



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

10890 San Pablo Ave. El Cerrito, CA 94530
www.el-cerrito.org

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**CITY OF EL CERRITO
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

**Prepared by
FINANCE DEPARTMENT**

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CITY OF EL CERRITO
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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March 9, 2016

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, 2015. 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 of 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 24,000 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 Mira Vista Country Club (127 acres), and Boy Scouts of America's Camp Herms (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 improving. After several years of flat or declining revenue, for the second year in a row, the City continued to see experience a modest growth in revenues.

The median sale price of a single-family home increased by 11% with the most recent figures showing the current median home price at \$730,000. This is an all-time high and is 13% higher than the housing peak in 2007. Growth is projected to continue in the next two fiscal years with the final 2012-13 Prop 8 properties have been fully reinstated by FY 2016-17.

In November 2014, El Cerrito voters approved the extension of Measure R at the one percent sales tax rate for twelve years. The new sales tax rate went into effect on April 1, 2015 and will end on March 31, 2027. This increases El Cerrito's sales tax rate to 10% and is expected to generate an additional \$1.4 million per year. Revenue received from the three months at the increased sales tax rate helped improve the oval revenue picture in FY 2014-15.

In June, the City received a one-time reimbursement of \$192,000 from the State of California for SB 90 mandated expenses also adding to the overall revenue increase.

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. The City will also resolve some long-standing issues related to redevelopment dissolution. This will result in additional revenue to the City that will continue to grow as the redevelopment bonds are paid off.

In addition to revenue improvements, the City continues to focus on cost containment efforts, particularly in the area of labor costs. In FY 2014-15, all labor agreements were renegotiated and the City was able to realize savings resulting from all employees paying their share of retirement costs. In FY 2015-16, the City experienced significant savings in medical costs by engaging the services of a new broker in the prior year. Before this time, the City received double-digit increases in medical costs for the same plan.

While things appear to be improving, 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 by closing monitoring revenues to ensure budgeted expenses can

be supported, taking efforts to increase cash balances and only using one-time revenues for one-time expenses

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 includes:

- Won 26 “Best of Contra Costa County” Awards from Parents’ Press Magazine for the Recreation Department’s camps, classes, programs, and special events.
- Increased offerings of diverse Summer Camp options and had the highest number of enrollments to date in summer of 2015.
- Hosted a Safe Swims event in partnership with UCSF Benioff Children’s Hospital, Kiwanis Cal-Nev-Ha Foundation, Drowning Prevention Foundation, and AMR to provide swim lessons free to 100 participants and institute a Lifejacket Loaner Program.
- In coordination with the Cities of Richmond and San Pablo and the West Contra Costa Transportation Authority, formed the West County Mobility Management Team, received a grant of \$150,000 from the Metropolitan Transportation Commission to create a Ride Ambassador Program in West Contra Costa County.
- Entered into multi-year agreements to provide enhanced landscape maintenance and street sweeping services citywide.
- Completed construction of several capital improvements including the Ohlone Greenway Natural Area & Rain Gardens Project, Radar Speed Feedback Sign Project, Lincoln Avenue Neighborhood Traffic Management Program and Patch Paving Program.
- Entered into a Memorandum of Understanding with West County School District and completed the design process, and entered into construction contract for renovation of Castro Park Athletic Field.
- Joined Marin Clean Energy (MCE), ending the enrollment period with the most “Deep Green” renewable energy subscriptions of any community in MCE territory.
- Maintained a busy passport acceptance office on behalf of the US Department of State that served residents of all five cities in West Contra Costa County as well as Alameda, San Francisco, Marin and Solano Counties. The program has generated approximately \$70,000 in revenue since its inception in July 2011.
- The Fire Department responded to nine major wildland fires throughout the State, providing mutual aid.

- The Police Department trained and fielded its first 13 member Crisis Intervention Team to work with the Contra Costa County Mental Health Evaluation Team to connect residents with mental health services.
- The Police Department trained five officers to create its first The Peer Support Program. The team receives specialized training and is available to counsel department members and connect them with resources, when needed.

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 Maze & Associates, an independent auditor, to perform the audit and prepare the financial section of this report.

Awards

The City has once again been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its FY 2013-14 comprehensive annual financial report (CAFR). This is the eleventh year that the City has received the award for the CAFR. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was made possible by the work of Citywide staff and our audit firm, Maze & Associates. I would like to thank and acknowledge the Finance Department and in particular our Accounting Supervisor, Shannon Collins, for her dedicated efforts in leading this year's audit.

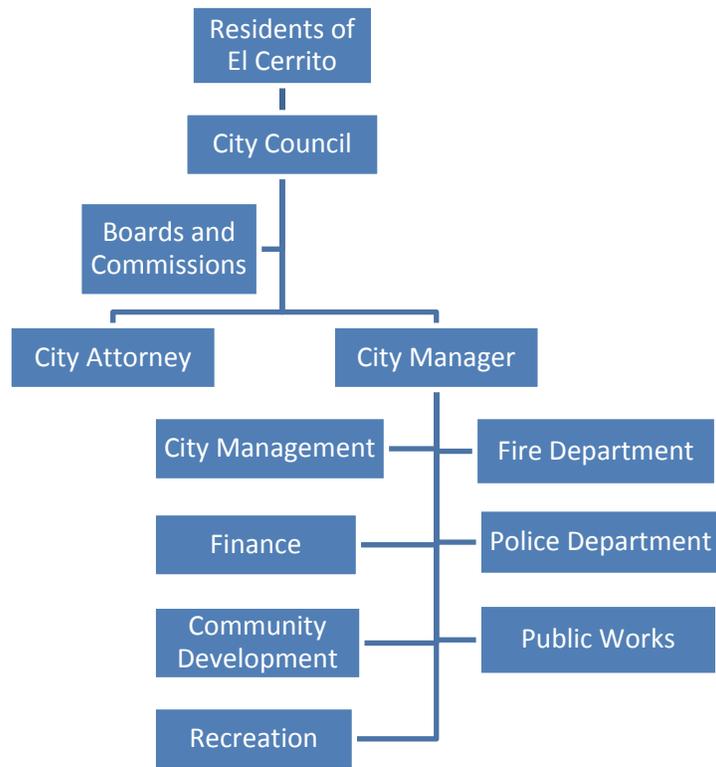
I would also like to thank our City Manager, the Mayor and the City Council for their outstanding leadership and ongoing commitment to the El Cerrito community.

Respectfully submitted,



Lisa Malek-Zadeh
Finance Director /City Treasurer

City of El Cerrito Organization Chart



**CITY OF EL CERRITO
PRINCIPAL OFFICERS
JUNE 30, 2015**

Elected Officials

Mayor	Mark Friedman
City Council Member	Janet Abelson
City Council Member	Janice Bridges
City Council Member	Greg Lyman
City Council Member	Gabe Quinto

Department Directors

City Manager	Scott Hanin
Assistant City Manager	Karen Pinkos
City Attorney	Sky Woodruff
City Clerk	Cheryl Morse
Finance Director/City Treasurer	Lisa Malek-Zadeh
Police Chief	Sylvia Moir
Fire Chief	Lance Maples
Public Works Director	Yvetteh Ortiz
Community Development Director	Melanie Mintz
Recreation Director	Chris Jones



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of El Cerrito
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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

Report on 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 (City) as of and for the year ended June 30, 2015, 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 the 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 for financial audits contained in *Governmental 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. These 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 City'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 City'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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 that required prior period adjustments to the financial statements, as discussed in Note 9D to the financial statements:

- *Statement No. 68, Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27.*
- *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68.*

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and pension and post-retirement benefit tables 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 as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2016, 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 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 *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
March 9, 2016

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CITY OF EL CERRITO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

This section of the City of El Cerrito's annual financial report presents our discussion and analysis of the financial performance of the City and its component units during the fiscal year ended June 30, 2015. 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, City assets exceeded liabilities by \$29.8 million (total net position).
- ❖ The total net position of \$29.8 million represents a decrease of \$42 million from the prior fiscal year. This decrease is primarily due to the implementation of GASB 68 and 71 that became effective for fiscal year 2015. GASB 68 requires state and local governments present net pension liabilities at the entity wide level, which results in a reduction of total net position.
- ❖ Implementation of GASB 68 and presentation of the liability on the financial statements does not affect cash or the City's ability to fund continuing operations.
- ❖ Of the \$29.8 million in net ending position, \$62.9 million is the net investment in capital assets net of related debt, a decrease of \$938,000.
- ❖ Program revenues for Business- Type Activities increased by \$112,000, but due to decreases in Governmental Activities, there was an overall decrease of \$746,000 from the prior year.
- ❖ General revenues totaled \$23.3 million, an increase of \$1.1 million from FY 2013-14 from increases in property, sales and other taxes.
- ❖ Actual General Fund revenues were \$415,000 higher than the Final budget and Actual expenses \$236,000 higher than the Final budget.
- ❖ The General Fund reported an ending fund balance at June 30, 2015 of \$1.46 million, an increase of \$191,000 over the ending balance in the prior fiscal year.

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 19-21) 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 of the 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 (Corporation), the El Cerrito Employees' Pension Plan, and the El Cerrito Public Financing Authority.

FUND FINANCIAL STATEMENTS. (pages 24-40). 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 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 24-35) 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 you 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 explain the relationship (or differences) between them.

Proprietary funds. (pages 38-40) Services for which the City charges customers a fee 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 42-43) 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 of 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 45-85) 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 1 and 2.

Statement of Net Position. Net position serves as an indicator of a government's financial position. As noted earlier in the Financial Highlights, El Cerrito's assets exceeded liabilities by \$29.8 million at June 30, 2015 representing a decrease by \$42 million from the prior year. This is primarily related to the implementation of GASB 68 that requires for the first time, recognition for the City's unfunded pension liabilities.

Table 1. Statement of Net Position

	Governmental Activities		Business-type Activities		Total		Total Change
	FY 14-15	FY 13-14	FY 14-15	FY 13-14	FY 14-15	FY 13-14	
Assets							
Current and other assets	\$ 18,138,292	\$ 17,023,916	\$ 224,725	\$ 390,159	\$ 18,363,017	\$ 17,414,075	\$ 948,942
Capital assets	\$ 144,892,862	\$ 142,730,412	\$ 6,005,841	\$ 6,005,841	\$ 150,898,703	\$ 148,736,253	\$ 2,162,451
Accumulated Depreciation	\$ (61,748,045)	\$ (57,663,329)	\$ (2,215,524)	\$ (1,984,058)	\$ (63,963,569)	\$ (59,647,387)	\$ (4,316,182)
Total Assets	\$ 101,283,109	\$ 102,090,999	\$ 4,015,042	\$ 4,411,942	\$ 105,298,151	\$ 106,502,941	\$ (1,204,790)
Deferred Outflows of Resources							
Deferred charge on refunding			\$ 107,285	\$ 120,484	\$ 107,285	\$ 120,484	\$ (13,199)
Related to Pension	\$ 3,700,898				\$ 3,700,898		\$ 3,700,898
Liabilities							
Current and other liabilities	\$ 4,587,719	\$ 6,538,972	\$ 431,567	\$ 561,694	\$ 5,019,286	\$ 7,100,666	\$ (2,081,380)
Long-term liabilities	\$ 62,673,512	\$ 24,204,285	\$ 3,002,936	\$ 3,353,100	\$ 65,676,448	\$ 27,557,385	\$ 38,119,063
Total Liabilities	\$ 67,261,231	\$ 30,743,257	\$ 3,434,503	\$ 3,914,794	\$ 70,695,734	\$ 34,658,051	\$ 36,037,683
Deferred Inflows	\$ 8,600,729				\$ 8,600,729		\$ 8,600,729
Net Position							
Net investment in capital assets	\$ 62,485,398	\$ 63,535,927	\$ 440,669	\$ 328,697	\$ 62,926,067	\$ 63,864,624	\$ (938,557)
Restricted	\$ 15,143,759	\$ 11,556,030			\$ 15,143,759	\$ 11,556,030	\$ 3,587,729
Unrestricted	\$ (48,507,109)	\$ (3,744,215)	\$ 247,155	\$ 288,935	\$ (48,259,954)	\$ (3,455,280)	\$ (44,804,674)
Total Net Position	\$ 29,122,048	\$ 71,347,742	\$ 687,824	\$ 617,632	\$ 29,809,872	\$ 71,965,374	\$ (42,155,502)

The largest portion of the City’s net position is its investment in capital assets less any related outstanding debt used to acquire those assets, equaling \$62.9 million. This includes changes in capital expenses in streets and the purchase of a new Fire vehicle through grants funds.

The City uses these capital assets such as streets, sidewalks, parks, and buildings to provide services. Consequently, these assets are not available for future spending. Also included in the net position is the Cerrito Theater, a capital asset of the Corporation not available to the Corporation’s Board 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 from other sources (future revenues), since the capital assets themselves cannot be used to liquidate liabilities. An additional \$15.1 million of the City’s net position represents resources that are subject to external restrictions on their use. Of the restricted net position, \$7.2 million represents the value of properties owned by the Corporation or Housing Successor that may only be used for redevelopment purposes. Other restricted net position includes money available for appropriation by the City or Corporation for restricted purposes.

At the end of the fiscal year ended June 30, 2015, the City reported positive balances in invested capital and restricted net position. However, for the City as a whole, the unrestricted balance of was negative \$48.3 million. The unrestricted net position for governmental activities was negative \$48.5 million and the unrestricted net position for business-type activities was \$247,155. The negative unrestricted net position reflects commitments to capital and other legal restrictions.

Statement of Activities. The Statement of Activities and Changes in Net Position provides information about all of 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 2. Statement of Activities and Change in Net Position

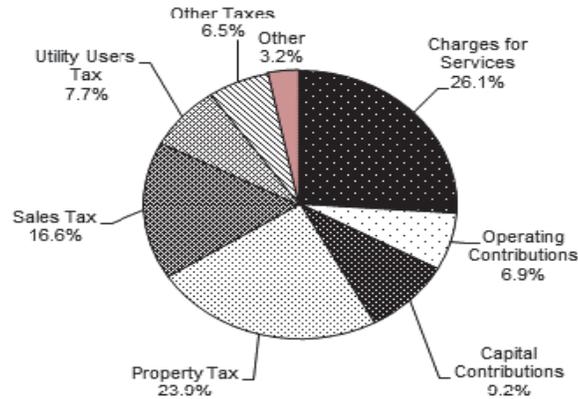
	Governmental Activities		Business-type Activities		Total		Total Change
	FY 14-15	FY 13-14	FY 14-15	FY 13-14	FY 14-15	FY 13-14	
Program revenues							
Charges for services	\$ 8,307,989	\$ 8,916,947	\$ 2,203,157	\$ 2,071,820	\$ 10,511,146	\$ 10,988,767	\$ (477,621)
Operating contributions and grants	\$ 2,762,749	\$ 3,067,489	\$ 1,250	\$ 20,522	\$ 2,763,999	\$ 3,088,011	\$ (324,012)
Capital contributions and grants	\$ 3,693,141	\$ 3,637,043	\$ -	\$ -	\$ 3,693,141	\$ 3,637,043	\$ 56,098
	\$ 14,763,879	\$ 15,621,479	\$ 2,204,407	\$ 2,092,342	\$ 16,968,286	\$ 17,713,821	\$ (745,535)
General revenues							
Property tax	\$ 9,927,028	\$ 9,024,435			\$ 9,927,028	\$ 9,024,435	\$ 902,593
Sales and use tax	\$ 6,408,016	\$ 6,554,589			\$ 6,408,016	\$ 6,554,589	\$ (146,573)
Utility users tax	\$ 3,106,232	\$ 3,137,017			\$ 3,106,232	\$ 3,137,017	\$ (30,785)
Other taxes	\$ 2,358,152	\$ 2,257,085			\$ 2,358,152	\$ 2,257,085	\$ 101,067
Other general revenues	\$ 1,548,232	\$ 1,263,663			\$ 1,548,232	\$ 1,263,663	\$ 284,569
	\$ 23,347,660	\$ 22,236,789	\$ -	\$ -	\$ 23,347,660	\$ 22,236,789	\$ 1,110,871
Total Revenues	\$ 38,111,539	\$ 37,858,268	\$ 2,204,407	\$ 2,092,342	\$ 40,315,946	\$ 39,950,610	\$ 365,336
Expenditures							
General government	\$ 4,218,763	\$ 5,637,571			\$ 4,218,763	\$ 5,637,571	\$ (1,418,808)
Public works	\$ 5,576,671	\$ 5,444,248			\$ 5,576,671	\$ 5,444,248	\$ 132,423
Recreation	\$ 4,629,731	\$ 4,597,225			\$ 4,629,731	\$ 4,597,225	\$ 32,506
Community development	\$ 2,208,566	\$ 6,121,329			\$ 2,208,566	\$ 6,121,329	\$ (3,912,763)
Public safety	\$ 18,924,124	\$ 18,767,955			\$ 18,924,124	\$ 18,767,955	\$ 156,169
Interest on long term debt	\$ 880,173	\$ 904,001			\$ 880,173	\$ 904,001	\$ (23,828)
Integrated waste management			\$ 1,787,896	\$ 1,954,155	\$ 1,787,896	\$ 1,954,155	\$ (166,259)
Total expenditures	\$ 36,438,028	\$ 41,472,329	\$ 1,787,896	\$ 1,954,155	\$ 38,225,924	\$ 43,426,484	\$ (5,200,560)
Excess (deficiency) of revenues over expenses before transfers	\$ 1,673,511	\$ (3,614,061)	\$ 416,511	\$ 138,187	\$ 2,090,022	\$ (3,475,874)	\$ 5,565,896
Transfers	\$ 346,319	\$ 327,371	\$ (346,319)	\$ (327,371)			
Increase (decrease) in net position	\$ 2,019,830	\$ (3,286,690)	\$ 70,192	\$ (189,184)	\$ 2,090,022	\$ (3,475,874)	\$ 5,565,896
Beginning Net Position	\$ 71,347,742	\$ 74,634,432	\$ 617,632	\$ 806,816	\$ 71,965,374	\$ 75,441,248	\$ (3,475,874)
GASB68 Adjustment	\$ (44,245,524)				\$ (44,245,524)		\$ (44,245,524)
Restated Beginning Net Position	\$ 27,102,218				\$ 27,719,850		\$ (47,721,398)
Ending Net Position	\$ 29,122,048	\$ 71,347,742	\$ 687,824	\$ 617,632	\$ 29,809,872	\$ 71,965,374	\$ (42,155,502)

The City’s total revenues were \$40.3 million for the year ended June 30, 2015, an increase of \$365,000 from the previous year. Revenues from taxes increased by \$1.1 million, but program revenues decreased by \$745,000, resulting in only a \$365,000 increase in overall revenues.

The City’s total program expenses were \$38.2 million, a decrease of \$5.2 million from the prior year. There were significant decreases in general government and community development and small decreases in integrated waste, with some minor increases in Public Work, Recreation and Public Safety.

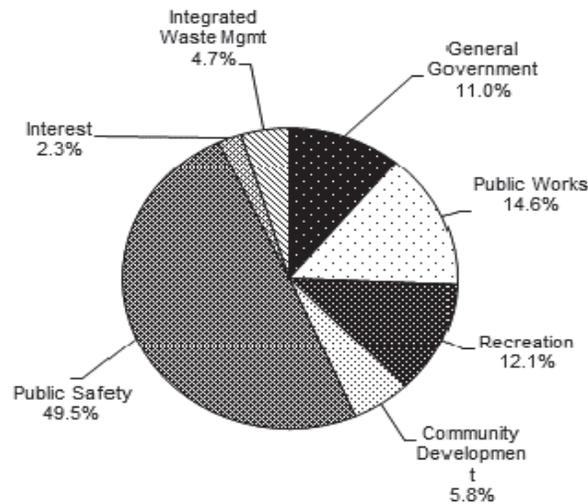
Governmental Activities Revenues. In FY 2014-15, 55% of the City’s revenues were from the receipt of taxes: 24% from property taxes, 17% from sales taxes, 8% from utility user’s taxes, and 6% from other taxes. The City received 16% of its revenues from operating and capital contributions and grants, 26% from charges for services and 3% from other sources

Chart 1. Citywide Revenues



Governmental Activities Expenses. FY 2014-15, 87% of program expenses were allocated to direct services, Public Works and Integrated Waste Management, Recreation, Community Development and Public Safety.

Chart 2. Citywide Expenses



Business-type Activities. The change in these funds is related to a change in depreciation cost.

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 City's and its component units' financial requirements and stability. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year-end, the City's governmental funds reported total fund balances of \$8.8 million. Fund balances in the General Fund and other governmental funds increased by a total of \$1 million, but the total increases for all governmental funds only increased by \$411,000 due to decreases in the other funds. Of the total fund balances, \$4.2 million is attributable to the value of land and \$1 million is a loan receivable for SERAF/ERAF, and therefore not available for appropriation. The remaining \$3.6 million of the total fund balance constitutes available monies, which if appropriated, may be used to meet the City's current and future needs; however, of those available monies, most have funding restrictions and may only be appropriated for their restricted purposes. This includes the Corporation's fund, the balance of which may be appropriated only by the Corporation's Board.

General Fund. The General Fund is the City's chief operating fund. At the end of the fiscal year, the total fund balance General Fund was \$1.46 million, an increase of \$191,000 from the prior year.

Revenue from property taxes, sales taxes and a one-time reimbursement from the State generated \$750,000 more than budgeted, but charges for services and other revenues that performed worse than projected offset these increases to net only an overall revenue increase of \$415,000. Expenses costs exceeded the budget by \$236,000.

General Fund Budgetary Highlights. Over the course of the year, the City and Corporation may revise 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.

In FY 2014-15, during the mid-year review, estimates for property tax, sales tax and the utility users' tax were revised. Because the estimated revenues were significantly different from what City Council adopted, the budgets for these revenues were amended. Both property and sales taxes were increased while the utility users' tax was significantly reduced based on the last few years of actuals.

At year-end, expenses (excluding transfers) were over budget by \$236,000. There were costs savings in personnel, but costs for non-staffing related items include professional services, utilities, supplies and debt service payments were higher than budgeted. The City has continued to rely on Professional & Technical Services to offset the high number of staff vacancies.

Table 3. Summary Analysis of General Fund Budget

<u>Category</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>	<u>Positive/ (Negative)</u>
Revenues				
Property tax	\$ 8,392,074	\$ 8,517,814	\$ 8,799,514	\$ 281,700
Other taxes	\$ 10,714,894	\$ 10,595,144	\$ 10,755,814	\$ 160,670
Intergovernmental	\$ 3,484,144	\$ 3,728,684	\$ 4,036,613	\$ 307,929
Charges for services	\$ 4,410,442	\$ 4,410,442	\$ 4,275,515	\$ (134,927)
Other general revenues	\$ 1,439,047	\$ 1,439,047	\$ 1,239,219	\$ (199,828)
Total Revenues	\$ 28,440,601	\$ 28,691,131	\$ 29,106,675	\$ 415,544
Expenditures				
General government	\$ 3,544,273	\$ 3,544,273	\$ 3,974,056	\$ (429,783)
Public Works	\$ 645,185	\$ 681,185	\$ 642,199	\$ 38,986
Recreation	\$ 3,942,797	\$ 3,942,797	\$ 4,153,881	\$ (211,084)
Community Development	\$ 1,726,262	\$ 1,726,262	\$ 1,687,744	\$ 38,518
Public safety	\$ 18,588,922	\$ 18,803,231	\$ 18,460,592	\$ 342,639
Capital Outlay	\$ 120,000	\$ 120,000	\$ 135,283	\$ (15,283)
Debt Service	\$ 90,858	\$ 90,858	\$ 90,858	\$ -
Total expenditures	\$ 28,658,297	\$ 28,908,606	\$ 29,144,613	\$ (236,007)
Total excess (deficiency) of revenues over expenditures	\$ (217,696)	\$ (217,475)	\$ (38,208)	\$ 179,267
Other Financing Sources (Uses)				
Issuance of Debt				
Transfers in	\$ 900,857	\$ 900,857	\$ 900,857	\$ -
Transfers out	\$ (593,768)	\$ (668,607)	\$ (671,603)	\$ (2,996)
Total other financing sources (uses)	\$ 307,089	\$ 232,250	\$ 229,254	\$ (2,996)
Excess (deficiency) of revenues and other expenditures and other uses	\$ 89,393	\$ 14,775	\$ 191,046	\$ 176,271
Ending Fund Balance (FY 13-14)	\$ 2,366,725	\$ 1,270,466	\$ 1,270,466	\$ -
Ending Fund Balance (FY 14-15)	\$ 2,456,118	\$ 1,285,241	\$ 1,461,512	\$ 176,271

Other Major Governmental Funds. In addition to the General Fund, there are four other governmental funds considered major due to significant balances or activities. These include the Municipal Services Corporation Fund, Low/Mod Income Housing Asset Fund, City Housing Trust Fund and the Capital Improvement Fund.

Municipal Services Corporation Fund. The Municipal Services Corporation Fund records revenues and expenditures for the activities of the Corporation, a nonprofit, public benefit corporation established to benefit the City through public communications, financing of public improvements and most recently addressing economic development issues. At the end of the fiscal year, the Corporation had a fund balance of \$4.6 million consisting of \$4.2 million in land held for redevelopment and \$413,000 of restricted monies that its Board can appropriate for redevelopment projects and programs.

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 activity. The fund balance at the end of June 30, 2015 was \$1.1 million, 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, 2015 was negative \$1,352. This represents a timing issue between the receipt of revenue and expenditures, but will be positive by next fiscal year.

Capital Improvement Fund. The Capital Improvement Fund ended June 30, 2015 with negative fund balance of \$1.4 million. Of this negative fund balance, approximately \$400,000 is related to a redevelopment project that was completed, but the transfer of funds to the City never occurred. The City is pursuing this as an enforceable obligation with the Department of Finance to be paid by the annual ROPS funding. The remaining funds have been requested, but were not submitted in time to be reflected in the ending fund balance.

Propriety Funds. At the end of fiscal year 2014-15, the unrestricted net position of the Integrated Waste Management Fund was \$247,155 and a negative of \$26,863 for the Vehicle and Equipment Replacement Internal service fund. The only expenses out of the Vehicle and Equipment Replacement Internal service fund are for a debt payment on a fire vehicle. The funding for this is a transfer from General Fund. The negative balance will be cleared next year through an increased transfer.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of FY 2014-15, the City had invested \$86.9 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 6 to the accompanying financial statements. The increase in Construction in Progress reflects infrastructure projects including street repaving.

Table 4. Capital Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 14-15	FY 13-14	FY 14-15	FY 13-14	FY 14-15	FY 13-14	
Land	\$4,888,926	\$4,410,941			\$ 4,888,926	\$ 4,410,941	10.8%
Construction in progress	\$4,850,763	\$3,639,449			\$ 4,850,763	\$ 3,639,449	33.3%
Buildings & improvements	\$36,125,237	\$36,125,237	3,638,597	3,638,597	\$ 39,763,834	\$ 39,763,834	0.0%
Equipment & Vehicles	\$10,790,917	\$10,756,019	2,367,244	2,367,244	\$ 13,158,161	\$ 13,123,263	0.3%
Infrastructure	\$88,237,020	\$87,798,766			\$ 88,237,020	\$ 87,798,766	0.5%
Total at historical cost	\$144,892,862	\$142,730,412	6,005,841	6,005,841	\$ 150,898,703	\$ 148,736,253	1.5%
Accumulated depreciation	(\$61,748,045)	(\$57,663,329)	(2,215,524)	(1,984,058)	\$ (63,963,569)	\$ (59,647,387)	7.2%
Net capital assets	\$83,144,817	\$85,067,083	\$3,790,317	\$4,021,783	\$ 86,935,134	\$ 89,088,866	-2.4%

Long Term Debt. At year-end, the City had \$25.2 million in bonds, notes, and other long-term debt, a decrease of \$1.7 million from FY 2013-14. The City's long-term debt is summarized in Table 5 and a more detailed description is provided in Note 8 to the accompanying financial statements.

Table 5. Long-Term Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	FY 14-15	FY 13-14	FY 14-15	FY 13-14	FY 14-15	FY 13-14	
Revenue bonds and notes	\$20,255,400	\$21,078,700	\$ 2,833,400	\$3,067,600	\$23,088,800	\$ 24,146,300	-4.4%
Capital Leases	\$1,925,719	\$ 2,133,692	\$ 516,248	\$ 625,486	\$ 2,441,967	\$ 2,759,178	-11.5%
Total at historical cost	\$ 22,181,119	\$23,212,392	\$ 3,349,648	\$3,693,086	\$25,530,767	\$ 26,905,478	-5.1%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues continue to improve with large increases anticipated in the next two fiscal years. An infusion of new recurring revenue from the passage of the Measure R sales tax measure in November 2014 along with the resolution of some long-standing issues related to redevelopment dissolution will help improve the overall revenue picture.

A reduction in employee costs has also improved the financial outlook. The City remains focused on financial stability and opportunities to strengthen our financial position. This includes ensuring alignment of expenses with available revenue, eliminating fund deficits and restoring the General Fund reserve to the levels experienced in prior years.

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) 215-4312 or by mail at 10890 San Pablo Avenue, El Cerrito, CA 94530.

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CITY OF EL CERRITO

**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a Total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the El Cerrito Public Financing Authority and the El Cerrito Municipal Services Corporation which are legally separate but are component units of the City because they are controlled and/or administered by the City, which is financially accountable for their activities and/or appoints their governing board.

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CITY OF EL CERRITO
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$105,279	\$181,178	\$286,457
Cash and investments with fiscal agents (Note 3)	1,521,699		1,521,699
Accounts receivable	29,493		29,493
Due from other governments	3,967,337		3,967,337
Loans receivable (Note 5)	8,169,459		8,169,459
Inventory	73,942		73,942
Prepays	54,300		54,300
Internal balances (Note 4C)	(43,547)	43,547	
Land held for resale or redevelopment (Note 1G)	4,244,664		4,244,664
Land and construction in progress (Note 6)	9,739,689		9,739,689
Capital assets, net of depreciation (Note 6)	73,405,129	3,790,317	77,195,446
Total assets	<u>101,267,444</u>	<u>4,015,042</u>	<u>105,282,486</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	3,700,898		3,700,898
Deferred charge on refunding (Note 1H)		107,285	107,285
Total deferred outflows of resources	<u>3,700,898</u>	<u>107,285</u>	<u>3,808,183</u>
LIABILITIES			
Accounts payable	1,051,449	47,592	1,099,041
Accrued liabilities	875,742		875,742
Accrued interest payable	126,608		126,608
Deposits payable	384,803		384,803
Unearned revenue	33,731		33,731
Compensated absences (Note 11):			
Due within one year	1,037,005	32,984	1,069,989
Due in more than one year	298,393	4,279	302,672
Claims payable (Note 11):			
Due within one year	17,600		17,600
Due in more than one year	72,818		72,818
Long-term debt (Note 8):			
Due within one year	1,060,781	350,991	1,411,772
Due in more than one year	21,120,338	2,998,657	24,118,995
Net OPEB Obligation (Note 10C):			
Due in more than one year	1,867,190		1,867,190
Net pension liability (Note 10)	39,314,773		39,314,773
Total liabilities	<u>67,261,231</u>	<u>3,434,503</u>	<u>70,695,734</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	8,600,729		8,600,729
Total deferred inflows of resources	<u>8,600,729</u>		<u>8,600,729</u>
NET POSITION (Note 9):			
Net investment in capital assets	62,485,398	440,669	62,926,067
Restricted for:			
Capital projects	1,461,072		1,461,072
Debt service	24,845		24,845
Community development projects	13,725,365		13,725,365
Total restricted net position	<u>15,211,282</u>		<u>15,211,282</u>
Unrestricted	<u>(48,590,298)</u>	<u>247,155</u>	<u>(48,343,143)</u>
Total net position	<u>\$29,106,382</u>	<u>\$687,824</u>	<u>\$29,794,206</u>

See accompanying notes to financial statements

CITY OF EL CERRITO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$4,218,763	\$109,345	\$72,516	\$2,586,000
Public works	5,576,671	987,537	1,466,138	1,007,571
Recreation	4,629,731	3,285,398	168,516	
Community development	2,208,566	1,132,299	23,000	
Public safety	18,924,124	2,793,410	1,032,579	83,904
Interest on long term debt	880,173			
Total Governmental Activities	36,438,028	8,307,989	2,762,749	3,677,475
Business-type Activities:				
Integrated waste management	1,787,896	2,203,157	1,250	
Total Business-type Activities	1,787,896	2,203,157	1,250	
Total	\$38,225,924	\$10,511,146	\$2,763,999	\$3,677,475

General revenues:

Taxes:

Secured and unsecured property taxes

Sales and use taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Utility user taxes

Other taxes

Use of money and property

Other

Transfers (Note 4A)

Total general revenues and transfers

Change in Net Position

Net position at beginning of year, as adjusted (Note 9D)

Net position at end of year

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
(\$1,450,902)		(\$1,450,902)
(2,115,425)		(2,115,425)
(1,175,817)		(1,175,817)
(1,053,267)		(1,053,267)
(15,014,231)		(15,014,231)
<u>(880,173)</u>		<u>(880,173)</u>
<u>(21,689,815)</u>		<u>(21,689,815)</u>
	<u>\$416,511</u>	<u>416,511</u>
	<u>416,511</u>	<u>416,511</u>
<u>(21,689,815)</u>	<u>416,511</u>	<u>(21,273,304)</u>
9,927,028		9,927,028
6,408,016		6,408,016
114,712		114,712
1,376,771		1,376,771
722,130		722,130
3,106,232		3,106,232
144,539		144,539
264,318		264,318
1,283,914		1,283,914
<u>346,319</u>	<u>(346,319)</u>	
<u>23,693,979</u>	<u>(346,319)</u>	<u>23,347,660</u>
2,004,164	70,192	2,074,356
<u>27,102,218</u>	<u>617,632</u>	<u>27,719,850</u>
<u>\$29,106,382</u>	<u>\$687,824</u>	<u>\$29,794,206</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be Major Governmental Funds by the City for fiscal year 2015. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The 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 licenses, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for public safety, recreation, and the other services described above.

MUNICIPAL SERVICES CORPORATION SPECIAL REVENUE FUND

This fund is used to account 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.

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.

CITY HOUSING TRUST 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.

CAPITAL IMPROVEMENT FUND

This fund is used to account for funds expended on various City capital projects.

CITY OF EL CERRITO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General Fund	Municipal Services Corporation Fund	Low/Mod Income Housing Asset Fund	City Housing Trust Fund
ASSETS				
Cash and investments (Note 3)	\$1			\$14,107
Cash with fiscal agents (Note 3)	10,170			
Accounts receivable	29,493			
Due from other governments	3,253,667			
Due from other funds (Note 4B)		\$425,690	\$59,828	
Loans receivable (Note 5)			5,583,459	2,586,000
Inventory	73,942			
Prepays	54,300			
Land held for resale or redevelopment (Note 1G)		4,244,663	1	
Total Assets	<u>\$3,421,573</u>	<u>\$4,670,353</u>	<u>\$5,643,288</u>	<u>\$2,600,107</u>
LIABILITIES				
Accounts payable	\$732,767	\$1,033	\$12,831	
Accrued liabilities	47,553			
Due to other funds (Note 4B)	849,386			
Deposits payable	296,624	11,336	1	\$15,459
Unearned revenue	33,731			
Total Liabilities	<u>1,960,061</u>	<u>12,369</u>	<u>12,832</u>	<u>15,459</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - due from other governments				
Unavailable revenue - loans receivable			4,485,944	2,586,000
Total deferred inflows of resources			<u>4,485,944</u>	<u>2,586,000</u>
FUND BALANCES (Note 9)				
Nonspendable				
Items not in spendable form:				
Prepays and Inventory	128,242			
Restricted for:				
Redevelopment Projects & Programs:				
Nonspendable - land held for redevelopment		4,244,663		
Redevelopment projects & programs		413,321		
Housing Activities:				
Nonspendable - loans receivable			1,097,515	
Nonspendable - land held for redevelopment			1	
Housing programs			46,996	
Debt Service				
Capital Improvements				
Solar Project	10,170			
Street Improvements				
Transportation Projects				
Public Safety - Police				
Public Safety - Vehicle Abatement				
Park and Recreation				
Storm drains				
Public Art				
City Housing Trust				
Unassigned	1,323,100			(1,352)
Total Fund Balances	<u>1,461,512</u>	<u>4,657,984</u>	<u>1,144,512</u>	<u>(1,352)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$3,421,573</u>	<u>\$4,670,353</u>	<u>\$5,643,288</u>	<u>\$2,600,107</u>

See accompanying notes to financial statements

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
	\$91,171	\$105,279
	1,511,529	1,521,699
		29,493
\$572,746	140,924	3,967,337
	1,781,953	2,267,471
		8,169,459
		73,942
		54,300
		4,244,664
<u>\$572,746</u>	<u>\$3,525,577</u>	<u>\$20,433,644</u>
\$91,610	\$213,208	\$1,051,449
31,024	4,902	83,479
1,383,017	51,752	2,284,155
	61,383	384,803
		33,731
<u>1,505,651</u>	<u>331,245</u>	<u>3,837,617</u>
	68,464	68,464
572,746		572,746
		7,071,944
<u>572,746</u>	<u>68,464</u>	<u>7,713,154</u>
		128,242
		4,244,663
		413,321
		1,097,515
		1
		46,996
	1,536,374	1,536,374
32,538		32,538
		10,170
	220,296	220,296
	172,780	172,780
	155,677	155,677
	195,306	195,306
	401,294	401,294
	52,149	52,149
	209,715	209,715
(1,538,189)	182,277	(34,164)
<u>(1,505,651)</u>	<u>3,125,868</u>	<u>8,882,873</u>
<u>\$572,746</u>	<u>\$3,525,577</u>	<u>\$20,433,644</u>

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CITY OF EL CERRITO
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2015

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$8,882,873

Amounts reported for Governmental Activities in the Statement of
Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources
and therefore are not reported in the Governmental Funds. 83,144,818

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to
charge the costs of vehicle and equipment replacement activities. The net current assets and
liabilities of the Internal Service Funds are therefore included in Governmental Activities
following line items in the Statement of Net Position.

Due to other funds (26,863)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Governmental Fund Balance Sheets, because
they are not available currently, are taken into revenue in the Statement of Activities 7,713,154

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are
not reported in the Funds:

Accrued liabilities	(792,263)
Long-term compensated absences	(1,335,398)
Claims payable	(90,418)
Deferred outflows related to pension	3,700,898
Deferred inflows related to pension	(8,600,729)
Net Pension Liability	(39,314,773)
Net OPEB Obligation	(1,867,190)
Long-term debt	(22,181,119)
Interest payable	(126,608)
	(126,608)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$29,106,382

CITY OF EL CERRITO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Municipal Services Corporation Fund	Low/Mod Income Housing Asset Fund	City Housing Trust Fund
Revenues:				
Taxes and assessments	\$19,555,328			
Licenses and permits	493,244			
Fines and penalties	276,759			
Use of money and property	349,916	\$88,634		\$9
Intergovernmental revenues	4,036,613			2,586,000
Charges for services	4,275,245			
Other revenues	119,300			
Total Revenues	29,106,405	88,634		2,586,009
Expenditures:				
Current:				
General government	3,728,457			
Public works	642,199			
Recreation	4,153,881			
Community development	1,687,744	128,021	\$104,386	2,587,361
Public safety	18,460,592			
Payment of sales tax to City of Richmond (Note 13B)	245,599			
Capital outlay	135,283			
Debt service:				
Principal	90,858			
Interest and fiscal agent fees				
Total Expenditures	29,144,613	128,021	104,386	2,587,361
Excess (deficiency) of revenues over (under) expenditures	(38,208)	(39,387)	(104,386)	(1,352)
Other Financing Sources (Uses):				
Transfers in (Note 4A)	900,857			
Transfers (out) (Note 4A)	(671,603)			
Total other financing sources (uses)	229,254			
Net changes in fund balances	191,046	(39,387)	(104,386)	(1,352)
Fund balances - July 1, 2014	1,270,466	4,697,371	1,248,898	
Fund balances - June 30, 2015	<u>\$1,461,512</u>	<u>\$4,657,984</u>	<u>\$1,144,512</u>	<u>(\$1,352)</u>

See accompanying notes to financial statements

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	\$3,891,876	\$23,447,204
		493,244
		276,759
\$3	11,847	450,409
870,754	1,736,335	9,229,702
	12,757	4,288,002
<u>63,610</u>	<u>6,786</u>	<u>189,696</u>
<u>934,367</u>	<u>5,659,601</u>	<u>38,375,016</u>
	10,318	3,738,775
667	2,013,923	2,656,789
	199,106	4,352,987
57,057	58,200	4,622,769
	439	18,461,031
		245,599
1,409,594	882,742	2,427,619
	823,300	914,158
	<u>874,280</u>	<u>874,280</u>
<u>1,467,318</u>	<u>4,862,308</u>	<u>38,294,007</u>
<u>(532,951)</u>	<u>797,293</u>	<u>81,009</u>
74,838	1,712,854	2,688,549
	<u>(1,670,627)</u>	<u>(2,342,230)</u>
<u>74,838</u>	<u>42,227</u>	<u>346,319</u>
(458,113)	839,520	427,328
<u>(1,047,538)</u>	<u>2,286,348</u>	<u>8,455,545</u>
<u>(\$1,505,651)</u>	<u>\$3,125,868</u>	<u>\$8,882,873</u>

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CITY OF EL CERRITO
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$427,328

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay is therefore added back to fund balance	2,427,619
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(86,340)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$302,833) which has already been allocated to serviced funds.)	(3,960,711)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	914,158
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Accrued liabilities	245,599
Unavailable revenue	2,306,857
Claims payable	(33,069)
Net pension liability and deferred outflows and inflows of resources	30,920
Net OPEB obligation	(293,620)
Long-term compensated absences	205,617
Interest payable	5,525

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	(185,719)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$2,004,164

See accompanying notes to financial statements

CITY OF EL CERRITO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$8,392,074	\$8,517,814	\$8,799,514	\$281,700
Taxes other than property	10,714,894	10,595,144	10,755,814	160,670
Licenses and permits	531,000	531,000	493,244	(37,756)
Fines and forfeitures	341,500	341,500	276,759	(64,741)
Use of money and property	344,900	344,900	349,916	5,016
Intergovernmental	3,484,144	3,728,684	4,036,613	307,929
Charges for services	4,410,442	4,410,442	4,275,245	(135,197)
Other revenues	221,647	221,647	119,300	(102,347)
	<u>28,440,601</u>	<u>28,691,131</u>	<u>29,106,405</u>	<u>415,274</u>
Expenditures:				
General government:				
City council	62,113	62,113	89,694	(27,581)
City manager	771,050	771,050	819,640	(48,590)
City attorney	275,000	275,000	256,771	18,229
Financial services	960,028	960,028	1,207,388	(247,360)
City clerk	290,948	290,948	264,054	26,894
Information systems	396,341	396,341	404,493	(8,152)
Employee services	788,793	788,793	686,417	102,376
Public works	645,185	681,185	642,199	38,986
Recreation	3,942,797	3,942,797	4,153,881	(211,084)
Community development	1,726,262	1,726,262	1,687,744	38,518
Public safety:				
Police	10,447,226	10,437,226	9,861,386	575,840
Fire	8,141,696	8,366,005	8,599,206	(233,201)
Payment of sales tax to City of Richmond			245,599	(245,599)
Capital outlay	120,000	120,000	135,283	(15,283)
Debt service:				
Principal	90,858	90,858	90,858	
	<u>28,658,297</u>	<u>28,908,606</u>	<u>29,144,613</u>	<u>(236,007)</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(217,696)</u>	<u>(217,475)</u>	<u>(38,208)</u>	<u>179,267</u>
Other Financing Sources (Uses):				
Transfers in	900,857	900,857	900,857	
Transfers (out)	(593,768)	(668,607)	(671,603)	(2,996)
	<u>307,089</u>	<u>232,250</u>	<u>229,254</u>	<u>(2,996)</u>
Total other financing sources (uses)				
Net change in fund balance	89,393	14,775	191,046	176,271
Fund balances - July 1, 2014	<u>1,270,466</u>	<u>1,270,466</u>	<u>1,270,466</u>	
Fund balances - June 30, 2015	<u><u>\$1,359,859</u></u>	<u><u>\$1,285,241</u></u>	<u><u>\$1,461,512</u></u>	<u><u>\$176,271</u></u>

See accompanying notes to financial statements

CITY OF EL CERRITO
MUNICIPAL SERVICES CORPORATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$98,375	\$98,375	\$88,634	(\$9,741)
Other revenues	<u>50,000</u>	<u>50,000</u>	<u> </u>	<u>(50,000)</u>
Total Revenues	<u>148,375</u>	<u>148,375</u>	<u>88,634</u>	<u>(59,741)</u>
Expenditures:				
Community development	<u>191,200</u>	<u>191,200</u>	<u>128,021</u>	<u>63,179</u>
Total Expenditures	<u>191,200</u>	<u>191,200</u>	<u>128,021</u>	<u>63,179</u>
Net change in fund balance	(42,825)	(42,825)	(39,387)	3,438
Fund balances - July 1, 2014	<u>4,697,371</u>	<u>4,697,371</u>	<u>4,697,371</u>	<u> </u>
Fund balances - June 30, 2015	<u><u>\$4,654,546</u></u>	<u><u>\$4,654,546</u></u>	<u><u>\$4,657,984</u></u>	<u><u>\$3,438</u></u>

See accompanying notes to financial statements

CITY OF EL CERRITO
 LOW/MOD INCOME HOUSING ASSET SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other revenue	\$75,284	\$75,284		(\$75,284)
Total Revenues	<u>75,284</u>	<u>75,284</u>		<u>(75,284)</u>
Expenditures:				
Community development	111,538	111,538	\$104,386	7,152
Total Expenditures	<u>111,538</u>	<u>111,538</u>	<u>104,386</u>	<u>7,152</u>
Net change in fund balance	(36,254)	(36,254)	(104,386)	(68,132)
Fund balances - July 1, 2014	<u>1,248,898</u>	<u>1,248,898</u>	<u>1,248,898</u>	
Fund balances - June 30, 2015	<u><u>\$1,212,644</u></u>	<u><u>\$1,212,644</u></u>	<u><u>\$1,144,512</u></u>	<u><u>(\$68,132)</u></u>

See accompanying notes to financial statements

CITY OF EL CERRITO
CITY HOUSING TRUST SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property		\$9	\$9	
Intergovernmental revenues		2,586,000	2,586,000	
Total Revenues		2,586,009	2,586,009	
Expenditures:				
Community development	\$2,860,000	2,587,361	2,587,361	
Total Expenditures	2,860,000	2,587,361	2,587,361	
Net change in fund balance	(2,860,000)	(1,352)	(1,352)	
Fund balances - July 1, 2014				
Fund balances - June 30, 2015	<u>(\$2,860,000)</u>	<u>(\$1,352)</u>	<u>(\$1,352)</u>	

See accompanying notes to financial statements

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MAJOR PROPRIETARY FUND

Proprietary funds account for City 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.

The City has only one enterprise fund, the Integrated Waste Management Fund, which is presented as a major fund and is described below.

INTEGRATED WASTE MANAGEMENT FUND

The Integrated Waste Management Fund accounts for the City's recycling collection services 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

The Vehicles and Equipment Replacement Fund accounts for the City departments' vehicles and equipment.

CITY OF EL CERRITO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	Business-type Activities - Integrated Waste Management Enterprise Fund	Governmental Activities - Vehicles and Equipment Replacement Internal Service Fund
ASSETS		
Current Assets:		
Cash and investments (Note 3)	\$181,178	
Due from other funds (Note 4B)	43,547	
	224,725	
Capital Assets (Note 6):		
Buildings, equipment and vehicles	6,005,841	\$6,228,829
Less accumulated depreciation	(2,215,524)	(5,642,002)
	3,790,317	586,827
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding (Note 1H)	107,285	
	4,122,327	586,827
LIABILITIES		
Current Liabilities:		
Accounts payable	47,592	
Leases payable (Note 8)	350,991	119,208
Due to other funds (Note 4B)		26,863
Compensated absences (Note 11)	32,984	
	431,567	146,071
Long-Term Liabilities:		
Compensated absences (Note 11)	4,279	
Leases payable (Note 8)	2,998,657	434,267
	3,002,936	434,267
Total liabilities	3,434,503	580,338
NET POSITION (Note 9)		
Net investment in capital assets	440,669	33,352
Unrestricted	247,155	(26,863)
	\$687,824	\$6,489

See accompanying notes to financial statements

CITY OF EL CERRITO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Integrated Waste Management Enterprise Fund	Governmental Activities - Vehicles and Equipmen Replacement Internal Service Fund
Operating Revenues:		
Charges for current services	\$1,921,525	\$128,532
Recycling sales	278,242	
Other	3,390	
	<u>2,203,157</u>	<u>128,532</u>
Total operating revenues		
Operating Expenses:		
Personnel costs	1,187,796	
Services	200,254	
Supplies	72,112	
Depreciation (Note 6)	231,466	302,833
	<u>1,691,628</u>	<u>302,833</u>
Total operating expenses		
Operating income (loss)	<u>511,529</u>	<u>(174,301)</u>
Non-Operating Revenues (Expense):		
Grants	1,250	
Interest expense	(96,268)	(11,418)
	<u>(95,018)</u>	<u>(11,418)</u>
Total non-operating revenues		
Income (loss) before transfers	416,511	(185,719)
Transfers (out) (Note 4A)	(346,319)	
Change in net position	70,192	(185,719)
Net position - July 1, 2014	<u>617,632</u>	<u>192,208</u>
Net position - June 30, 2015	<u><u>\$687,824</u></u>	<u><u>\$6,489</u></u>

See accompanying notes to financial statements

CITY OF EL CERRITO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Integrated Waste Management Enterprise Fund	Governmental Activities - Vehicles and Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$2,350,517	\$128,532
Payments to suppliers	(262,826)	
Payments to employees	(1,185,053)	
	902,638	128,532
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants	1,250	
Receipts from other funds	9,733	1
Transfers out	(346,319)	
	(335,336)	1
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid	(343,438)	(117,115)
Interest paid	(83,069)	(11,418)
	(426,507)	(128,533)
Net increase (decrease) in cash and cash equivalents	140,795	
Cash and investments at beginning of year	40,383	
Cash and investments at end of year	\$181,178	
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$511,529	(\$174,301)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	231,466	302,833
Change in assets and liabilities:		
Receivables, net	219,860	
Prepays	76,636	
Accounts payable	(67,096)	
Unearned revenue	(72,500)	
Compensated absences	2,743	
Net cash provided (used by) operating activities	\$902,638	\$128,532

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds account for assets held by the City as an agent for various community groups and functions. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

PENSION TRUST FUND

The fund is used to account for the pension system for the former employees of the City who elected not to be covered by the California Public Employees' Retirement System.

PRIVATE-PURPOSE TRUST FUND

The fund is used to account for activities of the El Cerrito Redevelopment Agency Successor Agency for which principal and income benefit private organizations or other governments.

CITY OF EL CERRITO
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	Pension Trust Fund	El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust
ASSETS		
Cash and investments (Note 3)		\$3,426,763
Capital assets, not being depreciated (Note 15B):		
Land		52,850
Total Assets		3,479,613
LIABILITIES		
Accounts payable		9,212
Accrued liabilities		332,280
Long-term obligations (Note 15C):		
Due within one year		1,835,106
Due in more than one year		16,345,334
Total Liabilities		18,521,932
NET POSITION (DEFICIT)		
Held for employees' retirement system and other governments		(\$15,042,319)

See accompanying notes to the financial statements

CITY OF EL CERRITO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Pension Trust Fund</u>	<u>El Cerrito Redevelopment Agency Successor Agency Private-Purpose Trust</u>
ADDITIONS		
Property taxes		\$2,826,462
Employer contributions	\$115,337	
Net investment income		186
	<u>115,337</u>	<u>186</u>
Total additions	<u>115,337</u>	<u>2,826,648</u>
DEDUCTIONS		
Retirement and other benefits	115,337	
General government		4,300
Community development		288,067
Debt service:		
Interest and fiscal charges		517,939
	<u>115,337</u>	<u>810,306</u>
Total deductions	<u>115,337</u>	<u>810,306</u>
Net change in net position		2,016,342
NET POSITION (DEFICIT) HELD IN TRUST FOR PENSION BENEFITS AND OTHER GOVERNMENTS		
Beginning of year	<u> </u>	<u>(17,058,661)</u>
End of year	<u> </u>	<u>(\$15,042,319)</u>

See accompanying notes to the financial statements

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CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of El Cerrito 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, 2015 was 24,115.

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, 2015 the City's staff comprised 172 full time and 135 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)** 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 (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 Revenue Fund.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Municipal Services Corporation Special Revenue Fund – This fund is used to account 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.

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.

City Housing Trust 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.

Capital Improvement Capital Projects Fund – This fund is used to account for funds expended on various City capital projects.

The City has one enterprise fund, the **Integrated Waste Management Fund**, which is a major 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *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.

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.

F. *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.

G. *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 discussed in Note 15, 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, 2015, 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (DDLA) for the sale of the property to a developer as discussed in Note 5C. Under the terms of the terms of the DDLA, the land will not be transferred from the City to the developer until certain performance conditions are met and the project is ready to start construction. The anticipated timeframe for land transfer and start of construction is approximately 2016. The actual date will depend upon the availability of State and Federal funding sources for affordable housing development. The terms of the DDLA indicate the property will be sold to the developer for \$1, therefore the book value has been reduced to that amount as of June 30, 2014.

H. *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.

I. *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.

The changes in compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance - July 1, 2014	\$1,541,015	\$34,520	\$1,575,535
Additions	742,670	28,322	770,992
Payments	(948,287)	(25,579)	(973,866)
Ending Balance - July 30, 2015	<u>\$1,335,398</u>	<u>\$37,263</u>	<u>\$1,372,661</u>
Current Portion	<u>\$1,037,005</u>	<u>\$32,984</u>	<u>\$1,069,989</u>

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

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *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.

K. *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.

L. *New Fund/ Closed Fund*

During fiscal year 2014-2015, the City created the Measure J Capital Projects Fund. In addition, the City closed the Storm Drain Debt Service Fund.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgeting Procedures*

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
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

B. *Excess of Expenditures over Appropriations*

During fiscal year 2015, the General Fund and Asset Seizure Special Revenue Fund, had expenditures in excess of appropriations of \$236,007 and \$439, respectively.

NOTE 3 – 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.

A. *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.

B. *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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City's Investment Policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
State of California Local Agency Investment Fund (LAIF Pool)	On Demand	N/A	\$50,000,000 per account	\$50,000,000 per account
U. S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Federal Agency and U.S. Government Sponsored Enterprise Securities	5 Years	N/A	No Limit	No Limit
Banker's Acceptances	180 Days	N/A	30%	30%
Commercial Paper	270 Days	P-1, A-1, F-1	10%*	10%
Certificates of Deposit	5 Years	N/A	30%	10%
Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
Medium-Term Corporate Notes	5 Years	A	10%*	No Limit
Derivative Securities (limited to Federal Agency callable issues)	5 Years	N/A	10%	No Limit
Money Market Mutual Funds	On Demand	Highest Rating Category	5%	No Limit

* 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Obligations of any of the following federal agencies which obligations represent the full faith and credit of the U.S. including:		
U.S. Treasury Obligations		
All direct or fully guaranteed obligations		
Farmers Home Administration		
General Services Administration		
Guaranteed Title XI Financing		
Government National Mortgage Association (GNMA)		
State and Local Government Series		
Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.:		
Senior debt obligations of:		
Federal National Mortgage Association		
Federal Home Loan Mortgage Corporation		
Federal Home Loan Bank System		
Farm Credit System		
Resolution Funding Corporation		
Financing Corp. Debt Obligations		
U.S. Agency for International Development Guaranteed Notes		
For all purposes other than defeasance:		
Obligations of any of the following federal agencies which obligations represent the full faith and credit of the U.S. including:		
Export-Import Bank		
Rural Economic Community Development Administration		
U.S. Maritime Administration		
Small Business Administration		
U.S. Department of Housing & Urban Development (PHAs)		
Federal Housing Administration		
Federal Financing Bank		
Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.:		
Senior debt obligations of:		
Federal National Mortgage Association		
Federal Home Loan Mortgage Corporation		
Federal Home Loan Bank System		
Other Government Sponsored Agencies approved by the Bond Issuer		
Resolution Funding Corporation		
Bankers Acceptances	1 year	P-1, A-1 or A-1+
Commercial Paper	270 days	P-1 or A-1+
Pre-refunded Municipal Obligations		Highest ratings category
Municipal Obligations		Aaa/AAA
General Obligations of States		A2/A
Investment Agreements (A)		
Other forms of investments (including repurchase agreements) (A)		

(A) Investment agreements and other forms of investments, including repurchase agreements, must be approved in writing by the Bond Issuer

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. 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, 2015 consist of the following:

City cash and investments:	
Cash and investments	\$286,457
Cash and investments with fiscal agents	1,521,699
Total City cash and investments	1,808,156
Cash and investments in Fiduciary Funds (Separate Statement):	
Cash and investments	3,426,763
Total Cash and Investments	\$5,234,919

E. 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:

	Cash and Investments	Cash and Investments With Fiscal Agents	Total	Maturity Date
Investments:				
Local Agency Investment Fund	\$2,711		\$2,711	239 days average maturity
Blackrock Institutional Money Market Fund		\$770,319	770,319	49 days average maturity
Blackrock Liquidity Money Market Fund		741,210	741,210	49 days average maturity
Fidelity Institutional Prime Money Market Fund		10,170	10,170	28 days average maturity
Cash with Banks and Petty Cash	3,710,509		3,710,509	
Total Cash and Investments	\$3,713,220	\$1,521,699	\$5,234,919	

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

The City is a 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 reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015, these investments had an average maturity of 239 days.

F. 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, 2015 for each of the City's investments as provided by Standard and Poor's investment rating service:

Investments	AAAm	Total
Blackrock Institutional Money Market Fund	\$770,319	\$770,319
Blackrock Liquidity Money Market Fund	741,210	741,210
Fidelity Institutional Prime Money Market Fund	10,170	10,170
Total rated	\$1,521,699	1,521,699
<i>Not rated:</i>		
Local Agency Investment Fund		2,711
Total Investments		1,524,410
Cash with Banks and Petty Cash		3,710,509
Total Cash and Investments		\$5,234,919

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – 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 an 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, 2015 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>	
General Fund	Integrated Waste Management Enterprise Fund	\$340,319	(A) (B)
	Non-Major Governmental Funds	560,538	(A) (B)
Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	74,838	(D)
Non-Major Governmental Funds	General Fund	671,603	(B)
	Integrated Waste Management Enterprise Fund	6,000	(A)
	Non-Major Governmental Funds	1,035,251	(B) (C)
	Total Interfund Transfers	<u>\$2,688,549</u>	

The reasons for these transfers are set forth below:

- (A) To pay for indirect costs
- (B) To fund debt service
- (C) To return unspent grant funds
- (D) To fund capital projects

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, 2015, the amounts of current interfund balances were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		\$849,386
Municipal Services Corporation Special Revenue Fund	\$425,690	
Low/ Mod Income Housing Asset Special Revenue Fund	59,828	
Capital Improvement Capital Projects Fund		1,383,017
Non-Major Governmental Funds	1,781,953	51,752
Integrated Waste Management Enterprise Fund	43,547	
Vehicles and Equipment Replacement Internal Service Fund		26,863
	<u>\$2,311,018</u>	<u>\$2,311,018</u>

C. 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – LOANS RECEIVABLE

A. *Ohlone Gardens, L.P.*

In fiscal 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 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 developer made the final loan drawdown of \$471,152 during fiscal year 2013-14. The balance of the Loan at June 30, 2015 is \$3,960,894, including accrued interest of \$460,894.

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, 2015, the City has drawn down \$2,586,000.

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 balance of the loan at June 30, 2015 is \$421,750, including accrued interest of \$71,750.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – LOANS RECEIVABLE (Continued)

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 \$100,000 of the loan and \$250,000 remains available for drawdown at June 30, 2015. The balance of the loan at June 30, 2015 is \$103,300, including accrued interest of \$3,300.

D. *Commercial Rehabilitation Loan Program*

In fiscal 2011, the Municipal Services Corporation entered into a commercial rehabilitation loan agreement, secured by a promissory note, with The Elevation 66 Brewing Company for \$20,000 to assist in the improvement to the building located at 10082 San Pablo Avenue. The loan does not bear interest and is forgivable over four years. If the borrower still occupies or owns the property or has assigned the forgivable loan with written authorization from the Corporation, the Corporation will forgive a portion of the loan in equal amounts each year of the forgivable loan term until the principal is zero. At June 30, 2015, the loan was forgiven in full and was written off.

E. *Successor Agency Loans*

During the fiscal years ending June 30, 2005 and June 30, 2006 the former Redevelopment Agency approved interfund advances of \$305,088 and \$304,820 from the Low and Moderate Income Housing Fund to the Redevelopment Capital Projects Fund for the purpose of paying the Agency's share of the countywide Education Revenue Augmentation Fund (ERAF). These loans do not bear interest and were repayable in ten years. The balance of the loans at June 30, 2015 was \$221,574.

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. This loan does not bear interest and was repayable in five equal annual installments, and must be repaid prior to June 30, 2015. The balance of the loan at June 30, 2015 was \$875,941.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – LOANS RECEIVABLE (Continued)

With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the above advances and has recorded a loan payable to the Low and Moderate Income Housing Asset Fund as discussed in Note 15 below. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is subject to the provisions of Health and Safety Code Section 34176 and the advances are reported as loans receivable from the Successor Agency. Under provisions of this code payments are not to begin prior to fiscal year 2014.

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market 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.

	<u>Years</u>
Buildings	20-50
Improvements	33-60
Equipment	2-15
Streets	20
Parks	20
Curb and gutters	20
Storm drains	65

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

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.

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance at June 30, 2014	Additions	Retirements	Transfers	Balance at June 30, 2015
Governmental activities					
Capital assets not being depreciated:					
Land	\$4,410,941	\$477,985			\$4,888,926
Construction in progress	3,639,449	1,649,568		(\$438,254)	4,850,763
Total capital assets not being depreciated	8,050,390	2,127,553		(438,254)	9,739,689
Capital assets being depreciated:					
Buildings and improvements	36,125,237				36,125,237
Equipment and vehicles	10,756,019	213,726	(\$178,828)		10,790,917
Infrastructure	87,798,766			438,254	88,237,020
Total capital assets being depreciated	134,680,022	213,726	(178,828)	438,254	135,153,174
Less accumulated depreciation for:					
Buildings and improvements	(8,914,845)	(795,905)			(9,710,750)
Equipment and vehicles	(7,616,897)	(795,072)	178,828		(8,233,141)
Infrastructure	(41,131,587)	(2,672,567)			(43,804,154)
Total accumulated depreciation	(57,663,329)	(4,263,544)	178,828		(61,748,045)
Net capital assets being depreciated	77,016,693	(4,049,818)		438,254	73,405,129
Governmental activity capital assets, net	\$85,067,083	(\$1,922,265)			\$83,144,818

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

	<u>Balance at</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Balance at</u> <u>June 30, 2015</u>
<i>Business-type Activities</i>			
Capital assets being depreciated:			
Buildings	\$3,638,597		\$3,638,597
Equipment and vehicles	2,367,244		2,367,244
Total capital assets being depreciated	<u>6,005,841</u>		<u>6,005,841</u>
Less accumulated depreciation for:			
Buildings	(296,193)	(\$70,529)	(366,722)
Equipment and vehicles	(1,687,865)	(160,937)	(1,848,802)
Total accumulated depreciation	<u>(1,984,058)</u>	<u>(231,466)</u>	<u>(2,215,524)</u>
Net capital assets being depreciated	<u>4,021,783</u>	<u>(231,466)</u>	<u>3,790,317</u>
Business-type activity capital assets, net	<u>\$4,021,783</u>	<u>(\$231,466)</u>	<u>\$3,790,317</u>

B. 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.

C. 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 program are as follows:

<i>Governmental Activities</i>	
General Government	\$349,358
Public Works	2,804,064
Recreation	302,660
Community Development	144,545
Public Safety	360,084
Internal Service Fund	<u>302,833</u>
Total Governmental Activities	<u>\$4,263,544</u>
 <i>Business-type Activities</i>	
Integrated Waste Management	<u>\$231,466</u>

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – TAX ANTICIPATION NOTES

On September 16, 2014, the City issued Series 2014 Tax Anticipation Notes in the amount of \$5,000,000. 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, 2015. Principal and accrued interest on the Notes was payable when the Notes matured on June 30, 2015. The Notes bare an interest rate of 1.50%.

NOTE 8 – 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:

	Original Issue Amount	Balance June 30, 2014	Retirements	Balance June 30, 2015	Current Portion
Governmental Activity Debt					
Lease Revenue Bonds:					
2006 Lease Revenue Bonds	\$9,610,000	\$8,585,000	\$230,000	\$8,355,000	\$240,000
2012 Lease Revenue Bonds	2,516,500	2,203,700	323,300	1,880,400	328,200
2008 Sales Tax Revenue Bonds	11,750,000	10,290,000	270,000	10,020,000	280,000
Master Equipment Lease (51.74%)	842,417	670,590	117,115	553,475	119,208
Solar Photovoltaic Capital Lease	1,595,300	1,463,102	90,858	1,372,244	93,373
Total Governmental Activity Debt		<u>\$23,212,392</u>	<u>\$1,031,273</u>	<u>\$22,181,119</u>	<u>\$1,060,781</u>
Business-Type Activity Debt					
2012 Recycling Facility Revenue Refunding Bonds	\$3,405,600	\$3,067,600	\$234,200	\$2,833,400	\$239,800
Master Equipment Lease (48.26%)	785,755	625,486	109,238	516,248	111,191
Total Business Activity Debt		<u>\$3,693,086</u>	<u>\$343,438</u>	<u>\$3,349,648</u>	<u>\$350,991</u>

A. 2006 Lease Revenue Bonds

On November 1, 2006 the El Cerrito Public Financing Authority issued Series 2006 Lease Revenue Bonds in the amount of \$9,610,000 at 3.60%-5.00% interest. The proceeds from the sale of the Bonds were used for the construction of a new City Hall. Rental revenues from the City to the Authority are pledged for the repayment of these Bonds. Principal and interest payments are due semi-annually each June 1 and December 1 through 2036.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – LONG-TERM DEBT (Continued)

B. 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. 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.

C. Sales Tax Revenue Bonds

On May 20, 2008, the El Cerrito Public Financing Authority issued \$11,750,000 original principal amount of 2008 Sales Tax Revenue Bonds at 4.40%-4.75% interest. The proceeds from the sale of the Bonds will be used for the City's street maintenance and improvement program following the recommendations and priorities established annually by the City Council and Citizens' Oversight Committee. Principal payments are due annually on May 1, with interest payments payable semi-annually on May 1 and November 1 through May 1, 2037. Street Improvement Sales Tax revenues are pledged for the repayment of these bonds. Projected revenues are expected to provide coverage over debt service of 175% over the life of the bonds. The total principal and interest remaining to be paid on the bonds is \$16,248,358. For fiscal year 2015, Street Improvement Sales Tax Revenues amounted to \$1,399,734 which represented coverage of 190% over the debt service of \$736,408.

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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – LONG-TERM DEBT (Continued)

F. Debt Service Requirements

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

Year ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$1,060,781	\$894,538	\$350,991	\$75,375
2017	1,089,599	863,191	358,879	67,505
2018	1,122,926	831,393	366,902	59,456
2019	1,155,564	797,473	375,262	51,224
2020	1,123,252	762,019	323,814	42,799
2021-2025	4,180,853	3,312,940	1,421,900	110,896
2026-2030	4,593,144	2,386,459	151,900	1,386
2031-2035	5,350,000	1,293,692		
2036-2037	2,505,000	149,077		
	<u>\$22,181,119</u>	<u>\$11,290,782</u>	<u>\$3,349,648</u>	<u>\$408,641</u>

NOTE 9 – 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. 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.

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

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. Fund Deficits

The following funds had fund balance or net position deficits as of June 30, 2015:

Fund	Amount
Capital Improvement Capital Projects Fund	\$1,438,128
Successor Agency Private Purpose Trust Fund	15,042,319
Landscape and Lighting Assessment Special Revenue Fund	68,787
National Pollution Discharge Elimination Systems Special Revenue Fund	24,028

The deficits are expected to be eliminated by future revenues of each fund.

D. Governmental Accounting Standards Board (GASB) Statement No. 68 and 71 Prior Period Adjustment

For the fiscal year ended June 30, 2015, the City implemented the provisions of GASB No. 68-*Accounting and Financial Reporting for Pensions* and 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, beginning net position of the governmental activities was reduced by \$44,245,524. The reductions reflect the recording of the net pension liability deferred inflows of resources and deferred outflows of resources as required under the new GASBs. For more details on the prior period adjustment see Note 10.

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Miscellaneous - Classic</u>	<u>Miscellaneous - Pepra</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.00% - 2.70%	1.00% - 2.50%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	21.87%	6.25%

	<u>Safety - Classic</u>	<u>Safety - Pepra Police</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	52	50
Monthly benefits, as a % of eligible compensation	3.00%	2.00 - 2.70%
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates	33.82%	11.50%

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.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous Classic</u>	<u>Miscellaneous Pepra</u>	<u>Safety Classic</u>	<u>Safety Pepra - Fire</u>	<u>Safety Pepra - Police</u>
Contributions - employer	\$966,093	\$11,042	\$2,704,111	\$0	\$13,699

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous - Classic	\$11,752,465
Miscellaneous - Pepra	716
Safety - Classic	27,559,380
Safety - Pepra Fire	11
Safety - Pepra Police	2,201
Total Net Pension Liability	\$39,314,773

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, 2014, 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, 2013 rolled forward to June 30, 2014 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, 2013 and 2014 was as follows:

	Miscellaneous Classic	Miscellaneous Pepra	Safety Classic	Safety Pepra Fire	Safety Pepra Police
Proportion - June 30, 2013	0.43%	0.00%	0.70%	0.00%	0.00%
Proportion - June 30, 2014	0.48%	0.00%	0.73%	0.00%	0.00%
Change - Increase (Decrease)	0.05%	0.00%	0.03%	0.00%	0.00%

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$3,664,025. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$3,694,945	
Net differences between projected and actual earnings on plan investments		(\$8,270,381)
Adjustments due to differences in proportion	5,953	(330,348)
Total	\$3,700,898	(\$8,600,729)

\$3,694,945 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Increase (Decrease) In Pension Expense
2016	(\$2,183,451)
2017	(2,183,451)
2018	(2,160,278)
2019	(2,067,596)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous & Safety
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	(1)
Investment Rate of Return	(2)
Mortality	Derived using CalPERS Membership Data

- (1) 3.30% to 14.20% depending on age, service and type of employment
(2) 7.50% Net of pension plan investment expenses, including inflation

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation.

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.

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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% 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:

	Miscellaneous Classic	Miscellaneous Pepra	Safety Classic	Safety Pepra Fire	Safety Pepra Police
1% Decrease	6.50%	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	\$18,069,218	\$1,276	\$42,537,308	\$18	\$3,787
Current Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	\$11,752,465	\$716	\$27,559,380	\$11	\$2,201
1% Increase	8.50%	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	\$6,510,159	\$251	\$15,218,213	\$4	\$894

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

C. Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$1,361 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

D. Other Post Employment Benefit Plan

During fiscal year 2010, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). Required disclosures are presented below.

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. GASB 45 requires that the value of this "implicit rate subsidy" be recognized as a liability in valuations of OPEB costs. As of June 30, 2015 there were 18 participants paying for these health care benefits.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2014 actuarial valuation using the projected unit credit cost method. This is a cost method, which takes into account those benefits that are expected to be paid for current actives and retirees. The actuarial assumptions included (a) 4.0% investment rate of return and (b) 4.5% to 7.0% medical cost trend rate assumptions. The health care cost trend rate is the rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized on a level dollar using a 30 year amortization period on an open basis.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement or made by implicit rate subsidies. During the fiscal year ended June 30, 2015, the City has calculated and recorded the Net OPEB Obligation, representing the difference between the ARC and contributions, as presented below:

Annual required contribution	\$623,857
Interest on net OPEB obligation	51,198
Adjustment to annual required contribution	(71,173)
Annual OPEB cost	603,882
Contributions made:	
Implicit rate subsidies	(310,262)
Change in Net OPEB Obligation	293,620
Net OPEB Obligation June 30, 2014	1,573,570
Net OPEB obligation June 30, 2015	\$1,867,190

The annual OPEB costs and actual contributions for the last three fiscal years are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$461,099	\$195,931	42.5%	\$1,279,950
6/30/2014	603,882	310,262	51.4%	1,573,570
6/30/2015	603,882	310,262	51.4%	1,867,190

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the most recent actuarial study is presented immediately following the financial statements as required supplementary information.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFIT PLANS
(Continued)

F. 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, 2015 amounted to \$632,894 of which the City paid \$316,447.

NOTE 11 - 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:

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

* \$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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 - RISK MANAGEMENT (Continued)

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.

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:

	2015	2014
Beginning balance	\$57,349	\$65,346
Change in provision for prior fiscal year claims	50,687	4,475
Claims paid	(17,618)	(12,472)
Ending balance	\$90,418	\$57,349
Current portion	\$17,600	\$12,500

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

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 12 – 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 \$78,537 during fiscal year 2014-15. The City collected \$78,537 during Fiscal Year 2014-15.

NOTE 13 – 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.

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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

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 \$245,599 was paid during fiscal year 2015. Therefore, the City has recorded an accrued liability in the amount of \$792,263 that is included in the Statement of Net Position.

C. *Purchase and Sale Agreement for Open Space Property*

In July 2013, the City entered into a Purchase and Sale Agreement with the Trust for Public Land to purchase approximately 8.08-acres of Hillside Natural Area property. The original Agreement committed the City to purchase the property by December 17, 2014. The Agreement was amended to commit the City to purchasing the property by March 19, 2015. The transaction was finalized and was covered by 3 funding sources: funds received as donations for the project, held by the City; a secured \$251,525 Land Water and Conservation Fund (LWCF) grant which reimbursed the City for acquisition expenditure; and the remaining through the City's allocation of Measure WW funds from East Bay Regional Park District (EBRPD). All funds have been received except for 20% of the LWCF grant which is pending installation of a sign and final invoicing.

D. *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, 2015 were: \$56,923 in the General Fund, \$720,483 in the Capital Improvements Fund and \$2,649,900 in the Nonmajor Governmental Funds.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

E. 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.

**NOTE 14 – 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. The validity of the Cooperation Agreement as an enforceable obligation is the subject of litigation as discussed in Note 15e(4) below.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 15 – 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 has 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 finding 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. These transactions are subject to litigation as discussed in Note 15E(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.

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.

Cash and investments of the Successor Agency as of June 30, 2015 are discussed in Note 3 above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2015.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

B. CAPITAL ASSETS

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed.

Capital assets as of June 30, 2015 were comprised of land in the amount of \$52,850.

C. 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:

	Original Issue Amount	Balance June 30, 2014	Retirements	Balance June 30, 2015	Current Portion
Tax Allocation Bonds:					
1997 Refunding, Series A	\$7,450,000	\$2,675,000	\$430,000	\$2,245,000	\$450,000
1998 Refunding, Series B	2,630,000	415,000	200,000	215,000	215,000
2004, Series A	10,315,000	9,770,000	610,000	9,160,000	685,000
2004, Series B	6,510,000	3,640,000	75,000	3,565,000	75,000
Valente Note Payable	2,667,000	2,047,907	149,982	1,897,925	160,106
Total Bonds and Note Payable		18,547,907	1,464,982	17,082,925	1,585,106
Housing Successor Loans:					
ERAF	609,908	246,574	25,000	221,574	150,000
SERAF	1,767,418	975,941	100,000	875,941	100,000
Total Long-Term Obligations		\$19,770,422	\$1,589,982	\$18,180,440	\$1,835,106

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

1. Tax Allocation Bonds

1997 Tax Allocation Refunding Bonds - On December 3, 1997, the El Cerrito Redevelopment Agency issued Series 1997 A Bonds in the amount of \$7,450,000 at 3.70%-4.90% interest. The proceeds from the Bonds were used to refund the Agency's \$7,185,000 El Cerrito Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1991 A. The Series 1997 A Bonds are secured by a pledge of certain tax increment revenues from the Project Area. Interest is payable semiannually on January 1 and July 1 through 2019. Principal is payable annually on July 1.

1998 Tax Allocation Refunding Bonds - On April 2, 1998, the El Cerrito Redevelopment Agency issued Series 1998 B Tax Allocation Refunding Bonds in the amount of \$2,630,000 at 3.70%-5.25% interest. The proceeds from the Bonds were used to refund the Agency's El Cerrito Redevelopment Project Area Bonds, Series 1990 A in the amount of \$3,025,000. The Series 1998 B Bonds are secured by a pledge of certain tax increment revenues from the Project Area. Interest is payable semiannually on January 1 and July 1 through 2015. Principal is payable annually on July 1.

2004 Tax Allocation Bonds - On September 30, 2004, the El Cerrito Redevelopment Agency issued Series 2004 A and B Tax Allocation Bonds in the amounts of \$10,315,000 and \$6,510,000, respectively, for a total original principal amount of \$16,825,000 at 3.50%-5.50% interest. The proceeds are being used to finance activities such as public facilities and infrastructure improvements of various housing projects within the Project Area and the repayment of a note payable. The Bonds are payable from tax increment revenues from the Project Area. Interest is payable semi-annually on January 1 and July 1 through 2023. Principal is payable annually on July 1 commencing on July 1, 2013 for the 2004 A Tax Allocation Bonds and July 1, 2005 for the 2004 B Tax Allocation Bonds.

As discussed above, the Agency has pledged non-housing tax increment revenues for the repayment of the 2004 A Bonds, a portion of the 2004B Bonds, and a portion of the 2007 A Bonds. The Agency has pledged housing revenues for the repayment of the 1998 B Bonds, a portion of the 2004 B Bonds and a portion of the 2007 A Bonds. The pledge of all future non-housing tax increment revenues ends upon repayment of \$16,962,909 remaining non-housing debt service on the three Bonds above which is scheduled to occur in 2023. Projected non-housing tax increment revenues were expected to provide coverage over debt service of 264% over the life of the bonds. The pledge of all future housing tax increment revenues ends upon repayment of \$1,645,174 remaining housing debt service on the three Bonds above which is scheduled to occur in 2023. Projected revenues for the low and moderate income housing set-aside amounts required to be deposited into the Agency's Low and Moderate Income Housing Special Revenue Fund (housing revenues) were expected to provide coverage over debt service of 162% over the life of the bonds.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2015 calculated by the County Auditor-Controller was \$5,751,088, and the total received by the Successor Agency for fiscal year 2015 debt service was \$2,826,462 which represented coverage of 146% of the \$2,045,820 of debt service.

2. *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.

3. *ERAF and SERAF Loans from Housing Successor*

During the fiscal years ending June 30, 2005 and June 30, 2006 the Agency approved interfund advances of \$305,088 and \$304,820 from the Low and Moderate Income Housing Fund to the Redevelopment Capital Projects Fund for the purpose of paying the Agency's share of the countywide Education Revenue Augmentation Fund (ERAF). These loans do not bear interest and were repayable in ten years. The balance of the loans at June 30, 2015 was \$221,574.

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 (SERAF). This loan does not bear interest and was repayable in five equal annual installments, and was required to be repaid prior to June 30, 2015. The balance of the loan at June 30, 2015 was \$875,941.

The above loans had previously been reported as interfund advances within the Redevelopment Agency, but with the transfer of the Redevelopment Agency's liabilities to the Successor Agency, the advances are now reported as long-term debt of the Successor Agency. These loans were 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

4. Debt Service Requirements

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 in 3 above.

Year ending June 30	Principal	Interest
2016	\$1,585,106	\$798,786
2017	1,700,913	722,472
2018	1,907,449	638,613
2019	1,644,765	554,383
2020	1,862,911	469,579
2021-2024	8,381,781	935,263
	<u>\$17,082,925</u>	<u>\$4,119,096</u>

D. COMMITMENTS AND CONTINGENCIES

1. 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.

2. 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 has 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.

CITY OF EL CERRITO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

3. *Due Diligence Reviews*

AB1484 requires 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.

NOTE 16 – SUBSEQUENT EVENT

Tax Anticipation Notes, Series 2015

On July 29, 2015, the City issued Series 2015 Tax Anticipation Notes in the amount of \$5,000,000. The proceeds from the Notes will be used to provide funds to meet the City's anticipated cash flow needs for its fiscal year ending June 30, 2016. Principal and accrued interest on the Notes is payable when the Notes mature on July 14, 2016. The Notes bear an interest rate of 1.50%.

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REQUIRED SUPPLEMENTAL INFORMATION For the Year Ended June 30, 2015

CITY OF EL CERRITO
 Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
 Last 10 Years*
SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND RELATED RATIOS AS OF
THE MEASUREMENT DATE

	Miscellaneous Plans		
	Classic	PEPRA	
	6/30/2014	6/30/2014	
Plan's proportion of the Net Pension Liability (Asset)	0.18887%	0.00001%	
Plan's proportion share of the Net Pension Liability (Asset)	\$11,752,465	\$716	
Plan's Covered Employee Payroll	5,359,159	202,277	
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	219.30%	0.35%	
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.32%	83.04%	
Plan's Proportionate Share of Aggregate Employer Contributions	969,785	95	
	Safety Plans		
	Classic	PEPRA Fire	PEPRA Police
	6/30/2014	6/30/2014	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.44290%	0.00000%	0.00004%
Plan's proportion share of the Net Pension Liability (Asset)	\$27,559,380	\$11	\$2,201
Plan's Covered Employee Payroll	8,570,918	77,024	154,357
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	321.55%	0.01%	1.43%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.35%	80.70%	81.42%
Plan's Proportionate Share of Aggregate Employer Contributions	2,385,499	1	273

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTAL INFORMATION For the Year Ended June 30, 2015

CITY OF EL CERRITO
 Cost-Sharing Multiple Employer Defined Benefit Pension Plan
 Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	Miscellaneous Plans	
	Classic	PEPRA
	Fiscal Year 2015	Fiscal Year 2015
Actuarially determined contribution	\$1,084,257	\$14,634
Contributions in relation to the actuarially determined contributions	(1,084,257)	(14,634)
Contribution deficiency (excess)	\$0	\$0
Covered-employee payroll	\$5,359,159	\$202,277
Contributions as a percentage of covered-employee payroll	20.23%	7.23%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2013
-----------------	-----------	-----------

	Safety Plans		
	Classic	PEPRA Fire	PEPRA Safety
	Fiscal Year 2015	Fiscal Year 2015	Fiscal Year 2015
Actuarially determined contribution	\$2,637,608	\$20,488	\$43,498
Contributions in relation to the actuarially determined contributions	(2,637,608)	(20,488)	(43,498)
Contribution deficiency (excess)	\$0	\$0	\$0
Covered-employee payroll	\$8,570,918	\$77,024	\$154,357
Contributions as a percentage of covered-employee payroll	30.77%	26.60%	28.18%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2013	6/30/2013
-----------------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	(1)
Investment rate of return	7.50% (2)
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTAL INFORMATION
For the Year Ended June 30, 2015

SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Projected Unit Credit Cost Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
6/30/2010	\$0	\$4,015,330	(\$4,015,330)	0.00%	N/A	N/A
6/30/2014	0	5,624,192	(5,624,192)	0.00%	N/A	N/A

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<p>MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS</p>

CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND

This fund is used to account for funds expended on various City capital projects.

CITY OF EL CERRITO
 BUDGETED MAJOR FUNDS, OTHER THAN THE
 GENERAL FUND OR SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Capital Improvement Fund		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property		\$3	\$3
Intergovernmental revenues	\$1,423,233	870,754	(552,479)
Other revenues	585,000	63,610	(521,390)
	<u>2,008,233</u>	<u>934,367</u>	<u>(1,073,866)</u>
Total Revenues			
Expenditures:			
Current:			
Public works	32,170	667	31,503
Community development	66,524	57,057	9,467
Capital Outlay	2,935,806	1,409,594	1,526,212
	<u>3,034,500</u>	<u>1,467,318</u>	<u>1,567,182</u>
Total Expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(1,026,267)</u>	<u>(532,951)</u>	<u>493,316</u>
Other Financing Sources (Uses):			
Transfers in		74,838	74,838
	<u></u>	<u>74,838</u>	<u>74,838</u>
Total other financing sources (uses)			
Net Change in Fund Balance	<u>(\$1,026,267)</u>	<u>(458,113)</u>	<u>\$568,154</u>
Fund Balance (Deficit) - July 1, 2014		<u>(1,047,538)</u>	
Fund Balance (Deficit) - June 30, 2015		<u>(\$1,505,651)</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**GAS TAX**

This 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

This 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

This fund is used to account 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

This fund accounts for storm water utility fees assessed to property owners city-wide 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

This fund accounts for revenues received from sales of assets seized during drug-related arrests and disburses these funds for authorized public safety activities.

VEHICLE ABATEMENT

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

PARK IN LIEU

This fund accounts for funds received through negotiations with developers to be used for park improvements.

PUBLIC ART FUND

This fund was established to account for fees related to development that is committed to art in public places.

FEDERAL, STATE AND LOCAL GRANTS SPECIAL REVENUE FUND

This fund accounts for revenues and expenditures related to grants from other governmental agencies.

MEASURE J PARATRANSIT

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

STORM DRAIN

This fund accounts for assessments collected and funds expended for the maintenance and upgrade of the storm drains.

MEASURE J

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

STREET IMPROVEMENT

This fund is used to account for the street maintenance and improvement projects funded by the 2008 Sales Tax Revenue Bonds.

DEBT SERVICE FUNDS

PUBLIC FINANCING AUTHORITY

This fund accounts for principal and interest payments on the Lease Revenue Bonds.

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CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Gas Tax Fund	Landscape and Lighting Assessment Fund	Measure A Parcel Tax Fund	National Pollution Discharge Elimination System Fund
Assets				
Cash and investments				
Cash and investments with fiscal agent				
Accounts receivable				
Advances to other funds				
Due from other governments				
Due from other funds	\$166,004		\$389,292	\$16,789
Total Assets	<u>\$166,004</u>		<u>\$389,292</u>	<u>\$16,789</u>
Liabilities				
Accounts payable	\$30,644	\$52,103		\$5,749
Accrued liabilities				
Due to other funds		16,684		35,068
Deposits payable				
Total Liabilities	<u>30,644</u>	<u>68,787</u>		<u>40,817</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Total deferred inflows of resources				
Fund Balances				
Restricted for:				
Debt Service				
Street Improvements				
Transportation Projects				
Public Safety - Police				
Public Safety - Vehicle Abatement				
Park and Recreation			\$389,292	
Storm Drains				
Public Art				
City Housing Trust				
Unassigned	135,360	(68,787)		(24,028)
Total fund balances (deficits)	<u>135,360</u>	<u>(68,787)</u>	<u>389,292</u>	<u>(24,028)</u>
Total liabilities and fund balances	<u>\$166,004</u>	<u>(68,787)</u>	<u>\$389,292</u>	<u>\$16,789</u>

SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Federal, State, and Local Grants Fund	Measure J Paratransit	Storm Drain Fund
		\$12,002			\$32,392	\$21,932
\$217,060	\$195,306		\$52,149	\$68,464 209,715		119,520
<u>\$217,060</u>	<u>\$195,306</u>	<u>\$12,002</u>	<u>\$52,149</u>	<u>\$278,179</u>	<u>\$32,392</u>	<u>\$141,452</u>
					\$9	\$1,720
\$61,383						
<u>61,383</u>					<u>9</u>	<u>1,720</u>
				\$68,464		
				<u>68,464</u>		
155,677	\$195,306	\$12,002	\$52,149	209,715	32,383	139,732
<u>155,677</u>	<u>195,306</u>	<u>12,002</u>	<u>52,149</u>	<u>209,715</u>	<u>32,383</u>	<u>139,732</u>
<u>\$217,060</u>	<u>\$195,306</u>	<u>\$12,002</u>	<u>\$52,149</u>	<u>\$278,179</u>	<u>\$32,392</u>	<u>\$141,452</u>

(Continued)

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUND	Totals
	Measure J Fund	Street Improvement Fund	Public Financing Authority Fund	
Assets				
Cash and investments			\$24,845	\$91,171
Cash and investments with fiscal agent			1,511,529	1,511,529
Accounts receivable				
Advances to other funds				
Due from other governments		\$72,460		140,924
Due from other funds	\$148,206	267,912		1,781,953
Total Assets	<u>\$148,206</u>	<u>\$340,372</u>	<u>\$1,536,374</u>	<u>\$3,525,577</u>
Liabilities				
Accounts payable	\$7,809	\$115,174		\$213,208
Accrued liabilities		4,902		4,902
Due to other funds				51,752
Deposits payable				61,383
Total Liabilities	<u>7,809</u>	<u>120,076</u>		<u>331,245</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				68,464
Total deferred inflows of resources				<u>68,464</u>
Fund Balances				
Restricted				
Debt Service			\$1,536,374	1,536,374
Street Improvements		220,296		220,296
Transportation Projects	140,397			172,780
Public Safety - Police				155,677
Public Safety - Vehicle Abatement				195,306
Park and Recreation				401,294
Storm Drains				
Public Art				52,149
City Housing Trust				209,715
Unassigned				182,277
Total fund balances (deficits)	<u>140,397</u>	<u>220,296</u>	<u>1,536,374</u>	<u>3,125,868</u>
Total liabilities and fund balances	<u>\$148,206</u>	<u>\$340,372</u>	<u>\$1,536,374</u>	<u>\$3,525,577</u>

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CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Gas Tax Fund</u>	<u>Landscape and Lighting Assessment Fund</u>	<u>Measure A Parcel Tax Fund</u>	<u>National Pollution Discharge Elimination System Fund</u>
Revenues:				
Taxes and assessments		\$771,472	\$439,508	
Use of money and property			31	
Intergovernmental revenues	\$687,617	2,000		\$317,565
Charges for services				
Other		2,510		
Total revenues	<u>687,617</u>	<u>775,982</u>	<u>439,539</u>	<u>317,565</u>
Expenditures:				
Current:				
General Government			9,123	
Public works	431,964	632,445		296,741
Recreation		109,151	2,022	
Community development				
Public safety				
Capital outlay			54,025	
Debt service:				
Principal				
Interest and fiscal agent fees				
Total expenditures	<u>431,964</u>	<u>741,596</u>	<u>65,170</u>	<u>296,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>255,653</u>	<u>34,386</u>	<u>374,369</u>	<u>20,824</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers (out)	<u>(94,778)</u>	<u>(150,445)</u>	<u>(420,436)</u>	<u>(68,866)</u>
Total other financing sources (uses)	<u>(94,778)</u>	<u>(150,445)</u>	<u>(420,436)</u>	<u>(68,866)</u>
Net changes in fund balances	160,875	(116,059)	(46,067)	(48,042)
Fund Balances (Deficits) - July 1, 2014	<u>(25,515)</u>	<u>47,272</u>	<u>435,359</u>	<u>24,014</u>
Fund Balances (Deficits) - June 30, 2015	<u><u>\$135,360</u></u>	<u><u>(\$68,787)</u></u>	<u><u>\$389,292</u></u>	<u><u>(\$24,028)</u></u>

SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS
Asset Seizure Fund	Vehicle Abatement Fund	Park In Lieu Fund	Public Art Fund	Federal, State, and Local Grants Fund	Measure J Paratransit	Storm Drain Fund
\$6,524	\$22 24,118	\$1	\$5	\$27 278,575	\$125,327 2 12,757	\$697,876
<u>6,524</u>	<u>24,140</u>	<u>1</u>	<u>5</u>	<u>278,602</u>	<u>138,086</u>	<u>697,876</u>
439	25,889		1,950	1,553 56,250 94,529	80,868	290,704 104,674
<u>439</u>	<u>25,889</u>		<u>1,950</u>	<u>152,332</u>	<u>80,868</u>	<u>395,378</u>
<u>6,085</u>	<u>(1,749)</u>	<u>1</u>	<u>(1,945)</u>	<u>126,270</u>	<u>57,218</u>	<u>302,498</u>
			6,000	(35,000)	6,651 (31,486)	(70,120)
			6,000	(35,000)	(24,835)	(70,120)
6,085	(1,749)	1	4,055	91,270	32,383	232,378
<u>149,592</u>	<u>197,055</u>	<u>12,001</u>	<u>48,094</u>	<u>118,445</u>		<u>(92,646)</u>
<u>\$155,677</u>	<u>\$195,306</u>	<u>\$12,002</u>	<u>\$52,149</u>	<u>\$209,715</u>	<u>\$32,383</u>	<u>\$139,732</u>

(Continued)

CITY OF EL CERRITO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CAPITAL PROJECTS FUNDS</u>		<u>DEBT SERVICE FUND</u>	<u>Totals</u>
	<u>Measure J Fund</u>	<u>Street Improvement Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	
Revenues:				
Taxes and assessments	\$457,959	\$1,399,734		\$3,891,876
Use of money and property			\$5,235	11,847
Intergovernmental revenues		426,460		1,736,335
Charges for services				12,757
Other		4,276		6,786
	<u>457,959</u>	<u>1,830,470</u>	<u>5,235</u>	<u>5,659,601</u>
Expenditures:				
Current:				
General Government			1,195	10,318
Public works	310,538	49,978		2,013,923
Recreation	7,065			199,106
Community development				58,200
Public safety				439
Capital outlay		603,625		882,742
Debt service:				
Principal			823,300	823,300
Interest and fiscal agent fees			874,280	874,280
	<u>317,603</u>	<u>653,603</u>	<u>1,698,775</u>	<u>4,862,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,356</u>	<u>1,176,867</u>	<u>(1,693,540)</u>	<u>797,293</u>
Other Financing Sources (Uses):				
Transfers in			1,700,203	1,712,854
Transfers (out)	(65,582)	(733,914)		(1,670,627)
	<u>(65,582)</u>	<u>(733,914)</u>	<u>1,700,203</u>	<u>42,227</u>
Net changes in fund balances	74,774	442,953	6,663	839,520
Fund Balances (Deficits) - July 1, 2014	<u>65,623</u>	<u>(222,657)</u>	<u>1,529,711</u>	<u>2,286,348</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$140,397</u>	<u>\$220,296</u>	<u>\$1,536,374</u>	<u>\$3,125,868</u>

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CITY OF EL CERRITO
 BUDGETED NON-MAJOR FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Gas Tax Fund			Landscaping and Lighting District Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments				\$771,000	\$771,472	\$472
Use of money and property						
Intergovernmental	\$605,712	\$687,617	\$81,905	10,000	2,000	(8,000)
Charges for services						
Other					2,510	2,510
Total Revenues	<u>605,712</u>	<u>687,617</u>	<u>81,905</u>	<u>781,000</u>	<u>775,982</u>	<u>(5,018)</u>
Expenditures:						
Current:						
General government						
Public works	451,129	431,964	19,165	643,917	632,445	11,472
Recreation				107,180	109,151	(1,971)
Community development						
Public safety						
Capital outlay						
Debt service :						
Principal payments						
Interest and fiscal fees						
Total Expenditures	<u>451,129</u>	<u>431,964</u>	<u>19,165</u>	<u>751,097</u>	<u>741,596</u>	<u>9,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>154,583</u>	<u>255,653</u>	<u>101,070</u>	<u>29,903</u>	<u>34,386</u>	<u>4,483</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	(94,778)	(94,778)		(150,445)	(150,445)	
Total other financing sources (uses)	<u>(94,778)</u>	<u>(94,778)</u>	<u></u>	<u>(150,445)</u>	<u>(150,445)</u>	<u></u>
Net Change in Fund Balances	<u>\$59,805</u>	<u>160,875</u>	<u>\$101,070</u>	<u>(\$120,542)</u>	<u>(116,059)</u>	<u>\$4,483</u>
Fund Balances (Deficits) - July 1, 2014		(25,515)			47,272	
Fund Balances (Deficits) - June 30, 2015		<u>\$135,360</u>			<u>(\$68,787)</u>	

Measure A Parcel Tax Fund			National Pollution Discharge Elimination System Fund			Assets Seizure Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$439,000	\$439,508	\$508						
400	31	(369)	\$315,000	\$317,565	\$2,565	\$2,000	\$6,524	\$4,524
<u>439,400</u>	<u>439,539</u>	<u>139</u>	<u>315,000</u>	<u>317,565</u>	<u>2,565</u>	<u>2,000</u>	<u>6,524</u>	<u>4,524</u>
15,000	9,123	5,877						
	2,022	(2,022)	322,068	296,741	25,327			
251,000	54,025	196,975					439	(439)
<u>266,000</u>	<u>65,170</u>	<u>200,830</u>	<u>322,068</u>	<u>296,741</u>	<u>25,327</u>		<u>439</u>	<u>(439)</u>
173,400	374,369	200,969	(7,068)	20,824	27,892	2,000	6,085	4,085
<u>(420,436)</u>	<u>(420,436)</u>		<u>(68,866)</u>	<u>(68,866)</u>				
<u>(420,436)</u>	<u>(420,436)</u>		<u>(68,866)</u>	<u>(68,866)</u>				
<u>(\$247,036)</u>	<u>(46,067)</u>	<u>\$200,969</u>	<u>(\$75,934)</u>	<u>(48,042)</u>	<u>\$27,892</u>	<u>\$2,000</u>	<u>6,085</u>	<u>\$4,085</u>
	<u>435,359</u>			<u>24,014</u>			<u>149,592</u>	
	<u>\$389,292</u>			<u>(\$24,028)</u>			<u>\$155,677</u>	

(Continued)

CITY OF EL CERRITO
 BUDGETED NON-MAJOR FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Vehicle Abatement Fund			Park In Lieu Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments						
Use of money and property	\$1,000	\$22	(\$978)	\$10	\$1	(\$9)
Intergovernmental	20,000	24,118	4,118			
Charges for services						
Other						
Total Revenues	<u>21,000</u>	<u>24,140</u>	<u>3,140</u>	<u>10</u>	<u>1</u>	<u>(9)</u>
Expenditures:						
Current:						
General government						
Public works				12,000		12,000
Recreation						
Community development						
Public safety	11,000		11,000			
Capital outlay	27,000	25,889	1,111			
Debt service :						
Principal payments						
Interest and fiscal fees						
Total Expenditures	<u>38,000</u>	<u>25,889</u>	<u>12,111</u>	<u>12,000</u>		<u>12,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,000)</u>	<u>(1,749)</u>	<u>15,251</u>	<u>(11,990)</u>	<u>1</u>	<u>11,991</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)						
Total other financing sources (uses)						
Net Change in Fund Balances	<u>(\$17,000)</u>	<u>(1,749)</u>	<u>\$15,251</u>	<u>(\$11,990)</u>	<u>1</u>	<u>\$11,991</u>
Fund Balances (Deficits) - July 1, 2014		<u>197,055</u>			<u>12,001</u>	
Fund Balances (Deficits) - June 30, 2015		<u>\$195,306</u>			<u>\$12,002</u>	

Public Art			Federal, State and Local Grants			Measure J Paratransit		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$50	\$5	(\$45)		\$27	\$27	\$132,552	\$125,327	(\$7,225)
			\$238,498	278,575	40,077		2	2
						13,500	12,757	(743)
<u>50</u>	<u>5</u>	<u>(45)</u>	<u>238,498</u>	<u>278,602</u>	<u>40,104</u>	<u>146,052</u>	<u>138,086</u>	<u>(7,966)</u>
			13,622	1,553	12,069	95,830	80,868	14,962
5,000	1,950	3,050	190,861	56,250	134,611			
			112,000		112,000			
			500	94,529	(94,029)			
<u>5,000</u>	<u>1,950</u>	<u>3,050</u>	<u>316,983</u>	<u>152,332</u>	<u>164,651</u>	<u>95,830</u>	<u>80,868</u>	<u>14,962</u>
<u>(4,950)</u>	<u>(1,945)</u>	<u>3,005</u>	<u>(78,485)</u>	<u>126,270</u>	<u>204,755</u>	<u>50,222</u>	<u>57,218</u>	<u>6,996</u>
6,000	6,000		(35,000)	(35,000)		(31,486)	6,651	6,651
						(31,486)	(31,486)	
<u>6,000</u>	<u>6,000</u>		<u>(35,000)</u>	<u>(35,000)</u>		<u>(31,486)</u>	<u>(24,835)</u>	<u>6,651</u>
<u>\$1,050</u>	<u>4,055</u>	<u>\$3,005</u>	<u>(\$113,485)</u>	<u>91,270</u>	<u>\$204,755</u>	<u>\$18,736</u>	<u>32,383</u>	<u>\$13,647</u>
	<u>48,094</u>			<u>118,445</u>				
	<u>\$52,149</u>			<u>\$209,715</u>			<u>\$32,383</u>	

(Continued)

CITY OF EL CERRITO
 BUDGETED NON-MAJOR FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Storm Drain Fund			Measure J Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$698,000	\$697,876	(\$124)	\$411,052	\$457,959	\$46,907
Use of money and property						
Intergovernmental						
Charges for services						
Other						
Total Revenues	<u>698,000</u>	<u>697,876</u>	<u>(124)</u>	<u>411,052</u>	<u>457,959</u>	<u>46,907</u>
Expenditures:						
Current:						
General government						
Public works	329,590	290,704	38,886	328,247	310,538	17,709
Recreation					7,065	(7,065)
Community development						
Public safety						
Capital outlay	130,000	104,674	25,326	70,000		70,000
Debt service :						
Principal payments						
Interest and fiscal fees						
Total Expenditures	<u>459,590</u>	<u>395,378</u>	<u>64,212</u>	<u>398,247</u>	<u>317,603</u>	<u>80,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>238,410</u>	<u>302,498</u>	<u>64,088</u>	<u>12,805</u>	<u>140,356</u>	<u>127,551</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(127,120)</u>	<u>(70,120)</u>	<u>57,000</u>	<u>(58,931)</u>	<u>(65,582)</u>	<u>(6,651)</u>
Total other financing sources (uses)	<u>(127,120)</u>	<u>(70,120)</u>	<u>57,000</u>	<u>(58,931)</u>	<u>(65,582)</u>	<u>(6,651)</u>
Net Change in Fund Balances	<u>\$111,290</u>	<u>232,378</u>	<u>\$121,088</u>	<u>(\$46,126)</u>	<u>74,774</u>	<u>\$120,900</u>
Fund Balances (Deficits) - July 1, 2014		<u>(92,646)</u>			<u>65,623</u>	
Fund Balances (Deficits) - June 30, 2015		<u>\$139,732</u>			<u>\$140,397</u>	

Street Improvement Fund			Public Financing Authority - Debt Service Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,398,000	\$1,399,734	\$1,734			
630,000	426,460	(203,540)	\$8,050	\$5,235	(\$2,815)
5,000	4,276	(724)			
<u>2,033,000</u>	<u>1,830,470</u>	<u>(202,530)</u>	<u>8,050</u>	<u>5,235</u>	<u>(2,815)</u>
3,000		3,000	6,250	1,195	5,055
51,215	49,978	1,237			
1,285,341	603,625	681,716			
			823,300	823,300	
			875,200	874,280	920
<u>1,339,556</u>	<u>653,603</u>	<u>685,953</u>	<u>1,704,750</u>	<u>1,698,775</u>	<u>5,975</u>
693,444	1,176,867	483,423	(1,696,700)	(1,693,540)	3,160
(733,408)	(733,914)	(506)	1,696,700	1,700,203	3,503
(733,408)	(733,914)	(506)	1,696,700	1,700,203	3,503
<u>(\$39,964)</u>	442,953	<u>\$482,917</u>		6,663	<u>\$6,663</u>
	(222,657)			1,529,711	
	<u>\$220,296</u>			<u>\$1,536,374</u>	

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STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Value of All Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Statement of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage – Storm Drain Revenue Bonds
5. Revenue Bond Coverage – 2002 and 2012 Lease Revenue Bonds
6. Revenue Bond Coverage – 2008 Sales Tax Revenue Bonds
7. Bonded Debt Pledged Revenue Coverage - Tax Allocation Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

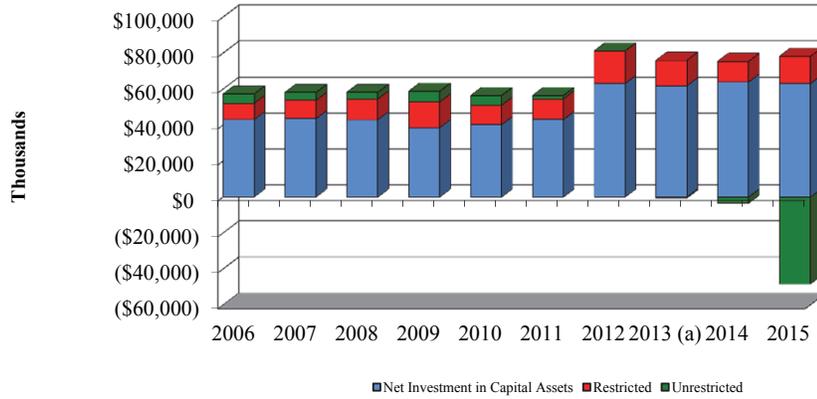
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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CITY OF EL CERRITO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013 (a)	2014	2015
Governmental activities										
Net investment in capital assets	\$42,902,737	\$43,404,472	\$42,811,806	\$38,173,671	\$39,807,135	\$42,219,210	\$62,188,857	\$61,539,065	\$63,535,927	\$62,485,398
Restricted	9,127,866	10,189,456	11,609,654	14,337,663	10,851,206	11,513,748	18,127,376	14,185,459	11,556,030	15,211,282
Unrestricted	4,487,713	3,958,101	3,106,104	5,342,716	4,732,143	1,521,714	(136,900)	(1,090,092)	(3,744,215)	(48,590,298)
Total governmental activities net position	<u>\$56,518,316</u>	<u>\$57,552,029</u>	<u>\$57,527,564</u>	<u>\$57,854,050</u>	<u>\$55,390,484</u>	<u>\$55,254,672</u>	<u>\$80,179,333</u>	<u>\$74,634,432</u>	<u>\$71,347,742</u>	<u>\$29,106,382</u>
Business-type activities										
Net investment in capital assets	\$74,264	\$95,905	\$126,314	\$361,480	\$357,798	\$798,108	\$828,754	\$227,097	\$328,697	\$440,669
Unrestricted	628,818	438,103	533,912	567,975	660,993	339,821	201,464	579,719	288,935	247,155
Total business-type activities net position	<u>\$703,082</u>	<u>\$534,008</u>	<u>\$660,226</u>	<u>\$929,455</u>	<u>\$1,018,791</u>	<u>\$1,137,929</u>	<u>\$1,030,218</u>	<u>\$806,816</u>	<u>\$617,632</u>	<u>\$687,824</u>
Primary government										
Net investment in capital assets	\$42,977,001	\$43,500,377	\$42,938,120	\$38,535,151	\$40,164,933	\$43,017,318	\$63,017,611	\$61,766,162	\$63,864,624	\$62,926,067
Restricted	9,127,866	10,189,456	11,609,654	14,337,663	10,851,206	11,513,748	18,127,376	14,185,459	11,556,030	15,211,282
Unrestricted	5,116,531	4,396,204	3,640,016	5,910,691	5,393,136	1,861,535	64,564	(510,373)	(3,455,280)	(48,343,143)
Total primary government net position	<u>\$57,221,398</u>	<u>\$58,086,037</u>	<u>\$58,187,790</u>	<u>\$58,783,505</u>	<u>\$56,409,275</u>	<u>\$56,392,601</u>	<u>\$81,209,551</u>	<u>\$75,441,248</u>	<u>\$71,965,374</u>	<u>\$29,794,206</u>

(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)

	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities:					
General Government	\$3,139,206	\$3,154,741	\$3,707,479	\$3,880,930	\$3,771,954
Public Works	4,533,479	4,819,534	4,906,688	4,502,655	5,162,256
Recreation	3,607,772	3,813,705	4,279,117	4,310,403	4,341,616
Community Development	2,613,447	3,227,723	3,528,500	4,371,055	5,849,338
Public Safety	12,755,286	14,024,683	14,835,991	16,116,947	16,374,501
Interest on Long Term Debt	1,595,009	1,944,024	2,411,538	2,354,765	2,427,173
Total Governmental Activities Expenses	<u>28,244,199</u>	<u>30,984,410</u>	<u>33,669,313</u>	<u>35,536,755</u>	<u>37,926,838</u>
Business-Type Activities:					
Integrated waste management	1,106,726	1,176,930	1,407,973	1,238,261	1,301,560
Total Business-Type Activities Expenses	<u>1,106,726</u>	<u>1,176,930</u>	<u>1,407,973</u>	<u>1,238,261</u>	<u>1,301,560</u>
Total Primary Government Expenses	<u>\$29,350,925</u>	<u>\$32,161,340</u>	<u>\$35,077,286</u>	<u>\$36,775,016</u>	<u>\$39,228,398</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$87,334	\$134,060	\$176,464	\$146,833	\$86,885
Public Works	169,735	145,948	908,361	902,833	927,713
Recreation	1,666,755	1,988,281	2,380,047	2,720,674	2,828,247
Community Development	821,449	841,393	1,025,739	902,568	1,142,880
Public Safety	2,267,943	2,427,140	2,410,985	2,667,552	2,623,112
Operating Grants and Contributions	3,040,299	1,843,174	1,884,846	2,339,007	2,575,749
Capital Grants and Contributions			477,162	780,101	600,000
Total Government Activities Program Revenues	<u>8,053,515</u>	<u>7,379,996</u>	<u>9,263,604</u>	<u>10,459,568</u>	<u>10,784,586</u>
Business-Type Activities:					
Charges for Services:					
Integrated waste management	829,413	1,227,755	1,715,037	1,561,300	1,577,320
Operating Grants and Contributions				218,445	95,437
Total Business-Type Activities Program Revenue	<u>829,413</u>	<u>1,227,755</u>	<u>1,715,037</u>	<u>1,779,745</u>	<u>1,672,757</u>
Total Primary Government Program Revenues	<u>\$8,882,928</u>	<u>\$8,607,751</u>	<u>\$10,978,641</u>	<u>\$12,239,313</u>	<u>\$12,457,343</u>
Net (Expense)/Revenue					
Governmental Activities	(\$20,190,684)	(\$23,604,414)	(\$24,405,709)	(\$25,077,187)	(\$27,142,252)
Business-Type Activities	(277,313)	50,825	307,064	541,484	371,197
Total Primary Government Net Expense	<u>(\$20,467,997)</u>	<u>(\$23,553,589)</u>	<u>(\$24,098,645)</u>	<u>(\$24,535,703)</u>	<u>(\$26,771,055)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	\$12,108,120	\$13,867,298	\$13,843,003	\$14,485,295	\$13,720,955
Sales Taxes	3,427,006	3,432,018	3,472,043	4,175,726	4,391,220
Transient Lodging Taxes	83,049	85,090	104,432	87,695	74,921
Franchise Taxes	705,087	806,038	769,647	953,483	939,189
Business License Taxes	644,531	627,129	666,867	670,634	625,461
Utility User Taxes	2,778,452	2,775,195	2,986,759	3,143,282	3,181,028
Other Taxes	301,007	253,658	210,041	143,905	143,232
Use of money and property	1,373,414	1,750,758	1,526,039	759,525	555,478
Other	1,197,798	782,735	536,459	704,876	759,572
Transfers	250,687	258,208	265,954	279,252	287,630
Gain on extinguishment of debt					
Extraordinary item					
Total Government Activities	<u>22,869,151</u>	<u>24,638,127</u>	<u>24,381,244</u>	<u>25,403,673</u>	<u>24,678,686</u>
Business-Type Activities:					
Use of money and property	34,785	12,173	31,642	6,997	5,769
Transfers	(250,687)	(258,208)	(265,954)	(279,252)	(287,630)
Other	29,431	26,136	53,466		
Total Business-Type Activities	<u>(186,471)</u>	<u>(219,899)</u>	<u>(180,846)</u>	<u>(272,255)</u>	<u>(281,861)</u>
Total Primary Government	<u>\$22,682,680</u>	<u>\$24,418,228</u>	<u>\$24,200,398</u>	<u>\$25,131,418</u>	<u>\$24,396,825</u>
Change in Net Position					
Governmental Activities	\$2,678,467	\$1,033,713	(\$24,465)	\$326,486	(\$2,463,566)
Business-Type Activities	(463,784)	(169,074)	126,218	269,229	89,336
Total Primary Government	<u>\$2,214,683</u>	<u>\$864,639</u>	<u>\$101,753</u>	<u>\$595,715</u>	<u>(\$2,374,230)</u>

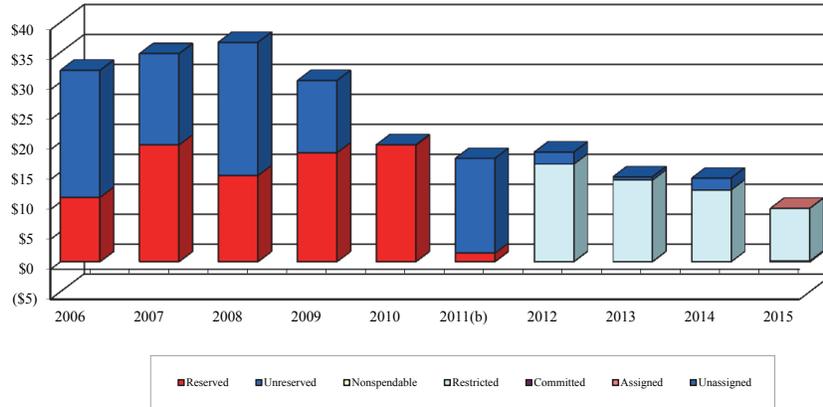
(a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

Fiscal Year Ended June 30,

2011	2012	2013 (a)	2014	2015
\$4,246,235	\$4,376,139	\$4,236,098	\$5,637,571	\$4,218,763
6,411,539	6,185,638	8,433,345	5,444,248	5,576,671
4,367,058	4,504,817	4,412,698	4,597,225	4,629,731
4,319,850	2,910,097	4,280,475	6,121,329	2,208,566
16,721,719	18,207,775	18,847,110	18,767,955	18,924,124
2,302,131	1,548,739	1,051,397	904,001	880,173
<u>38,368,532</u>	<u>37,733,205</u>	<u>41,261,123</u>	<u>41,472,329</u>	<u>36,438,028</u>
1,353,726	1,674,248	1,792,975	1,954,155	1,787,896
<u>1,353,726</u>	<u>1,674,248</u>	<u>1,792,975</u>	<u>1,954,155</u>	<u>1,787,896</u>
<u>\$39,722,258</u>	<u>\$39,407,453</u>	<u>\$43,054,098</u>	<u>\$43,426,484</u>	<u>\$38,225,924</u>
\$86,925	\$606,107	\$559,106	\$106,677	\$109,345
958,907	965,700	968,330	976,032	987,537
2,825,684	2,924,662	2,973,708	3,221,674	3,285,398
1,209,157	1,082,721	1,199,576	1,731,668	1,132,299
2,534,501	2,695,059	3,330,984	2,880,896	2,793,410
2,059,159	4,514,164	2,703,823	3,067,489	2,762,749
3,327,544	2,193,073	3,153,161	3,637,043	3,677,475
<u>13,001,877</u>	<u>14,981,486</u>	<u>14,888,688</u>	<u>15,621,479</u>	<u>14,748,213</u>
1,759,107	1,861,538	1,854,839	2,071,820	2,203,157
6,110	6,654	26,348	20,522	1,250
<u>1,765,217</u>	<u>1,868,192</u>	<u>1,881,187</u>	<u>2,092,342</u>	<u>2,204,407</u>
<u>\$14,767,094</u>	<u>\$16,849,678</u>	<u>\$16,769,875</u>	<u>\$17,713,821</u>	<u>\$16,952,620</u>
(25,366,655)	(22,751,719)	(26,372,435)	(\$25,850,850)	(\$21,689,815)
411,491	193,944	88,212	138,187	416,511
<u>(\$24,955,164)</u>	<u>(\$22,557,775)</u>	<u>(\$26,284,223)</u>	<u>(\$25,712,663)</u>	<u>(\$21,273,304)</u>
\$13,696,480	\$11,309,400	\$8,336,665	\$9,024,435	\$9,927,028
4,894,053	6,309,362	5,986,934	6,554,589	6,408,016
85,631	98,411	103,446	130,556	114,712
982,799	1,020,930	1,065,858	1,228,307	1,376,771
673,257	691,948	660,931	768,448	722,130
3,188,260	3,163,978	3,066,580	3,137,017	3,106,232
191,904	98,028	107,795	129,774	144,539
417,662	419,127	349,963	207,475	264,318
807,414	1,181,320	1,042,753	1,056,188	1,283,914
293,383	302,184	313,086	327,371	346,319
	649,406			
	<u>22,432,286</u>			
<u>25,230,843</u>	<u>47,676,380</u>	<u>21,034,011</u>	<u>22,564,160</u>	<u>23,693,979</u>
1,030	529	1,472		
(293,383)	(302,184)	(313,086)	(327,371)	(346,319)
<u>(292,353)</u>	<u>(301,655)</u>	<u>(311,614)</u>	<u>(327,371)</u>	<u>(346,319)</u>
<u>\$24,938,490</u>	<u>\$47,374,725</u>	<u>\$20,722,397</u>	<u>\$22,236,789</u>	<u>\$23,347,660</u>
(\$135,812)	\$24,924,661	(\$5,338,424)	(\$3,286,690)	\$2,004,164
119,138	(107,711)	(223,402)	(189,184)	70,192
<u>(\$16,674)</u>	<u>\$24,816,950</u>	<u>(\$5,561,826)</u>	<u>(\$3,475,874)</u>	<u>\$2,074,356</u>

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CITY OF EL CERRITO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011(b)	2012	2013	2014	2015
General Fund										
Reserved	\$35,051	\$118,417	\$98,447	\$1,281,893	\$1,157,943					
Unreserved	3,859,439	3,852,400	3,626,947	2,130,436	1,890,350					
Nonspendable						\$65,082	\$44,373	\$48,049	\$58,326	\$128,242
Restricted						3,950,000	598,957	1,055,758	150,445	10,170
Assigned									53,108	
Unassigned						2,484,405	2,646,012	1,237,431	1,008,587	1,323,100
Total General Fund	<u>\$3,894,490</u>	<u>\$3,970,817</u>	<u>\$3,725,394</u>	<u>\$3,412,329</u>	<u>\$3,048,293</u>	<u>\$6,499,487</u>	<u>\$3,289,342</u>	<u>\$2,341,238</u>	<u>\$1,270,466</u>	<u>\$1,461,512</u> (a)
All Other Governmental Funds										
Reserved	\$10,741,215	\$19,412,301	\$14,306,925	\$16,945,466	\$18,328,277					
Unreserved, reported in:										
Special revenue funds	861,644	1,510,025	949,615	182,001	358,328					
Capital project funds	16,491,344	9,862,038	17,698,117	9,741,573	(2,178,438)					
Nonspendable						\$80				
Restricted						11,665,452	\$15,673,702	\$12,543,820	\$8,605,973	\$8,778,625
Unassigned						(2,264,095)	(632,179)	(676,189)	(1,420,894)	(1,357,264)
Total all other governmental funds	<u>\$28,094,203</u>	<u>\$30,784,364</u>	<u>\$32,954,657</u>	<u>\$26,869,040</u>	<u>\$16,508,167</u>	<u>\$9,401,437</u>	<u>\$15,041,523</u>	<u>\$11,867,631</u>	<u>\$7,185,079</u>	<u>\$7,421,361</u>

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

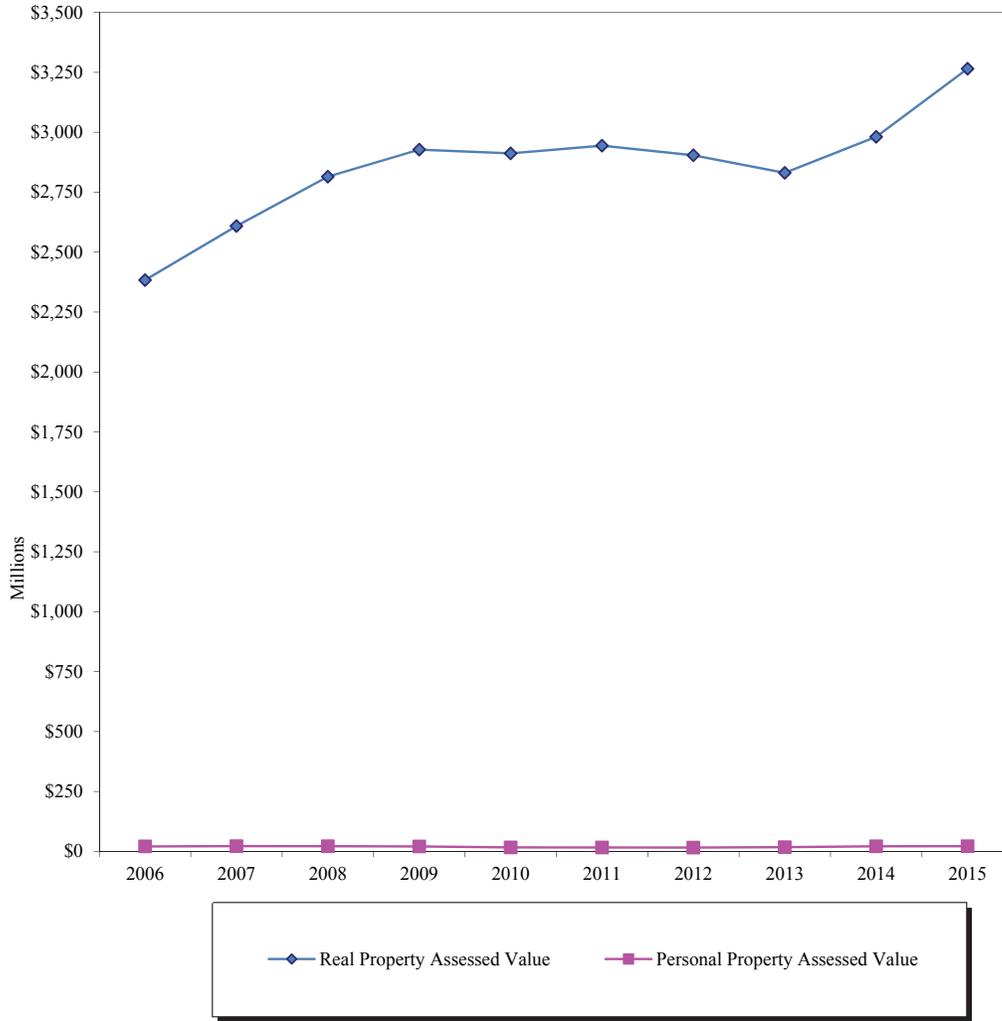
(b) The City implemented the provisions of GASB Statement 54 in fiscal year 2011.

CITY OF EL CERRITO
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Revenues				
Taxes and assessments	\$21,162,256	\$22,415,686	\$23,379,369	\$24,975,937
Less Educational Revenue				
Augmentation Fund	(616,633)			
Intergovernmental revenues	4,654,042	3,763,512	4,171,004	5,110,169
Use of money and property	1,322,204	1,696,056	1,458,886	725,669
Licenses and permits	422,729	450,205	603,221	539,507
Charges for services	2,495,358	2,785,166	3,278,785	3,512,099
Fines and Penalties	349,227	393,054	321,371	407,191
Other revenues	831,586	201,534	99,105	273,561
Total Revenues	30,620,769	31,705,213	33,311,741	35,544,133
Expenditures				
Current:				
General Government	3,070,928	3,081,508	3,533,794	3,580,427
Public Works	2,941,972	2,996,841	3,092,422	2,875,112
Public Safety	12,608,494	13,935,337	14,592,352	15,600,367
Community Development	1,881,896	2,156,522	2,679,068	6,569,301
Recreation	3,367,874	3,636,108	4,049,600	4,025,041
Other Expense	737,734	841,700	881,056	1,204,160
SERAF payment				
Estimated reduction in value of land held for redevelopment				
Payment of sales tax to City of Richmond				
Capital outlay	5,061,747	8,855,971	10,718,280	7,031,727
Debt service:				
Principal repayment	1,327,138	1,384,581	1,537,243	1,805,000
Interest and fiscal charges	1,563,950	2,028,091	2,319,010	2,197,932
Total Expenditures	32,561,733	38,916,659	43,402,825	44,889,067
Excess (deficiency) of revenues over (under) expenditures	(1,940,964)	(7,211,446)	(10,091,084)	(9,344,934)
Other Financing Sources (Uses)				
Transfers in	5,654,473	15,653,636	20,035,545	7,908,882
Transfers (out)	(5,453,786)	(15,451,538)	(19,769,591)	(7,629,630)
Cost of issuance				
Issuance of debt		9,610,000	11,750,000	2,667,000
Gain on extinguishment of debt				
Bond premium		165,836		
Total other financing sources (uses)	200,687	9,977,934	12,015,954	2,946,252
Extraordinary Items				
Assets transferred to Housing Successor				
Assets transferred to/liabilities assumed by Successor Agency				
Net change in fund balances	(\$1,740,277)	(\$1,740,277)	\$2,766,488	\$1,924,870
Debt service as a percentage of noncapital expenditures	12.5%	11.7%	12.8%	13.4%

Fiscal Year Ended June 30,					
2010	2011	2012	2013	2014	2015
\$24,378,133	\$25,079,479	\$24,110,739	\$20,834,072	\$22,540,639	\$23,447,204
5,223,559	7,361,494	6,176,489	8,889,058	7,950,134	9,229,702
458,970	379,673	380,414	473,093	387,375	450,409
579,275	562,760	518,276	516,704	539,567	493,244
3,814,849	3,815,754	4,443,270	4,464,986	4,797,980	4,288,002
352,865	267,673	215,336	288,781	388,365	276,759
253,564	370,485	2,894,000	474,160	212,822	189,696
<u>35,061,215</u>	<u>37,837,318</u>	<u>38,738,524</u>	<u>35,940,854</u>	<u>36,816,882</u>	<u>38,375,016</u>
3,343,431	3,540,090	3,707,012	3,771,911	3,979,356	3,738,775
3,020,511	3,072,366	3,372,882	5,614,913	2,617,605	2,656,789
15,709,011	16,185,600	17,826,518	18,343,774	18,154,272	18,461,031
2,644,586	2,698,325	2,317,779	2,881,192	3,404,976	4,622,769
4,056,060	4,099,382	4,168,182	4,128,702	4,230,866	4,352,987
826,942	886,575	507,493			
1,767,418	363,880				
388,964			1,256,376	3,083,749	
				253,720	245,599
9,856,639	6,562,388	2,167,284	3,566,405	4,867,159	2,427,619
2,008,193	2,140,496	3,150,000	3,711,088	1,400,710	914,158
2,378,710	2,237,135	1,993,445	1,001,529	905,164	874,280
<u>46,000,465</u>	<u>41,786,237</u>	<u>39,210,595</u>	<u>44,275,890</u>	<u>42,897,577</u>	<u>38,294,007</u>
<u>(10,939,250)</u>	<u>(3,948,919)</u>	<u>(472,071)</u>	<u>(8,335,036)</u>	<u>(6,080,695)</u>	<u>81,009</u>
8,996,159	16,898,143	12,161,506	5,594,636	5,216,550	2,688,549
(8,781,818)	(16,604,760)	(11,586,322)	(5,286,919)	(4,889,179)	(2,342,230)
		1,026,800	4,111,800		
		83,202			
<u>214,341</u>	<u>293,383</u>	<u>1,685,186</u>	<u>4,419,517</u>	<u>327,371</u>	<u>346,319</u>
			5,613,091		
			(4,396,265)		
<u>(\$6,398,682)</u>	<u>(\$10,724,909)</u>	<u>(\$3,655,536)</u>	<u>\$2,429,941</u>	<u>(\$3,915,519)</u>	<u>\$427,328</u>
12.0%	12.4%	12.5%	13.9%	6.1%	5.0%

**CITY OF EL CERRITO
ASSESSED AND ESTIMATED VALUE OF ALL PROPERTY
LAST TEN FISCAL YEARS**



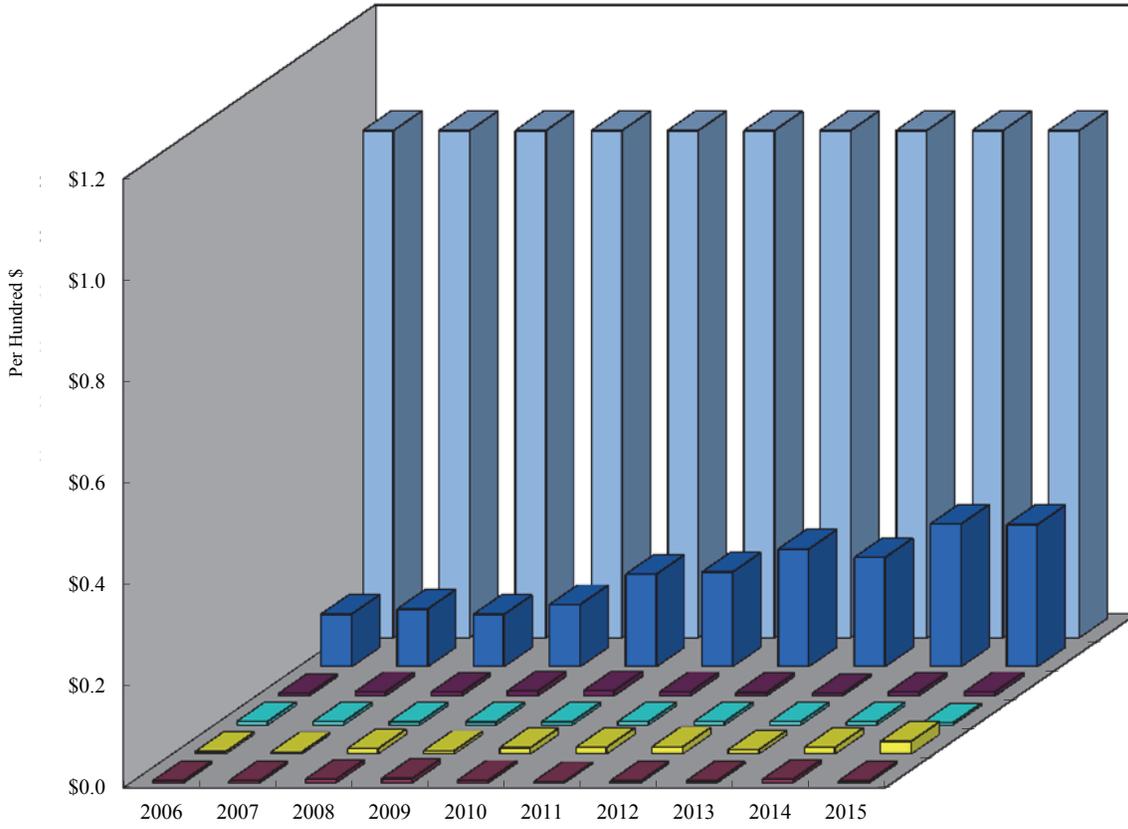
Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value (1)	% Change From Prior Year	Total Direct Rate (2)
2006	\$2,383,452,062	\$20,836,562	\$2,404,288,624	9.2%	1.0%
2007	2,608,772,126	21,920,393	2,630,692,519	9.4%	1.0%
2008	2,814,788,225	21,736,732	2,836,524,957	7.8%	1.0%
2009	2,927,710,822	20,775,358	2,948,486,180	3.9%	1.0%
2010	2,911,917,594	16,634,587	2,928,552,181	-0.7%	1.0%
2011	2,944,230,367	16,412,735	2,960,643,102	1.1%	1.0%
2012	2,903,974,930	15,980,388	2,919,955,318	-1.4%	1.0%
2013	2,830,819,604	17,791,119	2,848,610,723	-2.4%	1.0%
2014	2,981,044,726	21,417,223	3,002,461,949	5.4%	1.0%
2015	3,265,099,858	21,591,610	3,286,691,468	9.5%	1.0%

Source: Contra Costa County Auditor-Controller's Office.

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.

**CITY OF EL CERRITO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Direct and Overlapping Tax Rates

■ Bay Area Rapid Transit District	■ Contra Costa Community College District
■ East Bay Municipal Utilities District	■ East Bay Regional Park Districts
■ West Contra Costa Unified School Districts	■ Contra Costa County

Fiscal Year	Contra Costa County	Bay Area Rapid Transit District	Contra Costa Community College District	East Bay Municipal Utilities District	East Bay Regional Park Districts	West Contra Costa Unified School Districts	Total Direct and Overlapping Tax Rates (1)	Total Direct Rate
2006	\$1.00000	\$0.00480	\$0.00470	\$0.00720	\$0.00570	\$0.10410	\$1.12650	\$0.35959
2007	1.00000	0.00500	0.00430	0.00680	0.00850	0.11430	1.13890	0.35795
2008	1.00000	0.00760	0.01080	0.00650	0.00800	0.10350	1.13640	0.36136
2009	1.00000	0.00900	0.00660	0.00640	0.01000	0.12300	1.15500	0.36778
2010	1.00000	0.00570	0.01260	0.00650	0.01080	0.18280	1.21840	0.35988
2011	1.00000	0.00310	0.01330	0.00670	0.00840	0.18690	1.21840	0.35321
2012	1.00000	0.00410	0.01440	0.00670	0.00710	0.23220	1.26450	0.35287
2013	1.00000	0.00430	0.00870	0.00680	0.00510	0.21570	1.24060	0.35855
2014	1.00000	0.00750	0.01330	0.00660	0.00780	0.28180	1.31700	0.22289
2015	1.00000	0.00450	0.02520	0.00470	0.00850	0.28030	1.32320	0.22288

Source: Contra Costa County Auditor/ Controller's Office.

Notes:

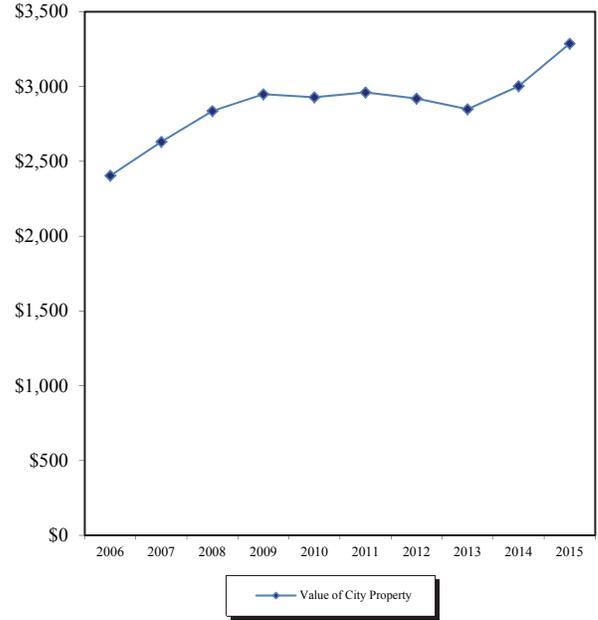
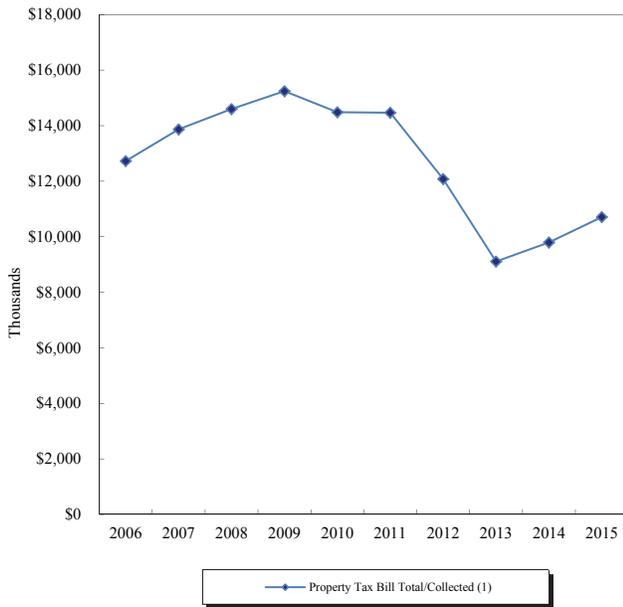
- (1) Rates are per \$100 of assessed value.

CITY OF EL CERRITO
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2014-15			2005-2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MCD-RCCA El Cerrito LLC	\$89,118,277	1	2.7%	\$78,369,065	1	3.3%
KW El Cerrito LLC	46,739,834	2	1.4%			
El Cerrito Shopping Center LLC	17,693,986	3	0.5%			
MG Garden View Apartments LP	17,619,279	4	0.5%			
Civic Plaza Riley Group LLC	15,628,884	5	0.5%			
Lucky FLA NOCAL Investor LLC	14,840,000	6	0.5%			
Pepper Lane SE Square Loop	14,502,073	7	0.4%	6,655,582	8	0.3%
Longs Drugs Stores Inc	10,754,628	8	0.3%			
St Johns Land Partnership	10,458,046	9	0.3%	7,000,000	7	0.3%
El Cerrito Municipal Services	7,381,427	10	0.2%			
Fairfield Del Norte LLC		N/A		24,142,766	2	1.0%
American Stores Properties Inc		N/A		15,751,092	3	0.7%
10944 San Pablo Investors		N/A		13,744,612	4	0.6%
Target Corporation		N/A		11,783,542	5	0.5%
ECD Associates LLC		N/A		11,131,428	6	0.5%
Elliot and Alana Megdal Trust		N/A		6,562,231	9	0.3%
Mira Vista Golf and Country Club		N/A		6,146,342	10	0.3%
Subtotal	\$244,736,434		7.5%	\$181,286,660		7.5%
Total Net Assessed Valuation:						
Fiscal Year 2014-15 & 2005-06	\$3,264,235,176			\$2,404,288,624		

Source: Contra Costa County Assessor Fiscal Year 2013/2014 Combined Tax Rolls

**CITY OF EL CERRITO
PROPERTY TAX LEVIES AND COLLECTIONS BY FUND TYPE
LAST TEN FISCAL YEARS**



Fiscal Year	City Property Tax Levy	RDA Property Tax Increment	Special Assessments	Property Tax Bill Total/Collected (1)	% Change From Prior Year	Value of City Property Subject to Local Tax Rate
2006	\$6,455,190	\$4,422,646	\$1,846,917	\$12,724,753	8.4%	\$2,404,288,624
2007	7,198,376	4,807,391	1,861,531	13,867,298	9.0%	2,630,692,519
2008	7,307,576	5,440,531	1,851,295	14,599,402	5.3%	2,836,524,957
2009	7,538,032	5,848,045	1,856,408	15,242,485	4.4%	2,948,486,180
2010	7,397,021	5,190,553	1,896,445	14,484,019	-5.0%	2,928,552,181
2011	7,580,902	4,978,501	1,908,127	14,467,530	-0.1%	2,960,643,102
2012	7,461,509	2,710,782 (2)	1,908,236	12,080,527	-16.5%	2,919,955,318
2013	7,199,296	(2)	1,908,470	9,107,766	-24.6%	2,848,610,723
2014	7,887,028	(2)	1,908,642	9,795,670	7.6%	3,002,461,949
2015	8,799,514	(2)	1,908,856	10,708,370	9.3%	3,286,691,468

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.

CITY OF EL CERRITO
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	Tax Allocation Bonds	Lease Revenue Bonds	Storm Drain Revenue Bonds	Capital Leases	Sales Tax Revenue Bonds	Acquisition/Developer Notes	Total Governmental Activities
2006	\$23,795,000	\$4,040,000	\$3,340,000	\$1,002,375	-	\$595,785	\$32,773,160
2007	23,155,000	13,440,000	3,000,000	1,149,100	-	566,204	41,310,304
2008	22,405,000	13,225,000	2,640,000	929,335	\$11,750,000	566,204	51,515,539
2009	21,625,000	13,005,000	2,260,000	659,706	11,525,000	3,233,204	52,307,910
2010	20,775,000	12,585,000	1,860,000	1,093,369	11,295,000	3,125,011	50,733,380
2011	19,845,000	12,155,000	1,435,000	976,658	11,055,000	3,009,515	48,476,173
2012	(b)	11,705,000	1,026,800	887,688	10,810,000	(b)	24,429,488
2013	(b)	11,321,500	514,500	2,337,160	10,555,000	(b)	24,728,160
2014	(b)	10,788,700		2,133,692	10,290,000	(b)	23,212,392
2015	(b)	10,235,400		1,925,719	10,020,000	(b)	22,181,119

Fiscal Year	Business-Type Activities				
	Capital Leases	Revenue Refunding Bonds	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2006	-		\$32,773,160	4%	1,396
2007	-		41,310,304	4%	1,765
2008	\$575,835		52,091,374	5%	2,234
2009	988,092		53,296,002	5%	2,272
2010	1,048,059		51,781,439	5%	2,188
2011	4,411,858		52,888,031	6%	2,236
2012	4,129,313		28,558,801	3%	1,201
2013	732,805	\$3,296,100	28,757,065	3%	1,203
2014	625,486	3,067,600	26,905,478	3%	1,117
2015	516,248	2,833,400	25,530,767	2%	1,059

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, 2015

2014-15 Assessed Valuation:	\$3,286,691,468
Less Redevelopment Incremental Valuation:	(557,655,063)
Adjusted Assessed Valuation:	<u><u>\$2,729,036,405</u></u>

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Percentage Applicable to City (2)</u>	<u>Debt 6/30/15 Amount Applicable to City of El Cerrito</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Contra Costa County Pension Debt	2.033%	\$4,815,409
CCC PFA 1998A Lease Revenue Bonds	2.033%	278,860
CCC PFA 1999A Lease Revenue Bonds	2.033%	228,453
CCC PFA 2002A Lease Revenue Bonds	2.033%	149,897
CCC PFA 2002B Lease Revenue Bonds	2.033%	108,739
CCC PFA 2003A Lease Revenue Bonds	2.033%	134,755
CCC PFA 2007A Lease Revenue Bonds	2.033%	2,239,515
CCC PFA 2007B Lease Revenue Bonds	2.033%	647,759
CCC PFA 2009A Lease Revenue Bonds	2.033%	344,514
CCC PFA 2010A-1 Lease Revenue Bonds	2.033%	101,828
CCC PFA 2010A-2 Lease Revenue Bonds	2.033%	266,868
CCC PFA 2010A-3 Lease Revenue Bonds	2.033%	420,728
CCC PFA 2010B Lease Revenue Bonds	2.033%	272,660
CCC PFA 2012 Lease Revenue Bonds	2.033%	234,025
Bay Area Rapid Transit	2.033%	3,654,594
East Bay Regional Park District	2.033%	1,587,471
East Bay MUD Series F Wastewater Bond	67.314%	438,131
West Contra Costa Unified School District 1998 Bond	13.263%	2,700,342
West Contra Costa Unified School District 2000 Bond	13.263%	27,289,241
West Contra Costa Unified School District 2002 Bond	13.263%	48,695,513
West Contra Costa Unified School District 2005 Bond	13.263%	49,372,061
West Contra Costa Unified School District 2010 Bond	13.263%	23,123,339
West Contra Costa Unified School District 2012 Bond	13.263%	21,519,182
Contra Costa Community College 2002 Bond	2.040%	3,799,951
Contra Costa Community College 2006 Bond	2.040%	6,092,205
Contra Costa Community College 2014 Bond	2.040%	2,448,553
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		<u><u>200,964,593</u></u>
<u>DIRECT DEBT:</u>		
Outstanding Tax Override Debt	100.000%	10,020,000
City of El Cerrito City Hall Lease Revenue Bonds	100.000%	10,235,400
Master Equipment Leases	100.000%	1,925,719
TOTAL DIRECT DEBT:		<u><u>22,181,119</u></u>
GROSS COMBINED TOTAL DEBT		<u><u>\$223,145,712</u></u> (1)

Ratios to 2014-15 Assessed Valuation:

Direct Debt	0.81%
Total Gross Overlapping Tax and Assessment Debt	7.36%
Total Overlapping Tax and Assessment Debt	8.18%

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.

**CITY OF EL CERRITO
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2015**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$3,286,691,468</u>
---	------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$493,003,720</u>
---	----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$25,530,767
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Less Tax Allocation Bonds and Revenue Bonds, Capital Leases and Notes Payable not subject to limit	<u>25,530,767</u>
---	-------------------

Amount of debt subject to limit

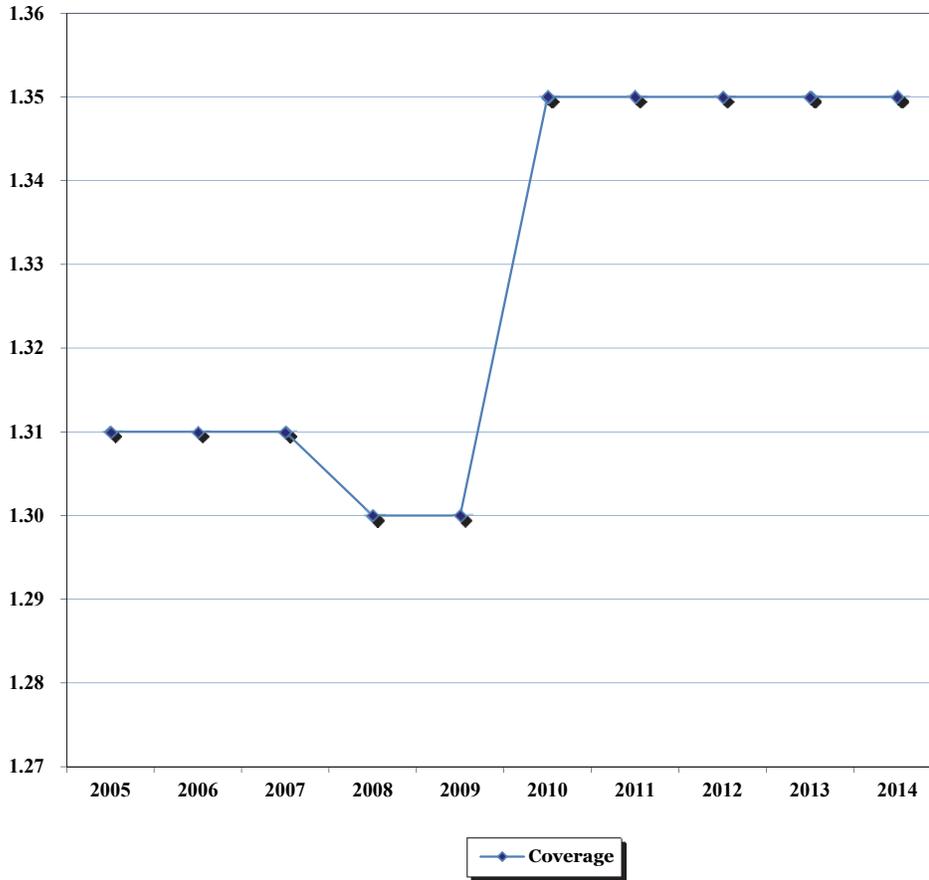
LEGAL BONDED DEBT MARGIN	<u><u>\$493,003,720</u></u>
--------------------------	-----------------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2006	\$360,643,294		\$360,643,294	
2007	394,603,878		394,603,878	
2008	425,478,744		425,478,744	
2009	442,272,927		442,272,927	
2010	439,282,827		439,282,827	
2011	444,096,465		444,096,465	
2012	437,993,298		437,993,298	
2013	427,291,608		427,291,608	
2014	450,369,292		450,369,292	
2015	493,003,720		493,003,720	

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
STORM DRAIN REVENUE BONDS
LAST TEN FISCAL YEARS**



Debt Service Requirements

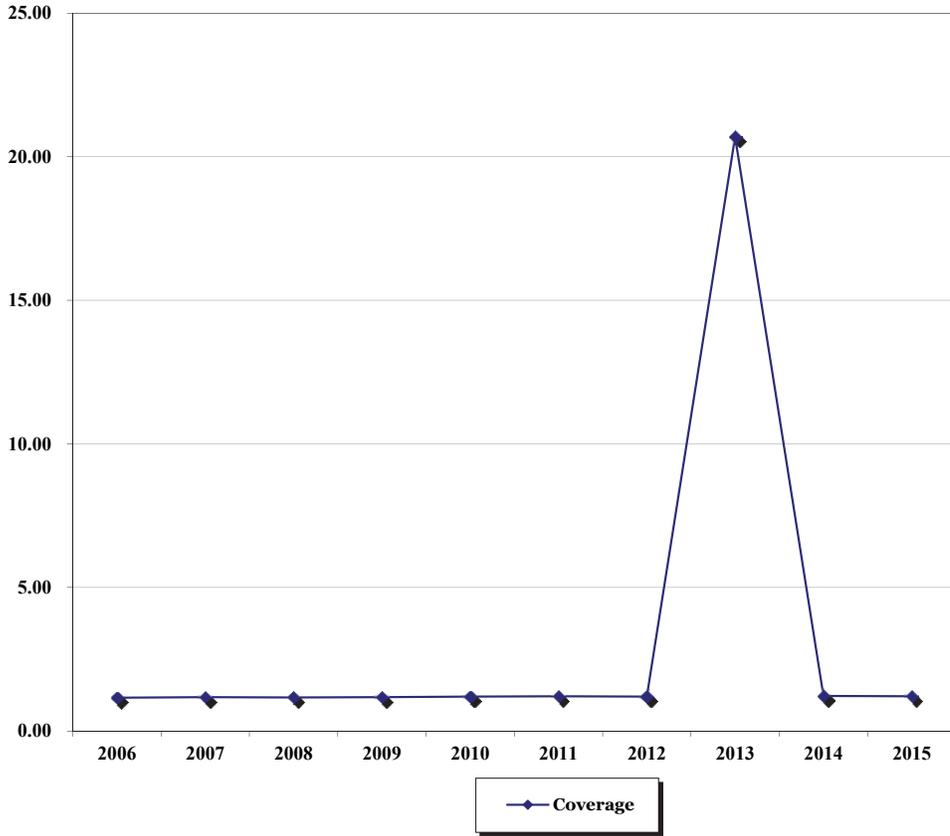
<u>Fiscal Year</u>	<u>Taxes and Assessments (1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2005	\$668,088	\$305,000	\$204,678	\$509,678	1.31
2006	668,240	320,000	189,005	509,005	1.31
2007	672,190	340,000	171,965	511,965	1.31
2008	668,417	360,000	153,675	513,675	1.30
2009	669,748	380,000	134,013	514,013	1.30
2010	693,694	400,000	113,050	513,050	1.35
2011	697,862	425,000	90,613	515,613	1.35
2012	697,951	450,000 (2)	66,552 (2)	516,552	1.35
2013	698,101	512,300	6,106	518,406	1.35 (2)
2014	697,930	514,500	4,330	518,830	1.35 (3)

Notes:

- (1) Includes all taxes and assessments from the Storm Drain Capital Projects Fund.
- (2) The 1993 Storm Drain Bonds were refunded and retired by the 2012 Storm Drain Revenue Refunding Bonds during the fiscal year. Retirements exclude the refunded bond principal and interest of \$985,000 and \$26,088, respectively.
- (3) City made final payment in fiscal year 2013-14.

Source: City of El Cerrito Annual Financial Statements

**CITY OF EL CERRITO
REVENUE BOND COVERAGE
2002 LEASE REVENUE BONDS AND 2012 LEASE REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS**



Debt Service Requirements

<u>Fiscal Year</u>	<u>Taxes and Assessments (1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2006	\$426,509	\$205,000	\$162,590	\$367,590	1.16
2007	430,828	210,000	156,365	366,365	1.18
2008	426,479	215,000	149,990	364,990	1.17
2009	429,470	220,000	143,465	363,465	1.18
2010	439,687	230,000	136,428	366,428	1.20
2011	439,215	235,000	128,578	363,578	1.21
2012	439,158	245,000	120,055	365,055	1.20
2013	439,268		(2) 21,236 (2)	21,236 (2)	20.69
2014	439,477	312,800	46,258	359,058	1.22 (2)
2015	439,508	323,300	40,024	363,324	1.21

Notes:

- (1) Includes all taxes and assessments from the Measure A Parcel Tax Fund.
- (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.

Source: City of El Cerrito Annual Financial Statements

**CITY OF EL CERRITO
REVENUE BOND COVERAGE
2008 SALES TAX REVENUE BONDS
LAST SEVEN FISCAL YEARS**

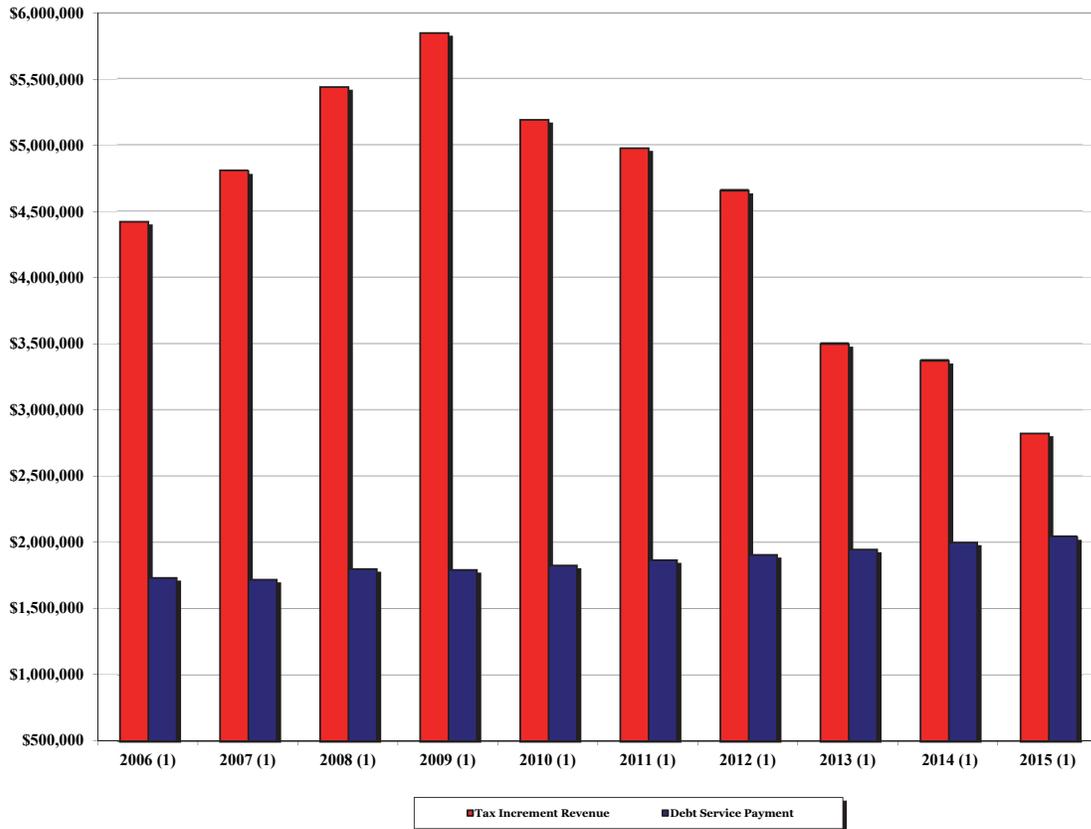
Fiscal Year	Taxes and Assessments ⁽²⁾	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009 ⁽¹⁾	\$1,348,938	\$225,000	\$471,024	\$696,024	1.94
2010	1,334,628	230,000	509,102	739,102	1.81
2011	1,375,828	240,000	501,052	741,052	1.86
2012	1,546,542	245,000	492,653	737,653	2.10
2013	1,141,958	255,000	484,078	739,078	1.55
2014	1,453,527	265,000	475,152	740,152	1.96
2015	1,399,734	270,000	466,408	736,408	1.90

Notes:

- (1) City of El Cerrito issued the bonds in fiscal 2008, however no principal or interest payments were due in that fiscal year, and sales tax revenues were not collected until fiscal year 2009.
- (2) Includes all taxes and assessments from the Street Improvement Fund.

Source: City of El Cerrito Annual Financial Statements

**CITY OF EL CERRITO
 BONDED DEBT PLEDGED REVENUE COVERAGE
 TAX ALLOCATION BONDS
 LAST TEN FISCAL YEARS**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006 (1)	\$4,422,646	\$625,000	\$1,107,839	\$1,732,839	2.55
2007 (1)	4,807,391	640,000	1,080,117	1,720,117	2.79
2008 (1)	5,440,531	750,000	1,049,608	1,799,608	3.02
2009 (1)	5,848,045	780,000	1,015,992	1,795,992	3.26
2010 (1)	5,190,553	850,000	979,798	1,829,798	2.84
2011 (1)	4,978,501	930,000	938,331	1,868,331	2.66
2012 (1)	4,660,032 (2)	1,020,000	891,030	1,911,030	2.44
2013 (1)	3,502,901 (3)	1,110,000 (4)	839,248 (4)	1,949,248	1.80
2014 (1)	3,375,902 (3)	1,215,000 (4)	785,844 (4)	2,000,844	1.69
2015 (1)	2,826,462	1,315,000	730,820	2,045,820	1.38

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.
 - (4) Debt service is paid by the Successor Agency.

CITY OF EL CERRITO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>City Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Median Population Age (3)</u>	<u>Median Household Income (3)</u>	<u>Unemployment Rate (4)</u>	<u>Public School Enrollment (5)</u>	<u>Contra Costa County Population (1)</u>	<u>City Population % of County</u>
2006	23,471	\$899,831,198	42.7	\$38,338	4.3%	3,989	1,029,377	2.28%
2007	23,407	966,170,739	42.7	41,277	3.8%	3,989	1,042,341	2.25%
2008	23,320	1,008,123,600	42.7	43,230	4.1%	3,082	1,051,674	2.22%
2009	23,461	1,024,823,402	42.7	43,682	5.5%	3,082	1,061,223	2.21%
2010	23,666	1,000,290,822	44.4	42,267	9.2%	3,076	1,072,953	2.21%
2011	23,648	899,049,664	43.1	38,018	10.0%	3,076	1,056,064	2.24%
2012	23,774	972,380,000	43.7	40,901	9.3%	3,316	1,065,117	2.23%
2013	23,910	1,022,129,000	43.3	42,749	6.3%	3,304	1,079,597	2.21%
2014	24,087	1,018,350,000	44.5	42,278	5.4%	(6)	1,087,008	2.22%
2015	24,115	1,053,560,000	44.4	43,689	5.4%	(6)	1,102,871	2.19%

- Sources:
- (1) California Department of Finance.
 - (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) State of California Employment Development Dept.
 - (5) West Contra Costa County Unified School District.
 - (6) Not available

**CITY OF EL CERRITO
Principal Employers
Fiscal 2014-2015 (1)**

Employer

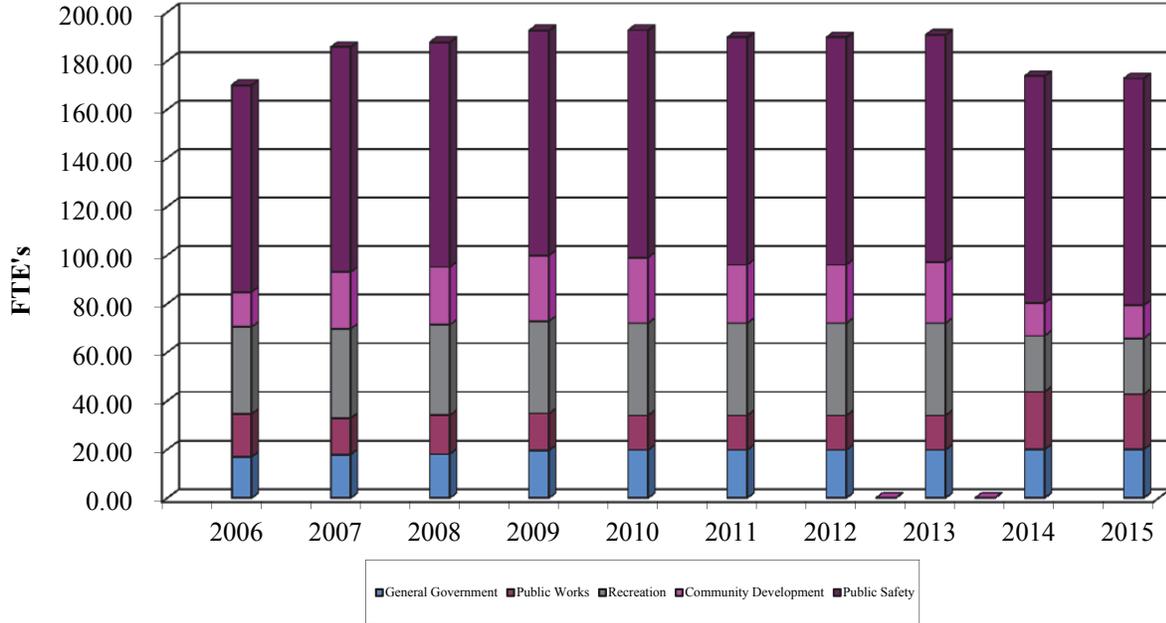
Barnes and Noble
Bed Bath & Beyond
City of El Cerrito
CVS Pharmacy
El Cerrito Royale
Fat Apple's Restaurant
Home Depot
Honda of El Cerrito
Lucky's
Mira Vista Golf and Country Club
Nation's
Pastime Hardware
Prospect Sierra School
Romano's Macaroni Grill
Safeway
Shields Nursing Center
Tehiyah Day School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

Source: City of El Cerrito

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

(1) Data for fiscal year 2015 was not available, therefore information from fiscal year 2013 is presented

CITY OF EL CERRITO
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General Government	16.95	17.95	18.10	19.60	19.80	19.80	19.80	19.80	20.00	20.00
Public Works	17.75	15.00	16.00	15.25	14.25	14.25	14.25	14.25	23.80	22.80
Recreation	35.76	36.75	37.25	38.00	38.00	38.00	38.00	38.00	23.00	23.00
Community Development	14.40	23.35	23.75	27.00	27.00	24.00	24.00	(a) 25.00	(a) 13.50	13.50 (a)
Public Safety	85.09	92.55	92.55	92.55	93.55	93.55	93.55	93.55	93.40	93.40
Total	169.95	185.60	187.65	192.40	192.60	189.60	189.60	190.60	173.70	172.70 (b)

Source: City of El Cerrito Adopted Operating Budget

Notes: (a) Includes Environmental Services Division

(b) Amounts prior to 2014 include part time positions. 2014 includes only full-time positions.

CITY OF EL CERRITO
Operating Indicators by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Community Development:										
Planning:										
Number of Permits	299	215	136	117	122	89	103	135	199	122
Building:										
Permits Issued	1,357	1,377	1,288	1,122	1,231	1,249	1,178	1,572	1,137	1,148
Annual Inspections	10,195	8,906	7,579	6,292	7,180	5,908	7,483	7,445	8,744	9,272
Public Safety:										
Fire:										
Number of Responses	3,059	2,929	2,926	2,881	2,823	2,764	2,820	2,973	2,956	3,018
Police:										
Number of Responses	22,881	24,944	25,415	25,760	25,497	24,490	21,812	24,753	25,160	33,376
Recreation:										
Recreation Administration/ Non-Departmental:										
Drop-In Sales	376	1,008	451	711	989	676	0	0	19	23
Childcare Administration:										
Participants	2,970	1,042	1,240	1,443	1,989	1,627	2,011	1,512	1,482	1,510
Aquatics:										
Enrollments	4,539	4,305	4,489	5,737	5,512	5,265	4,525	4,669	5,003	4,636
Pass Sales	2,798	3,054	3,350	3,865	3,929	3,927	3,684	3,491	3,719	3,439
Facility Rentals	85	124	120	116	103	105	154	416	397	445
Drop-In Sales	17,076	19,738	21,155	21,856	21,344	21,272	22,851	26,225	30,922	30,367
Senior Services:										
Enrollments	3,080	3,377	3,255	2,736	2,583	2,817	2,030	1,417	1,806	1,656
Facility Rentals	40	77	40	13	2	2	30	17	**	45
Drop-In Sales	1,002	1,030	1,192	1,126	1,307	897	7,257	20,669	***	21,993
Adult/Community Services:										
Enrollments	1,434	1,393	1,353	1,668	2,469	2,320	968	1,180	1,391	1,393
Pass Sales	281	240	250	252	232	230	281	191	210	174
Facility Rentals	1,257	1,046	1,241	1,304	1,243	1,245	2,560	3,856	4,224	
Youth Services:										
Enrollments	3,705	2,250	1,831	2,002	3,853	4,080	5,200	7,163	11,538	7,535
Pass Sales	0	332	240	252	254	195	101	166	20	-
Drop-In Sales	344	209	398	112	181	203	357	40	0	24

* 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

CITY OF EL CERRITO
Capital Asset Statistics by Function/ Program
Information as available - Last Ten Fiscal Years

Function/ Program	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Public Safety:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Miles of streets	68	68	68	68	68	68	68	68	68	68
Street lights	1606	1606	1606	1606	1606	1606	1606	1606	1606	1606
Traffic signals	11	11	11	11	11	11	11	11	11	11
Culture and Recreation:										
City parks	11	11	11	11	11	11	11	11	11	11
City park acreage	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6	31.6
Playgrounds	7	7	7	7	7	7	7	7	7	7
City trails	3	3	3	3	3	3	3	3	3	3
City trails-miles	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Community center	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Performing arts center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis court sites	6	6	6	6	6	6	6	6	6	6
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Library	1	1	1	1	1	1	1	1	1	1
Administration:										
City Hall	1	1	1	1	1	1	1	1	1	1
Recycling Center	1	1	1	1	1	1	1	1	1	1

Source: City of El Cerrito

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