

CITY OF ROSEMEAD, CALIFORNIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023





City of Rosemead

Rosemead, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

Prepared By:
Finance Department

Bryan Chua
Finance Director



CITY OF ROSEMEAD, CALIFORNIA
Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023

Table of Contents

Page
Number

INTRODUCTORY SECTION

Letter of Transmittal	i
Directory of Officials	vi
Organizational Chart	vii
Certificate of Achievement of Excellence	viii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
------------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS	5
--	---

BASIC FINANCIAL STATEMENTS

Government – Wide Financial Statements	
Statement of Net Position	15

Statement of Activities	17
-------------------------------	----

Fund Financial Statements	
Balance Sheet – Governmental Funds	18

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
---	----

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
--	----

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
---	----

Statement of Net Position – Proprietary Funds	25
---	----

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26
---	----

Statement of Cash Flows – Proprietary Funds	27
---	----

Statement of Fiduciary Net Position – Fiduciary Funds	28
---	----

Statement of Changes in Fiduciary Net Position – Fiduciary Funds	29
---	----

Notes to the Financial Statements	31
---	----

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information	71
---	----

Budgetary Comparison Schedules	
General Fund	72

CITY OF ROSEMEAD, CALIFORNIA
Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023

Table of Contents

	<u>Page Number</u>
FINANCIAL SECTION (Continued)	
City Grants Fund	73
American Rescue Plan	74
SLFRF	75
Pension Plan	
Schedule of Proportionate Share of Net Pension Liability	76
Schedule of Plan Contributions	78
Schedule of Changes in Net Pension Liability/(Asset)and Related Ratios.....	80
Schedule of Plan Contributions	82
Schedule of Changes in Net OPEB Liability and Related Ratios	84
Schedule of Plan Contributions	86
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet – Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	93
Budgetary Comparison Schedules	
State Gas Tax Fund.....	98
Local Transportation/Sidewalk Grant.....	99
Proposition A.....	100
Proposition C	101
Measure R	102
Measure M	103
Air Quality Management District	104
Street Lighting.....	105
Development Impact Fee Traffic.....	106
Development Impact Fee Public Safety.....	107
Development Impact Fee General Government.....	108
Development Impact Fee Parks	109
Community Development Block Grant (CDBG).....	110
Home Program.....	111
Rosemead Housing Development Corporation	112
Road Maintenance and Rehabilitation Account SB1	113
Clean Water Fund.....	114
Measure R CP	115
Combining Statement of Net Position – Internal Service Funds	116
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	117
Combining Statement of Cash Flows – Internal Service Funds.....	118

CITY OF ROSEMEAD, CALIFORNIA
Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023

Table of Contents

Page
Number

STATISTICAL SECTION

Net Position by Component	120
Changes in Net Position.....	122
Fund Balances of Governmental Funds	124
Changes in Fund Balances of Governmental Funds	126
Assessed Value and Estimated Actual Value of Taxable Property	128
Direct and Overlapping Property Tax Rates	129
Principal Property Taxpayers	130
Property Tax Levies and Collections	131
Direct and Overlapping General Bonded Debt Outstanding	133
Legal Debt Margin.....	134
Pledged-Revenue Coverage.....	136
Demographic and Economic Statistics	137
Principal Employers	138
Top 25 Sales Tax Producers.....	139
Full-time City Employees by Function.....	140
Operating Indicators by Function	141
Capital Assets Statistics by Function	142



Introductory Section



MAYOR:
STEVEN LY

MAYOR PRO TEM:
MARGARET CLARK

COUNCIL MEMBERS:
SANDRA ARMENTA
SEAN DANG
POLLY LOW



City of Rosemead

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

December 14, 2023

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, 2023. 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented 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 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

Despite the economy avoiding recession due to sustained household spending and historically low unemployment, this circumstance remains exceptional, given that inflation surpassed Federal Reserve targets and interest rates on loans and credit cards escalated. In anticipation of the future, households are confronted with constrained financial resources, while diverse sectors contend with obstacles such as labor expenses, inventory concerns, and intense competition.

As of September, economic forecasters have reached a consensus that GDP growth will decline to approximately zero percent in the initial quarter of 2024, followed by a recovery to moderate levels.

The Conference Board, a global, nonprofit think tank that provides trusted insights for the future, forecasts 0.8% GDP growth in the United States in 2024, with a "shallow recession" in the first half of the year. According to the non-profit, wage growth is slowing, pandemic savings are declining, and household debt in the United States is increasing. The economic outlook also remains vulnerable to a recession due to the Federal Reserve's ongoing indication that interest rates might persist at elevated levels for a longer duration than initially anticipated.

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 interest rates on loans and credit cards, slowing wage growth, declining savings, 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 \$11.6 million and makes up approximately 37% of the General Fund revenues. Total assessed value from the 2022-23 tax roll is \$5.8 billion, up \$311 million from the prior year. Residential property represents 78% of this growth as housing values rise. The median sales price for a single-family home decreased from \$850,000 to \$810,000 over the past year when comparing quarter 2 calendar year data. The residential category assessed value increased approximately \$223 million, which represents a 5.7% 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 \$7.4 million and represents approximately 23% of the General Fund revenues. Consumer goods continue to be the top category of sales tax generating businesses in Rosemead, generating 33% of sales tax revenues followed by 27% 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 \$679,500 in FY 2023. However, compared to FY 2022, recreation program revenue increased \$114,400.

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 2021-2023 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

Earlier this year, the City Council approved a new residential planned development project, “Cassia” (formerly “Mission Villas”) consisting of 37 residential units, which included eight small lot subdivisions and four affordable units. The project is currently under construction.

The City’s 6th Cycle Housing Element (planning period 2021 to 2029) 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 (top 11). As a result, the City began initiating updates to the Zoning Code and will implement the rezoning program to accommodate additional housing capacity, comply with State laws, and to carry out the programs and objectives detailed in the Housing Plan of the Housing Element. Simultaneously, the project also includes updates to address outdated chapters/sections of the Zoning Code related to zoning definitions, existing zoning districts, uses, and development standards within each, variable height, sign code, off-street parking requirements, and adding the existing Residential/Commercial Mixed-Use Overlay to additional commercial and industrial zones in the City.

The City Council approved the Strathmore Garvey Mixed-Use Project. The project includes the construction of a seven-story, mixed-use development with 35,105 square feet of nonresidential use and 93 residential apartments, 24 of which are live/work units.

The electronic plan check submittal and plan review workflow is streamlined and has reduced hardcopy plan check submittals to a ratio of 2%. The City has also implemented expedited residential solar plan check review and permitting process.

The City applied for the California Automated Permit Processing Program (CalAPP) and was awarded \$60,000 to establish online solar permitting. The City is currently developing a system for online solar permits.

The City Council approved the streamlined permitting process for Electric Vehicle Charging Station and established Electric Vehicle Charging Station checklist procedures to comply with State of California EVSE requirements.

Earlier this year, the City Council approved the Affordable Housing Agreement for “Cassia,” a 37-unit residential planned development project consisting of four affordable units. The City will utilize the United States Department of Housing and Urban Development’s (HUD) Home Investment Partnership Program (HOME) funds through the Homeownership Assistance Program.

The City Council also approved the Annual Action Plan. The Annual Action Plan provides a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

The Public Works Department completed five major projects during FY 22-23 including the Safe Routes to School Sidewalk Gap Closure, Rosemead Park Restroom Renovation, Dog Park at Garvey Park, Storm Water Catch Basin Upgrade, and City Facilities Master Key Lock Replacement projects. The projects were funded using a variety of sources including Community Development Block Grant, Development Impact Fees, Measure W, and Measure R.

Future Initiatives

It is anticipated that a couple developments will begin construction, which includes “The Myriad” and “Garvey Del Mar Plaza.” “The Myriad” is the City’s first food hall, consisting of 27 leasable areas ranging from a 15 square foot kiosk to a 3,800 square foot unit, indoor and outdoor dining areas, and a rooftop deck. Garvey Del Mar Plaza is a six-story mixed-use development located within the Garvey Avenue Specific Plan with 15,945 square feet of nonresidential use and 92 residential units, 27 of which are live/work units.

The entitlements for the Taiwan Center project will be processed and completed this year. The commercial development is proposed at three stories with 42,041 square feet of floor area. The building plan check for Prospect Villa, a mixed- use project located within the Garvey Avenue Specific Plan that consists of 75 residential units (24 of which are live/work units) and 6,346 square feet of commercial floor area will be approved.

The City’s initiatives to update the Zoning Code, implement the rezoning program to accommodate additional housing capacity, compliance with State laws, and to carry out the programs and objectives detailed in the Housing Plan of the Housing Element will most likely be presented to the Planning Commission and City Council for approval.

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, 2022. This was the 5th 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, 2023.

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, and Polly Tan, Accountant. 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, 2023

CITY COUNCIL



Steven Ly
Mayor



Margaret Clark
Mayor Pro Tem



Sandra Armenta
Council Member



Sean Dang
Council Member



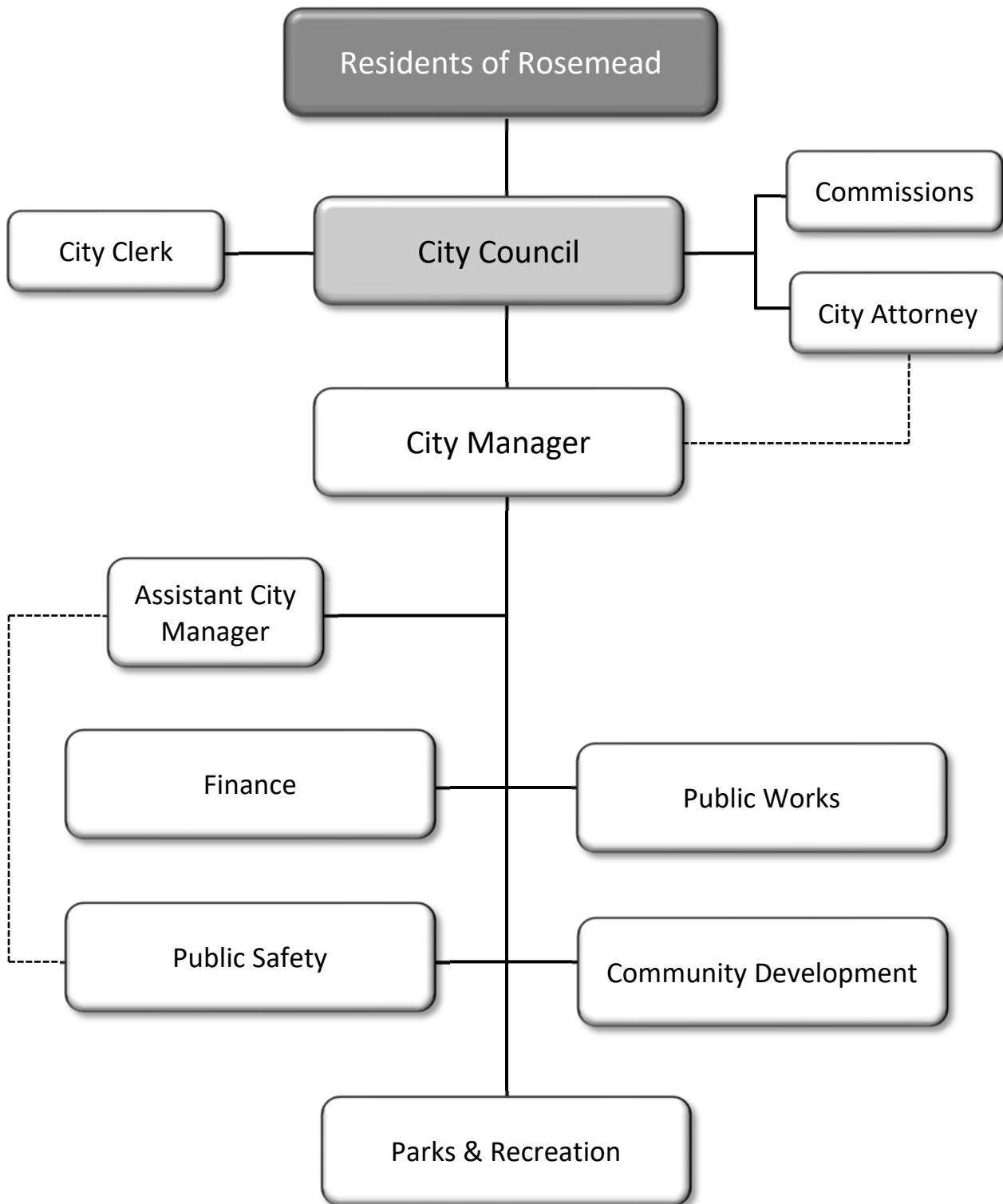
Polly Low
Council Member

EXECUTIVE STAFF

City Manager – Ben Kim

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

City of Rosemead Organizational Chart



City of Rosemead

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, 2022

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, 2022. 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 5 consecutive years.

Financial Section





INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of 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, 2023, 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, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, 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 accompanying 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, 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 City's internal control over financial reporting and compliance.

Brea, California
December 14, 2023





Management's Discussion & Analysis



City of Rosemead
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

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, 2023. 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, 2023, the City's net position (total assets and deferred outflows of resources less total liabilities and less deferred inflows of resources) is \$114.5 million, an increase of \$20.0 million over the prior fiscal year.
- As of June 30, 2023, total revenue was \$53.4 million and total expenses for all functions and programs were \$33.4 million. The City's net position increased by \$20.0 million during the year.
- The City's total governmental funds reported combined ending fund balances of \$60.3 million, an increase of \$6.9 million over the prior year. Of this \$60.3 million, \$0.4 million was non-spendable, \$29.4 million was restricted, \$15.0 million was committed, \$0.1 million was assigned, and \$15.4 million was unassigned.
- With \$31.5 million in general fund revenues (excluding transfers) and \$26.6 million in general fund expenditures (excluding transfers), a pre-transfer general fund surplus of \$4.9 million was generated.
- The General Fund's fund balance at the close of the fiscal year was \$32.4 million, an increase of \$3.9 million over the prior year. Of this \$32.4 million, \$16.9 million, representing 64% of expenditures, was unassigned and \$15.0 million was committed to meet the City's fund balance policy requirement of 40% of expenditure.

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 funds 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 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 22 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 and the American Rescue Plan Act 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 18-24 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 25-27 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 28-29 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 30-70 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 71-75 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

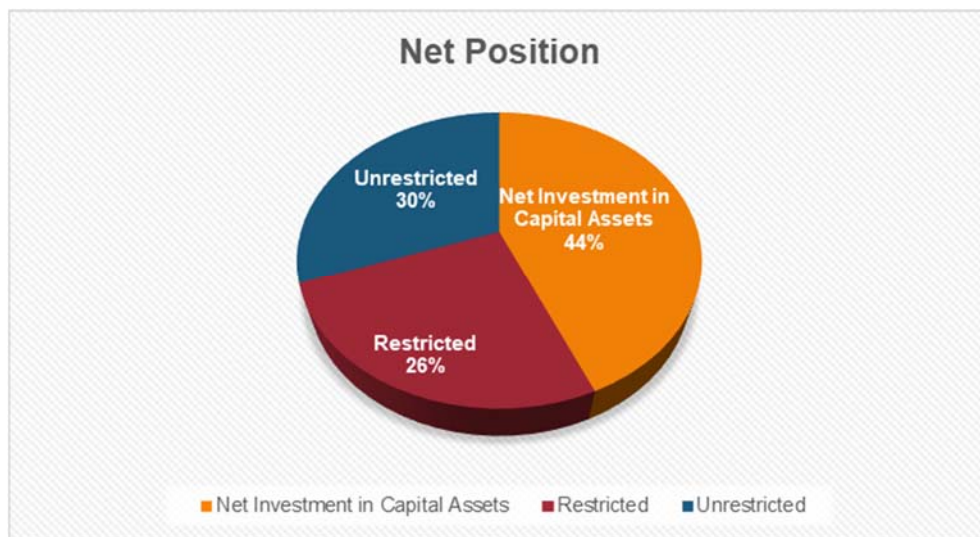
Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2023, the City's net position totaled \$114.5 million. Total net position increased by \$20.0 million or 21.2% when compared to the prior year.

The chart below reflects the City's net position for the fiscal year ended June 30, 2023, with comparative data for the fiscal year ended June 20, 2022.

Net Position
As of June 30, 2023 and 2022

	Governmental Activities		
	2023	2022	Change
Current and other assets	86,123,358	78,704,080	7,419,278
Capital assets	50,254,214	47,946,882	2,307,332
Total assets	136,377,572	126,650,962	9,726,610
Deferred outflows of resources	5,381,330	2,435,033	2,946,297
Long-term liabilities outstanding	14,043,730	5,242,029	8,801,701
Other liabilities	11,960,666	23,887,914	(11,927,248)
Total liabilities	26,004,396	29,129,943	(3,125,547)
Deferred inflows of resources	1,280,293	5,522,616	(4,242,323)
Net position:			
Net Investment in Capital Assets	49,863,061	47,464,095	2,398,966
Restricted	29,695,512	24,948,999	4,746,513
Unrestricted	34,915,640	22,020,342	12,895,298
Total net position	\$ 114,474,213	\$ 94,433,436	\$ 20,040,777

The City's net position of \$114.5 million is made up of three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. The largest portion, \$49.9 million or 44%, 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 \$29.7 million or 26% of the City's net position represents various resources subject to external restrictions on how they may be used. These fund balance amounts are said to be restricted. The remaining balance of unrestricted net position of \$34.9 million, or 30%, may be used to meet the City's ongoing obligations. This is the only "discretionary" portion of the City's total net position amount.



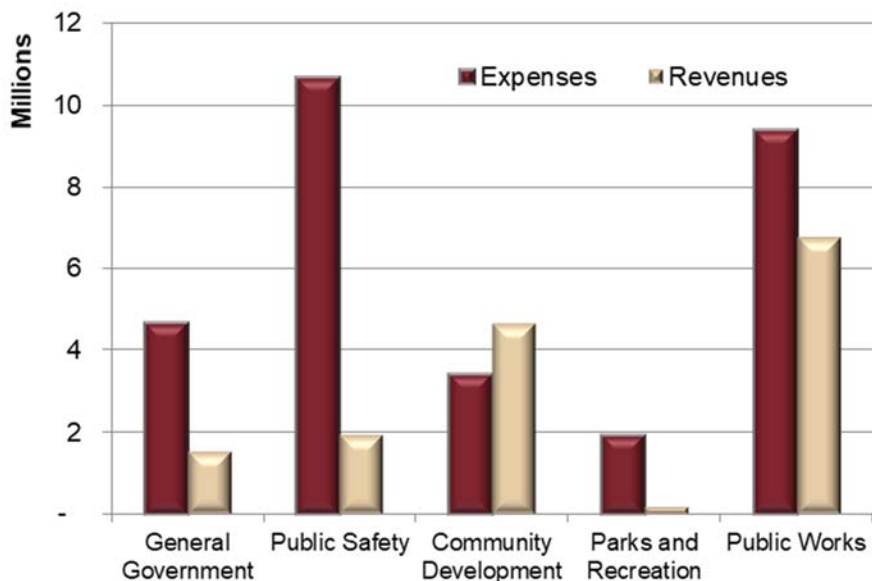
Changes in Net Position. The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, 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, 2023 and 2022.

Changes in Net Position
Years Ended June 30, 2023 and 2022

	Governmental Activities		
	2023	2022	Change
REVENUES			
Program revenues:			
Charges for services	\$ 10,402,919	\$ 8,295,009	2,107,910
Operating grants and contributions	15,398,364	5,550,126	9,848,238
Capital grants and contributions	1,996,455	1,877,695	118,760
General revenues:			
Property taxes	11,750,041	10,881,809	868,232
Other taxes	11,484,612	10,582,351	902,261
Use of money and property	2,110,332	596,871	1,513,461
Other	266,577	99,978	166,599
Total revenues	53,409,300	37,883,839	15,525,461
EXPENSES			
General government	4,916,281	5,285,495	(369,214)
Public safety	10,824,136	10,975,401	(151,265)
Community development	3,679,872	3,139,695	540,177
Parks and recreation	3,444,775	2,560,821	883,954
Public works	10,471,184	9,420,544	1,050,640
Interest on long-term debt	32,275	-	32,275
Total expenses	33,368,523	31,381,956	1,986,567
Change in net position	20,040,777	6,501,883	13,538,894
Net position - Beginning	94,433,436	87,944,050	6,489,386
Restatement	-	(12,497)	12,497
Net position - Ending	\$ 114,474,213	\$ 94,433,436	\$ 20,040,777

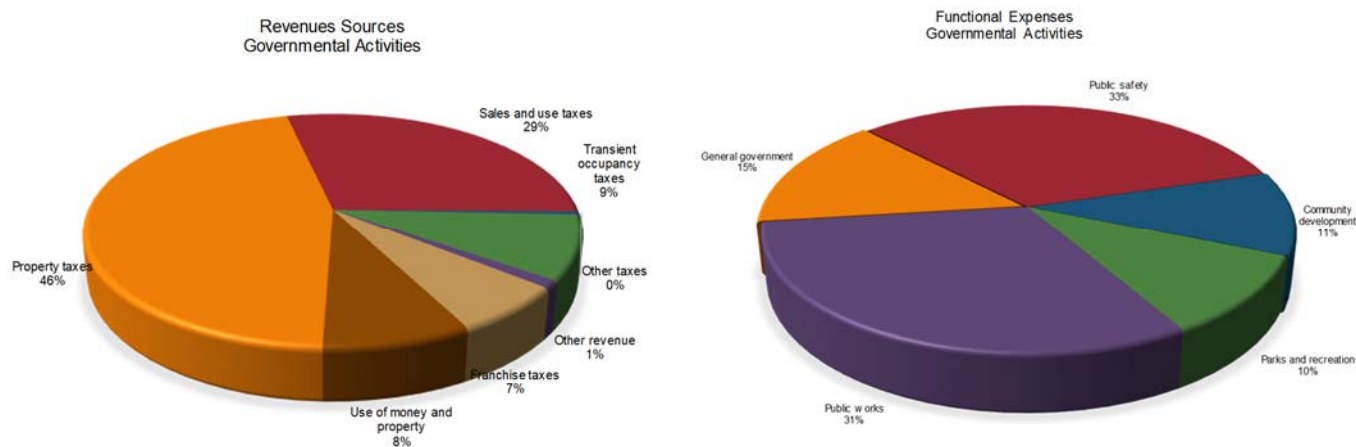
Governmental activities. The City's program revenues totaled \$27.8 million with a cost of all governmental activities for the current year being \$33.4 million. The City paid for the remaining "public benefit" portion of governmental activities with tax and other general revenue sources. The following chart compares expenses to program revenues for all governmental activities.

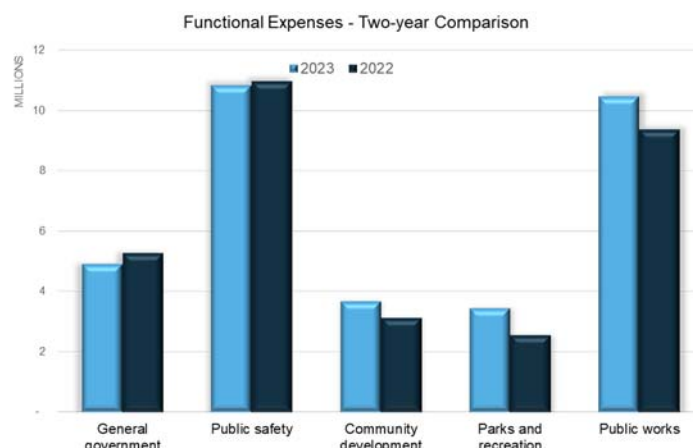
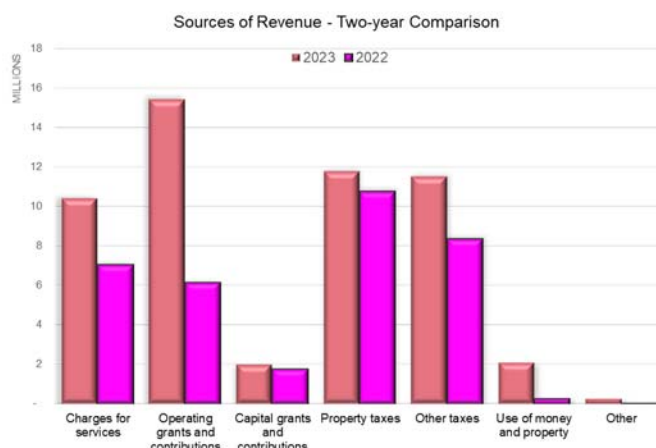
Expenses and Program Revenues Governmental Activities



The total revenues experienced a year-over-year increase of \$15.5 million. The primary contributing factors to this are the rise in property tax revenue by \$0.9 million, sales tax receipts by \$0.5 million, transient occupancy taxes by \$0.2 million, building permit and plan checking fees by \$1.3 million, use of money and property by \$1.5 million, and the recognition of American Rescue Plan and SLFRF grant revenues in the amount of \$8.0 million.

Total expenses were \$10.5 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 \$31.5 million in revenues and \$26.6 million in expenditures resulting in revenues over expenditures in the amount \$4.9 million. Total fund balance at June 30, 2023 is \$32.4 million, composed of \$35.2 million in assets combined with \$2.2 million in liabilities and \$0.6 million in deferred inflows of resources. A total of \$32.4 million fund balance is classified as \$0.4 million nonspendable, \$15.0 million committed, \$0.1 million assigned, and \$16.9 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 64% of total General Fund expenditures, while total fund balance represents 122% of that same amount.

The fund balance of the City's General Fund increased by \$3.9 million during the current year. Highlights of the change in fund balance are presented below:

- Total General Fund revenues of \$31.5 million exceeded expenditures of \$26.6 million.
- The fiscal year's fund revenues increased by \$4.4 million over prior fiscal year due to growth in nearly every category. There were increases in property taxes by \$795 thousand, sales taxes by \$479 thousand, transient occupancy taxes by \$215 thousand, franchise tax fees by \$257 thousand, building permit and plan checking by \$1.35 million, parks and recreation by \$273 thousand. Facilities rental and interest income also increased by \$1.1 million.
- Due to increases in Community Development, Parks and Recreation, Public Works, and Capital Outlay as well as decreases in General Government, and Public Safety, General fund expenditures were \$2.7 million higher than the previous fiscal year. The majority of the cost increase was attributable to salary and benefits \$409 thousand, professional and technical services \$166 thousand, Parks & Receptions community events \$206 thousand, other general services expenditures \$881 thousand, and capital outlay and CIP project costs \$1.1 million.
- **General Fund Budget Analysis.** The budget, as adopted for 2022-23 contained \$33.7 million in estimated revenue and \$37.6 million in appropriations. This projected a \$3.9 million deficit for the fiscal year. The final financial results indicate that there was a revenue of \$38.9 million, which exceeded the expenditures of \$35.0 million. As a result, there was a positive addition of \$3.9 million to the fund balance of the General Fund.

	2022-23 Adopted Budget	2022-2023 Final	2022-23 Actual	Variance with Final Budget	% Actuals to Amended Budget
Total revenue	27,717,000	33,715,300	38,924,810	5,209,510	15%
Total expenditures	27,712,200	37,600,000	35,050,644	2,549,356	-7%
Net	4,800	(3,884,700)	3,874,166	7,758,866	

The City's General Fund collected revenues of \$5.2 million more, equal to 15% higher, in comparison to the final budgeted estimates. Revenue from property taxes, sales taxes, transient occupancy taxes, and franchise fees were all higher than expected, contributing \$1.5 million more revenue than budgeted.

Property tax revenue was \$322 thousand more than budgeted due to a growth in the assessed valuation of properties. Sales tax revenue was \$864 thousand more than projected due to the COVID-19 pandemic restrictions being lifted. This also contributed to the surge in travel which accounted for \$112 thousand more in transient occupancy tax revenue than the city anticipated. Charges for services were \$488 thousand more than budgeted primarily due to reopening of parks and recreation programs. The use of money and property was \$761 thousand more than budget due to an increase in recreation facility rentals and increase in the value of the city's investments earnings at the end of the year. Revenues within the licenses and permits category completed the year \$2.2 million over the estimate due to strong building permit revenues.

The General Fund expenditure budget had an actual variance of \$2.5 million due to savings in all governmental activities. General government departments completed the year \$1.0 million below budget due to savings in contingency expenses, personnel due to vacancies, and contract services. Public Safety was \$635 thousand below budget due to savings in law enforcement contract services, and reduction in animal control services. Public Works was \$452 thousand below budget due to reduced facility maintenance, contract management services and capital equipment. Parks and recreation were \$675 thousand below budget due to savings in personnel due to vacancies.

American Rescue Plan Act. 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 2023 and partially reflected in the Fiscal Year 2024 Budget.

Grants Fund. Accounts for non-repayable funds disbursed or given by Federal, State, County, and Special District Entities. The Grands Fund is used to fund a specific project or program which requires some level of compliance, reporting, and auditing.

Non-Major Funds. The Non-Major Governmental Funds show a combined fund balance total of \$29.3 million, an increase of \$4.4 million. These are the traditional MTA Local Return Funds, State Gas Tax, Street Lighting, CDBG and Home Funds, AQMD, and SB1 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, 2023, amounts to \$49.9 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 five major projects during the year including Rosemead Park Restroom Renovation, Sidewalk Gap Closure – Delta Avenue, various Residential Street Resurfacing, Dog Park Project, and Storm Water Catch Basin CPS unit upgrade. The projects were funded from a variety of sources including CDBG, Measure M, Measure R, Grants, Clean Water, and General funds.

Additional information on the City of Rosemead's capital assets can be found in Note No. 7, found on pages 50 of the Basic Financial Statements.

Capital Assets (net of depreciation/amortization)

	Governmental Activities	
	2023	2022
Land	\$ 4,859,188	\$ 4,417,104
Buildings	13,348,093	13,355,341
Improvements other than buildings	2,870,771	2,953,497
Machinery and equipment	97,988	59,173
Autos and trucks	195,735	170,113
Furniture and office equipment	7,975	10,790
Infrastructure	26,926,895	25,048,535
Construction in progress	1,577,712	1,443,958
Right-to-use lease/subscriptions	369,857	488,371
Total	\$ 50,254,214	\$ 47,946,882

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 \$17.9 million, a decrease of \$2.6 million from the prior year. Of this amount, all of it 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 68-70 of the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While the primary emphasis of this Annual Report is the financial state of the City for the fiscal year that concluded on June 30, 2023, management demonstrated attentiveness to budget requests during the preparation of the budget for Fiscal Year 2023-24. Furthermore, early financial planning and implementation continue to be crucial for maintaining a healthy fund balance. The budget for Fiscal Year 2023-24 incorporated strategic financial planning through the establishment of a Public Facilities Internal Service Fund, which serves to provide support for the long-term maintenance, improvements, and replacements of public facilities.

The return to normalcy was aided by stimulus programs; however, the economic recovery was accompanied by elevated levels of inflation. Local economic conditions in Rosemead remain influenced by the repercussions of inflation.

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, 2023

	Governmental Activities
Assets:	
Cash and investments	\$ 75,493,646
Receivables:	
Accounts receivable	1,482,876
Notes and loans	3,669,277
Interest receivable	565,713
Leases	185,787
Prepaid costs	73,929
Due from other governments	4,325,751
Capital assets, not being depreciated	6,436,900
Capital assets, net of depreciation/amortization	43,817,314
Net pension asset	326,379
Total Assets	136,377,572
Deferred Outflows of Resources:	
Deferred outflows related to pensions	4,725,967
Deferred outflows related to OPEB	655,363
Total Deferred Outflows of Resources	5,381,330
Liabilities:	
Accounts payable	3,263,685
Accrued liabilities	283,789
Unearned revenue	9,796,971
Retentions payable	125,883
Deposits payable	572,976
Due to other governments	426
Noncurrent liabilities:	
Due within one year:	
Compensated absences	358,076
Leases, SBITAs	139,415
Due in more than one year:	
Compensated absences	278,995
Leases, SBITAs	251,738
Net pension liability	10,099,523
Net OPEB liability	832,919
Total Liabilities	26,004,396
Deferred Inflows of Resources:	
Deferred inflows related to pensions	743,696
Deferred inflows related to OPEB	350,810
Deferred inflows related to leases	185,787
Total Deferred Inflows of Resources	1,280,293
Net Position:	
Net Investment in capital assets	49,863,061
Restricted:	
Community services	4,523,845
Low and moderate income housing	452,876
Public works	10,974,779
Pension	326,379
Capital projects	13,417,633
Unrestricted	34,915,640
Total Net Position	\$ 114,474,213

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, 2023

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	\$ 4,916,281	\$ 360,764	\$ 1,632,235	\$ 118,740	\$ (2,804,542)
Public safety	10,824,136	726,754	4,974,166	1,250,248	(3,872,968)
Community development	3,679,872	4,695,490	2,873,844	-	3,889,462
Parks and recreation	3,444,775	924,014	1,268,670	-	(1,252,091)
Public works	10,471,184	3,695,897	4,649,449	627,467	(1,498,371)
Interest on long-term debt	32,275	-	-	-	(32,275)
Total Governmental Activities	\$ 33,368,523	\$ 10,402,919	\$ 15,398,364	\$ 1,996,455	(5,570,785)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					11,750,041
Sales taxes					7,369,300
Transient occupancy taxes					2,312,408
Franchise taxes					1,689,248
Other taxes					113,656
Use of money and property					2,110,332
Other					266,577
Total General Revenues					25,611,562
Change in Net Position					20,040,777
Net Position, Beginning of Year					94,433,436
Net Position, End of Year					\$ 114,474,213

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

CITY OF ROSEMEAD, CALIFORNIA

Balance Sheet

Governmental Funds

June 30, 2023

	Special Revenue Funds			
	General	City Grants Fund	American Rescue Plan	SLFRF
Assets:				
Cash and investments	\$ 29,587,808	\$ -	\$ 7,371,907	\$ 2,352,783
Receivables:				
Accounts receivable	1,456,226	-	-	-
Notes and loans	277,892	-	-	-
Accrued interest	363,137	-	-	-
Leases	185,787	-	-	-
Prepaid costs	73,929	-	-	-
Due from other governments	1,828,154	1,415,933	-	-
Due from other funds	1,454,745	-	-	-
Total Assets	\$ 35,227,678	\$ 1,415,933	\$ 7,371,907	\$ 2,352,783
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,436,064	\$ 3,685	\$ -	\$ -
Accrued liabilities	259,596	-	5,173	-
Unearned revenues	-	77,454	7,366,734	2,352,783
Deposits payable	526,311	-	-	-
Due to other governments	426	-	-	-
Due to other funds	-	1,277,434	-	-
Retentions payable	-	53,446	-	-
Total Liabilities	2,222,397	1,412,019	7,371,907	2,352,783
Deferred Inflows of Resources:				
Unavailable revenues	389,061	1,415,933	-	-
Related to leases	185,787	-	-	-
Total Deferred Inflows of Resources	574,848	1,415,933	-	-
Fund Balances:				
Nonspendable:				
Notes and loans	277,892	-	-	-
Prepaid costs	73,929	-	-	-
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Committed:				
Capital projects	980,675	-	-	-
Reserve contingency	14,020,258	-	-	-
Assigned:				
Building maintenance	71,617	-	-	-
Tree in lieu	61,331	-	-	-
Unassigned (deficit)	16,944,731	(1,412,019)	-	-
Total Fund Balances	32,430,433	(1,412,019)	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,227,678	\$ 1,415,933	\$ 7,371,907	\$ 2,352,783

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

CITY OF ROSEMEAD, CALIFORNIA

Balance Sheet

Governmental Funds

June 30, 2023

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 27,026,807	\$ 66,339,305
Receivables:		
Accounts receivable	25,660	1,481,886
Notes and loans	3,391,385	3,669,277
Accrued interest	197,600	560,737
Leases	-	185,787
Prepaid costs	-	73,929
Due from other governments	1,081,664	4,325,751
Due from other funds	-	1,454,745
Total Assets	\$ 31,723,116	\$ 78,091,417
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,823,936	\$ 3,263,685
Accrued liabilities	19,020	283,789
Unearned revenues	-	9,796,971
Deposits payable	46,665	572,976
Due to other governments	-	426
Due to other funds	177,311	1,454,745
Retentions payable	72,437	125,883
Total Liabilities	2,139,369	15,498,475
Deferred Inflows of Resources:		
Unavailable revenues	313,687	2,118,681
Related to leases	-	185,787
Total Deferred Inflows of Resources	313,687	2,304,468
Fund Balances:		
Nonspendable:		
Notes and loans	-	277,892
Prepaid costs	-	73,929
Restricted:		
Community services	4,523,845	4,523,845
Low and moderate income housing	452,876	452,876
Public works	10,974,779	10,974,779
Capital projects	13,417,633	13,417,633
Committed:		
Capital projects	-	980,675
Reserve contingency	-	14,020,258
Assigned:		
Building maintenance	-	71,617
Tree in lieu	-	61,331
Unassigned (deficit)	(99,073)	15,433,639
Total Fund Balances	29,270,060	60,288,474
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,723,116	\$ 78,091,417

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, 2023

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

Total fund balances - governmental funds		\$ 60,288,474
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		50,192,808
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds:		
Compensated absences	\$ (637,071)	
SBITAs	(11,573)	
Leases	<u>(379,580)</u>	(1,028,224)
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	(10,099,523)	
PARS Retirement Enhancement Plan net pension asset	<u>326,379</u>	(9,773,144)
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	1,172,969	
Changes in assumptions	1,034,907	
Difference between expected and actual experiences	336,291	
Net difference between projected and actual earnings on plan investments	2,100,096	
Adjustments due to differences in proportions	26,152	
Difference in proportionate share	<u>55,552</u>	4,725,967
Other post-employment-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity		655,363
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity		(743,696)
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 liability		(832,919)
Other post-employment-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		(350,810.00)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		2,118,681
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.		<u>9,221,713</u>
Net Position of Governmental Activities		<u>\$ 114,474,213</u>

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, 2023

	Special Revenue Funds			
	General	City Grants Fund	American Rescue Plan	SLFRF
Revenues:				
Taxes	\$ 23,039,365	\$ -	\$ -	\$ -
Licenses and permits	4,514,893	-	-	-
Intergovernmental	580,020	334,840	340,931	7,647,217
Charges for services	1,102,835	-	-	-
Use of money and property	1,432,238	-	-	-
Fines and forfeitures	594,978	-	-	-
Developer participation	-	-	-	-
Miscellaneous	262,186	-	-	-
Total Revenues	31,526,515	334,840	340,931	7,647,217
Expenditures:				
Current:				
General government	4,787,316	-	160,179	-
Public safety	10,860,001	-	-	-
Community development	2,230,699	-	-	-
Parks and recreation	3,277,024	-	-	-
Public works	3,954,745	36,961	180,752	-
Capital outlay	1,361,626	1,683,236	-	248,917
Debt service:				
Principal retirement	76,457	-	-	-
Interest and fiscal charges	2,780	-	-	-
Total Expenditures	26,550,648	1,720,197	340,931	248,917
Excess (Deficiency) of Revenues over Expenditures	4,975,867	(1,385,357)	-	7,398,300
Other Financing Sources (Uses):				
Transfers in	7,398,300	-	-	-
Transfers out	(8,500,000)	-	-	(7,398,300)
Total Other Financing Sources (Uses)	(1,101,700)	-	-	(7,398,300)
Net Change in Fund Balances	3,874,167	(1,385,357)	-	-
Fund Balances (Deficit), Beginning of Year	28,556,266	(26,662)	-	-
Fund Balances (Deficit), End of Year	\$ 32,430,433	\$ (1,412,019)	\$ -	\$ -

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, 2023

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 195,288	\$ 23,234,653
Licenses and permits	-	4,514,893
Intergovernmental	10,415,239	19,318,247
Charges for services	523,060	1,625,895
Use of money and property	451,008	1,883,246
Fines and forfeitures	-	594,978
Developer participation	350,618	350,618
Miscellaneous	4,391	266,577
Total Revenues	11,939,604	51,789,107
Expenditures:		
Current:		
General government	120,492	5,067,987
Public safety	62,251	10,922,252
Community development	1,495,090	3,725,789
Parks and recreation	79,802	3,356,826
Public works	3,413,903	7,586,361
Capital outlay	2,363,510	5,657,289
Debt service:		
Principal retirement	-	76,457
Interest and fiscal charges	-	2,780
Total Expenditures	7,535,048	36,395,741
Excess (Deficiency) of Revenues over Expenditures	4,404,556	15,393,366
Other Financing Sources (Uses):		
Transfers in	-	7,398,300
Transfers out	-	(15,898,300)
Total Other Financing Sources (Uses)	-	(8,500,000)
Net Change in Fund Balances	4,404,556	6,893,366
Fund Balances (Deficit), Beginning of Year	24,865,504	53,395,108
Fund Balances (Deficit), End of Year	\$ 29,270,060	\$ 60,288,474

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, 2023

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

Net change in fund balances - total governmental funds	\$ 6,893,366
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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	\$ 4,900,939	
Depreciation/amortization	<u>(2,709,442)</u>	2,191,497

Bonds and other debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

179,663

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.

(29,496)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	35,381	
Changes in pension liabilities and related deferred outflows and inflows of resources	619,672	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>20,649</u>	675,702

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.

1,620,194

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.

8,509,851

Change in Net Position of Governmental Activities	<u>\$ 20,040,777</u>
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CITY OF ROSEMEAD, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Assets:	
Current Assets:	
Cash and investments	\$ 9,154,341
Receivables:	
Interest receivable	<u>4,976</u>
Total Current Assets	<u>9,160,307</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	<u>61,406</u>
Total Noncurrent Assets	<u>61,406</u>
Total Assets	<u>9,221,713</u>
Net Position:	
Invested in capital assets	61,406
Unrestricted	<u>9,160,307</u>
Total Net Position	<u>\$ 9,221,713</u>

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, 2023

	Governmental Activities
	Internal Service Funds
Operating Expenses:	
Contractual services	\$ 871
Depreciation expense	1,521
Total Operating Expenses	2,392
Operating Loss	(2,392)
Nonoperating Revenues:	
Interest revenue	12,243
Total Nonoperating Revenues	12,243
Income (Loss) Before Transfers	9,851
Transfers in	8,500,000
Change in Net Position	8,509,851
Net Position, Beginning of the Year	711,862
Net Position, End of the Year	\$ 9,221,713

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, 2023

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash paid to suppliers for goods and services	\$ (1,861)
Net Cash Used by Operating Activities	(1,861)
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	8,500,000
Net Cash provided by Non-Capital Financing Activities	8,500,000
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(58,823)
Net Cash Used by Capital and Related Financing Activities	(58,823)
Cash Flows from Investing Activities:	
Investment earnings	8,855
Net Cash Provided by Investing Activities	8,855
Net Increase in Cash and Cash Equivalents	8,448,171
Cash and Cash Equivalents, Beginning of the Year	706,170
Cash and Cash Equivalents, End of the Year	\$ 9,154,341
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$ (2,392)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,521
Increase in accounts receivable	(990)
Total Adjustments	531
Net Cash Used by Operating Activities	\$ (1,861)

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, 2023

	Private-Purpose Trust Fund
	Successor Agency
Assets:	
Cash and investments	\$ 4,611,041
Receivables:	
Notes and loans	444,598
Interest receivable	24,453
Prepaid costs	107,674
Restricted cash and investments with fiscal agents	1,123,647
Total Assets	6,311,413
Deferred Outflows of Resources:	
Deferred charge on refunding	124,013
Total Deferred Outflows of Resources	124,013
Liabilities:	
Accrued interest	198,547
Deferred revenue	243,284
Due to external parties/other agencies	255,577
Long-term liabilities:	
Bonds payable, due within one year	2,423,099
Bonds payable, due in more than one year	16,501,148
Total Liabilities	19,621,655
Net Position (Deficit):	
Restricted for the dissolution of the former Redevelopment Agency	(13,186,229)
Total Net Position (Deficit)	\$ (13,186,229)

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, 2023

	Private-Purpose Trust Fund
	Successor Agency
Additions:	
Taxes	\$ 2,801,429
Interest earnings	61,787
Total Additions	2,863,216
Deductions:	
Administrative expenses	111,735
Interest expense	795,245
Contributions to other governments	520,694
Total Deductions	1,427,674
Change in Net Position	1,435,542
Net Position (Deficit), Beginning of Year	(14,621,771)
Net Position (Deficit), End of Year	\$ (13,186,229)

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





Notes to the Financial Statements



CITY OF ROSEMEAD
Notes to the Financial Statements
June 30, 2023

Note 1:	Summary of Significant Accounting Policies.....	32
	a. Reporting Entity	
	b. Basis of Accounting and Measurement Focus	
	c. Major and Fiduciary Fund Types	
	d. Investments	
	e. Cash Equivalents	
	f. Capital Assets	
	g. Compensated Absences	
	h. Prepaid Items	
	i. Fund Balance	
	j. Use of Estimates	
	k. Pension Plans	
	l. Other Post-Employment Benefit Plans (OPEB)	
	m. Property Taxes	
	n. Deferred Outflows and Deferred Inflows of Resources	
	o. Leases	
	p. Subscription-Based	
	q. Changes in Accounting	
Note 2:	Stewardship, Compliance, and Accountability.....	43
	a. Deficit Fund Balances/Net Position	
	b. Budgetary	
Note 3:	Cash and Investments	44
Note 4:	Receivables.....	46
Note 5:	Interfund Receivable, Payable and Transfers.....	48
Note 6:	Leases and Subscription.....	48
Note 7:	Capital Assets	50
Note 8:	Compensated Absences	51
Note 9:	Risk Management	51
	a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement	
	b. Primary Self-Insurance Programs of the Authority	
	c. Purchased Insurance	
	d. Adequacy of Protection	
Note 10:	Defined Benefit Pension Plans	52
	a. Aggregate Information on all Defined Benefit Pension Plans	
	b. Defined Benefit Pension Plan – CalPERS	
	c. PARS Retirement Enhancement Plan	
Note 11:	Defined Contribution Pension Plan	63
Note 12:	Post-Employment Benefit Plan	63
Note 13:	Commitments and Contingencies	68
Note 14:	Successor Agency	68
	a. Cash and Investments	
	b. Long-Term Debt	
	c. Pledged Revenue	
Note 15:	Subsequent Events	70



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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.
- City Grants Fund – Accounts for the City's portion of the funds received through various state, local, and federal grants not specifically noted above.
- 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, technology replacement, and infrastructure 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 or amortized 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/amortization is charged as an expense against operations and accumulated Depreciation/amortization is reported on the respective statement of Net Position.

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
Lease assets	3-7 years
Subscription assets	3-5 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

PARS-Agent, Multiple Employer Plan:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and balance sheet 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 two types of items that qualify for reporting in this category. The items are deferred pension related items and deferred other post-employment benefits (OPEB) related items.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred pension related items, deferred OPEB related items, and deferred inflows related to leases.

O. Leases

Lessee: The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for noncancellable leases of two cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

- The City determines that the interest component of the lessor leases are not material, and therefore are recorded with 0% interest.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

P. Subscription-Based Information Technology Arrangements

The City is a subscriber for noncancellable subscriptions of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Q. Changes in Accounting Principles and New GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

1. GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

2. GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

Fund Name	Fund Type	Deficit	Cause
Measure R CP	Nonmajor Capital Projects Fund	\$ (99,073)	(a)
City Grants Fund	Major Special Revenue Fund	(1,412,019)	(a)

(a) Deficit due to timing differences between grant receipts and disbursements, and is expected to be eliminated through future grant revenues.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments as of June 30, 2023, consist of the following:

Cash on hand	\$ 3,148
Deposits with financial institutions	4,125,687
Investments	77,099,499
Total cash and investments	<u>\$ 81,228,334</u>

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.

Investment Types Authorized by State Law	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	None	None
Bankers acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	5%
Certificates of deposit (nonnegotiable)	Yes	5 years	None	None
Certificates of deposit (negotiable)	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	5%
Medium-term notes	Yes	5 years	30%	5%
Municipal investments	Yes	5 years	10%	5%
Money market mutual funds	Yes	N/A	20%	10%
Mortgage pass-through securities	Yes	5 years	20%	None
Local Agency Investment Fund	Yes	N/A	None	\$75 million

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. agency securities	\$ 7,224,189	\$ 1,239,108	\$ 1,173,161	\$ 4,811,920
Certificates of deposit (negotiable)	6,571,967	481,497	1,188,633	4,901,837
Medium-term notes	6,559,466	-	755,992	5,803,474
Money market mutual funds	13,495	13,495	-	-
Held by bond trustee	1,123,647	1,123,647	-	-
Local Agency Investment Fund	55,606,735	55,606,735	-	-
Total	\$ 77,099,499	\$ 58,464,482	\$ 3,117,786	\$ 15,517,231

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	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	A	Exempt or Not Rated
U.S. agency securities	\$ 7,224,189	Exempt	\$ 7,224,189	\$ -	\$ -	-
Certificates of deposit (negotiable)	6,571,967	Not Rated	-	-	-	6,571,967
Medium-term notes	6,559,466	A	1,673,916	3,128,387	1,757,163	-
Money market mutual funds	13,495	Aaa	-	-	-	13,495
Held by bond trustee	1,123,000	A	-	-	-	1,123,000
Local Agency Investment Fund	55,607,382	Not Rated	-	-	-	55,607,382
Total	\$ 77,099,499	\$ -	\$ 8,898,105	\$ 3,128,387	\$ 1,757,163	\$ 63,315,844

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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, 2023 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, 2023, the City had deposits with financial institutions in excess of federal depository insurance limits by \$3,875,687 that were held in collateralized accounts. As of June 30, 2023, the Successor Agency had deposits with financial institutions in excess of federal depository insurance limits by \$4,361,041 that were held in collateralized accounts.

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: RECEIVABLES

A. Notes Receivable

Loans receivable consisted of the following at June 30, 2023:

	Balance June 30, 2022	Adjustments*	Deletions	Balance June 30, 2023
Computer Loans	\$ 1,530	\$ -	\$ 1,305	\$ 225
San Gabriel Valley Water Co. Loan Phase I	41,150	-	8,230	32,920
San Gabriel Valley Water Co. Loan Phase II	20,576	-	4,115	16,461
Rio Hondo Community Development Co. Loan	227,086	-	-	227,086
Rio Hondo Community Development Co. Loan (275-12025)	-	214,615	-	214,615
El Monte Cemetary Association Loan	3,600	-	2,400	1,200
Home Improvements	2,622,000	-	30,430	2,591,570
First Time Home Buyers Program	585,200	-	-	585,200
Total	<u>\$ 3,501,142</u>	<u>\$ 214,615</u>	<u>\$ 46,480</u>	<u>\$ 3,669,277</u>

*Adjustment relates to Promissory Note - March 2011 - fully forgivable loan that was erroneously omitted from prior ACFRs. There is no fund balance impact of this loan.

1. 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, 2023 is \$225.

2. 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, 2023 is \$32,920.

3. 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, 2023 is \$16,461.

4. Rio Hondo Community Development Corporation

On April 27, 2010, the City Council entered into an Agreement with Rio Hondo Community Development Corporation (RHCD) for the production of affordable housing. The RHCD identified a property for sale (8628 Landis View Lane) that was as suitable for affordable housing for a total purchase price of \$428,400.

NOTE 4: RECEIVABLES (CONTINUED)

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.

5. 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, 2023 is \$1,200.

6. 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, 2023 is \$2,591,570.

7. 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, 2023 is \$585,200.

8. Rio Hondo Community Development Corporation

On April 22, 2008, the City Council entered into an Agreement with Rio Hondo Community Development Corporation (RHCD) for affordable housing. The RHCD identified a property for sale (9331 Glendon Way, Rosemead) that was suitable for affordable housing for a total purchase price of \$457,899. The City Council approved a 0% deferred payment loan in the amount of \$214,615 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 \$243,284. The unit was restricted as a rental property for low-to moderate-income households and was subject to a 55-year affordability covenant. The \$214,615 City loan is due until the sale of the home, transfer of ownership or year 55, while the loan from the CDC is due only if RHCD breaches or defaults on the provisions of the Note.

B. Lease Receivable

The City leases two cell towers to AT&T. The terms by lease type are listed in the table below. An initial lease receivable was recorded in the amount of \$261,589. As of June 30, 2023, the value of the lease receivable and deferred inflow of resources is \$185,787. The City recognized rental revenue of \$585,449 during the fiscal year which included \$41,389 related to the amortization of the deferred inflow and \$544,060 for other short term leases not included in the measurement of the lease receivable.

Governmental Activities				
Lease Type	Term Range	Lease Receivable	Lease Revenue	Lease Interest
Land - cell towers	5 years	\$ 185,787	\$ 41,389	\$ -

NOTE 5: INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

A. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General fund	City Grants fund	\$ 1,277,434
General fund	Nonmajor governmental funds	177,311
	Total	<u>\$ 1,454,745</u>

Due to/due from other funds for the year ending June 30, 2023, consisted of \$1,277,434, \$65,805, and \$111,506 due to the General Fund from the City Grants, CDBG, and Measure R Capital funds for short-term loans made to those funds from the General Fund resulting from deficit cash balances in those funds.

B. Interfund Transfers

	Transfers in		
	General Fund	Internal Service Funds	Total
Transfers out			
General fund	\$ -	\$ 8,500,000	\$ 8,500,000
SLFRF	7,398,300	-	7,398,300
Total	<u>\$ 7,398,300</u>	<u>\$ 8,500,000</u>	<u>\$ 15,898,300</u>

The General Fund transferred \$7,000,000, \$1,000,000, and \$500,000 into the Infrastructure Replacement, Equipment Replacement, and Technology Replacement internal service funds, respectively, for various operating and capital improvement programs and projects. In addition, the SLFRF transferred \$7,398,300 to the General Fund for the recognition of previously restricted American Rescue Plan Act monies for general governmental usage.

NOTE 6: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases Payable

The City has entered into various lease agreements as lessee for the acquisition and use of vehicles. The terms of these 19 leasing arrangements are 5 years. As of June 30, 2023, the total value of the lease liability was \$379,580. The City is required to make monthly principal and interest payments of ranging from \$447 to \$1,044. The leases have interest rates ranging from 3.2% to 11.2%. Information on the lease assets as of June 30, 2023 are as follows:

Governmental Activities		Amount of Leased Capital Assets	Accumulated Amortization
Lease Type	Major Class of Underlying Asset		
Vehicle lease	Right-to-use vehicles	<u>\$ 756,807</u>	<u>\$ 419,798</u>

NOTE 6: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The City recognized \$585,449 for variable and other payments, including short term leases not included in the measurement of the lease liability. The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 134,543	\$ 31,556	\$ 166,099
2025	124,146	16,481	140,627
2026	65,995	8,989	74,984
2027	54,896	2,697	57,593
Totals	<u>\$ 379,580</u>	<u>\$ 59,723</u>	<u>\$ 439,303</u>

B. Subscription-Based Information Technology Arrangements

The City implemented GASB Statement No. 96 in the fiscal year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription based-information technology arrangement (SBITA) activities. This statement establishes a single model for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset, for additional information, refer to the disclosures below.

The City has entered into various SBITAs as the subscriber for the use of software as a service. An initial subscription liability was recorded in the amount of \$88,030 during the current fiscal year. The terms of these subscriptions range from 3 to 5 years. As of June 30, 2023, the total value of the subscription liability was \$11,573. The City is required to make annual principal and interest payments of ranging from \$8,601 to \$71,250. The subscriptions have interest rates ranging from 0.39% to 2.35%. Information on the subscription assets as of June 30, 2023 are as follows:

Subscription Type	Governmental Activities	
	Amount of SBITA Capital Assets	Accumulated Amortization
Software as a service	<u>\$ 88,030</u>	<u>\$ 55,182</u>

The future principal and interest subscription payments as of June 30, 2023, were as follows. The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 4,872	\$ 2,451	\$ 7,323
2025	6,701	402	7,103
Totals	<u>\$ 11,573</u>	<u>\$ 2,853</u>	<u>\$ 14,426</u>

CITY OF ROSEMEAD
Notes to the Financial Statements
June 30, 2023

NOTE 7: CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2023:

	Balance July 1, 2022	Adjustments	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental activities:						
Capital assets, not being depreciated/amortized						
Land	\$ 4,417,104	\$ -	\$ 442,084	\$ -	\$ -	\$ 4,859,188
Construction-in-progress	1,443,958	-	3,670,942	(29,496)	(3,507,692)	1,577,712
Total capital assets, not being depreciated/amortized	5,861,062	-	4,113,026	(29,496)	(3,507,692)	6,436,900
Capital assets, being depreciated/amortized						
Buildings	24,957,390	-	508,737	-	-	25,466,127
Improvements other than buildings	5,536,168	-	199,550	-	-	5,735,718
Machinery and equipment	477,147	-	58,822	-	-	535,969
Autos and trucks	1,360,237	-	79,626	(76,458)	-	1,363,405
Furniture and office equipment	764,425	-	-	-	-	764,425
Subscription assets	-	-	88,030	-	-	88,030
Lease assets	756,807	-	-	-	-	756,807
Infrastructure	70,843,823	-	-	-	3,507,692	74,351,515
Total capital assets, being depreciated/amortized	104,695,997	-	934,765	(76,458)	3,507,692	109,061,996
Less accumulated depreciation/amortization						
Buildings	(11,602,049)	-	(515,985)	-	-	(12,118,034)
Improvements other than buildings	(2,582,671)	-	(282,276)	-	-	(2,864,947)
Machinery and equipment	(417,974)	-	(20,007)	-	-	(437,981)
Autos and trucks	(1,190,124)	-	(54,004)	76,458	-	(1,167,670)
Furniture and office equipment	(753,635)	-	(2,815)	-	-	(756,450)
Subscription assets	-	-	(55,182)	-	-	(55,182)
Lease assets	(268,436)	-	(151,362)	-	-	(419,798)
Infrastructure	(45,795,288)	-	(1,629,332)	-	-	(47,424,620)
Total accumulated depreciation/amortization	(62,610,177)	-	(2,710,963)	76,458	-	(65,244,682)
Total capital assets, being depreciated/amortized, net	42,085,820	-	(1,776,198)	-	3,507,692	43,817,314
Total governmental activities capital assets	\$ 47,946,882	\$ -	\$ 2,336,828	\$ (29,496)	\$ -	\$ 50,254,214

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

General government	\$ 848
Public safety	14,947
Public works	2,295,841
Community development	235,930
Parks and recreation	161,876
Internal service funds	1,521
Total depreciation/amortization expense	<u>\$ 2,710,963</u>

NOTE 8: COMPENSATED ABSENCES

Compensated absences activities for the year ended June 30, 2023, is as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
\$ 672,452	\$ 342,581	\$ 377,962	\$ 637,071	\$ 358,076

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.

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/>.

NOTE 9: RISK MANAGEMENT (CONTINUED)

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 2022-23 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 \$67,742,539. 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.

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 2022-23.

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:

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Net Pension Liability	Net Pension (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous Plan	\$ 10,099,523	\$ -	\$ 4,342,362	\$ 742,299	\$ 529,112
PARS Retirement Enhancement Plan	-	(326,379)	383,605	1,397	24,185
Total pension plans	<u>\$ 10,099,523</u>	<u>\$ (326,379)</u>	<u>\$ 4,725,967</u>	<u>\$ 743,696</u>	<u>\$ 553,297</u>

B. Defined Benefit Pension Plan - CalPERS

1. Plan Description, Benefits Provided, and Employees Covered

The plan is a public agency cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 2021 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

2. Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Plan contributions for the year equaled \$1,172,969.

3. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

4. Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study

5. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

6. *Changes in Assumptions*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

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

7. *Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

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

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The EARSL for the plan for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

8. *Proportionate Share of the Net Pension Liability*

The City reports a net pension liability of \$10,099,523 as of June 30, 2022 (the measurement date). 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 the Safety Plan as of June 30, 2021 and June 30, 2022 (measurement period), are as follows:

Proportion - June 30, 2021	0.08338%
Proportion - June 30, 2022	<u>0.08744%</u>
Change	<u>4.8645%</u>

9. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liabilities calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1 Percent (7.90%)
Plan's net pension liability	<u>\$ 15,709,524</u>	<u>\$ 10,099,523</u>	<u>\$ 5,483,884</u>

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

10. Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the fiscal year ended June 30, 2023, the City recognized \$529,112 in pension expense.

The following table presents deferred outflows and deferred inflows of resources related to pensions as of the June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,172,969	\$ -
Changes of assumptions	1,034,907	-
Differences between expected and actual experience	202,818	135,839
Net difference between projected and actual earnings on pension plan investments	1,849,964	-
Adjustment due to differences in proportions	26,152	58,916
Difference in actual to proportionate share contribution	55,552	547,544
Total	<u>\$ 4,342,362</u>	<u>\$ 742,299</u>

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

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 769,854
2025	674,572
2026	375,923
2027	606,745
2028	-
Thereafter	-
Total	<u>\$ 2,427,094</u>

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, 2022, Annual Actuarial Valuation Report. Details of 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.

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2023, (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, 2023, the following employees were covered by the benefit terms:

Inactive members currently receiving benefits	19
Active members	26
Total	45

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, 2023 (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, 2023 are \$75,945.

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Asset

The City's net pension asset for the Retirement Enhancement Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension asset of the Plan II is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)	Plan fiduciary net position as a % of total pension asset
Balance at June 30, 2023	\$ 2,852,675	\$ 3,179,054	\$ (326,379)	111%

Actuarial Assumptions and Methods

The following actuarial methods and assumptions were used in the June 30, 2022, 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	20 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None
Inflation	2.30%
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.

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.

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2023.

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	8.63%	0.51%	0.49%
US Core Fixed Income	Bloomberg Barclays Aggregate	45.57%	2.07%	1.93%
US Equity Market	Russell 3000	34.99%	5.56%	3.90%
Foreign Developed Equity	MSCI EAFE NR	5.75%	6.89%	5.07%
Emerging Markets Equity	MSCI EM NR	3.54%	9.58%	6.18%
US REITs	FTSE NAREIT Equity REIT	1.52%	6.96%	4.74%

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 2,759,003	\$ 3,117,038	\$ (358,035)
Changes recognized for the measurement period:			
Service cost	22,499	-	22,499
Interest on total pension liability	173,711	-	173,711
Effect of economic/demographic gains or losses	120,849	-	120,849
Effect of assumptions changes or inputs	(1,863)	-	(1,863)
Benefit payments	(221,524)	(221,524)	-
Employer contributions	-	75,945	(75,945)
Net investment income	-	208,826	(208,826)
Administrative expense	-	(1,231)	1,231
Net changes during 2022-23	93,672	62,016	31,656
Balance at June 30, 2023	\$ 2,852,675	\$ 3,179,054	\$ (326,379)

Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset, 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:

	Discount Rate -1 Percent (5.50%)	Current Discount Rate (6.50%)	Discount Rate +1 Percent (7.50%)
Plan's net pension asset	\$ (27,504)	\$ (326,379)	\$ (580,844)

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized pension expense of \$24,185. At June 30, 2023, 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>
Changes of assumptions	\$ -	\$ (1,397)
Differences between expected and actual experience	133,473	-
Net difference between projected and actual earnings on pension plan investments	<u>250,132</u>	<u>-</u>
Total	<u><u>\$ 383,605</u></u>	<u><u>\$ (1,397)</u></u>

NOTE 10: DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 120,874
2025	96,400
2026	167,117
2027	(2,183)
2028	-
Thereafter	-
Total	<u>\$ 382,208</u>

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 participant is required to contribute 3.75% of their salary. During the current fiscal year, the City contributed \$75,945 to the plan.

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN

Plan 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.

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

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 2022 and 2023 were \$133 and \$148, respectively.

Inactive members currently receiving benefits	27
Inactive members entitled to but not yet receiving benefits	7
Active members	<u>61</u>
Total	<u><u>95</u></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.

For the measurement date ended June 30, 2022, the City recognized a total of \$100,859 as a reduction to the net OPEB liability.

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability 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

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Expected Long-Term Rate of Return

Asset Class	Target Allocation PARS-Moderate	Expected Real Rate of Return
Global Equity	50.00%	4.56%
Fixed Income	45.00%	0.78%
Cash	5.00%	-0.50%

¹ An expected inflation rate of 2.50% used for this period.

² An expected long-term net rate of return of 5.50% used for this period.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the 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:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 4,551,907	\$ 4,604,008	\$ (52,101)
Changes recognized for the measurement period:			
Service cost	115,691	-	115,691
Interest on total OPEB liability	250,578	-	250,578
Contributions-employer	-	100,859	(100,859)
Net investment income	-	(607,709)	607,709
Benefit payments	(223,257)	(223,257)	-
Administrative expenses	-	(11,901)	11,901
Net changes during 2021-22	143,012	(742,008)	885,020
Balance at June 30, 2023	\$ 4,694,919	\$ 3,862,000	\$ 832,919

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, 2022:

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

	Discount Rate -1 Percent (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1 Percent (6.50%)
Plan's net OPEB liability	<u>\$ 1,429,250</u>	<u>\$ 832,919</u>	<u>\$ 334,820</u>

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, 2022:

	1 Percent Decrease	Current Healthcare Trend Rate	1 Percent Increase
Plan's net OPEB liability	<u>\$ 490,089</u>	<u>\$ 832,919</u>	<u>\$ 1,195,635</u>

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, 2023, the City recognized OPEB expense of \$134,042. As of fiscal year ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 154,691	\$ -
Changes of assumptions	151,727	22,265
Differences between expected and actual experience	-	328,545
Net difference between projected and actual earnings on OPEB plan investments	<u>348,945</u>	<u>-</u>
Total	<u>\$ 655,363</u>	<u>\$ 350,810</u>

NOTE 12: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The \$154,691 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, 2024. The amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 10,699
2025	15,260
2026	(3,312)
2027	120,730
2028	(7,347)
Thereafter	13,832
Total	<u>\$ 149,862</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.

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.

NOTE 14: SUCCESSOR AGENCY

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:

Statement of Fiduciary Net Position

Pooled cash and investments	\$ 4,611,041
Restricted:	
Cash with fiscal agents	<u>1,123,647</u>
Total cash and investments	<u>\$ 5,734,688</u>

B. Long-Term Debt

The debt of the Successor Agency as of June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Bonds payable					
Tax Allocation Bonds Series 2010A	\$ 2,235,000	\$ -	\$ 1,100,000	\$ 1,135,000	\$ 1,135,000
Tax Allocation Bonds Series 2016	18,155,000	-	1,430,000	16,725,000	1,185,000
Premium	1,174,737	-	106,795	1,067,942	106,794
Discount	<u>(18,475)</u>	-	<u>(14,780)</u>	<u>(3,695)</u>	<u>(3,695)</u>
Total	<u>\$ 21,546,262</u>	<u>\$ -</u>	<u>\$ 2,622,015</u>	<u>\$ 18,924,247</u>	<u>\$ 2,423,099</u>

Future debt service requirements are as follows:

June 30	Principal	Interest
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	1,440,000	475,500
2029-2033	8,300,000	1,300,800
2034-2038	<u>1,880,000</u>	<u>37,600</u>
Totals	<u>\$ 17,860,000</u>	<u>\$ 4,414,150</u>

NOTE 14: SUCCESSOR AGENCY (CONTINUED)

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, 2023, the balance held in the reserve account was \$1,123,000. As of June 30, 2023, the outstanding balance was \$1,135,000.

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, 2023, the outstanding balance was \$16,725,000.

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, 2023 is \$22,274,150 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 \$2,801,429 and the debt service obligation on the bonds was \$3,416,750.

NOTE 15: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through December 14, 2023, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.



Required Supplementary Information



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, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 28,556,266	\$ 28,556,266	\$ 28,556,266	\$ -
Available for Appropriations (Inflows):				
Taxes	21,522,800	21,522,800	23,039,365	1,516,565
Licenses and permits	2,348,000	2,348,000	4,514,893	2,166,893
Intergovernmental	41,700	41,700	580,020	538,320
Charges for services	1,078,300	1,078,300	1,102,835	24,535
Use of money and property	671,400	671,400	1,432,238	760,838
Fines and forfeitures	605,300	605,300	594,978	(10,322)
Miscellaneous	49,500	49,500	262,186	212,686
Transfers in	1,400,000	7,398,300	7,398,300	-
Amounts Available for Appropriations	56,273,266	62,271,566	67,481,081	5,209,515
Charges to Appropriation (Outflows):				
General government	5,906,700	5,827,463	4,787,316	1,040,147
Public safety	11,495,300	11,495,300	10,860,001	635,299
Community development	1,890,500	1,890,500	2,230,699	(340,199)
Parks and recreation	3,952,600	3,952,600	3,277,024	675,576
Public works	4,407,100	4,407,100	3,954,745	452,355
Capital outlay	60,000	1,447,800	1,361,626	86,174
Debt service:				
Principal retirement	-	76,457	76,457	-
Interest and fiscal charges	-	2,780	2,780	-
Transfers out	-	8,500,000	8,500,000	-
Total Charges to Appropriations	27,712,200	37,600,000	35,050,648	2,549,352
Budgetary Fund Balance, June 30	\$ 28,561,066	\$ 24,671,566	\$ 32,430,433	\$ 7,758,867

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 City Grants Fund
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (26,662)	\$ (26,662)	\$ (26,662)	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	348,000	348,000	334,840	(13,160)
Amounts Available for Appropriations	321,338	321,338	308,178	(13,160)
Charges to Appropriation (Outflows):				
Public works	68,000	68,000	36,961	31,039
Capital outlay	280,000	2,156,400	1,683,236	473,164
Total Charges to Appropriations	348,000	2,224,400	1,720,197	504,203
Budgetary Fund Deficit, June 30	\$ (26,662)	\$ (1,903,062)	\$ (1,412,019)	\$ 491,043

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 American Rescue Plan
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	-	-	340,931	340,931
Amounts Available for Appropriations	-	-	340,931	340,931
Charges to Appropriation (Outflows):				
General government	208,200	208,200	160,179	48,021
Public works	170,800	170,800	180,752	(9,952)
Capital outlay	2,520,000	2,520,000	-	2,520,000
Total Charges to Appropriations	2,899,000	2,899,000	340,931	2,558,069
Budgetary Fund Balance, June 30	\$ (2,899,000)	\$ (2,899,000)	\$ -	\$ 2,899,000

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 SLFRF
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	-	-	7,647,217	7,647,217
Amounts Available for Appropriations	-	-	7,647,217	7,647,217
Charges to Appropriation (Outflows):				
Capital outlay	3,804,200	2,601,700	248,917	2,352,783
Transfers out	1,400,000	7,398,300	7,398,300	-
Total Charges to Appropriations	5,204,200	10,000,000	7,647,217	2,352,783
Budgetary Fund Balance, June 30	\$ (5,204,200)	\$ (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⁾

	2023	2022	2021
Measurement Date	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Proportion of the Net Pension Liability	0.08744%	0.08338%	0.08279%
Proportionate Share of the Net Pension Liability	\$ 10,099,523	\$ 4,509,289	\$ 9,007,798
Covered Payroll	\$ 4,185,828	\$ 3,888,373	\$ 3,832,817
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	241%	116%	235%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.7%	88.3%	75.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability

Benefit Changes: None.

Changes of Assumptions: None.

⁽¹⁾ Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

2020	2019	2018	2017	2016	2015
<u>6/30/2019</u>	<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>
0.08643%	0.09186%	0.09661%	0.09959%	0.27841%	0.10996%
\$ 8,856,781	\$ 8,688,626	\$ 9,309,566	\$ 8,617,416	\$ 7,638,064	\$ 6,842,230
\$ 3,903,914	\$ 3,761,962	\$ 3,690,780	\$ 3,444,503	\$ 4,604,511	\$ 4,152,555
227%	231%	252%	250%	166%	165%
75.3%	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)

	2023	2022	2021
Actuarially Determined Contribution	\$ 1,172,969	\$ 1,036,079	\$ 1,013,310
Contribution in Relation to the Actuarially Determined Contribution	(1,172,969)	(1,036,079)	(1,013,310)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,412,785	\$ 4,185,828	\$ 3,888,373
Contributions as a Percentage of Covered Payroll	26.6%	24.8%	26.1%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2021 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period: For details, see June 30, 2021 Funding Valuation Report.

Asset Valuation Method: Market Value of Assets. For details, see June 30, 2021 Funding Valuation Report.

Inflation: 2.30%

Salary Increases: Varies by Entry Age and Service

Retirement Age: The probabilities of Retirement are based on the 2021 CalPERS Experience Study for the period of 2001 to 2019.

Mortality: The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020.

⁽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 nine years are shown.

2020	2019	2018	2017	2016	2015
\$ 1,446,875	\$ 1,389,145	\$ 1,487,464	\$ 1,113,875	\$ 1,113,875	\$ 910,907
(1,446,875)	(1,389,145)	(1,487,464)	(1,113,875)	(1,113,875)	(910,907)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 \$ 3,832,817	 \$ 3,903,914	 \$ 3,761,962	 \$ 3,690,780	 \$ 3,444,503	 \$ 4,604,511
 37.7%	 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⁾

	2023	2022	2021
Total Pension Liability			
Service Cost	\$ 22,499	\$ 24,732	\$ 24,070
Interest	173,711	175,746	171,039
Effect of Liability Gains or Losses	120,849	-	110,471
Effect of Assumption Changes or Inputs	(1,863)	-	-
Benefit Payments, Including Refunds of employee Contributions	(221,524)	(237,325)	(230,403)
Net Change in Total Pension Liability	93,672	(36,847)	75,177
Total Pension Liability - Beginning	\$ 2,759,003	2,795,850	2,720,673
Total Pension Liability - Ending (a)	\$ 2,852,675	\$ 2,759,003	\$ 2,795,850
Plan Fiduciary Net Position			
Contribution - Employer	\$ 75,945	\$ 68,424	\$ 75,165
Net Investment Income	208,826	(459,657)	660,793
Benefit Payments, Including Refunds of Employee Contributions	(221,524)	(237,325)	(230,403)
Other Changes in Fiduciary Net Position	(1,231)	(1,280)	(1,316)
Net Change in Fiduciary Net Position	62,016	(629,838)	504,239
Plan Fiduciary Net Position - Beginning	3,117,038	3,746,876	3,242,637
Plan Fiduciary Net Position - Ending (b)	\$ 3,179,054	\$ 3,117,038	\$ 3,746,876
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ (326,379)	\$ (358,035)	\$ (951,026)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.4%	113.0%	134.0%
Covered Payroll	\$ 1,663,456	\$ 1,618,148	\$ 1,780,371
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-19.6%	-22.1%	-53.4%

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 nine years are shown.

2020	2019	2018	2017	2016	2015
\$ 25,883	\$ 25,190	\$ 37,502	\$ 36,410	\$ 45,435	\$ 44,112
172,888	170,716	171,215	192,440	191,270	190,667
-	17,567	-	(355,400)	-	-
-	32,827	-	-	-	-
(220,611)	(206,738)	(201,490)	(200,693)	(218,411)	(234,960)
(21,840)	39,562	7,227	(327,243)	18,294	(181)
2,742,513	2,702,951	2,695,724	3,022,967	3,004,673	3,004,854
\$ 2,720,673	\$ 2,742,513	\$ 2,702,951	\$ 2,695,724	\$ 3,022,967	\$ 3,004,673
\$ 112,649	\$ 131,770	\$ 140,376	\$ 164,389	\$ 265,241	\$ 273,711
96,972	187,985	175,605	266,884	(2,345)	59,329
(220,611)	(206,738)	(201,490)	(200,693)	(218,411)	(234,960)
(1,441)	(1,440)	(1,461)	(6,848)	(2,624)	(5,864)
(12,431)	111,577	113,030	223,732	41,861	92,216
3,255,068	3,143,491	3,030,461	2,806,729	2,764,868	2,672,652
\$ 3,242,637	\$ 3,255,068	\$ 3,143,491	\$ 3,030,461	\$ 2,806,729	\$ 2,764,868
\$ (521,964)	\$ (512,555)	\$ (440,540)	\$ (334,737)	\$ 216,238	\$ 239,805
119.2%	118.7%	116.3%	112.4%	92.8%	92.0%
\$ 2,300,379	\$ 2,238,812	\$ 2,178,892	\$ 2,414,510	\$ 2,344,184	\$ 3,060,587
-22.7%	-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⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 22,492	\$ 24,747	\$ 20,100
Contribution in Relation to the Actuarially Determined Contribution	(75,945)	(68,424)	(75,165)
Contribution Deficiency (Excess)	<u>\$ (53,453)</u>	<u>\$ (43,677)</u>	<u>\$ (55,065)</u>
Covered Payroll	\$ 1,663,456	\$ 1,618,148	\$ 1,780,371
Contributions as a Percentage of Covered Payroll	4.6%	4.2%	4.2%

Note to Schedule of Plan Contributions:

Valuation Date:	June 30, 2022
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Inflation	2.30%
Salary Increases	3.34%, after 30 years of service
Investment rate of return	6.50%
Payroll Growth	2.80%
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 nine years are shown.

2020	2019	2018	2017	2016	2015
\$ 25,970	\$ 73,864	\$ 81,888	\$ 88,845	\$ 116,244	\$ 133,267
(112,649)	(131,770)	(140,376)	(164,389)	(265,241)	(273,711)
<u>\$ (86,679)</u>	<u>\$ (57,906)</u>	<u>\$ (58,488)</u>	<u>\$ (75,544)</u>	<u>\$ (148,997)</u>	<u>\$ (140,444)</u>
 \$ 2,300,379	 \$ 2,238,812	 \$ 2,178,892	 \$ 2,414,510	 \$ 2,344,184	 \$ 3,060,587
 4.9%	 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)

	2023	2022	2021
Total OPEB Liability			
Service cost	\$ 115,691	\$ 116,753	\$ 115,714
Interest on the total OPEB liability	250,578	258,626	249,416
Actual and expected experience difference	-	(106,136)	-
Changes in assumptions	-	200,671	-
Benefit payments	(223,257)	(223,397)	(201,882)
Net change in total OPEB liability	143,012	246,517	163,248
Total OPEB liability - beginning	4,551,907	4,305,390	4,142,142
Total OPEB liability - ending (a)	4,694,919	4,551,907	4,305,390
Plan Fiduciary Net Position			
Contribution - employer	100,859	179,672	45,227
Net investment income	(607,709)	848,323	136,814
Benefit payments	(223,257)	(223,397)	(201,882)
Administrative expense	(11,901)	(11,139)	(10,252)
Net change in plan fiduciary net position	(742,008)	793,459	(30,093)
Plan fiduciary net position - beginning	4,604,008	3,810,549	3,840,642
Plan fiduciary net position - ending (b)	3,862,000	4,604,008	3,810,549
Net OPEB (Asset) Liability - ending (a) - (b)	\$ 832,919	\$ (52,101)	\$ 494,841
Plan fiduciary net position as a percentage of the total OPEB liability	82.3%	101.1%	88.5%
Covered-employee payroll	\$ 4,185,828	\$ 3,888,373	\$ 3,832,817
Net OPEB liability as a percentage of covered-employee payroll	19.9%	-1.3%	12.9%

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.

2020	2019	2018
\$ 155,962	\$ 151,419	\$ 147,009
268,709	253,402	237,920
(479,267)	-	-
(42,977)	-	-
(165,606)	(142,897)	(119,682)
(263,179)	261,924	265,247
4,405,321	4,143,397	3,878,150
4,142,142	4,405,321	4,143,397
97,132	22,063	158,082
242,596	223,704	336,797
(165,606)	(142,897)	(119,682)
(9,719)	(9,889)	(8,925)
164,403	92,981	366,272
3,676,239	3,583,258	3,216,986
3,840,642	3,676,239	3,583,258
\$ 301,500	\$ 729,082	\$ 560,139
92.7%	83.4%	86.5%
\$ 3,903,914	\$ 3,761,962	\$ 3,690,780
7.7%	19.4%	15.2%

CITY OF ROSEMEAD, CALIFORNIA
Other Post-Employment Benefit Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years (1)

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 154,597	\$ 167,000	\$ 163,000	\$ 202,000	\$ 197,000	\$ 192,000
Contribution in Relation to the Actuarially Determined Contributions ⁽²⁾	<u>(154,691)</u>	<u>(100,859)</u>	<u>(179,672)</u>	<u>(45,227)</u>	<u>(97,132)</u>	<u>(22,063)</u>
Contribution Deficiency (Excess)	<u>\$ (94)</u>	<u>\$ 66,141</u>	<u>\$ (16,672)</u>	<u>\$ 156,773</u>	<u>\$ 99,868</u>	<u>\$ 169,937</u>
Covered-employee payroll	\$ 4,412,785	\$ 4,185,828	\$ 3,888,373	\$ 3,832,817	\$ 3,903,914	\$ 3,761,962
Contributions as a percentage of covered-employee payroll	3.5%	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, 2021
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay
Amortization Period:	18-year fixed period for 2021/22
Asset Valuation Method:	Investment gains and losses spread over 5-year rolling period
Discount Rate:	5.50% at June 30, 2022
General Inflation:	2.50% annually
Medical Trend:	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare non-Kaiser - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare Kaiser - 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Mortality:	CalPERS 1997-2015 experience study
Mortality Improvement:	Mortality projected fully generational with Scale MP-2020
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

⁽²⁾ Contributions include implied subsidies.

Combining and Individual Fund Statements and Schedules



CITY OF ROSEMEAD, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Assets:				
Cash and investments	\$ 3,345,914	\$ -	\$ 1,526,470	\$ 3,658,401
Receivables:				
Accounts receivable	8,000	-	-	-
Notes and loans	-	-	-	-
Accrued interest	24,648	-	10,603	27,436
Due from other governments	112,225	51,000	-	-
Total Assets	\$ 3,490,787	\$ 51,000	\$ 1,537,073	\$ 3,685,837
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 72,371	\$ 48,450	\$ 9,852	\$ 581,715
Accrued liabilities	7,092	-	2,858	2,096
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Retentions payable	-	2,550	-	24,682
Total Liabilities	79,463	51,000	12,710	608,493
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	1,459,824	-	1,524,363	143,917
Capital projects	1,951,500	-	-	2,933,427
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	3,411,324	-	1,524,363	3,077,344
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,490,787	\$ 51,000	\$ 1,537,073	\$ 3,685,837

CITY OF ROSEMEAD, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Measure R	Measure M	Air Quality Management District	Street Lighting
Assets:				
Cash and investments	\$ 3,351,899	\$ 4,240,504	\$ 428,621	\$ 3,710,601
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	25,091	30,685	3,327	28,224
Due from other governments	-	-	16,846	68,951
Total Assets	\$ 3,376,990	\$ 4,271,189	\$ 448,794	\$ 3,807,776
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 251,370	\$ 140,870	\$ -	\$ 133,133
Accrued liabilities	253	107	30	4,473
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Retentions payable	17,684	7,123	-	15,647
Total Liabilities	269,307	148,100	30	153,253
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	2,006,625	1,432,989	448,764	1,956,872
Capital projects	1,101,058	2,690,100	-	1,697,651
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	3,107,683	4,123,089	448,764	3,654,523
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,376,990	\$ 4,271,189	\$ 448,794	\$ 3,807,776

CITY OF ROSEMEAD, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(CONTINUED)

	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	\$ 128,729	\$ 19,748	\$ 138,700	\$ 357,528
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	941	144	1,015	2,608
Due from other governments	-	-	-	-
Total Assets	\$ 129,670	\$ 19,892	\$ 139,715	\$ 360,136
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
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	79,670	9,892	-	360,136
Low and moderate income housing	-	-	-	-
Public works	50,000	10,000	139,715	-
Capital projects	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	129,670	19,892	139,715	360,136
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 129,670	\$ 19,892	\$ 139,715	\$ 360,136

CITY OF ROSEMEAD, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Assets:				
Cash and investments	\$ -	\$ 892,566	\$ 512,827	\$ 3,796,721
Receivables:				
Accounts receivable	-	-	17,660	-
Notes and loans	-	3,391,385	-	-
Accrued interest	-	6,626	1,543	27,627
Due from other governments	228,154	2,269	255,577	199,919
Total Assets	\$ 228,154	\$ 4,292,846	\$ 787,607	\$ 4,024,267
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 159,767	\$ 5,175	\$ 288,066	\$ (550)
Accrued liabilities	1,114	377	-	620
Deposits payable	-	-	46,665	-
Due to other funds	65,805	-	-	-
Retentions payable	-	-	-	-
Total Liabilities	226,686	5,552	334,731	70
Deferred Inflows of Resources:				
Unavailable revenues	-	214,615	-	-
Total Deferred Inflows of Resources	-	214,615	-	-
Fund Balances (Deficits):				
Restricted:				
Community services	1,468	4,072,679	-	-
Low and moderate income housing	-	-	452,876	-
Public works	-	-	-	980,300
Capital projects	-	-	-	3,043,897
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficits)	1,468	4,072,679	452,876	4,024,197
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 228,154	\$ 4,292,846	\$ 787,607	\$ 4,024,267

CITY OF ROSEMEAD, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Projects Fund	
	Clean Water Fund	Measure R CP	Total Governmental Funds
Assets:			
Cash and investments	\$ 917,578	\$ -	\$ 27,026,807
Receivables:			
Accounts receivable	-	-	25,660
Notes and loans	-	-	3,391,385
Accrued interest	7,082	-	197,600
Due from other governments	-	146,723	1,081,664
Total Assets	\$ 924,660	\$ 146,723	\$ 31,723,116
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):			
Liabilities:			
Accounts payable	\$ 98,499	\$ 35,218	\$ 1,823,936
Accrued liabilities	-	-	19,020
Deposits payable	-	-	46,665
Due to other funds	-	111,506	177,311
Retentions payable	4,751	-	72,437
Total Liabilities	103,250	146,724	2,139,369
Deferred Inflows of Resources:			
Unavailable revenues	-	99,072	313,687
Total Deferred Inflows of Resources	-	99,072	313,687
Fund Balances (Deficits):			
Restricted:			
Community services	-	-	4,523,845
Low and moderate income housing	-	-	452,876
Public works	821,410	-	10,974,779
Capital projects	-	-	13,417,633
Unassigned (deficit)	-	(99,073)	(99,073)
Total Fund Balances (Deficits)	821,410	(99,073)	29,270,060
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 924,660	\$ 146,723	\$ 31,723,116



CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,283,580	51,000	1,425,393	1,182,323
Charges for services	8,000	-	14,679	4,931
Use of money and property (loss on investments)	57,601	-	22,190	64,226
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,349,181	51,000	1,462,262	1,251,480
Expenditures:				
Current:				
General government	5,041	-	24,988	3,074
Public safety	45,584	-	-	16,667
Community development	-	-	-	-
Parks and recreation	-	-	49,567	-
Public works	681,407	-	747,282	515,582
Capital outlay	-	51,000	-	502,573
Total Expenditures	732,032	51,000	821,837	1,037,896
Net Change in Fund Balances	617,149	-	640,425	213,584
Fund Balances (Deficit), Beginning of Year	2,794,175	-	883,938	2,863,760
Fund Balances (Deficit), End of Year	\$ 3,411,324	\$ -	\$ 1,524,363	\$ 3,077,344

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Measure R	Measure M	Air Quality Management District	Street Lighting
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 195,288
Intergovernmental	886,486	1,002,806	66,282	1,250,248
Charges for services	-	-	-	-
Use of money and property (loss on investments)	57,618	69,355	8,453	64,533
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	944,104	1,072,161	74,735	1,510,069
Expenditures:				
Current:				
General government	2,934	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	34,251	22,702	118,263	983,125
Capital outlay	569,036	153,367	-	327,051
Total Expenditures	606,221	176,069	118,263	1,310,176
Net Change in Fund Balances	337,883	896,092	(43,528)	199,893
Fund Balances (Deficit), Beginning of Year	2,769,800	3,226,997	492,292	3,454,630
Fund Balances (Deficit), End of Year	\$ 3,107,683	\$ 4,123,089	\$ 448,764	\$ 3,654,523

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(CONTINUED)

	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)	2,082	318	2,235	5,804
Developer participation	48,814	8,003	55,868	237,933
Miscellaneous	-	-	-	-
Total Revenues	50,896	8,321	58,103	243,737
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	225,000
Total Expenditures	-	-	-	225,000
Net Change in Fund Balances	50,896	8,321	58,103	18,737
Fund Balances (Deficit), Beginning of Year	78,774	11,571	81,612	341,399
Fund Balances (Deficit), End of Year	\$ 129,670	\$ 19,892	\$ 139,715	\$ 360,136

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	881,162	44,447	520,694	1,140,893
Charges for services	6,577	-	488,873	-
Use of money and property (loss on investments)	-	15,571	4,041	61,445
Developer participation	-	-	-	-
Miscellaneous	-	-	4,391	-
Total Revenues	887,739	60,018	1,017,999	1,202,338
Expenditures:				
Current:				
General government	51,014	33,441	-	-
Public safety	-	-	-	-
Community development	499,445	-	995,645	-
Parks and recreation	30,235	-	-	-
Public works	-	-	-	29,121
Capital outlay	300,471	-	-	-
Total Expenditures	881,165	33,441	995,645	29,121
Net Change in Fund Balances	6,574	26,577	22,354	1,173,217
Fund Balances (Deficit), Beginning of Year	(5,106)	4,046,102	430,522	2,850,980
Fund Balances (Deficit), End of Year	\$ 1,468	\$ 4,072,679	\$ 452,876	\$ 4,024,197

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	
	<u>Clean Water Fund</u>	<u>Measure R CP</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 195,288
Intergovernmental	561,185	118,740	10,415,239
Charges for services	-	-	523,060
Use of money and property (loss on investments)	15,536	-	451,008
Developer participation	-	-	350,618
Miscellaneous	-	-	4,391
Total Revenues	576,721	118,740	11,939,604
Expenditures:			
Current:			
General government	-	-	120,492
Public safety	-	-	62,251
Community development	-	-	1,495,090
Parks and recreation	-	-	79,802
Public works	282,170	-	3,413,903
Capital outlay	95,588	139,424	2,363,510
Total Expenditures	377,758	139,424	7,535,048
Net Change in Fund Balances	198,963	(20,684)	4,404,556
Fund Balances (Deficit), Beginning of Year	622,447	(78,389)	24,865,504
Fund Balances (Deficit), End of Year	\$ 821,410	\$ (99,073)	\$ 29,270,060

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 State Gas Tax
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,794,175	\$ 2,794,175	\$ 2,794,175	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,486,500	1,486,500	1,283,580	(202,920)
Charges for services	8,000	8,000	8,000	-
Use of money and property	10,000	10,000	57,601	47,601
Amounts Available for Appropriations	4,298,675	4,298,675	4,143,356	(155,319)
Charges to Appropriation (Outflows):				
General government	6,500	6,500	5,041	1,459
Public safety	49,100	49,100	45,584	3,516
Public works	938,000	938,000	681,407	256,593
Capital outlay	1,019,500	2,201,500	-	2,201,500
Total Charges to Appropriations	2,013,100	3,195,100	732,032	2,463,068
Budgetary Fund Balance, June 30	\$ 2,285,575	\$ 1,103,575	\$ 3,411,324	\$ 2,307,749

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Local Transportation Sidewalk Grant
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	51,000	51,000	51,000	-
Amounts Available for Appropriations	51,000	51,000	51,000	-
Charges to Appropriation (Outflows):				
Capital outlay	51,000	51,000	51,000	-
Total Charges to Appropriations	51,000	51,000	51,000	-
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Proposition A
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 883,938	\$ 883,938	\$ 883,938	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,323,000	1,323,000	1,425,393	102,393
Charges for services	25,000	25,000	14,679	(10,321)
Use of money and property	5,000	5,000	22,190	17,190
Amounts Available for Appropriations	2,236,938	2,236,938	2,346,200	109,262
Charges to Appropriation (Outflows):				
General government	41,000	41,000	24,988	16,012
Parks and recreation	118,000	118,000	49,567	68,433
Public works	1,263,500	808,500	747,282	61,218
Total Charges to Appropriations	1,422,500	967,500	821,837	145,663
Budgetary Fund Balance, June 30	\$ 814,438	\$ 1,269,438	\$ 1,524,363	\$ 254,925

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Proposition C
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,863,760	\$ 2,863,760	\$ 2,863,760	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,097,000	1,097,000	1,182,323	85,323
Charges for services	-	-	4,931	4,931
Use of money and property	7,500	7,500	64,226	56,726
Amounts Available for Appropriations	3,968,260	3,968,260	4,115,240	146,980
Charges to Appropriation (Outflows):				
General government	9,700	9,700	3,074	6,626
Public safety	22,700	22,700	16,667	6,033
Public works	24,100	699,100	515,582	183,518
Capital outlay	1,300,000	3,436,000	502,573	2,933,427
Total Charges to Appropriations	1,356,500	4,167,500	1,037,896	3,129,604
Budgetary Fund Balance, June 30	\$ 2,611,760	\$ (199,240)	\$ 3,077,344	\$ 3,276,584

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Measure R
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,769,800	\$ 2,769,800	\$ 2,769,800	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	823,000	823,000	886,486	63,486
Use of money and property	7,500	7,500	57,618	50,118
Amounts Available for Appropriations	3,600,300	3,600,300	3,713,904	113,604
Charges to Appropriation (Outflows):				
General government	9,700	9,700	2,934	6,766
Public works	66,300	66,300	34,251	32,049
Capital outlay	690,000	3,101,000	569,036	2,531,964
Total Charges to Appropriations	766,000	3,177,000	606,221	2,570,779
Budgetary Fund Balance, June 30	\$ 2,834,300	\$ 423,300	\$ 3,107,683	\$ 2,684,383

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Measure M
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 3,226,997	\$ 3,226,997	\$ 3,226,997	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	932,000	932,000	1,002,806	70,806
Use of money and property	15,000	15,000	69,355	54,355
Amounts Available for Appropriations	4,173,997	4,173,997	4,299,158	125,161
Charges to Appropriation (Outflows):				
Public works	31,300	31,300	22,702	8,598
Capital outlay	1,256,000	3,943,000	153,367	3,789,633
Total Charges to Appropriations	1,287,300	3,974,300	176,069	3,798,231
Budgetary Fund Balance, June 30	\$ 2,886,697	\$ 199,697	\$ 4,123,089	\$ 3,923,392

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Air Quality Management District
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 492,292	\$ 492,292	\$ 492,292	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	70,000	80,000	66,282	(13,718)
Use of money and property (loss on investments)	2,000	2,000	8,453	6,453
Amounts Available for Appropriations	564,292	574,292	567,027	(7,265)
Charges to Appropriation (Outflows):				
Public works	122,600	122,600	118,263	4,337
Total Charges to Appropriations	122,600	122,600	118,263	4,337
Budgetary Fund Balance, June 30	\$ 441,692	\$ 451,692	\$ 448,764	\$ (2,928)

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Street Lighting
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 3,454,630	\$ 3,454,630	\$ 3,454,630	\$ -
Available for Appropriations (Inflows):				
Taxes	125,000	125,000	195,288	70,288
Intergovernmental	1,217,100	1,217,100	1,250,248	33,148
Use of money and property	10,000	10,000	64,533	54,533
Amounts Available for Appropriations	4,806,730	4,806,730	4,964,699	157,969
Charges to Appropriation (Outflows):				
Public works	1,013,600	1,013,600	983,125	30,475
Capital outlay	67,500	1,742,500	327,051	1,415,449
Total Charges to Appropriations	1,081,100	2,756,100	1,310,176	1,445,924
Budgetary Fund Balance, June 30	\$ 3,725,630	\$ 2,050,630	\$ 3,654,523	\$ 1,603,893

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Development Impact Fee Traffic
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 78,774	\$ 78,774	\$ 78,774	\$ -
Available for Appropriations (Inflows):				
Use of money and property	200	200	2,082	1,882
Developer participation	11,000	11,000	48,814	37,814
Amounts Available for Appropriations	89,974	89,974	129,670	39,696
Charges to Appropriation (Outflows):				
Capital outlay	50,000	50,000	-	50,000
Total Charges to Appropriations	50,000	50,000	-	50,000
Budgetary Fund Balance, June 30	\$ 39,974	\$ 39,974	\$ 129,670	\$ 89,696

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Development Impact Fee Public Safety
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 11,571	\$ 11,571	\$ 11,571	\$ -
Available for Appropriations (Inflows):				
Use of money and property	100	100	318	218
Developer participation	2,000	2,000	8,003	6,003
Amounts Available for Appropriations	13,671	13,671	19,892	6,221
Charges to Appropriation (Outflows):				
Capital outlay	10,000	10,000	-	10,000
Total Charges to Appropriations	10,000	10,000	-	10,000
Budgetary Fund Balance, June 30	\$ 3,671	\$ 3,671	\$ 19,892	\$ 16,221

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Development Fee General Government
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 81,612	\$ 81,612	\$ 81,612	\$ -
Available for Appropriations (Inflows):				
Use of money and property	300	300	2,235	1,935
Developer participation	13,000	13,000	55,868	42,868
Amounts Available for Appropriations	94,912	94,912	139,715	44,803
Charges to Appropriation (Outflows):				
Capital outlay	75,000	75,000	-	75,000
Total Charges to Appropriations	75,000	75,000	-	75,000
Budgetary Fund Balance, June 30	\$ 19,912	\$ 19,912	\$ 139,715	\$ 119,803

CITY OF ROSEMEAD, CALIFORNIA
Budgetary Comparison Schedule
Development Impact Fee Parks
For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 341,399	\$ 341,399	\$ 341,399	\$ -
Available for Appropriations (Inflows):				
Use of money and property	1,000	1,000	5,804	4,804
Developer participation	54,000	54,000	237,933	183,933
Amounts Available for Appropriations	396,399	396,399	585,136	188,737
Charges to Appropriation (Outflows):				
Capital outlay	300,000	300,000	225,000	75,000
Total Charges to Appropriations	300,000	300,000	225,000	75,000
Budgetary Fund Balance, June 30	\$ 96,399	\$ 96,399	\$ 360,136	\$ 263,737

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Community Development Block Grant
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (5,106)	\$ (5,106)	\$ (5,106)	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	2,243,100	2,243,100	881,162	(1,361,938)
Charges for services	12,000	12,000	6,577	(5,423)
Amounts Available for Appropriations	2,249,994	2,249,994	882,633	(1,367,361)
Charges to Appropriation (Outflows):				
General government	93,000	93,000	51,014	41,986
Community development	1,844,300	1,844,300	499,445	1,344,855
Parks and recreation	52,000	52,000	30,235	21,765
Capital outlay	265,800	596,400	300,471	295,929
Total Charges to Appropriations	2,255,100	2,585,700	881,165	1,704,535
Budgetary Fund Deficit, June 30	\$ (5,106)	\$ (335,706)	\$ 1,468	\$ 337,174

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Home Program
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 4,046,102	\$ 4,046,102	\$ 4,046,102	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	2,181,100	2,181,100	44,447	(2,136,653)
Use of money and property	-	-	15,571	15,571
Amounts Available for Appropriations	6,227,202	6,227,202	4,106,120	(2,121,082)
Charges to Appropriation (Outflows):				
General government	33,500	33,500	33,441	59
Community development	2,147,600	2,147,600	-	2,147,600
Total Charges to Appropriations	2,181,100	2,181,100	33,441	2,147,659
Budgetary Fund Balance, June 30	\$ 4,046,102	\$ 4,046,102	\$ 4,072,679	\$ 26,577

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Rosemead Housing Development Corporation
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 430,522	\$ 430,522	\$ 430,522	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	599,400	599,400	520,694	(78,706)
Charges for services	419,500	419,500	488,873	69,373
Use of money and property	10,000	10,000	4,041	(5,959)
Miscellaneous	4,700	4,700	4,391	(309)
Amounts Available for Appropriations	1,464,122	1,464,122	1,448,521	(15,601)
Charges to Appropriation (Outflows):				
Community development	1,023,600	1,023,600	995,645	27,955
Capital outlay	400,000	400,000	-	400,000
Total Charges to Appropriations	1,423,600	1,423,600	995,645	427,955
Budgetary Fund Balance, June 30	\$ 40,522	\$ 40,522	\$ 452,876	\$ 412,354

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Road Maintenance and Rehabilitation Account SB1
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,850,980	\$ 2,850,980	\$ 2,850,980	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	1,200,900	1,200,900	1,140,893	(60,007)
Use of money and property (investment loss)	10,000	10,000	61,445	51,445
Amounts Available for Appropriations	4,061,880	4,061,880	4,053,318	(8,562)
Charges to Appropriation (Outflows):				
Public works	34,300	34,300	29,121	5,179
Capital outlay	1,500,000	3,329,800	-	3,329,800
Total Charges to Appropriations	1,534,300	3,364,100	29,121	3,334,979
Budgetary Fund Balance, June 30	\$ 2,527,580	\$ 697,780	\$ 4,024,197	\$ 3,326,417

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Clean Water Fund
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 622,447	\$ 622,447	\$ 622,447	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	570,000	570,000	561,185	(8,815)
Use of money and property	1,000	1,000	15,536	14,536
Amounts Available for Appropriations	1,193,447	1,193,447	1,199,168	5,721
Charges to Appropriation (Outflows):				
Public works	530,000	530,000	282,170	247,830
Capital outlay	-	200,000	95,588	104,412
Total Charges to Appropriations	530,000	730,000	377,758	352,242
Budgetary Fund Balance, June 30	\$ 663,447	\$ 463,447	\$ 821,410	\$ 357,963

CITY OF ROSEMEAD, CALIFORNIA
 Budgetary Comparison Schedule
 Measure R CP
 For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (78,389)	\$ (78,389)	\$ (78,389)	\$ -
Available for Appropriations (Inflows):				
Intergovernmental	-	-	118,740	118,740
Amounts Available for Appropriations	(78,389)	(78,389)	40,351	118,740
Charges to Appropriation (Outflows):				
Capital outlay	-	26,854,000	139,424	26,714,576
Total Charges to Appropriations	-	26,854,000	139,424	26,714,576
Budgetary Fund Balance, June 30	\$ (78,389)	\$ (26,932,389)	\$ (99,073)	\$ 26,833,316

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

Governmental Activities - Internal Service Funds				
	Equipment Replacement	Technology Replacement	Public Facilities	Totals
Assets:				
Current Assets:				
Cash and investments	\$ 1,583,591	\$ 570,750	\$ 7,000,000	\$ 9,154,341
Receivables:				
Accounts	-	990	-	990
Interest receivable	4,359	617	-	4,976
Total Current Assets	1,587,950	572,357	7,000,000	9,160,307
Noncurrent Assets:				
Capital assets, net of accumulated depreciation	-	61,406	-	61,406
Total Noncurrent Assets	-	61,406	-	61,406
Total Assets	1,587,950	633,763	7,000,000	9,221,713
Net Position:				
Invested in capital assets	-	61,406	-	61,406
Unrestricted	1,587,950	572,357	7,000,000	9,160,307
Total Net Position	\$ 1,587,950	\$ 633,763	7,000,000	\$ 9,221,713

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Revenues, Expenses
And Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Technology Replacement	Public Facilities	Totals
Operating Expenses:				
Contractual services	\$ -	\$ 871	\$ -	\$ 871
Depreciation expense	-	1,521	-	1,521
Total Operating Expenses	-	2,392	-	2,392
Operating Loss	-	(2,392)	-	(2,392)
Nonoperating Revenues:				
Interest expense	10,382	1,861	-	12,243
Total Nonoperating Revenues	10,382	1,861	-	12,243
Income (Loss) Before Transfers	10,382	(531)	-	9,851
Transfers in	1,000,000	500,000	7,000,000	8,500,000
Change in Net Position	1,010,382	499,469	7,000,000	8,509,851
Net Position:				
Net Position, Beginning of the Year	577,568	134,294	-	711,862
Net Position, End of the Year	\$ 1,587,950	\$ 633,763	\$ 7,000,000	\$ 9,221,713

CITY OF ROSEMEAD, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			
	Equipment Replacement	Technology Replacement	Public Facilities	Totals
Cash Flows from Operating Activities:				
Cash paid to suppliers for goods and services	\$ -	\$ (1,861)	\$ -	\$ (1,861)
Net Cash Used by Operating Activities	-	(1,861)	-	(1,861)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	1,000,000	500,000	7,000,000	8,500,000
Net Cash Provided by Non-Capital Financing Activities	1,000,000	500,000	7,000,000	8,500,000
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(58,823)	-	(58,823)
Net Cash Used for Capital and Related Financing Activities	-	(58,823)	-	(58,823)
Cash Flows from Investing Activities:				
Investment earnings	7,322	1,533	-	8,855
Net Cash Provided by Investing Activities	7,322	1,533	-	8,855
Net Increase in Cash and Cash Equivalents	1,007,322	440,849	7,000,000	8,448,171
Cash and Cash Equivalents, Beginning of the Year	576,269	129,901	-	706,170
Cash and Cash Equivalents, End of the Year	\$ 1,583,591	\$ 570,750	\$ 7,000,000	\$ 9,154,341
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:				
Operating loss	\$ -	\$ (2,392)	\$ -	\$ (2,392)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	-	1,521	-	1,521
Increase in accounts receivable	-	(990)	-	(990)
Total Adjustments	-	531	-	531
Net Cash Used by Operating Activities	\$ -	\$ (1,861)	\$ -	\$ (1,861)

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>Debt Capacity</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>	120-127
1 Net Position by Component	
2 Changes in Net Position	
3 Fund Balances of Governmental Funds	
4 Changes in Fund Balances of Governmental Funds	
<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>	128-131
5 Assessed Value and Estimated Actual Value of Taxable Property	
6 Direct and Overlapping Property Tax Rates	
7 Principal Property Taxpayers	
8 Property Tax Levies and Collections	
<u>Debt Capacity</u>	
<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>	133-136
9 Direct and Overlapping Governmental Activities Debt	
10 Legal Debt Margin	
11 Pledged Revenue Coverage	
<u>Demographic and Economic Information</u>	
<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>	137-140
12 Demographic and Economic Statistics	
13 Principal Employers	
14 Top 25 Sales Tax Producers	
15 Full-Time and Part-Time Positions by Function	
<u>Operating Information</u>	
<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>	141-142
16 Operating Indicators by Function	
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)

	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	50,042,631	52,038,429	51,542,030	52,806,193	53,587,243
Restricted	3,110,688	3,419,068	4,005,847	4,387,055	3,554,634
Unrestricted	17,367,841	11,018,153	13,108,874	15,690,721	17,211,587
Total governmental activities net position	70,521,160	66,475,650	68,656,751	72,883,969	74,353,464

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

	2019	2020	2021	2022	2023
Governmental activities:					
Net investment in capital assets	50,882,552	48,825,863	47,444,803	47,464,095	49,863,061
Restricted	9,730,202	13,681,082	21,872,184	24,948,999	29,695,512
Unrestricted	17,483,422	17,754,529	18,627,063	22,020,342	34,915,640
Total governmental activities net position	78,096,176	80,261,474	87,944,050	94,433,436	114,474,213

CITY OF ROSEMEAD

Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
General government	4,271,354	2,739,281	3,218,363	3,705,685	4,554,063
Public safety	7,923,316	7,747,949	8,381,588	8,935,164	9,499,683
Public works	10,072,081	8,703,817	8,738,495	7,323,865	9,554,073
Community development	2,853,472	2,879,028	3,246,081	3,161,310	3,409,699
Parks and recreation	2,274,920	2,049,540	2,073,145	2,153,986	2,746,482
Interest and other charges	5,561	3,198	787	-	-
Total governmental activities expenses	<u>27,400,704</u>	<u>24,122,813</u>	<u>25,658,459</u>	<u>25,280,010</u>	<u>29,764,000</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	2,030,063	2,725,291	2,203,233	2,191,604	1,769,171
Public safety	1,586,557	1,573,532	1,563,652	1,565,275	1,787,151
Public works	4,356,486	4,627,331	4,360,908	4,232,311	5,208,427
Community development	1,632,508	1,915,557	2,352,137	2,523,350	4,265,255
Parks and recreation	724,197	713,484	741,171	788,931	828,038
Total governmental activities program revenues	<u>10,329,811</u>	<u>11,555,195</u>	<u>11,221,101</u>	<u>11,301,471</u>	<u>13,858,042</u>
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	<u>(17,070,893)</u>	<u>(12,567,618)</u>	<u>(14,437,358)</u>	<u>(13,978,539)</u>	<u>(15,905,958)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	8,667,709	9,034,141	9,158,499	8,643,019	9,128,934
Sales and use taxes	3,504,285	3,452,605	4,124,745	5,366,975	5,929,492
Transient occupancy taxes	1,593,640	1,575,401	1,998,954	2,213,286	2,326,863
Other taxes	1,307,280	1,247,941	1,209,249	1,224,230	1,313,699
Investment income	216,499	97,589	348,651	20,526	210,288
Other general revenues	604,053	793,680	945,372	737,721	647,888
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>15,893,466</u>	<u>16,201,357</u>	<u>17,785,470</u>	<u>18,205,757</u>	<u>19,557,164</u>
Changes in net position					
Governmental activities					
Total primary government	<u><u>\$(1,177,427)</u></u>	<u><u>\$ 3,633,739</u></u>	<u><u>\$ 3,348,112</u></u>	<u><u>\$ 4,227,218</u></u>	<u><u>\$ 3,651,206</u></u>

Source: City of Rosemead, Department of Finance

	2019	2020	2021	2022	2023
Expenses:					
Governmental activities:					
General government	4,205,482	4,003,674	4,659,583	5,285,495	4,916,281
Public safety	9,125,853	9,744,134	10,679,425	10,975,401	10,824,136
Public works	6,353,025	9,946,662	9,372,263	9,374,004	10,471,184
Community development	2,376,713	3,472,477	3,411,076	3,139,695	3,679,872
Parks and recreation	7,662,344	2,920,016	1,916,949	2,560,821	3,444,775
Interest and other charges	-	-	-	46,540	32,275
Total governmental activities expenses	29,723,417	30,086,963	30,039,296	31,381,956	33,368,523
Program revenues:					
Governmental activities:					
Charges for services:					
General government	819,371	658,428	1,516,276	957,346	2,111,739
Public safety	1,847,594	1,834,717	1,944,901	2,135,448	6,951,168
Public works	6,238,575	6,024,968	6,715,497	7,777,754	8,972,813
Community development	3,373,246	3,403,251	4,610,737	4,349,154	7,569,334
Parks and recreation	958,176	624,313	163,168	503,128	2,192,684
Total governmental activities program revenues	13,236,962	12,545,677	14,950,579	15,722,830	27,797,738
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	(16,486,455)	(17,541,286)	(15,088,717)	(15,659,126)	(5,570,785)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	9,566,800	9,942,183	10,740,563	10,881,809	11,750,041
Sales and use taxes	5,735,491	5,430,222	5,534,244	6,889,892	7,369,300
Transient occupancy taxes	2,314,723	1,785,219	1,405,397	2,097,700	2,312,408
Other taxes	1,329,822	1,346,327	1,378,550	1,594,759	1,802,904
Investment income	1,158,407	945,319	287,628	596,871	2,110,332
Other general revenues	123,924	257,314	40,151	99,978	266,577
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	20,229,167	19,706,584	19,386,533	22,161,009	25,611,562
Changes in net position					
Governmental activities					
Total primary government	\$ 3,742,712	\$ 2,165,298	\$ 4,297,816	\$ 6,501,883	\$ 20,040,777

Source: City of Rosemead, Department of Finance

CITY OF ROSEMEAD

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General fund:					
Nonspendable	140,893	143,560	187,247	765,218	853,920
Restricted	-	-	-	-	-
Committed	5,883,235	6,120,361	6,682,495	6,935,525	8,760,289
Assigned	65,343	78,280	83,513	63,298	79,798
Unassigned	11,607,595	10,128,160	11,514,894	11,270,958	10,790,274
Total general fund	17,697,066	16,470,361	18,468,149	19,034,999	20,484,281
All other governmental funds:					
Nonspendable	-	-	-	-	-
Restricted	3,110,688	3,419,068	4,005,847	4,376,257	3,554,634
Committed	-	-	-	-	1,912,732
Assigned	-	-	-	-	-
Unassigned	(1,192,926)	(1,643,527)	(832,005)	(639,510)	(31,024)
Total all other governmental funds	1,917,762	1,775,541	3,173,842	3,736,747	5,436,342

Source: City of Rosemead, Department of Finance.

	2019	2020	2021	2022	2023
General fund:					
Nonspendable	870,619	510,371	118,358	411,571	351,821
Restricted	-	-	-	-	-
Committed	7,667,401	8,896,317	7,985,332	10,169,989	15,000,933
Assigned	121,867	121,867	130,267	132,367	132,948
Unassigned	14,635,070	14,679,926	17,353,655	17,842,339	16,944,731
Total general fund	23,294,957	24,208,481	25,587,612	28,556,266	32,430,433
All other governmental funds:					
Nonspendable	-	-	-	-	-
Restricted	8,797,389	13,681,082	21,872,184	24,948,999	29,369,133
Committed	932,813	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(23,792)	(269,560)	(89,573)	(110,157)	(1,511,092)
Total all other governmental funds	9,706,410	13,411,522	21,782,611	24,838,842	27,858,041

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)

	2014	2015	2016	2017	2018
Revenues:					
Taxes	15,320,806	15,537,262	16,491,447	17,447,510	18,698,988
Intergovernmental	6,948,479	7,092,141	7,734,995	6,726,279	8,002,636
Licenses and permits	1,308,482	1,846,997	2,520,937	2,754,881	3,128,000
Charges for services	1,087,091	1,138,731	1,191,275	1,012,557	1,572,266
Fines, forfeitures and penalties	700,126	676,830	597,373	607,754	633,711
Development participation	-	-	-	-	28,591
Investment income	873,631	754,865	1,002,835	666,968	210,288
Other	61,690	114,074	71,152	231,545	566,338
Total revenues	26,300,305	27,160,900	29,610,014	29,447,494	32,840,818
Expenditures					
Current:					
General government	3,973,364	3,879,122	3,664,633	4,280,825	4,546,789
Public safety	7,913,659	8,156,485	8,452,932	9,060,840	9,318,858
Public works	6,184,890	6,348,101	6,346,179	6,499,220	6,554,648
Community development	2,846,112	3,150,240	3,323,933	3,385,455	3,279,088
Parks and recreation	2,157,424	2,071,443	2,123,274	2,300,906	2,386,463
Capital outlay	3,268,391	4,924,435	2,302,974	2,790,493	3,606,095
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	26,343,840	28,529,826	26,213,925	28,317,739	29,691,941
Excess (deficiency) of revenues over (under) expenditures	(43,535)	(1,368,926)	3,396,089	1,129,755	3,148,877
Other financing sources (uses):					
Transfers in	3,053,605	2,433,974	1,386,471	2,442,441	121,361
Transfers out	(3,053,605)	(2,433,974)	(1,386,471)	(2,442,441)	(121,361)
Capital leases	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	(43,535)	(1,368,926)	3,396,089	1,129,755	3,148,877
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.

	2019	2020	2021	2022	2023
Revenues:					
Taxes	18,946,836	18,503,951	19,082,069	21,470,510	23,234,653
Intergovernmental	8,588,211	8,179,055	11,041,044	10,582,249	19,318,247
Licenses and permits	2,636,026	2,115,419	2,492,893	3,332,016	4,514,893
Charges for services	1,653,095	1,204,638	489,269	1,247,997	1,625,895
Fines, forfeitures and penalties	622,221	612,080	598,032	577,616	594,978
Development participation	117,115	150,728	78,558	114,662	350,618
Investment income	1,158,407	905,039	778,295	369,785	1,883,246
Other	250,364	271,515	63,684	84,050	266,577
Total revenues	33,972,275	31,942,425	34,623,844	37,778,885	51,789,107
Expenditures					
Current:					
General government	4,077,516	3,768,562	4,587,158	5,477,022	5,067,987
Public safety	9,089,645	9,577,867	10,574,620	10,978,236	10,922,252
Public works	7,247,391	7,032,609	7,098,823	7,512,480	7,586,361
Community development	3,637,692	3,352,332	3,349,209	3,147,029	3,725,789
Parks and recreation	2,343,452	2,703,857	1,706,997	2,427,999	3,356,826
Capital outlay	495,838	888,559	941,577	2,389,245	5,657,289
Debt service:					
Principal	-	-	-	-	76,457
Interest and fiscal charges	-	-	-	-	2,780
Total expenditures	26,891,534	27,323,786	28,258,384	31,932,011	36,395,741
Excess (deficiency) of revenues over (under) expenditures	7,080,741	4,618,639	6,365,460	5,846,874	15,393,366
Other financing sources (uses):					
Transfers in	-	-	-	-	7,398,300
Transfers out	-	-	-	178,011	(15,898,300)
Capital leases	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	-	-	-	178,011	(8,500,000)
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	7,080,741	4,618,639	6,365,460	6,024,885	6,893,366
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.2%

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	
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	9.28%
2023	5,435,331,772	74,951,474	2,408,307	5,512,691,553	9.28%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	0.1182	0.1464	0.1468	0.1462	0.1458	0.1080	0.0751	0.0799	0.0907
El Monte Union High School	0.0980	0.0842	0.0916	0.0847	0.0824	0.0879	0.1097	0.0929	0.0765	0.0675
Garvey School District	0.0598	0.0595	0.0587	0.0607	0.0833	0.0871	0.0862	0.0843	0.0884	0.0857
Garvey-Alhambra	0.0315	0.0291	0.0291	0.0281	0.0481	0.0454	0.0366	0.0381	0.0299	0.0299
Los Angeles Community College District	0.0445	0.0402	0.0358	0.0360	0.0460	0.0462	0.0272	0.0402	0.0438	0.0249
Metropolitan Water District	0.0180	0.0180	0.0180	0.0230	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Montebello Unified School District	0.0946	0.0875	0.0872	0.1471	0.1351	0.1392	0.0931	0.0971	0.0903	0.1277
Pasadena Community College District	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077	0.0072	0.0055	0.0090	0.0087
Rio Hondo Community College District	0.0000	0.0282	0.0271	0.0281	0.0275	0.0255	0.0257	0.0136	0.0153	0.0154
Rosemead School District	0.1031	0.0989	0.1000	0.0853	0.1198	0.0926	0.0868	0.0746	0.1018	0.0987
San Gabriel Unified School District	0.1008	0.1144	0.1068	0.1053	0.1008	0.1056	0.0968	0.0986	0.1019	0.1027
Total Direct & Overlapping² Tax Rates	1.5694	1.6885	1.7093	1.7539	1.8273	1.8130	1.7073	1.6500	1.6662	1.6817
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	0.0928
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	0.0927	0.0927	0.0927	0.0927	0.0927	0.0928	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 prepaing 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 2013/14 - 2022/23 Combined Tax Rolls and HDL Coren & Cone

CITY OF ROSEMEAD**Schedule 7**

Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2023			2014		
	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	\$54,633,702	1	0.99%	\$47,173,985	1	1.27%
Walmart Real Estate Business Trust	42,874,734	2	0.78%	37,447,086	2	1.01%
Rosemead Hwang LLC	39,077,269	3	0.71%	29,428,000	3	0.79%
AFG Investment Fund 5 LLC	29,037,825	4	0.53%	25,023,940	4	0.67%
West Meadow Health Holdings LLC	23,841,480	5	0.43%	-	-	-
Golden State Water Company	22,495,744	6	0.41%	-	-	0.00%
Sunshine Inn	21,974,797	7	0.40%	10,738,534	10	0.29%
Metodo Investments LLC	21,833,789	8	0.40%	18,868,184	5	0.51%
420 Boyd Street LLC	20,523,801	9	0.37%	17,000,000	6	0.46%
Hunsaker Family Trust	17,708,950	10	0.32%	-	-	-
Citadel Panda Exoress Inc	-	-	-	15,916,502	7	0.43%
Macy's California Inc	-	-	-	14,221,531	8	0.38%
Shurl and Kay Curci Foundation Lessor	-	-	-	14,031,441	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
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%
2023	4,099,167	3,091,286	75.41%	-	3,091,286	75.41%

* Information not available.

Source: Los Angeles County Auditor Controller's Office



CITY OF ROSEMEAD

Direct and Overlapping Governmental Activities Debt
June 30, 2023

Schedule 9

	Total Debt	Percentage Applicable To City of Rosemead (1)	City's Share of Debt
Direct and Overlapping Tax and Assessment Debt			
* Metropolitan Water District	\$ 19,215,000	0.152%	29,207
Los Angeles Community College District	4,500,730,000	0.278%	12,512,029
Pasadena Area Community College District	51,995,000	2.346%	1,219,803
Alhambra Unified School District	67,504,695	11.712%	7,906,150
Montebello Unified District	248,196,585	1.523%	3,780,034
San Gabriel Unified School District	92,507,682	1.113%	1,029,611
El Monte Union High School District	233,302,715	13.825%	32,254,100
Garvey School District	56,673,063	50.918%	28,856,790
Rosemead School District	51,669,021	67.684%	34,971,660
Total Direct and Overlapping Tax and Assessment Debt			122,559,384
Overlapping General Fund Debt			
Los Angeles County General Fund Obligations	2,601,551,282	0.291%	7,570,514
Los Angeles County Superintendent of School Certificates of Participation	3,403,487	0.291%	9,904
Pasadena Area Community College District Certificates of Participation	28,785,000	2.346%	675,296
Montebello Unified School District Certificates of Participation	4,615,000	1.523%	70,286
El Monte Union High School District General Fund Obligations	9,905,000	13.825%	1,369,366
Los Angeles County Sanitation District No. 2 Authority	776,732	0.003%	23
Los Angeles County Sanitation District No. 15 Authority	795,080	6.518%	51,823
			9,747,214
Overlapping Tax Increment Debt (Successor Agency)	17,860,000	100%	17,860,000
Subtotal Overlapping Debt			150,166,598
City of Rosemead Direct Debt			391,153 (2)
Total Direct and Overlapping Debt			150,557,751 (3)

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

(2) Details regarding the City's direct debt can be found in the notes to the financial statements.

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

CITY OF ROSEMEAD
Legal Debt Margin Information
Last Ten Fiscal Years

	2013-14	2014-15	2015-16	2016-17	2017-18
Assessed valuation	3,725,310,320	3,879,248,441	4,077,097,445	4,337,892,775	4,525,131,407
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	931,327,580	969,812,110	1,019,274,361	1,084,473,194	1,131,282,852
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	139,699,137	145,471,817	152,891,154	162,670,979	169,692,428
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	139,699,137	145,471,817	152,891,154	162,670,979	169,692,428
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

	2018-19	2019-20	2020-21	2021-22	2022-23
Assessed valuation	4,745,176,577	4,960,200,386	5,175,006,979	5,306,456,661	5,593,810,961
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,186,294,144	1,240,050,097	1,293,751,745	1,326,614,165	1,398,452,740
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	177,944,122	186,007,514	194,062,762	198,992,125	209,767,911
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	177,944,122	186,007,514	194,062,762	198,992,125	209,767,911
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
Pledged-Revenue Coverage
Last Ten Fiscal Years

Schedule 11

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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
2023	2,801,429	2,530,000	886,750	0.82

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

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽³⁾	Median Age ⁽³⁾
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
2022-23	50,022	1,237,499	24,739	4.60%	41.8

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	2023			2014		
	Number of Employees	Rank	Percent of Total Employment ¹	Number of Employees	Rank	Percent of Total Employment ²
Southern California Edison	2,722	1	11.68%	4,100	1	17.08%
Garvey School District	881	2	3.78%	804	2	3.35%
Panda Restaurant Group, Inc.	647	3	2.78%	400	3	1.67%
Wal-Mart	594	4	2.55%	389	4	1.62%
Rosemead School District	329	5	1.41%	337	5	1.40%
Target	200	6	0.86%	200	6	0.83%
Hemetic Seal Corporation	120	7	0.52%	189	7	0.79%
Lucille's	100	8	0.43%	-	-	-
University of the West	100	9	0.43%	-	-	-
Don Bosco Tech	80	11	0.34%	90	8	0.38%
Olive Garden	-	-	-	115	9	0.48%
Double Tree	100	10	-	100	10	0.42%

¹ Based upon Employment Development Department's estimate of 24,000 residents employed - June 2014² Based upon Employment Development Department's estimate of 23,300 residents employed - June 2023

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

2023		2014	
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
AutoZone	Automotive Supply Stores	Bed Bath & Beyond	Home Furnishings
Beacon Roofing Supply	Building Material	CH Auto	Used Automotive Dealers
Boiling Crab	Casual Dining	Circle K	Service Stations
Carbeeco	Used Automotive Dealers	CVS Pharmacy	Drug Stores
Circle K	Service Stations	Dunn Edwards Paint	Paint/Glass/Wallpaper
Fastrack Auto	Used Automotive Dealers	East Gourmet Seafood	Casual Dining
In N Out Burger	Quick-Servie Restaurants	In N Out Burger	Quick-Service Restaurants
Ji Rong Peking Duck	Casual Dining	Macys	Department Stores
Lucille's Smokehouse Bar-B-Q	Casual Dining	Mbest Co	Heavy Industrial
Macy's	Department Store	Mc Donalds	Quick-Service Restaurants
McDonald's	Quick-Servie Restaurants	Mc Donalds	Quick-Service Restaurants
McDonald's	Quick-Servie Restaurants	Olive Garden	Casual Dining
Olive Garden	Casual Dining	Panda Express	Fast-Casual Restaurants
Panda Express	Fast-Casual Restaurants	Rosemead Mobil	Service Stations
Rosemead Valley Mart Mobil	Service Stations	Rosemead Valley Mart Mobil	Service Stations
Ross	Family Apparel	Sea Harbour Seafood	Casual Dining
Shell	Service Stations	Shell	Service Stations
T Mobile	Electronics/Appliance Stores	T Mobile	Electronics/Appliance Stores
Target	Discount Dept Stores	Target	Discount Dept Stores
Ulta Beauty	Specialty Stores	TGI Fridays	Casual Dining
Walmart Supercenter	Discount Dept Stores	USA Gasoline	Service Stations
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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	10	11	12	12	12	13	14	15	19	19
Public safety ¹	7	6	6	7	7	3	3	8	8	6
Community development	6	6	7	7	7	10	11	6	5	7
Public works	20	20	20	20	21	23	23	21	21	25
Parks and recreation	10	10	8	9	9	8	9	8	8	9
Total	53	53	53	55	56	57	60	58	61	66

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Arrests	1,356	1,585	1,339	1,046	1,256	1,817	2,649	2,966	1,404	1,867
Parking citations issued	16,110	7,863	8,047	7,676	8,086	6,244	7,898	9,472	7,725	7,501
Fire:										
Number of emergency calls	2,823	3,212	3,352	3,206	3,822	2,823	2,789	2,803	6,098	4,420
Inspections	2,026	2,793	2,564	2,311	2,430	2,288	2,267	2,256	2,132	1,264
Public works:										
Street resurfacing (miles)	1.60	0.55	1.00	0.70	0.80	1.00	0	0	4.6	1.92
Parks and recreation:										
Number of recreation classes	724	839	871	873	707	631	387	210	491	617
Number of facility rentals	4,005	2,607	3,070	6,226	3,679	2,508	2,387	1,244	2,797	3,191

Source: City of Rosemead

CITY OF ROSEMEAD**Schedule 17**

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	81.9	81.9	81.8	81.8	81.8	81.8	81.8	81.8
Streetlights	2,712	2,712	2,712	2,712	2,511	2,511	2,511	2,511	2,684	2,684
Traffic signals	42	42	41	42	42	42	42	42	43	43
Parks and recreation:										
Parks	10	10	10	10	11	12	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