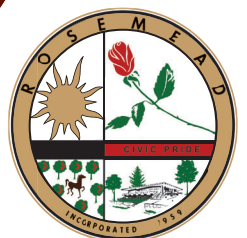


CITY OF ROSEMEAD, CALIFORNIA

Annual Comprehensive Financial Report

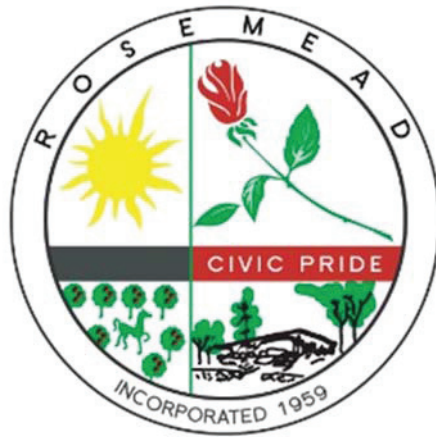
Fiscal Year Ended June 30, 2022





City of Rosemead

Rosemead, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

Prepared By:
Finance Department

Bryan Chua
Finance Director

Tess Anson
Finance Manager





CITY OF ROSEMEAD, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Introductory Section



MAYOR:
SEAN DANG

MAYOR PRO TEM:
STEVEN LY

COUNCIL MEMBERS:
SANDRA ARMENTA
MARGARET CLARK
POLLY LOW



City of Rosemead

8838 E. VALLEY BOULEVARD
ROSEMEAD, CALIFORNIA 91770
TELEPHONE (626) 569-2100
FAX (626) 307-9218

December 16, 2022

To the Honorable Mayor, City Council, City Manager, and Residents of the City of Rosemead

We proudly present to you, the Annual Comprehensive Financial Report (ACFR) of the City of Rosemead for the fiscal year ended June 30, 2022. It was prepared by the Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB).

Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe that the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the City and the results of its operations; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Management of the City is also responsible for establishing and maintaining internal control designed to ensure that the assets of the government 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 U.S. generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived.

The City of Rosemead's financial statements have been audited by Lance, Soll, & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Rosemead for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Rosemead's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is present as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standard governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal

requirements involving the administration of federal awards. These reports are available in the City of Rosemead's separately issued Single Audit Report.

Managements' discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the City's basic financial statements. This letter of transmittal complements the MD&A and the financial statements, and it should be read from that perspective and in conjunction with all sections of the ACFR. The Statistical section, which is unaudited, includes selected financial and demographic information generally presented on a multi-year basis.

Profile of the Government

The City of Rosemead, incorporated in 1959, is located in the southwestern part of the state. The City occupies a land area of 5.5 square miles and serves a population of 50,511. As a general law city, Rosemead operates under the Council-Manager form of government.

The City Council consists of five City Council Members who are elected at large by the citizens of Rosemead and are on a rotational Mayor and Mayor Pro Tem term. The Council, as the legislative body, is responsible for, among other things, establishing policy, passing ordinances and resolutions, adopting the annual budget, appointing members to various City Commissions, and appointing the City Manager, City Attorney, and City Clerk. The Council conducts City Council meetings and study sessions as required. The City Manager is responsible for carrying out the policies and ordinances for the City Council, for overseeing the day-to-day operations of the government, and for appointing department directors.

The City has two blended component units: (1) the Rosemead Financing Authority (the Authority); and (2) the Rosemead Housing Development Corporation (RHDC). Additional information on all three of these legally separate entities can be found in Note 1(a) in the notes to the financial statements.

Municipal services are provided to Rosemead residents in a variety of methods including a city workforce, contract services, and special districts. Administration, Finance, Public Works, Parks and Recreation, and Planning services are provided by City Staff while Building and Safety, Information Technology, City Attorney, Engineering, capital improvement projects, and some street maintenance efforts are provided through contracts with private firms funded by the City. The City's largest public agency contract is for law enforcement and traffic control services provided by the Los Angeles County Sheriff's Department. Fire Protection, Library and Flood Control are provided by special districts within Los Angeles County which are primarily funded through a portion of the ad valorem property taxes.

Public schools serving residents of Rosemead are under the authority of independent school districts, but the City works closely with the districts to provide quality educational opportunities for grades K-12. Garvey School District, Rosemead School District, and El Monte Union High School District serve residents of Rosemead. There are 9 elementary schools, 3 middle schools, and 1 high school.

Budgetary Controls

The annual budget serves as the foundation for the City of Rosemead and its component units for financial planning and control. The development of the Fiscal Year Annual Operating Budget begins

in January with the dissemination of the budget preparation guidelines. All departments and component units of the City are required to submit requests for appropriation to the City Manager in March of each year. The Finance Department, under the direction of the City Manager, uses these requests as the starting point for developing a proposed budget. The City Manager presents the proposed budget to the City Council for review prior to June 30. The City Council holds public meetings on the proposed budget and adopts the final budget no later than June 30, the close of the City of Rosemead's fiscal year. The appropriated budget is prepared by fund and department (e.g., public safety).

The City's budget policy is that all appropriations for operating accounts lapse at fiscal year-end. Outstanding operating account encumbrance balances at fiscal year-end are paid from the appropriations in which the invoice is paid. City Council may amend the budget at any time during the fiscal year. The City Manager may authorize budget transfers between programs and departments within the same fund while budgetary changes between funds require City Council approval.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, these comparison schedules are presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund, and major special revenue funds, the comparison schedules are presented in the other supplementary section of the accompanying financial statements.

Economic Condition and Outlook

Higher inflation has accompanied the economic recovery at the global, national, and local levels. The Los Angeles-Long Beach-Anaheim area Consumer Price Index increased by 8.6% percent in Fiscal Year 2022, almost quadrupling the fairly steady rate established subsequent to the COVID-19 pandemic. June 2022 over June 2021 food prices increased 9.3%. The index for all items excluding food and energy increased by 6.0% year over year. Energy prices increased 38.4 percent, owing primarily to an increase in the price of gasoline.

Along with the infusion of stimulus from the Fed, the consumer has also been very resilient during the course of the pandemic, causing a faster return to normalcy. The current challenge of the Fed is to curb inflation by effectively destroying consumer demand without causing a recession. It is a complex balancing act that the Fed is tasked with. The Fed started raising the federal funds rate early this calendar year. The federal funds rate is the overnight rate at which commercial banks borrow and lend their excess reserves to one another. Changes in the federal funds rate can affect credit card interest, mortgage rates, and savings account rates, to name a few. Recent steps taken by the Federal Reserve Board to reduce inflation are expected to exert downward pressure on consumer demand, slowing growth by year's end and into 2023.

Due to a stable property tax base and a reasonably diverse sales tax base, the City of Rosemead has a solid financial foundation. However, the fiscal impact of rising inflation and the Fed's actions cause economic uncertainty. The City's future economic health will be dependent on maintaining healthy reserves through fiscally conservative budgets and policies, in addition to aggressively pursuing

economic development opportunities. As part of its sound, conservative fiscal policy, the City will keep an eye on important economic indicators, revenue sources, and spending levels.

Property tax, including Property Tax In-Lieu of VLF, is the City's largest tax source at \$10.9 million and makes up approximately 40% of the General Fund revenues. Total assessed value from the 2021-22 tax roll is \$5.2 billion, up \$124 million from the prior year. Residential property represents 95% of this growth as housing values rise. The median sales price growth experienced in 2021 was larger than that seen in any year since the first year of the recovery after the Great Recession. The median sales price for a single-family home increased from \$695,000 to \$850,000 over the past year. The residential category assessed value increased approximately \$217 million, which represents a 5.4% increase. Because the City of Rosemead is classified as a 'no-low property tax city', the General Fund retains just \$0.0668 for every dollar of property tax collected within the City.

Sales and use tax revenue is the second largest revenue source for the General Fund, at \$6.9 million and represents approximately 25% of the General Fund revenues. Consumer goods continue to be the top category of sales tax generating businesses in Rosemead, generating 34% of sales tax revenues followed by 21% from restaurants and hotels.

Transient occupancy tax (TOT) and recreation program revenues were most negatively impacted by the pandemic. Typically the third largest source of income to the General Fund pre-pandemic, TOT receipts are in fourth position, behind increased building permit revenue. Recreation program revenue continues to be below the pre-pandemic level of \$867,400 in FY 2019 to just \$565,100 in FY 2022. However, compared to FY 2021, recreation program revenue increased \$420,900 as programs and classes started to reopen. The City anticipates utilizing a portion of the funds provided through American Rescue Plan Act of 2021, signed by President Biden on March 11, 2021, to offset losses due to the pandemic as allowed by the Act. The City also anticipates that these revenues will rebound once the COVID-19 Emergency is over and the local economy returns to normalcy.

President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law in March 2021. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic consequences, and the City received \$17.9 million as part of it. The City Council accepted the \$10 million standard revenue loss allowance provided in the ARPA Final Rule on April 26, 2022, which was then transferred from the ARP fund, which received the funds, to the SLFRF fund, which was established to track the expenditure of the \$10 million. Several Council meetings were held to discuss the use of the \$10 million standard revenue loss allowance and the remaining \$7.9 million ARPA funds, which have been partially spent in Fiscal Year 2022 and partially reflected in the Fiscal Year 2023 Budget.

Long-Term Financial Planning

In addition to managing the City's money in a manner that ensures Rosemead is financially stable, the long-term Strategic Plan reflects the City Council's continued commitment to support high quality municipal services, provide for the maintenance and expansion needs of the City's infrastructure and facilities, and profile the City's economic development strategy. The City's first Strategic Plan was adopted by the City Council in 2009 and was to guide the organizational efforts of the Council, Commissions, and staff to meet its 'Vision 2020' goal. The strategic planning process, and subsequent updates, included an extensive public outreach process and a series of public meetings. Updated

every two years, the Strategic Plan for 2018-2020 uses the City of Rosemead's vision and key organizational goals to set clear priorities and action items for the succeeding two years. The vision, key organizational goals, and action items in the Strategic Plan update are designed to guide the decisions of the City Council, focus of the City administration, and daily work of City staff.

In December 2021, the City Council adopted a 2030 Strategic Plan which focuses and values safety, diversity, community, service, and family. This vision will assist in creating a safe, welcoming, connected, and active city, a destination with thriving local businesses, well-maintained parks and infrastructure, and quality programming and services which support the entire City. Our overall mission is for Rosemead to provide quality programs, services, and support that builds relationships, increase opportunities, and make Rosemead a great place to live, work, and play.

Major Accomplishments

The Public Works Department completed four major projects during the year including replacement of the HVAC system at the Garvey Park Gymnasium, the Jay Imperial Crosswalk Installation and Sidewalk Replacement Project, a community garden on Del Mar Avenue, and the Rosemead Park walking trail. The projects were funded from a variety of sources including General Fund, Community Development Block Grant, Measure M, Measure R, and Transportation Development Act funds.

Throughout 2021 and through a majority of 2022, the City actively worked on the 6th Cycle Housing Element for the 2021-2029 planning cycle. The process involves the evaluation of current and future needs, analysis of local housing production constraints, identification of adequate housing sites, establishing new policies and programs, drafting the updated Housing Element document, and preparing an Addendum to the General Plan Environmental Impact Report. The City's 6th Cycle Housing Element was certified by the State Department of Housing and Community Development (HCD) on August 1, 2022. The City of Rosemead was number 21 out of 197 SCAG jurisdictions to be certified.

Throughout 2021 and through a majority of 2022, the City actively worked on the 6th Cycle Housing Element for the 2021-2029 planning cycle. The process involves the evaluation of current and future needs, analysis of local housing production constraints, identification of adequate housing sites, establishing new policies and programs, drafting the updated Housing Element document, and preparing an Addendum to the General Plan Environmental Impact Report. The City's 6th Cycle Housing Element was certified by the State Department of Housing and Community Development (HCD) on August 1, 2022. The City of Rosemead was number 21 out of 197 SCAG jurisdictions to be certified.

In response to Goal H of the City's 2030 Strategic Plan Land Use and Zoning Goal to "Attract new business by streamlining the alcohol licensing permit process," the City Council approved a code amendment to streamline the current alcohol license permitting process from a Conditional Use Permit to an Administrative Use Permit, to allow restaurants with a minimum requirement of 1,000 square feet to serve beer/wine incidental to sit-down dining. The AUP process is administrative and approved by the Director of Community Development. The amendment was intended to assist the City's restaurant business community that are facing economic hardship from the COVID-19 pandemic.

Earlier this year, the City Council approved the City's first food hall, "The Myriad". The food hall will contain 27 leasable areas that range from a 15 square foot kiosk to a 3,800 square foot unit, indoor and outdoor dining areas, and a rooftop deck. The City Council also approved Prospect Villa, a mixed-use project located within the Garvey Avenue Specific Plan that consists of 75 residential units (30 of which are live/work units) and 6,346 square feet of commercial floor area.

Lumina Walk, a residential planned development consisting of 31 residential units completed construction this year. All units have been sold. In addition, Garvey Garden Plaza, Garvey Earle Plaza, and Welbe Health have also completed construction. Garvey Garden Plaza consists of 46 residential units and 11,860 square feet of commercial floor area. Garvey Earle Plaza consists of 34 residential units and approximately 7,000 square feet of commercial floor area. Welbe Health is a program of all-inclusive care for the elderly (PACE) and provides full-service health care and personalized support for those ages 55 and over.

Future Initiatives

Since the City's 6th Cycle Housing Element for the 2021-2029 planning cycle is adopted and certified by HCD, the City will be implementing the programs and actions identified in the Housing Element to achieve the goals and housing policies during the 2021-2029 planning period. In addition, the City is initiating an update to the Zoning Code, General Plan, and Zoning Map. The project includes but is not limited to updates to comply with State laws, updates to existing zoning districts, uses, and development standards within each, updates to the sign code, updates to the off-street parking requirements, and adding the Residential/Commercial Mixed-Use Overlay to additional commercial and industrial zones in the City.

It is expected that the entitlement applications for Mission Villas and Strathmore/Garvey Mixed-Use Project will be processed. Mission Villas is a residential planned development consisting of 37 residential units, four of which will be affordable units. The Strathmore/Garvey Mixed-Use Project is located within the Garvey Avenue Specific Plan and consists of 93 residential units (24 of which are live/work units) and 18,224 square feet of commercial floor area.

Furthermore, Garvey Del Mar Plaza and the Taiwan Center Mixed-Use Project will break ground and begin construction. Garvey Del Mar Plaza is a mixed-use project located within the Garvey Avenue Specific Plan and consists of 92 residential units (27 of which are live/work units) and 35,548 square feet of nonresidential floor area. The Taiwan Center Mixed-Use Project consists of 42 residential units, seven of which will be affordable units and 17,394 square feet of commercial floor area.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rosemead for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 4th consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental management. To be awarded this certificate, a government must publish an easily readable and efficiently organized ACFR, with contents that conform to program standards. The report must satisfy both generally accepted accounting principles and all applicable legal requirements. We believe the current Annual Comprehensive Financial Report conforms to the

Certificate of Achievement program requirements and are submitting it to GFOA to determine its eligibility for a certificate for the fiscal year ended June 30, 2022.

The preparation of this report is made possible by the talent and dedicated services of the Finance Department staff with special recognition to Tess Anson, Finance Manager. In addition, appreciation is extended to our independent auditors, Lance, Soll & Lunghard, LLP, for its expertise and advice in preparing this year's financial report. We also thank the Mayor and members of the City Council in their interest and support in planning and conducting the financial operations and corresponding financial disclosures of the City in an open, public, and transparent manner.

Respectively submitted,



Bryan Chua
Finance Director/City Treasurer

City of Rosemead
City Officials as of June 30, 2022

CITY COUNCIL



Sean Dang
Mayor



Steven Ly
Mayor Pro Tem



Sandra Armenta
Council Member



Margaret Clark
Council Member



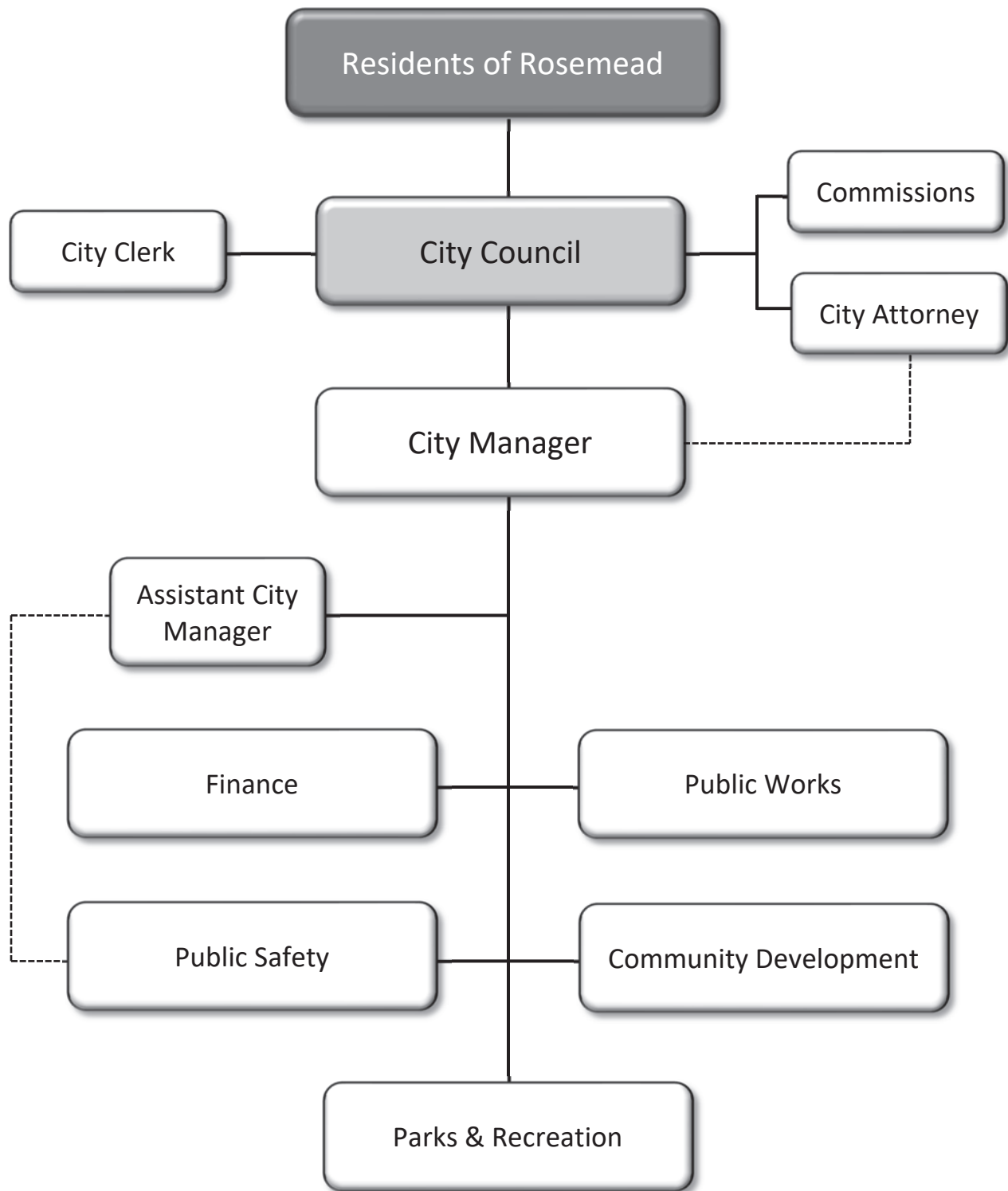
Polly Low
Council Member

EXECUTIVE STAFF

City Manager – Ben Kim

City Clerk Ericka Hernandez
City Attorney Rachel H. Richman
Assistant City Manager Mike Bruckner
Chief of Police (LA County Sheriff's Dept)..... Vacant
Director of Community Development (Interim) Stan Wong
Director of Finance Bryan Chua
Director of Parks & Recreation Thomas Boecking
Director of Public Works.....Michael Chung

City of Rosemead
Organizational Chart



Government Finance Officers Association Award



Government Finance Officers Association

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

Presented to

**City of Rosemead
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rosemead for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The award is valid for a period of one year only. We believe our current report continues to conform to the program requirements and will therefore, be submitting it to GFOA for consideration.

The City of Rosemead has received the Certificate of Achievement for the last 4 consecutive years.



Financial Section





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Rosemead, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rosemead, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



To the Honorable Mayor and Members of the City Council
City of Rosemead, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

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



To the Honorable Mayor and Members of the City Council
City of Rosemead, California

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
December 16, 2022





Management's Discussion & Analysis



City of Rosemead
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022

The following Management's Discussion and Analysis (MD&A) of the City of Rosemead's financial performance provides an introduction and overview to the financial activities of the City of Rosemead for the fiscal year ended June 30, 2022. This narrative discussion and analysis focuses on the current year's activities, resulting changes and currently known facts; therefore, the information presented herein should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- As of June 30, 2022, the City's net position (total assets and deferred outflows of resources less liability and less deferred inflows of resources) is \$94.4 million, an increase of \$6.5 million over the prior fiscal year.
- As of June 30, 2022, governmental activities total revenue was \$37.9 million and total expenses for all functions and programs were \$31.4 million. The City's net position increased by \$6.5 million during the year.
- The City's total governmental funds reported combined ending fund balances of \$53.4 million, an increase of \$6.0 million over the prior year. Of this \$53.4 million, \$0.4 million was non-spendable, \$24.9 million was restricted, \$10.1 million was committed, \$132 thousand was assigned, and \$17.8 million was unassigned.
- General Fund revenues were \$1.7 million more than the final budget, and expenditures were \$2.0 million less than the final budget, thereby General Fund revenues exceeded expenditures by \$2.8 million.
- The General Fund's fund balance at the close of the fiscal year was \$28.6 million, an increase of \$3.0 million over the prior year. Of this \$28.6 million, \$17.9 million, representing 63% of expenditures, was unassigned and \$10.1 million was committed to meet the City's fund balance policy requirement of 40% of expenditure.
- There was a net beginning net position restatement of \$12,497 thousand to adjust Government Activities due to GASB 87 implementation. See Note 1 for more details.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis portion of the annual report is intended to serve as an introduction to, and provide the reader with a fundamental understanding of, the Annual Comprehensive Annual Report (ACFR) for the City of Rosemead. The ACFR is divided into four main sections. First is the Introduction Section which provides the letter of transmittal, an organizational chart, and a list of City officials. The Introductory Section is followed by the Financial Section, which contains the independent auditor's report, the management's discussion and analysis, and finally the basic financial statements. These statements contain the "core" financial information for the City of Rosemead. The basic financial statements include the government-wide financial statements, followed by the fund financial statements, and finally, the notes to the financial statements. The Financial Section is followed by the Supplemental Data portion of the report, which provides individual fund and combining information that rolls up into the amounts shown in the basic financial statements. The final portion of the ACFR is the Statistical Section. This section presents selected financial and demographic information, generally presented on a multi-year basis.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Rosemead's finances, in a manner similar to a private-sector business. Information contained within the government-wide statements includes the entire City government (except fiduciary funds). These statements use the accrual basis of accounting with the measurement focus on that of economic resources

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

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. This means revenues and expenses in this statement are recorded when earned or a liability is incurred. Thus, items such as the value of earned but unused vacation leave will be recorded as an expense of the current period, even though the actual use of the vacation time may not be until subsequent periods.

Typically, government-wide financial statements are distinguished between *governmental activities* which are principally supported by taxes or intergovernmental revenues and *business-type activities* which are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City of Rosemead include general government, public safety, community development, parks and recreation, and public works. The City of Rosemead does not have any business-type activities.

The government-wide financial statements include not only the City of Rosemead itself (known as the *primary government*) but also two blended component units- the Rosemead Financing Authority and the Rosemead Housing Development Corporation and one fiduciary component unit- the Rosemead Successor Agency. The City is financially accountable for these entities and financial information for these blended and fiduciary units are reported within the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rosemead, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. All of the funds of the City of Rosemead can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Only assets expected to be used and liabilities that come due during the year or soon thereafter are reported on the Balance Sheet. No capital assets are included. Revenues for which cash is received during or soon after the end of the year, and expenditures for goods and services that have actually been received during the year, are included within the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes In Fund Balance provide a reconciliation to facilitate this comparison.

The City of Rosemead and its component units maintain 23 individual governmental funds. Individual fund information is presented for the "major" funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The "major" funds presented include the General Fund, American Rescue Plan Fund, and the SLFRF Fund. Information for the remaining governmental funds is combined into a single, "other governmental funds" column on the face of the financial statements. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" presented in the Supplemental Data portion of the report. The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary Funds are used to report two types of funds: enterprise funds and internal service funds. Enterprise funds report the same functions presented as "business-type" activities in the government-side financial statement. These include activities that the City operates similar to a private business. The City of Rosemead does not have any enterprise funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment operations and replacement, and information services operations and equipment replacement. Because these two services benefit governmental type functions, the activity has been included within "governmental activities" in the government-side financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information section of this report. The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the funds are custodial in nature, and therefore, are not available to support City of Rosemead programs. The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 80-112 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Rosemead's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information and notes can be found on pages 66-79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

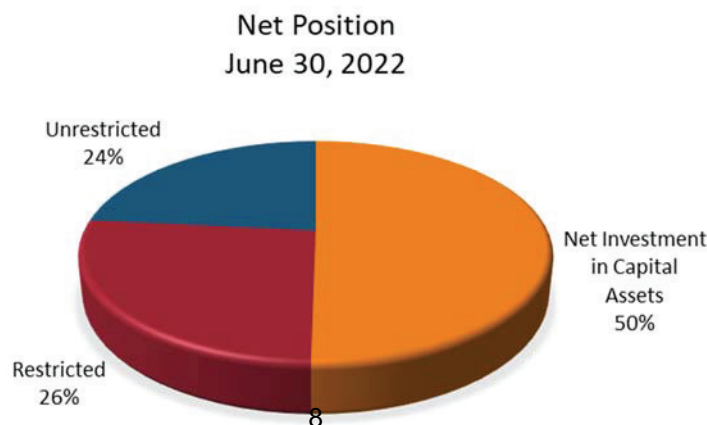
Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2022, the City's net position totaled \$94.4 million. Total net position increased by \$6.5 million or 7.4% when compared to the prior year mainly due to an increase in cash. Cash increased by \$15.7 million which was partially offset by the unearned revenue of \$8.9 million in American Rescue Plan Act (ARPA) funding.

The chart below reflects the City's net position for the fiscal year ended June 30, 2022 with comparative data for the fiscal year ended June 30, 2021.

Net Position
As of June 30, 2022 and 2021

	Governmental Activities		
	2022	2021	Change
Current and other assets	78,704,080	62,367,412	16,336,668
Capital assets	47,946,882	47,444,803	502,079
Total assets	126,650,962	109,812,215	16,838,747
Deferred outflows of resources	2,435,033	2,566,490	(131,457)
Long-term liabilities outstanding	5,242,029	9,851,185	(4,609,156)
Other liabilities	23,887,914	13,191,250	10,696,664
Total liabilities	29,129,943	23,042,435	6,087,508
Deferred inflows of resources	5,522,616	1,392,220	4,130,396
Net position:			
Net Investment in Capital Assets	47,464,095	47,444,803	19,292
Restricted	24,948,999	21,872,184	3,076,815
Unrestricted	22,020,342	18,627,063	3,393,279
Total net position	\$ 94,433,436	\$ 87,944,050	\$ 6,489,386

The City's net position of \$94.4 million is made up of three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. The largest portion, \$47.5 million or 50%, of the City's net position reflects the net investment in capital assets such as land, buildings, machinery, and equipment, less any related debt used to acquire those assets that were still outstanding. The City of Rosemead uses these capital assets to provide services to the residents of the City, consequently, these assets are not available for meeting current financial obligations. An additional portion of \$24.9 million or 26% of the City's net position represents various resources subject to external restrictions on how they may be used. These net position amounts are said to be restricted. The remaining balance of unrestricted net position of \$22.0 million, or 24%, may be used to meet the City's ongoing obligations. This is the only "discretionary" portion of the City's total net position amount.

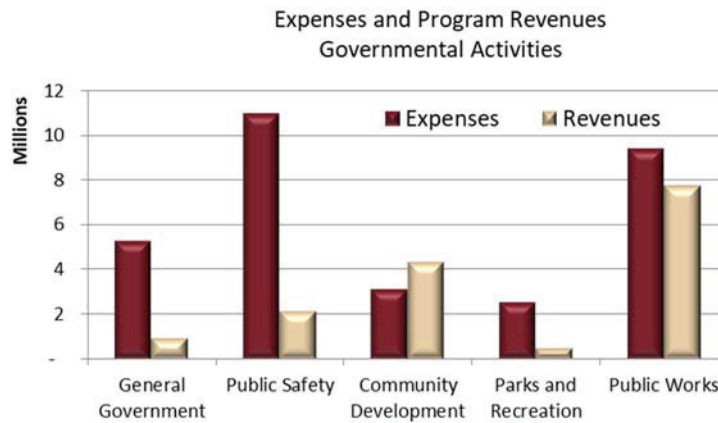


Changes in Net Position. The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the statement of activities. The City's programs for governmental activities include general government, public safety, community development, parks and recreation, and public works. The following is a summary schedule showing the components that make up the City's changes in net position for the years ended June 30, 2022 and 2021.

Changes in Net Position
Years Ended June 30, 2022 and 2021

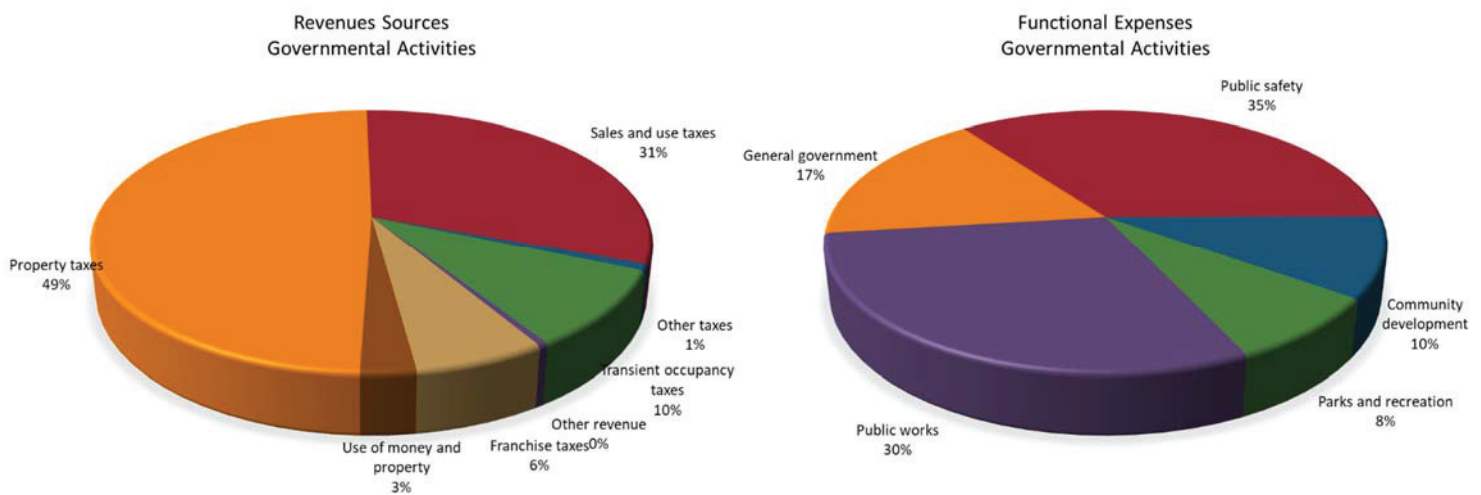
	Governmental Activities		
	2022	2021	Change
REVENUES			
Program revenues:			
Charges for services	\$ 8,295,009	\$ 6,579,445	1,715,564
Operating grants and contributions	5,550,126	6,590,283	(1,040,157)
Capital grants and contributions	1,877,695	1,780,851	96,844
General revenues:			
Property taxes	10,881,809	10,740,563	141,246
Other taxes	10,582,351	8,318,191	2,264,160
Use of money and property	596,871	287,628	309,243
Other	99,978	40,151	59,827
Total revenues	37,883,839	34,337,112	3,546,727
EXPENSES			
General government	5,285,495	4,659,583	625,912
Public safety	10,975,401	10,679,425	295,976
Community development	3,139,695	3,411,076	(271,381)
Parks and recreation	2,560,821	1,916,949	643,872
Public works	9,420,544	9,372,263	48,281
Total expenses	31,381,956	30,039,296	1,342,660
Change in net position	6,501,883	4,297,816	2,204,067
Net position - June 30, 2021	87,944,050	80,261,474	7,682,576
Restatement	(12,497)	3,384,760	(3,397,257)
Net position - June 30, 2022	\$ 94,433,436	\$ 87,944,050	\$ 6,489,386

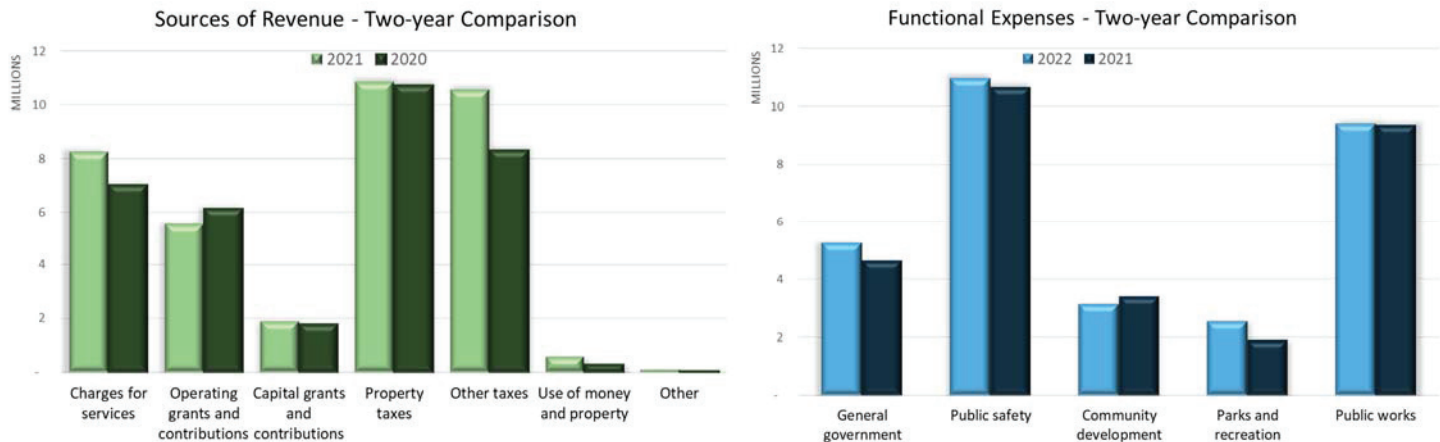
Governmental activities. The City's program revenues totaled \$15.7 million with a cost of all governmental activities for the current year being \$31.4 million. The City paid for the remaining "public benefit" portion of governmental activities with tax and other general revenue sources. The following chart compares expenses to program revenues for all governmental activities.



Total revenues increased by \$3.5 million over the prior year. This is largely due to an increase in sales tax receipts (\$1.4 million), increased transient occupancy taxes (\$0.7 million), increased building permit activity (\$0.6 million), and increased local return funds (\$0.8 million).

Fund expenditures were \$3.6 million more than the prior fiscal year due to increases in General Government relating to increased costs in personnel, contract services, and utilities. Public Safety increased over the prior year due to an increase in the Los Angeles County's Sheriff Law Enforcement contract. In addition, there was an increase in capital project spending when compared to the prior fiscal year. Parks and Recreation expenses increased over the previous year due the resumption of services and programs that were reduced or eliminated during the pandemic.





FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses governmental fund accounting to ensure compliance with budgetary allocations and to maintain control over resources that are legally, or otherwise, restricted for specific purposes. Following is a discussion of the individual "major" funds as shown on the Balance Sheet for Governmental Funds in the basic financial statements.

General Fund. The General Fund is the chief operating fund of the City of Rosemead. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a "major fund". The General Fund reported \$27.1 million in revenues and \$24.3 million in expenditures resulting in revenues over expenditures in the amount \$2.8 million. Total fund balance at June 30, 2022 is \$28.6 million, composed of \$32.6 million in assets combined with \$3.4 million in liabilities and \$621 thousand in deferred inflows of resources. Total \$28.6 million fund balance is classified as \$412 thousand nonspendable, \$10.1 million committed, \$132 thousand assigned, and \$17.9 million unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74% of total General Fund expenditures, while total fund balance represents 118% of that same amount.

The fund balance of the City's General Fund increased by \$3.0 million during the current year. Highlights of the change in fund balance are presented below:

- Total General Fund revenues of \$27.1 million exceeded expenditures of \$24.3 million.
- Financing from new leases entered into increased fund balance by \$178 thousand.
- The previous fiscal year's fund revenues increased by \$3.8 million due to growth in nearly every category. Revenue from sales taxes (\$1.4 million), transient occupancy taxes (\$0.7 million), building permit fees (\$0.6 million), and parks and recreation (\$0.3 million) increased the most. These four categories account for 77% of the revenue expansion.
- Due to increases in General Government, Parks and Recreation, Public Safety, and Public Works, as well as decreases in Public Works, Community Development, and Capital Projects, fund expenditures were \$2.1 million higher than the previous fiscal year. The majority of the cost increase was attributable to salary and benefits (\$1.4 million), professional and technical services (\$471,000), and law enforcement (\$451,000).

- General Fund Budget Analysis. The budget, as adopted for 2021-22 contained \$25.6 in estimated revenue and \$26.3 million in appropriations. This projected a nearly \$0.8 million deficit for the fiscal year. The final actuals were \$27.3 million revenue against \$24.3 million in expenditures, providing an addition of \$3.0 million to the General Fund's fund balance. Budgeted revenues in excess of budgeted expenditures amounted to \$3.7 million.

	2021-22 Adopted Budget	2021-2022 Final	2021-22 Actual	Variance with Final Budget	% Actuals to Amended Budget
Total revenue	25,587,500	25,587,500	27,301,407	1,713,907	7%
Total expenditures	26,410,110	26,339,960	24,332,753	2,007,207	-8%
Net	(822,610)	(752,460)	2,968,654	3,721,114	

The City's General Fund collected revenues of \$1.7 million more, equal to 7% higher, in comparison to the final budgeted estimates. Property taxes completed the year \$40 thousand higher than expected due to the increase in tax assessment values. Sales taxes, completed the year \$1.1 million higher than budgeted, and also completed the year \$1.4 million higher than previous fiscal year actuals. Transient occupancy tax was also budgeted less than the prior year but, in this case, with a better than expected recovery over previous year, receipts rose \$498 thousand above budget. Revenues within the licenses and permits category completed the year \$880 thousand over the estimate due to strong building permit revenues. The revenue source most deeply impacted by the pandemic was, as expected, related to fees for services, and more specifically, parks and recreation revenues. With parks and recreation programs and services reopening, these fees completed the year \$167 thousand above the final estimate. The use of money and property category revenue also rose above estimates due to a increase in recreation facility rentals.

The General Fund expenditure budget had an actual variance of \$2.7 million over the prior year due to savings in all governmental activities. General government departments completed the year \$650 thousand below budget due to savings in contingency expenses, personnel due to vacancies, and contract services. Public Safety was \$275 thousand below budget due to the reduction of crossing guard expenses when schools were teaching virtually, reduction in animal control services, and the transference of certain public safety costs to the grants fund. Public Works was \$102 thousand below budget due to reduced facility maintenance and contract management services. Parks and recreation was \$1.7 million below budget due entirely to the pandemic. Community development fell \$143 thousand below budget due to the budgeting for special projects which did not occur offset by an increase in building contract services which are set as a percent of building and plan check revenue.

American Rescue Plan Act and SLFRF Funds. In March of 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The \$1.9 trillion package is designed to combat the COVID-19 pandemic, as well as its public health and economic consequences, and the City received \$17.9 million as part of it. On April 26, 2022, the City Council accepted the ARPA Final Rule's standard revenue loss allowance of \$10 million, which was then transferred from the ARP fund, which received the funds, to the SLFRF fund, which was established to track the expenditure of the \$10 million. Several Council meetings were held to discuss the application of the \$10 million standard revenue loss allowance and the remaining \$7.9 million ARPA funds, which were partially expended in Fiscal Year 2022 and partially reflected in the Fiscal Year 2023 Budget.

Non-Major Funds. The Non-Major Governmental Funds show a combined fund balance total of \$24.8 million, an increase of \$3.1 million. These are the traditional Prop A, Prop C, CDBG, State Gas Tax, AQMD funds that are very highly restricted.

CASH MANAGEMENT

To obtain flexibility in cash management, the City employs a pooled cash system. Under the pooled cash concept, the City invests the cash of all funds with maturity planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield.

CAPITAL ASSETS

The City of Rosemead's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$47.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, machinery, and equipment, park facilities, roads, highways, bridges, and construction in progress.

The Public Works Department completed three major projects during the year including Walnut Grove Payment Resurfacing Project from Marshall Street to northern city limits, citywide residential street pavement resurfacing project, and city sidewalk, curb & gutter replacement project. The projects were funded from a variety of sources including Measure M, Measure R, and Gas Tax funds.

Additional information on the City of Rosemead's capital assets can be found in Note No. 7, found on pages 45 of the Basic Financial Statements.

Capital Assets (net of depreciation)		
	Governmental Activities	
	2022	2021
Land	\$ 4,417,104	\$ 4,417,104
Buildings	13,355,341	13,877,201
Improvements other than buildings	2,953,497	3,237,898
Machinery and equipment	59,173	83,288
Autos and trucks	170,113	230,855
Furniture and office equipment	10,790	13,605
Infrastructure	25,048,535	25,279,676
Construction in progress	1,443,958	305,176
Right-to-use leased vehicles	488,371	
Total	\$ 47,946,882	\$ 47,444,803

DEBT ADMINISTRATION

At the end of the current fiscal year, the Successor Agency for the Rosemead Community Development Commission had total bonded debt outstanding of \$20.4 million, a decrease of \$2.4 million from the prior year. The debt is backed by future property tax increment revenue. For more detailed information about the Successor's Agency Long Term Debt, please refer to Note No. 14 on pages 62-65 of the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the focus of this Annual Report is the economic condition of the City in the fiscal year ended June 30, 2022, in preparing the budget for Fiscal Year 2022-23, management continued to give special consideration of the ongoing effects of the COVID-19 pandemic on the local and national economies.

However, with loosened COVID-19 restrictions, we are optimistic that these revenue sources will be back to their pre-pandemic levels in the near future.

Stimulus programs helped expedite the return to normalcy, but higher inflation accompanied the economic recovery. The Fed's challenge is finding a balance between price stability and maximum employment. Early in this calendar year, the Fed began to raise the federal funds rate to counter inflationary pressures. Consumer demand is expected to be pressed downward by Federal Reserve Board actions to lower inflation, slowing growth by year's end and into 2023.

In addition to the federal funds already received from the American Rescue Plan Act, the City will continue to pursue federal and state assistance. Staff remains ready to recommend adjustments to revenues and expenditures as events unfold and is committed to providing the highest quality of services given the resources available.

The City has maintained its strong financial position through prudent and sound fiscal management and will continue to monitor key economic indicators, sources of revenues, and spending levels as part of its sound conservative fiscal approach.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Rosemead's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
8838 East Valley Boulevard
Rosemead, California 91770.



Basic Financial Statements

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets:	
Cash and investments	\$ 70,539,074
Receivables:	
Accounts receivable	1,008,310
Notes and loans	3,501,142
Interest receivable	136,619
Leases	227,176
Prepaid costs	117,629
Due from other governments	2,763,994
Capital assets, not being depreciated	5,861,062
Capital assets, net of depreciation/amortization	42,085,820
Net pension asset	358,035
Net other post employment benefits asset	52,101
Total Assets	126,650,962
Deferred Outflows of Resources:	
Deferred outflows related to pensions	2,157,975
Deferred outflows related to other post employment benefits	277,058
Total Deferred Outflows of Resources	2,435,033
Liabilities:	
Accounts payable	4,097,991
Accrued liabilities	234,626
Unearned revenue	18,085,118
Retentions payable	115,071
Deposits payable	834,656
Due to other governments	97,953
Noncurrent liabilities:	
Due within one year:	
Compensated absences	319,293
Leases	103,206
Due in more than one year:	
Compensated absences	353,159
Leases	379,581
Net pension liability	4,509,289
Total Liabilities	29,129,943
Deferred Inflows of Resources:	
Deferred inflows related to pensions	4,417,266
Deferred inflows related to other post employment benefits	878,174
Deferred inflows related to leases	227,176
Total Deferred Inflows of Resources	5,522,616
Net Position:	
Net Investment in capital assets	47,464,095
Restricted:	
Community services	4,477,846
Low and moderate income housing	430,522
Public works	20,040,631
Unrestricted	22,020,342
Total Net Position	\$ 94,433,436

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Governmental Activities:					
General government	\$ 5,285,495	\$ 381,537	\$ 508,193	\$ 67,616	\$ (4,328,149)
Public safety	10,975,401	693,947	271,210	1,170,291	(8,839,953)
Community development	3,139,695	3,294,809	1,054,345	-	1,209,459
Parks and recreation	2,560,821	503,128	-	-	(2,057,693)
Public works	9,374,004	3,421,588	3,716,378	639,788	(1,596,250)
Interest on long-term debt	46,540	-	-	-	(46,540)
Total Governmental Activities	\$ 31,381,956	\$ 8,295,009	\$ 5,550,126	\$ 1,877,695	(15,659,126)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					10,881,809
Sales taxes					6,889,892
Transient occupancy taxes					2,097,700
Franchise taxes					1,426,115
Other taxes					168,644
Use of money and property					596,871
Other					99,978
Total General Revenues					22,161,009
Change in Net Position					6,501,883
Net Position, Beginning of Year					87,944,050
Restatement					(12,497)
Net Position, Beginning Year, as restated					87,931,553
Net Position at the End of the Year					\$ 94,433,436

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			Other	Total
	General	American Rescue Plan	SLFRF	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 28,785,657	\$ 7,712,856	\$ 10,000,000	\$ 23,334,391	\$ 69,832,904
Receivables:					
Accounts receivable	990,758	-	-	17,552	1,008,310
Notes and loans	293,942	-	-	3,207,200	3,501,142
Accrued interest	85,622	-	-	49,410	135,032
Leases	227,176	-	-	-	227,176
Prepaid costs	117,629	-	-	-	117,629
Due from other governments	1,593,295	-	-	1,170,699	2,763,994
Due from other funds	479,751	-	-	-	479,751
Total Assets	\$ 32,573,830	\$ 7,712,856	\$ 10,000,000	\$ 27,779,252	\$ 78,065,938
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,296,450	\$ -	\$ -	\$ 1,801,541	\$ 4,097,991
Accrued liabilities	210,875	5,192	-	18,559	234,626
Unearned revenues	-	7,707,664	10,000,000	377,454	18,085,118
Deposits payable	791,673	-	-	42,983	834,656
Due to other governments	97,953	-	-	-	97,953
Due to other funds	-	-	-	479,751	479,751
Retentions payable	-	-	-	115,071	115,071
Total Liabilities	3,396,951	7,712,856	10,000,000	2,835,359	23,945,166
Deferred Inflows of Resources:					
Unavailable revenues	393,437	-	-	105,051	498,488
Related to leases	227,176	-	-	-	227,176
Total Deferred Inflows of Resources	620,613	-	-	105,051	725,664
Fund Balances:					
Nonspendable:					
Notes and loans	293,942	-	-	-	293,942
Prepaid costs	117,629	-	-	-	117,629
Restricted:					
Community services	-	-	-	4,477,846	4,477,846
Low and moderate income housing	-	-	-	430,522	430,522
Public works	-	-	-	20,040,631	20,040,631
Committed:					
Capital projects	436,887	-	-	-	436,887
Reserve contingency	9,733,101	-	-	-	9,733,101
Assigned:					
Building maintenance	71,617	-	-	-	71,617
Tree in lieu	60,750	-	-	-	60,750
Unassigned (deficit)	17,842,340	-	-	(110,157)	17,732,183
Total Fund Balances	28,556,266	-	-	24,838,842	53,395,108
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,573,830	\$ 7,712,856	\$ 10,000,000	\$ 27,779,252	\$ 78,065,938

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

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

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 53,395,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		47,942,777
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:		
Compensated absences	\$ (672,452)	
Leases	(482,787)	(1,155,239)
Governmental funds report all pension contributions as expenditures; however, in the statement of activities, the excess/deficiency of the total pension liability over/under the plan fiduciary net position is reported as a net pension liability/asset.		
CalPERS Miscellaneous Plan net pension liability	(4,509,289)	
PARS Retirement Enhancement Plan net pension asset	358,035	(4,151,254)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	1,036,079	
Changes in assumptions	6,031	
Difference between expected and actual experiences	574,276	
Net difference between projected and actual earnings on plan investments	332,410	
Adjustments due to differences in proportions	7,124	
Difference in proportionate share	202,055	2,157,975
Other post-employment-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	277,058	277,058
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Difference between expected and actual experiences	(32,312)	
Net difference between projected and actual earnings on plan investments	(3,936,371)	
Adjustments due to differences in proportions	(245,056)	
Difference in proportionate share	(203,527)	(4,417,266)
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the total other post-employment benefits asset over the plan fiduciary net position is reported as a net other post-employment benefits asset.		52,101
Other post-employment-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Net difference between projected and actual earnings on plan investments		(878,174)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		498,488
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		711,862
Net Position of Governmental Activities		\$ 94,433,436

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Special Revenue Funds		Other Governmental Funds	Total Governmental Funds
		American Rescue Plan	SLFRF		
Revenues:					
Taxes	\$ 21,348,831	\$ -	\$ -	\$ 121,679	\$ 21,470,510
Licenses and permits	3,332,016	-	-	-	3,332,016
Intergovernmental	682,567	170,989	-	9,728,693	10,582,249
Charges for services	743,971	-	-	504,026	1,247,997
Use of money and property	360,557	-	-	9,228	369,785
Fines and forfeitures	577,616	-	-	-	577,616
Developer participation	-	-	-	114,662	114,662
Miscellaneous	77,838	-	-	6,212	84,050
Total Revenues	27,123,396	170,989	-	10,484,500	37,778,885
Expenditures:					
Current:					
General government	5,156,458	154,098	-	166,466	5,477,022
Public safety	10,927,864	-	-	50,372	10,978,236
Community development	1,752,791	-	-	1,394,238	3,147,029
Parks and recreation	2,385,453	-	-	42,546	2,427,999
Public works	3,854,124	16,891	-	3,641,465	7,512,480
Capital outlay	256,063	-	-	2,133,182	2,389,245
Total Expenditures	24,332,753	170,989	-	7,428,269	31,932,011
Excess of Revenues over Expenditures	2,790,643	-	-	3,056,231	5,846,874
Other Financing Sources (Uses):					
Proceeds from leasing arrangements	178,011	-	-	-	178,011
Total Other Financing Sources (Uses)	178,011	-	-	-	178,011
Net Change in Fund Balances	2,968,654	-	-	3,056,231	6,024,885
Fund Balances, Beginning of Year	25,587,612	-	-	21,782,611	47,370,223
Fund Balances, End of the Year	\$ 28,556,266	\$ -	\$ -	\$ 24,838,842	\$ 53,395,108

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	6,024,885
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	\$	2,802,407
Depreciation		<u>(2,720,935)</u>
		81,472
Long-term liabilities reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(55,965)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		283,522
Other post-employment benefits obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		134,261
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the operating contributions and miscellaneous income in the statement of activities.		104,953
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The net revenues of the internal service funds are reported with governmental activities.		<u>(71,245)</u>
Change in Net Position of Governmental Activities	\$	<u>6,501,883</u>

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Governmental Activities
	Internal Service Funds
Assets:	
Current Assets:	
Cash and investments	\$ 706,170
Receivables:	
Interest receivable	1,587
Total Current Assets	707,757
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	4,105
Total Noncurrent Assets	4,105
Total Assets	711,862
Net Position:	
Invested in capital assets	4,105
Unrestricted	707,757
Total Net Position	\$ 711,862

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Operating Revenues:	
Miscellaneous	\$ 48,940
Total Operating Revenues	48,940
Operating Expenses:	
Contractual services	118,011
Depreciation expense	1,866
Total Operating Expenses	119,877
Operating Loss	(70,937)
Nonoperating Revenues (Expenses):	
Interest revenue	(308)
Total Nonoperating Revenues (Expenses)	(308)
Change in Net Position	(71,245)
Net Position, Beginning of the Year	783,107
Net Position, End of the Year	\$ 711,862

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 48,940
Cash paid to suppliers for goods and services	(142,643)
Net Cash Used by Operating Activities	(93,703)
Cash Flows from Investing Activities:	
Investment earnings	(700)
Net Cash Used by Investing Activities	(700)
Net Decrease in Cash and Cash Equivalents	(94,403)
Cash and Cash Equivalents, Beginning of the Year	800,573
Cash and Cash Equivalents, End of the Year	\$ 706,170
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$ (70,937)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,866
Decrease in accounts payable	(24,632)
Total Adjustments	(22,766)
Net Cash Provided by Operating Activities	\$ (93,703)

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Fund
	Successor Agency
Assets:	
Cash and investments	\$ 5,776,706
Receivables:	
Notes and loans	201,314
Interest receivable	8,106
Prepaid costs	118,441
Restricted cash and investments with fiscal agents	1,123,012
Total Assets	7,227,579
Deferred Outflows of Resources:	
Deferred charge on refunding	136,414
Total Deferred Outflows of Resources	136,414
Liabilities:	
Accounts payable	1,438
Accrued interest	221,203
Due to external parties/other agencies	216,861
Long-term liabilities:	
Bonds payable, due within one year	2,622,014
Bonds payable, due in more than one year	18,924,248
Total Liabilities	21,985,764
Net Position:	
Restricted for the dissolution of the former Redevelopment Agency	(14,621,771)
Total Net Position	\$ (14,621,771)

The notes to financial statements are an integral part of this statement.

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund
	Successor Agency
Additions:	
Taxes	\$ 4,072,385
Interest and (loss) on investments	(2,654)
Total Additions	4,069,731
Deductions:	
Administrative expenses	154,141
Interest expense	919,774
Contributions to other governments	428,978
Total Deductions	1,502,893
Change in Net Position	2,566,838
Net Position, Beginning of Year	(17,188,609)
Net Position, End of Year	\$ (14,621,771)

The notes to financial statements are an integral part of this statement.



Notes to the Financial Statements



CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Rosemead, California, ("the City") was incorporated in August 1959 under the general laws of the State of California. The City operates under an elected Council/City Manager form of government. It provides a broad range of services to its residents, including general government, public safety, streets, sanitation and health, cultural and park facilities, and social services.

Many of the functions often provided by municipal government are, in the City, provided by special districts. Examples of some of these special districts, which usually encompass areas larger than the City itself, are the Fire Protection District, the Library District, and the County Flood Control District. Certain other governmental functions are paid for by the City but performed by a variety of other public and private agencies under contract. Some of the contracts now in effect are for police, information technology, and building and safety.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. As required by generally accepted accounting principles, these financial statements present the government and its component units, which are entities for which the government is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the above criteria, the blended component units of the City are the Rosemead Financing Authority (the Authority) and the Rosemead Housing Development Corporation (the Corporation).

Rosemead Financing Authority

The Authority provides for the financing or refinancing of public capital improvements and working capital requirements of local agencies that enter into contractual arrangements with the Authority. Separate financial statements are not prepared.

Rosemead Housing Development Corporation

The Corporation accounts for the construction, financing and operations of low and moderate-income housing. It is a California nonprofit benefit corporation organized under Section 501(c)(3) of the Internal Revenue Code. The activities of the Corporation are recorded in the RHDC special revenue fund. Separately issued financial statements of the Corporation can be obtained from the Finance Department.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Since the governing bodies of the aforementioned entities are substantially the same as the City's governing board for these component units, and a financial benefit or burden relationship exists for all of the City's component units, these are all considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are reported with the funds of the primary government, the City.

b. Basis of Accounting and measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all Governmental Accounting Standards Board pronouncements.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City of Rosemead has no business-type activities and no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by function to which they were allocated). However, general governmental expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with generally accepted accounting principles.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in custodial capacity for other individuals or organizations.

Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a sixty-day availability period except for grants which is 120 days.

Revenue recognition is subject to the measurable and available criteria for the government funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary Funds

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Funds

The City maintains one fiduciary fund type, a private-purpose trust fund which uses the economic resources measurement focus and the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

c. Major and Fiduciary Fund Types

The City's major governmental funds are as follows:

- General Fund – Accounts for all financial resources except those required to be accounted for in another fund. These resources are devoted to financing the general services that the City performs for its residents.
- American Rescue Plan Fund – Accounts for the City's portion of the funds received through the American Rescue Plan Act. The Act provides a total of \$250 billion in assistance to states, counties, municipalities, territories, and tribal governments to cover expenses, make up for lost revenue and ease the overall economic impact from the COVID-19 pandemic.
- State and Local Fiscal Recovery Fund (SLFRF)– Accounts for the City's portion of the funds received through the American Rescue Plan Act that have been approved for election of the Treasury's revenue loss application. These funds are restricted for general governmental services and various Council approved City projects available to be spent through December 31, 2026.

The City's Fiduciary Funds are as follows:

- Private-purpose Trust Fund – Accounts for the activity of the Successor Agency to the Community Development Commission of the City of Rosemead.

Additionally, the City reports:

- Special Revenue Funds – Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. All are currently reported in nonmajor governmental funds.
- Capital Projects Fund – Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for capital projects.
- Internal Service Funds – Account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. The City has internal service funds for equipment replacement and technology replacement.

d. Investments

For financial reporting purposes, investments are adjusted to their fair value whenever the difference between fair value and the carrying amount is material.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)**e. Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of Rosemead. Cash equivalents have an original maturity date of three months or less from the date of purchase. For purposes of the statement of cash flows, the entire balance of cash and investments on the combined balance sheet for the internal service fund is considered cash and cash equivalents.

f. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are recorded at acquisition value at the point of acquisition. Generally, capital asset purchases in excess of \$10,000 are capitalized if they have an expected useful life of one or more years.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the internal service funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

The following schedule summarizes capital asset useful lives:

Building improvements	15-50 years
Improvements other than buildings	3-15 years
Machinery and equipment	7 years
Autos and trucks	5 years
Furniture and office equipment	7 years
Infrastructure:	
Bridges	50 years
Sewer system and storm drain system	50-100 years
Medians and sidewalks	40 years
Traffic Signals	30 years
Streets	20 years

g. Compensated Absences

Full time employees earn from 10 to 16 days per year, depending upon their length of employment. Accruals are capped at two years the employee's annual accrual rate. Management employees also earn either 60 or 80 hours of administrative leave based on level of management. Vacation and administrative leave hours are payable to employees at the time used or upon termination of employment. These hours are accrued when incurred in the government-wide level financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

In accordance with generally accepted accounting principles, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. All vacation is accrued when incurred in the government-wide level financial statements.

All unused vacation and administrative leave hours are accrued when incurred in the government-wide level financial statements. A current liability is accrued in the governmental funds for employee leave benefits expected to be paid from expendable, available financial resources as of the balance sheet date. Compensated absences are primarily liquidated by the General Fund.

h. Prepaid Items

Prepaid items are reported in the governmental funds under the consumption method and are offset by a nonspendable designation in fund balance to indicate that they are not available for appropriation and are not expendable financial resources.

i. Fund Balance

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable** – This includes amounts that cannot be spent because they are either not in spendable form or must be maintained intact pursuant to legal or contractual requirements, such as prepaids, inventory, or endowments.
- **Restricted** – This includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws and regulations of other governments through enabling litigations.
- **Committed** – This includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the City's highest authority, the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is Council resolution.
- **Assigned** – This includes amounts that are designated by the City Council, City Manager, or Finance Director for specific purposes and do not meet the criteria to be classified as restricted or committed.
- **Unassigned** – This is the residual classification that includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)**j. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

k. Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Plan Administrators. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. Copies of the PARS annual financial report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

CalPERS-Cost sharing Multiple-Employer Plan:

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

PARS-Single Employer Agent Plan:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

l. Other Post-Employment Benefit Plans (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by Public Agency Retirement Services (PARS), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net different between projected and actual earning on OPEB plan Investments	5 years Expected average remaining service lifetime
All other amounts	(EARSL) (8.2 Years at June 30, 2020)

m. Property Taxes

The County of Los Angeles is responsible for the assessment, levy, and collection of property taxes for all properties within Los Angeles County and subsequently remits the amount due to the City in installments during the year. The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at one percent (1%) of full market value at the time of purchase and can increase the property's value by no more than two percent (2%) per year. The property taxes are recorded initially in a County pool and are then allocated to cities. Prior to the passage of Proposition 13, which established the one percent (1%) limit, Rosemead was one of numerous cities in California that either levied no general property taxes or which levied very low rates. Because the property tax allocation after Proposition 13 was based on the allocation prior to the proposition passage, these "no-low cities" would not have received a portion of the 1% levy. In response, the California Legislature adopted AB 1197 which provided these cities with a portion of the County's share of the tax levy.

The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

n. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources on pensions and OPEB (described previously) in the statement of net position. The pension-related deferred outflows include such items as: contributions made after the actuarial measurement date, changes in assumptions, differences between expected and actual experiences, the net difference

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

between projected and actual earnings on plan investments, adjustments due to differences in proportionate share, and differences in the proportionate share. All of the items, with the exception of the net difference between projected and actual earnings on plan investments which is recognized over five years, are recognized over the expected average remaining service life of plan members.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflow of resources deferred revenue on the fund financial statements – unavailable revenue. Deferred inflows related to pensions and OPEB (described previously) are reported in the statement of net position. The deferred inflows related to pensions include changes in assumptions, the difference in expected and actual experiences, adjustments due to differences in proportionate share, and the difference in proportionate share; these items are recognized over the expected average remaining service life of plan members.

o. Changes in Accounting Principles and New GASB Pronouncements

During the year ended June 30, 2022, the City adopted the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87 *Leases* enhances usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognizes inflows or outflows of resources based on the payment provisions of the lease contracts. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

	Impact to Beginning Fund Balance for Fiscal Year Ended June 30, 2022
Lease receivable	\$ 227,176
Deferred inflow of resources	(227,176)
	<u>\$ -</u>
	Impact to Beginning Net Position for Fiscal Year Ended June 30, 2022
Intangible asset, net of amortization	\$ 488,371
Capital leases payable recorded	(482,787)
Lease receivable	227,176
Deferred inflow of resources	(227,176)
Net expenses, GASB 87 implementation	(18,081)
Total restatement of Net Position	<u>\$ (12,497)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

a. Deficit Fund Balances/Net Position

The Community Development Block Grant (CDBG), Measure R and City Grants nonmajor special revenue funds, and Measure R nonmajor capital projects fund reported deficit fund balances in the amounts of \$5,106, \$26,662, and \$78,389, respectively, as of June 30, 2022. The fund deficit balances are due to the timing of grant reimbursements from the grantor agencies.

b. Budgetary Violations

For the year ended June 30, 2022, the Air Quality Management District nonmajor special revenue fund had \$5,288 in expenditures in excess of appropriations.. In addition, the Measure H Grant Fund did not implement a legally adopted budget for the year ended June 30, 2022.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 70,539,074
Statement of Fiduciary Net Position	
Cash and Investments	5,776,706
Restricted Cash and Investment with Fiscal Agents	<u>1,123,012</u>
Total Cash and Investment	<u>\$ 77,438,792</u>

Cash and Investments as of June 30, 2022, consist of the following:

Deposits with financial institutions	\$ 9,068,434
Investments	<u>68,370,358</u>
Total Cash and Investments	<u>\$ 77,438,792</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 3: Cash and Investments (Continued)Investments Authorized by the California Government Code and the City's Investment Policy

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

Authorized Investment Type	Authorized by investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	70%	35%
Banker's Acceptances	Yes	180 days	20%	30%
Commercial Paper	Yes	180 days	15%	10%
Negotiable Certificates for Deposits	Yes	5 years	30%	None
Medium Term Notes	Yes	5 years	30%	None
Money Market Mutual Funds	Yes	N/A	20%	10%
Local Agency Investment Funds (LAIF)	Yes	N/A	None	\$75M

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 months	25 to 60 months	
State investment pool	\$ 60,670,576	\$ -	\$ -	\$ 60,670,576
Certificates of Deposit	2,229,062	487,870	721,821	3,438,753
U.S. agency securities	324,139	747,953	312,924	1,385,016
Medium-term notes	730,780	-	1,022,221	1,753,001
Held by bond trustee				
Money Market Mutual Funds	1,123,012	-	-	1,123,012
Total	\$ 65,077,569	\$ 1,235,823	\$ 2,056,966	\$ 68,370,358

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 3: Cash and Investments (Continued)

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 minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Totals	Legal Rating	N/A	S&P Ratings				Moody's Rating	
				A-	BBB+	A+	AA+	A1	A3
State Investment Pool	\$ 60,670,576	N/A	\$ 60,670,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	3,438,753	N/A	3,438,753	-	-	-	-	-	-
U.S. Agency Securities	1,385,016	N/A	-	-	-	-	1,385,016	-	-
Medium-Term Notes	1,753,001	N/A	-	500,438	246,873	230,343	-	503,113	272,234
Held by Bond Trustee:									
Money Market Mutual Funds	1,123,012	Multiple	1,123,012	-	-	-	-	-	-
Total	\$ 68,370,358		\$ 65,232,341	\$ 500,438	\$ 246,873	\$ 230,343	\$ 1,385,016	\$ 503,113	\$ 272,234

Concentration of Credit Risk

The investment policy of the City contains certain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total As of June 30, 2022 the City did not have any investments in one issuer greater than 5%.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, the City had deposits with financial institutions in excess of federal depository insurance limits by \$3,041,728 that were held in collateralized accounts. As of June 30, 2022, the Successor Agency had deposits with financial institutions in excess of federal depository insurance limits by \$5,526,706 that were held in collateralized accounts.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 3: Cash and Investments (Continued)Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

Fair Value Measurements

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The City's custodian National Financial Services uses Intercontinental Exchange (ICE), Bloomberg, and Thompson Reuters to obtain pricing information.

The City's investment in LAIF and money market mutual funds held by the bond trustee are not subject to fair market value hierarchy valuation techniques. All other investments are valued using Level 2 inputs.

Note 4: Loans receivable

Loans receivable consisted of the following at June 30, 2022:

Governmental Activities:	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Computer Loans	\$ -	\$ 2,000	\$ 470	\$ 1,530
San Gabriel Valley Water Co. Loan Phase I	49,380	-	8,230	41,150
San Gabriel Valley Water Co. Loan Phase II	24,691	-	4,115	20,576
Rio Hondo Community Development Co. Loan	227,086	-	-	227,086
El Monte Cemetery Association Loan	3,600	-	-	3,600
Home Improvements	2,799,560	-	177,560	2,622,000
First Time Home Buyers Program	585,200	-	-	585,200
Total	<u>\$ 3,689,517</u>	<u>\$ 2,000</u>	<u>\$ 190,375</u>	<u>\$ 3,501,142</u>

a. Computer Purchase Loans

The City provides a computer purchase loan program for all full-time employees for up to \$2,000 at 0% interest for a term of 24 months. Loans are repaid through payroll deductions and are due and payable in full upon termination or separation of employment. The outstanding balance as of June 30, 2022 is \$1,530.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Loans receivable (Continued)

b. San Gabriel Valley Water Company Phase I

The City has an outstanding loan with the San Gabriel Valley Water Company (Phase I) covering the installation of water facilities on Garvey Avenue from Walnut Grove Avenue to Rosemead Place. The loan was initially made through the Rosemead Redevelopment Agency in the amount of \$356,000. On October 26, 1987, the loan was assigned to the City of Rosemead with a balance due of \$329,197. The term of the loan is 40 years at 0% interest. Annual payments are 2.5% of the assigned loan amount with final payment due in fiscal year 2026-27. The outstanding balance as of June 30, 2022 is \$41,150.

c. San Gabriel Valley Water Company Phase II

The City has an outstanding loan with the San Gabriel Valley Water Company (Phase II) covering the installation of water facilities on Garvey Avenue from Walnut Grove Avenue to Delta Avenue. The loan was initially made through the Rosemead Redevelopment Agency in the amount of \$194,400. On October 26, 1987, the loan was assigned to the City of Rosemead with a balance due of \$164,604. The term of the loan is 40 years at 0% interest. Annual payments are 2.5% of the assigned loan amount with final payment due in fiscal year 2026-27. The outstanding balance at June 30, 2022 is \$20,576.

d. Rio Hondo Community Development Corporation

On April 27, 2010, the City Council entered into an Agreement with Rio Hondo Community Development Corporation (RHCDC) for the production of affordable housing. The RHCDC identified a property for sale (8628 Landis View Lane) that was as suitable for affordable housing for a total purchase price of \$428,400. The City Council approved a 0% deferred payment loan in the amount of \$227,086 from HOME CHDO Set-Aside Funds and a 0% forgivable loan by the Rosemead Community Development Commission (CDC) from the Low- and Moderate-Income Housing Fund in the amount of \$201,314. The unit was restricted as a rental property for low- to moderate-income households and be subject to a 55-year affordability covenant. The \$227,086 City loan is due at the end of the fifty-five-year term, while the loan from the CDC is due only in the event that the RHCDC breaches or defaults on the provision of the Note.

e. El Monte Cemetery

The City loaned \$12,000 to the El Monte Cemetery Association in order to finance a portion of the costs for access road improvements at Savannah Memorial Park (California Historic Landmark No. 1046) via adoption of Resolution No. 2013-47. The interest-free loan is to be paid in annual installments of \$1,200 over a ten (10) year period. The amount outstanding as of June 30, 2022 is \$3,600.

f. Home Improvement Loans

The City used HOME funds to provide homeowners with funds for home improvements. The loans range from \$3,500 to \$179,000. The loan term is 30 years, and the loan is neither assumable nor forgivable. Interest rates range from 0% to 3%. The amount outstanding as of June 30, 2022 is \$2,622,000.

g. First Time Homebuyer Programs

The City used HOME funds to provide funding to first time homebuyers to purchase housing within the City of Rosemead. The loans range from \$20,000 to \$70,000. The loan term is 30 years, and the loan is neither assumable nor forgivable. The amount outstanding as of June 30, 2022 is \$585,200.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 5: Interfund Balances

Due to/due from other funds for the year ending June 30, 2022, consisted of \$21,059, \$189,965, and \$71,175 due to the General Fund from the Local Transportation/Sidewalk Grant, Community Development Block Grant, and Measure R Capital Project funds for short-term loans made to those funds from the General Fund resulting from deficit cash balances in those funds.

In addition, \$197,552 was due to the General Fund from the Rosemead Housing Development Corporation Fund for administrative services provided by the General Fund for the time period of January 1, 2022-June 30, 2022.

Note 6: Leases

a. Lease Receivable and Inflows of Resources

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Effective July 1, 2021, the City implemented GASB 87 impacting their two leases with AT&T. Upon implementation, the leases had 60 months remaining and an initial lease receivable was recorded in the amount of \$261,589. The lessee is required to make monthly fixed principal payments of \$2,867 and \$3,642 to the City and are currently interest-free. The City recognized \$34,413 of lease revenue during the year and has a balance in lease receivable and deferred inflows related to leases of \$227,176 at June 30, 2022.

Principal and Interest Expected to Maturity		
Governmental Activities		
Year ending June 30,	Principal	Interest
2023	\$ 41,389	\$ -
2024	43,715	-
2025	43,715	-
2026	43,715	-
2027	43,715	-
2028-2032	10,927	-
Total	<u>\$ 227,176</u>	<u>\$ -</u>

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 6: Leases (Continued)

b. Lease Payable

In April 2019, the City entered into a master equity lease agreement with Enterprise Financial Management (EFM) to obtain vehicles. Between April 2019 and June 2022, the City entered into 19 lease agreements with EFM. The lease term per vehicle is 5 years. The monthly amount of the base rent per vehicle varies by agreement. As of June 30, 2022, the lease liability outstanding amounted to \$482,787, while the total intangible asset valued amounted to \$488,371, which includes accumulated amortization of \$268,436.

The following is a summary of changes in capital leases of the City for the year ended June 30, 2022:

Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
\$ 434,971	\$ 178,011	\$ 130,195	\$ 482,787	\$ 103,206

Future principal and interest requirements to maturity for the combined capital lease liability as of June 30, 2022 are as follows:

Future Principal and Interest Requirements			
Governmental Activities			
Year ending June 30,	Principal	Interest	Total Payments
2023	\$ 103,206	\$ 41,987	\$ 145,193
2024	134,543	31,556	166,099
2025	124,146	16,481	140,627
2026	65,995	8,989	74,984
2027	54,897	2,697	57,594
Total	\$ 482,787	\$ 101,710	\$ 584,497

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**Note 7: Capital Assets**

Capital asset activity was as follows for the year ended June 30, 2022:

Governmental Activities:	Balance June 30, 2021	CIP Transfers	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 4,417,104	\$ -	\$ -	\$ -	\$ 4,417,104
Construction in progress	305,176	(1,426,660)	2,565,442	-	1,443,958
Total capital assets not being depreciated	4,722,280	(1,426,660)	2,565,442	-	5,861,062
Depreciable capital assets:					
Buildings	24,957,390	-	-	-	24,957,390
Improvements other than buildings	5,536,168	-	-	-	5,536,168
Machinery and equipment	477,147	-	-	-	477,147
Autos and trucks	1,500,515	-	-	140,278	1,360,237
Furniture and office equipment	764,425	-	-	-	764,425
Infrastructure	69,417,163	1,426,660	-	-	70,843,823
Right-to-use leased vehicles	571,059	-	236,965	51,217	756,807
Total capital assets being depreciated/amortized	103,223,867	1,426,660	236,965	191,495	104,695,997
Less: accumulated depreciation/amortization for:					
Buildings	11,080,189	-	521,860	-	11,602,049
Improvements other than buildings	2,298,270	-	284,401	-	2,582,671
Machinery and equipment	393,859	-	24,115	-	417,974
Autos and trucks	1,269,660	-	60,742	140,278	1,190,124
Furniture and office equipment	750,820	-	2,815	-	753,635
Infrastructure	44,137,487	-	1,657,801	-	45,795,288
Right-to-use leased vehicles	148,586	-	171,067	51,217	268,436
Total accumulated depreciation/amortization	60,078,871	-	2,722,801	191,495	62,610,177
Total capital assets, being depreciated/amortized, net	43,144,996	1,426,660	2,959,766	-	42,085,820
Government activities capital assets, net	\$ 47,867,276	\$ -	\$ 394,324	\$ -	\$ 47,946,882

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities	Total
General Government	\$ 4,541
Public Safety	23,013
Public Works	2,527,008
Community development	14,353
Parks and recreation	152,020
Internal Service Funds	1,866
Totals	\$ 2,722,801

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Compensated Absences

Compensated absences activities for the year ended June 30, 2022, is as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
<u>\$ 664,303</u>	<u>\$ 323,573</u>	<u>\$ 315,424</u>	<u>\$ 672,452</u>	<u>\$ 319,293</u>

Compensated absences have no repayment schedule and become payable as used by employees. Compensated absences are liquidated through the City's General Fund.

Note 9: Risk Management**a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

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

b. Primary Self-Insurance Programs of the Authority

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

Primary Liability Program

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

Note 9: Risk Management (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information about the various layers of coverage is available on the following website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation

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

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

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Rosemead participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Rosemead. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Rosemead participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Rosemead property is currently insured according to a schedule of covered property submitted by the City of Rosemead to the Authority. City of Rosemead property currently has all-risk property insurance protection in the amount of \$64,561,131. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of Rosemead purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 9: Risk Management (Continued)**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-22.

Note 10: Defined Benefit Pension Plans**a. Aggregate Information on all Defined Benefit Pension Plans**

The City participates in two defined benefit pension plans, the Miscellaneous Cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), and the Public Agency Retirement System (PARS) retirement enhancement plan, a single-employer defined benefit pension plan. These two plans are presented in aggregate on the government-wide financial statement of net position. The schedule below summarizes the components of the information presented on the government-wide statement broken out by each plan and in aggregate:

	CalPERS Miscellaneous Plan	PARS Retirement Enhancement Plan	Total
Net Pension Liability	\$ 4,509,289		\$ 4,509,289
Net Pension Asset	-	\$ 358,035	358,035
Deferred Outflows of Resources	1,750,926	407,049	2,157,975
Deferred Inflows of Resources	4,384,954	32,312	4,417,266
Pension Expense	800,923	20,057	820,980

b. Defined Benefit Pension Plan - CalPERSPlan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 10: Defined Benefit Pension Plans (Continued)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 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to July 1, 2010	From July 1, 2010 to December 31, 2012	January 1, 2013 and after
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55&up	50 to 63&up	52 to 67&up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426 to 2.418	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.02%	10.88%	7.59%
Unfunded Accrued Liability Contribution	\$ 644,217	\$ 4,380	\$ 2,855

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022 the contributions recognized as a reduction to the net pension liability was \$1,013,310.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources

At June 30, 2022, the City of Rosemead reported a net pension liability for its proportionate share of the net pension liability in the amount of \$4,509,289.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 10: Defined Benefit Pension Plans (Continued)

The City's pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2021 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, 2020 rolled forward to June 30, 2021 using standard 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, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.08279%
Proportion - June 30, 2021	0.08338%
Change - Increase (Decrease)	0.00059%

For the year ended June 30, 2022, the City of Rosemead recognized pension expense of \$800,923. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,036,079	\$ -
Changes in assumptions	-	-
Difference between expected and actual experiences	505,668	-
Net differences between projected and actual earnings on plan investments	-	(3,936,371)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	202,055	-
	-	(203,527)
Adjustment due to differences in proportions	7,124	(245,056)
Total	<u>\$ 1,750,926</u>	<u>\$ (4,384,954)</u>

The \$1,036,079 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30.	Deferred Outflow / (Inflows) of Resources
2022	(821,855)
2023	(840,397)
2024	(920,046)
2025	(1,087,809)
2026	-
Thereafter	-
Total	<u>\$ (3,670,107)</u>

Actuarial Assumptions and Methods

For the measurement period ended June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020, total pension liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)

The June 30, 2020 and the June 30, 2021, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method Actuarial Assumptions	Entry Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on the CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 10: Defined Benefit Pension Plans (Continued)

short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

Sensitivity of Net Pension Liability to Changes in Discount Rate

The following presents the City's proportionate share of the net pension liability/ (asset) of the 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% point lower (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Assets)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous	\$ 9,442,457	\$ 4,509,289	\$ 431,110

Pension Plan Fiduciary Net Position

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

c. PARS Retirement Enhancement Plan
Plan Description

The Plan is an agent, multiple-employer supplemental employee defined benefit pension plan (the Plan II) administered by the Public Agency Retirement Services (PARS) Phase II Systems. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2021, Annual Actuarial Valuation Report. Details of

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)

the benefits provided can be obtained from the actuarial valuation reports. PARS issues a publicly available financial report that includes financial statement and required supplementary information for the Plan II. That report may be obtained writing to PARS, 3961 MacArthur Boulevard, Suite 200, Newport Beach, California, 92660.

Benefits Provided

The Retirement Enhancement Plan provides a benefit equal to the PARS "3.0% at 55" plan factor (formula is a static 3.0% at age 55 and older), less the CalPERS "2.7% at 55" plan factors (a static 2.7% at age 55 and older) for all years of full-time continuous City service. The benefit from this plan when added to the CalPERS benefit may not exceed 90% of final compensation.

The Plan II includes a pre-retirement death benefit for those eligible employees who die while actively employed with the City and meet the age and service eligibility requirements for a supplemental retirement benefit. The benefit will be paid to a surviving spouse or domestic partner as a life annuity equal to the employee's supplemental retirement benefit actuarially reduced as if the employee had elected a 100% joint-and-survivor annuity.

The Plan is closed to all employees in the classes hired on or after July 1, 2010.

The Plan II's provisions and benefits in effect at June 30, 2022, (measurement date) are summarized as follows:

	Supplemental
Hire Date	On or before June 30, 2010
Benefit Formula	3% @ 55 less Cal PERS 2.7% @ 55
Benefit vesting schedule	from date of hire
Benefit payments	life only annuity
Retirement age	55
Monthly benefits, as a % of eligible compensation	0.576%
Required employee contribution rates	none
Required employer contribution rates	1.390%

Employees Covered

At June 30, 2022, the following employees were covered by the benefit terms:

Description	Number of Members
Inactive employees or beneficiaries currently receiving benefits	17
Active employees	30
Total	47

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through PARS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the measurement period ended June 30, 2022 (the measurement date), the employer's contribution rate is 4.8 percent of annual payroll. Employer contribution rates may change if plan contracts are amended. Employer Contributions for the measurement period ended June 30, 2022 are \$68,424.

Net Pension Liability/(Asset)

The City's net pension liability for the Retirement Enhancement Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan II is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021.

Total pension liability	\$ 2,759,003
Plan fiduciary net position	<u>(3,117,038)</u>
Net pension (asset)	<u>\$ (358,035)</u>
Plan fiduciary net position as a % of total pension liability	113.0%

Actuarial Assumptions and Methods

The following actuarial methods and assumptions were used in the June 30, 2021, funding valuation:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2021	2 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None
Inflation	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)Discount Rate

GASB 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values.

GASB 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City of Rosemead:

- The City of Rosemead has at least a 5-year history of generally paying at least 100% of the Actuarially Determined Contribution (previously termed the Annual Required Contribution).
- The Actuarially Determined Contribution is based on a closed amortization period, which means that payment of the Actuarially Determined Contribution each year will bring the plan to a 100% funded position by the end of the amortization period.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, the City believes that the detailed depletion date projections outlined in GASB 68 will show that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

	June 30, 2021	June 30, 2022
Discount rate	6.50%	6.50%
Long-term expected rate of return, net of investment expense	6.50%	6.50%
Municipal bond rate	N/A	N/A

The Plan II's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)

The assumption for the long-term expected rate of return was selected by the City of Rosemead. Below is a projection of the 30 year average return derived by adding expected inflation to expected long-term real returns and reflecting and expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2022.

Asset Class	Index	Current Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	11.04%	0.21%	0.20%
US Core Fixed Income	Bloomberg Barclays Aggregate	43.93%	1.95%	1.84%
US Equity Market	Russell 3000	35.88%	5.70%	4.10%
Foreign Developed Equity	MSCI EAFE NR	5.14%	6.99%	5.25%
Emerging Markets Equity	MSCI EM NR	2.33%	9.44%	5.97%
US REITs	FTSE NAREIT Equity REIT	1.68%	6.27%	4.11%

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2021	\$ 2,795,850	\$ 3,746,876	\$ (951,026)
Changes for the year:			
Service cost	24,732	-	24,732
Interest on total pension liability	175,746	-	175,746
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(237,325)	(237,325)	-
Employer contributions	-	68,424	(68,424)
Member contributions	-	-	-
Net investment income	-	(459,657)	459,657
Administrative expenses	-	(1,280)	(1,280)
Balance at June 30, 2022	\$ 2,759,003	\$ 3,117,038	\$ (358,035)

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

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

Decrease (5.50%)	Discount Rate -6.50%	Increase (7.50%)
\$ (59,711)	\$ (358,035)	\$ (612,419)

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 10: Defined Benefit Pension Plans (Continued)

Pension Plan Fiduciary Net Position

The Plan II fiduciary net position at June 30, 2022, was as follows:

Assets:	
Cash and cash equivalents	\$ 344,275
Investments:	
Fixed income	1,369,419
Stocks	1,350,852
Real estate	52,492
Total Investments	2,772,763
Total Assets	3,117,038
Net Position Restricted for Pensions	\$ 3,117,038

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of \$20,057. At June 30, 2022, 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
Difference between expected and actual experience	\$ 68,608	\$ (32,312)
Change of assumptions	6,031	-
Net difference between projected and actual earnings on pension plan investments	332,410	-
	-	-
Total	\$ 407,049	\$ (32,312)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30.	Deferred Outflow / (Inflows) of Resources
2023	73,037
2024	93,311
2025	68,837
2026	139,552
2027	-
Thereafter	-
Total	\$ 374,737

Note 11: Defined Contribution Pension Plan

PARS Alternate Retirement System (ARS) Plan

The City currently offers an alternative plan for employees classified as part-time, seasonal or temporary (PST). The plan is administered by the Public Agency Retirement Services (PARS) and is a qualified deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). All amounts of compensation deferred under the plan, all property, or rights are solely the property and rights of the employee and beneficiaries of the plan. Deferred compensation funds are not subject to claims of the City's general creditor; consequently, the assets and related liabilities of the plan are not included within the City's financial statements. The City contributes 3.75% percent of the employee's compensation. In addition, each

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 11: Defined Contribution Pension Plan (Continued)

participant is required to contribute 3.75% of their salary. During the current fiscal year, the City contributed \$68,424 to the plan.

Note 12: Post-Employment Benefit PlanPlan Description

The City administers an agent multiple employer defined benefit plan which provides medical benefits to eligible retirees and their spouses in accordance with various labor agreements.

Employees Covered

An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement with the City. Vesting requires at least 5 years of CalPERS total service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employee contribution upon the death of the retiree.

Employees hired on or before July 1, 2007, who have 20 years or more of service with the City of Rosemead, and who retire from the City, receive an allowance of up to \$1,000 per month for health care benefits for the duration of their retirement. Employees hired on or before July 1, 2007, who have 12-19 years of service with the City of Rosemead, and who retire from the City, receive an allowance up to \$500 per month for health care benefits for the duration of their retirement. For these retirees, the cost of the health insurance is deducted from the retiree's monthly pension payment, and then reimbursed, up to the limits defined herein exclusive of the required PEMHCA minimum, from the City. At age 65, Medicare automatically becomes the primary provider of health coverage with the City's provided plan becoming secondary. These benefits are for the benefit of the retiree, their spouse, and/or any eligible dependent.

For employees hired after July 1, 2007, the City provides the minimum required employer contribution under the CalPERS Health Plan (HC Plan) for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS.

The minimum required employer contribution is statutorily set under PEMHCA and is scheduled to increase in the future based on the medical portion of CPI. Minimum required employer contributions for the calendar years 2021 and 2022 were \$139 and \$143, respectively.

Active	57
Inactive employees or beneficiaries currently receiving benefits	<u>36</u>
Total	<u>93</u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. On May 26, 2009, the City Council passed a resolution to participate in the PARS Public Agencies Post-Retirement Health Care Plan Trust, an irrevocable trust established to fund post-employment benefits for its employees. The purpose of the trust is to accumulate, hold, and distribute medical benefit plan assets for the exclusive benefit of retirees and beneficiaries within the IRS Code Section 115 and in conformance with the accounting standard. The trust is administered by Public Agency Retirement Services (PARS). PARS issues a separate Comprehensive Annual Financial Report. Copies of the PARS annual financial report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12: Post-Employment Benefit Plan (Continued)

For the measurement date ended June 30, 2021, the City recognized a total of \$56,000 in contributions, including an implied subsidy of 44,328, as a reduction to the net OPEB liability.

Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021 was used to determine the total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	18-year fixed period for 2020/21
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	5.50%
General Inflation	2.50%
Medical Trend	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality Improvement Scale 2020 for post-retirement mortality
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS 1997-2015 experience study.
PEMHCA Minimum Increases	3.75% annually
Cap Increases	No future increases
Healthcare Participation for Future Retirees	Actives & Surviving Spouses Hired <=7/1/07: Covered: <12 yrs of service - 70% 12-19 yrs of service - 80% >= 20 yrs of service - 100% Waived: <12 yrs of service - 50% 12-19 yrs of service - 65% >= 20 yrs of service - 80% Actives & Surviving Spouses Hired > 7/1/07: Covered - 70%, Waived - 50% Retirees & Surviving Spouses: Covered - 100% Waived < 65 - 20% at 65, Waived >= 65 - 0%
Change of assumptions	Discount rate was updated based on newer market assumptions. Decreased medical trend rate for Kaiser Senior Advantage. Mortality improvement scale was updated to Scale MP-2020. Decreased general inflation, assumed payroll increases and medical inflation. Updated assumption for Medicare eligible implied subsidy. New claims cost aging factors
Changes of benefit terms	None

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 12: Post-Employment Benefit Plan (Continued)Expected Long-Term Rate of Return

<u>Asset Class Component</u>	<u>Target Allocation PARS-Moderate</u>	<u>Expected Real Rate of Return</u>
Global Equity	48.00%	4.56%
Fixed Income	45.00%	0.78%
REITs	2.00%	4.06%
Cash	5.00%	-0.50%
(1) Assumed Long-Term Rate of Inflation		2.50%
(2) Expected Long-Term Net Rate of Return, rounded to the nearest quarter percent		5.50%

The long-term expected real rates of return are presented as geometric means.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability/(Asset)

The changes in the net OPEB liability for the Plan are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2021 (measurement date 6/30/2020)	<u>\$ 4,305,390</u>	<u>\$ 3,810,549</u>	<u>\$ 494,841</u>
Changes recognized for the measurement period:			
Service cost	116,753	-	116,753
Interest	258,626	-	258,626
Actual vs. expected experience	(106,136)	-	(106,136)
Assumption changes	200,671	-	200,671
Contributions - employer	-	179,672	(179,672)
Net investment income	-	848,323	(848,323)
Benefit payments	(223,397)	(223,397)	-
Administrative expenses	-	(11,139)	11,139
Net changes	<u>246,517</u>	<u>793,459</u>	<u>(546,942)</u>
Balance at June 30, 2022 (measurement date 6/30/2021)	<u>\$ 4,551,907</u>	<u>\$ 4,604,008</u>	<u>\$ (52,101)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022
Note 12: Post-Employment Benefit Plan (Continued)Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability/(Asset)	\$ 532,758	\$ (52,101)	\$ (539,916)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/(asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease	Current Healthcare Cost Trent Rates	1% Increase
Net OPEB Liability/(Asset) \$	(363,075)	\$ (52,101)	\$ 273,843

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, California 92660.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB income of \$33,402. As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 100,859	\$ -
Differences between expected and actual experience	-	399,231
Changes of assumptions	176,199	27,443
Net difference between projected and actual earnings on OPEB investments	-	451,500
Total	<u>\$ 277,058</u>	<u>\$ 878,174</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12: Post-Employment Benefit Plan (Continued)

The \$100,859 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30:	Deferred Outflow / (Inflows) of Resources
2023	(163,343)
2024	(161,425)
2025	(156,864)
2026	(175,436)
2027	(51,392)
Thereafter	6,485
Total	<u>\$ (701,975)</u>

Note 13: Commitments and Contingencies

The City is a member of the Los Angeles County Liability Trust Fund (the Trust Fund), which was set up to pay for litigation involving the Los Angeles County Sheriffs' Department within any of the 40 cities that are served by the Los Angeles County Sheriffs' Department. The Trust Fund was and is being funded by the 40 cities based upon each city's allocated surcharge, calculated as a percentage of each city's contribution to the total contracted amount with the County paid to Los Angeles County for the use of its deputies. Based upon the agreement signed by all of the 40 cities at the time the Trust Fund originated, the cities will be jointly liable for any and all claims filed against the Los Angeles County Sheriffs' Department, regardless of the location within the 40 cities.

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management, any liability resulting from such actions will not have a material adverse effect on the City's financial position.

Note 14: Successor Agency

On December 29, 2011, the California Supreme Court upheld AB IX 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported the former Agency within the reporting entity of the City as a blended component unit. In June 2012, the Legislature adopted AR 1484, which amended portions of AB IX 26 and added certain new provisions. AB IX 26 and AB 1484 are collectively referred to herein as the "Bill."

The Bill provides that upon dissolution of a redevelopment agency, either city or another unit local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. The successor agency is defined as being a separate legal entity from the City. On January 10, 2012, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City resolution number 28029. The assets and activities of the Successor Agency for the former Agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Successor Agency (Continued)

Subject to the approval of the oversight board and the State of California Department of Finance (DOF), remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are allocated property tax revenue in the amount that is necessary to pay the estimated installment payments on enforceable obligations of the former redevelopment agencies until all enforceable obligations of the prior redevelopment agencies have been paid in full and all assets have been liquidated.

a. Cash and Investments

Cash and investments of the Successor Agency consist of demand deposit held with financial institutions and restricted cash held with fiscal agents for the purpose of debt service payments and bond covenants. The cash and investments reported in the accompanying financial statements consisted of the following:

Cash and Investments	\$ 5,776,706
Restricted:	
Cash with Fiscal Agents	1,123,012
Total Cash and Investments	<u>\$ 6,899,718</u>

b. Long-Term Debt

The debt of the Successor Agency as of June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds					
Series 2010A	\$ 3,285,000	\$ -	\$ 1,050,000	\$ 2,235,000	\$ 1,100,000
Tax Allocation Bonds					
Series 2016	19,510,000	-	1,355,000	18,155,000	1,430,000
Subtotal Bonds	<u>22,795,000</u>	<u>-</u>	<u>2,405,000</u>	<u>20,390,000</u>	<u>2,530,000</u>
Deferred amounts:					
Unamortized bond premium	1,281,531	-	106,794	1,174,737	106,794
Discount on Issuance	<u>(33,255)</u>	<u>-</u>	<u>(14,780)</u>	<u>(18,475)</u>	<u>(14,780)</u>
Total Bonds	<u>1,248,276</u>	<u>-</u>	<u>92,014</u>	<u>1,156,262</u>	<u>92,014</u>
Total Long-term Debt	<u>\$ 24,043,276</u>	<u>\$ -</u>	<u>\$ 2,497,014</u>	<u>\$ 21,546,262</u>	<u>\$ 2,622,014</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Successor Agency (Continued)

Future debt service requirements are as follows:

Year Ending June 30	Principal	Interest
2023	\$ 2,530,000	\$ 886,750
2024	2,320,000	765,500
2025	1,245,000	676,375
2026	1,305,000	612,625
2027	1,370,000	545,750
2028-2032	7,930,000	1,664,900
2033-2034	3,690,000	149,000
Total	<u>\$ 20,390,000</u>	<u>\$ 5,300,900</u>

Tax Allocation Bonds, Series 2010A

In July 2010, the Commission issued \$11,230,000 in Merged Project Area Tax Allocation Bonds. The bonds mature in amounts ranging from \$200,000 to \$1,135,000 with interest rates ranging from 3.00% to 5.00% through December 1, 2023. The bonds were issued to provide funds to finance the costs of certain redevelopment projects within the Merged Project Area including infrastructure improvements and the acquisition of land. Principal is payable annually on December 1, beginning on December 1, 2011. Interest is payable semi-annually on June 1 and December 1. Per the bond indenture, a reserve is required to be maintained. In the event of default, all money in the funds and accounts provided for in the bond indenture and all tax revenues thereafter received by the Successor Agency are to be transmitted to the trustee and applied in the following order: first to pay the costs and expenses of the trustee for legal counsel, and second, to pay the unpaid principal and interest accrued on the bonds. At June 30, 2022, the balance held in the reserve account was \$1,123,000. As of June 30, 2022, the outstanding balance was \$2,235,000.

2016 Subordinate Tax Allocation Refunding Bonds

In October 2016, the Successor Agency to the Rosemead Redevelopment Agency (Successor Agency) issued the 2016 Subordinate Tax Allocation Refunding Bonds in the amount of \$24,230,000 for the purpose of refunding, on a current basis, all of the outstanding Rosemead Community Development Commission Redevelopment Project Area No. 1 Tax Allocation Bonds, Series 2006A, initially issued in the principal amount of \$14,005,000, and the Rosemead Community Development Commission Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Series 2006B, initially issued in the principal amount of \$24,230,000. Interest is payable semi-annually on April 1 and October 1. The bonds are subject to acceleration upon an event of default. If an event of default has occurred, the principal of the bonds, together with the interest thereon, are due and payable immediately. As of June 30, 2022, the outstanding balance was \$18,155,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: Successor Agency (Continued)

c. Pledged Revenue

The City pledged, as security for the bonds issued, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds were issued to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects, and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the redevelopment activities of the redevelopment agency, property taxes allocated to redevelopment activities are no longer deemed tax increment, but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt as of June 30, 2022 is \$25,690,900 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the successor agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$4,072,385 and the debt service obligation on the bonds was \$3,415,125.



Required Supplementary Information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Budgetary Comparison Information

1. Annual budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end.
2. On or before the last day in March of each year, all business units and component units of the government submit requests for appropriations to the City Manager so that a budget may be prepared. Before the first Thursday of June, the proposed budget is presented to the City Council for review. The Council holds public meetings and a final budget must be prepared and adopted no later than June 30.
3. The appropriated budget is prepared by fund and department. The City's Department Directors, with approval of the Finance Director and City Manager, may make transfers of appropriations within a department and between departments within a fund. Transfers of appropriations between funds must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council made several supplemental budgetary appropriations throughout the year. The supplemental budgetary appropriations made in the various governmental funds are detailed in the required supplementary information. Budgets were legally adopted for all governmental funds.
4. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, and contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 25,587,612	\$ 25,587,612	\$ 25,587,612	\$ -
Available for Appropriations (Inflows):				
Taxes	19,527,100	19,527,100	21,348,831	1,821,731
Licenses and permits	2,451,200	2,451,200	3,332,016	880,816
Intergovernmental	155,000	155,000	682,567	527,567
Charges for services	918,200	918,200	743,971	(174,229)
Use of money and property	385,700	385,700	360,557	(25,143)
Fines and forfeitures	624,300	624,300	577,616	(46,684)
Miscellaneous	26,000	26,000	77,838	51,838
Transfers in	1,500,000	1,500,000	-	(1,500,000)
Amounts Available for Appropriations	51,175,112	51,175,112	52,889,019	1,713,907
Charges to Appropriation (Outflows):				
General government	5,106,600	5,085,000	5,156,458	(71,458)
Public safety	10,296,190	11,097,100	10,927,864	169,236
Community development	1,728,500	1,728,500	1,752,791	(24,291)
Parks and recreation	3,511,400	3,504,000	2,385,453	1,118,547
Public works	3,990,200	3,984,050	3,854,124	129,926
Capital outlay	891,310	891,310	256,063	635,247
Transfers out	50,000	50,000	-	50,000
Total Charges to Appropriations	25,574,200	26,339,960	24,332,753	2,007,207
Budgetary Fund Balance, June 30	\$ 25,600,912	\$ 24,835,152	\$ 28,556,266	\$ 3,721,114

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	8,939,300	17,878,600	170,989	(17,707,611)
Amounts Available for Appropriations	8,939,300	17,878,600	170,989	(17,707,611)
Charges to Appropriation (Outflows):				
General government	-	273,900	154,098	119,802
Public works	-	39,000	16,891	22,109
Transfers out	1,500,000	11,500,000	-	11,500,000
Total Charges to Appropriations	1,500,000	11,812,900	170,989	11,641,911
Budgetary Fund Balance, June 30	\$ 7,439,300	\$ 6,065,700	\$ -	\$ (6,065,700)

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 SLFRF
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Transfers in	-	10,000,000	-	(10,000,000)
Amounts Available for Appropriations	-	10,000,000	-	(10,000,000)
Budgetary Fund Balance, June 30	\$ -	\$ 10,000,000	\$ -	\$ (10,000,000)

CITY OF ROSEMEAD, CALIFORNIA

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2022	2021	2020
Measurement Date	6/30/2021	6/30/2020	6/30/2019
Proportion of the Net Pension Liability	0.08338%	0.08279%	0.08643%
Proportionate Share of the Net Pension Liability	\$ 4,509,289	\$ 9,007,798	\$ 8,856,781
Covered Payroll	\$ 3,832,817	\$ 3,832,817	\$ 3,903,914
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	118%	235%	227%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.3%	75.3%	75.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability

Benefit Changes: None.

Changes of Assumptions: In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no chnages in the discount rate.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

2019	2018	2017	2016	2015
<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
0.09186%	0.09661%	0.09959%	0.27841%	0.10996%
\$ 8,688,626	\$ 9,309,566	\$ 8,617,416	\$ 7,638,064	\$ 6,842,230
\$ 3,761,962	\$ 3,690,780	\$ 3,444,503	\$ 3,444,503	\$ 4,604,511
231%	252%	250%	222%	149%
75.3%	73.3%	74.1%	69.7%	155.3%

CITY OF ROSEMEAD, CALIFORNIA

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2022	2021	2020
Actuarially Determined Contribution	\$ 1,036,079	\$ 1,013,310	\$ 1,446,875
Contribution in Relation to the Actuarially Determined Contribution	(1,036,079)	(1,013,310)	(1,446,875)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,185,828	\$ 3,832,817	\$ 3,832,817
Contributions as a Percentage of Covered Payroll	24.8%	26.4%	37.7%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2016 Funding Valuation Report.
Asset Valuation Method:	Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation:	2.50%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75%
Investment Rate of Return:	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age:	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011.
Mortality:	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2019	2018	2017	2016	2015
\$ 1,389,145	\$ 1,487,464	\$ 1,113,875	\$ 1,113,875	\$ 910,907
(1,389,145)	(1,487,464)	(1,113,875)	(1,113,875)	(910,907)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,903,914	\$ 3,761,962	\$ 3,690,780	\$ 3,444,503	\$ 4,604,511
35.6%	39.5%	30.2%	32.3%	19.8%

CITY OF ROSEMEAD, CALIFORNIA

PARS RETIREMENT ENHANCEMENT PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2022	2021	2020
Total Pension Liability			
Service Cost	\$ 24,732	\$ 24,070	\$ 25,883
Interest	175,746	171,039	172,888
Effect of Liability Gains or Losses	-	110,471	-
Effect of Assumption Changes or Inputs	-	-	-
Benefit Payments, Including Refunds of employee Contributions	(237,325)	(230,403)	(220,611)
Net Change in Total Pension Liability	(36,847)	75,177	(21,840)
Total Pension Liability - Beginning	2,795,850	2,720,673	2,742,513
Total Pension Liability - Ending (a)	\$ 2,759,003	\$ 2,795,850	\$ 2,720,673
Plan Fiduciary Net Position			
Contribution - Employer	\$ 68,424	\$ 75,165	\$ 112,649
Net Investment Income	(459,657)	660,793	96,972
Benefit Payments, Including Refunds of Employee Contributions	(237,325)	(230,403)	(220,611)
Other Changes in Fiduciary Net Position	(1,280)	(1,316)	(1,441)
Net Change in Fiduciary Net Position	(629,838)	504,239	(12,431)
Plan Fiduciary Net Position - Beginning	3,746,876	3,242,637	3,255,068
Plan Fiduciary Net Position - Ending (b)	\$ 3,117,038	\$ 3,746,876	\$ 3,242,637
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ (358,035)	\$ (951,026)	\$ (521,964)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.0%	134.0%	119.2%
Covered Payroll	\$ 1,618,148	\$ 1,780,371	\$ 2,300,379
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-22.13%	-53.4%	-22.7%

Notes to Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios:Changes of Assumptions: There were no changes in assumptions.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

2019	2018	2017	2016	2015
\$ 25,190	\$ 37,502	\$ 36,410	\$ 45,435	\$ 44,112
170,716	171,215	192,440	191,270	190,667
17,567	-	(355,400)	-	-
32,827	-	-	-	-
(206,738)	(201,490)	(200,693)	(218,411)	(234,960)
39,562	7,227	(327,243)	18,294	(181)
2,702,951	2,695,724	3,022,967	3,004,673	3,004,854
\$ 2,742,513	\$ 2,702,951	\$ 2,695,724	\$ 3,022,967	\$ 3,004,673
\$ 131,770	\$ 140,376	\$ 164,389	\$ 265,241	\$ 273,711
187,985	175,605	266,884	(2,345)	59,329
(206,738)	(201,490)	(200,693)	(218,411)	(234,960)
(1,440)	(1,461)	(6,848)	(2,624)	(5,864)
111,577	113,030	223,732	41,861	92,216
3,143,491	3,030,461	2,806,729	2,764,868	2,672,652
\$ 3,255,068	\$ 3,143,491	\$ 3,030,461	\$ 2,806,729	\$ 2,764,868
\$ (512,555)	\$ (440,540)	\$ (334,737)	\$ 216,238	\$ 239,805
118.7%	116.3%	112.4%	92.8%	92.0%
\$ 2,238,812	\$ 2,178,892	\$ 2,414,510	\$ 2,344,184	\$ 3,060,587
-22.9%	-20.2%	-13.9%	9.2%	7.8%

CITY OF ROSEMEAD, CALIFORNIA

**PARS RETIREMENT ENHANCEMENT PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2022	2021	2020
Actuarially Determined Contribution	\$ 24,747	\$ 20,100	\$ 25,970
Contribution in Relation to the Actuarially Determined Contribution	(68,424)	(75,165)	(112,649)
Contribution Deficiency (Excess)	<u>\$ (43,677)</u>	<u>\$ (55,065)</u>	<u>\$ (86,679)</u>
Covered Payroll	\$ 1,618,148	\$ 1,780,371	\$ 2,300,379
Contributions as a Percentage of Covered Payroll	4.2%	4.2%	4.9%

Note to Schedule of Plan Contributions:

Valuation Date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	2 years
Inflation	2.50%
Salary Increases	3.4% to 12.20%, depending on years of service
Investment rate of return	6.50%
Payroll Growth	2.75%
Cost of Living Adjustments	2.00%
Mortality	Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

2019	2018	2017	2016	2015
\$ 73,864	\$ 81,888	\$ 88,845	\$ 116,244	\$ 133,267
(131,770)	(140,376)	(164,389)	(265,241)	(273,711)
<u>\$ (57,906)</u>	<u>\$ (58,488)</u>	<u>\$ (75,544)</u>	<u>\$ (148,997)</u>	<u>\$ (140,444)</u>
\$ 2,238,812	\$ 2,178,892	\$ 2,414,510	\$ 2,344,184	\$ 3,060,587
5.9%	6.4%	6.8%	11.3%	8.9%

CITY OF ROSEMEAD, CALIFORNIA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 116,753	\$ 115,714	\$ 155,962	\$ 151,419	\$ 147,009
Interest on the total OPEB liability	258,626	249,416	268,709	253,402	237,920
Actual and expected experience difference	(106,136)	-	(479,267)	-	-
Changes in assumptions	200,671	-	(42,977)	-	-
Benefit payments	(223,397)	(201,882)	(165,606)	(142,897)	(119,682)
Net change in total OPEB liability	246,517	163,248	(263,179)	261,924	265,247
Total OPEB liability - beginning	4,305,390	4,142,142	4,405,321	4,143,397	3,878,150
Total OPEB liability - ending (a)	4,551,907	4,305,390	4,142,142	4,405,321	4,143,397
Plan Fiduciary Net Position					
Contribution - employer	179,672	45,227	97,132	22,063	158,082
Net investment income	848,323	136,814	242,596	223,704	336,797
Benefit payments	(223,397)	(201,882)	(165,606)	(142,897)	(119,682)
Administrative expense	(11,139)	(10,252)	(9,719)	(9,889)	(8,925)
Net change in plan fiduciary net position	793,459	(30,093)	164,403	92,981	366,272
Plan fiduciary net position - beginning	3,810,549	3,840,642	3,676,239	3,583,258	3,216,986
Plan fiduciary net position - ending (b)	4,604,008	3,810,549	3,840,642	3,676,239	3,583,258
Net OPEB (Asset) Liability - ending (a) - (b)	\$ (52,101)	\$ 494,841	\$ 301,500	\$ 729,082	\$ 560,139
Plan fiduciary net position as a percentage of the total OPEB liability	101.1%	88.5%	92.7%	83.4%	86.5%
Covered-employee payroll	\$ 4,185,828	\$ 3,832,817	\$ 3,903,914	\$ 3,761,962	\$ 3,690,780
Net OPEB liability as a percentage of covered-employee payroll	-1.2%	12.9%	7.7%	19.4%	15.2%

Notes to Schedule:

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF ROSEMEAD, CALIFORNIA

OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 167,000	\$ 163,000	\$ 202,000	\$ 197,000	\$ 192,000
Contribution in Relation to the Actuarially Determined Contributions ⁽²⁾	(100,859)	(179,672)	(45,227)	(97,132)	(22,063)
Contribution Deficiency (Excess)	<u>\$ 66,141</u>	<u>\$ (16,672)</u>	<u>\$ 156,773</u>	<u>\$ 99,868</u>	<u>\$ 169,937</u>
Covered-employee payroll	\$ 4,185,828	\$ 3,888,373	\$ 3,832,817	\$ 3,903,914	\$ 3,761,962
Contributions as a percentage of covered-employee payroll	2.4%	4.6%	1.2%	2.5%	0.6%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the December 31, 2016 actuarial valuation.

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay
Amortization Period:	17-year fixed period for 2021/22
Asset Valuation Method:	Investment gains and losses spread over 5-year rolling period
Discount Rate:	
General Inflation:	
Medical Trend:	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality:	CalPERS 1997-2015 experience study
Mortality Improvement:	Mortality projected fully generational with Scale MP-19
All Other Assumptions:	Same as those used to determine the total OPEB liability

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

⁽²⁾ Contributions include implied subsidies.

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Assets:				
Cash and investments	\$ 2,710,331	\$ -	\$ 1,077,018	\$ 2,859,135
Receivables:				
Accounts receivable	8,000	-	-	-
Notes and loans	-	-	-	-
Accrued interest	5,886	-	2,213	6,073
Due from other governments	94,804	22,273	-	-
Total Assets	\$ 2,819,021	\$ 22,273	\$ 1,079,231	\$ 2,865,208
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 17,410	\$ 384	\$ 192,054	\$ 104
Accrued liabilities	7,436	-	3,239	1,344
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	21,059	-	-
Retentions payable	-	830	-	-
Total Liabilities	24,846	22,273	195,293	1,448
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	2,794,175	-	883,938	2,863,760
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	2,794,175	-	883,938	2,863,760
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,819,021	\$ 22,273	\$ 1,079,231	\$ 2,865,208

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

Special Revenue Funds				
	Measure R	Measure M	Air Quality Management District	Street Lighting
Assets:				
Cash and investments	\$ 3,201,346	\$ 3,819,070	\$ 473,434	\$ 3,490,006
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	6,947	8,183	1,022	7,696
Due from other governments	-	-	17,836	67,121
Total Assets	\$ 3,208,293	\$ 3,827,253	\$ 492,292	\$ 3,564,823
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 432,991	\$ 554,528	\$ -	\$ 106,705
Accrued liabilities	549	231	-	3,488
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Retentions payable	4,953	45,497	-	-
Total Liabilities	438,493	600,256	-	110,193
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	2,769,800	3,226,997	492,292	3,454,630
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	2,769,800	3,226,997	492,292	3,454,630
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,208,293	\$ 3,827,253	\$ 492,292	\$ 3,564,823

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

Special Revenue Funds				
	Development Impact Fee Traffic	Development Impact Fee Public Safety	Development Impact Fee General Government	Development Impact Fee Parks
Assets:				
Cash and investments	\$ 78,610	\$ 11,546	\$ 81,436	\$ 340,660
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	164	25	176	739
Due from other governments	-	-	-	-
Total Assets	\$ 78,774	\$ 11,571	\$ 81,612	\$ 341,399
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Retentions payable	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	78,774	11,571	-	341,399
Low and moderate income housing	-	-	-	-
Public works	-	-	81,612	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	78,774	11,571	81,612	341,399
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 78,774	\$ 11,571	\$ 81,612	\$ 341,399

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Assets:				
Cash and investments	\$ -	\$ 831,340	\$ 451,655	\$ 3,060,294
Receivables:				
Accounts receivable	-	-	9,552	-
Notes and loans	-	3,207,200	-	-
Accrued interest	-	1,828	361	6,606
Due from other governments	226,595	12,029	216,861	177,902
Total Assets	\$ 226,595	\$ 4,052,397	\$ 678,429	\$ 3,244,802
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 40,842	\$ 5,900	\$ 7,372	\$ 330,923
Accrued liabilities	894	395	-	983
Unearned revenues	-	-	-	-
Deposits payable	-	-	42,983	-
Due to other funds	189,965	-	197,552	-
Retentions payable	-	-	-	61,916
Total Liabilities	231,701	6,295	247,907	393,822
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	-	4,046,102	-	-
Low and moderate income housing	-	-	430,522	-
Public works	-	-	-	2,850,980
Unassigned (deficit)	(5,106)	-	-	-
Total Fund Balances (Deficits)	(5,106)	4,046,102	430,522	2,850,980
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 226,595	\$ 4,052,397	\$ 678,429	\$ 3,244,802

CITY OF ROSEMEAD, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			Capital Projects Fund	
	City Grants Fund	Clean Water Fund	Measure H Grant	Measure R CP	Total Governmental Funds
Assets:					
Cash and investments	\$ 196,851	\$ 651,659	\$ -	\$ -	\$ 23,334,391
Receivables:					
Accounts receivable	-	-	-	-	17,552
Notes and loans	-	-	-	-	3,207,200
Accrued interest	-	1,491	-	-	49,410
Due from other governments	189,273	-	-	146,005	1,170,699
Total Assets	\$ 386,124	\$ 653,150	\$ -	\$ 146,005	\$ 27,779,252
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):					
Liabilities:					
Accounts payable	\$ 6,795	\$ 30,703	\$ -	\$ 74,830	\$ 1,801,541
Accrued liabilities	-	-	-	-	18,559
Unearned revenues	377,454	-	-	-	377,454
Deposits payable	-	-	-	-	42,983
Due to other funds	-	-	-	71,175	479,751
Retentions payable	1,875	-	-	-	115,071
Total Liabilities	386,124	30,703	-	146,005	2,835,359
Deferred Inflows of Resources:					
Unavailable revenues	26,662	-	-	78,389	105,051
Total Deferred Inflows of Resources	26,662	-	-	78,389	105,051
Fund Balances (Deficits):					
Restricted:					
Community services	-	-	-	-	4,477,846
Low and moderate income housing	-	-	-	-	430,522
Public works	-	622,447	-	-	20,040,631
Unassigned (deficit)	(26,662)	-	-	(78,389)	(110,157)
Total Fund Balances (Deficits)	(26,662)	622,447	-	(78,389)	24,838,842
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 386,124	\$ 653,150	\$ -	\$ 146,005	\$ 27,779,252



CITY OF ROSEMEAD, CALIFORNIA

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

Special Revenue Funds				
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,267,505	22,273	1,372,830	1,138,734
Charges for services	8,000	-	15,001	-
Use of money and property (loss on investments)	198	-	25	675
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,275,703	22,273	1,387,856	1,139,409
Expenditures:				
Current:				
General government	2,700	-	46,876	7,560
Public safety	41,511	-	-	8,861
Community development	-	-	-	-
Parks and recreation	-	-	18,181	-
Public works	576,627	-	1,186,224	23,167
Capital outlay	-	22,273	-	-
Total Expenditures	620,838	22,273	1,251,281	39,588
Net Change in Fund Balances	654,865	-	136,575	1,099,821
Fund Balances (Deficit), Beginning of Year	2,139,310	-	747,363	1,763,939
Fund Balances (Deficit), End of the Year	\$ 2,794,175	\$ -	\$ 883,938	\$ 2,863,760

CITY OF ROSEMEAD, CALIFORNIA

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

(CONTINUED)

Special Revenue Funds				
	Measure R	Measure M	Air Quality Management District	Street Lighting
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 121,679
Intergovernmental	853,913	966,300	69,783	1,170,291
Charges for services	-	-	-	-
Use of money and property (loss on investments)	328	370	(36)	142
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	854,241	966,670	69,747	1,292,112
Expenditures:				
Current:				
General government	14,033	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	507,086	15,319	15,388	870,082
Capital outlay	-	601,140	-	-
Total Expenditures	521,119	616,459	15,388	870,082
Net Change in Fund Balances	333,122	350,211	54,359	422,030
Fund Balances (Deficit), Beginning of Year	2,436,678	2,876,786	437,933	3,032,600
Fund Balances (Deficit), End of the Year	\$ 2,769,800	\$ 3,226,997	\$ 492,292	\$ 3,454,630

CITY OF ROSEMEAD, CALIFORNIA

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

Special Revenue Funds				
	Development Impact Fee Traffic	Development Impact Fee Public Safety	Development Impact Fee General Government	Development Impact Fee Parks
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property (loss on investments)	13	2	4	14
Developer participation	25,604	2,531	17,658	68,869
Miscellaneous	-	-	-	-
Total Revenues	25,617	2,533	17,662	68,883
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	25,617	2,533	17,662	68,883
Fund Balances (Deficit), Beginning of Year	53,157	9,038	63,950	272,516
Fund Balances (Deficit), End of the Year	\$ 78,774	\$ 11,571	\$ 81,612	\$ 341,399

CITY OF ROSEMEAD, CALIFORNIA

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

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	481,222	75,588	428,978	1,076,043
Charges for services	6,792	-	474,233	-
Use of money and property (loss on investments)	-	58	7,981	(775)
Developer participation	-	-	-	-
Miscellaneous	-	-	6,212	-
Total Revenues	488,014	75,646	917,404	1,075,268
Expenditures:				
Current:				
General government	61,497	28,800	-	-
Public safety	-	-	-	-
Community development	375,965	46,789	904,185	-
Parks and recreation	24,365	-	-	-
Public works	-	-	-	158,830
Capital outlay	19,399	-	-	1,306,865
Total Expenditures	481,226	75,589	904,185	1,465,695
Net Change in Fund Balances	6,788	57	13,219	(390,427)
Fund Balances (Deficit), Beginning of Year	(11,894)	4,046,045	417,303	3,241,407
Fund Balances (Deficit), End of the Year	\$ (5,106)	\$ 4,046,102	\$ 430,522	\$ 2,850,980

CITY OF ROSEMEAD, CALIFORNIA

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

	Special Revenue Funds			Capital Projects Fund	
	City Grants Fund	Clean Water Fund	Measure H Grant	Measure R CP	Total Governmental Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 121,679
Intergovernmental	162,612	570,005	5,000	67,616	9,728,693
Charges for services	-	-	-	-	504,026
Use of money and property (loss on investments)	-	229	-	-	9,228
Developer participation	-	-	-	-	114,662
Miscellaneous	-	-	-	-	6,212
Total Revenues	162,612	570,234	5,000	67,616	10,484,500
Expenditures:					
Current:					
General government	-	-	5,000	-	166,466
Public safety	-	-	-	-	50,372
Community development	67,299	-	-	-	1,394,238
Parks and recreation	-	-	-	-	42,546
Public works	6,796	281,946	-	-	3,641,465
Capital outlay	37,500	-	-	146,005	2,133,182
Total Expenditures	111,595	281,946	5,000	146,005	7,428,269
Net Change in Fund Balances	51,017	288,288	-	(78,389)	3,056,231
Fund Balances (Deficit), Beginning of Year	(77,679)	334,159	-	-	21,782,611
Fund Balances (Deficit), End of the Year	\$ (26,662)	\$ 622,447	\$ -	\$ (78,389)	\$ 24,838,842

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,139,310	\$ 2,139,310	\$ 2,139,310	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,302,000	1,302,000	1,267,505	(34,495)
Charges for services	8,000	8,000	8,000	-
Use of money and property	15,000	15,000	198	(14,802)
Amounts Available for Appropriations	3,464,310	3,464,310	3,415,013	(49,297)
Charges to Appropriation (Outflows):				
General government	2,800	2,800	2,700	100
Public safety	41,600	41,600	41,511	89
Public works	736,100	736,100	576,627	159,473
Capital outlay	1,792,000	1,147,000	-	1,147,000
Total Charges to Appropriations	2,572,500	1,927,500	620,838	1,306,662
Budgetary Fund Balance, June 30	\$ 891,810	\$ 1,536,810	\$ 2,794,175	\$ 1,257,365

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
LOCAL TRANSPORTATION/SIDEWALK GRANT
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	41,700	41,700	22,273	(19,427)
Amounts Available for Appropriations	41,700	41,700	22,273	(19,427)
Charges to Appropriation (Outflows):				
Capital outlay	41,700	41,700	22,273	19,427
Total Charges to Appropriations	41,700	41,700	22,273	19,427
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 747,363	\$ 747,363	\$ 747,363	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,097,800	1,097,800	1,372,830	275,030
Charges for services	115,000	115,000	15,001	(99,999)
Use of money and property	7,500	7,500	25	(7,475)
Amounts Available for Appropriations	1,967,663	1,967,663	2,135,219	167,556
Charges to Appropriation (Outflows):				
General government	72,800	72,800	46,876	25,924
Parks and recreation	198,000	198,000	18,181	179,819
Public works	1,276,500	1,276,500	1,186,224	90,276
Total Charges to Appropriations	1,547,300	1,547,300	1,251,281	296,019
Budgetary Fund Balance, June 30	\$ 420,363	\$ 420,363	\$ 883,938	\$ 463,575

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,763,939	\$ 1,763,939	\$ 1,763,939	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	910,600	910,600	1,138,734	228,134
Use of money and property	15,000	15,000	675	(14,325)
Amounts Available for Appropriations	2,689,539	2,689,539	2,903,348	213,809
Charges to Appropriation (Outflows):				
General government	41,900	41,900	7,560	34,340
Public safety	22,800	22,800	8,861	13,939
Public works	23,800	23,800	23,167	633
Capital outlay	1,461,000	2,136,000	-	2,136,000
Total Charges to Appropriations	1,549,500	2,224,500	39,588	2,184,912
Budgetary Fund Balance, June 30	\$ 1,140,039	\$ 465,039	\$ 2,863,760	\$ 2,398,721

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE R
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,436,678	\$ 2,436,678	\$ 2,436,678	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	683,000	683,000	853,913	170,913
Use of money and property	15,000	15,000	328	(14,672)
Amounts Available for Appropriations	3,134,678	3,134,678	3,290,919	156,241
Charges to Appropriation (Outflows):				
General government	25,000	25,000	14,033	10,967
Public works	112,300	112,300	507,086	(394,786)
Capital outlay	1,370,000	2,633,151	-	2,633,151
Total Charges to Appropriations	1,507,300	2,770,451	521,119	2,249,332
Budgetary Fund Balance, June 30	\$ 1,627,378	\$ 364,227	\$ 2,769,800	\$ 2,405,573

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE M
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,876,786	\$ 2,876,786	\$ 2,876,786	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	774,030	774,030	966,300	192,270
Use of money and property	20,000	20,000	370	(19,630)
Amounts Available for Appropriations	3,670,816	3,670,816	3,843,456	172,640
Charges to Appropriation (Outflows):				
General government	-	-	-	-
Public works	43,700	43,700	15,319	28,381
Capital outlay	1,413,000	3,287,000	601,140	2,685,860
Total Charges to Appropriations	1,456,700	3,330,700	616,459	2,714,241
Budgetary Fund Balance, June 30	\$ 2,214,116	\$ 340,116	\$ 3,226,997	\$ 2,886,881

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY MANAGEMENT DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 437,933	\$ 437,933	\$ 437,933	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	70,000	70,000	69,783	(217)
Use of money and property (loss on investments)	5,000	5,000	(36)	(5,036)
Amounts Available for Appropriations	512,933	512,933	507,680	(5,253)
Charges to Appropriation (Outflows):				
Public works	10,100	10,100	15,388	(5,288)
Total Charges to Appropriations	10,100	10,100	15,388	(5,288)
Budgetary Fund Balance, June 30	\$ 502,833	\$ 502,833	\$ 492,292	\$ (10,541)

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ -
Available for Appropriations (Inflows):				
Taxes	-	-	121,679	121,679
Intergovernmental	1,300,000	1,300,000	1,170,291	(129,709)
Use of money and property	25,000	25,000	142	(24,858)
Amounts Available for Appropriations	4,357,600	4,357,600	4,324,712	(32,888)
Charges to Appropriation (Outflows):				
General government	12,800	12,800	-	12,800
Public works	787,300	787,300	870,082	(82,782)
Capital outlay	1,210,000	1,210,000	-	1,210,000
Total Charges to Appropriations	2,010,100	2,010,100	870,082	1,140,018
Budgetary Fund Balance, June 30	\$ 2,347,500	\$ 2,347,500	\$ 3,454,630	\$ 1,107,130

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE TRAFFIC
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 53,157	\$ 53,157	\$ 53,157	\$ -
Available for Appropriations (Inflows):				
Use of money and property	400	400	13	(387)
Developer participation	5,000	5,000	25,604	20,604
Amounts Available for Appropriations	58,557	58,557	78,774	20,217
Budgetary Fund Balance, June 30	\$ 58,557	\$ 58,557	\$ 78,774	\$ 20,217

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE PUBLIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,038	\$ 9,038	\$ 9,038	\$ -
Available for Appropriations (Inflows):				
Use of money and property	100	100	2	(98)
Developer participation	3,000	3,000	2,531	(469)
Amounts Available for Appropriations	12,138	12,138	11,571	(567)
Budgetary Fund Balance, June 30	\$ 12,138	\$ 12,138	\$ 11,571	\$ (567)

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE GENERAL GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 63,950	\$ 63,950	\$ 63,950	\$ -
Available for Appropriations (Inflows):				
Use of money and property	500	500	4	(496)
Developer participation	10,000	10,000	17,658	7,658
Amounts Available for Appropriations	74,450	74,450	81,612	7,162
Budgetary Fund Balance, June 30	\$ 74,450	\$ 74,450	\$ 81,612	\$ 7,162

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE PARKS
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 272,516	\$ 272,516	\$ 272,516	\$ -
Available for Appropriations (Inflows):				
Use of money and property	2,000	2,000	14	(1,986)
Developer participation	50,000	50,000	68,869	18,869
Amounts Available for Appropriations	324,516	324,516	341,399	16,883
Budgetary Fund Balance, June 30	\$ 324,516	\$ 324,516	\$ 341,399	\$ 16,883

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (11,894)	\$ (11,894)	\$ (11,894)	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	2,324,600	2,324,600	481,222	(1,843,378)
Charges for services	-	-	6,792	6,792
Amounts Available for Appropriations	2,312,706	2,312,706	476,120	(1,836,586)
Charges to Appropriation (Outflows):				
General government	96,400	96,400	61,497	34,903
Community development	1,827,600	1,827,600	375,965	1,451,635
Parks and recreation	50,600	50,600	24,365	26,235
Capital outlay	350,000	350,000	19,399	330,601
Total Charges to Appropriations	2,324,600	2,324,600	481,226	1,843,374
Budgetary Fund Deficit, June 30	\$ (11,894)	\$ (11,894)	\$ (5,106)	\$ 6,788

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOME PROGRAM
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 4,046,045	\$ 4,046,045	\$ 4,046,045	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	2,127,900	2,127,900	75,588	(2,052,312)
Use of money and property	7,500	7,500	58	(7,442)
Amounts Available for Appropriations	6,181,445	6,181,445	4,121,691	(2,059,754)
Charges to Appropriation (Outflows):				
General government	33,600	33,600	28,800	4,800
Community development	2,101,800	2,101,800	46,789	2,055,011
Total Charges to Appropriations	2,135,400	2,135,400	75,589	2,059,811
Budgetary Fund Balance, June 30	\$ 4,046,045	\$ 4,046,045	\$ 4,046,102	\$ 57

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
ROSEMEAD HOUSING DEVELOPMENT CORPORATION
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 417,303	\$ 417,303	\$ 417,303	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	437,000	437,000	428,978	(8,022)
Charges for services	475,800	475,800	474,233	(1,567)
Use of money and property	-	-	7,981	7,981
Miscellaneous	4,600	4,600	6,212	1,612
Amounts Available for Appropriations	1,334,703	1,334,703	1,334,707	4
Charges to Appropriation (Outflows):				
Community development	917,400	917,400	904,185	13,215
Total Charges to Appropriations	917,400	917,400	904,185	13,215
Budgetary Fund Balance, June 30	\$ 417,303	\$ 417,303	\$ 430,522	\$ 13,219

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CITY GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (77,679)	\$ (77,679)	\$ (77,679)	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	328,300	435,800	162,612	(273,188)
Amounts Available for Appropriations	250,621	358,121	84,933	(273,188)
Charges to Appropriation (Outflows):				
Community development	80,000	104,600	67,299	37,301
Public works	-	48,000	6,796	41,204
Capital outlay	300,000	2,734,458	37,500	2,696,958
Total Charges to Appropriations	380,000	2,887,058	111,595	2,775,463
Budgetary Fund Deficit, June 30	\$ (129,379)	\$ (2,528,937)	\$ (26,662)	\$ 2,502,275

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE AND REHABILITATION ACCOUNT SB1
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 3,241,407	\$ 3,241,407	\$ 3,241,407	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,044,300	1,044,300	1,076,043	31,743
Use of money and property (investment loss)	20,000	20,000	(775)	(20,775)
Amounts Available for Appropriations	4,305,707	4,305,707	4,316,675	10,968
Charges to Appropriation (Outflows):				
Public works	206,600	206,600	158,830	47,770
Capital outlay	1,283,000	3,756,400	1,306,865	2,449,535
Total Charges to Appropriations	1,489,600	3,963,000	1,465,695	2,497,305
Budgetary Fund Balance, June 30	\$ 2,816,107	\$ 342,707	\$ 2,850,980	\$ 2,508,273

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 CLEAN WATER FUND
 FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 334,159	\$ 334,159	\$ 334,159	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	570,000	570,000	570,005	5
Use of money and property	1,000	1,000	229	(771)
Amounts Available for Appropriations	905,159	905,159	904,393	(766)
Charges to Appropriation (Outflows):				
Public works	502,500	502,500	281,946	220,554
Capital outlay	-	200,000	-	200,000
Total Charges to Appropriations	502,500	702,500	281,946	420,554
Budgetary Fund Balance, June 30	\$ 402,659	\$ 202,659	\$ 622,447	\$ 419,788

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 MEASURE R CP
 FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	-	-	67,616	67,616
Amounts Available for Appropriations	-	-	67,616	67,616
Charges to Appropriation (Outflows):				
Capital outlay	-	27,000,000	146,005	26,853,995
Total Charges to Appropriations	-	27,000,000	146,005	26,853,995
Budgetary Fund Balance, June 30	\$ -	\$ (27,000,000)	\$ (78,389)	\$ 26,921,611

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 576,269	\$ 129,901	\$ 706,170
Receivables:			
Interest receivable	1,299	288	1,587
Total Current Assets	577,568	130,189	707,757
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	-	4,105	4,105
Total Noncurrent Assets	-	4,105	4,105
Total Assets	577,568	134,294	711,862
Net Position:			
Investment in capital assets	-	4,105	4,105
Unrestricted	577,568	130,189	707,757
Total Net Position	\$ 577,568	\$ 134,294	\$ 711,862

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Operating Revenues:			
Miscellaneous	\$ 48,940	\$ -	\$ 48,940
Total Operating Revenues	48,940	-	48,940
Operating Expenses:			
Contractual services	102,707	15,304	118,011
Depreciation expense	1,045	821	1,866
Total Operating Expenses	103,752	16,125	119,877
Operating Loss	(54,812)	(16,125)	(70,937)
Nonoperating Revenues (Expenses):			
Interest expense	(219)	(89)	(308)
Total Nonoperating Revenues (Expenses)	(219)	(89)	(308)
Change in Net Position	(55,031)	(16,214)	(71,245)
Net Position:			
Net Position, Beginning of the Year	632,599	150,508	783,107
Net Position, End of the Year	\$ 577,568	\$ 134,294	\$ 711,862

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 48,940	\$ -	\$ 48,940
Cash paid to suppliers for goods and services	(102,707)	(39,936)	(142,643)
Net Cash Used by Operating Activities	(53,767)	(39,936)	(93,703)
Cash Flows from Investing Activities:			
Investment loss	(575)	(125)	(700)
Net Cash Used by Investing Activities	(575)	(125)	(700)
Net Decrease in Cash and Cash Equivalents	(54,342)	(40,061)	(94,403)
Cash and Cash Equivalents, Beginning of the Year	630,611	169,962	800,573
Cash and Cash Equivalents, End of the Year	\$ 576,269	\$ 129,901	\$ 706,170
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating loss	\$ (54,812)	\$ (16,125)	\$ (70,937)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	1,045	821	1,866
Decrease in accounts payable	-	(24,632)	(24,632)
Total Adjustments	1,045	(23,811)	(22,766)
Net Cash Used by Operating Activities	\$ (53,767)	\$ (39,936)	\$ (93,703)

Statistical Section



Statistical Section

This part of the City of Rosemead's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
<u>Financial Trend Information</u>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	
1 Net Position by Component	114-121
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3 Fund Balances of Governmental Funds	
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<u>Revenue Capacity</u>	
<i>These schedules contain trend information to help the reader assess the government's most significant revenue source, property tax.</i>	
5 Assessed Value and Estimated Actual Value of Taxable Property	122-125
6 Direct and Overlapping Property Tax Rates	
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8 Property Tax Levies and Collections	
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<i>These schedules contain trend information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
9 Direct and Overlapping Governmental Activities Debt	126-130
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<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
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15 Full-Time and Part-Time Positions by Function	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
16 Operating Indicators by Function	135-136
17 Capital Asset Statistics	

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

CITY OF ROSEMEAD

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	51,132,854	50,042,631	52,038,429	51,542,030	52,806,193
Restricted	2,829,147	3,110,688	3,419,068	4,005,847	4,387,055
Unrestricted	17,724,709	17,367,841	11,018,153	13,108,874	15,690,721
Total governmental activities net position	71,686,710	70,521,160	66,475,650	68,656,751	72,883,969

Note: The City implemented GASB 75 in the FY 2018. Prior Year information was not restated to reflect the impact of the implementation.

Source: City of Rosemead, Department of Finance

	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets	53,587,243	50,882,552	48,825,863	47,444,803	47,464,095
Restricted	3,554,634	9,730,202	13,681,082	21,872,184	24,948,999
Unrestricted	17,211,587	17,483,422	17,754,529	18,627,063	22,020,342
Total governmental activities net position	74,353,464	78,096,176	80,261,474	87,944,050	94,433,436

CITY OF ROSEMEAD

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	3,381,686	4,271,354	2,739,281	3,218,363	3,705,685
Public safety	7,791,073	7,923,316	7,747,949	8,381,588	8,935,164
Public works	11,717,276	10,072,081	8,703,817	8,738,495	7,323,865
Community development	2,616,531	2,853,472	2,879,028	3,246,081	3,161,310
Parks and recreation	2,594,863	2,274,920	2,049,540	2,073,145	2,153,986
Interest and other charges	7,827	5,561	3,198	787	-
Total governmental activities expenses	28,109,256	27,400,704	24,122,813	25,658,459	25,280,010
Program revenues:					
Governmental activities:					
General government	2,408,362	2,030,063	2,725,291	2,203,233	2,191,604
Public safety	1,622,911	1,586,557	1,573,532	1,563,652	1,565,275
Public works	3,869,285	4,356,486	4,627,331	4,360,908	4,232,311
Community development	1,896,876	1,632,508	1,915,557	2,352,137	2,523,350
Parks and recreation	785,611	724,197	713,484	741,171	788,931
Total governmental activities program revenues	10,583,045	10,329,811	11,555,195	11,221,101	11,301,471
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	(17,526,211)	(17,070,893)	(12,567,618)	(14,437,358)	(13,978,539)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	8,900,228	8,667,709	9,034,141	9,158,499	8,643,019
Sales and use taxes	3,215,897	3,504,285	3,452,605	4,124,745	5,366,975
Transient occupancy taxes	1,447,820	1,593,640	1,575,401	1,998,954	2,213,286
Other taxes	2,275,986	1,307,280	1,247,941	1,209,249	1,224,230
Investment income	28,202	216,499	97,589	348,651	20,526
Other general revenues	1,180,688	604,053	793,680	945,372	737,721
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	(6,392,878)	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	10,655,943	15,893,466	16,201,357	17,785,470	18,205,757
Changes in net position					
Governmental activities					
Total primary government	\$ (6,870,268)	\$ (1,177,427)	\$ 3,633,739	\$ 3,348,112	\$ 4,227,218

Source: City of Rosemead, Department of Finance

	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	4,554,063	4,205,482	4,003,674	4,659,583	5,285,495
Public safety	9,499,683	9,125,853	9,744,134	10,679,425	10,975,401
Public works	9,554,073	6,353,025	9,946,662	9,372,263	9,374,004
Community development	3,409,699	2,376,713	3,472,477	3,411,076	3,139,695
Parks and recreation	2,746,482	7,662,344	2,920,016	1,916,949	2,560,821
Interest and other charges	-	-	-	-	46,540
Total governmental activities expenses	29,764,000	29,723,417	30,086,963	30,039,296	31,381,956
Program revenues:					
Governmental activities:					
General government	1,769,171	819,371	658,428	1,516,276	957,346
Public safety	1,787,151	1,847,594	1,834,717	1,944,901	2,135,448
Public works	5,208,427	6,238,575	6,024,968	6,715,497	7,777,754
Community development	4,265,255	3,373,246	3,403,251	4,610,737	4,349,154
Parks and recreation	828,038	958,176	624,313	163,168	503,128
Total governmental activities program revenues	13,858,042	13,236,962	12,545,677	14,950,579	15,722,830
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	(15,905,958)	(16,486,455)	(17,541,286)	(15,088,717)	(15,659,126)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	9,128,934	9,566,800	9,942,183	10,740,563	10,881,809
Sales and use taxes	5,929,492	5,735,491	5,430,222	5,534,244	6,889,892
Transient occupancy taxes	2,326,863	2,314,723	1,785,219	1,405,397	2,097,700
Other taxes	1,313,699	1,329,822	1,346,327	1,378,550	1,594,759
Investment income	210,288	1,158,407	945,319	287,628	596,871
Other general revenues	647,888	123,924	257,314	40,151	99,978
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	19,557,164	20,229,167	19,706,584	19,386,533	22,161,009
Changes in net position					
Governmental activities					
Total primary government	\$ 3,651,206	\$ 3,742,712	\$ 2,165,298	\$ 4,297,816	\$ 6,501,883

Source: City of Rosemead, Department of Finance

CITY OF ROSEMEAD

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
General fund:					
Nonspendable	2,034	140,893	143,560	187,247	765,218
Restricted	-	-	-	-	-
Committed	6,415,416	5,883,235	6,120,361	6,682,495	6,935,525
Assigned	5,712	65,343	78,280	83,513	63,298
Unassigned	11,194,278	11,607,595	10,128,160	11,514,894	11,270,958
Total general fund	17,617,440	17,697,066	16,470,361	18,468,149	19,034,999
All other governmental funds:					
Nonspendable	-	-	-	-	-
Restricted	2,829,147	3,110,688	3,419,068	4,005,847	4,376,257
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(788,224)	(1,192,926)	(1,643,527)	(832,005)	(639,510)
Total all other governmental funds	2,040,923	1,917,762	1,775,541	3,173,842	3,736,747

Source: City of Rosemead, Department of Finance.

	2018	2019	2020	2021	2022
General fund:					
Nonspendable	853,920	870,619	510,371	118,358	411,571
Restricted	-	-	-	-	-
Committed	8,760,289	7,667,401	8,896,317	7,985,332	10,169,989
Assigned	79,798	121,867	121,867	130,267	132,367
Unassigned	10,790,274	14,635,070	14,679,926	17,353,655	17,842,339
Total general fund	20,484,281	23,294,957	24,208,481	25,587,612	28,556,266
All other governmental funds:					
Nonspendable	-	-	-	-	-
Restricted	3,554,634	8,797,389	13,681,082	21,872,184	24,948,999
Committed	1,912,732	932,813	-	-	-
Assigned	-	-	-	-	-
Unassigned	(31,024)	(23,792)	(269,560)	(89,573)	(110,157)
Total all other governmental funds	5,436,342	9,706,410	13,411,522	21,782,611	24,838,842

Source: City of Rosemead, Department of Finance.

CITY OF ROSEMEAD

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
Revenues:					
Taxes	16,602,329	15,320,806	15,537,262	16,491,447	17,447,510
Intergovernmental	7,372,878	6,948,479	7,092,141	7,734,995	6,726,279
Licenses and permits	1,156,968	1,308,482	1,846,997	2,520,937	2,754,881
Charges for services	1,036,563	1,087,091	1,138,731	1,191,275	1,012,557
Fines, forfeitures and penalties	691,548	700,126	676,830	597,373	607,754
Development participation	-	-	-	-	-
Investment income	474,970	873,631	754,865	1,002,835	666,968
Other	928,596	61,690	114,074	71,152	231,545
Total revenues	28,263,852	26,300,305	27,160,900	29,610,014	29,447,494
Expenditures					
Current:					
General government	3,988,156	3,973,364	3,879,122	3,664,633	4,280,825
Public safety	7,773,611	7,913,659	8,156,485	8,452,932	9,060,840
Public works	6,909,471	6,184,890	6,348,101	6,346,179	6,499,220
Community development	2,605,654	2,846,112	3,150,240	3,323,933	3,385,455
Parks and recreation	2,208,564	2,157,424	2,071,443	2,123,274	2,300,906
Capital outlay	3,126,669	3,268,391	4,924,435	2,302,974	2,790,493
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	26,612,125	26,343,840	28,529,826	26,213,925	28,317,739
Excess (deficiency) of revenues over (under) expenditures	1,651,727	(43,535)	(1,368,926)	3,396,089	1,129,755
Other financing sources (uses):					
Transfers in	2,772,415	3,053,605	2,433,974	1,386,471	2,442,441
Transfers out	(2,772,415)	(3,053,605)	(2,433,974)	(1,386,471)	(2,442,441)
Capital leases	-	-	-	-	-
Transfer to Successor Agency	(6,392,878)	-	-	-	-
Total other financing sources (uses)	(6,392,878)	-	-	-	-
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	(4,741,151)	(43,535)	(1,368,926)	3,396,089	1,129,755
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Note: The information on this page has not been adjusted for any restatements of prior year financial statements.

Source: City of Rosemead, Department of Finance.

	2018	2019	2020	2021	2022
Revenues:					
Taxes	18,698,988	18,946,836	18,503,951	19,082,069	21,470,510
Intergovernmental	8,002,636	8,588,211	8,179,055	11,041,044	10,582,249
Licenses and permits	3,128,000	2,636,026	2,115,419	2,492,893	3,332,016
Charges for services	1,572,266	1,653,095	1,204,638	489,269	1,247,997
Fines, forfeitures and penalties	633,711	622,221	612,080	598,032	577,616
Development participation	28,591	117,115	150,728	78,558	114,662
Investment income	210,288	1,158,407	905,039	778,295	369,785
Other	566,338	250,364	271,515	63,684	84,050
Total revenues	32,840,818	33,972,275	31,942,425	34,623,844	37,778,885
Expenditures					
Current:					
General government	4,546,789	4,077,516	3,768,562	4,587,158	5,477,022
Public safety	9,318,858	9,089,645	9,577,867	10,574,620	10,978,236
Public works	6,554,648	7,247,391	7,032,609	7,098,823	7,512,480
Community development	3,279,088	3,637,692	3,352,332	3,349,209	3,147,029
Parks and recreation	2,386,463	2,343,452	2,703,857	1,706,997	2,427,999
Capital outlay	3,606,095	495,838	888,559	941,577	2,389,245
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	29,691,941	26,891,534	27,323,786	28,258,384	31,932,011
Excess (deficiency) of revenues over (under) expenditures	3,148,877	7,080,741	4,618,639	6,365,460	5,846,874
Other financing sources (uses):					
Transfers in	121,361	-	-	-	-
Transfers out	(121,361)	-	-	-	178,011
Capital leases	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	178,011
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	3,148,877	7,080,741	4,618,639	6,365,460	6,024,885
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Note: The information on this page has not been adjusted for any restatements of prior year financial statements.

Source: City of Rosemead, Department of Finance.

CITY OF ROSEMEAD**Schedule 5**

Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30	City				Total Direct Tax Rate
	Secured	Unsecured	SBE Non- Unitary	Taxable Assessed Value	
2013	3,531,097,436	68,996,223	3,301,527	3,603,395,186	22.11%
2014	3,654,495,783	68,912,542	1,901,995	3,725,310,320	9.27%
2015	3,806,028,086	71,498,360	1,901,995	3,879,428,441	9.27%
2016	4,012,426,717	62,768,733	1,901,995	4,077,097,445	9.27%
2017	4,202,108,491	63,820,415	2,051,995	4,267,980,901	9.27%
2018	4,375,810,412	60,507,061	2,051,995	4,438,369,468	9.27%
2019	4,591,020,006	63,704,447	2,051,995	4,656,776,448	9.28%
2020	4,809,362,427	71,764,032	2,347,932	4,883,474,391	9.28%
2021	5,038,058,045	72,031,236	2,408,307	5,112,497,588	9.28%
2022	5,162,438,824	71,444,546	2,408,307	5,236,291,677	0.00%

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Assessor Combined Tax Rolls and HDL Coren & Cone

CITY OF ROSEMEAD

Schedule 6

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Taxable Value)

Agency	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Basic Levy ¹	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
El Monte City School District	0.0000	0.0000	0.1182	0.1464	0.1468	0.1462	0.1458	0.1080	0.0751	0.0799
El Monte Union High School	0.0899	0.0980	0.0842	0.0916	0.0847	0.0824	0.0879	0.1097	0.0929	0.0765
Garvey School District	0.0604	0.0598	0.0595	0.0587	0.0607	0.0833	0.0871	0.0862	0.0843	0.0884
Garvey-Alhambra	0.0280	0.0315	0.0291	0.0291	0.0281	0.0481	0.0454	0.0366	0.0381	0.0299
Los Angeles Community College District	0.0488	0.0445	0.0402	0.0358	0.0360	0.0460	0.0462	0.0272	0.0402	0.0438
Metropolitan Water District	0.0180	0.0180	0.0180	0.0180	0.0230	0.0300	0.0300	0.0300	0.0300	0.0300
Montebello Unified School District	0.0963	0.0946	0.0875	0.0872	0.1471	0.1351	0.1392	0.0931	0.0971	0.0903
Pasadena Community College District	0.0206	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077	0.0072	0.0055	0.0090
Rio Hondo Community College District	0.0000	0.0000	0.0282	0.0271	0.0281	0.0275	0.0255	0.0257	0.0136	0.0153
Rosemead School District	0.1024	0.1031	0.0989	0.1000	0.0853	0.1198	0.0926	0.0868	0.0746	0.1018
San Gabriel Unified School District	0.1052	0.1008	0.1144	0.1068	0.1053	0.1008	0.1056	0.0968	0.0986	0.1019
Total Direct & Overlapping² Tax Rates	1.5695	1.5694	1.6885	1.7093	1.7539	1.8273	1.8130	1.7073	1.6500	1.6662
City's Share of 1% Levy Per Prop 13 ³	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939
Voter Approved City Debt Rate										
Redevelopment Rate ⁴	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Direct Rate ⁵	0.2211	0.0927	0.0927	0.0927	0.0927	0.0927	0.0928	0.0928	0.0928	0.0928

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Los Angeles County Assessor 2012/13 - 2021/22 Combined Tax Rolls and HDL Coren & Cone

CITY OF ROSEMEAD*Schedule 7*Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rosemead Place, LLC	\$ 53,562,458	1	1.02%	\$ 46,249,013	1	1.28%
Walmart Real Estate Business Trust	41,499,465	2	0.79%	37,041,505	2	1.03%
Rosemead Hwang LLC	38,311,049	3	0.73%	27,825,000	3	0.77%
AFG Investment Fund 5 LLC	28,468,458	4	0.54%	24,533,279	4	0.68%
WEST MEADOW HEALTH HOLDINGS	25,068,082	5	0.48%			-
Sunshine Inn	21,646,563	6	0.41%	10,559,863	10	0.29%
Metodo Investments LLC	20,378,944	7	0.39%	18,498,227	5	0.51%
420 Boyd Street LLC	20,121,376	8	0.38%	17,000,000	6	0.47%
Panda Restaurant Group Inc	17,367,293	9	0.33%	14,098,496	7	0.39%
Macy's California Inc	16,179,100	10	0.31%	13,942,680	8	0.39%
Shurl and Kay Curci Foundation	-	-	-	13,756,316	9	0.38%

Source: Los Angeles County Assessor Combined Tax Rolls and SBE Non Unitary Tax Roll for 2012/13 and 2021/22 and Hdl Coren & Cone

CITY OF ROSEMEAD**Schedule 8**Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years *	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	2,771,913	2,710,893	97.80%	-	2,710,893	97.80%
2014	2,865,651	2,850,674	99.48%	-	2,850,674	99.48%
2015	2,981,810	2,935,129	98.43%	-	2,935,129	98.43%
2016	3,134,303	3,114,233	99.36%	-	3,114,233	99.36%
2017	3,187,187	2,632,109	82.58%	-	2,632,109	82.58%
2018	3,336,547	2,878,054	86.26%	-	2,878,054	86.26%
2019	3,489,499	3,008,322	86.21%	-	3,008,322	86.21%
2020	3,675,962	3,064,430	83.36%	-	3,064,430	83.36%
2021	3,847,941	2,812,253	73.08%	-	2,812,253	73.08%
2022	3,928,815	2,862,513	72.86%	-	2,862,513	72.86%

* Information not available.

Source: Los Angeles County Auditor Controller's Office

CITY OF ROSEMEAD

Schedule 9

Direct and Overlapping Governmental Activities Debt June 30, 2022

	Gross Bonded Debt Balance	Percentage Applicable To City of Rosemead	Amount Applicable to City of Rosemead
Overlapping Debt			
* Metropolitan Water District	\$ 9,835,780	0.317%	31,150
Garvey SD DS 2000 SERIES B	4,745,300	50.660%	2,403,979
Garvey SD DS 2004 Series 2006	6,377,081	50.660%	3,230,642
Garvey SD DS 2004 SERIES C	8,030,320	50.660%	4,068,176
Garvey SD DS 2011 REFUND BONDS	1,840,000	50.660%	932,148
Garvey SD DS 2014 Ref Bonds	1,370,000	50.660%	694,045
Garvey SD DS 2016 Series A	8,700,000	50.660%	4,407,438
Garvey SD DS 2016 Series B	9,015,000	50.660%	4,567,017
Garvey SD DS 2016 Series C	8,740,000	50.660%	4,427,702
Rosemead SD DS 2012 Ref Bonds	5,010,000	67.611%	3,387,289
Rosemead SD DS 2008 Series B	187,308	67.611%	126,640
Rosemead SD DS 2014 Ref Bonds	4,855,000	67.611%	3,282,493
Rosemead SD DS 2016 Ref Bonds	11,130,000	67.611%	7,525,055
Rosemead SD DS 2008 Series C	1,800,000	67.611%	1,216,990
Rosemead SD DS 2014 Series A	7,200,000	67.611%	4,867,960
Rosemead SD DS 2019 Ref Bonds Series A	11,255,000	67.611%	7,609,568
Rosemead SD DS 2014 Series B	15,840,000	67.611%	10,709,512
El Monte Union HSD DS 2008 Series B	29,117,830	13.900%	4,047,382
El Monte Union HSD DS 2015 Ref Bonds	10,200,000	13.900%	1,417,801
El Monte Union HSD DS 2008 Series C	47,225,000	13.900%	6,564,281
El Monte Union HSD DS 2016 Ref Bonds	9,970,098	13.900%	1,385,845
El Monte Union HSD DS 2008 Series D	44,005,000	13.900%	6,116,701
El Monte Union HSD DS 2018 Series A	100,711,221	13.900%	13,998,872
LA CCD DS 2003, Taxable Series 2004B	2,115,000	0.283%	5,994
LA CCD DS 2001, Taxable Series 2004A	31,555,000	0.283%	89,423
LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.283%	212,541
LA CCD DS 2008, 2010 Tax Ser D	125,000,000	0.283%	354,235
LA CCD Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.283%	2,550,493
LA CCD DS 2013	13,000,000	0.283%	36,840
LA CCD DS 2013 Ref Bonds	8,380,000	0.283%	23,748
LA CCD DS 2008 Series G	30,765,000	0.283%	87,184
LA CCD DS 2015 Ref Series A	144,260,000	0.283%	408,816
LA CCD DS 2015 Ref Series B	14,965,000	0.283%	42,409
LA CCD DS 2015 Ref Series C	178,565,000	0.283%	506,032
LA CCD DS 2008 Series I	184,220,000	0.283%	522,057
LA CCD DS 2008 Series J	173,020,000	0.283%	490,318
LA CCD DS 2016 Ref Bonds	239,880,000	0.283%	679,791
LA CCD DS 2020 Ref Bonds	1,750,350,000	0.283%	4,960,283
LA CCD DS 2016 Series C	275,440,000	0.283%	780,564
Pasadena CCD DS 2014 Ref Series A	9,280,000	2.351%	218,198
Pasadena CCD DS 2016 Ref Series A	27,435,000	2.351%	645,073
Pasadena CCD DS 202020 Ref	21,950,000	2.351%	516,105
Montebello USD DS 1998 Series 1998	1,352,514	1.575%	21,299
Montebello USD DS 1998 Series 1999	1,659,946	1.575%	26,140
Montebello USD DS 1998 Series 2001	2,156,550	1.575%	33,961

CITY OF ROSEMEAD*Schedule 9*Direct and Overlapping Governmental Activities Debt
June 30, 2022

	Gross Bonded Debt Balance	Percentage Applicable To City of Rosemead	Amount Applicable to City of Rosemead
Montebello USD DS 1998 Series 2004	4,509,982	1.575%	71,022
Montebello USD DS 1998 Series 2002	3,683,332	1.575%	58,004
Montebello USD DS Ref 2004 Series 2013A	13,815,000	1.575%	217,555
Montebello USD DS Ref Bond Series 2015	25,065,000	1.575%	394,717
Montebello USD DS Ref Bonds 2016 Series A	12,200,000	1.575%	192,122
Montebello USD DS 2016 Series A	91,520,000	1.575%	1,441,231
San Gabriel USD DS 2010 Ref Bonds	8,404,370	1.162%	97,649
San Gabriel USD DS 2008 Series B	255,000	1.162%	2,963
San Gabriel USD DS 2012 Ref Bond Series B	11,359,745	1.162%	131,987
San Gabriel USD DS 2008 Series C	161,636	1.162%	1,878
San Gabriel USD DS 2015 Ref Bond Series A	61,810,000	1.162%	718,158
			-
			-
Total Overlapping Debt			113,557,476

2021/22 Assessed Valuation: \$4,312,048.39 After Deducting \$924,243,328 Incremental Value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	2.63%
Total Debt	2.63%

* This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

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, unless provided by the city.

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.

Source: Hdl Coren & Cone, L.A. County Assessor and Auditor Combined 2021/22 Lien Date Tax Rolls.

CITY OF ROSEMEAD

Legal Debt Margin Information Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed valuation	3,603,395,186	3,725,310,320	3,879,248,441	4,077,097,445	4,337,892,775
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	900,848,797	931,327,580	969,812,110	1,019,274,361	1,084,473,194
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	135,127,319	139,699,137	145,471,817	152,891,154	162,670,979
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	135,127,319	139,699,137	145,471,817	152,891,154	162,670,979
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Rosemead Finance Department
Los Angeles County Tax Assessor's Office

	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed valuation	4,525,131,407	4,745,176,577	4,960,200,386	5,175,006,979	5,306,456,661
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,131,282,852	1,186,294,144	1,240,050,097	1,293,751,745	1,326,614,165
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	169,692,428	177,944,122	186,007,514	194,062,762	198,992,125
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	169,692,428	177,944,122	186,007,514	194,062,762	198,992,125
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Rosemead Finance Department
Los Angeles County Tax Assessor's Office

CITY OF ROSEMEAD**Schedule 11**

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2013	5,439,677	1,795,000	1,852,123	1.49
2014	5,517,943	1,855,000	1,790,511	1.51
2015	5,521,038	1,920,000	1,718,573	1.52
2016	5,724,292	1,995,000	1,635,578	1.58
2017	4,711,788	850,000	1,602,713	1.92
2018	3,916,792	2,320,000	1,386,038	1.06
2019	3,863,435	2,160,000	1,352,881	1.10
2020	3,634,145	2,205,000	1,229,000	1.06
2021	4,204,501	2,295,000	1,126,375	1.23
2022	4,072,385	2,405,000	1,010,125	1.19

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of Rosemead, Department of Finance

CITY OF ROSEMEAD**Schedule 12**Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽³⁾	Median Age ⁽³⁾
2012-13	54,464	959,982	17,626	8.10%	38.8
2013-14	54,762	944,918	17,255	6.70%	38.8
2014-15	54,786	956,180	17,453	9.50%	39.7
2015-16	55,231	932,800	16,889	7.70%	40.4
2016-17	54,984	960,740	17,473	6.10%	40.5
2017-18	55,267	972,350	17,594	4.30%	40.7
2018-19	55,097	1,040,232	18,880	4.30%	41.5
2019-20	54,363	1,084,896	19,956	4.20%	41.4
2020-21	54,229	1,175,005	21,667	16.20%	41.9
2021-22	50,511	1,181,679	23,394	9.30%	41.3

Sources: ¹⁾ California State Department of Finance
²⁾ US Census Data
³⁾ California Employment Development Department
 Compiled by HdL, Coren & Cone

CITY OF ROSEMEAD**Schedule 13**

Principal Employers

Current Year and Ten Years Ago

Employer	2022			2013		
	Number of Employees	Rank	Percent of Total Employment ¹	Number of Employees	Rank	Percent of Total Employment ²
Southern California Edison	2722	1	11.78%	4100	1	17.60%
Garvey School District	859	2	3.72%	804	2	3.45%
Panda Restaurant Group, Inc.	647	3	2.80%	400	4	1.72%
Wal-Mart	583	4	2.52%	420	3	1.80%
Rosemead School District	329	5	1.42%	337	5	1.45%
Target	234	6	1.01%	200	6	0.86%
Hemetic Seal Corporation	119	7	0.52%	150	7	0.64%
Lucille's	103	8	0.45%	-	-	-
University of the West	102	9	0.44%	-	-	-
Don Bosco Tech	96	10	0.42%	90	9	0.39%
Olive Garden		0	-	150	8	0.64%
Double Tree	-	-	-	76	10	0.33%

¹ Based upon Employment Development Department's estimate of 23,300 residents employed - June 2013

² Based upon Employment Development Department's estimate of 23,100 residents employed - June 2022

Disclaimer: The City of Rosemead makes no claims concerning the accuracy of data provided nor assumes any liability resulting from the use of information herein.

Source: City of Rosemead

CITY OF ROSEMEAD

Schedule 14

Top 25 Sales Tax Producers Current Year and Ten Years Ago

2022		2013	
Sales Tax Producers	Business Category	Sales Tax Producers	Business Category
7 Eleven	Service Stations	7 Eleven	Service Stations
888 Seafood	Casual Dining	888 Seafood	Casual Dining
Altec Industries	Heavy Industrial	AutoZone	Automotive Supply Stores
Beacon Roofing Supply	Buiding Material	Bed Bath & Beyond	Home Furnishings
Boiling Crab	Casual Dining	Carrows	Casual Dining
Circle K	Service Stations	CH Auto	Used Automotive Dealers
In N Out Burger	Quick-Servie Restaurants	Circle K	Service Stations
Ji Rong Peking Duck	Casual Dining	CVS Pharmacy	Drug Stores
Lucille's Smokehouse Bar-B-Q	Casual Dining	Dunn Edwards Paint	Paint/Glass/Wallpaper
Macy	Department Store	East Gourmet Seafood	Casual Dining
Macy	Department Store	Huy Fong Foods	Food Service Equip./Supplies
McDonalds	Quick-Servie Restaurants	In N Out Burger	Quick-Service Resturants
McDonalds	Quick-Servie Restaurants	Jims Burgers	Quick-Service Resturants
Nailis Supply	Specialty Stores	Macys	Department Stores
Olive Garden	Casual Dining	Mc Donalds	Quick-Service Resturants
Panda Express	Fast-Casual Restaurants	Mc Donalds	Quick-Service Resturants
Rosemead Valley Mart Mobil	Service Stations	Rosemead Mobil	Service Stations
Rosee	Family Apparel	Rosemead Valley Mart Mobil	Service Stations
Shell	Service Stations	Sea Harbour Seafood	Casual Dining
Sunshine Seafood	Casual Dining	Shell	Service Stations
T Mobile	Electronics/Appliance Stores	Solar Warehouse	Energy/Utilities
Target	Discount Dept Stores	T Mobile	Electronics/Appliance Stores
Ulta Beauty	Specialty Stores	Target	Discount Dept Stores
Walmart Supercenter	Discount Dept Stores	TGI Fridays	Casual Dining
Well Auto	Used Automotive Dealers	Walmart Supercenter	Discount Dept Stores

Firms Listed Alphabetically

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF ROSEMEAD*Schedule 15*Full-time City Positions by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	10	10	11	12	12	12	13	14	15	19
Public safety ¹	7	7	6	6	7	7	3	3	8	8
Community										
development	6	6	6	7	7	7	10	11	6	5
Public works	20	20	20	20	20	21	23	23	21	21
Parks and recreation	10	10	10	8	9	9	8	9	8	8
Total	53	53	53	53	55	56	57	60	58	61

¹ The City of Rosemead contracts with the Los Angeles County Sheriff's Department for police services and is part of the Los Angeles County Fire Protection District which provides fire services; therefore, the position numbers shown above do not include staffing for those services. Public safety positions within the City include public safety administration, code enforcement, and parking control.

Source: City of Rosemead, Finance Department

CITY OF ROSEMEAD**Schedule 16****Operating Indicators by Function
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	1,186	1,356	1,585	1,339	1,046	1,256	1,817	2,649	2,966	1,404
Parking citations issued	8,765	16,110	7,863	8,047	7,676	8,086	6,244	7,898	9,472	7,725
Fire:										
Number of emergency calls	2,785	2,823	3,212	3,352	3,206	3,822	2,823	2,789	2,803	3,588
Inspections	2,012	2,026	2,793	2,564	2,311	2,430	2,288	2,267	2,256	2,132
Public works:										
Street resurfacing (miles)	0.90	1.60	0.55	1.00	0.70	0.80	1.00	0	0	4.6
Parks and recreation:										
Number of recreation classes	638	724	839	871	873	707	631	387	210	491
Number of facility rentals	3,124	4,005	2,607	3,070	6,226	3,679	2,508	2,387	1,244	2,797

Source: City of Rosemead

CITY OF ROSEMEAD**Schedule 17**Capital Asset Statistics by Function
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration:										
City Hall	1	1	1	1	1	1	1	1	1	1
Public safety:										
Public Safety Center	1	1	1	1	1	1	1	1	1	1
Public works:										
Corporate Yard	1	1	1	1	1	1	1	1	1	1
Streets (miles)	77.6	77.6	77.6	81.9	81.9	81.8	81.8	81.8	81.8	81.8
Streetlights	2,712	2,712	2,712	2,712	2,712	2,511	2,511	2,511	2,511	2,684
Traffic signals	42	42	42	41	42	42	42	42	42	43
Parks and recreation:										
Parks	10	10	10	10	10	11	12	12	12	12
Community centers	2	2	2	2	2	2	2	2	2	2
Dinsmoor House	1	1	1	1	1	1	1	1	1	1

Source: City of Rosemead