193,149**

### Deferred inflows of resources:
- Unavailable revenue - sales tax: 116,319
- Unavailable revenue - interest receivable: - 1,014,736
- Unavailable revenue - accounts receivable: - 80,000

**Total deferred inflows of resources: 116,319 1,014,736 - 80,000 1,211,055**

### Fund Balances:
- Nonspendable
  - Advance to other funds: 317,967
  - Advance to El Cerrito Redevelopment Agency Successor Agency: 1,321,189
  - Inventory: 11,772
- Restricted for:
  - Redevelopment Projects & Programs: -
  - Housing Activities: - 5,131,742
  - Debt service: -
  - Street improvements: -
  - Transportation projects: -
  - Public Safety - Police: -
  - Public Safety - Vehicle Abatement: -
  - Park and Recreation: -
  - Storm drains: -
  - Public Art: -
  - City Housing Trust: - 2,835,000
  - Unassigned: (1,707,620)

**Total fund balances: (56,692) 5,131,742 2,835,000 4,841,773 12,751,823**

**Total liabilities, deferred inflows of resources, and fund balances: $ 9,064,693 $ 6,146,577 $ 2,860,000 $ 6,084,757 $ 24,156,027**

See accompanying Notes to Basic Financial Statements
City of El Cerrito
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds

Amounts reported for governmental activities in the Statement of Net Position were different from those reported in the Governmental Funds above because of the following:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

<table>
<thead>
<tr>
<th>Government-Wide Statement of Net Position</th>
<th>Internal Service Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-depreciable</td>
<td>$ 10,159,537</td>
<td></td>
</tr>
<tr>
<td>Depreciable, net</td>
<td>63,621,090</td>
<td>62,949,541</td>
</tr>
<tr>
<td><strong>Total capital assets</strong></td>
<td><strong>$ 73,780,627</strong></td>
<td><strong>73,109,078</strong></td>
</tr>
</tbody>
</table>

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements. 1,211,055

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (201,946)

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 568,028

Employer contributions for OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred. 123,492

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred. 6,353,342

In the Government-Wide Financial Statement certain differences between actuarial estimates and actual results for pension and OPEB are deferred and amortized over a period of time, however, in the governmental funds no transactions are recorded.

Deferred outflows of resources - pension 9,005,890
Deferred inflows of resources - pension (2,538,860)
Deferred inflows of resources - OPEB (224,102)

Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. 300,051

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

<table>
<thead>
<tr>
<th>Government-Wide Statement of Net Position</th>
<th>Internal Service Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims payable - due within one year</td>
<td>(14,571)</td>
<td></td>
</tr>
<tr>
<td>Compensated absences - due within one year</td>
<td>(1,317,245)</td>
<td></td>
</tr>
<tr>
<td>Long-term debt - due within one year</td>
<td>(1,154,302)</td>
<td>63,700</td>
</tr>
<tr>
<td>Claims payable - due in more than one year</td>
<td>(21,594)</td>
<td></td>
</tr>
<tr>
<td>Compensated absences - due in more than one year</td>
<td>(709,285)</td>
<td></td>
</tr>
<tr>
<td>Long-term debt - due in more than one year, net</td>
<td>(16,975,507)</td>
<td></td>
</tr>
<tr>
<td>Net OPEB Liability</td>
<td>(2,994,539)</td>
<td></td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(61,856,499)</td>
<td></td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>(85,043,542)</strong></td>
<td>63,700</td>
</tr>
</tbody>
</table>

Net Position of Governmental Activities

See accompanying Notes to Basic Financial Statements
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Low/Mod Income</th>
<th>General Fund</th>
<th>Housing Asset Fund</th>
<th>City Housing Trust Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and assessments</td>
<td>$26,994,983</td>
<td>$4,372,732</td>
<td>$775,876</td>
<td>$232,298</td>
<td>$31,367,715</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>775,876</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>775,876</td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>218,684</td>
<td>-</td>
<td>-</td>
<td>29,518</td>
<td>261,611</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>157,264</td>
<td>74,829</td>
<td>-</td>
<td>29,518</td>
<td>261,611</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>4,091,055</td>
<td>-</td>
<td>-</td>
<td>5,518,737</td>
<td>9,609,792</td>
</tr>
<tr>
<td>Charges for services</td>
<td>6,933,840</td>
<td>-</td>
<td>-</td>
<td>10,955</td>
<td>6,944,795</td>
</tr>
<tr>
<td>Other revenues</td>
<td>182,030</td>
<td>-</td>
<td>-</td>
<td>400,785</td>
<td>582,815</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>39,353,732</td>
<td>74,829</td>
<td>-</td>
<td>10,346,341</td>
<td>49,774,902</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>5,934,956</td>
<td>-</td>
<td>-</td>
<td>14,988</td>
<td>5,949,944</td>
</tr>
<tr>
<td>Public works</td>
<td>1,967,260</td>
<td>-</td>
<td>-</td>
<td>2,672,724</td>
<td>4,639,984</td>
</tr>
<tr>
<td>Recreation</td>
<td>5,794,027</td>
<td>-</td>
<td>-</td>
<td>242,979</td>
<td>6,037,006</td>
</tr>
<tr>
<td>Community development</td>
<td>2,522,098</td>
<td>10,677</td>
<td>-</td>
<td>(992)</td>
<td>2,531,783</td>
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<tr>
<td>Public safety</td>
<td>23,379,219</td>
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<td>-</td>
<td>511</td>
<td>23,379,730</td>
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<tr>
<td>Capital outlay</td>
<td>344,253</td>
<td>-</td>
<td>-</td>
<td>4,689,071</td>
<td>5,033,324</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>126,504</td>
<td>-</td>
<td>-</td>
<td>948,500</td>
<td>1,075,004</td>
</tr>
<tr>
<td>Interest and fiscal fees</td>
<td>134,436</td>
<td>-</td>
<td>-</td>
<td>693,027</td>
<td>827,463</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>40,202,753</td>
<td>10,677</td>
<td>-</td>
<td>9,260,808</td>
<td>49,474,238</td>
</tr>
<tr>
<td>Revenues over (under) expenditures</td>
<td>(849,021)</td>
<td>64,152</td>
<td>-</td>
<td>1,085,533</td>
<td>300,664</td>
</tr>
<tr>
<td>Other Financing Sources (Uses):</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,117,990</td>
<td>-</td>
<td>250,352</td>
<td>2,138,024</td>
<td>3,506,366</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(1,330,107)</td>
<td>-</td>
<td>-</td>
<td>(2,199,449)</td>
<td>(3,529,556)</td>
</tr>
<tr>
<td>Capital lease financing</td>
<td>116,121</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>116,121</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(95,996)</td>
<td>-</td>
<td>250,352</td>
<td>(61,425)</td>
<td>92,931</td>
</tr>
<tr>
<td>Special Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Sale Proceeds to the Contra Costa County</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,457,547)</td>
<td>(3,457,547)</td>
</tr>
<tr>
<td>Land Sale Proceeds Transfers to Successor Agency Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,202,453)</td>
<td>(1,202,453)</td>
</tr>
<tr>
<td>Gain on sale of land held for resale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,420,347</td>
<td>1,420,347</td>
</tr>
<tr>
<td>Proceeds of sale of land from Contra Costa County</td>
<td>800,755</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>800,755</td>
</tr>
<tr>
<td><strong>Total special items</strong></td>
<td>800,755</td>
<td>-</td>
<td>-</td>
<td>(3,239,653)</td>
<td>(2,438,898)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(144,262)</td>
<td>64,152</td>
<td>250,352</td>
<td>(2,215,545)</td>
<td>(2,045,303)</td>
</tr>
<tr>
<td>Fund Balances (Deficits):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>87,570</td>
<td>5,067,590</td>
<td>2,584,648</td>
<td>7,057,318</td>
<td>14,797,126</td>
</tr>
<tr>
<td>End of year</td>
<td>$56,692</td>
<td>$5,131,742</td>
<td>$2,835,000</td>
<td>$4,841,773</td>
<td>$12,751,823</td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements
City of El Cerrito
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balances - Total Governmental Funds</td>
<td>($2,045,303)</td>
</tr>
</tbody>
</table>
Integrated Waste Management Fund accounts for the City’s recycling collection service operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

Internal Service Fund accounts for the City’s departments' vehicles and equipment.
City of El Cerrito  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

<table>
<thead>
<tr>
<th>Business-Type Activity</th>
<th>Governmental Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Waste Management Enterprise Fund</td>
<td>Vehicle and Equipment Replacement Internal Service Fund</td>
</tr>
</tbody>
</table>

**ASSETS**

Current assets:
- Cash and investments $180
- Accounts receivable, net $430,000
- Due from other governments $36,644
  
Total current assets $466,824

Capital Assets:
- Buildings, equipment and vehicles $5,093,296
- Less accumulated depreciation $(1,493,522)
  
Net capital assets $3,599,774

Total assets $4,066,598

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on refunding $64,253

Total deferred outflows of resources $64,253

**LIABILITIES**

Current liabilities:
- Accounts payable $5,660
- Accrued liability $86,983
- Due to other funds $223,453
- Advance from other funds $317,967
- Compensated absences - due within one year $45,821
- Leases payable - due within one year $398,089
  
Total current liabilities $1,077,973

Long-term liabilities:
- Compensated absences - due in more than one year $24,673
- Leases payable - due in more than one year $1,978,849
  
Total long-term liabilities $2,003,522

Total liabilities $3,081,495

**NET POSITION (DEFICIT)**

Net investment in capital assets $1,287,089
Unrestricted $(237,733)
  
Total net position (deficit) $1,049,356

See accompanying Notes to Basic Financial Statements

34
City of El Cerrito  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Business-Type Activity</th>
<th>Governmental Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Integrated Waste Management Fund</td>
</tr>
</tbody>
</table>

**OPERATING REVENUES:**  
<table>
<thead>
<tr>
<th></th>
<th>$2,475,924</th>
<th>$129,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for current services</td>
<td>$2,475,924</td>
<td>$129,000</td>
</tr>
<tr>
<td>Recycling sales</td>
<td>104,428</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1,121</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>2,581,473</td>
<td>129,000</td>
</tr>
</tbody>
</table>

**OPERATING EXPENSES:**  
<table>
<thead>
<tr>
<th></th>
<th>$1,518,266</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel costs</td>
<td>1,518,266</td>
<td>-</td>
</tr>
<tr>
<td>Services</td>
<td>623,320</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>110,337</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>255,875</td>
<td>321,177</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>2,507,798</td>
<td>321,177</td>
</tr>
</tbody>
</table>

**OPERATING INCOME (LOSS):**  
|                         | 73,675     | (192,177) |

**NONOPERATING REVENUES (EXPENSES):**  
<table>
<thead>
<tr>
<th></th>
<th>62,894</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>62,894</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(98,394)</td>
<td>(2,816)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>(35,500)</td>
<td>(2,816)</td>
</tr>
</tbody>
</table>

**INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS:**  
<table>
<thead>
<tr>
<th></th>
<th>38,175</th>
<th>(194,993)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>26,862</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(3,671)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total transfers</strong></td>
<td>(3,671)</td>
<td>26,862</td>
</tr>
</tbody>
</table>

**Change in net position**  
|                         | 34,504     | (168,131) |

**NET POSITION (DEFICIT):**  
<table>
<thead>
<tr>
<th></th>
<th>$1,014,852</th>
<th>736,159</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$1,014,852</td>
<td>736,159</td>
</tr>
<tr>
<td>End of year</td>
<td>$1,049,356</td>
<td>$568,028</td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements
City of El Cerrito  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Integrated Waste</td>
</tr>
<tr>
<td></td>
<td>Management</td>
</tr>
<tr>
<td></td>
<td>Enterprise Fund</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>$ 2,492,601</td>
<td>$ 129,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(747,857)</td>
<td>-</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(1,492,347)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$ 252,397</td>
<td>$ 129,000</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>62,894</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from other funds</td>
<td>223,453</td>
<td>-</td>
</tr>
<tr>
<td>Payments to other funds</td>
<td>-</td>
<td>(27,330)</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>26,862</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(3,671)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by (used in) noncapital financing activities</td>
<td>$ 282,676</td>
<td>-</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal paid</td>
<td>(447,437)</td>
<td>(125,716)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(87,636)</td>
<td>(2,816)</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(535,073)</td>
<td>(128,532)</td>
</tr>
</tbody>
</table>

NET INCREASE (DECREASE) IN CASH AND CASH EQUivalents

CASH AND CASH EQUIVALENTS - Beginning of year

<table>
<thead>
<tr>
<th>Activity</th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 180</td>
<td>-</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS - End of year

<table>
<thead>
<tr>
<th>Activity</th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

Operating income (loss) | $ 73,675 | $ (192,177) |

Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:

- Depreciation: 255,875
- (42,644)
- (11,200)
- 30,611
- (4,692)

Total adjustments | $ 178,722 | $ 321,177 |

Net cash provided by (used in) operating activities | $ 252,397 | $ 129,000 |

See accompanying Notes to Basic Financial Statements
FIDUCIARY FUND FINANCIAL STATEMENTS

Pension Trust Fund

City of El Cerrito Pension Trust Fund accounts for assets held by the City on behalf of the retirees of the City’s single employer pension plan.

Private Purpose Trust Fund

Successor Agency Trust Fund accounts for assets and liabilities transferred from the City to the Successor Agency Trust Fund.
# City of El Cerrito
## Statement of Fiduciary Net Position
### Fiduciary Fund
#### June 30, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Pension Trust Fund</th>
<th>El Cerrito Redevelopment Agency Successor Agency</th>
<th>Private-Purpose Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Total assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued liabilities</td>
<td>-</td>
<td>101,946</td>
<td></td>
</tr>
<tr>
<td>Advance from City of El Cerrito</td>
<td>-</td>
<td>1,321,189</td>
<td></td>
</tr>
<tr>
<td>Long-term obligations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>-</td>
<td>1,726,275</td>
<td></td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>-</td>
<td>10,771,710</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td></td>
<td>13,921,120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION (DEFICIT):</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Held in trust for other governments</td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements
City of El Cerrito  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Pension Trust Fund</th>
<th></th>
<th>El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$</td>
<td></td>
<td>$ 2,138,127</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>85,774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on debt release</td>
<td>-</td>
<td></td>
<td>1,202,453</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>85,774</td>
<td></td>
<td>3,340,580</td>
</tr>
<tr>
<td><strong>DEDUCTIONS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement and other benefits</td>
<td>85,774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>-</td>
<td></td>
<td>10,095</td>
</tr>
<tr>
<td>Community development</td>
<td>-</td>
<td></td>
<td>250,000</td>
</tr>
<tr>
<td>Transfer to general fund</td>
<td>-</td>
<td></td>
<td>483,233</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>-</td>
<td></td>
<td>400,786</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>85,774</td>
<td></td>
<td>1,144,114</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>-</td>
<td></td>
<td>2,196,466</td>
</tr>
</tbody>
</table>

**NET POSITION (DEFICIT) HELD IN TRUST FOR PENSION BENEFITS AND OTHER GOVERNMENTS:**

<table>
<thead>
<tr>
<th></th>
<th>Pension Trust Fund</th>
<th></th>
<th>El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>-</td>
<td></td>
<td>(16,117,586)</td>
</tr>
<tr>
<td>End of year</td>
<td>$</td>
<td></td>
<td>$ (13,921,120)</td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements
This page intentionally left blank
NOTES TO BASIC FINANCIAL STATEMENTS
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of El Cerrito (City) was incorporated August 1, 1917. The City provides the following services: public safety (police and fire), recreation, streets and highways, recycling, public improvements, planning and zoning, and general administration services. The City's population has remained relatively stable for some years; population at June 30, 2019, was 25,601.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2019, the City's staff comprised 115 full time, 112 seasonal and 55 part-time employees. In addition, the City employs recreation and other personnel as needed on a seasonal basis.

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are all blended.

The El Cerrito Public Financing Authority (Authority)

The El Cerrito Public Financing Authority is a nonprofit corporation organized by the City to provide financial assistance to the City. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City. Such expenses are insignificant to the Authority's operations. The Authority obtains financing for City sponsored projects using leases signed by the City as collateral. The amounts of the leases are calculated to provide sufficient resources to repay the debt incurred to finance the projects. The financial activities of the Authority have been included in these financial statements in the Public Financing Authority Debt Service Fund and the Integrated Waste Management Enterprise Fund.

The El Cerrito Municipal Services Corporation

The El Cerrito Municipal Services Corporation (Corporation) is a nonprofit corporation organized in 1982 by the City under the corporations laws of the State of California. The Corporation was originally organized to assist the City with communications with its residents and to provide financial assistance to the City by financing real and personal property and improvements for the benefit of the residents of the City. In May 2011, the Corporation amended its articles of incorporation to provide support to the City by utilizing private and public funding sources to combat community blight and deterioration in the City and contribute to the physical improvement of the City; providing and expanding economic opportunities for low and moderate income households in the City; encouraging and stimulating economic development within the City. The financial activities of the Corporation have been included in these financial statements in the Municipal Services Corporation Special
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The City of El Cerrito Employees' Pension Plan

The City of El Cerrito Employees' Pension Plan is governed by the City's Retirement System Ordinance, Chapter 3 of the City of El Cerrito Municipal Code, and is used to account for contributions and investment income restricted to pay retirement and death benefits of employees who elected not to be covered by the California Public Employees' Retirement System as of February 6, 1959. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above ordinance. The financial activities of the Pension Plan have been included in these financial statements in the Pension Trust Fund.

Audited financial statements for the Authority, Corporation and Pension Plan may be obtained from the City of El Cerrito, 10890 San Pablo Avenue, El Cerrito, CA 94530.

B. Basis of Presentation

The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds which have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

- **General Fund** - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- **Low and Moderate Income Housing Asset Special Revenue Fund** - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency and the collection of revenues from those restricted assets. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes. The major revenue sources are the loan repayments in the fiscal year. Prior to dissolution of the Redevelopment Agency in 2012 it received property tax revenues but has not received any since.

- **City Housing Special Revenue Fund** - This fund accounts for housing-related grants and special revenues, such as developer deposits, that are restricted for affordable housing purposes, but are not activities or assets of the Housing Successor.

- **Integrated Waste Management Enterprise Fund** - This fund is used to account for the City's recycling collection services operations financed and operated in a manner similar to a private business enterprise.

The City also reports the following fund types:

- **Internal Service Fund** - The Vehicles and Equipment Replacement Internal Service Fund is used to finance and account for providing vehicles and equipment to the line departments and avoiding financing costs associated with the acquisition of necessary capital assets.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Major Funds, Continued

Fiduciary Funds - These funds account for assets held by the City as an agent for various community groups and functions. The City of El Cerrito Pension Trust Fund and the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund account for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected generally within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include other taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met and become available. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash, Cash Equivalents, and Investments, Continued

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: 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. The City does not have any investments that are measured using Level 3 inputs.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as “Cash and Investments” in the accompanying Basic Financial Statements.

For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

F. Property Tax

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County’s "Teeter Plan" the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Property Tax, Continued

Secured property tax is due in two installments, on November 1 and February 1, becomes a lien on those dates and becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed.

G. Inventory and Prepaid Items

Inventory held in the General Fund is valued at cost using the first-in-first-out (FIFO) inventory method. Inventory of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual items are consumed. Reported General Fund inventory is equally offset by nonspendable fund balance which indicates that the inventory does not constitute available spendable resources even though the inventory is a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In governmental funds, prepaid items are accounted for using the consumption method and a portion of fund balance equal to the prepaid items has been offset by nonspendable fund balance to indicate that is not available for appropriation.

H. Land Held for Redevelopment

Land parcels held for redevelopment are accounted for at the lower of cost or net realizable value or agreed upon sales price if a disposition agreement has been made with a developer. The Municipal Services Corporation holds seven parcels of land for redevelopment with a book value of $4,244,663 as of June 30, 2018. During fiscal year 2019, the City sold three parcels of land for redevelopment. The book value of the remaining four parcels of land for redevelopment was $1,005,010 as of June 30, 2019. As discussed in Note 16, the parcels were acquired from the Agency after it made required findings in accordance with Health and Safety Code Section 33433, requiring development of the parcels consistent with the Redevelopment Plan.

In July 2013, the Municipal Services Corporation entered into an Exclusive Negotiating Rights Agreement (ENRA) with a developer to negotiate the terms of a Disposition and Development Agreement related to two of the parcels. The ENRA does not obligate the Municipal Services Corporation to sell or the developer to purchase the site, but it is a period of good faith negotiations. As of June 30, 2019, the ENRA was still in effect, but the book value of the parcels has not been affected by the ENRA, because the potential sales price has not yet been determined.

The Low and Moderate Income Housing Asset Fund holds one parcel of land with a previous book value of $3,060,000. During fiscal year 2014, the City entered into a disposition development and loan agreement (DDL) for the sale of the property to a developer. The terms of the DDLA indicate the property will be sold to the developer for $1 therefore book value has been reduced to that amount as of June 30, 2014.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed and donated capital assets are valued at their acquisition value on the date contributed. The City's policy is to capitalize all assets with costs exceeding $10,000 and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20-50</td>
</tr>
<tr>
<td>Improvements</td>
<td>33-60</td>
</tr>
<tr>
<td>Equipment</td>
<td>2-15</td>
</tr>
<tr>
<td>Streets</td>
<td>20</td>
</tr>
<tr>
<td>Parks</td>
<td>20</td>
</tr>
<tr>
<td>Curb and gutters</td>
<td>20</td>
</tr>
<tr>
<td>Storm drains</td>
<td>65</td>
</tr>
</tbody>
</table>

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Compensated Absences

Compensated absences comprise unused vacation and 25% of unused sick leave, which are accrued as earned. The liability for compensated absences is determined annually. The City's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. Compensated absences are reported in governmental funds only if they have matured, such as for the unused reimbursable leave still outstanding following an employee's retirement. The long-term portion for Governmental Activities is recorded in the Statement of Net Position.

L. Deferred Compensation

City employees may defer a portion of their compensation under City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

M. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources and liabilities and disclosure of contingent assets, deferred outflows/inflows of resources and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three categories. These categories apply only to Net Position, which is determined only at the Government-wide level, and are described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and community development projects.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Net Position, Continued

Unrestricted describes the portion of Net Position which is not restricted as to use.

When both restricted and unrestricted net position is available, restricted resources are depleted first before the unrestricted resources are used.

O. Fund Balances

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action (specific ordinance) of the City Council which may be altered only by Ordinance of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Pension

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) plan (Plan) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

Q. 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 plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2017
- Measurement Date: June 30, 2018
- Measurement Period: July 1, 2017 to June 30, 2018

R. New GASB Pronouncements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2019.

- GASB Statement No. 83, Certain Asset Retirement Obligations - The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this statement did not apply to the City for the current fiscal year.

- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements - The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this statement did not apply to the City for the current fiscal year.
2. CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Cash and investments are reported in the accompanying financial statements as follows:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Governmental Business-Type Fiduciary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$8,806,038 $180 $</td>
<td>$8,806,218</td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>187,460</td>
<td>187,460</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td>$8,993,498 $180 $</td>
<td>$8,993,678</td>
</tr>
</tbody>
</table>

**A. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Successor Agency agreements.

Cash and investments as of June 30, 2019 consist of the following:

- **Cash on hand**: $2,570
- **Deposits with financial institution**: $2,697,613
  - **Total cash on hand and deposits**: $2,700,183
- **Local Agency Investment funds**: $6,106,035
  - **Total investments**: $6,106,035
- **Total City Treasury**: $8,806,218
- **Cash and investments with fiscal agent**: $187,460
  - **Total cash and investments**: $8,993,678

**B. Policies**

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.
2. CASH AND INVESTMENTS, Continued

C. Deposits

The carrying amount of the City’s cash deposit was a positive amount of $2,697,613 at June 30, 2019. Bank balances before reconciling items were $2,837,651 at June 30, 2019. The City has waived the collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City’s name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

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

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.
The City’s Investment Policy and the California Government Code allow the City to invest in the following:

<table>
<thead>
<tr>
<th>Authorized Investment Type</th>
<th>Maximum Maturity</th>
<th>Maximum Percentage of Portfolio</th>
<th>Maximum Investment in Portfolio per account</th>
<th>Maximum Investment in One Issuer per account</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California Local Agency Investment Fund (LAIF Pool)</td>
<td>On Demand</td>
<td>N/A</td>
<td>$65,000,000</td>
<td>$65,000,000</td>
</tr>
<tr>
<td>U.S. Treasury Bonds, Notes, Bills</td>
<td>5 years</td>
<td>N/A</td>
<td>No limit</td>
<td>No limit</td>
</tr>
<tr>
<td>U.S. Federal Agency and U.S. Government Sponsored Enterprise Securities</td>
<td>5 years</td>
<td>N/A</td>
<td>No limit</td>
<td>No limit</td>
</tr>
<tr>
<td>Banker’s Acceptances</td>
<td>180 days</td>
<td>N/A</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>270 days</td>
<td>P-1, A-1, F-1</td>
<td>10%*</td>
<td>10%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>5 years</td>
<td>N/A</td>
<td>30%</td>
<td>10%</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>5 years</td>
<td>A</td>
<td>30%</td>
<td>No limit</td>
</tr>
<tr>
<td>Medium Term Corporate Notes</td>
<td>5 years</td>
<td>A</td>
<td>10%*</td>
<td>No limit</td>
</tr>
<tr>
<td>Derivative Securities (limited to Federal Agency callable issues)</td>
<td>5 years</td>
<td>N/A</td>
<td>10%</td>
<td>No limit</td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>On Demand</td>
<td>Highest Rating</td>
<td>5%</td>
<td>No limit</td>
</tr>
</tbody>
</table>

* Total combined corporate debt (Commercial Paper and Medium-Term Notes) may not exceed 20% of the cost value of the portfolio.

The City’s investment policy prohibits investments in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with California Government Code Section 53601.6. With the exception of callable Federal Agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

The City’s portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio’s change in value. These portfolio value changes are unrealized unless sold. Generally the City’s practice is to buy and hold investments until maturity dates. Consequently, the City’s investments are carried at fair value.
City of El Cerrito  
Notes to Basic Financial Statements  
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

D. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2019, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2019, the City had $6,106,035 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.67% in the previous year. The LAIF fair value factor of 1.001711790 was used to calculate the fair value of the investments in LAIF.

E. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market 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 by maturity or earliest call date:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Total</th>
<th>1 year or Less</th>
<th>1 - 2 years</th>
<th>2 - 3 years</th>
<th>3 - 4 years</th>
<th>4 years or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund</td>
<td>$6,106,035</td>
<td>$6,106,035</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$6,106,035</td>
<td>$6,106,035</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
2. CASH AND INVESTMENTS, Continued

G. 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 a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2019 for each of the City's investments as provided by Standard and Poor's investment rating service:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Amount</th>
<th>Minimum Legal Rating</th>
<th>Exempt From Disclosure</th>
<th>Rating as of Fiscal Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund</td>
<td>6,106,035</td>
<td>N/A</td>
<td>-</td>
<td>6,106,035</td>
</tr>
<tr>
<td>Total</td>
<td>6,106,035</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>

H. GASB 72 Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City’s investment in the Local Agency Investment Fund (LAIF) is exempt from levelling disclosure.

3. INTERFUND TRANSACTIONS

A. Transfers between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th>Transfers Out</th>
<th>Transfers In</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Governmental Funds:</td>
<td>General Fund</td>
</tr>
<tr>
<td>General Fund</td>
<td>$</td>
</tr>
<tr>
<td>Non-Major Governmental Funds</td>
<td>1,114,319</td>
</tr>
<tr>
<td>Major Enterprise Funds:</td>
<td>Integrated Waste Management</td>
</tr>
<tr>
<td>Total</td>
<td>$1,117,990</td>
</tr>
</tbody>
</table>
3. INTERFUND TRANSACTIONS, Continued

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2019, the amounts of current interfund balances were as follows:

<table>
<thead>
<tr>
<th>Due From General Fund</th>
<th>Due From Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Tax Special Revenue Fund</td>
<td>$ 89,525</td>
</tr>
<tr>
<td>Grants Fund</td>
<td>$ 129,407</td>
</tr>
<tr>
<td>Capital Improvement Capital Projects Fund</td>
<td>$ 74,243</td>
</tr>
<tr>
<td>Measure J Fund</td>
<td>$ 395,168</td>
</tr>
<tr>
<td>Vehicle Replacement Fund</td>
<td>$ 39,821</td>
</tr>
<tr>
<td>Integrated Waste Management Enterprise Fund</td>
<td>$ 223,453</td>
</tr>
<tr>
<td>Total</td>
<td>$ 951,617</td>
</tr>
</tbody>
</table>

C. Non-current Interfund Balances

Non-current interfund balances arise in the normal course of business and are expected to be repaid more than one year. At June 30, 2019, the amounts of non-current interfund balances were as follows:

<table>
<thead>
<tr>
<th>Advance To General Fund</th>
<th>Advance To Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Waste Management Enterprise Fund</td>
<td>$ 317,967</td>
</tr>
<tr>
<td>Total</td>
<td>$ 317,967</td>
</tr>
</tbody>
</table>

D. Internal Balances

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.
4. LOANS RECEIVABLE

Loans receivable, including accrued interest comprised balances from the following programs, all of which are discussed on the following pages.

<table>
<thead>
<tr>
<th>Description</th>
<th>Loan Receivable</th>
<th>Interest Receivable</th>
<th>Total Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohlone Gardens LP-City Housing Trust</td>
<td>$2,860,000</td>
<td>$</td>
<td>$2,860,000</td>
</tr>
<tr>
<td>Ohlone Gardens LP-Low and Moderate Income Housing</td>
<td>3,500,000</td>
<td>873,697</td>
<td>4,373,697</td>
</tr>
<tr>
<td>Idaho Apartments</td>
<td>466,212</td>
<td>-</td>
<td>466,212</td>
</tr>
<tr>
<td>Eden Housing</td>
<td>299,999</td>
<td>36,299</td>
<td>336,298</td>
</tr>
<tr>
<td>Successor Agency Loan</td>
<td>167,275</td>
<td>-</td>
<td>167,275</td>
</tr>
<tr>
<td>Total governmental funds</td>
<td>7,293,486</td>
<td>909,996</td>
<td>8,203,482</td>
</tr>
<tr>
<td>Total Primary Government</td>
<td>$7,293,486</td>
<td>$909,996</td>
<td>$8,203,482</td>
</tr>
</tbody>
</table>

A. Ohlone Gardens, L.P.

In fiscal year 2009, the former Redevelopment Agency entered into a predevelopment, acquisition and construction loan agreement with Ohlone Gardens, L.P. for $3,500,000 to assist with the acquisition and construction of a 57 unit affordable housing development including at least ten special needs units with appropriate supportive services and related office space. The Loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is repayable 55 years from the date of occupancy from residual receipts, as defined in the agreement. The Loan is secured by a deed of trust in the first position on the property. The deed of trust may subsequently be subordinated to other financing as defined in the agreement.

Predevelopment activities and acquisition of the site began in fiscal year 2009. With the dissolution of the Redevelopment Agency as discussed in Note 16, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The developer made the final loan drawdown of $471,152 during fiscal year 2013-14. The balance of the Loan at June 30, 2019 is $4,373,697 including accrued interest of $873,697.

In fiscal year 2014, the City entered into an Infill Infrastructure loan agreement with Ohlone Gardens, L.P. for $2,860,000 for the purpose of funding infrastructure work for a 57-unit affordable housing development. The Loan is contingent on the City receiving funding and approval from the California Department of Housing and Community Development Infill Infrastructure Grant Program. The Loan bears no interest and is due in one lump sum the earlier of the fifty-fifth anniversary of the final certificate of occupancy for the project or the fifty-seventh anniversary of the date of the Loan. The Loan is secured by a deed of trust on the property that is subordinated to the 2009 loan above and to the primary construction financing. As of June 30, 2019, the City has drawn down $2,860,000.
4. LOANS RECEIVABLE, Continued

B. Idaho Apartments

The former Redevelopment Agency entered into an Owner Participation Agreement for Idaho Apartments in 1997 in which the Agency agreed to make a loan to the project which included rehabilitation of the deteriorated building. At that time, the developer requested assistance to help repay a loan from a non-profit agency. In August 2000, the non-profit agency loan was replaced by another loan obtained by the developer and the Agreement was amended to reflect that fact as well as reaffirm the Agency's commitment to make a loan of up to $350,000 to repay the developer's other loan when that loan matured in 2008. The Loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement. No payments were due for the first ten and one-half years after the date of occupancy, which ended on December 9, 2009. Subsequent to that date, the loan is repayable from residual receipts, as defined in the Agreement. The Loan is secured by a subordinated deed of trust in the third position on the property. The Agency disbursed $350,000 to the developer during the year ended June 30, 2009. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The Loan was recast in December 2017 and all previous interest accrued was added to the loan balance. The new interest rate is 2.64%. The balance of the loan at June 30, 2019 is $466,212.

C. Eden Housing, Inc.

In May 2011, the former Redevelopment Agency entered into a predevelopment loan agreement with Eden Housing, Inc., for $350,000 to assist with predevelopment costs related to the development of a mixed use affordable housing development at Agency owned property. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is due and payable upon the second anniversary of the execution date, unless the City and the developer enter into a disposition and development agreement (DDLA). The Loan is secured only by a promissory note, as it is City-owned property. Should the developer take title to the subject property, the loan will then be secured by a deed of trust on the property.

In April 2014, the City entered into a DDLA with Eden Housing, Inc., that involves the sale of the property as discussed in Note 1G, as well as a new loan agreement that replaces the original agreement. The Loan will be secured by a deed of trust on the property that will be subordinated to other financing on the project that is approved by the City. The loan bears simple interest at the rate of 3% per year, beginning with the date of first disbursement and is repayable 55 years from the date of issuance of the certificate of occupancy from residual receipts, as defined in the agreement.

Predevelopment activities began in fiscal year 2011, and the developer has drawn down $299,999 of the loan and $50,001 remains available for drawdown at June 30, 2019. The balance of the loan at June 30, 2019 is $336,298, including accrued interest of $36,299.
4. LOANS RECEIVABLE, Continued

D. Successor Agency Loans

During the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Redevelopment Capital Projects Fund to borrow $1,767,418 from the Low and Moderate Income Housing Fund to assist in making the Agency’s 2009-10 contribution to the Supplemental Educational Revenue Augmentation Fund (SERA). This loan does not bear interest and is repayable in five equal annual installments. The balance of the loan at June 30, 2019 was $167,275.

5. CAPITAL ASSETS

Capital assets at June 30 comprise:

<table>
<thead>
<tr>
<th>Government activities</th>
<th>Balance June 30, 2018</th>
<th>Additions</th>
<th>Deletions</th>
<th>Transfers</th>
<th>Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$4,888,926</td>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>1,881,129</td>
<td>4,142,711</td>
<td></td>
<td>(753,229)</td>
<td>5,270,611</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>6,770,055</td>
<td>4,142,711</td>
<td></td>
<td>(753,229)</td>
<td>10,159,537</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>32,923,796</td>
<td></td>
<td>(5,515,244)</td>
<td></td>
<td>27,408,552</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>5,939,358</td>
<td>309,262</td>
<td></td>
<td></td>
<td>6,248,620</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>78,460,253</td>
<td></td>
<td></td>
<td>753,229</td>
<td>79,213,482</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>117,323,407</td>
<td>309,262</td>
<td>(5,515,244)</td>
<td>753,229</td>
<td>112,870,654</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(8,828,861)</td>
<td>(726,219)</td>
<td>1,180,566</td>
<td></td>
<td>(8,374,514)</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>(4,209,432)</td>
<td>(668,135)</td>
<td></td>
<td></td>
<td>(4,877,567)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(33,210,219)</td>
<td>(2,787,264)</td>
<td></td>
<td></td>
<td>(35,997,483)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(46,248,512)</td>
<td>(4,181,618)</td>
<td>1,180,566</td>
<td></td>
<td>(49,249,564)</td>
</tr>
<tr>
<td>Net capital assets being depreciated</td>
<td>71,074,895</td>
<td>(3,872,356)</td>
<td>(4,334,678)</td>
<td>753,229</td>
<td>63,621,090</td>
</tr>
<tr>
<td>Governmental activity capital assets, net</td>
<td>$77,844,950</td>
<td>270,355</td>
<td>(4,334,678)</td>
<td></td>
<td>$73,780,627</td>
</tr>
</tbody>
</table>
### 5. CAPITAL ASSETS, Continued

#### A. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

#### B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

**Governmental Activities:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Deletions</th>
<th>Transfers</th>
<th>Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$ 327,251</td>
<td></td>
<td></td>
<td></td>
<td>$ 327,251</td>
</tr>
<tr>
<td>Public works</td>
<td>$ 2,982,535</td>
<td></td>
<td></td>
<td></td>
<td>$ 2,982,535</td>
</tr>
<tr>
<td>Recreation</td>
<td>$ 247,528</td>
<td></td>
<td></td>
<td></td>
<td>$ 247,528</td>
</tr>
<tr>
<td>Community development</td>
<td>$ 9,817</td>
<td></td>
<td></td>
<td></td>
<td>$ 9,817</td>
</tr>
<tr>
<td>Public safety</td>
<td>$ 293,310</td>
<td></td>
<td></td>
<td></td>
<td>$ 293,310</td>
</tr>
<tr>
<td>Internal service funds</td>
<td>$ 321,177</td>
<td></td>
<td></td>
<td></td>
<td>$ 321,177</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 4,181,618</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 4,181,618</strong></td>
</tr>
</tbody>
</table>

**Business-type Activities:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Waste Management</td>
<td>$ 255,874</td>
</tr>
</tbody>
</table>

---

[Balance table continued]
6. NOTE PAYABLE – TAX ANTICIPATION NOTES

On July 11, 2018, the City issued Series 2018-19 Tax and Revenue Anticipation Notes in the amount of $6,000,000. The proceeds from the Notes were used to provide funds to meet the City's cash flow needs for its fiscal year ended June 30, 2019. Principal and accrued interest on the Notes are payable when the Notes mature on July 09, 2019. The Notes bear an interest rate of 2.25%. The liability is due within one year and is recorded in the General Fund.

7. LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. Bond issuance costs are expensed in the year incurred.

The City's debt issues and transactions are summarized below:

<table>
<thead>
<tr>
<th>Due in</th>
<th>Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance</th>
<th>Due Within One Year</th>
<th>Due in More Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2018</td>
<td></td>
<td></td>
<td></td>
<td>June 30, 2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Governmental Activities:**

<table>
<thead>
<tr>
<th>Lease Revenue Bonds:</th>
<th>Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance</th>
<th>Due Within One Year</th>
<th>Due in More Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 Lease Revenue Bonds</td>
<td>$879,100</td>
<td>-</td>
<td>(343,500)</td>
<td>$535,600</td>
<td>$350,400</td>
<td>$185,200</td>
</tr>
<tr>
<td>2017 Lease Revenue Bonds</td>
<td>7,040,000</td>
<td>-</td>
<td>(280,000)</td>
<td>6,760,000</td>
<td>285,000</td>
<td>6,475,000</td>
</tr>
<tr>
<td>2017 Sales Tax Revenue Refunding</td>
<td>8,335,000</td>
<td>-</td>
<td>(325,000)</td>
<td>8,010,000</td>
<td>330,000</td>
<td>7,680,000</td>
</tr>
<tr>
<td>Master Equipment Lease (51.74%)</td>
<td>189,416</td>
<td>-</td>
<td>(125,716)</td>
<td>63,700</td>
<td>63,700</td>
<td></td>
</tr>
<tr>
<td>Solar Photovoltaic Capital Lease</td>
<td>1,084,296</td>
<td>-</td>
<td>(101,346)</td>
<td>982,950</td>
<td>104,153</td>
<td>878,797</td>
</tr>
<tr>
<td>Vehicles leases</td>
<td>-</td>
<td>116,121</td>
<td>(25,157)</td>
<td>90,964</td>
<td>21,049</td>
<td>69,915</td>
</tr>
<tr>
<td>Original issue premium</td>
<td>1,691,873</td>
<td>-</td>
<td>(5,278)</td>
<td>1,686,595</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Governmental Activity Debt**: $19,219,685 $116,121 $(1,205,997) $18,129,809 $1,154,302 $16,975,507

**Business-Type Activity Debt**

<table>
<thead>
<tr>
<th>2012 Recycling Facility Revenue Refunding Bonds</th>
<th>Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance</th>
<th>Due Within One Year</th>
<th>Due in More Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,096,200</td>
<td>-</td>
<td>(258,000)</td>
<td>$1,838,200</td>
<td>$264,400</td>
<td>$1,573,800</td>
</tr>
<tr>
<td>Master Equipment Lease (48.26%)</td>
<td>176,676</td>
<td>-</td>
<td>(117,261)</td>
<td>59,415</td>
<td>59,415</td>
<td>-</td>
</tr>
<tr>
<td>2018 Trash Truck Lease</td>
<td>551,498</td>
<td>-</td>
<td>(72,175)</td>
<td>479,323</td>
<td>74,274</td>
<td>405,049</td>
</tr>
</tbody>
</table>

**Total Business-Type Activity Debt**: $2,824,374 $- $(447,436) $2,376,938 $398,089 $1,978,849
7. LONG-TERM DEBT, Continued

A. 2012 Lease Revenue Refunding Bonds

On September 26, 2012, the El Cerrito Public Financing Authority issued Lease Revenue Refunding Bonds, Series 2012, in the original principal amount of $2,516,500 at 1.960% interest to provide for the refunding of the City's outstanding 2002 Swim Center Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on March 1 and September 1 through September 1, 2020. Parcel tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If parcel tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. For fiscal year 2018, Measure A Parcel Tax revenues amounted to $654,469 which represented coverage of 181% over the debt service of $361,370.

B. 2017 Lease Revenue Refunding Bonds

On May 26, 2017, the City of El Cerrito issued Lease Revenue Refunding Bonds, Series 2017, in the original principal amount of $7,040,000 at 2%-5% interest to provide for the refunding of the City's outstanding 2006 City Hall Lease Revenue Bonds. Principal payments are due annually on September 1, with interest payments payable semi-annually on January 15 and July 15 through January 15, 2036. The economic gain on refunding was $435,000, and the refunding resulting in the recognition of an accounting deferred gain on refunding of $178,732.

The outstanding principal balance and bond premium of the Revenue Bonds was $7,321,849 as of June 30, 2019.

C. 2017 Sales Tax Revenue Bonds

On January 25, 2017, the City of El Cerrito issued $8,650,000 original principal amount of 2017 Sales Tax Revenue Bonds at 2%-5% interest to provide for the refunding of the City’s outstanding 2008 Sales Tax Revenue Bonds. Principal payments are due annually on May 1, with interest payments payable semi-annually on May 1 and November 1 through May 1, 2036. Street improvement sales tax revenues are pledged for the repayment of these Bonds, until the Bonds mature. If sales tax revenues are insufficient to pay the annual principal and interest payments on the bonds the City has covenanted to use General Fund revenues. For fiscal year 2017, pledged sales tax revenues amounted to 1,428,094. No debt service was due on the 2017 sales tax revenue bonds during the fiscal year. The outstanding balance of the refunded 2008 Sales Tax Refunding Revenue Bonds as of June 30, 2017 was $9,450,000. The economic gain on refunding was $525,000, and the refunding resulting in the recognition of an accounting deferred loss on refunding of $514,127.

The outstanding principal balance and bond premium of the Revenue Bonds was $9,134,754 as of June 30, 2019.
7. LONG-TERM DEBT, Continued

D. 2012 Recycling Facility Revenue Refunding Bonds

On September 19, 2012, the El Cerrito Public Financing Authority issued Recycling Facility Revenue Refunding Bonds in the original principal amount of $3,405,600 at 2.36% interest to provide for the refunding and retirement of the City’s outstanding Recycling Center Lease Purchase Agreement and related Site Lease. Principal and interest payments are due quarterly on July 1, October 1, January 1, and April 1, through October 1, 2025. Repayment of these bonds is from charges for services received by the Integrated Waste Management Enterprise Fund.

E. Capital Leases

On December 5, 2012, the City entered into a lease agreement in the amount of $1,595,300 at 2.75% interest with Green Campus Partners, LLC, to finance the purchase and installation of six solar photovoltaic electricity generation systems at six different sites in the City. Semiannual principal and interest payments of $65,236 are due each December 1 and June 1 through December 1, 2027.

On July 25, 2012, the City entered into a Master Equipment Lease refunding agreement in the amount of $1,628,172 at 1.78% with JP Morgan Chase to refund and retire five prior lease agreements for the purchase of two fire trucks and apparatus, two recycling trucks, 10,000 64 gallon recycling carts, and a recycling truck. Semiannual principal and interest payments of $124,210 are due each December and June 1 through June 1, 2019.

On January 19, 2018, the City entered into an equipment lease purchase agreement in the amount of $551,498 at 2.887% interest with Capital One Public Funding, LLC, to finance the purchase of two trash trucks. Semiannual principal and interest payments of $43,790 are due each July and January 19, through January 19, 2025.

F. Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2020</td>
<td>$1,154,302</td>
<td>$705,722</td>
</tr>
<tr>
<td>2021</td>
<td>949,376</td>
<td>680,782</td>
</tr>
<tr>
<td>2022</td>
<td>783,286</td>
<td>655,808</td>
</tr>
<tr>
<td>2023</td>
<td>807,537</td>
<td>628,556</td>
</tr>
<tr>
<td>2024</td>
<td>816,176</td>
<td>597,359</td>
</tr>
<tr>
<td>2025-2029</td>
<td>4,432,537</td>
<td>3,419,675</td>
</tr>
<tr>
<td>2030-2034</td>
<td>5,105,000</td>
<td>1,289,560</td>
</tr>
<tr>
<td>2035-2036</td>
<td>2,395,000</td>
<td>160,633</td>
</tr>
<tr>
<td>Subtotal</td>
<td>16,443,214</td>
<td>8,138,096</td>
</tr>
<tr>
<td>Unamortized original issue premium</td>
<td>1,686,595</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$18,129,809</td>
<td>$8,138,096</td>
</tr>
</tbody>
</table>
8. COMPENSATED ABSENCES

The changes in compensated absences were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance - July 1, 2018</td>
<td>$1,874,601</td>
<td>$75,186</td>
<td>$1,949,787</td>
</tr>
<tr>
<td>Additions</td>
<td>1,409,036</td>
<td>49,261</td>
<td>1,458,297</td>
</tr>
<tr>
<td>Payments</td>
<td>1,257,107</td>
<td>53,953</td>
<td>1,311,060</td>
</tr>
<tr>
<td>Ending Balance - June 30, 2019</td>
<td>$2,026,530</td>
<td>$70,494</td>
<td>$2,097,024</td>
</tr>
<tr>
<td>Due within one year</td>
<td>$1,317,245</td>
<td>$45,821</td>
<td>$1,363,066</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>$709,285</td>
<td>$24,673</td>
<td>$733,958</td>
</tr>
</tbody>
</table>

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

9. PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are 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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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.
9. PENSION PLANS, Continued

A. General Information about the Pension Plans, Continued

The Plans’ provisions and benefits in effect at June 30, 2019, are summarized as follows:

<table>
<thead>
<tr>
<th>Hire Date</th>
<th>Miscellaneous-Classic</th>
<th>Miscellaneous-PEPRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Formula</td>
<td>2.7%@55</td>
<td>2%@62</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
<td>5 years service</td>
<td>5 years service</td>
</tr>
<tr>
<td>Benefit payment</td>
<td>Monthly for life</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Retirement age</td>
<td>50-55</td>
<td>50-67</td>
</tr>
<tr>
<td>Monthly benefits, as a % of annual salary</td>
<td>2.00%-2.70%</td>
<td>1.00%-2.50%</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
<td>8.000%</td>
<td>6.250%</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
<td>12.212%</td>
<td>6.842%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hire Date</th>
<th>Safety -Classic</th>
<th>Safety -PEPRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Formula</td>
<td>3%@50</td>
<td>2.7%@57</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
<td>5 years service</td>
<td>5 years service</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>Monthly for life</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Retirement age</td>
<td>50</td>
<td>50-57</td>
</tr>
<tr>
<td>Monthly benefits, as a % of annual salary</td>
<td>3%</td>
<td>2.00%-2.70%</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
<td>9.000%</td>
<td>11.500%</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
<td>20.556%</td>
<td>12.141%</td>
</tr>
</tbody>
</table>

Contributions - Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

The City’s contribution to the Plan for the measurement period ended June 30, 2018 was $5,707,962.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $61,856,499.
9. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

<table>
<thead>
<tr>
<th>Proportion - June 30, 2017</th>
<th>0.622906%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion - June 30, 2018</td>
<td>0.641910%</td>
</tr>
<tr>
<td>Change - Increase (Decrease)</td>
<td>0.019004%</td>
</tr>
</tbody>
</table>

For the year ended June 30, 2019, the City recognized pension expense of $10,142,826. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>$ 6,353,342</td>
</tr>
<tr>
<td>Differences between actual and expected experience</td>
<td>1,404,464</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>6,367,346</td>
</tr>
<tr>
<td>Net differences between projected and actual earnings on plan investments</td>
<td>384,513</td>
</tr>
<tr>
<td>Change in employer's proportion</td>
<td>129,650</td>
</tr>
<tr>
<td>Differences between actual contributions and proportionate share of contributions</td>
<td>719,917</td>
</tr>
<tr>
<td>Total</td>
<td>$ 15,359,232</td>
</tr>
</tbody>
</table>

$6,353,342 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 ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending June 30:</td>
<td>$</td>
</tr>
<tr>
<td>2020</td>
<td>$ 5,750,736</td>
</tr>
<tr>
<td>2021</td>
<td>3,201,030</td>
</tr>
<tr>
<td>2022</td>
<td>(2,017,476)</td>
</tr>
<tr>
<td>2023</td>
<td>(467,260)</td>
</tr>
</tbody>
</table>
## 9. PENSION PLANS, Continued

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry-Age Normal Cost Method</td>
</tr>
<tr>
<td><strong>Actuarial Assumptions:</strong></td>
<td></td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.15%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.50%</td>
</tr>
<tr>
<td>Salary Increases</td>
<td>Varies by Entry Age and Service</td>
</tr>
<tr>
<td>Investment Rate of Return (1)</td>
<td>7.15%</td>
</tr>
<tr>
<td>Mortality (2)</td>
<td>Derived using CalPERS' Membership Data for all Funds</td>
</tr>
<tr>
<td>Post Retirement Benefit Increase</td>
<td>Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter</td>
</tr>
</tbody>
</table>

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality, and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.
9. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the 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 rates of return are net of administrative expenses.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>New Strategic Allocation</th>
<th>Real Return Years 1 - 10(a)</th>
<th>Real Return Years 11+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>50.00%</td>
<td>4.80%</td>
<td>5.98%</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>28.00%</td>
<td>1.00%</td>
<td>2.62%</td>
</tr>
<tr>
<td>Inflation Sensitive</td>
<td>0.00%</td>
<td>0.77%</td>
<td>1.81%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>8.00%</td>
<td>6.30%</td>
<td>7.23%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13.00%</td>
<td>3.75%</td>
<td>4.93%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>1.00%</td>
<td>0.00%</td>
<td>-0.92%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate- The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<table>
<thead>
<tr>
<th>1% Decrease</th>
<th>6.15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pension Liability</td>
<td>$ 88,274,284</td>
</tr>
<tr>
<td>Net Discount Rate</td>
<td>7.15%</td>
</tr>
<tr>
<td>Current Discount Rate</td>
<td>$ 61,856,499</td>
</tr>
<tr>
<td>1% Increase</td>
<td>8.15%</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$ 40,164,857</td>
</tr>
</tbody>
</table>
9. PENSION PLANS, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payables to the Pension Plan

At June 30, 2019, the City reported no payables for outstanding amounts of contributions for either the CalPERS Miscellaneous Cost Sharing Multiple-Employer Plan or the CalPERS Safety Cost Sharing Multiple-Employer Plan.

10. OTHER POST EMPLOYMENT BENEFITS

A. Plan Descriptions

The City’s postemployment benefit plan is a single-employer plan. The City does not provide health care benefits to its retired employees, however, the City provides postretirement health care benefits to employees who retire in good standing from the City by allowing them to maintain their health plan benefit level at the time of retirement at the retiree's own cost, if permitted by the health insurance carrier. The City's medical insurance providers charge the City the same premiums for retirees who are not yet eligible for Medicare as they charge for active employees. Since retirees typically have higher health costs than active employees, the retiree premium rates are being subsidized by the inclusion of active lives in setting rates.

B. Employees Covered

As of June 30, 2018, the following employees were covered by the benefit terms for the plan:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive employees or beneficiaries</td>
<td></td>
</tr>
<tr>
<td>currently receiving benefits</td>
<td>41</td>
</tr>
<tr>
<td>Inactive entitled to but not yet</td>
<td></td>
</tr>
<tr>
<td>receiving benefits</td>
<td></td>
</tr>
<tr>
<td>Active employees</td>
<td>146</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
</tr>
</tbody>
</table>

C. Contributions

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. The City pays benefits as they come due.
City of El Cerrito  
Notes to Basic Financial Statements  
For the year ended June 30, 2019

10. OTHER POST EMPLOYMENT BENEFITS, Continued

D. Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date: June 30, 2017  
Measurement Date: June 30, 2018  
Actuarial Cost Method: Entry-Age Normal Cost Method  
Actuarial Assumptions:  
- Discount Rate: 3.87%  
- Inflation: 2.75% annually  
- Salary Increases: 3% - Aggregated  
- Mortality, Retirement, Disability, Termination: CalPERS 1997-2015 Experience Study  
- Mortality Improvement: Post-retirement mortality: projected fully generational with Scale MP-2017  
- Healthcare cost trend rates: Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years  
- Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The City’s OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

F. Changes in the Total OPEB Liability

<table>
<thead>
<tr>
<th>Total OPEB Liability</th>
<th>$ 2,994,539</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at June 30, 2018</td>
<td>$2,845,887</td>
</tr>
<tr>
<td>Changes in the year:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$227,104</td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>$108,071</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>$(78,032)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>$(108,491)</td>
</tr>
<tr>
<td>Net changes</td>
<td>$148,652</td>
</tr>
<tr>
<td>Balance at June 30, 2019</td>
<td>$2,994,539</td>
</tr>
</tbody>
</table>
10. OTHER POST EMPLOYMENT BENEFITS, Continued

F. Changes in the Total OPEB Liability, Continued

_Sensitivity of the Total OPEB liability to Changes in the Discount Rate_ – The following presents the total OPEB liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<table>
<thead>
<tr>
<th>Change in Discount Rate</th>
<th>Current Discount Rate</th>
<th>Total OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease - 2.87%</td>
<td>3.87%</td>
<td>$3,273,909</td>
</tr>
<tr>
<td>Current Discount Rate - 3.87%</td>
<td></td>
<td>$2,994,539</td>
</tr>
<tr>
<td>1% Increase - 4.87%</td>
<td>4.87%</td>
<td>$2,743,005</td>
</tr>
</tbody>
</table>

_Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate_ – The following presents the total OPEB liability of the City for the Plan, calculated using the healthcare cost trend rate for the Plan, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<table>
<thead>
<tr>
<th>Change in Healthcare Cost Trend Rate</th>
<th>Current Healthcare Cost Trend Rate</th>
<th>Total OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease</td>
<td>3.87%</td>
<td>$2,634,629</td>
</tr>
<tr>
<td>Current Healthcare Cost Trend Rate</td>
<td>1% Increase</td>
<td>$2,994,539</td>
</tr>
<tr>
<td>1% Increase</td>
<td>4.87%</td>
<td>$3,422,218</td>
</tr>
</tbody>
</table>

G. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

<table>
<thead>
<tr>
<th>Source of Gain or Loss</th>
<th>Expected average remaining service lifetime (EARSL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All amounts</td>
<td>Expected average remaining service lifetime (EARSL)</td>
</tr>
<tr>
<td></td>
<td>(9.8 years at June 30, 2018)</td>
</tr>
</tbody>
</table>
10. OTHER POST EMPLOYMENT BENEFITS, Continued

H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $307,465. For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>OPEB contributions subsequent to measurement date</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>$123,492</td>
<td>$123,492</td>
<td></td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td></td>
<td>$224,102</td>
</tr>
<tr>
<td>Total</td>
<td>$123,492</td>
<td>$224,102</td>
</tr>
</tbody>
</table>

The $123,492 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30:</th>
<th>Deferred Outflows/(Inflows) of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(27,710)</td>
</tr>
<tr>
<td>2021</td>
<td>(27,710)</td>
</tr>
<tr>
<td>2022</td>
<td>(27,710)</td>
</tr>
<tr>
<td>2023</td>
<td>(27,710)</td>
</tr>
<tr>
<td>2024</td>
<td>(27,710)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(85,552)</td>
</tr>
</tbody>
</table>

11. SOCIAL SECURITY

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employers existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City's non-sworn full-time employees and part-time, seasonal, and temporary employees that do not participate in the Public Agency Retirement Services program (PARS) are covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2019 amounted to $824,955, of which the City paid $412,471.
12. RISK MANAGEMENT

A. Municipal Pooling Authority (MPA)

The City is a member of the Municipal Pooling Authority of Northern California. The Authority provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the City and several other cities and governmental agencies as follows:

<table>
<thead>
<tr>
<th>Type of Coverage (Deductible)</th>
<th>Coverage Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability ($5,000)</td>
<td>$29,000,000</td>
</tr>
<tr>
<td>Vehicle - Physical Damage ($3,000 for police vehicles, $2,000 for all others)</td>
<td>250,000</td>
</tr>
<tr>
<td>Worker's Compensation (no deductible)</td>
<td>Statutory Limit</td>
</tr>
<tr>
<td>Property:</td>
<td></td>
</tr>
<tr>
<td>All Risk ($25,000)</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Flood*</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Boiler &amp; Machinery ($5,000)</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Cyber Liability ($50,000)</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Public Entity Pollution Liability ($100,000)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Government Crime Policy ($10,000)</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

* $100,000 minimum deductible per occurrence, except Zone A & V, which are subject to a $250,000 deductible per occurrence

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

B. Equipment

The City has a commercial insurance policy which provides physical loss or damage coverage for four fire vehicles and one training trailer up to a maximum of $2,737,000. The City has a deductible or uninsured liability of $5,000 per claim.

C. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments, including a provision for claims incurred but not reported, when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

Prior to June 30, 1998, the City's deductible for workers' compensation claims was $350,000 per claim. Claims were handled by a third-party administrator, and actuarial estimates were developed for the probable amounts ultimately to be paid by the City for such claims.
12. RISK MANAGEMENT, Continued

C. Liability for Uninsured Claims, Continued

The City’s liability for uninsured claims at June 30 was estimated by management based on claims experience reported by MPA and the pre-1998 workers’ compensation claims discussed above, and was computed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance - July 1</td>
<td>$21,402</td>
<td>$13,827</td>
<td>$375,006</td>
</tr>
<tr>
<td>Change in provision for prior fiscal year claims</td>
<td>$22,858</td>
<td>$25,231</td>
<td>$(276,608)</td>
</tr>
<tr>
<td>Claims paid</td>
<td>$(8,095)</td>
<td>$(17,656)</td>
<td>$(84,571)</td>
</tr>
<tr>
<td>Ending Balance - June 30</td>
<td>$36,165</td>
<td>$21,402</td>
<td>$13,827</td>
</tr>
<tr>
<td>Due within one year</td>
<td>$14,571</td>
<td>$8,623</td>
<td>$5,571</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>$21,594</td>
<td>$12,779</td>
<td>$8,256</td>
</tr>
</tbody>
</table>

Settlements have not exceeded insurance in the past three fiscal years.

13. CERRITO THEATER LEASE

In July 2009, the former Redevelopment Agency executed a five year lease with Pleasantown Motion Picture Company LLC. (tenant) for the Cerrito Theater. In March 2011, the former Redevelopment Agency conveyed ownership of the Theater to the Corporation, subject to the landlord rights and responsibilities under the lease, with a covenant that the Corporation will continue to operate the Theater as a movie theater and restaurant. Under the terms of the lease, the ownership of the Theater and property remains with the landlord at the end of the lease term, therefore, the lease is considered an operating lease. In January 2014, the lease was extended until July 2019.

The tenant is obligated to remit monthly base rent of $4,000 starting in March 2010, increased each year as specified in the lease. In addition, the tenant is to pay the property tax and assessments, certain maintenance expenses as defined in the lease, and a percentage of rent of 5 percent of calendar year gross receipts from the Theater and restaurant in excess of $960,000, as adjusted for increases in the Consumer Price Index. The City collected $67,973 during fiscal year 2017-18. In fiscal year 2019, the Cerrito Theater was disposed with the parcel land held for redevelopment.

14. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no presently filed litigation which is likely to have a material adverse effect on the financial position of the City.

B. Repayment of Excess Sales Tax Allocations to the State and State Demand

The State Board of Equalization (BOE) completed two separate reviews related to the allocation of sales taxes between the City of El Cerrito and the City of Richmond for one commercial property that borders both cities. The review dates back to fiscal year 2006.
14. COMMITMENTS AND CONTINGENCIES, Continued

B. Repayment of Excess Sales Tax Allocations to the State and State Demand, Continued

In April 2013, the BOE found that the Street Improvement district tax revenues had been over allocated by $292,357 from fiscal year 2009 through 2013, and the June 2013 remittance was reduced in that amount.

In October 2013, the BOE found that the City's historical sales tax revenues had been over allocated by $2,499,975 and would withhold that amount from the December 2013 remittance. This finding did not include any adjustments for the sales tax sharing agreement the City has with the City of Richmond and payments that had been made by the City under that agreement in the current and prior fiscal years. The City had requested documentation from the BOE to support its calculation and obtained an extension to April 30, 2014 for the opportunity to appeal the decision while management reviews BOE's methodology and calculations. The BOE did not withhold the amount from the December remittance, pending the City's review and potential appeal.

In October 2014, the BOE rescinded the demand letters and agreed to implement the sales tax sharing agreement between the cities with regard to sales taxes. The BOE indicated that it will not implement an agreement regarding district taxes, so the cities are preparing a separate agreement to address maintaining the 70% - 30% split of district taxes after the BOE begins administering the sales tax sharing agreement.

The City recalculated the historical actual allocations of sales and district taxes for the commercial property to each City for fiscal years 2006 to 2014 and the sales tax sharing payments during that period and determined that the City owed the City of Richmond $1,291,582. The BOE and the City of Richmond agreed that the City will repay the amount due from future sales tax revenues, and $233,436 was paid during fiscal year 2018. The City has fully paid off the amount due to City of Richmond in fiscal year 2018.

C. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2019 were: $342,481 in the General Fund, $507,826 in the Capital Improvements Fund and $471,686 in the Nonmajor Governmental Funds.

D. Federal and State Grant Programs

The City participates in several federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.
15. COOPERATION AGREEMENT BETWEEN REDEVELOPMENT AGENCY AND MUNICIPAL SERVICES CORPORATION

Prior to dissolution of the El Cerrito Redevelopment Agency, the Agency entered into a Cooperation Agreement with the City that was subsequently assigned to the El Cerrito Municipal Services Corporation (MSC). Under the terms of the Agreement, the Agency transferred to the MSC certain properties and funds to be used for redevelopment purposes and the Agency also agreed to provide funds to the MSC in the future in return for the MSC completing redevelopment activities. The Successor Agency has listed the Cooperation Agreement on its Recognized Obligation Payment Schedule, which have been approved by the Oversight Board. However, no post-dissolution payments have been made since the State Department of Finance has consistently denied that this Cooperation Agreement is an enforceable obligation of the Successor Agency.

16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities as of that date and dissolved redevelopment agencies effective February 1, 2012.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. The City, Successor Agency and Corporation disagree with the funding of the asset transfer review and maintain that the transactions in question between the former El Cerrito Redevelopment Agency and the Municipal Services Corporation were valid. Therefore, the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

Effective February 1, 2012, the Redevelopment Agency was dissolved. Certain housing assets of the Redevelopment Agency were distributed to the City acting as the housing successor. All remaining Redevelopment Agency assets and liabilities were distributed to the successor agency.

The activities of the Successor Agency are reported in the El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.
A. Redevelopment Dissolution, Continued

Cash and investments of the Successor Agency as of June 30, 2019 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2019.

B. Long-term Obligations

The Successor Agency assumed the long-term debt, notes and loans of the Redevelopment Agency as of February 2012.

All of the long-term obligations of the Successor Agency include Tax Allocation Bonds, notes and loans issued by the Redevelopment Agency. The Bonds, notes and loans are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond, note and loan transactions were as follows:

<table>
<thead>
<tr>
<th>Tax Allocation Bonds:</th>
<th>Balance June 30, 2018</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance June 30, 2019</th>
<th>Due Within One Year</th>
<th>Due in More Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Refunding Bonds - Tax Exempt</td>
<td>$9,069,710</td>
<td>$-</td>
<td>$-</td>
<td>$9,069,710</td>
<td>$-</td>
<td>$9,069,710</td>
</tr>
<tr>
<td>2016 Refunding Bonds - Non Exempt</td>
<td>3,261,000</td>
<td>-</td>
<td>-</td>
<td>3,261,000</td>
<td>1,559,000</td>
<td>1,702,000</td>
</tr>
<tr>
<td>Valente Notes Payable</td>
<td>1,384,457</td>
<td>-</td>
<td>(1,384,457)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Bonds and Notes Payable</strong></td>
<td><strong>13,715,167</strong></td>
<td>-</td>
<td>(1,384,457)</td>
<td><strong>12,330,710</strong></td>
<td><strong>1,559,000</strong></td>
<td><strong>10,771,710</strong></td>
</tr>
</tbody>
</table>

Housing Successor Loans:

| SERAF                                                      | 417,275               | -         | (250,000)   | 167,275               | 167,275             | -                        |

**Total Long-Term Obligations**                            | $14,132,442           | $-        | $(1,634,457)| $12,497,985           | $1,726,275           | $10,771,710              |


16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

B. Long-term Obligations, Continued

2016 Refunding Tax Allocation Bonds

On August 3, 2016, the Successor Agency to the El Cerrito Redevelopment Agency issued Series 2016 Tax Allocation Refunding Bonds in the amount of $12,330,710. The proceeds from the bonds were used to refund the Series 1997A Tax Allocation Refunding Bonds and Series 2004 A and B Tax Allocation Bonds. Bonds issued in the amount of $9,069,710 are tax-exempt, and the remaining $3,261,000 are nonexempt.

The economic gain on refunding was $83,000, and the deferred amount resulting from the refunding was considered to be immaterial to the financial statements and expensed during the year.

Valente Note Payable

The Agency purchased land in March 2009 and agreed to pay the owner out of tax increment revenues, signing a note in the amount of $2,667,000. Interest on the note is 6.75% and the Agency will make annual principal and interest payments in the amount of $288,215 for 15 years. The Note was forgiven in fiscal year 2019 as part of the sale of land held for redevelopment.

Installment Plan Agreement

In September 2015, the City, Successor Agency, and California Department of Finance entered into an Installment Payment Plan Agreement for the repayment of the OFA DDR amounting to $1,981,989.

SERA Loan from Housing Successor

During the fiscal year ending June 30, 2010, the Agency approved an interfund advance authorizing the Redevelopment Capital Projects Fund to borrow $1,767,418 from the Low and Moderate Income Housing Fund to assist in making the Agency’s 2009-10 contribution to the Supplemental Educational Revenue Augmentation Fund (SERA). This loan does not bear interest and is repayable in five equal annual installments. The balance of the loan at June 30, 2019 was $167,275.

The above loan had previously been reported as an interfund advance within the Redevelopment Agency, but with the transfer of the Redevelopment Agency’s liabilities to the Successor Agency, the advance is now reported as long-term debt of the Successor Agency. The loan was originally required to be repaid by the dates noted above, however repayment is now subject to the provisions of Health and Safety Code Section 34176 and under the provisions of that Code Section were not to begin prior to fiscal year 2014.

Debt service requirements are shown below for all long-term debt except the Housing Successor loans, because the timing of repayment of the Housing Successor loans cannot be determined at this time as discussed above.
16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

B. Long-term Obligations, Continued

Debt Service Requirements

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$1,559,000</td>
<td>$321,352</td>
</tr>
<tr>
<td>2021</td>
<td>$1,791,984</td>
<td>$268,640</td>
</tr>
<tr>
<td>2022</td>
<td>$1,909,309</td>
<td>$213,485</td>
</tr>
<tr>
<td>2023</td>
<td>$1,957,533</td>
<td>$165,261</td>
</tr>
<tr>
<td>2024</td>
<td>$997,230</td>
<td>$115,818</td>
</tr>
<tr>
<td>2025-2027</td>
<td>$4,115,654</td>
<td>$78,282</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,330,710</strong></td>
<td><strong>$1,162,838</strong></td>
</tr>
</tbody>
</table>

C. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time.

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office conducted a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011. The State Controller's Office completed its asset transfer review of the former Agency and released its final report in July 2014. The final report indicates the former Redevelopment Agency made unallowable transfers to the Municipal Services Corporation in fiscal years 2011 and 2012 totaling $12,550,551, consisting of cash of $2,382,232, land held for redevelopment of $4,634,789 and capital assets of $5,533,530. These transfers were also deemed unallowable by the Department of Finance, disputed by the City, Successor Agency and Corporation, and subject to litigation as discussed in (4) below. Therefore, the amount, if any of assets that may be required to be returned to the Successor Agency cannot be determined at this time. In fiscal year 2019, Consistent with the approved Long Range Property Management Plan (LRPMP), the City entered into a Compensation Agreement with each of the Affected Taxing Entities as required by the LRPMP. Per the Compensation Agreement the City sold the Mayfair block and Eastshore block of properties for development, at Fair Market Value or Fair Reuse Value.
16. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Commitments and Contingencies, Continued

The net proceeds were distributed by the Auditor-Controller to the Taxing Entities in proportion to their shares of the Base Property Tax less any outstanding amount of enforceable obligation related to the properties. Current book value of the land held for resale is $1,005,010.

Due Diligence Reviews

AB1484 required the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities.

In April 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated the Successor Agency had no unencumbered balances in the Low and Moderate Income Housing Fund for distribution to the affected taxing entities.

In June 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to $1,981,989. In addition, the DOF demanded the City reverse $10,168,319 of property conveyances executed in fiscal year 2012 and a payment of $400,243 of bond proceeds to the Corporation. The City, Successor Agency and Corporation dispute the adjustments and demand.

The City and Successor Agency have filed suit against the DOF and the Contra Costa County Auditor-Controller challenging the DOF's adjustments to the DDR and other demands. On September 3, 2014, the Court ruled against the City, Successor Agency and Corporation regarding the transfers and the cooperation agreement. The City, Successor Agency and Corporation plan to appeal the decision. The amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

In September 2015, the City, Successor Agency, and DOF entered into an Installment Payment Plan Agreement for the repayment of the OFA DDR amounting to $1,981,989. The payment dates are tied to the dates that funds are disbursed from the RPTTF pursuant to the Dissolution Statutes. The payment amount for fiscal year 2017-2018 is $435,663. If the City and Successor Agency are successful on their appeal, which the City and Successor Agency will continue to pursue, and the DOF's determination is reduced or overturned, the City will be able to recover any funds paid as a part of the proposed Installment Payment Plan.

Litigation regarding transfers of funds and property of the former Redevelopment Agency continues to be outstanding. The City, the Municipal Services Corporation and the Successor Agency were not successful at the trial court and appealed the trial court judgment to the Court of Appeals. The case has been fully briefed and is awaiting oral argument at the court of appeal.
17. NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis, as explained in Note 1.

A. Fund Deficits

The following funds had fund balance or net position deficits as of June 30, 2019:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>(56,692)</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>(200,819)</td>
</tr>
<tr>
<td>Gas Tax Fund</td>
<td>(113,224)</td>
</tr>
<tr>
<td>Federal, State and Local Grants Fund</td>
<td>(8,212)</td>
</tr>
<tr>
<td>Successor Agency Private Purpose Trust Fund</td>
<td>(13,921,120)</td>
</tr>
</tbody>
</table>

The Capital Improvement Fund deficit fund balance has improved significantly from a deficit of $1,280,625 in the prior fiscal year to $200,818 in FY 2019, partly due to transfers from the General Fund in FY2019. It is expected that it will be totally eliminated in FY2020. The Gas Tax fund deficit too will be eliminated by future gas tax revenue but in the meantime, expenditures are being closely monitored. The Successor Agency Private Purpose Trust Fund will be eliminated by RPTTF revenue over the years of the life of the existing bonds. The City is committed to taking steps to restore a positive General Fund balance through the upcoming biennial budget cycle and to achieve this by FY 2021.

18. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following major funds had expenditures in excess of appropriated budget:

<table>
<thead>
<tr>
<th>Major Fund</th>
<th>Budget</th>
<th>Actual</th>
<th>Excess</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>37,302,638</td>
<td>40,202,753</td>
<td>2,900,115</td>
</tr>
<tr>
<td>Municipal Services Corporation Fund</td>
<td>-</td>
<td>1,249</td>
<td>1,249</td>
</tr>
<tr>
<td>Gas Tax</td>
<td>535,450</td>
<td>544,948</td>
<td>9,498</td>
</tr>
<tr>
<td>Asset Seizure Fund</td>
<td>-</td>
<td>511</td>
<td>511</td>
</tr>
<tr>
<td>Public Art Fund</td>
<td>6,000</td>
<td>7,984</td>
<td>1,984</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>1,408,755</td>
<td>3,609,388</td>
<td>2,200,633</td>
</tr>
</tbody>
</table>

The excess expenditures in the General fund were primarily due to over expenditure in Public Safety overtime and costs associated with backfilling vacancies with part time resources and professional, legal and technical services. The excess expenditure in the Capital Improvement Fund was mainly due to the Ohlone-BART station access project which was completed within an accelerated time frame and was fully reimbursed by the State, although the budget did not reflect it at the time. Despite this the CIP fund balance improved substantially over the prior year.
19. UNAVAILABLE REVENUE

Unavailable revenue, including unavailable sales tax, interest receivable and accounts receivable comprised balances from the following funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unavailable Interest Revenue</th>
<th>Unavailable Other Revenue</th>
<th>Total Balance June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$1,014,736</td>
<td>$116,319</td>
<td>$1,131,055</td>
</tr>
<tr>
<td>Low/Moderate Income Housing Asset Fund</td>
<td>-</td>
<td>-</td>
<td>$1,014,736</td>
</tr>
<tr>
<td>Non-major Governmental Fund</td>
<td>-</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Total governmental funds</td>
<td>$1,014,736</td>
<td>$116,319</td>
<td>$1,211,055</td>
</tr>
</tbody>
</table>

20. GOING CONCERN

The accompanying financial statements have been prepared assuming the City will continue as a going concern. The City’s unassigned fund balance in the General Fund was a deficit of $1,707,620 which represents a $525,887 improvement over the unassigned balance of the prior fiscal year. The ability of the City to continue as a going concern and meet required operating obligations is dependent on the City’s ability to develop and implement a plan that will successfully increase cash flows. The financial statements do not include any adjustments that might be necessary to continue as a going concern.

The City was successful in passing a Real Property Transfer Tax measure in November 2018 that has is expected to generate about $2.7 million cash annually. Additionally, in FY18 the City had already begun receiving about $0.3 million in cash from its share of sales taxes from the City of Richmond, for sales at Home depot. These two sources combined are expected to generate a steady $3.0 million in additional General Fund cash annually.

Besides these sources of additional cash flow, several large development/building projects have been permitted recently. These too are expected to generate large one-time fees and ongoing property taxes on completion that will benefit the General Fund for years to come. The City will be taking steps to restore a positive fund balance position through the upcoming biennial budget cycle and expects to successfully achieve this by FY 2021.
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1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

Annually, the City Manager submits to the City Council a proposed operating budget in June for the following fiscal year, as required by the City's budget ordinance. This budget includes proposed expenditures and the revenues expected to finance them. As modified during public study sessions, the preliminary budget becomes the proposed budget. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. The City Manager is authorized to transfer budgeted amounts within departments within funds. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. Budget modifications between funds or increases or decreases to a fund's overall budget must be approved by the City Council. The legal level of budgetary control is at the fund level, except for the Municipal Services Corporation which requires approval by its Board.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

Budgeted amounts are as originally adopted, or as amended by the City Council.
## City of El Cerrito
### Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
#### General Fund
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$10,068,000</td>
<td>$10,068,000</td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>15,912,000</td>
<td>16,512,000</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>875,000</td>
<td>875,000</td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>310,000</td>
<td>310,000</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>103,000</td>
<td>103,000</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>3,651,000</td>
<td>3,801,000</td>
</tr>
<tr>
<td>Charges for services</td>
<td>6,709,700</td>
<td>6,709,700</td>
</tr>
<tr>
<td>Other revenues</td>
<td>82,000</td>
<td>82,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total revenues</strong></td>
<td><strong>37,710,700</strong></td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City council</td>
<td>95,545</td>
<td>95,545</td>
</tr>
<tr>
<td>City manager</td>
<td>1,139,694</td>
<td>1,139,694</td>
</tr>
<tr>
<td>City attorney</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Financial services</td>
<td>1,487,139</td>
<td>1,492,253</td>
</tr>
<tr>
<td>City clerk</td>
<td>397,818</td>
<td>399,079</td>
</tr>
<tr>
<td>Information systems</td>
<td>854,538</td>
<td>854,538</td>
</tr>
<tr>
<td>Employee services</td>
<td>1,169,082</td>
<td>1,169,082</td>
</tr>
<tr>
<td>Public works</td>
<td>1,840,883</td>
<td>1,847,397</td>
</tr>
<tr>
<td>Recreation</td>
<td>5,399,359</td>
<td>5,393,176</td>
</tr>
<tr>
<td>Community development</td>
<td>2,269,021</td>
<td>2,284,615</td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>11,842,040</td>
<td>11,842,040</td>
</tr>
<tr>
<td>Fire</td>
<td>10,006,212</td>
<td>10,156,212</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>165,000</td>
<td>172,775</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>101,346</td>
<td>126,504</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>29,126</td>
<td>29,728</td>
</tr>
<tr>
<td></td>
<td><strong>Total expenditures</strong></td>
<td><strong>37,096,803</strong></td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>613,897</td>
<td>1,158,062</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>54,671</td>
<td>54,671</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(607,522)</td>
<td>(1,289,473)</td>
</tr>
<tr>
<td>Capital lease financing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total other financing sources (uses)</strong></td>
<td><strong>(552,851)</strong></td>
</tr>
<tr>
<td><strong>SPECIAL ITEMS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of sale of land from Contra Costa County</td>
<td>-</td>
<td>681,951</td>
</tr>
<tr>
<td></td>
<td><strong>Total special items</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Net change in fund balance</strong></td>
<td><strong>61,046</strong></td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>87,570</td>
<td>87,570</td>
</tr>
<tr>
<td></td>
<td><strong>End of year</strong></td>
<td>$148,616</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Low/Mod Income Housing Asset Special Revenue Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Other revenues</td>
<td>160,000</td>
<td>160,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>160,000</td>
<td>160,000</td>
<td>74,829</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development</td>
<td>191,500</td>
<td>191,500</td>
<td>10,677</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>191,500</td>
<td>191,500</td>
<td>10,677</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td></td>
<td></td>
<td>64,152</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(31,500)</td>
<td>(31,500)</td>
<td>64,152</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>5,067,590</td>
<td>5,067,590</td>
<td>5,067,590</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 5,036,090</td>
<td>$ 5,036,090</td>
<td>$ 5,131,742</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
City Housing Special Revenue Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Transfers in</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

FUND BALANCE:

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>2,584,648</td>
<td>2,584,648</td>
<td>2,584,648</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 2,584,648</td>
<td>$ 2,584,648</td>
<td>$ 2,835,000</td>
</tr>
</tbody>
</table>
2. DEFINED BENEFIT PENSION PLAN

A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the net pension liability</td>
<td>0.64191%</td>
<td>0.62291%</td>
<td>0.63380%</td>
<td>0.67006%</td>
<td>0.63182%</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$61,856,499</td>
<td>$61,775,131</td>
<td>$54,843,657</td>
<td>$45,992,107</td>
<td>$39,314,773</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$16,978,389</td>
<td>$15,809,206</td>
<td>$14,674,532</td>
<td>$14,363,735</td>
<td>$13,945,374</td>
</tr>
<tr>
<td>Proportionate Share of the net pension liability as percentage of covered payroll</td>
<td>364.32%</td>
<td>390.75%</td>
<td>373.73%</td>
<td>320.20%</td>
<td>281.92%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>75.26%</td>
<td>73.31%</td>
<td>74.06%</td>
<td>78.40%</td>
<td>79.82%</td>
</tr>
</tbody>
</table>

Notes to Schedule:
* Fiscal year 2015 was the 1st year of implementation.

B. Schedule of Contributions – Last 10 Years*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution (actuarially determined)</td>
<td>$6,351,717</td>
<td>$5,707,962</td>
<td>$5,112,607</td>
<td>$4,587,279</td>
<td>$601,837</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>-1,625</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$17,236,142</td>
<td>$16,978,389</td>
<td>$15,809,206</td>
<td>$14,674,532</td>
<td>$14,363,735</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>36.86%</td>
<td>33.62%</td>
<td>32.34%</td>
<td>31.26%</td>
<td>4.19%</td>
</tr>
</tbody>
</table>

Note to Schedule
Valuation date:** 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013

* Fiscal year 2015 was the 1st year of implementation.
** Date of actuarial valuation used to determine the contractually required contribution.
## 3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

### A. Schedule of the City’s Proportionate Share of the Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30\(^{(1)}\)

<table>
<thead>
<tr>
<th>Measurement Period</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$227,104</td>
<td>$249,017</td>
</tr>
<tr>
<td>Interest on the total OPEB liability</td>
<td>108,071</td>
<td>85,412</td>
</tr>
<tr>
<td>Changes in benefit terms</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(78,032)</td>
<td>(193,528)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(108,491)</td>
<td>(85,828)</td>
</tr>
<tr>
<td><strong>Net change in total OPEB liability</strong></td>
<td>148,652</td>
<td>55,073</td>
</tr>
<tr>
<td><strong>Total OPEB liability - beginning</strong></td>
<td>2,845,887</td>
<td>2,790,814</td>
</tr>
<tr>
<td><strong>Total OPEB liability - ending</strong></td>
<td>$2,994,539</td>
<td>$2,845,887</td>
</tr>
</tbody>
</table>

Covered-employee payroll $18,923,691 $18,173,174

Net OPEB liability as a percentage of covered-employee payroll 15.82% 15.66%

### Notes to Schedule:

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
SUPPLEMENTARY INFORMATION
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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Municipal Services Corporation Special Revenue Fund accounts for the activities of the El Cerrito Municipal Services Corporation, a nonprofit corporation established to assist the City with public communications and financing of public improvements and later with the elimination of community blight and deterioration within the City.

Gas Tax Fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107, and 2107.5. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

Landscape and Lighting Assessment Fund accounts for assessments made upon parcels of land within the Lighting and Landscaping Districts and disburses funds in accordance with the provisions of the State of California Streets and Highway Code.

Measure A Parcel Tax Fund accounts for the use of the voter-approved special tax to be used for the swim center and park capital project.

National Pollution Discharge Elimination System Fund accounts for storm water utility fees assessed to property owners citywide on their property tax bills. The funds are used to pay for the ”National Pollution Discharge Elimination System" mandated by the Federal government to prevent further polluting of our streams and bays.

Asset Seizure Fund accounts for revenues received from sale of assets seized during drug-related arrests and disburses these funds for authorized public safety activities.

Vehicle Abatement Fund accounts for revenues received from Vehicle Code Section 9250.7 to administer and operate the local vehicle abatement program.

Park In Lieu Fund accounts for funds received through negotiations with developers to be used for park improvements.

Public Art Fund accounts for fees related to development that is committed to art in public places.

Federal, State, and Local Grants Fund accounts for revenues and expenditures related to grants from other governmental agencies.

Road Repair and Accountability Fund accounts for Senate Bill 1 (SB1) with the aim of repairing roads, improving traffic safety and expanding public transit systems.

Measure J Paratransit Fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

DEBT SERVICE FUND

Public Financing Authority Debt Service Fund accounts for principal and interest payments on lease revenue bonds issued by the City of El Cerrito Public Financing Authority.

CAPITAL PROJECT FUNDS

Capital Improvements Capital Projects Fund accounts for funds expended on various City capital projects.

Storm Drain Fund accounts for assessments collected and funds expended for the maintenance and upgrade of the storm drains.

Measure J Fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

Street Improvement Fund accounts for the street maintenance and improvement projects funded by the 2008 Sales Tax Revenue Bonds.
# City of El Cerrito
## Combining Balance Sheet
### Non-Major Governmental Funds
#### June 30, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Municipal Service Corporation Special Revenue Fund</th>
<th>Landscape and Lighting Assessment Fund</th>
<th>Measure A Parcel Tax Assessment Fund</th>
<th>National Pollution Discharge Elimination System Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$54,252</td>
<td>$125,872</td>
<td>$385,641</td>
<td>$117,344</td>
</tr>
<tr>
<td>Cash with fiscal agents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>652</td>
<td>9,552</td>
<td>-</td>
<td>134,251</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land held for resale or redevelopment</td>
<td>1,005,010</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,059,914</strong></td>
<td><strong>$135,424</strong></td>
<td><strong>$385,641</strong></td>
<td><strong>$251,595</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</th>
<th>Municipal Service Corporation Special Revenue Fund</th>
<th>Landscape and Lighting Assessment Fund</th>
<th>Measure A Parcel Tax Assessment Fund</th>
<th>National Pollution Discharge Elimination System Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>-</td>
<td>10,607</td>
<td>29,776</td>
<td>20,000</td>
</tr>
<tr>
<td>Accrued liability</td>
<td>-</td>
<td>13,092</td>
<td>10,964</td>
<td>-</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>89,525</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits payable</td>
<td>11,336</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>11,336</strong></td>
<td><strong>113,224</strong></td>
<td><strong>40,740</strong></td>
<td><strong>20,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred inflows of resources:</th>
<th>Municipal Service Corporation Special Revenue Fund</th>
<th>Landscape and Lighting Assessment Fund</th>
<th>Measure A Parcel Tax Assessment Fund</th>
<th>National Pollution Discharge Elimination System Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue - accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

| Fund Balances:                                                                 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Restricted for:                 | Municipal Service Corporation Special Revenue Fund | Landscape and Lighting Assessment Fund | Measure A Parcel Tax Assessment Fund | National Pollution Discharge Elimination System Fund |
| Redevelopment Projects & Programs | 1,048,578 | - | - | - |
| Debt service                    | - | - | - | - |
| Street improvements             | - | - | 94,684 | - |
| Transportation projects         | - | - | - | - |
| Public Safety - Police          | - | - | - | - |
| Public Safety - Vehicle Abatement | - | - | - | - |
| Park and Recreation             | - | - | - | 365,641 |
| Storm drains                    | - | - | - | 235,957 |
| Public Art                      | - | - | - | - |
| Unassigned                      | - | (113,224) | - | - |
| **Total fund balances**         | **1,048,578** | **(113,224)** | **94,684** | **365,641** | **235,957** |

<table>
<thead>
<tr>
<th>Total liabilities, deferred inflows of resources, and fund balances</th>
<th>Municipal Service Corporation Special Revenue Fund</th>
<th>Landscape and Lighting Assessment Fund</th>
<th>Measure A Parcel Tax Assessment Fund</th>
<th>National Pollution Discharge Elimination System Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,059,914</td>
<td>-</td>
<td>$135,424</td>
<td>$385,641</td>
<td>$251,595</td>
</tr>
<tr>
<td>Asset Seizure Fund</td>
<td>Vehicle Abatement Fund</td>
<td>Park In Lieu Fund</td>
<td>Public Art Fund</td>
<td>Federal, State and Local Grants Fund</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>$379,383</td>
<td>$382,094</td>
<td>2</td>
<td>$232,364</td>
<td>130,558</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
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<td>-</td>
<td>-</td>
<td>130,558</td>
</tr>
<tr>
<td></td>
<td>-</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>60,811</td>
<td>-</td>
<td>-</td>
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<tr>
<td>60,811</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>60,811</td>
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</tr>
<tr>
<td></td>
<td>60,811</td>
<td>-</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>318,572</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>318,572</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>318,572</td>
<td>382,094</td>
<td>2</td>
<td>232,364</td>
<td>-</td>
</tr>
<tr>
<td>$379,383</td>
<td>$382,094</td>
<td>2</td>
<td>$232,364</td>
<td>$130,558</td>
</tr>
</tbody>
</table>
City of El Cerrito
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

<table>
<thead>
<tr>
<th>Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvement Fund</td>
</tr>
</tbody>
</table>

**ASSETS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash with fiscal agents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>75,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land held for resale or redevelopment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 75,000</td>
<td>$ 698,986</td>
<td>$ 479,482</td>
<td>$ 1,226,055</td>
</tr>
</tbody>
</table>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

**Liabilities:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>201,576</td>
<td>7,930</td>
<td>13,710</td>
<td>23,838</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>-</td>
<td>15,925</td>
<td>7,881</td>
<td>4,870</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>74,243</td>
<td>-</td>
<td>395,168</td>
<td>-</td>
</tr>
<tr>
<td>Deposits payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>72,147</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>275,819</td>
<td>23,855</td>
<td>416,759</td>
<td>28,708</td>
</tr>
</tbody>
</table>

**Deferred inflows of resources:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue - loans receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Fund Balances:**

Restricted for:

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelopment Projects &amp; Programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Street improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,197,347</td>
</tr>
<tr>
<td>Transportation projects</td>
<td>-</td>
<td>-</td>
<td>62,723</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>318,572</td>
</tr>
<tr>
<td>Public Safety - Vehicle Abatement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>382,094</td>
</tr>
<tr>
<td>Park and Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>365,643</td>
</tr>
<tr>
<td>Storm drains</td>
<td>-</td>
<td>675,131</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Art</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>232,364</td>
</tr>
<tr>
<td>Unassigned</td>
<td>(200,819)</td>
<td>-</td>
<td>-</td>
<td>(322,255)</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
<td>(200,819)</td>
<td>675,131</td>
<td>62,723</td>
<td>1,197,347</td>
</tr>
</tbody>
</table>

**Total liabilities, deferred inflows of resources, and fund balances**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balances</strong></td>
<td>$ 75,000</td>
<td>$ 698,986</td>
<td>$ 479,482</td>
<td>$ 1,226,055</td>
</tr>
</tbody>
</table>

**Total liabilities, deferred inflows of resources, and fund balances**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balances</strong></td>
<td>$ 75,000</td>
<td>$ 698,986</td>
<td>$ 479,482</td>
<td>$ 1,226,055</td>
</tr>
</tbody>
</table>

**Total liabilities, deferred inflows of resources, and fund balances**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balances</strong></td>
<td>$ 75,000</td>
<td>$ 698,986</td>
<td>$ 479,482</td>
<td>$ 1,226,055</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Municipal Service Corporation Special Revenue Fund</th>
<th>Landscape and Lighting Assessment Fund</th>
<th>Measure A Parcel Tax Fund</th>
<th>National Pollution Discharge Elimination Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and assessments</td>
<td>$</td>
<td>$</td>
<td>$ 777,656</td>
<td>$ 633,080</td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>25,054</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>-</td>
<td>519,471</td>
<td>9,452</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>25,054</td>
<td>519,471</td>
<td>787,208</td>
<td>633,080</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
</tr>
<tr>
<td>General Government</td>
</tr>
<tr>
<td>Public works</td>
</tr>
<tr>
<td>Recreation</td>
</tr>
<tr>
<td>Community development</td>
</tr>
<tr>
<td>Public safety</td>
</tr>
<tr>
<td>Capital outlay</td>
</tr>
<tr>
<td>Principal</td>
</tr>
<tr>
<td>Interest and fiscal fees</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVENUES OVER (UNDER) EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,805</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
</tr>
<tr>
<td>Transfers (out)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPECIAL ITEMS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Sale Proceeds to the Contra Costa County</td>
</tr>
<tr>
<td>Land Sale Proceeds Transfers to Successor Agency Fund</td>
</tr>
<tr>
<td>Gain on sale of land</td>
</tr>
<tr>
<td><strong>Total special items</strong></td>
</tr>
<tr>
<td>Net change in fund balances</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
</tr>
<tr>
<td>End of year</td>
</tr>
<tr>
<td>Asset Seizure Fund</td>
</tr>
<tr>
<td>--------------------</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>13,614</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>- 75,461</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>13,614</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>511</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>511</td>
</tr>
<tr>
<td>511</td>
</tr>
<tr>
<td>13,103</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>13,103</td>
</tr>
<tr>
<td>$305,469</td>
</tr>
<tr>
<td>$318,572</td>
</tr>
</tbody>
</table>
## City of El Cerrito

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

**Non-Major Governmental Funds**

**For the year ended June 30, 2019**

<table>
<thead>
<tr>
<th>Capital Projects</th>
<th>Capital Improvement Fund</th>
<th>Storm Drain Improvement Fund</th>
<th>Measure J Improvement Fund</th>
<th>Street Improvement Fund</th>
<th>Total Non-Major Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and assessments</td>
<td>$</td>
<td>-</td>
<td>$ 701,950</td>
<td>$ 479,482</td>
<td>$ 1,630,826</td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>3,804,744</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>175</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other revenues</td>
<td>392,217</td>
<td>-</td>
<td>-</td>
<td>3,877</td>
<td>400,785</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>4,196,961</td>
<td>701,950</td>
<td>479,657</td>
<td>1,634,703</td>
<td>10,346,341</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>7,339</td>
<td>460,913</td>
<td>410,537</td>
<td>91,539</td>
<td>2,672,724</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>-</td>
<td>13,066</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>3,602,050</td>
<td>83,275</td>
<td>53,607</td>
<td>631,092</td>
<td>4,689,071</td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and fiscal fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,609,389</td>
<td>544,188</td>
<td>477,210</td>
<td>723,956</td>
<td>9,260,808</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td>587,572</td>
<td>157,762</td>
<td>2,447</td>
<td>910,747</td>
<td>1,085,533</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>492,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>-</td>
<td>-</td>
<td>(20,000)</td>
<td>(704,400)</td>
<td>(2,199,449)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>492,234</td>
<td>-</td>
<td>(20,000)</td>
<td>(704,400)</td>
<td>(61,425)</td>
</tr>
<tr>
<td><strong>SPECIAL ITEMS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Sale Proceeds to the Contra Costa Cour</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land Sale Proceeds Transfers to Successor A₁</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total special items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>1,079,806</td>
<td>157,762</td>
<td>(17,553)</td>
<td>206,347</td>
<td>(2,215,545)</td>
</tr>
<tr>
<td><strong>FUND BALANCES (DEFICITS):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>(1,280,625)</td>
<td>517,369</td>
<td>80,276</td>
<td>991,000</td>
<td>7,057,318</td>
</tr>
<tr>
<td>End of year</td>
<td>$ (200,819)</td>
<td>$ 675,131</td>
<td>$ 62,723</td>
<td>$ 1,197,347</td>
<td>$ 4,841,773</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Municipal Services Corporation Special Revenue Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
</tbody>
</table>

**REVENUES:**

<table>
<thead>
<tr>
<th>Use of money and property</th>
<th>$ -</th>
<th>$ -</th>
<th>$ 25,054</th>
<th>$ 25,054</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>-</td>
<td>-</td>
<td>25,054</td>
<td>25,054</td>
</tr>
</tbody>
</table>

**EXPENDITURES:**

<table>
<thead>
<tr>
<th>Community development</th>
<th>-</th>
<th>-</th>
<th>1,249</th>
<th>(1,249)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>1,249</td>
<td>(1,249)</td>
</tr>
</tbody>
</table>

**REVENUES OVER (UNDER) EXPENDITURES**

| - | - | 23,805 | 23,805 |

**SPECIAL ITEMS:**

- Land Sale Proceeds to the Contra Costa County: (3,457,547) (3,457,547)
- Land Sale Proceeds Transfers to Successor Agency Fund: (1,202,453) (1,202,453)
- Gain on sale of land: 1,420,347 1,420,347

| **Total special items** | -   | -   | (3,239,653) | (3,239,653) |

| **Net change in fund balance** | - | - | (3,215,848) | (3,215,848) |

**FUND BALANCE:**

- Beginning of year: 4,264,426 4,264,426 4,264,426 -

| End of year | $ 4,264,426 | $ 4,264,426 | $ 1,048,578 | $ (3,215,848) |
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Gas Tax Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$632,665</td>
<td>$632,665</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$632,665</td>
<td>$632,665</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>533,835</td>
<td>535,450</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>533,835</td>
<td>535,450</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>98,830</td>
<td>97,215</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>98,830</td>
<td>97,215</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>(87,747)</td>
<td>(87,747)</td>
</tr>
<tr>
<td>End of year</td>
<td>$11,083</td>
<td>$9,468</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Landscape and Lighting Assessment Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Bud (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>$775,750</td>
<td>$775,750</td>
<td>$777,656</td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>10,613</td>
<td>10,613</td>
<td>9,452</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Total revenues</td>
<td>786,363</td>
<td>786,363</td>
<td>787,208</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>680,627</td>
<td>746,692</td>
<td>725,346</td>
</tr>
<tr>
<td>Recreation</td>
<td>89,449</td>
<td>89,449</td>
<td>93,561</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>770,076</td>
<td>836,141</td>
<td>818,907</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>16,287</td>
<td>(49,778)</td>
<td>(31,699)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>16,287</td>
<td>(49,778)</td>
<td>(31,699)</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>126,383</td>
<td>126,383</td>
<td>126,383</td>
</tr>
<tr>
<td>End of year</td>
<td>$142,670</td>
<td>$76,605</td>
<td>$94,684</td>
</tr>
</tbody>
</table>
City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Measure A Parcel Tax Fund
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts Original</th>
<th>Budgeted Amounts Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>$ 646,000</td>
<td>$ 646,000</td>
<td>$ 633,080</td>
<td>$(12,920)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>646,000</td>
<td>646,000</td>
<td>633,080</td>
<td>$(12,920)</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial services</td>
<td>15,000</td>
<td>15,000</td>
<td>12,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>-</td>
<td>3,392</td>
<td>(3,392)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>230,000</td>
<td>233,216</td>
<td>105,815</td>
<td>127,401</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>245,000</td>
<td>248,216</td>
<td>121,207</td>
<td>127,009</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>401,000</td>
<td>397,784</td>
<td>511,873</td>
<td>114,089</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(411,730)</td>
<td>(411,730)</td>
<td>(411,730)</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(411,730)</td>
<td>(411,730)</td>
<td>(411,730)</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(10,730)</td>
<td>(13,946)</td>
<td>100,143</td>
<td>114,089</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>265,498</td>
<td>265,498</td>
<td>265,498</td>
<td>-</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 254,768</td>
<td>$ 251,552</td>
<td>$ 365,641</td>
<td>$ 114,089</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
National Pollution Discharge Elimination System Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REVENUES:**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive Positive</td>
</tr>
<tr>
<td></td>
<td>Positive Positive</td>
<td>(Negative)</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$319,300</td>
<td>$319,300</td>
<td>$310,860</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$0</td>
<td>$912</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$319,300</td>
<td>$311,772</td>
<td>$(7,528)</td>
</tr>
</tbody>
</table>

**EXPENDITURES:**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive Positive</td>
</tr>
<tr>
<td></td>
<td>Positive Positive</td>
<td>(Negative)</td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>$352,493</td>
<td>$295,475</td>
<td>$57,893</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$352,493</td>
<td>$295,475</td>
<td>$57,893</td>
</tr>
</tbody>
</table>

**REVENUES OVER (UNDER) EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive Positive</td>
<td>(Negative)</td>
<td></td>
</tr>
<tr>
<td>(33,193)</td>
<td>(34,068)</td>
<td>$16,297</td>
<td>$50,365</td>
</tr>
</tbody>
</table>

**Net change in fund balance**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive Positive</td>
<td>(Negative)</td>
<td></td>
</tr>
<tr>
<td>(33,193)</td>
<td>(34,068)</td>
<td>$16,297</td>
<td>$50,365</td>
</tr>
</tbody>
</table>

**FUND BALANCE:**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive Positive</td>
<td>(Negative)</td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$219,660</td>
<td>$219,660</td>
<td>$235,957</td>
</tr>
<tr>
<td>End of year</td>
<td>$186,467</td>
<td>$185,592</td>
<td>$50,365</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Asset Seizure Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>$</td>
<td>- $</td>
<td>$ 13,614</td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>-</td>
<td>13,614</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>-</td>
<td>-</td>
<td>511</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>-</td>
<td>-</td>
<td>511</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>-</td>
<td>-</td>
<td>13,103</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>-</td>
<td>13,103</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>305,469</td>
<td>305,469</td>
<td>305,469</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 305,469</td>
<td>$ 305,469</td>
<td>$ 318,572</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Vehicle Abatement Fund  
For the year ended June 30, 2019  

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$ 30,000</td>
<td>$ 30,000</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 30,000</td>
<td>$ 30,000</td>
</tr>
</tbody>
</table>

Net change in fund balance

|                  | Original       | Final                                         |
| **FUND BALANCE:**|                |                                              |
| Beginning of year| 306,633        | 306,633                                      | 306,633 | - |
| End of year      | $ 336,633      | $ 336,633                                    | $ 382,094 | $ 45,461 |

City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Vehicle Abatement Fund  
For the year ended June 30, 2019  

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$ 30,000</td>
<td>$ 30,000</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 30,000</td>
<td>$ 30,000</td>
</tr>
</tbody>
</table>

Net change in fund balance

|                  | Original       | Final                                         |
| **FUND BALANCE:**|                |                                              |
| Beginning of year| 306,633        | 306,633                                      | 306,633 | - |
| End of year      | $ 336,633      | $ 336,633                                    | $ 382,094 | $ 45,461 |
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Park In Lieu Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$</td>
</tr>
<tr>
<td>Total revenues</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>End of year</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
</tr>
</tbody>
</table>
City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Public Art Fund
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>$</td>
<td>-</td>
<td>$ 4,591</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td></td>
<td>4,591</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development</td>
<td>6,000</td>
<td>6,000</td>
<td>7,984</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>6,000</td>
<td>6,000</td>
<td>7,984</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>(6,000)</td>
<td>(6,000)</td>
<td>(3,393)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(6,000)</td>
<td>(6,000)</td>
<td>(3,393)</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>235,757</td>
<td>235,757</td>
<td>235,757</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 229,757</td>
<td>$ 229,757</td>
<td>$ 232,364</td>
</tr>
</tbody>
</table>
City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Federal, State and Local Grants Fund
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$ 180,000</td>
<td>$ 180,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City manager</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community development</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Public safety:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>704,347</td>
<td>704,347</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 804,347</td>
<td>$ 804,347</td>
</tr>
</tbody>
</table>
## City of El Cerrito

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Road Repair and Accountability

For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenues</td>
<td>$ 405,000</td>
<td>$ 405,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>405,000</td>
<td>405,000</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>-</td>
<td>180,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>735,000</td>
<td>555,000</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>735,000</td>
<td>735,000</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(330,000)</td>
<td>(330,000)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(330,000)</td>
<td>(330,000)</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>143,907</td>
<td>143,907</td>
</tr>
<tr>
<td>End of year</td>
<td>$ (186,093)</td>
<td>$ (186,093)</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Measure J Paratransit  
For the year ended June 30, 2019  

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>$149,893</td>
<td>$149,893</td>
</tr>
<tr>
<td>Charges for services</td>
<td>15,300</td>
<td>15,300</td>
</tr>
<tr>
<td>Total revenues</td>
<td>165,193</td>
<td>165,193</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>232,097</td>
<td>232,097</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>232,097</td>
<td>232,097</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>(66,904)</td>
<td>(66,904)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(66,904)</td>
<td>(66,904)</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>78,048</td>
<td>78,048</td>
</tr>
<tr>
<td>End of year</td>
<td>$11,144</td>
<td>$11,144</td>
</tr>
</tbody>
</table>

City of El Cerrito  
For the year ended June 30, 2019
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Public Financing Authority Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$ 103</td>
<td>$ 103</td>
<td>$ 4,464</td>
</tr>
<tr>
<td>Total revenues</td>
<td>103</td>
<td>103</td>
<td>4,464</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>948,500</td>
<td>948,500</td>
<td>948,500</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>693,027</td>
<td>693,027</td>
<td>693,027</td>
</tr>
<tr>
<td>Bond issuance</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,642,527</td>
<td>1,642,527</td>
<td>1,641,527</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(1,642,424)</td>
<td>(1,642,424)</td>
<td>(1,637,063)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,645,790</td>
<td>1,645,790</td>
<td>1,645,790</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>1,645,790</td>
<td>1,645,790</td>
<td>1,645,790</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>3,366</td>
<td>3,366</td>
<td>8,727</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>186,915</td>
<td>186,915</td>
<td>186,915</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 190,281</td>
<td>$ 190,281</td>
<td>$ 195,642</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 
Capital Improvement Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$690,000</td>
<td>$690,000</td>
<td>$3,804,744</td>
</tr>
<tr>
<td>revenues</td>
<td>115,000</td>
<td>115,000</td>
<td>392,217</td>
</tr>
<tr>
<td>Total revenues</td>
<td>805,000</td>
<td>805,000</td>
<td>4,196,961</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>22,663</td>
<td>22,663</td>
<td>7,339</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,005,500</td>
<td>1,386,092</td>
<td>3,602,050</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,028,163</td>
<td>1,408,755</td>
<td>3,609,389</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(223,163)</td>
<td>(603,755)</td>
<td>587,572</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>20,000</td>
<td>20,000</td>
<td>492,234</td>
</tr>
<tr>
<td>Total other financing</td>
<td>20,000</td>
<td>20,000</td>
<td>492,234</td>
</tr>
<tr>
<td>sources (uses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fund</td>
<td>(203,163)</td>
<td>(583,755)</td>
<td>1,079,806</td>
</tr>
<tr>
<td>balance (DEFICIT):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>(1,280,625)</td>
<td>(1,280,625)</td>
<td>(1,280,625)</td>
</tr>
<tr>
<td>End of year</td>
<td>$1,483,788</td>
<td>$1,864,380</td>
<td>$200,819</td>
</tr>
</tbody>
</table>
City of El Cerrito
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Storm Drain Fund
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>701,000</td>
<td>701,000</td>
<td>701,950</td>
</tr>
<tr>
<td>Total revenues</td>
<td>701,000</td>
<td>701,000</td>
<td>701,950</td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>491,292</td>
<td>491,292</td>
<td>460,913</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>200,000</td>
<td>237,447</td>
<td>83,275</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>691,292</td>
<td>728,739</td>
<td>544,188</td>
</tr>
<tr>
<td>REVENUES OVER (UNDER) EXPENDITURES</td>
<td>9,708</td>
<td>(27,739)</td>
<td>157,762</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>9,708</td>
<td>(27,739)</td>
<td>157,762</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>517,369</td>
<td>517,369</td>
<td>517,369</td>
</tr>
<tr>
<td>End of year</td>
<td>$527,077</td>
<td>$489,630</td>
<td>$675,131</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Measure J Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes other than property</td>
<td>$ 455,000</td>
<td>$ 455,000</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>455,000</td>
<td>455,000</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>422,540</td>
<td>422,540</td>
</tr>
<tr>
<td>Recreation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>492,540</td>
<td>492,540</td>
</tr>
<tr>
<td><strong>REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(37,540)</td>
<td>(37,540)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td>(20,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(20,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(20,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(57,540)</td>
<td>(57,540)</td>
</tr>
<tr>
<td><strong>FUND BALANCE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>80,276</td>
<td>80,276</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 22,736</td>
<td>$ 22,736</td>
</tr>
</tbody>
</table>
City of El Cerrito  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Street Improvement Fund  
For the year ended June 30, 2019

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
</tbody>
</table>

### REVENUES:

- **Taxes other than property**  
  *Original: $1,560,000*  
  *Final: $1,560,000*  
  *Actual: $1,630,826*  
  *Variance: $70,826* (Positive)

- **Other revenues**  
  *Original: $5,801*  
  *Final: $5,801*  
  *Actual: $3,877*  
  *Variance: $(1,924)* (Negative)

- **Total revenues**  
  *Original: $1,565,801*  
  *Final: $1,565,801*  
  *Actual: $1,634,703*  
  *Variance: $68,902* (Positive)

### EXPENDITURES:

- **General Government:**
  - **Financial services**  
    *Original: $-*  
    *Final: $-*  
    *Actual: $1,325*  
    *Variance: $(1,325)* (Negative)

- **Public works**  
  *Original: $106,798*  
  *Final: $106,798*  
  *Actual: $91,539*  
  *Variance: $15,259* (Positive)

- **Capital outlay**  
  *Original: $950,000*  
  *Final: $984,938*  
  *Actual: $631,092*  
  *Variance: $353,846* (Positive)

- **Total expenditures**  
  *Original: $1,056,798*  
  *Final: $1,091,736*  
  *Actual: $723,956*  
  *Variance: $367,780* (Positive)

### REVENUES OVER (UNDER) EXPENDITURES:

- **Original: $509,003*  
  *Final: $474,065*  
  *Actual: $910,747*  
  *Variance: $436,682* (Positive)

### OTHER FINANCING SOURCES (USES):

- **Transfers (out)**  
  *Original: $(704,400)*  
  *Final: $(704,400)*  
  *Actual: $(704,400)*  
  *Variance: $(704,400)* (Negative)

- **Total other financing sources (uses)**  
  *Original: $(704,400)*  
  *Final: $(704,400)*  
  *Actual: $(704,400)*  
  *Variance: $(704,400)* (Negative)

- **Net change in fund balance**  
  *Original: $(195,397)*  
  *Final: $(230,335)*  
  *Actual: $206,347*  
  *Variance: $436,682* (Positive)

### FUND BALANCE:

- **Beginning of year**  
  *Original: $991,000*  
  *Final: $991,000*  
  *Actual: $991,000*  
  *Variance: $(991,000)* (Negative)

- **End of year**  
  *Original: $(795,603)*  
  *Final: $(760,665)*  
  *Actual: $1,197,347*  
  *Variance: $(1,197,347)* (Negative)
CITY OF EL CERRITO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)


Governmental activities
Restricted 10,851,206 11,513,748 18,127,376 14,185,459 11,556,030 15,211,282 16,401,240 16,468,323 17,041,501 14,225,506
Unrestricted 4,732,143 1,521,714 (136,900) (1,090,092) (3,744,215) (48,590,298) (46,508,497) (45,697,093) (50,908,159) (54,698,365)
Total governmental activities net position $55,390,484 $55,254,672 $80,179,333 $74,634,432 $71,347,742 $29,106,382 $31,579,940 $31,034,877 $25,076,330 $15,478,010

Business-type activities
Net investment in capital assets $357,798 $798,108 $828,754 $227,097 $328,697 $440,669 $674,225 $950,099 $1,106,285 $1,287,089
Unrestricted 660,993 339,821 201,464 579,719 288,935 247,155 72,217 (84,655) (91,433) (237,733)
Total business-type activities net position $1,018,791 $1,137,929 $1,030,218 $806,816 $674,664 $727,824 $746,442 $865,444 $1,014,852 $1,049,356

Primary government
Net investment in capital assets $40,164,933 $43,017,318 $63,017,611 $61,766,162 $63,864,624 $62,926,067 $62,361,422 $61,213,746 $60,049,273 $57,237,958
Restricted 10,851,206 11,513,748 18,127,376 14,185,459 11,556,030 15,211,282 16,401,240 16,468,323 17,041,501 14,225,506
Unrestricted 5,393,136 1,861,535 64,564 (510,373) (3,455,280) (48,343,143) (46,436,280) (45,781,748) (50,999,392) (54,936,098)
Total primary government net position $56,409,275 $56,392,661 $81,209,551 $75,441,248 $71,965,174 $71,926,652 $75,350,025 $74,998,067 $75,049,935 $76,463,550

(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."
### CITY OF EL CERRITO

#### Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 (a)</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$3,771,954</td>
<td>$4,246,235</td>
<td>$4,376,139</td>
<td>$4,236,098</td>
<td>$5,637,571</td>
</tr>
<tr>
<td>Public Works</td>
<td>5,162,256</td>
<td>6,411,539</td>
<td>6,185,638</td>
<td>8,433,345</td>
<td>5,444,248</td>
</tr>
<tr>
<td>Recreation</td>
<td>4,341,616</td>
<td>4,367,058</td>
<td>4,504,817</td>
<td>4,412,698</td>
<td>4,597,225</td>
</tr>
<tr>
<td>Community Development</td>
<td>5,849,338</td>
<td>4,319,850</td>
<td>2,910,097</td>
<td>4,280,475</td>
<td>6,121,329</td>
</tr>
<tr>
<td>Public Safety</td>
<td>16,374,501</td>
<td>16,721,719</td>
<td>18,207,775</td>
<td>18,847,110</td>
<td>18,767,955</td>
</tr>
<tr>
<td>Interest on Long Term Debt</td>
<td>2,427,173</td>
<td>2,302,131</td>
<td>1,568,739</td>
<td>1,051,397</td>
<td>904,001</td>
</tr>
<tr>
<td>Total Governmental Activities Expenses</td>
<td>37,926,838</td>
<td>38,368,532</td>
<td>37,733,205</td>
<td>41,261,123</td>
<td>41,472,329</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated waste management</td>
<td>1,301,560</td>
<td>1,353,726</td>
<td>1,674,248</td>
<td>1,792,975</td>
<td>1,954,155</td>
</tr>
<tr>
<td>Total Business-Type Activities Expenses</td>
<td>1,301,560</td>
<td>1,353,726</td>
<td>1,674,248</td>
<td>1,792,975</td>
<td>1,954,155</td>
</tr>
<tr>
<td><strong>Total Primary Government Expenses</strong></td>
<td>$39,228,398</td>
<td>$39,722,258</td>
<td>$39,407,453</td>
<td>$43,054,098</td>
<td>$43,426,484</td>
</tr>
</tbody>
</table>

| **Program Revenues**        |      |      |      |          |      |
| Governmental Activities:    |      |      |      |          |      |
| Charges for Services:       |      |      |      |          |      |
| General Government          | $86,885  | $86,925  | $606,107  | $559,106  | $106,677   |
| Public Works                | 927,713  | 958,907  | 965,700   | 968,330   | 976,032    |
| Recreation                  | 2,828,247 | 2,825,684 | 2,924,662 | 2,973,708 | 3,221,674  |
| Community Development       | 1,142,880 | 1,209,157 | 1,082,721 | 1,199,576 | 1,731,668  |
| Public Safety               | 2,623,112 | 2,534,501 | 2,695,059 | 3,300,984 | 2,880,896  |
| Operating Grants and Contributions | 2,575,749 | 2,059,159 | 4,514,164 | 2,703,823 | 3,067,489  |
| Capital Grants and Contributions | 600,000  | 3,327,544 | 2,193,073 | 1,153,161 | 3,637,043  |
| Total Governmental Activities Program Revenues | 10,784,586 | 13,001,877 | 14,981,486 | 14,888,688 | 15,621,479 |
| **Business-Type Activities**|      |      |      |          |      |
| Charges for Services:       |      |      |      |          |      |
| Integrated waste management | 1,577,320 | 1,759,107 | 1,861,538 | 1,854,839 | 2,071,820  |
| Operating Grants and Contributions | 95,437  | 6,110   | 6,654    | 26,348   | 20,522     |
| Total Business-Type Activities Program Revenues | 1,672,757 | 1,765,217 | 1,868,192 | 1,881,187 | 2,092,342  |
| **Total Primary Government Program Revenues** | $12,457,343 | $14,767,094 | $16,849,678 | $16,769,875 | $17,713,821 |

| **Net (Expense)/Revenue**   |      |      |      |          |      |
| Governmental Activities:    |      |      |      |          |      |
| Charges for Services:       |      |      |      |          |      |
| Taxes:                      |       |      |      |          |      |
| Property Taxes              | $13,720,955 | $13,696,480 | $11,309,400 | $8,336,665 | $9,024,435 |
| Sales Taxes                 | 4,391,220  | 4,894,053  | 6,309,362  | 5,966,934  | 6,554,589  |
| Transient Lodging Taxes     | 74,921    | 85,631     | 98,411     | 103,446    | 130,556    |
| Franchise Taxes             | 939,189   | 982,799    | 1,020,930  | 1,065,858  | 1,226,307  |
| Business License Taxes      | 625,461   | 673,257    | 691,948    | 660,931    | 768,448    |
| Utility User Taxes          | 3,181,028 | 3,188,260  | 3,163,978  | 3,066,580  | 3,137,017  |
| Real Property County Transfer Tax |        |          |          |          |          |
| Other                       | 143,232   | 191,904    | 98,028     | 107,795    | 129,774    |
| Use of money and property   | 555,478   | 417,662    | 419,127    | 349,963    | 207,457    |
| Gain on extinguishment of debt | 759,572 | 807,414    | 1,181,320  | 1,042,753  | 1,056,188  |
| Transfers                   | 287,630   | 293,383    | 302,184    | 313,086    | 327,371    |
| **Total Government Activities** | $24,678,686 | $25,230,843 | $47,676,380 | $21,034,011 | $22,564,160 |
| **Business-Type Activities**|      |      |      |          |      |
| Use of money and property   | 5,769     | 1,030      | 529        | 1,472      |          |
| Transfers                   | (287,630) | (293,383)  | (302,184)  | (313,086)  | (327,371)  |
| **Total Business-Type Activities** | (281,861) | (292,353)  | (301,655)  | (311,614)  | (327,371)  |
| **Total Primary Government**| $24,396,825 | $24,938,490 | $47,374,725 | $20,722,397 | $22,236,789 |

<p>| <strong>Change in Net Position</strong>  |      |      |      |          |      |
| Governmental Activities:    |      |      |      |          |      |
| (a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term &quot;net assets&quot; with the term &quot;net position.&quot; |      |      |      |          |      |
| Business-Type Activities    |      |      |      |          |      |</p>
<table>
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<tr>
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<td>$12,770,037</td>
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<td>7,234,366</td>
<td>7,477,393</td>
<td>8,215,732</td>
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<td>1,375,048</td>
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<td>1,244,897</td>
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<td>356,418</td>
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<td>3,671</td>
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<td>(6,773,576)</td>
<td>(356,418)</td>
<td>(9,671)</td>
<td>(9,671)</td>
<td>(3,671)</td>
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</tr>
<tr>
<td>(346,319)</td>
<td>(356,418)</td>
<td>(9,671)</td>
<td>(9,671)</td>
<td>(3,671)</td>
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</table>
CITY OF EL CERRITO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

### General Fund

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Reserved</th>
<th>Unreserved</th>
<th>Nonspendable</th>
<th>Restricted</th>
<th>Assigned</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td>3,950,000</td>
<td>53,108</td>
<td>3,048,293</td>
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<tr>
<td>2011(b)</td>
<td></td>
<td></td>
<td></td>
<td>598,957</td>
<td></td>
<td>6,499,487</td>
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<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td>1,055,758</td>
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<td>3,289,342</td>
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<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td>150,445</td>
<td></td>
<td>2,341,238</td>
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<td>2014</td>
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<td></td>
<td></td>
<td>10,170</td>
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<td>1,270,466</td>
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<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td>10,187</td>
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<td>713,020</td>
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<td>2016</td>
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<td></td>
<td></td>
<td>10,205</td>
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<td>15,608,545</td>
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<td>2017</td>
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<td>1,323,100</td>
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<td>16,077,928</td>
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<td>2018</td>
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<td></td>
<td></td>
<td>1,713,502</td>
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<td>13,130,770</td>
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<td>2019</td>
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<td></td>
<td>186,227</td>
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<td>8,859,536</td>
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Total General Fund: $3,048,293

### All Other Governmental Funds

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<th>Fiscal Year</th>
<th>Reserved</th>
<th>Unreserved</th>
<th>Nonspendable</th>
<th>Restricted</th>
<th>Unassigned</th>
</tr>
</thead>
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<td>2010</td>
<td>$18,328,277</td>
<td></td>
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<tr>
<td>2011(b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
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</tr>
<tr>
<td>2013</td>
<td></td>
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<td>2014</td>
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<tr>
<td>2015</td>
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</tr>
<tr>
<td>2016</td>
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<td>2017</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
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</table>

Total All Other Governmental Funds: $18,328,277

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011.
CITY OF EL CERRITO  
Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30.</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<td></td>
<td></td>
<td></td>
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<td>$25,079,479</td>
<td>$24,110,739</td>
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<td>Augmentation Fund</td>
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<td>Intergovernmental revenues</td>
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<td>6,176,489</td>
<td>8,889,058</td>
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<td>379,673</td>
<td>380,414</td>
<td>473,093</td>
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<td>562,760</td>
<td>518,276</td>
<td>516,704</td>
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<td>Charges for services</td>
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<td>3,815,754</td>
<td>4,443,270</td>
<td>4,464,986</td>
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<td>267,673</td>
<td>215,336</td>
<td>288,781</td>
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<td>370,485</td>
<td>2,894,000</td>
<td>474,160</td>
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<td>37,837,318</td>
<td>38,738,524</td>
<td>35,940,854</td>
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<td>3,771,911</td>
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<td>4,168,182</td>
<td>4,128,702</td>
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<td>886,575</td>
<td>507,493</td>
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<td>1,256,376</td>
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<td>2,167,284</td>
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<td>Capital outlay</td>
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<tr>
<td>Debt service:</td>
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<td>1,001,529</td>
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<td>Cost of issuance</td>
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<tr>
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<td>(3,948,919)</td>
<td>(472,071)</td>
<td>(8,335,036)</td>
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<td>Transfers in</td>
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<td>(11,586,322)</td>
<td>(5,286,919)</td>
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</tr>
<tr>
<td>Payment to escrow agent</td>
<td></td>
<td></td>
<td></td>
<td>83,202</td>
</tr>
<tr>
<td>Capital lease financing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>214,341</td>
<td>293,383</td>
<td>1,685,186</td>
<td>4,419,517</td>
</tr>
<tr>
<td>Extraordinary Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets transferred to Housing Successor</td>
<td></td>
<td></td>
<td></td>
<td>5,613,091</td>
</tr>
<tr>
<td>Assets transferred to/liabilities assumed by Successor Agency</td>
<td></td>
<td></td>
<td></td>
<td>(4,396,265)</td>
</tr>
<tr>
<td><strong>Special Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Sale Proceeds to the Contra Costa County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Sale Proceeds Transfers to Successor Agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sale of land held for resale</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of sale of land from Contra Costa County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>($10,724,909)</td>
<td>($3,655,536)</td>
<td>$1,213,115</td>
<td>($2,698,693)</td>
</tr>
<tr>
<td>Debt service as a percentage of noncapital expenditures</td>
<td>12.0%</td>
<td>12.4%</td>
<td>12.5%</td>
<td>13.9%</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>7,950,134</td>
<td>9,229,702</td>
<td>6,833,050</td>
<td>4,759,518</td>
</tr>
<tr>
<td></td>
<td>387,375</td>
<td>450,409</td>
<td>415,534</td>
<td>451,388</td>
</tr>
<tr>
<td></td>
<td>539,567</td>
<td>493,244</td>
<td>607,729</td>
<td>719,843</td>
</tr>
<tr>
<td></td>
<td>4,797,980</td>
<td>4,288,002</td>
<td>4,406,143</td>
<td>5,766,594</td>
</tr>
<tr>
<td></td>
<td>388,365</td>
<td>276,759</td>
<td>326,544</td>
<td>350,855</td>
</tr>
<tr>
<td></td>
<td>212,822</td>
<td>189,696</td>
<td>808,134</td>
<td>678,047</td>
</tr>
<tr>
<td></td>
<td>36,816,882</td>
<td>38,375,016</td>
<td>39,353,136</td>
<td>40,237,771</td>
</tr>
<tr>
<td></td>
<td>3,979,356</td>
<td>3,738,775</td>
<td>4,363,219</td>
<td>4,928,339</td>
</tr>
<tr>
<td></td>
<td>2,617,605</td>
<td>2,656,789</td>
<td>2,748,364</td>
<td>3,831,414</td>
</tr>
<tr>
<td></td>
<td>18,154,272</td>
<td>18,461,031</td>
<td>19,327,886</td>
<td>20,277,045</td>
</tr>
<tr>
<td></td>
<td>3,404,976</td>
<td>4,622,769</td>
<td>2,387,886</td>
<td>2,778,502</td>
</tr>
<tr>
<td></td>
<td>4,230,866</td>
<td>4,352,987</td>
<td>4,685,966</td>
<td>5,067,725</td>
</tr>
<tr>
<td></td>
<td>3,083,749</td>
<td>253,720</td>
<td>245,599</td>
<td>2,068,310</td>
</tr>
<tr>
<td></td>
<td>4,867,159</td>
<td>2,427,619</td>
<td>2,068,310</td>
<td>1,272,245</td>
</tr>
<tr>
<td></td>
<td>1,400,710</td>
<td>914,158</td>
<td>941,573</td>
<td>1,233,745</td>
</tr>
<tr>
<td></td>
<td>905,164</td>
<td>874,280</td>
<td>850,250</td>
<td>921,281</td>
</tr>
<tr>
<td></td>
<td>42,897,577</td>
<td>38,294,007</td>
<td>37,373,454</td>
<td>40,832,703</td>
</tr>
<tr>
<td></td>
<td>(6,080,695)</td>
<td>81,009</td>
<td>1,979,682</td>
<td>(594,932)</td>
</tr>
<tr>
<td></td>
<td>5,216,550</td>
<td>2,688,549</td>
<td>2,592,090</td>
<td>1,194,371</td>
</tr>
<tr>
<td>(4,889,179)</td>
<td>(2,342,230)</td>
<td>(2,262,534)</td>
<td>(1,211,562)</td>
<td>(317,465)</td>
</tr>
<tr>
<td></td>
<td>15,690,000</td>
<td>7,290</td>
<td>(17,384,909)</td>
<td>116,121</td>
</tr>
<tr>
<td></td>
<td>327,371</td>
<td>346,319</td>
<td>336,846</td>
<td>(17,191)</td>
</tr>
<tr>
<td></td>
<td>(55,753,324)</td>
<td>$427,328</td>
<td>$2,316,528</td>
<td>($612,123)</td>
</tr>
</tbody>
</table>

6.1%    6.1%    5.1%    1.2%    1.3%    4.4%
### CITY OF EL CERRITO
### ASSESSED AND ESTIMATED VALUE OF ALL PROPERTY
### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Real Property Assessed Value</th>
<th>Personal Property Assessed Value</th>
<th>Total Assessed Value (1)</th>
<th>% Change From Prior Year</th>
<th>Total Direct Rate (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,911,917,594</td>
<td>16,634,587</td>
<td>2,928,552,181</td>
<td>-0.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2011</td>
<td>2,944,230,367</td>
<td>16,412,735</td>
<td>2,960,643,102</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2012</td>
<td>2,903,974,930</td>
<td>15,980,388</td>
<td>2,919,955,318</td>
<td>-1.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2013</td>
<td>2,830,819,604</td>
<td>17,791,119</td>
<td>2,848,610,723</td>
<td>-2.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2014</td>
<td>2,981,044,726</td>
<td>21,417,223</td>
<td>3,002,461,949</td>
<td>5.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2015</td>
<td>3,242,643,566</td>
<td>21,591,610</td>
<td>3,264,235,176</td>
<td>8.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2016</td>
<td>3,566,630,684</td>
<td>22,782,122</td>
<td>3,589,412,806</td>
<td>10.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2017</td>
<td>3,810,090,943</td>
<td>20,431,443</td>
<td>3,830,522,386</td>
<td>6.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2018</td>
<td>4,070,176,177</td>
<td>19,170,357</td>
<td>4,089,346,534</td>
<td>6.8%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2019</td>
<td>4,324,516,299</td>
<td>19,462,999</td>
<td>4,343,979,298</td>
<td>6.2%</td>
<td></td>
</tr>
</tbody>
</table>

### Source: HDL report

### Notes:

1. Amounts are net of exemptions.
   - Assessed Value is determined based on California Proposition 13, as of January 1.
   - The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

2. California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.
## Bay Area Contra Costa East Bay

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Contra Costa County</th>
<th>Bay Area Rapid Transit District</th>
<th>Contra Costa Community College District</th>
<th>East Bay Municipal Utilities District</th>
<th>East Bay Regional Park District</th>
<th>West Contra Costa Unified School Districts</th>
<th>Total Direct and Overlapping Tax Rates</th>
<th>Total Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.00000</td>
<td>0.00570</td>
<td>0.01260</td>
<td>0.00650</td>
<td>0.01080</td>
<td>0.18280</td>
<td>1.21840</td>
<td>0.35988</td>
</tr>
<tr>
<td>2011</td>
<td>1.00000</td>
<td>0.00310</td>
<td>0.01330</td>
<td>0.00670</td>
<td>0.00840</td>
<td>0.18690</td>
<td>1.21840</td>
<td>0.35321</td>
</tr>
<tr>
<td>2012</td>
<td>1.00000</td>
<td>0.00410</td>
<td>0.01440</td>
<td>0.00670</td>
<td>0.00710</td>
<td>0.23220</td>
<td>1.26450</td>
<td>0.35287</td>
</tr>
<tr>
<td>2013</td>
<td>1.00000</td>
<td>0.00430</td>
<td>0.00870</td>
<td>0.00680</td>
<td>0.00510</td>
<td>0.21570</td>
<td>1.24060</td>
<td>0.35855</td>
</tr>
<tr>
<td>2014</td>
<td>1.00000</td>
<td>0.00750</td>
<td>0.01330</td>
<td>0.00660</td>
<td>0.00780</td>
<td>0.28180</td>
<td>1.31280</td>
<td>0.22670</td>
</tr>
<tr>
<td>2015</td>
<td>1.00000</td>
<td>0.00450</td>
<td>0.02520</td>
<td>0.00470</td>
<td>0.00850</td>
<td>0.28030</td>
<td>1.23220</td>
<td>0.22288</td>
</tr>
<tr>
<td>2016</td>
<td>1.00000</td>
<td>0.00260</td>
<td>0.02200</td>
<td>0.00340</td>
<td>0.00670</td>
<td>0.27810</td>
<td>1.31280</td>
<td>0.22670</td>
</tr>
<tr>
<td>2017</td>
<td>1.00000</td>
<td>0.00800</td>
<td>0.01200</td>
<td>0.00280</td>
<td>0.00320</td>
<td>0.26040</td>
<td>1.28640</td>
<td>0.22642</td>
</tr>
<tr>
<td>2018</td>
<td>1.00000</td>
<td>0.00840</td>
<td>0.01140</td>
<td>0.00110</td>
<td>0.00210</td>
<td>0.23970</td>
<td>1.26270</td>
<td>0.22619</td>
</tr>
<tr>
<td>2019</td>
<td>1.00000</td>
<td>0.00700</td>
<td>0.01100</td>
<td>0.00210</td>
<td>0.23900</td>
<td>1.25910</td>
<td>0.22601</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:
1. Rates are per $100 of assessed value.
2. Source: HDL Report
## CITY OF EL CERRITO

**Principal Property Tax Payers**

**Current Year and Nine Years Ago**

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2018-2019 Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total City Taxable Assessed Value</th>
<th>2009-2010 Taxable Assessed Value</th>
<th>Rank</th>
<th>Percentage of Total City Taxable Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCD-RCCA El Cerrito LLC</td>
<td>$96,007,416</td>
<td>1</td>
<td>2.21%</td>
<td>$84,829,156</td>
<td>1</td>
<td>2.89%</td>
</tr>
<tr>
<td>KMF X El Cerrito LLC</td>
<td>57,842,332</td>
<td>2</td>
<td>1.33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Cerrito Shopping Center LLC</td>
<td>45,627,398</td>
<td>3</td>
<td>1.05%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MG Garden View Apartments LP</td>
<td>23,554,245</td>
<td>5</td>
<td>0.54%</td>
<td>16,376,983</td>
<td>4</td>
<td>0.56%</td>
</tr>
<tr>
<td>Lucky Fla Nocal Investor LLC</td>
<td>18,865,000</td>
<td>6</td>
<td>0.43%</td>
<td>20,261,218</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Civic Plaza Riley Group LLC</td>
<td>16,838,091</td>
<td>8</td>
<td>0.39%</td>
<td>$14,877,607</td>
<td>6</td>
<td>0.51%</td>
</tr>
<tr>
<td>RB Del Norte LLC</td>
<td>17,023,800</td>
<td>7</td>
<td>0.39%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Cerrito Affordable Housing Partners</td>
<td>12,240,000</td>
<td>9</td>
<td>0.28%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longs Drug Stores Inc</td>
<td>11,406,316</td>
<td>10</td>
<td>0.26%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creekside Walk Ventures LLC</td>
<td>25,761,250</td>
<td>4</td>
<td>0.59%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St John Land Partnership</td>
<td></td>
<td></td>
<td></td>
<td>9,955,331</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>ECD Associates</td>
<td>N/A</td>
<td></td>
<td></td>
<td>24,984,500</td>
<td>2</td>
<td>0.85%</td>
</tr>
<tr>
<td>Elliot and Alana Megdal Treust</td>
<td>N/A</td>
<td></td>
<td></td>
<td>7,103,166</td>
<td>10</td>
<td>0.24%</td>
</tr>
<tr>
<td>Dayton Hudson Corporation</td>
<td>N/A</td>
<td></td>
<td></td>
<td>11,982,031</td>
<td>7</td>
<td>0.41%</td>
</tr>
<tr>
<td>Pepper Lane SE Square Loop</td>
<td>N/A</td>
<td></td>
<td></td>
<td>7,204,207</td>
<td>9</td>
<td>0.25%</td>
</tr>
<tr>
<td>Preferred bank</td>
<td>N/A</td>
<td></td>
<td></td>
<td>16,079,594</td>
<td>5</td>
<td>0.55%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$325,165,848</td>
<td></td>
<td>7.49%</td>
<td>$213,653,793</td>
<td></td>
<td>7.29%</td>
</tr>
</tbody>
</table>

**Total Net Assessed Valuation:**

**Fiscal Year 2018-19 & 2009-2010**

- **$4,343,979,298**
- **$2,931,209,935**

*Source: HDL Report*
### CITY OF EL CERRITO

**PROPERTY TAX LEVIES AND COLLECTIONS BY FUND TYPE**

**LAST TEN FISCAL YEARS**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>City Property Tax Levy</th>
<th>RDA Property Tax Increment</th>
<th>Special Assessments</th>
<th>Property Tax Bill Total/Collected (1)</th>
<th>% Change From Prior Year</th>
<th>Value of City Property Subject to Local Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>7,397,021</td>
<td>5,190,553</td>
<td>1,896,445</td>
<td>14,484,019</td>
<td>-5.0%</td>
<td>2,960,643,102</td>
</tr>
<tr>
<td>2011</td>
<td>7,580,902</td>
<td>4,978,501</td>
<td>1,908,127</td>
<td>14,467,530</td>
<td>-0.1%</td>
<td>2,919,955,318</td>
</tr>
<tr>
<td>2012</td>
<td>7,461,509</td>
<td>2,710,782 (2)</td>
<td>1,908,236</td>
<td>12,080,527</td>
<td>-16.5%</td>
<td>2,848,610,723</td>
</tr>
<tr>
<td>2013</td>
<td>7,199,296</td>
<td>(2)</td>
<td>9,107,766</td>
<td>3,002,461,949</td>
<td>-24.6%</td>
<td>3,002,461,949</td>
</tr>
<tr>
<td>2014</td>
<td>7,887,028</td>
<td>(2)</td>
<td>9,795,670</td>
<td>3,002,461,949</td>
<td>7.6%</td>
<td>3,002,461,949</td>
</tr>
<tr>
<td>2015</td>
<td>8,799,514</td>
<td>(2)</td>
<td>10,708,370</td>
<td>3,286,691,468</td>
<td>9.3%</td>
<td>3,286,691,468</td>
</tr>
<tr>
<td>2016</td>
<td>9,843,212</td>
<td>(2)</td>
<td>11,985,334</td>
<td>3,589,412,806</td>
<td>11.9%</td>
<td>3,589,412,806</td>
</tr>
<tr>
<td>2017</td>
<td>8,444,201</td>
<td>(2)</td>
<td>10,985,941</td>
<td>3,830,522,386</td>
<td>-8.3%</td>
<td>3,830,522,386</td>
</tr>
<tr>
<td>2018</td>
<td>7,765,728</td>
<td>(2)</td>
<td>9,876,184</td>
<td>4,089,346,534</td>
<td>-10.1%</td>
<td>4,089,346,534</td>
</tr>
<tr>
<td>2019</td>
<td>8,256,068</td>
<td>(2)</td>
<td>10,368,754</td>
<td>4,343,979,298</td>
<td>5.0%</td>
<td>4,343,979,298</td>
</tr>
</tbody>
</table>

Source: Contra Costa County Auditor-Controller’s Office. Amount are net of collection fees.

Notes:

1. The City receives property tax revenues, and the City's Redevelopment Agency receives incremental property taxes pursuant to an arrangement with the County known as the "Teeter Plan" whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City.

2. The Redevelopment Agency was dissolved effective January 31, 2012.
## Governmental Activities

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tax Allocation Bonds</th>
<th>2017 COP Revenue Bonds</th>
<th>Storm Drain Revenue Bonds</th>
<th>Capital Leases</th>
<th>2017 Sales Tax Revenue Bonds</th>
<th>Acquisition/Developer Notes</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>20,775,000</td>
<td>12,585,000</td>
<td>1,860,000</td>
<td>1,093,369</td>
<td>11,295,000</td>
<td>3,125,011</td>
<td>50,733,380</td>
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<tr>
<td>2011</td>
<td>19,845,000</td>
<td>12,155,000</td>
<td>1,435,000</td>
<td>976,658</td>
<td>11,055,000</td>
<td>3,009,515</td>
<td>48,476,173</td>
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<tr>
<td>2012</td>
<td>(b)</td>
<td>11,705,000</td>
<td>1,026,800</td>
<td>887,688</td>
<td>10,810,000</td>
<td>(b)</td>
<td>(b)</td>
</tr>
<tr>
<td>2013</td>
<td>(b)</td>
<td>11,321,500</td>
<td>514,500</td>
<td>2,337,160</td>
<td>10,555,000</td>
<td>(b)</td>
<td>(b)</td>
</tr>
<tr>
<td>2014</td>
<td>(b)</td>
<td>10,788,700</td>
<td>2,133,692</td>
<td>10,290,000</td>
<td>(b)</td>
<td>23,212,392</td>
<td>24,728,160</td>
</tr>
<tr>
<td>2015</td>
<td>(b)</td>
<td>10,235,400</td>
<td>1,925,719</td>
<td>10,020,000</td>
<td>(b)</td>
<td>22,181,119</td>
<td>24,429,488</td>
</tr>
<tr>
<td>2016</td>
<td>(b)</td>
<td>9,667,200</td>
<td>1,713,138</td>
<td>9,740,000</td>
<td>(b)</td>
<td>21,120,338</td>
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<tr>
<td>2017</td>
<td>(b)</td>
<td>8,259,900</td>
<td>1,495,838</td>
<td>8,650,000</td>
<td>(b)</td>
<td>18,405,738</td>
<td>24,728,160</td>
</tr>
<tr>
<td>2018</td>
<td>(b)</td>
<td>7,040,000</td>
<td>1,273,713</td>
<td>8,355,000</td>
<td>(b)</td>
<td>16,648,713</td>
<td>24,429,488</td>
</tr>
<tr>
<td>2019</td>
<td>(b)</td>
<td>6,760,000</td>
<td>1,046,649</td>
<td>8,010,000</td>
<td>(b)</td>
<td>15,816,649</td>
<td>24,429,488</td>
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</tbody>
</table>

## Business-Type Activities

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Capital Leases</th>
<th>Revenue Refunding Bonds</th>
<th>Total Government</th>
<th>Percentage of Personal Income (a)</th>
<th>Per Capita (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,048,059</td>
<td>51,781,439</td>
<td>5%</td>
<td>2,207</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>4,411,858</td>
<td>52,888,031</td>
<td>5%</td>
<td>2,235</td>
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<tr>
<td>2012</td>
<td>4,129,313</td>
<td>28,558,801</td>
<td>5%</td>
<td>1,208</td>
<td></td>
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<tr>
<td>2013</td>
<td>732,805</td>
<td>28,757,065</td>
<td>3%</td>
<td>1,210</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>625,486</td>
<td>26,905,478</td>
<td>3%</td>
<td>1,125</td>
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<tr>
<td>2015</td>
<td>516,248</td>
<td>25,530,767</td>
<td>3%</td>
<td>1,060</td>
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<tr>
<td>2016</td>
<td>405,057</td>
<td>24,118,995</td>
<td>2%</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>291,878</td>
<td>21,045,516</td>
<td>2%</td>
<td>843</td>
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<tr>
<td>2018</td>
<td>176,676</td>
<td>19,473,087</td>
<td>1%</td>
<td>790</td>
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<tr>
<td>2019</td>
<td>59,414.00</td>
<td>17,714,263</td>
<td>1%</td>
<td>696</td>
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</tr>
</tbody>
</table>

Note: Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources:
- City of El Cerrito
- State of California, Department of Finance (population)
- U.S. Department of Commerce, Bureau of the Census (income)

(a) See Schedule Demographic Statistics for personal income and population data.

(b) Due to the dissolution of Redevelopment Agencies effective February 1, 2012, the Tax Allocation Bonds and the Acquisition/Developer Notes were transferred to the Successor Agency.
CITY OF EL CERRITO  
STATEMENT OF DIRECT AND OVERLAPPING DEBT  
June 30, 2019

2018-2019 Assessed Valuation: $4,343,979,298  
Less Incremental Valuation: (750,659,957)  
Adjusted Assessed Valuation: $3,593,319,341

<table>
<thead>
<tr>
<th>Debt 6/30/19</th>
<th>Amount</th>
<th>Percentage Applicable to City of El Cerrito</th>
<th>GROSS BONDED DEBT BALANCE</th>
<th>Percentage Applicable to City (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERLAPPING TAX AND ASSESSMENT DEBT:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COUNTY GENERAL</td>
<td>122,585,000</td>
<td>2.118</td>
<td>2,595,873</td>
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<tr>
<td>CCC PFA 1998</td>
<td>9,140,000</td>
<td>2.118</td>
<td>193,550</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 1999</td>
<td>7,750,000</td>
<td>2.118</td>
<td>164,115</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2002</td>
<td>5,175,000</td>
<td>2.118</td>
<td>109,586</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2003</td>
<td>4,235,000</td>
<td>2.118</td>
<td>89,681</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2007</td>
<td>94,195,000</td>
<td>2.118</td>
<td>1,994,684</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2009</td>
<td>10,233,557</td>
<td>2.118</td>
<td>216,707</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2010 A-1</td>
<td>10,580,000</td>
<td>2.118</td>
<td>224,043</td>
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</tr>
<tr>
<td>CCC PFA 2010 A-2</td>
<td>13,130,000</td>
<td>2.118</td>
<td>278,042</td>
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</tr>
<tr>
<td>CCC PFA 2010A -3</td>
<td>20,700,000</td>
<td>2.118</td>
<td>438,345</td>
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</tr>
<tr>
<td>CCC PFA 2010 B</td>
<td>8,730,000</td>
<td>2.118</td>
<td>184,867</td>
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<tr>
<td>CCC PFA 2012</td>
<td>8,074,191</td>
<td>2.118</td>
<td>170,980</td>
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<tr>
<td>CCC PFA 2015</td>
<td>52,210,000</td>
<td>2.118</td>
<td>1,055,605</td>
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<tr>
<td>CCC PFA 2017 A</td>
<td>69,000,000</td>
<td>2.118</td>
<td>1,461,152</td>
<td></td>
</tr>
<tr>
<td>CCC PFA 2017 B</td>
<td>88,900,000</td>
<td>2.118</td>
<td>1,882,556</td>
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</tr>
<tr>
<td>BART BONDS</td>
<td>219,953,951</td>
<td>2.118</td>
<td>4,657,769</td>
<td></td>
</tr>
<tr>
<td>EAST BAY REGIONAL PARK 2008 BOND REFUNDING</td>
<td>77,218,361</td>
<td>2.118</td>
<td>1,635,184</td>
<td></td>
</tr>
<tr>
<td>WEST CONTRA COSTA UNIFILED 1998 BOND</td>
<td>12,375,000</td>
<td>13.559</td>
<td>1,677,875</td>
<td></td>
</tr>
<tr>
<td>WEST CONTRA COSTA UNIFILED 2000 BOND</td>
<td>152,675,000</td>
<td>13.559</td>
<td>20,700,573</td>
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</tr>
<tr>
<td>WEST CONTRA COSTA UNIFILED 2002 BOND</td>
<td>312,540,234</td>
<td>13.559</td>
<td>42,376,039</td>
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</tr>
<tr>
<td>WEST CONTRA COSTA UNIFILED 2005 BOND</td>
<td>481,919,699</td>
<td>13.559</td>
<td>65,341,501</td>
<td></td>
</tr>
<tr>
<td>WEST CONTRA COSTA UNIFILED 2010 BOND</td>
<td>353,440,440</td>
<td>13.559</td>
<td>47,921,469</td>
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<tr>
<td>WEST CONTRA COSTA UNIFILED 2012 BOND</td>
<td>261,000,000</td>
<td>13.559</td>
<td>35,387,912</td>
<td></td>
</tr>
<tr>
<td>CONTRA COSTA COMMUNITY COLLEGE 2002 BOND</td>
<td>159,705,000</td>
<td>2.125</td>
<td>3,393,688</td>
<td></td>
</tr>
<tr>
<td>CONTRA COSTA COMMUNITY COLLEGE 2006 BOND</td>
<td>281,570,000</td>
<td>2.125</td>
<td>5,983,286</td>
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</tr>
<tr>
<td>CONTRA COSTA COMMUNITY COLLEGE 2014 BOND</td>
<td>84,440,000</td>
<td>2.125</td>
<td>1,794,327</td>
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</tr>
</tbody>
</table>

TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT: 241,979,409

DIRECT DEBT:

Outstanding Tax Override Debt: 100.000% 8,010,000
City of El Cerrito City Hall Lease Revenue Bonds: 100.000% 6,760,000
Master Equipment Leases: 100.000% 1,046,649

TOTAL DIRECT DEBT: 15,816,649

GROSS COMBINED TOTAL DEBT: $257,796,058 (1)

Ratios to 2018-2019 Assessed Valuation:

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Debt</td>
<td>0.44%</td>
</tr>
<tr>
<td>Total Gross Overlapping Tax and Assessment Debt</td>
<td>6.73%</td>
</tr>
<tr>
<td>Total Overlapping Tax and Assessment Debt</td>
<td>7.17%</td>
</tr>
</tbody>
</table>

Notes:

(1) This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit’s taxable assessed value that is within the city’s boundaries and dividing it by each unit’s total taxable assessed value.
ASSESSED VALUATION:

Secured property assessed value, net of exempt real property $4,343,979,298

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) $651,596,895

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt $18,820,150

Less Tax Allocation Bonds and Revenue Bonds, Capital Leases and Notes Payable not subject to limit 18,820,150

Amount of debt subject to limit

LEGAL BONDED DEBT MARGIN $651,596,895

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Debt Limit</th>
<th>Total Net Debt Applicable to Limit</th>
<th>Legal Debt applicable to the limit as a percentage of debt limit</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>439,282,827</td>
<td>439,282,827</td>
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</tr>
<tr>
<td>2011</td>
<td>444,096,465</td>
<td>444,096,465</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>437,993,298</td>
<td>437,993,298</td>
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</tr>
<tr>
<td>2013</td>
<td>427,291,608</td>
<td>427,291,608</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>450,369,292</td>
<td>450,369,292</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>493,003,720</td>
<td>493,003,720</td>
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</tr>
<tr>
<td>2016</td>
<td>538,411,921</td>
<td>538,411,921</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>574,578,358</td>
<td>574,578,358</td>
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</tr>
<tr>
<td>2018</td>
<td>613,401,980</td>
<td>613,401,980</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>651,596,895</td>
<td>651,596,895</td>
<td></td>
</tr>
</tbody>
</table>

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.
CITY OF EL CERRITO
REVENUE BOND COVERAGE
2002 LEASE REVENUE BONDS AND 2012 LEASE REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS

Debt Service Requirements

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Taxes and Assessments (1)</th>
<th>Principal (3)</th>
<th>Interest (3)</th>
<th>Total</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>439,687</td>
<td>230,000</td>
<td>136,428</td>
<td>366,428</td>
<td>1.20</td>
</tr>
<tr>
<td>2011</td>
<td>439,215</td>
<td>235,000</td>
<td>128,578</td>
<td>363,578</td>
<td>1.21</td>
</tr>
<tr>
<td>2012</td>
<td>439,158</td>
<td>245,000</td>
<td>120,055</td>
<td>365,055</td>
<td>1.20</td>
</tr>
<tr>
<td>2013</td>
<td>439,268</td>
<td>(2)</td>
<td>21,236 (2)</td>
<td>21,236 (2)</td>
<td>20.69</td>
</tr>
<tr>
<td>2014</td>
<td>439,477</td>
<td>312,800</td>
<td>46,258</td>
<td>359,058</td>
<td>1.22</td>
</tr>
<tr>
<td>2015</td>
<td>439,508</td>
<td>323,300</td>
<td>40,024</td>
<td>363,324</td>
<td>1.21 (2)</td>
</tr>
<tr>
<td>2016</td>
<td>668,220</td>
<td>328,200</td>
<td>33,640</td>
<td>361,840</td>
<td>1.85</td>
</tr>
<tr>
<td>2017</td>
<td>667,971</td>
<td>332,300</td>
<td>27,167</td>
<td>359,467</td>
<td>1.86</td>
</tr>
<tr>
<td>2018</td>
<td>654,469</td>
<td>340,800</td>
<td>20,570</td>
<td>361,370</td>
<td>1.81</td>
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<tr>
<td>2019</td>
<td>633,080</td>
<td>343,500</td>
<td>13,864</td>
<td>357,364</td>
<td>1.77</td>
</tr>
</tbody>
</table>

Notes:
(1) Includes all taxes and assessments from the Measure A Parcel Tax Fund 206
(2) The 2002 Lease Revenue Bonds were refunded and retired by the 2012 Lease Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal and interest of $2,685,000 and $65,181, respectively.
(3) Include debt service payment in Fund 834

Source: City of El Cerrito Annual Financial Statements
### Debt Service Requirements

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Taxes and Assessments (1)</th>
<th>Principal (3)</th>
<th>Interest (3)</th>
<th>Total</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,334,628</td>
<td>230,000</td>
<td>509,102</td>
<td>739,102</td>
<td>1.81</td>
</tr>
<tr>
<td>2011</td>
<td>1,375,828</td>
<td>240,000</td>
<td>501,052</td>
<td>741,052</td>
<td>1.86</td>
</tr>
<tr>
<td>2012</td>
<td>1,546,542</td>
<td>245,000</td>
<td>492,653</td>
<td>737,653</td>
<td>2.10</td>
</tr>
<tr>
<td>2013</td>
<td>1,141,958</td>
<td>255,000</td>
<td>484,078</td>
<td>739,078</td>
<td>1.55</td>
</tr>
<tr>
<td>2014</td>
<td>1,453,527</td>
<td>265,000</td>
<td>475,152</td>
<td>740,152</td>
<td>1.96</td>
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<tr>
<td>2015</td>
<td>1,399,734</td>
<td>270,000</td>
<td>466,408</td>
<td>736,408</td>
<td>1.90</td>
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<tr>
<td>2016</td>
<td>1,800,599</td>
<td>280,000</td>
<td>457,228</td>
<td>737,228</td>
<td>2.44</td>
</tr>
<tr>
<td>2017</td>
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<td>290,000</td>
<td>447,078</td>
<td>737,078</td>
<td>1.94</td>
</tr>
<tr>
<td>2018</td>
<td>$1,590,085</td>
<td>$315,000</td>
<td>$385,700 (2)</td>
<td>$700,700</td>
<td>2.27</td>
</tr>
<tr>
<td>2019</td>
<td>$1,630,826</td>
<td>$325,000</td>
<td>$379,400</td>
<td>$704,400</td>
<td>2.32</td>
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</table>

Notes:

(1) Includes all taxes and assessments from the Street Improvement Fund 211
(2) The 2008 Sales tax revenue bonds were refinanced in FY17. Interest in FY18 is for the 2017 bond issuance.
(3) Include debt payments from Fund 836

Source: City of El Cerrito Annual Financial Statements
CITY OF EL CERRITO
BONDED DEBT PLEDGED REVENUE COVERAGE
TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tax Increment Revenue</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Coverage</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>5,190,553</td>
<td>850,000</td>
<td>979,798</td>
<td>1,829,798</td>
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<td>2011</td>
<td>4,978,501</td>
<td>930,000</td>
<td>938,331</td>
<td>1,868,331</td>
<td>2.66</td>
</tr>
<tr>
<td>2012</td>
<td>4,660,032</td>
<td>1,020,000</td>
<td>891,030</td>
<td>1,911,030</td>
<td>2.44</td>
</tr>
<tr>
<td>2013</td>
<td>3,502,901</td>
<td>1,110,000</td>
<td>839,248</td>
<td>1,949,248</td>
<td>1.80</td>
</tr>
<tr>
<td>2014</td>
<td>3,375,902</td>
<td>1,215,000</td>
<td>785,844</td>
<td>2,000,844</td>
<td>1.69</td>
</tr>
<tr>
<td>2015</td>
<td>2,826,462</td>
<td>1,315,000</td>
<td>730,820</td>
<td>2,045,820</td>
<td>1.38</td>
</tr>
<tr>
<td>2016</td>
<td>2,195,420</td>
<td>1,425,000</td>
<td>670,676</td>
<td>2,095,676</td>
<td>1.05</td>
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<tr>
<td>2017</td>
<td>788,216</td>
<td>1,530,000</td>
<td>52,705</td>
<td>1,582,705</td>
<td>0.50</td>
</tr>
<tr>
<td>2018</td>
<td>788,216</td>
<td>-</td>
<td>856,583.85</td>
<td>856,583.85</td>
<td>2.50</td>
</tr>
</tbody>
</table>

Source: City of El Cerrito Annual Financial Statements

Notes:
(1) Includes the 1997, 1998 and 2004 Tax Allocation Bonds
(2) Due to the dissolution of the Redevelopment Agency effective February 1, 2012, the Tax Allocation Bonds were transferred to the Successor Agency and tax increment revenue reported in this schedule includes both tax increment collected by the Redevelopment Agency and property taxes collected by the Successor Agency.
(3) Includes property taxes collected by the Successor Agency Fund 780
(4) Debt service is paid by the Successor Agency.
(5) All the tax allocation bonds were refinanced in FY2017, and there is no debt service requirement for them in FY18
## CITY OF EL CERRITO
### DEMOGRAPHIC AND ECONOMIC STATISTICS
#### LAST TEN CALENDAR YEARS

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>City Population (1)</th>
<th>Personal Income (2)</th>
<th>Median Population Age (6)</th>
<th>Median Household Income (3)</th>
<th>Unemployment Rate (4)</th>
<th>Public School Enrollment (5)</th>
<th>Contra Costa County Population (1)</th>
<th>City Population % of County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>23,666</td>
<td>1,000,290,822</td>
<td>44.4</td>
<td>42,267</td>
<td>9.2%</td>
<td>3,076</td>
<td>1,072,953</td>
<td>2.21%</td>
</tr>
<tr>
<td>2011</td>
<td>23,648</td>
<td>899,049,664</td>
<td>43.1</td>
<td>38,018</td>
<td>10.0%</td>
<td>3,076</td>
<td>1,056,064</td>
<td>2.24%</td>
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<tr>
<td>2012</td>
<td>23,774</td>
<td>972,380,000</td>
<td>43.7</td>
<td>40,901</td>
<td>9.3%</td>
<td>3,316</td>
<td>1,065,117</td>
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<tr>
<td>2013</td>
<td>23,910</td>
<td>1,022,129,000</td>
<td>43.8</td>
<td>42,749</td>
<td>6.3%</td>
<td>3,304</td>
<td>1,079,597</td>
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<tr>
<td>2014</td>
<td>24,087</td>
<td>1,018,350,000</td>
<td>44.5</td>
<td>42,278</td>
<td>5.4%</td>
<td>(6)</td>
<td>1,087,008</td>
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<tr>
<td>2015</td>
<td>24,115</td>
<td>1,053,560,000</td>
<td>44.4</td>
<td>43,689</td>
<td>5.4%</td>
<td>(6)</td>
<td>1,102,871</td>
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<tr>
<td>2016</td>
<td>24,954</td>
<td>1,138,226,802</td>
<td>44.4</td>
<td>45,613</td>
<td>4.4%</td>
<td>(6)</td>
<td>1,126,745</td>
<td>2.21%</td>
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<tr>
<td>2017</td>
<td>24,600</td>
<td>1,113,784,000</td>
<td>43.8</td>
<td>45,275</td>
<td>3.9%</td>
<td>(6)</td>
<td>1,139,429</td>
<td>2.16%</td>
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<tr>
<td>2018</td>
<td>24,646</td>
<td>2,283,944,820</td>
<td>43.6</td>
<td>92,670</td>
<td>4.2%</td>
<td>(6)</td>
<td>1,149,363</td>
<td>2.14%</td>
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<tr>
<td>2019</td>
<td>25,459</td>
<td>2,556,643,698</td>
<td>43.6</td>
<td>100,422</td>
<td>4.2%</td>
<td>(6)</td>
<td>1,155,879</td>
<td>2.20%</td>
</tr>
</tbody>
</table>

Sources:
(1) Contra Costa County website from DOF https://www.contracosta.ca.gov/5342/Demographics
(2) Data not available, therefore it has been calculated by multiplying the City population by the Median Household Income.
(3) United States Census Bureau.
(4) Areavibes
(5) West Contra Costa County Unified School District.
(6) Not available
### CITY OF EL CERRITO

**Principal Employers**
**Fiscal 2018-2019 (1)**

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<th>Employer</th>
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<tr>
<td>Barnes and Noble</td>
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<tr>
<td>Bed Bath &amp; Beyond</td>
</tr>
<tr>
<td>City of El Cerrito</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
</tr>
<tr>
<td>El Cerrito Royale</td>
</tr>
<tr>
<td>Fat Apple's Restaurant</td>
</tr>
<tr>
<td>Home Depot</td>
</tr>
<tr>
<td>Honda of El Cerrito</td>
</tr>
<tr>
<td>Lucky's</td>
</tr>
<tr>
<td>Mira Vista Golf and Country Club</td>
</tr>
<tr>
<td>Nation's</td>
</tr>
<tr>
<td>Pastime Hardware</td>
</tr>
<tr>
<td>Prospect Sierra School</td>
</tr>
<tr>
<td>Romano's Macaroni Grill</td>
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<tr>
<td>Safeway</td>
</tr>
<tr>
<td>Shields Nursing Center</td>
</tr>
<tr>
<td>Tehiyah Day School</td>
</tr>
<tr>
<td>Trader Joe's</td>
</tr>
<tr>
<td>US Post Office</td>
</tr>
<tr>
<td>West Contra Costa Unified School District</td>
</tr>
</tbody>
</table>

Source: City of El Cerrito

Note: Data not available for ranking or total employees for each employer.

(1) Data for fiscal year 2018 was not available, therefore information from fiscal year 2013 is presented.
### Full-Time Equivalent City Government Employees by Function
#### Last Ten Fiscal Years

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<tbody>
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<td>General Government</td>
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<td>19.80</td>
<td>19.80</td>
<td>19.80</td>
<td>20.00</td>
<td>20.00</td>
<td>22.50</td>
<td>22.50</td>
<td>17.50</td>
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<td>Recreation</td>
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<td>38.00</td>
<td>38.00</td>
<td>38.00</td>
<td>23.00</td>
<td>23.00</td>
<td>23.00</td>
<td>22.00</td>
<td>23.00</td>
<td>23.00</td>
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<tr>
<td>Community Development</td>
<td>27.00</td>
<td>24.00</td>
<td>24.00</td>
<td>(a) 25.00</td>
<td>(a) 13.50</td>
<td>13.50</td>
<td>(a) 14.00</td>
<td>(a) 14.00</td>
<td>(a) 14.00</td>
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<tr>
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<td>93.55</td>
<td>93.55</td>
<td>93.55</td>
<td>93.40</td>
<td>93.40</td>
<td>93.40</td>
<td>85.40</td>
<td>93.40</td>
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<td><strong>Total</strong></td>
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<td>189.60</td>
<td>189.60</td>
<td>190.60</td>
<td>173.70</td>
<td>172.70</td>
<td>177.70</td>
<td>166.70</td>
<td>177.70</td>
<td>174.70</td>
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</table>

**Source:** City of El Cerrito Adopted Operating Budget

**Notes:**
- (a) Includes Environmental Services Division
- (b) Amounts prior to 2014 include part time positions. 2014 and onward includes only full-time positions.
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<tbody>
<tr>
<td><strong>Community Development:</strong></td>
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<tr>
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<td>103</td>
<td>135</td>
<td>199</td>
<td>122</td>
<td>163</td>
<td>174</td>
<td>187</td>
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<td>1,167</td>
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<td>8,824</td>
<td>8,959</td>
<td>8,715</td>
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<td>Fire: Number of Responses</td>
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<td>2,973</td>
<td>2,956</td>
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<td>3,326</td>
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<td>26,810</td>
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<tr>
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<td>0</td>
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<td>2,011</td>
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<td>105</td>
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<td>416</td>
<td>397</td>
<td>445</td>
<td>437</td>
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<tr>
<td>Drop-In Sales</td>
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<td><strong>Senior Services:</strong></td>
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<td>Facility Rentals</td>
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<td>Enrollments</td>
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<td>4,653</td>
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</table>

* In fiscal year 2011-12, the Recreation Department implemented a new registration system that records some activities differently than in previous years. The new method will continue in future years.
** Reports each date a person and/or organization has rented an aquatics facility.
*** Now includes daily lunches served at Senior Center (15,458 in FY 13)

Source: City of El Cerrito
## Capital Asset Statistics by Function/Program

Information as available - Last Ten Fiscal Years

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<td>Miles of streets</td>
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<td>Performing arts center</td>
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Source: City of El Cerrito